

**Submission
No 34**

MANAGEMENT AND DISPOSAL OF WASTE ON PRIVATE LANDS

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Date Received: 1/08/2013

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**Submission to Inquiry into the Management
and Disposal of Waste on Private Lands.**

Attn: Mr David Hale

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Mascot, 01.08.2013

■RE: **Submission to Inquiry into the Management and Disposal of Waste on Private Lands.**

Dear Mr Hale,

We understand that submissions to this inquiry closed on July 29th, but we are hopeful that because of a relatively short notice period that you would be able accept our input.

REMONDIS Australia Pty Ltd employs over 900 personnel across its 39 locations, servicing more than 15,000 commercial and industrial customers and working with a network of government and domestic customers. REMONDIS Australia has a fleet of over 1000 vehicles in service and an extensive network of subcontractor agreements. Dedicated to providing reliable and innovative solutions for the complete spectrum of commercial and municipal outputs – recyclable material, general waste, organic matter, liquids and more problematic wastes, REMONDIS facilitates a long term, sustainable strategy for waste minimisation.

REMONDIS has some concerns that recent changes to Section 88 of the Protection of the Environment Operations Act will detrimentally affect the future of composting and degradable mechanical-biological treatment plants in NSW and strongly recommends that the Committee include a reassessment of the benefit of the recent amendment to Section 88 of the Act in order to achieve the correct strategic outcome.

Yours sincerely

REMONDIS Pty Ltd

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Committee on Environment and Regulation
Inquiry into the Management and Disposal of Waste on Private Lands
Submission from REMONDIS Australia Pty Ltd

REMONDIS wishes to thank the Committee on Environment and Regulation for the opportunity to offer a submission into the Inquiry into the Management and Disposal of Waste on Private Lands. Our submission emphasises the difficulties that current and future composting operations will experience once the Section 88 levy applies to these operations and the consequent likely increase in illegal dumping of organic and garden waste that will follow.

With regard to the Terms of Reference, REMONDIS has no comment on Items a) to e).
In relation to Item f) Any other related matter:

Section 88 of the Protection of the Environment Operations Act was recently amended and the phrase "*but it does not apply to a facility that the EPA determines is used solely for the purposes of reusing, recovering, recycling or processing waste other than liquid waste*" was deleted. Consequently, reusing, recovering, recycling and processing facilities will be required to add the cost of the levy onto acceptance charges in order to meet the new requirement.

Facilities that do not process organics will not be significantly affected by this change of law because incoming waste tonnages are easily measured as are outgoing tonnages of recycled material such as plastic, steel, cardboard and others. Composting facilities and those processing degradable organic material such as mechanical-biological treatment plants face significant problems with this change to Section 88.

A professionally operated composting facility is designed to receive organic material and process it until it is essentially inert, or in other words, organically stable. In doing so, about 15 to 25% of the incoming tonnage of organic waste is lost as moisture and biogenic CO₂ which is liberated to the atmosphere. Consequently this lost mass is diverted from landfill (which is a desired outcome) but cannot be measured as outgoing product and therefore a rebate on the levy of this tonnage cannot be claimed. This action disproportionately increases the cost of operating a composting facility by between 15 and 25% of the levy which is currently \$107.80 in the SMA and ERA.

If the cost to compost degradable organic waste is around \$70 per tonne, the impact of the levy would be \$16.17 to \$26.95 per tonne or 23% to 39% of the cost. This additional cost was non-existent prior to the change in Section 88.

This will not drive a greater diversion of organics from landfill, nor will it drive the increased use of composting facilities to render organic material stable. It will encourage illegal dumping of green waste by those who stand to gain the most from such action.

The purpose for increasing the scope of the Section 88 levy was to target dishonest operators that structured their businesses to illegally dispose of their waste to avoid paying the levy. Unscrupulous operators created recycling businesses that were in fact disposal operations. The motivation in doing so was to purport to recycle waste and not pay the levy. REMONDIS applauds the actions of the Government to address this loophole, but in doing so, reputable organic processing operators would be unfairly impacted. Further, to defray the cost of the levy, compost operators will have to recalculate their gate fees to reduce the financial impact. Consequently, the consumer will inevitably have to absorb the impact of this additional cost.

A further consideration of this Committee should be the effect that varying Section 88 of the Act will have on a number of Local Government Areas that are intending to call tenders for composting and waste processing facilities. Kimbriki Environmental Enterprises and Port Macquarie-Hastings Council are two examples where the cost to operate proposed composting and mechanical-biological treatment plants will artificially increase as a result of the levy being payable on emissions of moisture and biogenic CO₂. Clearly the same argument applies to other Councils that already operate such facilities such as Orange City Council and Clarence Valley Shire Council.

REMONDIS strongly recommends that the Committee include a reassessment of the benefit of the recent amendment to Section 88 of the Act in order to achieve the correct strategic outcome.