



Review of Regional Waste Management Groups

Draft Future Directions Paper – Question & Answers – November 2009

We understand that these Questions & Answers do not cover every possible scenario or individual circumstance and are accurate based on the information we had at the time. We understand that this information may be subject to change based on further investigation/clarification of related documents. Should you have any queries relating to these Questions & Answers or any that are not covered in this document please contact Michelle Ogulin on 03 8626 8770.

PURPOSE OF THE REVIEW OF REGIONAL WASTE MANAGEMENT GROUPS (RWMG)

Q1 Why was the Review undertaken

This is the third review of RWMGs and an extension of Department of Sustainability and Environment (DSE) Review from 2007. The other previous reviews were the Batagol Review (2001) and the Sharplin Review (2003).

The objective of this Review is to propose future structural, funding, governance and operational arrangements for RWMGs to improve regional Victoria's capacity to deliver on the Government's *Towards Zero Waste Strategy* (TZW).

The intention is also to ensure that regional local governments can offer cost effective waste management services to their communities.

It is an evidence-based Review focusing on the state of waste in regional Victoria and the barriers and opportunities to strengthen regional Victoria's capacity to deliver on TZW.

REGIONAL BUSINESS UNITS (RBU) OF SUSTAINABILITY VICTORIA

Q2 Why has the Regional Business Units (RBU) model been recommended?

The RBUs represent a step change in waste management across Victoria and, equally important, provide for a stronger relationship and partnership between local and state government.

The model extends the role of regional waste bodies from municipal solid waste (MSW) into commercial and industrial (C&I) and construction and demolition (C&D) as part of a statewide, market driven resource recovery framework.

The seven RBU regions are designed around the large waste generating centres within regional Victoria and the key transport corridors (see attached concept map). This will increase the opportunities to gather viable volumes of waste for reprocessing, reduce transport costs and provide the opportunity to establish reprocessing facilities within regions that are appropriately sized to meet the region's needs while providing waste products directly to local markets.

It strengthens Victoria's capacity to achieve the objectives of TZW through the:

- > continued provision of local resources to deliver programs
- > continued involvement of local government in decision-making for each region; and
- > support of the government's key delivery agency in sustainability and waste management.

The RBUs maximise economies of scale and opportunities for reprocessing and the establishment of markets for waste products.

The model also enables a coordinated approach to resource recovery across the state and provides the opportunity for local governments and other agencies, through the RBUs, to deliver government programs deep into regional Victoria. It also allows for these programs to be customised by the RBUs to meet the specific needs of diverse regional communities, rather than a “one-size fits all” approach.

Q3 How will the Regional Management Committees (RMC) be established?

The establishment of the RMCs, their composition and roles and responsibilities will be enshrined in the Sustainability Victoria Act.

The committees will comprise representatives from each local government in each of the seven regions. These representatives will be nominated by local governments. There will also be a representative from Sustainability Victoria’s Executive, at general manager level, to ensure that each RMC is able to make decisions with the full support of Sustainability Victoria at their meetings.

The committees will be chaired by a local government councillor. Should the committees identify a skills gap, e.g. in the areas of legal, financial or waste expertise, then they can seek expressions of interest from suitably qualified people to join their committee.

Q4 What is the role of the RMCs?

Similar to the role of the current RWMGs, the role of the RMCs will be to:

- > provide waste planning advice to local and state government and industry
- > work with their communities to achieve behaviour change across all three streams of waste
- > provide practical advice to local governments, industry and their communities on waste minimisation, resource recovery, reprocessing and best practice
- > foster markets for waste stream products
- > deliver waste and related Sustainability Victoria programs to regional Victoria that are customised to meet the needs of each region; and
- > achieve consistency in resource recovery including kerbside, resource recovery centres and public place recycling.

The RMCs will report to the Sustainability Victoria Board.

Q5 How will the RMCs determine their waste plans and activities for each year?

Each year, as part of Sustainability Victoria, each RMC and the staff of the RBU will be involved in shaping the Sustainability Victoria business plan and, in particular, its objectives for regional Victoria. The business plan will include a strong focus on meeting the needs of regional Victoria.

As the development of the Sustainability Victoria business plan nears its final stages, each RMC, supported by its RBU, will develop its regional implementation plan to operationalise and customise the Sustainability Victoria business plan to meet the needs of its region. The regional implementation plan will be primarily focused on the delivery of TZW.

In developing the regional implementation plan, each RMC will be able to draw on the programs developed through Sustainability Victoria’s business plan and customise them to reflect the particular needs and characteristics of their region.

Funding of these plans will be negotiated within Sustainability Victoria as part of the preparation of each year’s budget.

When finalised, each RMC will approve their plans and will submit them to the Sustainability Victoria Board for endorsement in much the same way RWMGs currently submit their business plans to Sustainability Victoria for comment and refinement prior to them being submitted to the Minister for approval.

Each RMC will then oversee the delivery of their plan.

Q6 In what way does this represent a “step change” for regional Victoria?

Currently, RWMGs are statutory authorities with state government funding to support their staffing and core functions. Some local governments contribute funding to support the operations of RWMGs and

many provide funding to support the delivery of programs to meet the resource recovery needs of their region.

To be successful, the RBU model requires a qualitatively different relationship between local and state government. The state government will provide the funds to support the staffing and operations of the RBUs. Where they consider it appropriate, local governments may provide funding for specific local or regional projects to deliver clear resource recovery or reprocessing outcomes for their region.

In addition, each RBU will have the opportunity to deliver relevant Sustainability Victoria programs customised to meet their region's specific needs.

Q7 Will the RBU model affect the decision-making powers of local governments?

Yes and no. Local government decision-making powers in relation to municipal waste will remain unchanged. However, local governments will have the opportunity to influence strategies to improve the recovery and reprocessing of C&I and C&D waste under this new model.

In addition, local governments will have the opportunity to influence the allocation of funding for state government waste programs so they are better able to respond to the needs of their region.

Q8 Will the RBU model give Sustainability Victoria the power to close waste facilities in regional Victoria?

Sustainability Victoria has no authority to close any resource recovery centres or landfills in Victoria. As is the case under current arrangements, local governments are largely responsible for ownership and management of landfills and resource recovery centres in regional Victoria. Under the regional business unit model proposed in the draft Future Directions Paper, control, ownership and responsibility for waste facilities will be retained by local government.

Q9 How will the RMC and RBUs be supported to expand into C&I and C&D and what will be their role?

RMCs and RBUs will be supported by C&I and C&D experts from within Sustainability Victoria.

Within their region, it will be up to each RMC to determine how best to obtain advice about C&I and C&D. One option suggested during the consultation, would be to establish an expert group from the region's waste industry in much the same way as the current RWMGs are supported by waste technical advisers from each local government.

At this stage, it is not proposed to include representatives from the waste industry on the RMCs due to the potential for ongoing conflicts of interest which would significantly affect the ability of such members to contribute to the decision-making of the RMCs.

Q10 How will the RBUs be established and what will be their role?

The RBUs will be established in consultation with the RMCs. Each RMC chair will be part of the committee to select the staff members for the RBU.

Each RBU will comprise at least one regional manager, a facilitator (whose role will be to work on-the-ground with industry, local governments and regional communities to foster innovation in resource recovery and to support the development of markets for waste products), and a regional education officer (REO).

Depending on the geographic size of their region and their waste generation capacity, some regions may have additional REOs or an additional facilitator; or conversely, in the case of Mildura, one regional manager/facilitator and one REO.

The role of the RBUs will be to deliver their regional implementation plan guided by their RMC and supported by other Sustainability Victoria staff. Each RBU regional manager will report directly through to the same general manager in Sustainability Victoria as well as working closely with their RMC chair.

Q11 Will the RMCs have the same decision-making powers of the current RWMG Boards?

The current role of the RWMGs is to:

- > plan for the management of MSW in consultation with local governments
- > coordinate the activities of its members in the region to give effect to its policies, strategies and plans; and
- > facilitate and foster best practice in waste management.

As RMCs, the members of the committees, supported by the staff of the RBUs, will continue to perform these

functions. In addition, they will have responsibility for delivering relevant Sustainability Victoria programs to their region, strengthening their capacity to make a difference on-the-ground.

Q12 Some RWMGs have expressed concern about their current relationship with Sustainability Victoria. The question has been asked: How will this new model change this for the better?

When Sustainability Victoria was formed by the amalgamation of EcoRecycle Victoria and the Sustainable Energy Authority of Victoria, its remit was increased by two-thirds. Therefore, it wasn't possible for a staff member to attend every RWMG board meeting. However, Sustainability Victoria offered to attend any meeting of any RWMG board where there were specific matters the board needed to discuss with them. Many staff within Sustainability Victoria have also developed strong relationships with local government officers as they work together to deliver projects for regional Victorians.

That said, Sustainability Victoria recognises that it doesn't have the same level of expertise and on-the-ground knowledge of the needs of each region as local governments, industry and communities do.

The integrated RBU model draws on the knowledge and local expertise of regional Victorians and supports them to deliver more and better programs to regional Victoria by supporting them with expertise and resources from the state's key sustainability delivery agency.

The Board and Executive of Sustainability Victoria recognise the importance of developing stronger relationships with local governments and regional Victorians, and the critical importance of building greater trust between regional local governments and Sustainability Victoria to the success of this model.

Q13 How can large RBUs, such as the Highlands/Grampians/Desert Fringe region be managed effectively?

This will be up to each RMC to determine. However, where there is a large region that has a large regional centre (such as Ballarat) but also small rural communities, it has been suggested through the consultations, that the responsible RMC might divide the region into two sub-districts. Under such a proposal, the chair of the RBU could sit as the chair of both sub-districts to ensure continuity and consistency of programs. The use of sub-districts would allow the specific issues of both large centres and rural areas to be adequately addressed while still being part of a large region. The priorities of each sub-district could then be addressed in the RBU's regional implementation plan.

Q14 Why can't these barriers and opportunities be addressed by changes within the existing statutory authority model?

The current RWMGs face a range of challenges including unviable waste volumes, transport costs, lack of market development expertise, increasing demands for broader information and assistance from their communities (including in the areas of energy and water) and substantial governance and administrative demands and costs associated with their status as statutory authorities.

The new model is formed around the large waste generating centres in regional Victoria, providing the opportunity to maximise waste volumes, reprocessing capacity and delivery of products to local and national markets. This doesn't mean that what suits the large regional centres and surrounding councils will be applied to more rural areas. Resource recovery and market solutions will be crafted to meet the particular characteristics and waste streams within those areas of the region.

In a cost-neutral environment, the RBU model also provides the opportunity to maintain and expand the role of regional waste bodies through the support of Sustainability Victoria by reducing governance and administrative overheads and providing access to Sustainability Victoria's waste-related programs while still providing local and regional delivery by people from those communities.

REGIONAL WASTE PLANNING UNDER THE RBU MODEL

Q15 What is the Regional Municipal Solid Waste Plan (RMSWP)

It is proposed that the RMSWP replaces the 12 individual regional waste management plans (RWMP). It will be a five-year plan for Victoria and each RBU's regional implementation plan will reflect its directions.

The RMSWP will complement the Solid Industrial Waste Management Plan (SIWMP) and the Metropolitan Waste and Resource Recovery Strategic Plan (MWRSP) and will include a landfill schedule for all of regional Victoria. The landfill schedule will be developed in conjunction with the EPA.

It is proposed that the EPA's responsibility for approving the landfill schedule be enshrined in the *Environment Protection Act 1970* to reflect its continuing responsibilities for overseeing the planning for and management of landfill and reprocessing facilities across the state.

The purpose of the RMSWP is to plan for MSW in regional Victoria, including a landfill schedule. The plan will have targets for municipal waste reduction across the state, and each RBU will be expected to plan, through their regional implementation plan, activities to meet the targets.

The RMSWP will also plan for major state-wide waste and resource recovery initiatives including state-wide education and advertising programs, standardisation of kerbside recovery activities across the state and higher technology waste processing infrastructure.

The first RMSWP will be developed during 2010-11. Each region will have a section, much like the Department of Planning and Community Development's Regional Plans, to enable regional differences and needs to be accurately addressed.

The RMSWP's development will be managed within Sustainability Victoria and will be overseen by a steering committee from the RBUs. The development of a single, cross-regional, state-wide municipal resource recovery plan removes the need for 12 separate RWMPs, reduces duplication and improves state-wide coordination for managing MSW.

Q16 What is the Regional Implementation Plan?

The regional implementation plan replaces the annual business plan of each RWMG. The regional implementation plan will be based on Sustainability Victoria's business plan, the SIWMP and, once it is approved, the RMSWP.

The implementation plan will include:

- > local priority projects for each financial year for MSW, C&I and C&D (including infrastructure, education and research projects and activities) and information on how projects link to the SIWMP and eventually the RMSWP
- > resource requirements (financial and human) to complete projects and activities
- > annual performance measures and tracking of previous years' performance against targets; and
- > review and assessment plan for assessing project successes/failures.

Q17 Would RWMPs still need to be developed?

No. As indicated above, a 5 year, state-wide municipal plan – the Regional Municipal Solid Waste Plan - will be developed for regional Victoria that specifies major waste and recycling projects and activities for the municipal sector.

Q18 Is there any point in having current RWMPs approved before the outcome of the Review of RWMGs?

It is recommended that RWMGs continue on as usual with the development and approval of RWMPs. Should the RBU model be adopted, it is expected that each RWMP will inform the development of the RMSWP.

Q19 What is the link with the implementation plan with the Solid Industrial Waste Management Plan?

As RBUs will be responsible for planning for all three streams of waste (C&I, C&D and MSW), the regional implementation plans will need to refer to the SIWMP so that projects and activities meet the state-wide management and solid waste reduction targets for industrial waste.

FUNDING FOR THE RBUs

Q20 What will happen to the \$2.7m currently provided by the Victorian Government to support the RWMGs and the gap funding under the RBU model?

The purpose of this Review was to identify the structural, funding, governance and operational model to improve regional Victoria's capacity to deliver on TZW. It is being undertaken within a cost-neutral environment.

All of the \$2.7m currently allocated to the RWMGs will be allocated to staffing and operations of the RBUs. However, the gap funding was only extended for the 2009-10 year to enable the completion of this Review. There is no further gap funding available for future years.

RBUs will also have more influence over the shape of relevant Sustainability Victoria programs and the opportunity to deliver some of them. In addition, RBUs will, within the limits of Sustainability Victoria's budget, be able to access funding to support the delivery of those waste and related programs to their region.

Further, there will be reduced governance and administrative requirements for RBUs as Sustainability Victoria will absorb many of the current governance and administrative costs borne by the RWMGs, thereby freeing up the time of local and regional staff to work with local governments, industry and their communities to deliver on TZW.

EMPLOYMENT RELATED MATTERS

Q21 How will the employment conditions of the current staff of RWMGs be managed through the transition to RBUs?

- > Where a role and the number of such roles remain unchanged, those staff members will be confirmed into those roles within the new structure.
- > Where a role is substantially changed, at the very least, an internal expression of interest process (in this case involving RWMG and Sustainability Victoria staff) needs to be conducted to place staff within the new roles.
- > Should an existing RWMG staff member be unsuccessful in obtaining a role in that process, then the standard Victorian Public Service (VPS) redeployment process will be offered to that individual. This process includes support during a 3 month period to find another role in the Victorian Public Service at the same level and in the same locale, where possible. Then, if that is unsuccessful, support will be provided to find a similar role at a lower classification (where current salary and conditions maintenance may be available for a period of up to 6 months and only if employed within the Victorian Public Service). If these attempts are unsuccessful then the staff members will be offered a Targeted Separation Package (TSP).
- > Should any of the positions remain unfilled following completion of this process, the remaining roles may be advertised externally.

Q22 Are the responsibilities of regional education officers (REO) likely to change?

The current responsibilities and locations of REOs expect to remain unchanged. However, some REOs may have one or two different councils to work with, depending on the final boundaries of the seven districts.

Q23 Do REOs need to re-apply for their positions?

No. While there may be an expansion of role to cover energy and water education, as indicated in Q20 above, when the substantial duties and responsibilities of a role and the number of such roles are unchanged, the present incumbent shall be appointed directly to the position and shall not have to reapply.

Q24 Are executive officers (EO) expected to reapply for their positions?

Yes. Where substantial duties and responsibilities are changed, the positions need to be advertised internally in Sustainability Victoria (including RWMGs) and appointments will be made on the basis of merit. Consistent with employment principles outline in the Public Administration Act 2004 and the State Services Authority Best Practise Recruitment and Selection, the positions of managers and facilitators within the regional business units (RBU) will be subject to an internal expression of interest process involving existing RWMG and Sustainability Victoria staff.

Q25 Are the responsibilities of the RBU managers different from the current EO responsibilities? Would remuneration change with a change in responsibility?

The responsibilities of the RBU managers will differ from current EO roles. Responsibilities for governance will reduce, however, managers will still be expected to provide relevant information to Sustainability Victoria's finance and governance areas when requested, such as information for annual reports, financial accounting and business planning.

Managers will have responsibility for managing a small team and for developing and overseeing, in conjunction with the relevant management committee, a regional implementation plan. The RBU managers will be expected to provide executive support to their relevant management committee and will also participate in hiring people for REO and market development facilitator positions.

The manager will also work with the central Sustainability Victoria office to determine the best ways to provide Sustainability Victoria and broader Victorian Government programs to regional Victoria.

Remuneration for managers will be at similar levels to current EO salaries and position descriptions will be drafted following approval of the RBU model.

Q26 Should there be a freeze on employing new people to RWMGs until the Review is completed?

SV is not in a position to advise on this matter. RWMGs need to make their own judgements on whether to hire staff before the Review is completed.

Q27 By moving into Sustainability Victoria, do RWMGs lose any conditions currently applied under the RWMG enterprise bargaining agreement?

We recognise that the terms and conditions of employment outlined in the Metropolitan and Regional Waste Management Groups Agreement 2007 and the Victorian Public Service Agreement 2006 (2009 Extended and Varied Version) are similar; as a result it is expected that all RWMG employees will transfer to the VPS Agreement and will retain their accrued entitlements.

Q28 What are our obligations to the unions with the restructure of RWMGs?

In meeting the requirements of the Implementation of Change clause in both Agreements, Sustainability Victoria is required to notify the Association of Professional Engineers, Scientists and Managers (APESMA), the Australian Services Union (ASU) and the Community and Public Sector Union (CPSU) of the proposed changes as soon as practicable after the proposal has been made.

On 4 September 2009, a preliminary meeting between the CEO of Sustainability Victoria and representatives from the three unions was held to advise them of the release of the Future Directions Paper and the proposed RBU model.

In order for these changes to occur, Sustainability Victoria will need to formally advise all three unions notifying them of the likely effects on the Employees' working conditions and responsibilities, rationale and the intended benefits of any change. Relevant timeframes and consultation as outlined in the Implementation of Change clause will apply.

Q29 At what level within the Sustainability Victoria organisational chart will the regional managers be positioned?

It is anticipated that regional managers will sit within the Leadership Team of Sustainability Victoria, with a direct report to the Executive Team. REOs and the market development facilitators would report to a regional manager within, and sit under, the Sustainability Victoria Leadership Team.

Q30 When are the changes likely to occur and what will this mean?

If the proposed RBU model in the Future Directions Paper is approved all RWMG employees will become Sustainability Victoria employees under the VPS Agreement effective 1 July 2010 and the changes and processes proposed will commence from this date.

RBU IMPLEMENTATION AND OPERATION

Q31 Will RBUs be responsible for all three streams of waste?

Yes. Prescribed wastes will remain the responsibility of EPA.

Q32 Would the RBU offices be co-located with other departments/organisations such as DSE, catchment management authorities etc?

Possibly. Sustainability Victoria will look to co-locate when RBU offices are located in towns where there are other government offices. Co-locating would be preferred (where possible) to maximise use of shared resources and existing infrastructure.

Currently, the North Eastern RWMG is co-located within a government centre in Wangaratta and several other RWMGs are co-located within member council offices.

Q33 What will be the membership of the RMCs?

The RMCs will comprise a representative from each local government area located within the region, nominated by those local governments. The committee will also include a representative from Sustainability Victoria and skills based appointees as deemed necessary by the committee, should those required skills not be present in the local government composition.

The committee will be chaired by a local government councillor.

Q34 Will committee members be paid sitting fees?

Yes. This will need to be included in the Sustainability Victoria Act.

Q35 Would assets belonging to each RWMG (including cash), as well as liabilities (leases etc) be carried over to each RBU or would this be absorbed by SV?

The current liabilities of each local government will remain with each local government.

Assets accumulated by RWMGs as a direct result of landfill levy income will transfer to Sustainability Victoria at the commencement of the RBU model. However, consistent with any liabilities, any cash assets provided by local government for projects will be allocated to the project budgets of the RBU, where that local government is a member, for continuation of that project.

Operational liabilities, such as leases, will be paid for from the state government funded assets of the existing RWMG.

Q36 Would grants and funding already allocated to RWMGs remain with the corresponding RBU?

Yes, projects for which RWMGs have been successful in gaining funding support for will transfer to the new RBU.

Q37 Will advanced waste technologies be pursued in regional Victoria under the RBU model?

There may be opportunity to identify and assess higher order processing facilities for regional Victoria, similar to the Victorian Advances Resource Recovery Initiative (VARRI) process for Melbourne.

Q38 Will all regions have to move immediately to provide advice on energy and water to their communities?

No. In the first instance, we are proposing to focus on expanding the role of the RBUs into C&I and C&D and to get that right.

Then, when each region is ready, there will be the opportunity to extend programs and advice into energy and water.

Regional Business Units

