

Circular Economy Act 2021 (Victoria)

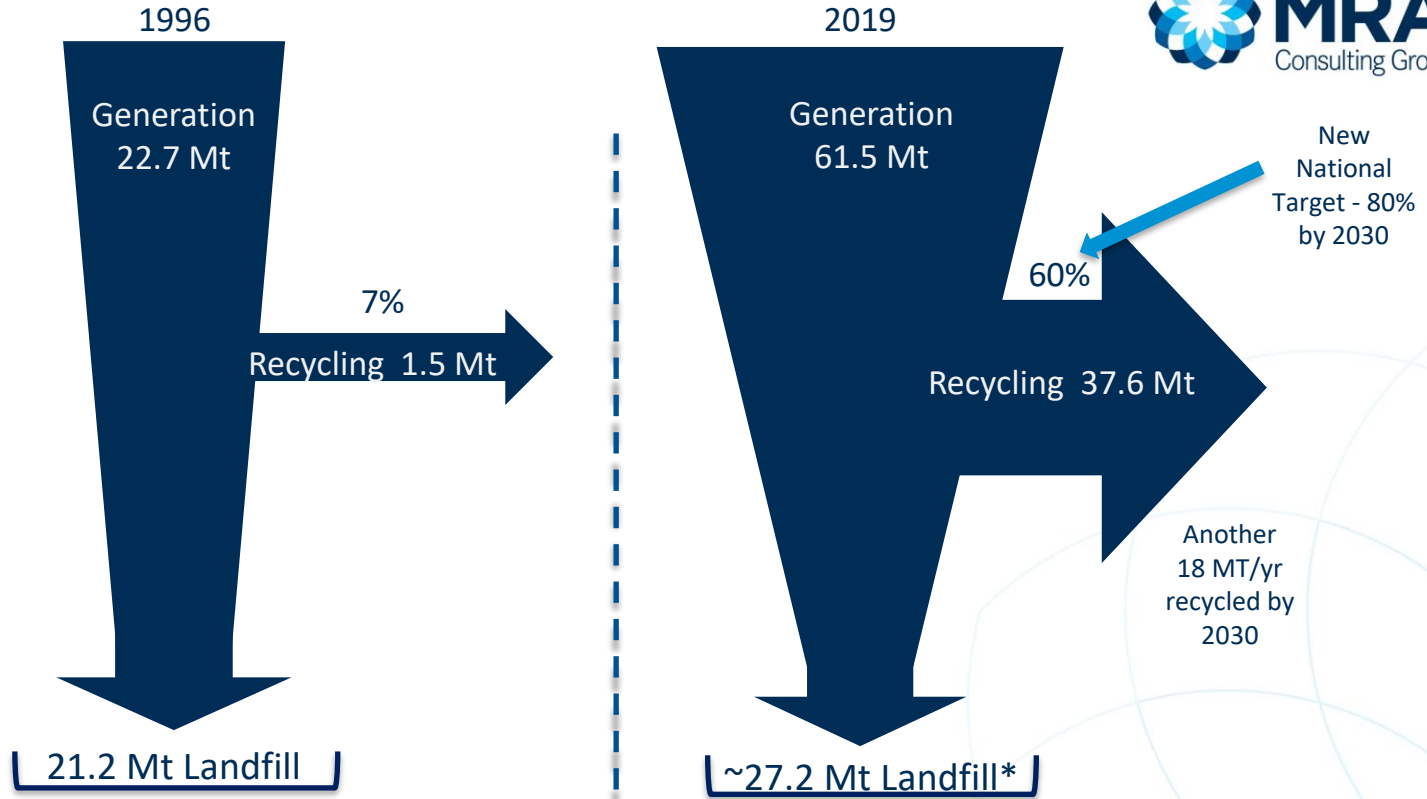
Contractual management and procurement for waste services



The specialists in recycling, waste and planning



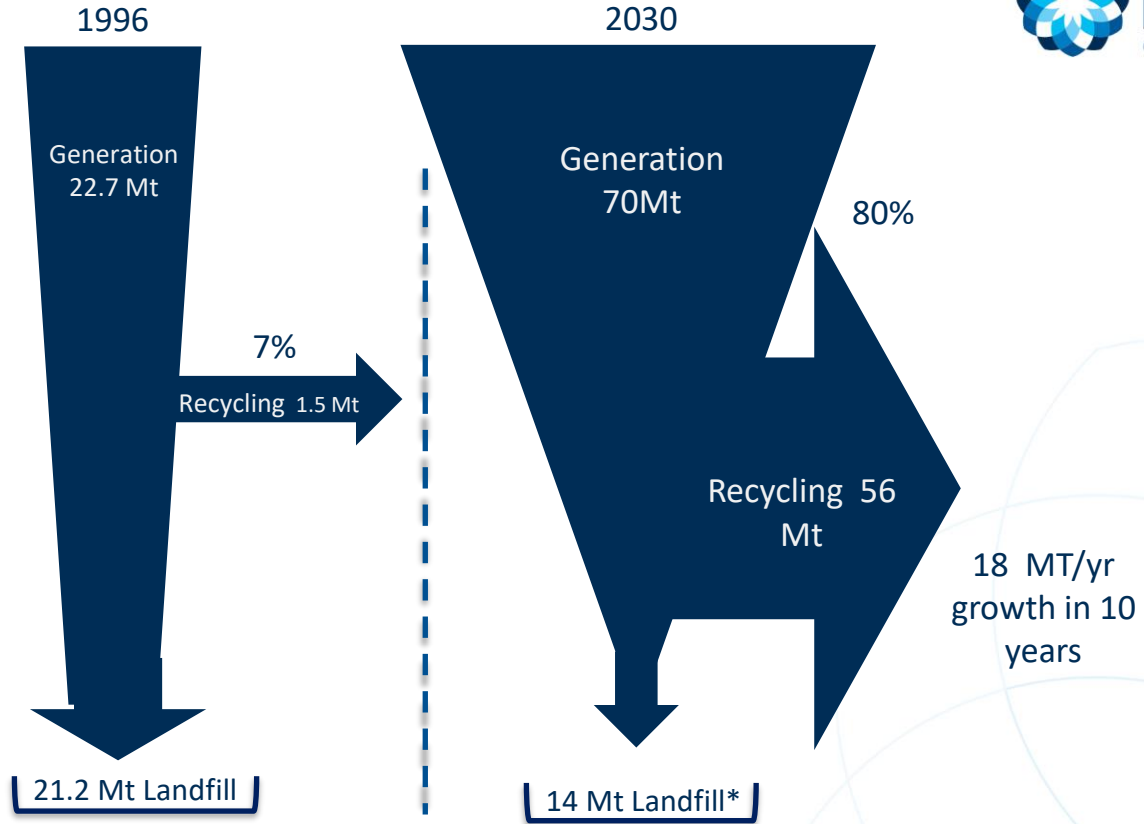
Waste generation



Source: ABS Year Book 2014; National Waste Report 2018

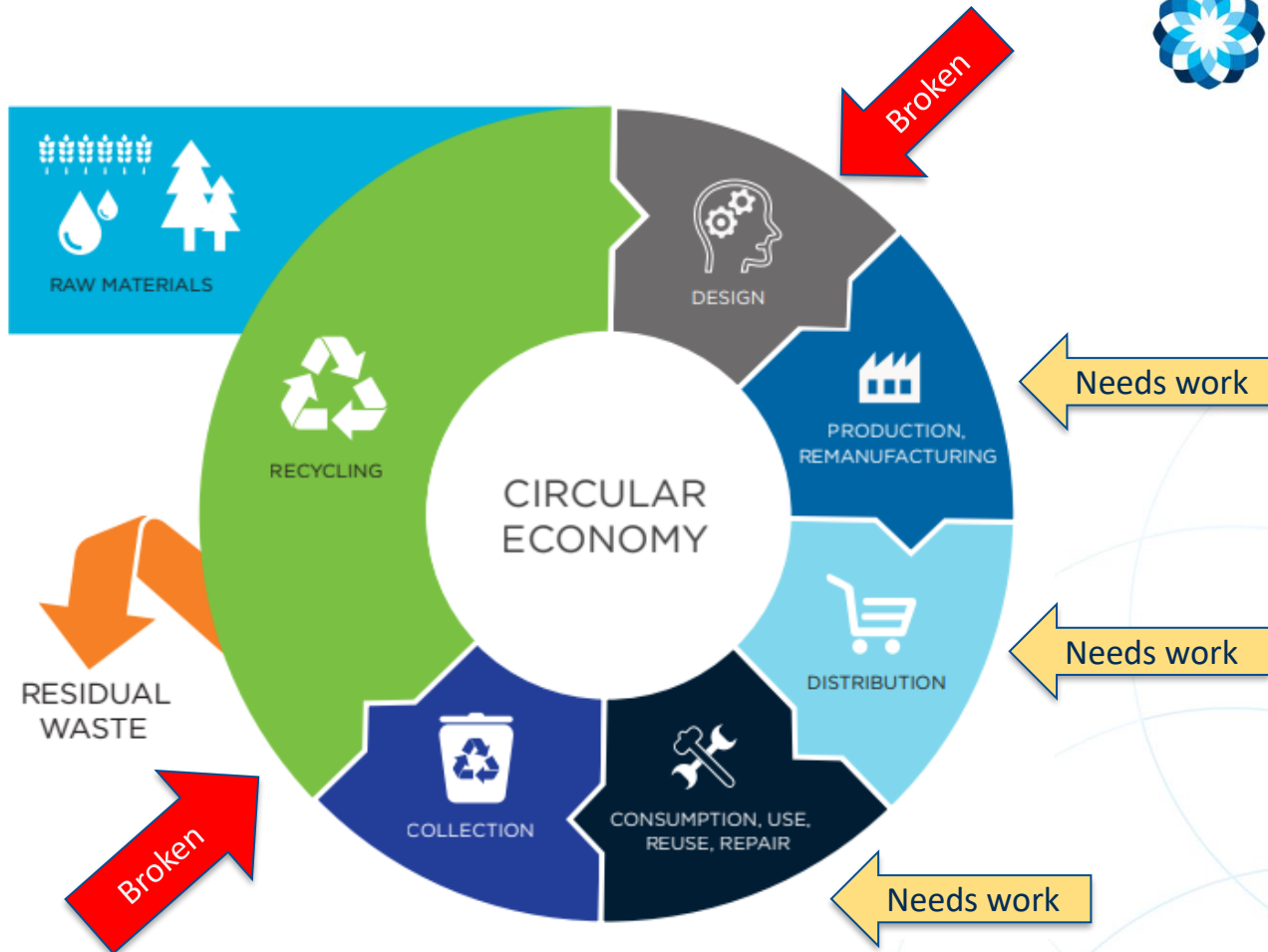
* The balance of landfilled/recycled is waste recovered as energy, including via LFG.

By 2030

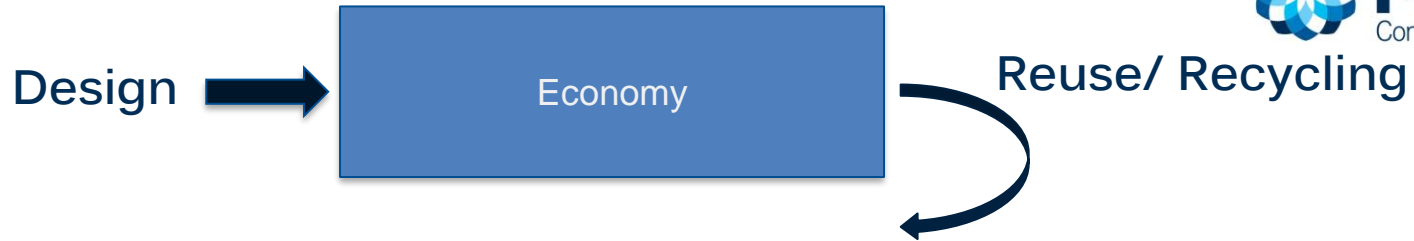


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Creating a circular economy



Circular Economy - Pragmatic steps



Must haves:

- Design for reuse and recycling **rules**
- Recycling labelling **rules**
- Recycled content **rules**
- Extended Producer Scheme **rules**

Must haves:

- **Economics** to drive recycling
- **Collection** systems (separated e.g organics....)
- Landfill **levies and bans**
- Govt procurement **rules**
- **Planning** for recycling infrastructure
- **Supply chain** restructure

Victoria's CE Act – A first for Australia



The Circular Economy (Waste Reduction and Recycling) Act 2021 (CE Act)

1. What is it?

- The CE Act was a significant development in Victoria's waste management regime.

2. When was it introduced?

- The majority of the CE Act came into operation on 1 July 2022.

3. Supports Opportunity for Strategic Procurement:

- Contractual management and procurement provisions relating to waste services under the CE Act

Primary Purpose of the CE Act



Two complementary objectives:

1. To support Victoria to achieve its waste and resource recovery goals, in line with the waste hierarchy; and
2. To ensure waste and recycling services are reliable and meet community expectations.

Circular Economy Act – Sections dealing with procurement and contract management



Sections dealing with contractual arrangements for councils' waste and recycling services

- ❖ Part 4 – Procurement (Sections 56 to 59)
- ❖ Part 5 – Waste and Recycling Services (Sections 60 to 74)

Summary of relevant provisions

Part 4

1. Allows RV to enter into written procurement agreements with a council or Alpine Resort Management Board (ARMB) that intends to procure a waste, recycling or resource recovery service for the municipal district of the council, or for land within the alpine resort.
2. Allows RV to provide councils or Alpine Resort Management Boards with procurement advice and support.
3. Procurement advice or support from RV may take one or more of the following forms—
 - (a) education and training for persons appointed or engaged by the council or Alpine Resort Management Board;
 - (b) manuals, recommendations or model contract provisions.
4. RV may also issue procurement guidelines relating to the procurement of waste, recycling or resource recovery services by councils or Alpine Resort Management Boards.

Circular Economy Act – Sections dealing with procurement and contract management

Summary of relevant provisions (Cont'd)



Part 5

1. Mandatory waste and recycling service provision by councils.
2. Mandatory sorting by entities.
3. Ability to create new service standards.
4. Duty of providers of essential waste, recycling or resource recovery services to minimise risk of failure, disruption or hinderance of service.

Challenges for procurement and contract management of waste and recycling services in Circular Economy



1. Ensuring contractual arrangements for waste and recycling services consistently contribute to CE outcomes.
2. Significant opportunity to improve recycling to meet state and national targets .
3. Having clear and consistent standards for the quality and performance of waste or recycling services.

Case in Point



Service Standard Framework

- Service standards may be developed under the CE Act to specify the quality and performance expected of a provider of a waste, recycling and resource recovery service.
- Service standards must provide for the quality and performance standards for the delivery of a waste, recycling or resource recovery service.
- The consultation process for the first draft service standard is currently under way.
- Outlines how the four service streams (residual waste, mixed recycling, glass, and food organics and garden organics) are to be delivered.

Considerations for Procurement



- Designing service specification that reflect and embody the relevant “Service Standards”
- Ensuring KPI’s and performance reporting data are adequately detailed
- Consider opportunities for joint procurement (LG)
- Role of industry to explore and implement increased source separation of recyclables (flagged in policy)

Recycling Victoria – Early priorities



(As published source https://www.vic.gov.au/sites/default/files/2022-06/Recycling-Victoria-Early-priorities-statement-29-06-2022_0.pdf)

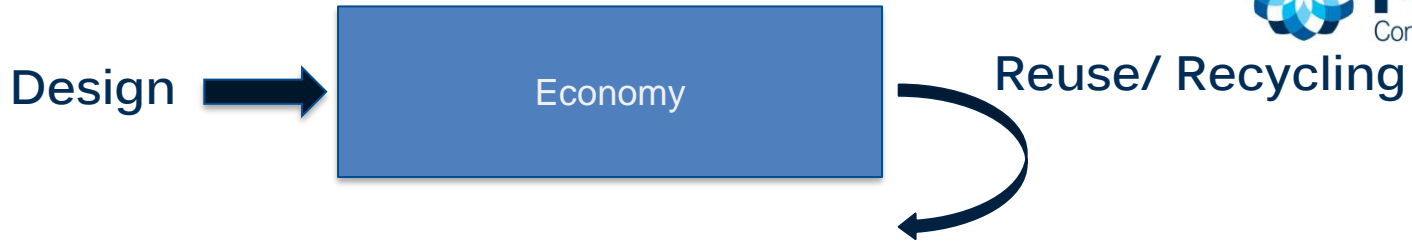
Procurement

We will support best practice procurement and contract management by councils, ARMBs, and service providers.

We will develop a Strategic Procurement Framework outlining how Recycling Victoria will support councils to procure waste and resource recovery services to meet circular economy objectives.

MRA Note: RV's development and release of draft service standard (Discussion Paper)

Pragmatic steps – Strategic Procurement



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Opportunities for procurement



What else can procurement do to support the objectives of the CE Act?

- ❖ Buy back arrangements for recycled products (e.g. Council buy back of recycled organics arising from FOGO processing contracts)
- ❖ Procurement of recycled content. Examples include:
 - Recycled glass in road construction
 - Recycled organics by Local government, civil etc

Resources



- Circular Economy (Waste Reduction and Recycling) Act 2021
- Waste and recycling legislation and governance Options Paper – DELWP
- Circular Economy Factsheet (March 2022) - DELWP
- Recycling Victoria early priorities statement (29 June 2022) – RV - https://www.vic.gov.au/sites/default/files/2022-06/Recycling-Victoria-Early-priorities-statement-29-06-2022_0.pdf
- Service Standards Framework – Engage Victoria - <https://engage.vic.gov.au/download/document/28956>

Thank you

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