

Waste & Resource Efficiency Enquiry  
Productivity Commission  
Attention Ms Delwyn Lanning  
LB2 Collins Street East  
Melbourne VIC 8003

By fax – 03 9653 2305

Copy – NSW Legislative Assembly, Standing Committee on Public Works  
Attention – Ms Carolynne James, Committee Manager  
By fax – 02 9230 3052

6<sup>th</sup> February, 2006

Dear Sir / Madam,

The Waste Contractors & Recyclers Association of NSW (“WCRA”) refers to the Issues Paper dated December 2005 and welcomes the opportunity to submit a submission in relation to solid waste management in Australia.

WCRA represents around 80 Members, who control around 80% of the vehicles used in the collection of waste and recycling across NSW. In most cases wherever a Council contracts out its household waste and/or recycling service it does so to a Member of our Association.

In addition to the above, many of our Members have large national and international operations and are able to offer this Enquiry a tremendous depth and breadth of experience in waste management issues.

#### **Household / Domestic Waste**

- In principle our Members would like to propose to this Enquiry that Local Councils across Australia should be providing each household with three collection bins.
- Bin one – for mixed waste.
- Bin two – for dry recyclables
- Bin three – for green waste (Inner Metropolitan Councils in areas where there are limited volumes of green waste being generated would not need to supply this option)
- The size of each of these bins and the collection frequency will need to be ascertained by each Local Council.
- Use of this system will ensure that we aim to maximise the diversion of green waste that is generated within all households away from landfill.

- There would be significant reductions in waste disposed of at landfill, if all Governments immediately banned the landfill disposal of green waste. In addition, this initiative would create a significant increase in volumes of organics to be available for farming, agricultural, rehabilitation and forestry purposes.
- As a minimum all the above domestic waste and recyclable collections should be undertaken in accordance with the Code of Practice for Domestic Waste – Workcover NSW 2005 publication.
- When seeking to contract out domestic waste and recyclable collections Councils should ensure that there is adequate lead time for tenders to be prepared & submitted and for the then successful tenderer to select and order equipment, to hire and train staff etc. Most Councils do allow sufficient lead time – however from time-to-time there have been examples where this is not always the case. Such failures maximise the possibility that there will be a poor waste management result.
- Similarly when seeking to contract out domestic waste and recyclable collections Councils should ensure that the ultimate tender that is awarded reflects the advertised terms (as stated in the original expression of interest and / or advertised tender opportunity). There have been some examples of poor practices by Councils in this area and this has served to undermine commercial investor confidence in the waste industry.
- Council Waste & Recycling Contracts will typically involve many millions of dollars in capital investment - therefore tender contract periods should allow investors to recoup these outlays over a minimum of five years. Again this has not always been the case (a recent example saw a large metropolitan Council in western Sydney award a contract for a one year period). This resulted in a very poor response to this tender and as such significantly limited the options that this Council received.
- We would be more than happy to elaborate on the above examples and poor practices in any face-to-face presentation that this Enquiry may offer our Association.

### **Uniform Data**

- It is the very strong recommendation of WCRA that each of the respective State or Territory Government EPA or DEC (the Environmental Authorities) be responsible for the collection of waste management and recycling data.
- The main form of measure should be in tonnes.
- There needs to be common agreement across all states as to how this data is collected.
- All irregularities between States (and indeed within States) need to be eliminated. For example every waste and recycling facility should have a weighbridge and there should be no exemptions for facilities that receive less than 20,000 or 30,000 tonnes per annum; State Governments should not interfere in the waste management process by having differing waste levies – in NSW we currently pay a higher levy in the Sydney Metropolitan Area, a lesser levy in the Extended Regulated Area and no levy in all other Areas.
- When measuring recyclables – the measure must include the percentage of waste & contamination that makes up some of what is reported as recyclables. This is critical if we are to strive for reductions in contamination and / or to measure the effectiveness of expanded recycling initiatives.

### **Web Based Exchanges**

- Government should leave the market place to sort out web based waste exchanges.
- WCRA is of the view that web based exchanges are more of a feel-good tool than a significant answer to the issues facing the waste management industry.

## **Education and Training**

- Any attempts to increase recycling and / or reuse levels will result in an increase in contamination levels.
- Therefore to compensate against an escalation in increases in contamination there must be adequate amounts of resources allocated to educating waste generators and to training the employees & contractors of the waste & recycling industry.
- If governments are collecting waste levies from the disposal of waste to landfill then these levies should be available to directly assist the waste and recycling industry in new initiatives.

## **Market Power in NSW**

- For the period from the early 1980's through to 2004 NSW State Government legislation, planning laws and policy ensured that the only provider of putrescible waste transfer station and landfill services in the greater Sydney area was Waste Service NSW (now known as WSN Environmental Solutions).
- As a consequence, all putrescible waste had to be disposed of via WSN Environmental Solutions. In 2004, this monopoly position changed with the opening of the Clyde / Woodlawn facility by Collex. Notwithstanding this approval by Collex, WSN still has significant control of the market for the transfer and disposal of putrescible waste in Sydney (Collex has one transfer station located at Clyde, whilst WSN has a network of eleven transfer stations and landfills across all parts of the Sydney area).
- The profit margin returns in the landfill waste market segment are much better than in the waste transport sector, where competition for work is much broader.
- In recent times WSN has expanded its operations into the kerbside collections of waste and recyclables. In the view of WCRA this expansion has been facilitated by the significant control that this organisation has over the putrescible waste disposal market in Sydney.
- For any other competitors to now enter this disposal market – the lead time will be a minimum of 5 years (site identification, planning, approvals etc).
- The recent processing & disposal tender that was awarded to WSN at Jacks Gully by the MACROC group of Councils further highlights the significant market control that WSN has over the putrescible waste disposal market. This Association brought to the attention of the NSW Government and the ACCC that it was unlikely that any other tenderer could compete with WSN (approved putrescible waste disposal site at Jacks Gully provides WSN with a huge commercial advantage). In terms of promoting healthy competition in the waste disposal marketplace, the response received by our Association was extremely disappointing – in the very least the NSW Government should have allowed all short-listed tenderers access to Jacks Gully on the same terms as currently provided to WSN.
- To complicate matters further, in 2005 the NSW Government publicly announced that it intends to sell off the business and assets of WSN Environmental Solutions.
- This Market Power Issue is of material significance to the waste and recycling industry in NSW and this Enquiry needs to ensure that it is fully aware of this background especially if it makes any recommendations.

## **Landfills, Quarry Space and a Resource Rich Country – If not, then where do you want the Incinerator?**

- The Members of WCRA would like this Enquiry to address in some detail the issues of – “What is wrong with landfill? If landfill activities are undertaken in a controlled operational and engineered manner, all relevant approvals have been obtained & are

being complied with and it involves the rehabilitation of a disused void quarry space – then what is the problem?”

- Or is it a question of – “The Government Owned Business Unit is running out of landfill space and has been unable to obtain a new landfill approval since the 1980’s?”
- We would be pleased if provided with an opportunity to elaborate on this point.
- Private enterprise doesn’t have the same level of problem with the issue of obtaining new landfill approvals – for example Collex Horsley Park, Woodlawn, Penrith Waste at Marsden Park and soon Dial-A-Dump at Horsley Park are all examples of new landfill initiatives by the private sector within the last three or so years.
- The Members of WCRA would like this Enquiry to determine an answer to the question of how much waste do we generate in Australia compared with how much quarry and mine space we create? The anecdotal evidence is that for every cubic metre of waste that we generate per day we generate one and a half cubic metres of quarry and mine space. If this is the case, then why is controlled landfill so much a maligned issue in this country? Australia is a resource rich country with a much smaller population than our American and European counterparts.
- To further compound the negative argument against landfill in this country, our Governments & Communities are generally non-supportive of incineration facilities that involve the use of harnessing waste for the production of energy. Where our American and European counterparts don’t have access to landfill – they generally have access to a waste-to-energy facility (incinerator).
- In view of the standards of living that are demanded in this country and the resulting residues – we need to consider an answer to the question of “if an Australian City is denied access to landfill, then where will the incinerator be sited?”

### **Energy from Waste**

- Government policy, community attitudes and perceptions across Australia have resulted in there being very few opportunities for waste-to-energy facilities to operate in this country.
- We are often compared to European Countries that don’t have landfills – yet the comparison is never extended to acknowledge that where there is no landfill there is generally a state-of-the-art waste to energy facility with a modern pollution control system in place to monitor and treat any off gases.
- As an Association we would support any positive developments and initiatives by Government that will encourage sound and sustainable commercial investments in this area of waste-to-energy.

### **Alternative Waste Technologies (“AWT”)**

- One of the most critical issues that faced by the waste management industry is the issue of how to assess and gauge the effectiveness of AWT facilities.
- One of the key selling points used by the operators of these facilities will be the representations made about diversion rates away from landfill.
- Who is to be charged with the responsibility of measuring and reporting on the honesty and effectiveness of these representations?
- In NSW – the Government has recently announced waste levy increases of upwards of \$35 per tonne over a five year period to ensure that landfill disposal prices rise to then ensure that AWT can compete with landfill pricing.
- It is the very strong recommendation of this Association that Government have an effective method of monitoring and measuring AWT technologies and the upfront representations that are made to secure putrescible waste contracts.

- It has long been the practice of waste generators that they fail to follow up or take any interest as to what happens with their waste once it leaves their premises, therefore it is essential that all AWT input and all output material be very clearly measured, including destinations, usage and tonnages for outgoing product.

### **Siting Issues**

- Governments should grant approval to planning applications for waste and recycling facilities that meet pre-determined relevant standards.
- Governments should also ensure that new developments (generally housing estates on the edge of town – otherwise known as the urban sprawl) do not result in the closure of existing waste management facilities.
- The Community needs to be made to better understand that if they continue to maintain “a not in my back yard attitude” to the siting of waste facilities - then there will be greater transport costs which will result in higher waste management fees. In some cases there even may be negative reductions in recycling rates as it will become uneconomical to travel long distances to recycling centres.

### **Waste Levy**

- The Members of WCRA support a levy on the disposal of waste providing it is consistently applied across all States and Territories and that the funds are hypothecated back into the waste management industry for the advancement of recycling and reuse programs.
- At the same time there has to be a degree of common sense in the framing of the regulations that govern the application of these levies. For example – why does a metal recycler or a paper / cardboard recycler pay a waste to landfill levy on flock waste / pit waste residues that are an inevitable and unavoidable component of their respective recycling operations? Poorly thought out regulations will ultimately serve to work as a disincentive to some of our recycling initiatives.
- Increasing the levy without proper consultation can also be fraught with danger. A recent example in NSW saw the NSW DEC announce an increase in the levy by \$6 per tonne per year for the next five years across all Metropolitan Areas. Some of our Members have reported to our Association that this will have significant negative effects on existing recycling operations.

### **Waste Transporters**

- The Members of WCRA are of the strong view that all waste transport vehicles should be licensed.
- Waste transporters are in contact with all waste generators and can be used to promote waste management initiatives.
- Licensing is currently generally not required and waste transport is an area where the barriers to entry are very low – the result is the risk that some operators will be poorly informed about the best practices (and possibly the law).
- This absence of a waste transport license requirement could be a possible contributor to the illegal tipping problems experienced across much of Australia.
- The policies of Government Departments can negatively impact on waste & recycling transport operations. By way of example the Roads & Traffic Authority in NSW has for many years been aware of the fact that scrap metal transport trailers bulge when loaded and stretch to 2.7 metres. There are no known safety issues involved and operators have entered into contracts with waste generators on the basis of these payload assumptions (mostly with regional Councils & Landfills to remove old cars, whitegoods and other scrap metal). These trailers have been passed for registration by

the R&TA. In October 2005 the R&TA passed Compliance Enforcement Legislation which has resulted in a new found enthusiasm by R&TA Inspectors – the result - the operators of these trailers have been targeted by Inspectors and issued with infringement notices (which state that the legal trailer width is 2.5 metres). Through this Association we have made appropriate representation to the R&TA (including a very detailed submission in early January 2006 that states a strong case for a moratorium of 12 months to allow the industry time to adjust to this new requirement). If we are unsuccessful then there is a very real possibility that thousands of tonnes of scrap metal that is currently recycled in NSW could end up in rural landfills.

### **Illegal Tipping and Littering**

- The Members of WCRA have asked that your Enquiry note the very distinct difference between Illegal Tipping and Littering.
- Littering mostly involves careless and lazy acts by Members of the Public. It is a problem that can be positively impacted by regular and sustained community based publicity campaigns and on-the-spot fines.
- On the other hand Illegal Tipping is generally the result of someone wanting to avoid the cost of a proper disposal fee. It is a problem that could be better fixed with more active policing and a more comprehensive waste transport licensing system. The fines and penalties associated with Illegal Tipping should be sufficiently high enough act as a deterrent to potential offenders. There should be provisions for repeat and major offenders to receive significant penalties and jail sentences.
- There should be provision in the law to ensure that perpetual, repeat and serious offenders who have a scant disregard for environmental laws be put out of the waste and recycling industry.
- Illegal Tipping often takes place in known “hotspots” and access to these areas should be monitored by surveillance cameras and supplemented with regular vehicle patrols by Environmental Inspectors.
- It is the view of our Association that this Enquiry should seek the views of Clean Up Australia on how to improve the problems involved with littering.

### **Domestic Kerbside Collection Cleanups**

- Our Association is strongly of the view that Domestic Kerbside Collection Cleanups are a major Occupational Health and Safety Issue for waste industry workers.
- Many waste contractors will avoid bidding for this type of work because of a high and unavoidable workers compensation exposure.
- It is our recommendation that Councils should be discouraged by this Enquiry from offering this type of service and that a safer alternative would be for Councils to offer free drop-off centres for bulk domestic cleanup items.
- A series of well located, suitably designed drop-off centres may also serve to improve recycling rates of dropped off waste products as there is less likely to be any compaction and / or mixing of wastes during the transport phase.

### **Skip Waste Policy**

- Within the Sydney Metropolitan Area there are approximately 40 Local Councils.
- Each of these Councils invariably has a different Skip Waste Policy that involves different deposits, bonds, application fees, durations, forms, number of skips etc
- Recently the Roads & Traffic Authority came up another variation and even more recently WorkCover have announced to us that they intend to issue their own Code.

- This variety of Regulation and Codes is very confusing for the industry, it is an administrative and financial burden and needs to be centralised into one policy.
- It is the strong recommendation of our Association that this Enquiry looks into this matter and makes a strong recommendation in an attempt to rectify these issues.
- This segment of the waste and recycling market is generally the domain of small business operators and the amount of waste material that is collected by this method should not be underestimated.
- These operators are generally efficient recyclers and if suitably encouraged will form part of the commercial solutions for the illegal tipping problems that are encountered across many metropolitan areas.

### **Key Performance Indicators**

- There is very little point in having waste management & recycling targets that cannot be met, that are unrealistic, that cannot be measured or that are based on unreliable information.
- Our Association agrees with your Commission that some jurisdictions set targets (such as zero waste to landfill) that may never be practically achieved
- In the past many of these targets have been set by Government without any industry consultation and our Association would like to be involved in a realistic target setting process that is based on a reliable and uniform waste data system.

### **Container Deposit Legislation**

- In the view of our Members – if container deposits exist then this may serve to reduce litter. However it could create complications at Materials Recycling Facilities.
- It is also questionable whether an amount of 5 cents per container is a sufficient enough reward to drop off a drink container.
- It is our recommendation that a comprehensive cost / benefit analysis be undertaken at the Federal Level to determine the issue of Container Deposit Legislation.

We really value the opportunity that was provided by this Enquiry to lodge this submission and we would welcome any opportunity that may be provided to our Association to elaborate on these issues in a face-to-face presentation.

We understand that hearings will be conducted in Sydney and have today accepted an offer from your Mr Ilias Mastoris for our Association to make a presentation in support of this submission in Sydney on Tuesday 28<sup>th</sup> February at 2:15pm.

It is our preference that this submission not be posted to the Commission's website until after this presentation.

Should you require any additional information please contact the undersigned.

Yours faithfully,

Tony Khoury  
Executive Director