

**LEGISLATIVE ASSEMBLY STANDING COMMITTEE: RESPONSE TO
RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE REPORT NO. 6
NO (MORE) TIME TO WASTE**

GOVERNMENT RESPONSE

In 2016 the Auditor General assessed whether strategies to reduce the state's reliance on landfill for dealing with household, construction, demolition, commercial, and industrial waste have been successful. The report focused on implementation of the Western Australian Waste Strategy: *Creating the Right Environment*, by the Waste Authority, with support from the then Department of Environment Regulation (now the Department of Water and Environmental Regulation), and developed a number of recommendations to address shortcomings in implementation of the Waste Strategy.

The Public Accounts Committee (Committee) conducts follow up with audited agencies to ascertain actions taken in response to audit recommendations. On 11 October 2018, the Committee tabled a report (*Report 6 – No (More) Time To Waste*) on the ongoing implementation of Western Australia's Waste Strategy. The report made 7 recommendations to further improve Waste Strategy implementation.

This document sets out the Government's response to the Committee report, and actions proposed to be taken with respect to its recommendations.

Public Accounts Committee Recommendation	Government Response
<p>Recommendation 1</p> <p>The Waste Authority include in its Annual Report comprehensive information explaining any departure from the current schedule for finalising its service level agreement and governance framework with the Department of Water and Environmental Regulation (DWER).</p>	<p>This recommendation will be addressed in future Waste Authority annual reports.</p> <p>A governance framework based on the functions, roles and responsibilities established in the <i>Waste Avoidance and Resource Recovery Act 2007</i> (WARR Act) has been prepared by Ernst and Young (EY). The governance framework was supported by a legal review of the roles and responsibilities of the Waste Authority and the Chief Executive Officer (CEO) under the WARR Act by the Public Sector Commission.</p> <p>A Service Level Agreement (SLA) that reflects the current service arrangements and meets the expectations of the signatories has also been signed.</p>
<p>Recommendation 2</p> <p>DWER ensure that the impending review of the WARR Act removes all remaining ambiguity between the DWER and the Waste Authority regarding their respective roles and responsibilities around the implementation of the Waste Strategy, and expenditure from the Waste Avoidance and Resource Recovery Account.</p>	<p>The statutory review of the WARR Act has commenced. The review will focus on addressing the roles and responsibilities of the Minister, CEO, and Waste Authority, noting previous findings from the Public Sector Commission that these are overlapping and unclear.</p> <p>It is intended that this review (including role clarification) will be completed in 2019, noting that any changes to the WARR Act will be subject to government and Parliamentary consideration.</p>
<p>Recommendation 3</p> <p>The Minister for Environment and the Waste Authority negotiate further to determine the appropriate number of staff that should work exclusively on helping the Waste Authority perform its functions and deliver its services.</p>	<p>In accordance with the Public Sector Commission's <i>Good Governance Guide for Boards and Committees</i>, the Minister for Environment has provided the Waste Authority with a statement of expectations to provide greater clarity about his understanding of the role of the Waste Authority and to guide its use of WARR Account funded resources.</p> <p>The application of WARR Account resources to Waste Authority functions is anticipated to be consistent with the Minister's statement of expectations. Arrangements regarding the form in which services from DWER are provided (i.e. exclusive or shared) is determined by the Director General in consultation with the Minister.</p>

Public Accounts Committee Recommendation	Government Response
<p>Recommendation 4</p> <p>The Minister for Environment will confirm if, and when, the DWER will be required to prepare business cases when proposing to use money from the Waste Avoidance and Resource Recovery Account to fund internal projects linked to the Waste Strategy.</p> <p>Recommendation 5</p> <p>The Minister for Environment explain the rationale for any decision to exempt DWER from the requirement to prepare business cases for such spending.</p>	<p>Business cases have been developed for all new programs and projects included in annual business plans since 2016-17. DWER also provides quarterly financial and activity reports to the Waste Authority for all services provided under the Service Level Agreement (SLA). Expenditure is detailed in the SLA as an allocation of FTE, consistent with approvals provided by the Minister for the WARR Account.</p> <p>It is not considered appropriate to provide individual business cases for ongoing waste related statutory (i.e non-discretionary) responsibilities funded through the WARR Account (e.g. levy collection, compliance and enforcement, waste local law processing), nor for ancillary or administrative services provided by DWER to the Waste Authority (e.g. financial, human resources, ministerial support services, and communications) or services provided to the Minister not undertaken by WARR Division (e.g. WARR Act review or legislative amendments). Expenditure in these areas is approved by the Minister, quantified in the SLA and overseen by the newly established Program Risk and Performance Committee. It is also reported on a quarterly basis to the Waste Authority and in annual reports presented to Parliament.</p>
<p>Recommendation 6</p> <p>The Waste Authority, in its next Annual Report, clearly explain any changes it has made around how it defines its four landfill diversion categories and the impact these changes have had on the targets and rates for each category.</p>	<p>Landfill diversion categories are set out in the State Budget Papers as agreed with the Department of Treasury and Auditor General's Office. The Waste Authority will ensure that any amendment to categories and impacts on targets and rates for these are clearly explained in its Annual Reports.</p>
<p>Recommendation 7</p> <p>DWER formally advise the Minister for Environment whenever it decides not to support recommendations for Waste Strategy-related initiatives put forward by the Waste Authority.</p>	<p>Decisions whether or not to support recommendations from the Waste Authority or DWER are ultimately the responsibility of the Minister for Environment. The Minister will continue to seek appropriate advice from all parties prior to making a decision.</p>