

MANAGEMENT AND DISPOSAL OF WASTE ON PRIVATE LANDS

Organisation: Wyong Shire Council
Name: Mr Michael Whittaker
Position: General Manager
Date Received: 12/11/2013

Management and Disposal of Waste on Private Lands

Organisation: Wyong Shire Council

Name: Mr Michael Whittaker

Position: General Manager

Date Submitted: 5/11/2013

ATTENTION: CHRIS PATTERSON

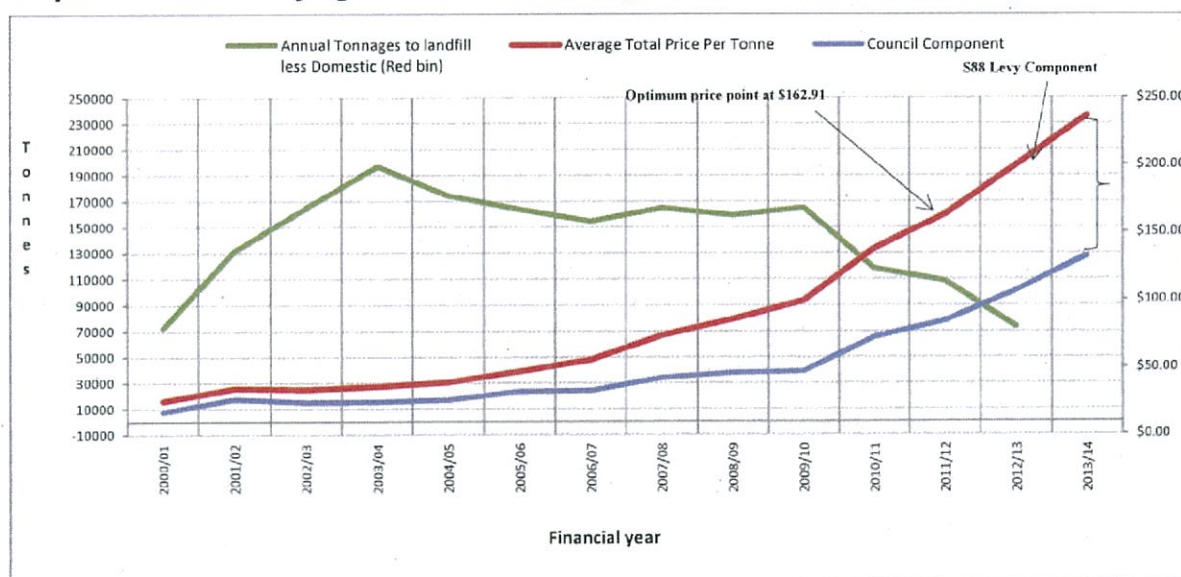
Dear Chris

Thank-you for the opportunity to provide further information and statistics related to the Parliamentary Inquiry into the Management and Disposal of Waste on Private lands. Since the closure of submissions on 29 July 2013, Wyong Shire Council has undertaken significant analysis on illegal dumping trends and the relationship between price and volumes. The purpose of this supplementary submission is to provide the Inquiry with the most current data arising from this analysis. This supplementary submission focuses on Items D and E of the Inquiry's terms of Reference.

D) POSSIBLE MEASURES TO IMPROVE THE MANAGEMENT OF WASTE ON PRIVATE PROPERTIES

Council has been undertaking considerable analysis of waste volumes and prices over recent years. The attached graph 1 clearly shows both the decline in waste volumes and the increase in total average price to dispose of waste to landfill. Whilst Council's costs have increased over time (blue line) the total average cost per tonne (red line) has increased at a higher rate due to the s88 levy as can be seen by the increasing gap in the blue and red lines.

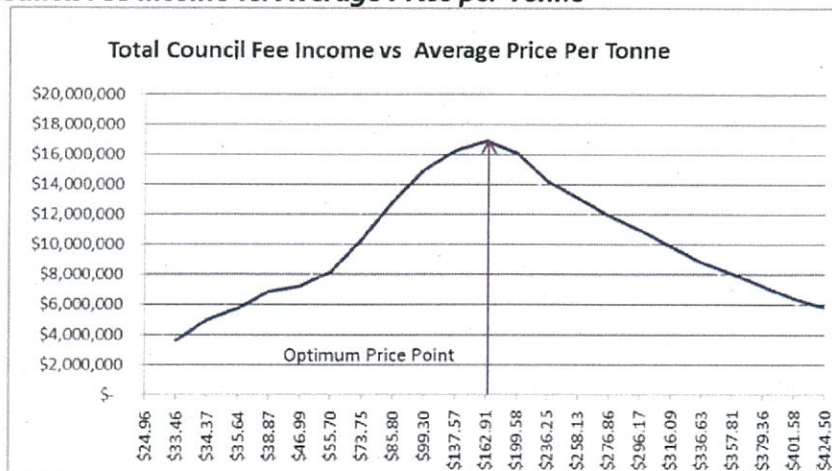
Graph 1 – Total Fee Paying Tonnes vs. Waste Levy Annual \$/T and Council Component



Wyong Council's analysis of the waste to landfill disposal fee indicates that volumes are now reducing by 1.77% for every 1% increase in the levy. This is actually resulting in a decrease of s88 levy revenue of almost 1% for every 1% increase in waste levy, as well as increasing illegal dumping. Conversely a decrease of 1% in waste levy would result in an increase of waste volumes of approximately 1.77%, an increase in s88 levy revenues and a reduction in illegal disposal.

Graph 2 below clearly highlights the optimum price point at which any further increase in average price per tonne will result in a decrease in total income (and hence s88 levy paid) due to the extreme sensitivity of price to volume beyond this point.

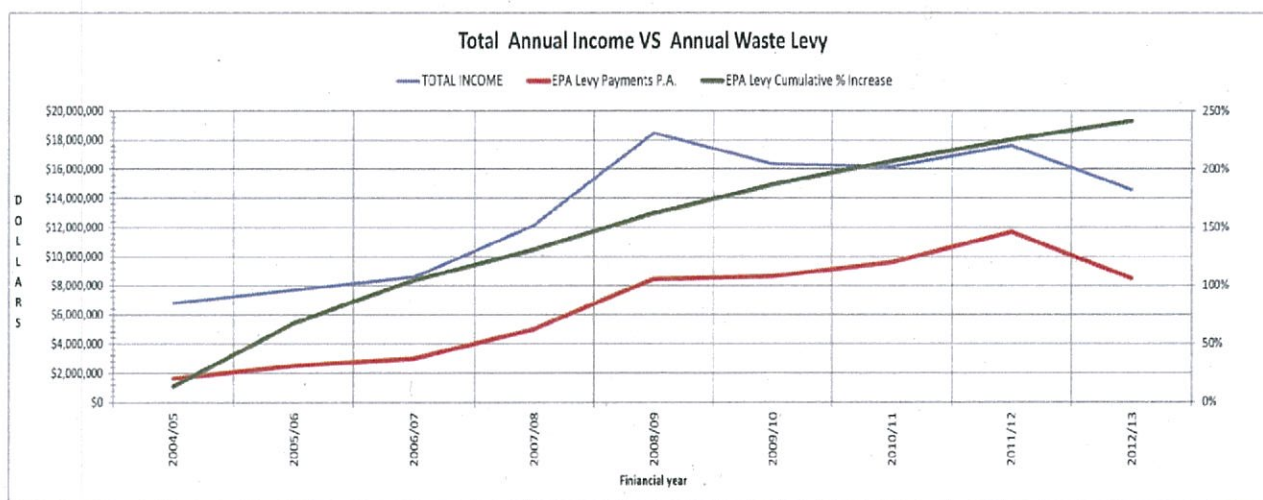
Graph 2 – Total Council Fee Income vs. Average Price per Tonne



The optimum price point of \$162.91 per tonne correlates closely with Council's fees of 2011/12 (refer prices in attached Graph 1). Therefore if the levy was reduced to the 2011/12 level, s88 payments to the state government could be maximised providing this as an incentive to reduce waste volumes while reducing incidents of illegal dumping.

Graph 3 below shows the effect of this on both s88 payments and Council fee income trending down as a result of current waste disposal cost. The negative impact on the revenue not only for Council but also for the State Government could be reversed by adopting the average price per tonne set by Wyong in the 2011/12 financial year.

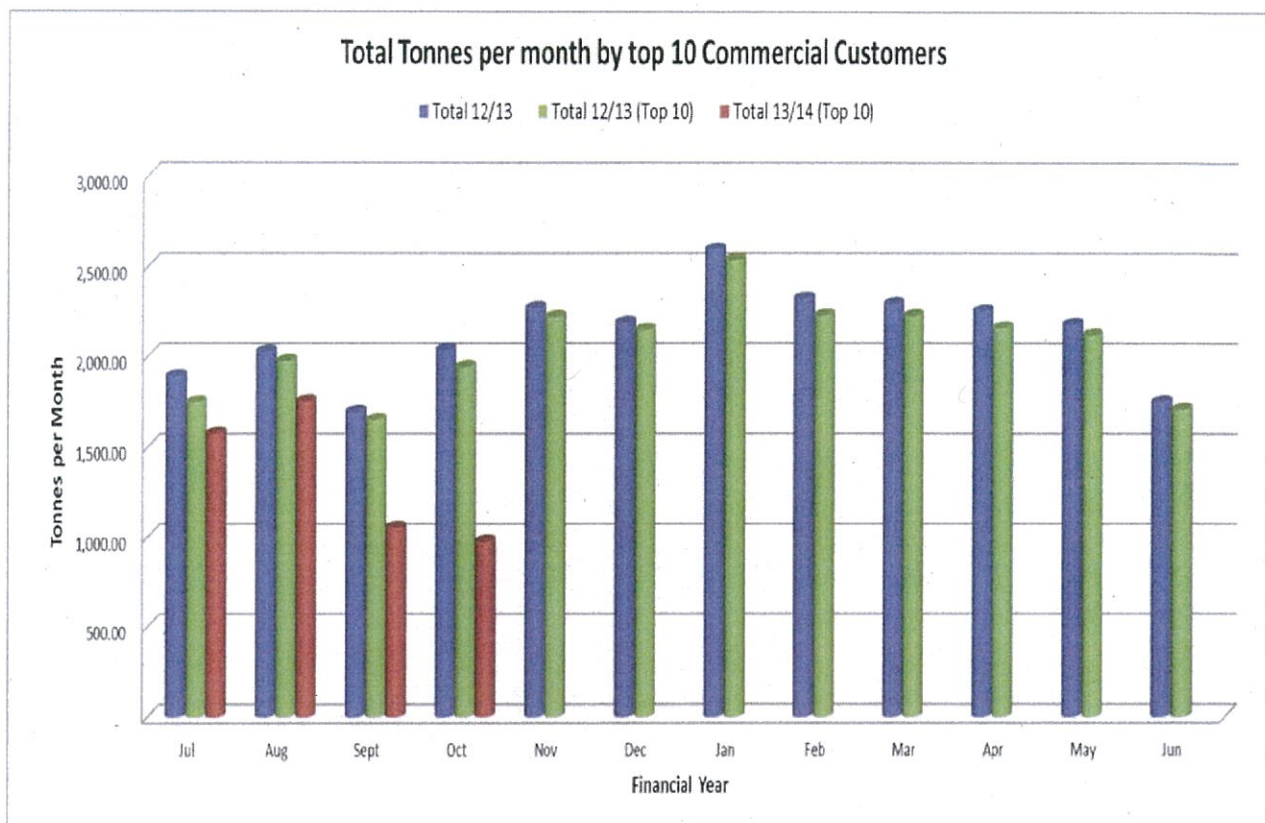
Graph 3 – Total Annual Income vs. Annual Waste Levy



The price sensitivity demonstrated above is most apparent in the behaviour of major commercial customers. The majority of volume reductions can be accounted for by the sophisticated major commercial mixed waste tippers. This suggests that a significant volume of waste is being moved interstate. This hypothesis is supported by the fact that other local councils such as Port Stephen's were experiencing similar drops in volumes from Commercial customers. As the price increases as a result of the EPA levy, we believe sophisticated tippers are finding it more cost effective to move waste north of the border where there is no EPA levy. There is no suggestion from these tippers that their collection volumes are dropping.

They are simply responding to increased tipping costs by finding alternative locations. Graph 4 shows the year on year reduced tipping volumes contributed by the top ten commercial customers.

Graph 4 – Year on Year monthly volumes from the top ten commercial customers



Correspondingly, in the Financial Year to Date, waste volumes continue to decline as a result of the most recent increase in the EPA levy. Our most recent projections indicate that landfill volumes for the 2013/14 will reduce by 20,699 tonnes, or 28.32% when compared to last year. This will result in a reduction of \$2,231,380 in s88 levy paid (at \$107.50 per tonne).

Council recognises the intent of the waste levy is to reduce waste disposal and promote resource recovery initiatives, and one could even deduce that the reduced volumes are evidence of the success of this. It is, however, Council's view that the reduction in legal waste disposal to landfill has been significantly offset by illegal waste disposal and non-sustainable disposal of waste to Queensland through commercial providers.

E) THE EXTENT OF ILLEGAL DUMPING AND THE IMPACT ON LOCAL GOVERNMENT AUTHORITIES OF REQUIREMENTS TO REMOVE DUMPED WASTE

During July to September 2013 we had 128 reported incidents of illegal dumping resulting in approximately 130 tonnes of waste collected. Based on a straight-line projection of 520 tonnes of illegal waste the current cost to Council to dispose of this waste will be approximately \$150,000 which will be borne by our ratepayers. This does not include costs associated with investigations, clean-up and transportation.

Table 1: Reported illegal dumping incidents

| Financial Year | Reported Incidents |
|----------------|--------------------|
| 2011/12 | 344 |
| 2012/13 | 469 |
| 2013/14 * | 512 |

* 2013/14 projection is based on a straight-line projection from the September 13 quarter

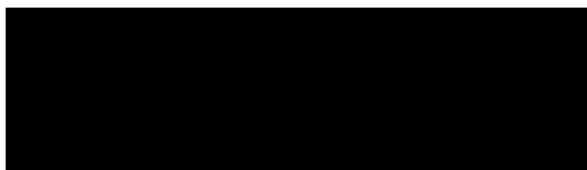
The above takes into account the illegal waste dumped which is reported to Council only. Due to our geographic location including remote areas that are not within the jurisdiction of the Council such as indigenous lands, State Forests, Crown land or RMS controlled land there are many more cases of for illegal dumping occurring which these organisations have advised is a significant problem. Many cases of illegal dumping go undetected for some time which is a concern for the health and safety of our residents and the environment. Usually the illegal waste will contain contaminated waste such as asbestos, as the cost of safely disposing of this waste has increased significantly.

Many charitable organisations have reported increased disposals at their locations which are not fit for purpose requiring them to dispose of more items. Based on the current information available for this financial year to date we are experiencing a 23.5% increase in waste from charitable organisations from the last three years.

Wyong Shire Council has recently written to the Minister for Environment and Heritage to propose a trial for 3 years of a reduced s88 waste levy between \$30 to \$70 per tonne which we believe would have the dual benefit of increasing the total s88 contribution paid to the government due to the greater waste volumes collected and will have the added benefit of reducing illegal dumping in the region and other non-sustainable practices and strongly encourage the Inquiry to consider a reduction in the s88 waste levy as a recommendation arising from the Inquiry.

If you would like to discuss this matter further please do not hesitate in contacting me.

Yours sincerely



Michael Whittaker
GENERAL MANAGER