



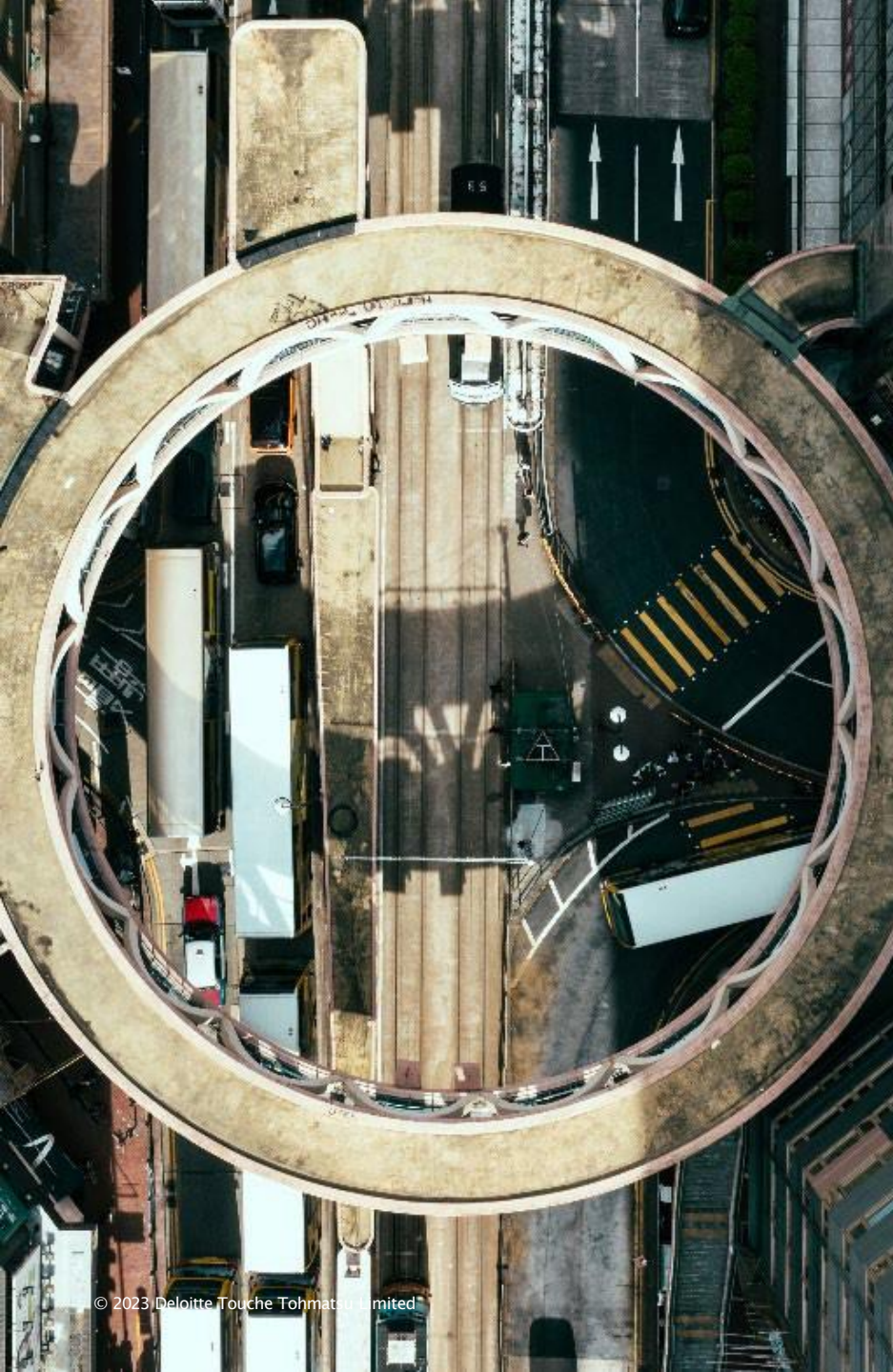
Working with councils and community

Lessons from Victoria's South-East Advanced Waste Processing tender

October 2023



Deloitte.



South-East Advanced Waste Processing Tender

MWRRG (now overseen by DEECA) with metropolitan councils

OVERVIEW

- Landfill capacity in Melbourne's south east is filling up with no new landfills scheduled.
- Tender for advanced waste processing' services for residual municipal solid waste for a group of 16 municipal councils in Melbourne's south-east over a period of 20 to 25 years.
- Tender followed business case in 2019.
- MWRRG expected the contract to involve around \$650 million of investment in new waste processing facilities.
- Collectively, the facilities will be expected to process 350,000 to 500,000 tonnes per year of residual municipal solid waste by 2025.

KEY COUNCIL CHALLENGES

- Tender process was complex and drawn out - with no council commitment initially required until the conclusion of the process.
- The number of councils involved was too large and without a clear commitment. Due to the variability and lack of commitment, the size of the facility and type of technology was unclear.
- Council elections changed the makeup of elected officials during tender process.
- The construction and infrastructure environment materially changed during the tender process (with changing expectations by shortlisted bidders to manage risk – ie. Site).
- The roles of the State Government, MWRRG and councils was not clearly articulated and kept changing.
- Councils were nervous about a social licence to operate for facilities (but social research found energy from waste was broadly accepted by the community).



Collaborations for infrastructure

TAKE AWAYS

- Energy from waste is common overseas. Many Australians are understanding and accepting of the technology.
- Energy from waste follows the waste hierarchy.
- Role clarity between stakeholders involved is critical.
- There is significant interest from established, professional and experienced international players to invest in energy from waste in Australia.
- Take the time to establish the tender design and council commitment prior to commencing.
- Preparation and key decisions made prior to the tender commencing would deliver timely and improved results.
- Developing a simple, clean procurement process ensures the market can respond.
- Councils need to make decisions and communicate with their communities and councillors.



Source: NSW EPA

An aerial photograph of a lush green forest. A light-colored, circular path winds through the trees, creating a large circular frame in the center of the image. The trees are dense and vibrant green, with some darker patches of foliage. The overall scene is serene and natural.

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