



LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2024-2025

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Miss Laura Nuttall MLA

ANSWER TO QUESTION ON NOTICE

Asked By: Ms Nicole Lawder MLA

Addressed to: Minister for City Services

Reference: Waste and Recycling

Hearing Date: 24/07/2024

In relation to: TCCS and Recycling Poorly Managed Material Recovery facilities at Hume

QON lodgement Date: 26/07/2024

Answer Due date: 05/08/2024

- 1) How much has it cost the ACT Government to transport recycling material to NSW recycling facilities following the fire that destroyed the MRF (Material Recovery Facility) in Hume.
- 2) How does this cost compare to the cost it would have been to recycle the same material in the ACT at the old MRF?
- 3) How many kilometres were incurred to transport this waste and what are the estimated emissions involved with that transport?
- 4) Has the company that ran the MRF before the fire had their contract extended?
- 5) At what cost to the ACT Government?
- 6) What changes if any have been made to the contract to try to ensure the situation that led to the fire does not happen again?

Minister Tara Cheyne MLA: The answer to the Member's question is as follows:

- 1) Total operational costs since the MRF fire, from 27 December 2022 to 30 June 2024, equates to approximately \$12.7m (GST excl). This includes receipt and sorting materials at the Hume site, transport to (and processing at) the interstate MRFs. The final cost to the Territory is still to be determined and will depend on the funds recovered through insurance.
- 2) Total operational costs for the MRF in the 2022 calendar year prior to the fire on 26 December 2022 were approximately \$2.7m. By comparison the cost for the 2023 calendar year (following the fire) was approximately \$8m (GST excl). The 2023 cost also reflects

significant increases in prices in fuel, electricity, materials processing and transport costs since the previous contract was signed in 2015.

- 3) These are not tracked given it is not possible to accurately calculate kilometres travelled and associated emissions generated for all of the trucks to varying MRFs in NSW and Victoria. This is due to a difference in truck makes and models, different load weights and varying distances travelled to reach receiving interstate MRFs. Truck destinations also often change at short notice depending on which MRF has capacity to take the materials.
- 4) Yes - Re.Cycle Operations Canberra Pty Ltd (Re.Group) were operating the MRF at the time of the fire. Immediately following the MRF fire, Re.Group was re-contracted to undertake interim operations.
- 5) The current contract (commenced 14 June 2024) has an estimated cost of \$27.5m (GST inclusive) for the initial 2-year term, and \$46.6m (GST inclusive) over the full (3.5 year) term. The cost of the contract is subject to amount of material collected through the yellow bins.
- 6) The current contract manages the risk of further fire incidents occurring in the processing of yellow bin material through several controls including:
 - Decentralised waste processing - the contract details at least six alternative MRF sites which can be used to process Territory material. This mitigates the consequence of one site becoming impacted by a fire.
 - Detailed operational plans - the contract requires the contractor to supply detailed plans which include several operational mitigation strategies including load inspections, stockpile separation minimums and compliance with the "Fire safety in Waste Management Facilities Fire Safety Guidelines" published by the Australasian Fire and Emergency Services Authorities Council. These plans include the following:
 - Operational Management Plan;
 - Workplace Health and Safety Plan; and
 - Business Continuity Plan.

Additionally, a range of fire prevention controls were established at the interim operational site following the fire, and are currently in place, including:

- Placement of thermal and CCTV cameras to monitor safety and security.
- Placement of additional dedicated fire-fighting equipment and water storage at the site.
- Weekly site inspections by ACT NoWaste to review risks and effectiveness of controls.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature: 

Date: 5/8/24

By the Minister for City Services, Tara Cheyne MLA