Inquiry into Waste Generation and Resource Efficiency
Productivity Commission
Locked Bag 2, Collins Street East
MELBOURNE VIC 8003

Dear Sir/Madam

We have read the draft Waste Management report and make the following comments.

We welcome the draft report because it provides a realistic view on waste management rather than a recycle at all costs approach that many other agencies tend to use.

We support the Productivity Commission's conclusion that the external costs of a well located landfill with gas capture is likely to be less than $5 per tonne of waste.

The availability landfill airspace is being artificially kept scarce by the Victorian government in order to make it more difficult to dispose of waste. In Victoria a key criteria to obtaining an EPA Works Approval for a new landfill site is for there to be a demonstrated need for the site based on the location of other landfills. The proposed new landfill site must be listed in the approved Regional Waste Management Plan for that location. If it is not an approval application will not be considered. Sustainability Victoria and the Victorian EPA assume a new landfill site is not needed if one already exists in the region. Many landfills are privately owned; therefore, if other landfill sites are not allowed to be established because of need, then the State government is deliberately encouraging an anti-competitive waste management system.

Preventing the establishment of new landfills on competition grounds, has the effect of making it difficult to rehabilitate many extractive industry sites, it also reduces competition which increase price and reduces service. By the time Sustainability Victoria agrees that a site is eventually needed as a landfill it is often encroached by residential development making it harder to get licensed and causing many restrictions to be placed on the development.

We support the concept of taxation on system inputs (resources) rather than on waste disposal, as this provides better scope for consumers to factor to change their purchasing patterns. Having said that, we disagree with the Productivity Commissions recommendation that Governments should discontinue the current practice of landfill levies, landfill levies are a better form of taxation that many other taxes, as it discourages excessive waste disposal while also providing income to government. A landfill levy can also ensure that the landfill operator is paying for the external costs of operating the landfill. . We believe landfill levies are a more appropriate form of taxation than man other State based taxes for example payroll tax; however landfill levies should be capped at $10 per tonne.

It should be noted that landfills generally provide environmental and social benefits as well as costs. The use of landfill to rehabilitate former extractive industry sites is a very effective way of returning a site to its original landform or to a useful without the need to import large quantities of virgin soil. The alternatives to rehabilitating former extractive industry sites without landfilling are often result in a large unusable hole remaining.

There are many regulations and levies to discourage the filling of an extractive industry site with solid inert waste such as bricks and concrete etc, which would have minimal external impacts; however, if the same hole were to be filled with virgin rock and soil there would be minimal regulation. Both options would have similar environmental impacts on the actual rehabilitation site; however, the use of virgin materials would require the eventual rehabilitation of the site from which they are sourced.

In order to conserve resources, it may be more prudent to impose a levy on the extraction of virgin soil, clay and gravel, to provide a financial incentive for the reuse and recycling of waste bricks, concrete and compost. The discouragement of establishment of new extractive industry sites probably has more social and environmental benefits than discouraging landfill. Increasing the cost of resources would provide a financial incentive to use less virgin resources (waste minimisation, waste avoidance, reuse and recycling). A tax on extracting virgin resources would fit well with the resource conservation and intergenerational equity approach.

A substantial portion of the increase in waste generated in Victoria is due to the introduction of bins for the collection of green waste. This green waste is not new waste but waste that householders previously managed themselves (e.g. spreading lawn clippings around the garden) or placed into garbage bins; therefore it is not waste generation that has increased, it is waste collection that increased. This also explains the increase in recycling as a portion of the total waste generated.

The composition data for Construction and Demolition waste (Figure 2.2) for some reason does not contain soil and bricks which represent significant components of this waste stream. Whereas Page 23 discusses the amount of concrete (and brick, rubble and earth) that were recycled, implying that earth (soil) and bricks are contained in the waste stream. There is confusion regarding the definition of concrete in Section 2, a more accurate description would be building rubble.

One would expect Australia to have far higher rates of landfilling than Europe or Japan due to far more suitable landfill sites being available, resulting in more landfills being established plus lower disposal costs. Another important reason is the value of energy, Australia has cheap electricity prices compared to countries like Japan, so there is far more incentive to burn waste in Japan to capture its energy.

Page 41, appears to have a typo, one of the top 5 companies is PVM Australia, we believe it should be PWM Australia.

Discussion is made of significant external costs of poorly located and managed landfills, while this is true the same comments can be made about any poorly located and managed waste management facility including AWTs, particularly in terms of odour.

There is a significant cost involved in processing green waste; therefore even if the markets for compost improve there will still be a gate fee for receiving green waste. Green waste processors view landfills as competition; consequently, as the price of landfills (including levies) increases the gate fees of green waste facilities also tends to rise. The going rate for green waste processing is around $35 per tonne.

Advanced disposal and recycling fees (ADF or ARF) on new products are a useful idea and should be extended to E-waste items such as computers, televisions, video players and DVD players. Normally when new E-waste items are purchased it is to upgrade an existing item which will then be disposed of. The effective life span of E-waste items is usually less than ten years. ADF or ARF is more appropriate to E-waste than ADF or ARF should also be extended to mattresses which are difficult to effectively landfill due to the difficulty in compacting them.

We hope you find our comments useful. We would be happy to provide additional information if required.

Michael Strickland
Project Manager

WM Waste Management Services Pty Ltd
Phone: (03) 9721 1900 (switch)
(03) 9721 1910 (direct)
Fax: (03) 9720 5399
Mobile: 0403 188 646
Address: PO Box 394
10 Macquarie Place
BORONIA VIC 3155