

Inquiry into Waste Generation and Resource Efficiency
Productivity Commission
Locked Bag 2, Collins Street East
Melbourne Vic. 8003

6th July, 2006

Comments on the Findings and Recommendations of Draft Report into Waste Management dated May, 2006

Dear Sir / Madam,

The Waste Contractors & Recyclers Association of NSW (“WCRA”) refers to the Draft Report titled Waste Management released in May 2006 and welcomes the opportunity to make a submission.

On behalf of our Members WCRA submits the following in relation to this report-

1. Waste disposal comparisons between Australia and Overseas Countries

- When making comparisons with waste disposal practices and trends in other parts of the world, we need to take into account the differences that Australia enjoys compares with other parts of the world. Being a resource rich country, with lots of quarry and mine void space that is suitable for rehabilitation by landfill makes us very different to many countries where landfill ceases to be available. To this extent, it has to be understood that if suitable landfill space is readily available, we will only ever have viable alternatives to landfill with Government intervention (as is the case in NSW with the waste levy – currently \$30.40 per tonne in Sydney).
- We also need to take into account that in most parts of Australia the domestic waste market is conditioned to kerbside recycling collections. This is a real positive and we should be seeking policies that will result in greater effectiveness in this area (for example, green waste collections where feasible to do so; hazardous waste drop-off points to further reduce contamination rates and OH&S exposures; common colours for waste bins in the form of an Australian Standard etc).

2. The waste hierarchy and target setting

- Our Association agrees with the draft recommendation 7.1 that: *“Governments should not allow the priorities suggested by the waste hierarchy to override sound policy evaluation principles based on a net social benefits approach. All of the costs and benefits of alternative waste management options should be carefully evaluated.”*
- Our Association also agrees with draft recommendation 7.2 that: *“Governments should not directly or indirectly impose waste minimisation and recycling targets as part of waste management policy.”*

3. Regulation

- Our Association agrees with the draft finding 8.5 that: *“Regulation and enforcement for litter and illegal dumping are necessary but not sufficient. Measures, such as education, community involvement and moral suasion, make regulation more effective.”*

4. Market-based instruments

- Our Association agrees with the draft recommendation 9.1: *“Governments should discontinue the current practice of using landfill levies since:

 - pursuing objectives, such as arbitrary landfill diversion targets and revenue generation, to fund waste policies, will lead to sufficient outcomes;
 - the external costs of disposal of a modern, fully-compliant landfill are believed to be small, and levies are a poor instrument for directly targeting those externalities; and
 - the objective of reducing greenhouse gas externalities should be addressed within a broad national response to greenhouse gas abatement, not through landfill regulation or levies.”*
 - In relation to landfill levies, please also note our Association’s comment at item 2 above.

5. Extended producer responsibility and product stewardship

- Our Association agrees with the draft recommendation 10.1: *“The terms of reference for the scheduled 2008 review of the National Packaging Covenant should be expanded beyond an assessment of effectiveness. An independent review should consider all relevant evidence about whether the Covenant (and supporting regulation) delivers a net benefit to the community.”* And also agrees with 10.2: *“Product stewardship schemes for computers, televisions and tyres should not be introduced without the robust evidence that:

 - there would be a net benefit for the community
 - other policy options would not deliver a greater net benefit.
 This is particularly the case if a mandatory approach – involving either industry-government co-regulation or government regulation – is being contemplated.”*

6. Institutional and regulatory impediments to waste management

- We reiterate our Associations’ concerns from our submission dated 6 February 2006 that:
 - *“Within the Sydney Metropolitan area there are approximately 40 Local Councils.*
 - *Each of those councils invariably has a different skip waste policy that involves different deposits, bonds, application fees, durations, forms, numbers of skips etc.*

- *This variety of regulations and codes is very confusing for the industry, it is an administrative and financial burden and needs to be centralised into one policy.*
- We would like to see this Enquiry make a recommendation that may assist in the resolution of this issue. As discussed in our presentation in Sydney on 28th February 2006, these inefficiencies have a significant negative affect on the many small to medium sized waste and recycling business operators.
- In relation to the market power issues raised in section 12.6 of the Draft Report, our Association brings to the attention of the Commission that the Australian Competition and Consumer Commission (ACCC) is currently investigating alleged breaches of the *Trade Practices Act 1974* by Waste Services NSW (WSN Environmental Solutions).

7. Performance management

- Our Association agrees with draft recommendation 13.1 that: *“The Environment Protection and Heritage Council should coordinate the development of a concise, nationally consistent, data set for waste management that will facilitate evaluation and comparison of waste management policies across jurisdictions. It should have regard to data collection practices already in use.”*
- Within Australia each state jurisdiction collects and reports waste management data differently. This data is also based on different classifications of waste and methodologies, therefore limiting the usefulness of local and national comparisons. It is the recommendation of our Association that the Productivity Commission proposes that a Code of Uniformity be negotiated between all states that will lead to common legislation, systems and data being utilised in all waste management and recycling areas.

Thankyou for the opportunity of making this submission and should you require any more details from our Association please contact the undersigned.

Yours Faithfully,

Tony Khoury
Executive Director