

ADVANCED WASTE PROCESSING- MEMORANDUM OF UNDERSTANDING – BRIEFING NOTE

As Melbourne's population grows so does its volumes of waste. If we don't look for new ways to manage our waste, we'll be sending 65% more municipal residual waste to landfill by 2046. Thus it is critical that we look at new ways of recovering resources and managing our waste, including the resources still contained in the residual waste currently sent to landfill.

Establishing Advanced Waste Processing as part of a resilient, effective waste and resource recovery sector has the potential to sustainably boost resource recovery and reduce the amount of waste sent to landfill in line with the Metropolitan Waste and Resource Recovery Implementation Plan (Implementation Plan) and council strategic plans.

- MWRRG has been funded by the Sustainability Fund to develop regional and cluster specific business cases to provide the evidence base for procuring AWP solutions in metropolitan Melbourne. Released in October 2018, the Metropolitan Regional Business Case for AWP demonstrated that: Advanced waste processing can limit the amount of household waste being sent to landfill and achieve the 25% recovery objective as set out in the Implementation Plan.
- Food and garden organics recycling is important, but on its own will not achieve Implementation Plan objectives.
- Some form of energy recovery will be required to achieve the business case objectives.
- Advanced waste processing will deliver better environmental and social benefits compared to landfill.
- The private sector has shown strong interest in establishing new advanced waste processing infrastructure in Melbourne.
- Councils are keen to explore options to divert residual municipal waste from landfill.
- Councils want to understand the benefits of advanced waste processing as a potential alternative to managing municipal waste.
- Aggregation of waste by councils will be key to driving investment by the private sector.
- MWRRG's current contract model is not suited to contracts that require substantial private sector investment in new infrastructure.
- Councils can drive investment and achieve greater control of service outcomes by adopting a new procurement and contract approach.
Significant private investment in infrastructure could be attracted to Victoria if the right framework for investment is established.

The executive summary and complete business case can be found on the MWRRG website at mwrrg.vic.gov.au/procurement/advanced-waste-processing/

Following the release of a business case for Melbourne's south east cluster in March 2019, sixteen councils have formally advised that they intend to join the South East procurement for Advanced Waste Processing (AWP). The expression of interest documentation will be released following the publication of the Government's Circular Economy Policy. Councils will then select a preferred solution following a rigorous procurement process that will enable councils to refine their requirements and assess the market thoroughly, to ensure the best solution is achieved. A subsequent business case will be issued to councils before any binding commitment to enter into a contract is required.

This Memorandum of Understanding seeks to authorise Council to work with the MWRRG to facilitate the development of a cluster specific business case to explore procurement options for AWP solutions for participating councils in Melbourne's north west.

The key components of the north west cluster specific business case are listed below and will be refined in discussion with councils:

- Discussion and analysis of waste available to support an AWP solution (waste generation and composition data)
- A multi criteria analysis of cluster-specific treatment options, supported by a financial model
- Discussion of procurement process
- Discussion of links to collection and transfer sites and delivery arrangements

A cluster of councils is unified by their common shared ambitions and expectations, rather than any arbitrary geographical boundary. Developing the cluster business case will enable councils to clarify their ambitions and expectations of a residual waste processing solution. It will also be an important piece of evidence to inform council's decision on whether to join a specific cluster procurement for a residual waste processing solution.

MEMORANDUM OF UNDERSTANDING

As Chief Executive Officer (CEO) of _____ (Council) I authorise Council to work with the Metropolitan Waste and Resource Recovery Group (MWRRG) to facilitate the development of a business case to explore procurement options for Advanced Waste Processing (AWP) solutions for the Participating Councils listed in Appendix A (the 'Project').

I understand that the Project will provide the evidence base for Participating Councils to decide whether to join a potential procurement for AWP solutions.

This Memorandum of Understanding (MoU) will commence upon signing by the Council CEO and continue until it is either superseded by an MoU between Council and MWRRG to enter into a AWP procurement, or is terminated by agreement in writing between Council and MWRRG.

I acknowledge that this MoU will:

- Display a level of commitment from Participating Council to a cluster-specific process, which may include the development of one or more cluster-specific business cases for procuring AWP solutions
- Provide an opportunity to progress conversations and discussions with Council's senior management team and Councillors on their waste and resource recovery ambitions and the role that AWP can play in achieving them
- Build a better understanding of current and projected waste tonnages, cost data, operations and logistics
- Provide industry with a level of confidence that Participating Councils and MWRRG are committed to exploring procurement solutions for AWP
- Provide the basis for collating evidence which supports the signing of an agreement to enter into a procurement facilitated by MWRRG for AWP

I understand that by signing this MoU, Council agrees to:

- Nominate a Council Representative(s) to carry out activities associated with the Project
- Collect and share information in relation to the Project from Council, which may include but is not limited to financial information, including costs and budgets; waste tonnage data; operational aspects, including collection and transfer arrangements; and existing contractual arrangements and documents
- Assist with the search and selection of potential sites for aggregating and transferring waste and for siting processing solutions
- Include, where reasonably practicable, flexibility for alternate collection frequencies, methodologies and receipt facilities for waste and litter collection contract/s to assist the achievement of best practice
- Develop and implement an agreed communications and engagement strategy with the support and guidance of MWRRG (within Council, between Councils and to public)
- Commit to meet timeframes as agreed by the Participating Councils and MWRRG
- Consider the cluster business case and advise MWRRG of its level of support for and expectations of procuring AWP solutions

- Ensure that the Nominated Council Representative(s) reports back to Council’s senior leadership team following updates on the Project or at key milestones as necessary
- Ensure the Nominated Council Representative(s) regularly attends any forums, workshops or similar activities established to discuss the Project
- Advise MWRRG where any activity related to the Project may require a Council decision
- The Nominated Council Representative(s) sign and return the Confidentiality Agreement (**Attachment A**)

I understand that MWRRG will:

- Invite the Nominated Council Representative(s) to attend activities related to the Project, including workshops, forums or other such activities
- Develop a cluster specific business case, including providing the technical, analytical, legal, probity and financial advice as needed to develop the business case.
- Provide regular Project updates to the nominated representative including on the progress of and opportunities from other cluster business cases
- Analyse potential sites that may be suitable for processing and aggregation of residual waste
- Provide a probity briefing session for Nominated Council Representative(s) in relation to the Project
- Commit to meet timeframes as agreed by the Participating Councils and MWRRG
- Only use confidential information for the purposes of the Project
- Facilitate and support the development of a communications and engagement strategy to be used by participating councils and MWRRG

It should be noted that this MoU is **not** an agency letter for the establishment of a procurement process nor a commitment of funds from Council or MWRRG. Rather it is a commitment for Participating Councils and MWRRG to work collaboratively to explore AWP procurement options for the north and west region of metropolitan Melbourne via the writing of a business case by MWRRG, in conjunction with the signing Councils.

Chief Executive Officer Authorisation:

Signed	
Name	
Title	
Council	
Date:	

Nominated Council Representative(s) details:

Name	
Title	
Email	
Phone No	

Name	
Title	
Email	
Phone No	

Name	
Title	
Email	
Phone No	

Please return signed MoU to elena.kalnin@mwrrg.vic.gov.au

Appendix A

Banyule City Council

Brimbank City Council

City of Darebin

Hobsons Bay City Council

Hume City Council

Maribyrnong City Council

City of Melbourne

City of Melton

City of Moonee Valley

Nillumbik Shire Council

City of Port Phillip

City of Whittlesea

Yarra City Council