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SMRC Plant Not Financially Viable

Dr Mike Nahan, the Member for Riverton said the end game was nigh for the SMRC's composting plant in Bannister Road, Canning Vale.

"It will be closed, not just for odour pollution but because of excessive costs," said Dr Nahan.

Dr Nahan said the SMRC plant was modeled on a similar plant in Cobb County, Georgia USA. The SMRC sent representatives to the USA in 1996 to view that plant's operations and based their decision to proceed with the plant in Canning Vale on Cobb County's experience.

"The experience of the Cobb County plant has been eerily predictive of the problems that have overwhelmed the SMRC's Canning Vale plant. The US plant has been plagued by fire, odour pollution, community protest, empty promises, poor management, no market for output, cost blow-outs, and rising debt," said Dr Nahan.

"Now, after 13 years of systemic failure, Cobb County has decided to shut and scrap their composting plant because it is not commercially viable. The SMRC plant is on the same track to closure."

"The SMRC composting plant can no longer be justified financially. Its business case has evaporated. Since 2004, its costs for processing a tonne of municipal solid waste have increased from \$36 per tonne to \$137 per tonne in 2009/10. That is an increase of 400% in the last five years." (See graph below)

"In addition, the recycling market has collapsed, the SMRC has suffered a catastrophic fire, it currently has loans of more than \$55 million, it needs to invest a further \$2m to try and address the odour emissions, and its expenses are set to rise further. The SMRC simply is not financially viable."

Dr Nahan said Cobb County had received ongoing complaints from its nearby residents about the terrible odours and although it had made some improvements, it was unable to totally eradicate the smell.

"The same applies to the SMRC. At the Department of the Environment's insistence, they have made some changes and have lessened some of the odours. But they have been unable to remove the terrible smell completely and the complaints from nearby residents keep rolling in," said Dr Nahan.

"In addition, the SMRC's member councils are just starting to realize what a blight the SMRC has been on the community and the effect it is having on their individual council budgets."

"The City of Canning has taken the initiative to pull out of the SMRC and I know several other councils are giving it serious thought. I believe the SMRC's situation is untenable but going on its past community relations, it may take them some time to finally admit that."

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SMRC Waste Charges

