

Landfill Levy Forum – Waste & Recycle Conference 2008 9 September

Note: this transcription contains spelling and syntax errors and has not been checked by those persons named in the document

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BARRY CARBON

Good afternoon. Welcome on behalf of the Waste Authority in order Marcus, Jan and Carolyn & I am Barry

10 Format for this afternoon is that there will be six brief presentations finishing in less than an hour with 1 hour afterwards of questions and comments.

15 When the Waste Authority came into being in about March, it was not at that stage empowered to do anything until 1st July, except to prepare for the implementation of the WARR Act. Prepare for implementation really meant at that stage, have some deliberations about the Waste Levy. The Waste Levy had previously been administered under the Environmental Protection Act. The Waste Levy under the Environmental Protection Act had regulations which said this is what is going to happen to the Waste Levy over the next five years. Five years meaning two more years from now. When the Authority looked at that issue, it said yes we are prepared to go ahead with that. Not only on our own volition but on the advice from the previous Waste Board. The Waste Board was an agglomeration of people appointed by cabinet. The Waste Authority is actually set up under legislation and has particular accountability. One of the lines says that the Waste Authority is accountable for the Waste Account. The Waste Account is based on levies. The job of the Authority is to actually come up with regulations that then become law and says that this is what you are going to have as your levy.

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30 There are two questions which the Authority decided that they were not going to make a decision on because it wanted more information and input. One of those is the issue we are going to discuss today. The other one was a consideration of whether the large non metro areas, the Mandurahs, the Bunburys and that sort of thing, need to be covered by the levy or not. We are not going to get to that in this year, but we have given a commitment that we will look at the levy as it relates to the metro area. Today we are looking at the levy as it relates to those activities which are at the clean end of the licensing - essentially category 63, but as we will see through the day that is not absolutely clear.

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40 The Authority has made up its mind that it wishes to make decisions which promote the wise use of resources. That's a given. The Authority also had cognisance of a wide range of views which were put before the board and which we had access to.

45 All of these slides from all of these speakers will go on the web page and several people have hand outs as well.

Background: The levy is at this stage is about 20 million bucks worth in a year, bit less. And that is the spread of what goes towards it. In terms of waste, that's quantities of waste, that's not dollars, but this is the material on which levies are based. C&D is the largest amount on which levies are paid. The levy applies to those activities which are licensed under the environmental protection act. When you turn it

into dollars, because one part of the levy is mainly on volume and the other is on weight you really get and incredibly close three way split between those sources.

5 So if you are looking at the Landfill Levy as a source of raising money to do good things, and that is at least half of its objective, may be more than half of its objective. Then you see there is about a three way split.

10 (refers to overhead) That looks at it in terms of tonnes compared to tonnes recycled. See the dark bit on the top, that is tonnes recycled. So you actually pay the levy on the light blue stuff.

15 One of the issues that is before the Authority is particularly the fraction under C&D - about how much of that light blue stuff that is not recycled that should be/could be recycled. And is the levy an effective way to manage that?

20 (refers to overheads) Just some pictures to know what we are talking about, some protrusible landfill...again. They are different creature to what they were 15 years ago. They're lined, they're plastic lined, clay lined, they've got leechate management, they have gas collection, there's not fires everyday, yep they're different critters. Right through to the low level hazardous waste.

25 That's an older picture of ... older being more than a year old...of inert disposal. That's a recent one. I had the pleasure... Alan Hesse there drove me around to all the inert sites the greater metro area. They are different creatures from even a year ago. You would have to say that the operators, certainly on my inspection, had all bent over, grabbed themselves by their boot laces and lifted themselves up.

30 Part of this is really a credit to interaction between Alan and his colleagues and the operators who said collectively we want to do better - and they have.

35 I am not going to go through this but you have... Bernard is sitting at the front here, if you want it now or during the talk or after it, Bernard has a great big pile of things called "Waste Types". That's the definition of what's clean fill, what's inert, what are the examples. There's a piece of paper that comes out of the regulations, the older regulations, that tells you what is covered between each of those. So anyone that wants it, Bernard is sitting right at the corner here so you can come and get it and read it. Okay... Hopefully...

40 (refers to overhead) Questions the Authority has been asking itself, "When is Waste a Waste?"

"Is it waste if it goes to landfill?"

"What's the interaction between the charge for the levy and the incentive for not putting clean fill in putrescible material?"

45 "Is there a quality question ... Should you be rewarded for a really clean landfill as apposed to one that is not clean?"

50 And there is another one that is not on that list which the Authority has been asked to consider which is "What is the interaction between clean fill and the reclamation of land for the purposes of development - what impact does that have on our quarrying industries for clay, limestone and sand, blue metal and all that sort of stuff.

They are the questions. The Authority is not going to give you an answer for these today but we are intending to give an answer by the end of this year effectively. If anyone wants to give us any feedback on today, we have cards today, you can write to
 5 the Waste Authority at Locked Bag 104 Bentley. And we will take any submissions from you or your groups or whatever.

What's going to happen is our colleagues here are going to give us their view of what they would like to see and why. Jan on behalf of the Authority is going to give you a
 10 summary of the things she has heard at the end of it. But a lot of it will be up to you. Thank you.

Are there any questions or clarifications on what I have said....No...

15 I would like to introduce Robert Atkins, just to let you know what you're going to get, You've got Robert Atkins, Director of the Environment & Regulation Division of the Dept of Environment and Conservation and Robert will talk from his perspective. Then you've got Bruce Bowman who's the president of the Waste Management Association.
 20 Then Mark Batty, in order, who's the Executive Manager of Waste and Environment at the WA Local Government Association
 We've got Rob Sippe from Eclipse Resources
 And Adrian Lester from C&D Recycling
 Each of them are going to give us a quick presentation, at the end of them you get to
 25 ask a quick clarifier but then we have a full hour for discussion after.

ROBERT ATKINS

Thanks Barry and good afternoon everybody. I am going to give you a brief overview of the legislation, perhaps pose a question why landfills should be licensed. Just
 30 brush over the Waste definitions to support the legislation. Barry has already referred to that and just finish on a quick snapshot of comparisons with other states. Not going into a great deal of detail because most of you will know the detail of quite a bit of the material I am going to present but it is really just to refresh memories and put things into context for the debate that will happen later this afternoon.

35 Purpose of the legislation – the act really says that we should be taking all measures to minimise the generation of waste and discharges to the environment.
 Part 5, which is the part of the act which licenses landfills, it relates to prevention control abatement and mitigation of pollution or environmental harm.
 40 And then there are acceptance criteria which we know about which defines ways for the purposes of managing environmental risk.
 The way the licenses works of course is that there is a condition in the license that specifies those acceptance criteria that are relevant to the landfill that's been licensed. I suppose the first message I give out of this is if it doesn't pose a risk to the
 45 environment or human health then don't license it. If it so clean and so good that it doesn't pose those risks and it doesn't need to go into a licensed facility it can be used for redevelopment, road building, or whatever use.

The licence is designed to limit the level of risk that materials that are deposited in
 50 landfills present to the environment and obviously a class 1 licence is the lowest of the

risk ratings up to class 5 which is the intractable waste, of which there is only one landfill in the state.

So the license structure is based on the level of risk.

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If there is no... in terms of clean fill if there are no restrictions on how clean fill can be used, it is not a prescribed waste it doesn't prevent it from being deposited in a class 1 landfill either. That's the choice of the operator. And similarly when you go to Class 2, Class 3 landfills those other landfills can take a lower class waste for whatever purposes. The levy and obviously there is license fee to pay for that... the levy is not there for the purposes of protecting the environment. Landfill Levy in my view is there to encourage the diversion of waste from landfill to other more high beneficial uses. So to some degree licensing on landfills and the setting of the levy are somewhat independent activities. Obviously the less waste to go to landfill the better for the environment, but the land fill should be designed to accommodate the wastes that are prescribed for it in a manner that protects the environment. So the levy is not there to protect the environment. The levy is there to encourage better uses and to reduce the reliance on landfill. Now whether the level of the levy is sufficient to do that is another debate, and I will provide a few comparisons on that at the end.

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Barry has already gone through this but Class 1 is an unlined landfill, designed to receive essentially inert waste. It can receive clean fill but does not have to go there. The two points of contention here really are what is meant by inert, and there is a lot of discussion on what is meant by inert. Different states treat that, set boundaries around that in slightly different ways. And the other bone of contention is what is putrescibles. The states treat putrescible / non putrescible / wet and dry solid wastes in slightly different ways. But not that inconsistent when you look at then how that then relates to the type of landfill cell that landfill wastes go into.

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30 You know that waste is divided up into three types, C&D waste and some associates waste form type 1. Type 2 is specifically used tyres and type three is secondary waste treatment wastes that are specified. Type 3 wastes generally only go to particular class 1 landfills that have that particularly on their license.

35 So this brings the issue it think to what's the future use of the landfill site. Because there's a fair degree of latitude between the types of waste particularly in type 1 from what is truly inert and in indisputably inert and that is building and demolition rubble through to things like bio solids which are somewhat biodegradable. The future use of the site needs to be determined before an operator decides which combination of these wastes might be received in the site.

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There is no restriction on size of particles, particle size in terms of C&D waste. There's no restriction on homogeneity or heterogeneity of the waste in terms of the license. So really it comes down to the operator to decide or the owner deciding on the future use of the site. In terms of the future use of the site while the site may be stable from leech ate risk point of view, and that depends on how well contamination of wastes has been managed by the operator during the life of the site, it may still present yet technical risks to future use if you have large chunks of concrete, consolidation is a particular problem.

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Interestingly I became aware today of a class 1 landfill site that has been referred to us under the contaminated sites act by a prospective purchaser and the environmental investigation shows a fairly significant proportion of methane coming from the site. That tells me that as a Class 1 Landfill site it hasn't been managed terribly well if it is producing methane because you shouldn't be getting methane out of C&D waste. Its an example that a class 1 landfill site once its finished with is not necessarily a benign site in terms of environmental management and in terms of the future use of the site. So the discussion on the separation of waste and what's clean inert and what is unclean inert is not a simple argument.

This is the last slide, I just want to make comparisons with NSW & SA. I haven't done an exhaustive look across the other states, I have only had a chance to have a bit of a peek-a-boo at both these sites. In summer NSW has a general solid waste non putrescible which is the closest in the line to inert waste in WA and certainly the C&D component of NSW general solid waste is pretty much the same as the acceptance criteria in WA and that's no accident because we actually mirrored that when we reworked the classifications last time. But their non putrescible solid waste has a broader scope in it than inert in WA. And interestingly the minimum requirement for landfills in NSW is a clay liner or is in a clay landform that doesn't require a liner. But you certainly don't have unlined landfills in sandy soils as far as I can work out.

SA has a C&D definition and an inert definition, less descriptive that WA but broadly covers the same areas. It has a greater latitude for what we regard as contaminants in C&D waste in WA fits into the definition of inert waste in SA. But again there minimum requirements are stricter than they are in WA in that the minimum landfill requirements for the smallest of the landfills is a 150 mm reworked consolidated base soil through to a leech ate collection and liner system for these wastes. Were as in WA they are unlined and have a tighter definition of inert.

I have just put up there the comparison of levies. NSW levies about \$40 per tonne, it varies with some regional variation. SA their metro levy is \$23.40 per tonne ours is per cubic metre but converting that to a per tonne is around about \$2.00 a tonne. So essentially we have some differences between the other states but generally similar but less restrictive in my view that NSW and SA.

Just in closing comments. The department is reviewing the prescribed premises classification or categories as there are 89 categories landfills which occupy three of those categories over the next twelve months.

There's a full report review of the prescribed premises categories going on and there's also going to be a review of the definitions of acceptance, waste acceptance for landfills. So this discussion is pretty timely in regards to input to that debate.

Are there any questions or clarifications ... No then we can roll on.

BRUCE BOWMAN

Many of you know me, Bruce Bowman, I am here to represent the Waste Management Association. The WMAA for those of you that don't know, we consider it the peak body that represents the waste industry, the make up is local governments, consultants, waste companies. It set up in 1991, incorporated at that time, 1000

members across Australia with 120 members in WA. As you can see there 23 % of those members are local government. So by our biggest membership is from Local government, Consultants 16% and Landfill only 4% but many of those local governments operate landfills.

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The WMAA in WA works or carries out its activities to support government and industry through its working groups. We have six working groups noted there. I am personally active in two. The Landfill Group and the C&D Group. The Landfill working group has been going for probably nine years and the C&D group has almost clocked up 12 months of being in existence.

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What I wanted to do today was to spend a few minutes that Barry has given me to bring everybody up to an even playing field. I know there is many learned colleagues out there that know what I am going to show you but I just want to make sure that we all have the same information and the same understanding going forward today.

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My understanding of the states governments' role in Waste Management is to work towards zero waste. That is the theme that we have been given over the years and that is the mission, the ideal that the waste industry including local government in particular has invested its money into infrastructure and all of that infrastructure development s to address the state governments mission of towards zero Waste.

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The Waste Authority, and this is taken from the WAR Act, this is my definition of what the Waste Authority does, is to support state and commonwealth policies which enhance the progress towards zero waste. That's straight out of the WAR Act.

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What I want to do now is just acknowledge some of the good work that is been done over the last few years. If we go back to 2005 the Waste Board was chaired by Noel Davies, at that time there was a review conducted and the intention was that the levy would increase to \$35.00 per tonne by 2020. In 2006 when Mark McGowan was our Minister for the Environment, he announced that the inert levy would go to \$9.00 per cubic metre by the year 2010/2011. Shortly after the levy regulations were released and they set a timeline, as Barry touched on a few moments ago, on the increases and increments of those levies and that the idea was that by this particular time mid 2008/2009 the inert levy would be at \$5.00 per cubic metre. With Barry taking over the Waste Management Board in 2007, Dr Michael Blithe was commissioned to take a review of the landfill levy. And quoting from the report Dr Blithe commented that looking to the future the landfill levy is likely to be more effective in influencing waste management practices including waste to landfill, as the levy rate rises alternative become more attractive especially for inert waste. And I think that this reflects the views of industry and local government in the management of waste particular inert waste in the past years.

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In March this year with the outgoing Waste Management Board, Barry requested from the outgoing board that they make some comment on the Michael Blithe report for the incoming Waste Authority. From the minutes of the main meeting the chairman concluded that there was little evidence to indicated that a landfill levy has been an effective instrument in influencing waste management practices including waste to landfill.

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In July the WAR Acts were released and the corresponding regulations. The levy regulation effectively froze the inert levy at \$3.00 per cubic metre and by not having any mechanism in the regulation to increase the levy. The putrescible levy however had an incremented increase written into the regulation and Barry called for a forum and an opportunity over the next few months to talk about the inert levy. Which we welcome.

A few statistics. This chart shows some information that's been gathered by Cardno BSD and it shows that the C&D Component over repeated years is running at about 50% or better of the total waste stream. Now I have heard arguments that we have had a building boom, there was a large industrial construction going on through out that period but I know that looking from recent reports from Cardno that this trend is continuing right up to current day.

As far as the levies go in other states, if you look at the right hand column there, you can see that the diversion of C&D waste or recovered C&D materials from the waste stream is quite dramatic in a couple of states. In SA and NSW they're getting in excess of 60-70% diversion from landfill of that material. We are currently diverting 21% of our total waste stream into the C&D recycling industry. On the left hand side you can see the levies that exist at this stage in those other states and next to that you can see what the levy was in 2005. SA & NSW have put \$14 and \$25 on their levies which is effectively doubling those levies, and as you can see on the far right hand column that they are achieving 61% & 69% diversion from landfill. I think it is fair to say that the level of those levies must have had some influence on the diversions rates from landfill.

A few key points to consider in the next few minutes is that from the members and the discussions I have had throughout the WMAA, as a whole we welcome the opportunity to review the levy. We see this as initiative not only to look at what the true cost of what the levy is but see what it should be and look at other mechanisms to work out what the true cost of the levy is. My understanding from the original levies set back from the original Waste Management Board is that they were set based on a requirement for revenue to fund initiatives, which I think Marcus touched on this morning. That may not be the true way of working out what the cost of a true levy should be. And a lot of my colleagues believe that we should be looking at the whole of life case that relates to the disposal of waste particularly now with the climate change obligations coming up.

Another point to consider is the C&D Waste Industry or the C&D Recycling Industry tell me that they sell all of the product that they recycle or that they recover. All of the sand all of their crushed materials they can on sell.

Higher levies should help this process.

What is an appropriate value for the levy, I don't know what that is but I am sure that it is within the Waste Authority ability to find out. We need to understand what the total life cycle cost is of disposing of waste. We need to look at the embodied energy of that material. We need to address the cost of mining virgin materials to create raw materials for building. C&D represents 50% of our waste stream, it is an opportunity for state government to kick some goals with regard to resource recovery. It is the

responsibility of DEC to license landfills. Now I don't want us to become confused of what the Waste Authority is because my understanding is that it is to work towards zero waste where as the DEC and the EPA have the role of licensing and regulating waste.

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There was an interesting court case several months ago in SA where Resource Co a inert waste recycler had a court case with the SA EPA and the essence of that case was that trying to understand when is a waste a resource and they concluded that material becomes a waste at the point of discard or abandonment or at the point which the decision is made that the material is unwanted or surplus. It ceases to be a waste when its character changes either through being sold or being recycled to become useful and the report when on to conclude that piles of inert material for eventual use as construction fill remained waste until further processing.

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And on that note I'll just conclude that my understanding of the WMAA members are that we appreciate the opportunity to look at where the levy is and what its more appropriate level should be set at. We don't know what the levy should be for inert material. It's a fair chance that the true cost for the disposal of those wastes or the captured energy within those wastes would be more than \$5.00 a cubic metre but we hope out of this there will be a clear and open research done into working out what the true cost of disposal is.

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Thank you Barry.

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MARK BATTY

Thanks very much Barry and thanks for the opportunity to speak to the delegates here this afternoon. The association certainly values the opportunity to come along and have a chat today. Its certainly an important and positive step in a comprehensive consultation process that we are confident that will have a little way to go yet.

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The association as many of you know is the peak body for local government in WA. Just out of interest can I see how many are from local government here this afternoon. Okay thanks guys there is a few of you here, good to see you.

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(unknown speaker) "are you the numbers"

You may well be premier soon Barry...

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Currently we have 141 local governments in WA and I think that deputy chair Janis working to make that 140 at the moment. Within that structure we actually got dedicated committee on waste such is the importance of it...I wont chant the mantra about rides rates and the other one. But clearly it is a significant matter one for local government. The Municipal Waste Advisory Council also includes the regional councils in the metropolitan area. It's a good partnership, a good model. A very good governance model and it represents the local government waste management interests. Just for those of your that are not in local government, the association is not the department of local government although at times you could be forgiven for thinking so.

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And I guess the vision that WALGA has through MWAC is a united vision towards a zero waste future. I thought just to set some contexts we are going to talk about briefly some drivers for local government. The importance of stability through the regulatory environment and I think also a little bit of a policy setting. In terms of the relationship with the state government. We have a number agreements with the state government. Probably the most important one from an environment and waste perspective at almost a stratospheric level was signed in 2007, almost this time a year ago with the most recent Environment Minister, David Templeman. That was a sustainability and climate change partnership which committee state and local government to working together on a range of key issues that would effect sustainability and climate change for WA. The Waste Management theme around that has got a number of agreed points to work on there, but perhaps the most important one for today's discussion is to promote best practice, sustainable waste principles to maximise opportunities for recycling and resource recovery and to assist the transition toward zero waste. We are pleased to have a very good relationship with the DEC and the other partners involved in that process. And we are certainly grateful for the opportunity to raise with the Minister issues around that from time to time.

In terms of policy position, the first thing I would probably go to is the Waste Management legislation and the process that was actually undertaken to provide comment and input into the legislation and the framework within that. That was seen by the association as a really good process. There was lots of reiteration between member councils, regional councils through MWAC, through the association to those who are formulating policy at the state level. And we were happy as an association to endorse and advocate for that legislation. That was driven largely as I say because there was a very good framework in terms of dialog and discussion, and I think it served the state well to go through that process.

The strategic waste funding that came out of that was also very important in terms of resource recovery and particularly for regional and rural local governments. The Zero Waste plan progress has been terrific for local governments in helping to get local governments particularly in the remote parts of the state working together to better manage waste and that has been a good outcome for the sector. I think that the process has been embraced by local governments, which is pleasing to see.

One of the things around some of the discussion that Bruce has already covered off on is around the interest of local government in C&D. As a contributor to the waste stream but also perhaps more importantly as an innovator in actually using C&D materials. And in terms of case studies I guess City of Canning, and I know that there are some people here today from the City of Canning, have done a really good example of closing the loop in relation to concrete. With a project working on the widening of the Welshpool road. They rip up the road, it gets reprocessed gets turned into a product suitable for.. comprising part of the road base that goes back into the road itself. There is a very good little market, a close the loop market, for local government around ensuring that some C&D material can actually be reprocessed and used efficiently. Certainly that is what the rate payers will be expecting to see from local governments.

The state government direction towards zero waste, as I said earlier has been well embraced, I think by local governments. They're keen, I think, to ensure that they

can demonstrate through a whole range of activities to avoiding C&D going to landfill. And I guess from an association perspective, probably go back to 2005 when the association ...???. the case studies and templates on a green procurement manual which was delivered to every local government in WA, to look at opportunities to, I guess invigorate a fledgling market in terms of C&D.

In 2006 there was, for those of you who attended the 2nd national By Green Conference, again designed to help kick the market along, it was a fledgling market but as the third largest economy in the state behind the state government and the resources sector. There is a terrific opportunity for the sector to be an active purchaser of recycled product. That goes from anything from road based to infrastructure fittings in parks and gardens, etc.

I think the work that the Swiss funding we have attracted to look at engineering standards for recycled concrete to form road base so that we get consistency of approach and some certainty around how we can actually use some of the recycled materials in an ongoing way. Is it appropriate use of the levy...

That I think is where local government can gain. Certainly where the local government community and its residence expect. The expect resource recovery, they don't expect mechanisms to free up or change the way that land filling is currently going on, its needs to be better managed. We think that getting markets going around the reuse of C&D in particular is a terrific opportunity for local governments both as a contributor to that as a major asset owners in terms of facilities that need to be rebuilt or built again and also in terms of road construction in particular with concrete. Around the opportunities to help better maintain local government s 124,000 km of road.

Regulatory stability is probably the key for us around this, security of investment, in a secure regulatory environment is of fundamental importance to both, I suspect. Echoing Bruce's words, both private industry and local government. There is significant dollars being invested by the majority of the people in the rooms, no doubt, in one form or another. And its important that we have consistency of approach. And where approaches are going to change, in terms of changing public policy, on these issues or indeed interpreting regulations I think it is important that you said at the outset that there is good community consultation and adequate time to actually go through the issues for the potentially effected parties.

The six month freeze, I.....share has surprised some of us in local government and perhaps in industry as well. We would like to see a good process, looking at, as Bruce has identified, the economics capturing the externalities of the whole landfill issue, I think will be important. And I think that most importantly of all is that if there was one message to leave you with is to ensure that there is good debate, good information and a good time for all effected sectors to analyze the implications of any review of the Cat 63 levy.

Thank you chair.

Happy to take any questions... going .. going..

ROB SIPPE

5 Thanks Barry. Rob Sippe from Eclipse Resources. For anyone unfamiliar with the company we do those four things up there on then opening slide, and we have paid about 5 million dollars into the landfill levy since its inception.

10 I've subtitled my talk ten points in ten minutes and so I have numbered them to make sure I don't speak too long.

15 First of all, I'm trying to set the context into a wider reform of the levy argument, that I guess started with Michael Blithe review. We are supportive of all waste streams paying a levy and we are also supportive of that being extended to major regional centers although that is not necessarily the topic for today.

20 We believe that the aims for better waste management and aimed at sustainability outcomes and we think that's exactly in line with the recent legislation. The legislation says in fact, the primary objectives of the Act is to contribute to sustainability. It also talks about the establishment of fund relating to the management, reduction, reuse, recycling, monitoring, measuring of waste so we believe it is a broader argument than just a diversion of waste from landfill as we are talking about today.

25 Finally we are supportive of using market forces for change, and I'll come back to that.

30 In terms of the governance of the levy, which is the important part, to do with how levies are conducted and carried forward. We are strongly supportive of separating the policy function, which we believe is the function of the Waste Authority, from the regulatory function, from DEC. But you just can't set up four or five people in a room by themselves and expect them to carry out that, they actually need some support, some staff, and we believe that there should be a dedicated secretariat to the Waste Authority to contribute to that independence.

35 Obviously the next two point I think are ... there is probably a little disagreement with. The levy needs to be spent against waste strategy, needs to be hypothecated against that and we argue that the performance of that needs to be done by an independent audit process and the results published.

40 But now coming to a new levy structure, and this is our argument to the Blithe review and subsequently that.. We believe that the levy should be differentiated on the type of waste and the associated environmental risk. We think it should also be differentiated on the level of management applied to that waste. We believe that unless we do these sorts of things, there is going to be a range of unforeseen and undesirable consequences. And one that we are personally involved in is without a more sophisticated approach there will be significant sterilization of basic raw materials in the metropolitan area. I'll come back to that in a minute.

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Just by way of an example, one of our sites at Abercrombie Road down near Kwinana, where we carry out an integrated resource recovery operation, we ceased mining on that site because we could no longer afford to take the risk of having to fill a void. Our plans for that site are not for inert landfill site, our plans are for industrial development for that site. That's the end game. So I guess unless we have a better approach to this, companies such as ourselves will not be taking out inert waste, wont not be taking out raw materials, if it is uneconomical to reconfigure that land for subsequent higher and better land use.

10 We think there should be a table looking something like this where the vertical column is a quality of management based approach and the horizontal column is based on type of waste based upon environmental risk, arguably the highest environmental risk hazardous waste with the lowest quality management should pay the largest levy. In this way there will be a direct incentive for people to move down the differentiated levy path by increasing the quality of their management.

20 For the inert waste stream, which is the subject of today's forum, we believe that differentiating can achieve zero waste traditional waste landfill better, cheaper and faster than regulation, because it will drive reuse and recycling to the lower levy rates with increasing quality management.

25 I have been talking about inert resource recovery. What I mean, well I am talking about the extraction of basic raw materials the reuse of inert materials to fill the void meeting geotechnical standards, and carrying those costs. Recover materials for recycling and reuse and develop the site for higher and better land use.

30 No that is actually an aerial photograph of one of our sites, at Abercrombie Road. In the foreground you can see the reddy-brown colour, that is final levels for industrial development. At the very back of that site you can see the quarry in which ceased at the end of last year. We actually reopened that quarry to help Main Roads out with the Perth to Mandurah highway because of the lack of raw materials south of Perth. And in and L shape to the right you can see where we do resource recovery for the ...???... soils operations. We don't want to see these sorts of operations in the Metropolitan area to be a thing of the past.

35 Integrated resource recovery, this is an example, its got nothing to do with our company, where is results in housing subdivision in Beaconsfield in the joint venture urban development north of Perth, playing fields. It's certainly not new overseas. There is a proposed 36,000 seat stadium on a site in Portsmouth UK and a housing development in KL. It's a poor photograph I am sorry but it's the best I could get.

45 So without a more sophisticated approach, with a one size fits all levy structure, we believe we are going to get examples such as this, this is an un-rehabilitated quarry left. A lot of these sites around Perth are on crown land and without some incentive for them to be rehabilitated and reused for some productive use, these things are basically going to be uneconomic to do anything with.

So in conclusion, our argument is for a more sophisticated approach to the levy structure, one based on environmental risk and quality of management to provide

market driven forces to improve the overall performance of management of inert waste.
Thank you.

5 **ADRIAN LESTER**

10 Mr Chairman, members from the Waste Authority, professionals from the waste industry and ladies and gentleman. As Barry mentioned my name is Adrian Lester and I am the manager of a business called C&D Recycling which receives construction demolition waste and recycles it into product used by land development and civil construction industries. Products such as clean fill or house pad sand, road base and sub base and various aggregates for drainage. We divert approximate 96% of waste that we accept away from landfill.

15 Before I commence my speech in interest of reducing time we have heard from the regulator – DEC, industry, we have heard from local government and we have heard from Eclipse Resources. The regulator, industry and local government are for the promotion of resource recovery and in effect an increase in landfill levies. We have also heard from Eclipse Resources an inert landfiller and a developer who wants a
20 differential rate or the levy to basically go down. You have listened to their arguments and so I would like to ask the audience two questions, so I am after some audience participation here.

25 Who thinks creating a differential rate here or lowering inert landfill levies is a good idea. Please think about the social benefit, does it make financial sense, and the environmental sense. I am looking for hands here. Anybody think the inert levies should go down? Or have a differential rate?

30 Audience murmurs...?

One at the back

Audience murmurs...?

35 Okay who thinks that increasing inert levies is a good idea?

I think the highers' have it my lord.

40 Audience murmurs....?

I must press on though. In June this years the Waste Avoidance and Resource Recovery Act became law. The act established the Waste Authority which is five people appointed to carry out the functions of the Authority. So what are the functions of the Authority? Well according to schedule 2, the functions of the Waste
45 Authority on page 69, among other things, and Bruce has already touched on number 6, is to support the state and commonwealth policies. Which is to encourage a policy towards zero waste. We have already heard that twice today. Number 7 is to promote resource efficiency, waste avoidance and resource recovery. It's fantastic to see that the Authority's hit the ground running and sees the opportunity to review inert landfill
50 levies without delay. This review is a result of Eclipse Resources lobbying the Waste

Management Board and now the Authority to recommend to the Minister to change the current legislation. I use the word lobbying in a positive way. They are quite within their rights to lobby for change, it's quite acceptable to lobby as long as it is done in an open and transparent way.

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So Eclipse Resources would like to create a differential rate of landfill levies for inert waste when it is put into their landfills. Which is land such as a quarry or limestone mine that has finished its resourceful life and can be developed into an alternative use by filling it with inert waste.

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Well according to the environmental protection act if you put waste into the ground then you need a license. And a land fill levy is required to be paid. However if you develop land with clean fill you don't need a license and therefore no landfill levies are required to be paid.

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Its up to the owner of the land to decide to fill their land with waste or clean fill. They know the rules and they have the choice. Most developers fill their land with clean fill. Eclipse Resources have a different development model and fill their land with waste. That's their decision. I have met with Eclipse Resources personnel and attended their operation in Kwinana, and understand that they want to change a limestone mine that they created into a light industrial sub division. However we are poles apart when they propose to tamper with landfill levies. Eclipse want to change the current system so that it only benefits property developers filling land with waste. This will have severe implications for the recycling industry. Not might, not perhaps but will absolutely have severe implications for the recycling industry.

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So what do we know? We have already heard from Bruce today that in 2005 there was a discussion paper on inert landfill levies which put out by the then Waste Management Board, and it said that the Board will propose an ongoing annual increase in levies. It also said, and this point is very interesting, please take note, the Board preferred rate at 2020 would be approximately \$35.00 per tonne. It is equivalent to \$52.50 a cubic metre for all waste. So that by then the pricing is at or is approaching the full environmental cost of land filling. In 2006 we know that Cardno was commissioned to prepare a report entitled "Issues relating to generation, collection and treatment of building product waste in WA". It stated an increase of \$2.00 per annum for the next 10 years provides the industry and stakeholders with a clear signal that disposal is no longer an acceptable practice, while providing time for the industry and stakeholders to plan and react as the levy increases.

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What else do we know? We also know that in 2006 the then Environment Minister Mr Mark McGowan and his press release of May 2006 said " we will introduce a mechanism that will allow the Waste Management Board to incrementally increase the levy to \$9.00 a cubic metre for inert waste in 2010". Then in 2007, Dr Michael Blithe conducted a review that was commissioned by the Waste Management Board entitled "Landfill Levy Review". It stated as the levy rating rises, and Bruce has already mentioned this, this afternoon, as the levy rate rises alternatives will become more attractive especially for inert wastes.

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And then just recently, this year, the ACO Tasmania report was released that was commissioned by the DEC into civil works and recycled content, which said that

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increases in a landfill levy have shown to have substantial impact on recycling and diversion rates for inert material.

5 A total of 5 reports, discussion papers, press releases and reports over the last 3½ years have all recommended that inert landfill levies should be increasing. Not decreasing. Not remaining static. Not being subject to a differential rate. I repeat 5 reports, 5 documents that have been paid for by public funds, all say that inert landfill levies should increase.

10 The proposal of reducing landfill levies or creating a differential rate is not good for Western Australian because it's a short sighted proposal, it doesn't consider the full implications.

15 Its not consistent with the WARR Act. Its not consistent with the functions of the Authority. Its also not consistent with the 5 reports presented to the Waste Management Board over the last 3 ½ years. It only benefits developers, developing land with waste, which is 0.0057% of urban differed land in the metropolitan area. An absolute minority of minute proportion.

20 It will increase the volume of waste to landfill. And it will absolutely decimate the recycling industry here in WA.

25 So I urge the Waste Authority to review in detail the previous 5 documents. Inspect inert landfills whether they are developers or just land fills, inspect them both you can see the types of waste that is being land filled. Inspect the various recyclers so that you can see the types of waste being reprocessed into other usable products. Not every recycler is the same. We all have our points of difference.

30 Conduct a life cycle assessment of the greenhouse gas emissions comparing recycling operations where a waste product is being recycled into reusable material as against mining virgin material to create a whole in the ground then filling it with waste.

35 And then if the Waste Authority truly wants to conduct its business in accordance to the WARR act, at an absolute minimum it should follow the recommendation of the Cardno 2006 report and increase landfill levies by \$2.00 per annum over the next 10 years, which is consistent with the previous legislation. However if it is serious about establishing a viable recycling industry in WA, it should move on a stepped incremental basis towards the previous Waste Management Boards preferred rate of \$35.00 per tonne by 2020 in real terms.

40 If the Authority follows these recommendations what will the outcomes be? Less waste to landfill. More funds will be generated in the landfill levies fund to assist with problematic wastes such as hazardous waste, oils and tyres. Less waste to landfill and more money for problematic waste is guaranteed.

45 I would like to commend the Waste Authority for acting so quickly and putting up the inert levies for a discussion review and I as do the other speakers appreciate the opportunity to convey the views of the people we represent.

50 Thank you very much and back to you Mr Chairman.

QUESTIONS FROM THE FLOOR

5 **Audience 1.**

Colin Leek, jointly City of Canning and IAB?? now, I am between two places. Several points I would like to make, I guess I firstly take offence to the use of the term waste. I could give an example of waste at the moment. The air-conditioning is so bloody cold I am freezing by but off. That is a waste of energy. But to call something like concrete or C&D materials a waste is inaccurate in the first place. It is only a waste when you put it in the ground otherwise it is a wasted resource. There is different ways you can tackle waste, you take California. They turn around and say to the road building industry, if you want to build a road, you go and find a recyclable material. And they make the industry that is building the road look for that material and find it. You can't find it, mine another road. If you cant do that then come and talk to us and look for a new material. Tyres, 90% of the tyres in California end up back in the road because they've got the guts to legislate to say that you will use that resource back in the road. You know, don't throw it away. You fiddle fart around with waste levies. To me that is a strange way of doing business, you know your saying okay we want to encourage people not to put material back in the ground by having a waste levy. That to me just creates another human resource officer and another accountant and another whole bloody bureaucracy that wasn't needed in the first place. Just legislate. We wrote you a letter from the C&D working groups saying you know please change the regulations don't let anything recyclable go back into the ground. What happened with that? I haven't heard a thing back about that.

Eclipse Resources, you know that is mind boggling to me. And here you are saying okay well, we're going to help Main Roads out, we're going to dig limestone out of the road. And then you turn around and want to put anther recyclable material that could have gone back into the road, back into your hole. You know that doesn't seem to make a great deal of sense to me. And I quite understand some of the argy-bargy that went on between, on the southern gateway alliance coz I was in on some of their conversations. And it is all about who is going to manage this risk and that risk and all the contractual bloody argy-bargy and crap that stopped recycled materials being used in the first place.

So that is what I want to say, and I just reckon that we are just going round and round in circles, lets cut to the chase and use the materials where it should be instead of putting them back in the bloody ground.

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Audience 2.

Justin Lang, Zero Waste SA and for the sake of being unpopular for the third time today, I can say things and I suppose I am supposed to represent the agency I am coming from but I can say things and escape your state in the next three or four days or so, if you let me out.

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Our levy in SA is two tiered at the moment, we've got a metropolitan levy at \$24.20 and we have a non metro at \$12.10. I think we can se in the eastern states where it is higher that all of a sudden we hear this morning of about 80-90% diversion rate. So there is something to be said, however it is applied for putting a levy in with some

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force and vigor. Again I hear of our municipal target is 75% by 2010 but I keep on hearing that commercial and industrial C&D are out performing local government which is sitting down around 45-50% at the moment.

5 Now having said that you can see the commercial and industrial loads tip off all sorts of material that could be recycled so if anything from our perspective or from my perspective to be a bit of an advocate for resource pricing to encourage industries, various industries to do the right thing. The only reason why I put my hand up to have a differential rate was clearly if a sector is not performing the government, any
10 government should be sending a clear message to say, until we get X percent diversion the levy will continue to increase. So whether it is \$35.00 per tonne by 2020 I just can't help but think that if it was the other way around, if the government said we want X target and we will continue to increase the price until we get it you might get a better result.

15 Just the need for governments all around to make their messages clear to all stake holders.

Mike Harper: (Change of Disk meant missing beginning section...)

20 ...board at the time wasn't economical, we couldn't make it pay, so we had to give it away. At the moment if you don't increase the levy the situation isn't going to change, this has been going on for a long time. My members, to sort waste and recycling ...???... substantial building down cost money. And if you've put a levy on it there is a lot of encouragement for the members to sort the waste at source. That's where it
25 has got to be sorted - at source. If you bung it in a truck and take it down to a tip, again it costs money, for the tip to sort it. Or the recycler like Adrian or anybody. Separation on sight is the key and the way to get that separation is put the levy up which would encourage, particularly my members, and anybody else in the game, to sort at sight and send what they can to recycling, bricks to Midland Brick, concrete to
30 the various recyclers. And the thought of burying it, to recycle land, is just ... to coin the phrase, rubbish.
Thank you.

Audience 4.

35 Thank you, my name is John King from Cardno. I would like to pick on a couple of points that Colin Leek made and I would like to firstly acknowledge the work that Colin has made over the years in pavements in general, but recycle pavements that work at Canning have been fantastic. I would urge caution about the legislative path as against using market forces like the levy. I point to what has happened in certain
40 jurisdictions around the world in putrescible waste, bans on organic materials going to landfill in Germany for example. You end up with waste treatment facilities being built to process it before land filling it because you have to meet the objective of the legislation. You have to be very careful in my view of getting the legislation right where as if you allow economics, or you effect the market economically you allow
45 peoples imagination and skill to take over and get best use. I certainly am of the view that the market as it is now is incapable of dealing with environmental benefit from recycling and therefore the levy certainly assists in that.

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Jim Malcolm:

It seems to me that there is another imperfection in the market too, and that is that we have a system where the people who buy virgin materials don't pay the full environmental cost of those. Because they are not paying to fill up the hole that they've created. And that's part of the problem that Rob's got. If they had actually been required by conditions of their extraction to rehabilitate the mine site then there wouldn't be a hole that was so big it was a problem to fill it up. And the resolution it seems to me is that that form of regulation which allows the creation of voids in the metropolitan area and not filling up of them again, has given the users of those raw materials a free ride at the expense of the rest of us.

Barry Carbon:

Just while you are pontificating on your next questions. The old levy, the levy that was under the environmental protections act, actually was a levy that was based on landfills. The new act, the Waste Avoidance and Resource Recovery act actually says that the levy can be applied to any licensed activity. Okay so whether it goes in a landfill or not the determining thing on whether it is subject to levy is whether or not it is licensable. You remember Rob Atkins ran through all the different reasons why you can license something. Okay.

Michael Aspinal:

Michael Aspinal, Shire of Gingin. If I could ask a question from someone from DEC. when somebody applies for a license to extract material from the ground, mainly limestone, which we have plenty of in Gingin, are they required to fill the hole back in? Are they required to do that?

Robert Atkins:

Unless that activities assessed by the EPA it is not actually regulated by the Environmental Protections Act. So an extractive industries license comes from local government, not from the Environment and Conservation. So in short it is not regulated by me. So the answer to that is no.

Michael Aspinal continued.

(Michael Aspinal) If there is an inert landfill who checks to make sure that what is going in there is inert?

Barry Carbon:

Alan stand up, are you there...

Robert Atkins:

It is obviously an obligation of the licensee to comply with the law and with the conditions of their license. The sites are inspected for compliance, not often enough I would have to say. But they are, and if there is material in there that shouldn't be there then either a work order is issued to rectify the site or there's other enforcement action taken. But there is no requirement of the licensee to put in regular returns of what they receive.

Barry Carbon:

There is a guy over there with the All Black shirt on who drives around to all of the licensed things probably once a fortnight and if he is uncomfortable with it then he reports that to Rob's people. Who've got the license control. And my observation is that from an exercise that was a bit of guess and good judgment that over the last year the performance has been pretty good.

Robert Atkins:

Yeah, well that was a bit of a campaign mounted at that time which sharpened people up remarkably quickly.

Barry Carbon:

While you are contemplating, there are several questions that sort of came out of the talks. Rob Atkins, you made the comment that, if you are going to put clean material, don't put it into a landfill and that the developer has that choice. Who gets to decide whether it is a landfill or not?

Robert Atkins:

Oh the, if a person wants to put prescribed waste in, which is set out in the waste classification criteria, then they are required to apply for a license. If they are not going to put that waste in, if they have a hole and they want to put clean fill in they don't need a licence.

Barry Carbon

And how far down, you know that everyone has that piece of paper that they have all picked up from the corner, how far down that continuum of clean fill, do you decide that it has to be licensed?

Robert Atkins:

The classification table defines clean fill at the top and then defines inert waste and what's listed under clean fill doesn't require a license. Your license for an inert landfill doesn't prevent you from putting clean fill into it but you don't have to put clean fill into a landfill. Sounds a bit Irish but that's the explanation. And of course if you do put clean fill into a landfill under the current regulations, you pay a levy on it.

Kevin Poynton:

Barry you have spoken about the process where by you are keen to make a decision by the end of the year. We have heard a number of statements about effect and impact and the like, can you tell me what level of economic rigor the Authority is going to go through to form the basis of a decision, because people are apt to write submissions to support their own point of view, but if you see yourselves as decision makers in this surely there is a degree of substantiation that is necessary for whatever proposals are put forward. Can you tell us what level of rigor is going to occur in arriving at that point?

Barry Carbon:

I'll try, the answer is not as much as you would like. There is a three way thing in play. There is economic rigor that you are asking for, there is a need for certainty which we think is probably pretty important, but there is also a whole series of value judgments that sit across and interact with these things. What the Board did in preparing for the Authority to make this decision, was hiring a guy that was said to be

one of the top resource economists in Australia to do the review. That was Michael Blithe. I mean, this is the guys training, this is what he is hired for all around Australia. His conclusion really had two things. Firstly that the levy as such at the levels that are charged in Western Australia is not much of a determinant behavior in terms of disposal of waste. I don't think that would surprise anybody in the room, because the levels are much lower. They may in fact be a behavior modifier when you talk about land use but in terms of disposal of waste the figures are not big enough in the overall elasticity to do that. The Authority actually made a decision the other day that we were going to provide some sponsorship for people to do some much more detailed modeling of the economics which we reckon might take over a year and that is going to effect subsequent decisions but as far as decisions this year it is likely that we will take into account public input, the Blithe report, and also it has already been mentioned. There are about 4 or 5 really good recent publications out there, they give you a whole lot of information. We also have got a couple of fundamental enigmas which have become obvious today. A desire of the Authority is to find a mechanism which would encourage the way to take usable material away from landfills and have it used.

Even from what I have heard today, there is still, quite a few questions in amongst that that I can't cope with.

Unidentified Audience Member:

In your last comment you said that you had some unanswered questions about what you have heard today. Can you enlighten them of what they might be?

Barry Carbon:

Yeah, Yep. I'm unclear for example how SA have managed to get the management system that allows them to get a different differential on waste from what we do in a different charging system. Alright? I am unclear of that.

I'm unclear about how you find a system that has fairness, coz we haven't talked about it, but everyone expects you have a fairness that says you pay the same levy on the huge amount of sand that was dug out for the Poly Farmer tunnel, as you do for the whole lot of material that's concrete from building rubble. To me, I am not sure if there is a fairness in that bit?

But I am also equally sure that if, and this is a point that Marcus makes, if we don't find a way of putting an appropriate charge on material that could be reused, then the recycling industry is going to really struggle.

So there are all those enigmas that interact.

Unknown Audience Member:

(Unknown) Based on that Barry I am still, probably like a lot of us here, very surprised and quite concerned at the lack of rigor that is happening here in this discussion certainly. And also the fact that the levy was put on hold I mean the evidence was overwhelming from the professional reports that have been developed over the last 3-4 years. The comparisons of the rates the way increased rates in the East coast has led to greater diversions from landfill. I am sort of wondering what is the, what's the missing link in terms of continuing the increase of the levy? What seems to be the problem here?

Barry Carbon:

The problem is the uncertainty associated with the link that exists in our statistics, cause our statistics says that anything that goes to a landfill is a waste. And our definition of landfill might not necessarily be the same as somebody else's. Alright?

5 And there is about a four way interaction between what is a waste and what is a landfill, what should a levy be charged on and what's the objective.

10 Now I don't think that anyone in this room has different objectives. And the lack of rigor I really, I'm sure you have. There are about five reports that have gone out recently that are pretty damn good as far as statistics are concerned. Information sets are not the limiting thing. It's what we do with it.

Surrender Mann:

15 I was wondering whether we have some incentive program rather than punishing the people. Do we have any programs where we can give the people incentives for example: utilizing the oil that has been used to make a bio fuel or something? Or using the degraded land to improve it? Whether we should be using incentives for example I work on sailence soils a lot to improve those conditions. I see that there is nearly half a million tonnes of organic waste emanated every year. I've seen with my
20 own experiment incorporating 20 tonnes per hectare of organic waste is able to increase the productivity of the land nearly five times more. Although there is a problem to transport the waste I can understand. But on the other hand we are bringing the seeds from the front regions returns going empty to that place. So can we use this organic produce use as an organic fertilizer to deliver to those places and
25 recover the land as at least minimize the use of chemical fertilizers.

Barry Carbon:

I think the principal that you talk about is one that is well and truly worth
investigating. People have already talked today about the examples in California.
30 California have a whole series of activities right through from carbon dioxide emission through to generation of waste whatever, where actually they require people to pay for the activity but then the people that do the paying, depending on how much you pay, actually get a vote on what that money gets spent on. And they spend it on incentives really, so they have got pay on one. And they don't call it a fee rebate, they
35 call it a feebate. So if you pay the fee you get to decide on what the rebate is. And they've done pretty well.

Barry Carbon:

40 Is there anyone who hasn't had a chance who wants to... Now what I am going to do, I am going to ask each of the panel members if they want anther one minute. Then we will come back to you.

We are going to start from Adrian first.

Adrian Lester:

45 Just a little about the recycle industry, we have four recyclers that the C&D working group represent. Most of us are here in the room. We've been developing our industry over the last 3-4 years and the biggest problem all four of us has is getting enough waste into our plants. We can get everything out that we produce but we can't

get enough waste in. We've got four recyclers, two of them don't even run their plant full time because we can't get enough waste to run them.

Rob Sippe:

5 Thanks Barry. I wanted to make 10 points in 10 minutes, I now want to make 5
 10 points in 1 minute so I am going to speak at 400 words a minute to get them all in. I
 guess the first point I would like to make is I was disappointed that Adrian elected to
 play the ball and not the man in his comments and Colin sort of backed that up. I have
 as thick a skin as anyone but I don't think that this is the appropriate forum to play
 15 those sort of games. Secondly he alleged that Eclipse single handedly caused the
 review of the levy. I am very flattered by that comment Adrian, but I do challenge
 you to put any evidence on the table that we have that much influence with the former
 Waste Management Board and current Waste Authority. Thirdly you claim levy
 differentiation is inconsistent with the WARR Act. Nothing can be further from the
 20 truth and I would point you to clause 4,2B of the Waste Avoidance and Resource
 Recovery levy act 2007, which specifically provides for differential levies. But now
 on a couple more general points, firstly this is a forum about the management of
 waste. If this forum was populated on the basic raw materials business I am
 absolutely confident that you would find the big hitters in the basic raw materials in
 25 Perth, and we are not one of the big hitters in basic raw materials in Perth, they would
 be telling you that they are not prepared to open voids in the ground if they cannot
 return that land to a higher and better land use. The fact that it has changed in the last
 three years is at the price of land in Perth in particular for industrial commercial land,
 has gone through the roof. It is up to about a million dollars a hectare. And the
 30 commercial risk in opening voids when the medium term use is for a higher and better
 land use of that order simply does not add up. And finally I suppose the process that
 we do is carried out right round the world, it is not unique to us and it is not unique to
 Eclipse. We have our own competitors in Western Australia, but I put to you, is there
 a difference for example in running material through a crusher and then putting it onto
 35 a subdivision site, which a lot of the material goes to or as we do, we put it on site and
 crush it insitue. The only difference as far as I can see is that we use about a quarter
 of the amount of energy up. And hence a quarter of the amount of greenhouse gases as
 you would with the other crushing system. And finally I suppose the choice is ours.
 We could put a crusher on our site, run the material through it and put it into our site,
 40 and consolidate it, and develop the site. We don't think that is environmentally smart
 for the reason I have just outlined, but we could do that and not pay the levy like
 Adrian doesn't. Adrian doesn't pay the levy, he is on commonwealth land and is not
 susceptible to the levy, we as we do. We are happy to pay a levy, but we do want
 some incentive. Other speakers have spoken about incentive. We do want some
 45 incentive to put in place the 15 years, of quality management, the 15 years I guess of
 independent verification, of compaction that we do so that the final land use can be
 higher and better land use and not simply an un-fillable hole in the ground.

Mark Batty:

45 Thanks I wont speak at 400 words per minute, and I wont play either the ball or the
 man. I guess that the couple of key points that I would want to make are more in
 terms of process and consultation.
 Firstly I think a freeze on 63 for a 6 month period while we go through this exercise, I
 am not sure I have heard an adequate explanation as to why you would do that. Why

you wouldn't just let the current regime run through and run the process in parallel. So I wouldn't mind some feedback on that from members of the board.

Secondly, the couple of comments spoken about capturing externalities, and I think that is a really important debate and discussion for the Board to have. I guess the
5 corollary that we see to that we see at the moment and it is related to waste, but not particularly just C&D, although we could talk about embodied energy. Is the carbon pollution reduction scheme would be, I would prosecute, an exercise in capturing the externalities of CO2 emissions of the way that we have been doing business as a
10 society. And I think that if we are going to have a review of the levy and levy levels then capturing externalities is going to be fundamental to ensuring that we get the right pricing signals for the levy into the future.

The last point I would make is that a reasonable robust levy, and we have seen
15 examples from other jurisdictions, and we have 5 apparently reports in and around it at the moment. Is that that money can be used for R&D to make C&D more viable for the consumers out there who are looking for those sort of products to put into their business processes and I certainly talk to local government around that point.

Thank you Chair.
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Bruce Bowman:

Thank you Barry. I just want to touch on one issue that I don't think has been mentioned today. But this morning I was down at the putrescibles landfill at Henderson. And I watched their new resource recovery process happening down
25 there. Now, the City of Cockburn takes waste into their putrescible landfill and collects a levy of \$6.00 a tonne on the material coming in. They then sort the material, they remove steel, any sort of materials that they can recycle they remove from the waste. They then compact the residual into the landfill. The materials that can be recycled go out of the landfill and my understanding is that they get a rebate on
30 the levy paid. In other words they get to pocket the levy that they can avoid paying the DEC. the future to me of C&D recycling industry rests with resource recovery on inert landfills. An inert landfill takes waste in, generally in tip trucks. They bring them in based on the volume on the back of the truck. There is a fair portion of air on that body, they collect the levy based on the cubic metre capacity of that vehicle.
35 They then bring the waste in and most of the inert landfills that don't have resource recovery would compact that in to the landfill. Increases density, remove the air, pack it down into an air space. They then pay the levy to the DEC based on the volume of landfill that they consume. So they too get the opportunity to pocket some of the levy because they collect the levy based on truck volumes coming in and they pay the levy
40 based on volume consumed within the landfill. They can enhance that if put resource recovery on that premises cause what they send out of the gate will then be exempt from the levy. And a higher levy will only add to their profitability in that situation.

Thank you Barry.
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Robert Atkins:

A couple of points there that I have made in relation, basically my opinions just listening here this afternoon. I think we need to remember that certainly from my point of view that prescribed landfill of all classes are a resource in themselves. Until
50 we get to Zero Waste, if we get to zero waste, we need landfills. Landfills have

environmental constraints on them and have management and regulatory requirements of them and so they are limited in number and we need to maximize the value of landfills for those wastes which cannot be recycled or diverted to another use. So they should only receive material that can't be used for another use. And those materials should have a levy paid on them. We need to maximize the value of the hole as well as maximizing the value of recycling so that landfills that we do have, which have all their inherent problems of "not in my back yard" and other issues, so that we get the best value out of those holes in the ground for the wastes that have to go there. And we also get the best value out of maximizing the amount of waste that we can divert to other uses.

The other point I want to make is that in listening to various people speaking to their points of view, I think we are confusing the term inert and the term C&D. What are we really talking about here. We are talking about differential rate for inert landfill, we are talking about differential rates for C&D material, we talk about separating C&D out of the definition of inert into a definition of its own. I think that debate has got quite confused, because we listen to some speakers saying that they want to use C&D waste with some processing going into the hole in the ground so that hole in the ground can be used for some other higher beneficial use. And that's a benign activity. If you look at the list of materials that can form inert waste it includes things like bio solids, asphalt waste, casting sands, blasting sands, used tyres, and in some cases materials from bio-solids from waste water treatment plants. Not all of those are materials in the landfill, make that land suitable for unrestricted uses. If you put all of those things into a landfill then you are going to have restrictions on the future use of that site. So the definitions are important and it is clear, it's important to get clear in our minds what are we really talking about because there are.. a class 1 landfill is not the same thing from site to site. It depends on what is received there and how that site is managed, as to what sort of fit state that site is in once it is closed off for a future use. And I did mention earlier that there is a site that is supposed to be an inert landfill that's emitting methane. Well when I went to school, methane came out of putrescible landfills not inert landfills. So that is just an example of what raises questions in my mind as how that landfill has been managed in the past.

So I will close off saying that we need to be clear when we are talking about C&D waste here or are we talking about inert as not only defined by our classification but the same in NSW and SA where it includes a range of materials not all of which are completely inert and benign.

Barry Carbon:

Okay we have about time for about four more questions from the floor.

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Dr Anne-Marie Bremner

Thanks Mr Chairman, I just want to pick up on something Mark Batty was talking about earlier. A good point – he was talking about the process that happened and with due respect to Rob there does only seem to be one person in the room that holds your view. I was a bit concerned because generally as Mark said the process should continue, policies that have been set in place, should carry on. We can review situations but their appeared to be a bit of a surprise amongst the people here that suddenly the freeze was put on. I think that might have sent out a bit of a destructive message to the recycling industry. I would be interesting in the Chairman's thoughts on the process of the freeze.

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Barry Carbon:

I think that is a reasonable question. There is not in fact a freeze, a freeze would mean that something existed that was stopped. What happened was that the environmental protection act coverage of this stopped. The Waste Authority under the new law was required to make its own decision on the way forward. It made its own decision and its decision was the same as that under the EPA act for almost all of the waste. Okay?

They decided they weren't going to decide this nor were they going to decide on the question of large non metros in that time.

Now I am going to take two or three quickies from the floor.

Mike Harper:

Just quickly, I don't think Adrian was having a go at Rob from Eclipse. The fact is the whole recycling industry is terrified of their proposal and they are terrified that you were listening to them. The second point I would like to make is holes in the ground are very valuable these days. We are saying that they are not valuable. Anyone that will give me a hole in the ground, I will take it tomorrow. The fact is it costs about \$3.50 to extract the limestone and the sell it so you get a negative there and the hole in the ground is worth about \$20 a cubic metre. They are very viable. As for the developed land being worth more than filling the hole, 10,000 m² which is a hectare, by 10m deep gives you a million cubic metres, times 20 bucks is \$20 million. Where as you only get a million for the land if it is industrial.

Thank you.

Rhonan Cullen

I just want to make a comment in relation to where we are at the moment and where we want to go as in towards zero waste. I find it a little frustrating really after we are all here today, recycling has been going on about 20 years and you have five reports from within Western Australia with examples from across the eastern states and also internationally just saying that levies, if you bump them up increase recycling diverting waste from landfill. But here we are today in my eyes discussion defectiveness of levies in relation to diverting waste from landfill. And I just find it a little bit frustrating when there is such more pressing issues across the board in relation to achieving zero waste.

Barry Carbon:

I agree that there are more pressing issues my friend, but this is the more timely one.

Paul Burns:

Paul Burns from DEC, I think we need to tackle the waste issue, better capacities to get involved with the very front end of the process. So if we have a large demolition project that the permits or so for that to come from the various authorities need to actually direct where the material goes, how to separate it, where it goes and give maybe some more C&D waste to crush. I would caution against only plugging the very end of the process. Without the absence of looking at the front end or the whole, in effect the whole supply chain, and use chain through to landfills.

Barry Carbon:

Paul I understand, and somebody will jump on me to tell me I am wrong and I have got the wrong place's laws or that local government can give themselves the power, planning power to actually require builders or demolishers or anybody to put in place the waste management plan as part of their approval list. I think that exists now.

5 Provided that you have empowered yourself under the planning act.

Audience murmurs...

Barry Carbon:

10 Yes, yes, and it's a tool there which you would hope gets used a little more.

Justin Lang:

(Unknown) Just very quickly, and it will be very quickly, sitting in local government land in knowing that resources or levies as tools need to go up to have some effect to get something happening. It is interesting I can say the levy is necessary, we need it, but I move the motion that we put it on our rate notice that 15% increase in annual rates this year is attributed to doubling the state levy. I would just urge government to be very clear on how the levy raised is reinvested back into resource recovery activities. To be just communicated very clearly.

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Barry Carbon:

Big question. Jan that's your cue.

Jan Grimoldby:

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I was told I was supposed to summarize, I am going to actually start by talking about what I think everybody was in agreement about. Now you may be surprised but I think there actually was some agreement. One of the key issues that everybody raised was the importance of the industry in general being sustainable and sustainability as an idea - like towards zero waste I guess. It is also terribly clear that for everybody in this room's perspective and from the panel's perspective, that you want, that the Waste Authority is here to achieve state and commonwealth objectives. Actually I wasn't so sure on the commonwealth, I will have to go back and read that. The whole of life cycle assessment was raised by most speakers as being a matter that needs to be taken into consideration as was the importance of a rigorous assessment of what it is we are doing and how we are doing it. Whether it is on the Waste Authority or whether it is the C&D people or whether it is the landfill people.

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The issue of regulation versus incentive I think became one of the interesting matters in the discussion afterwards. Certainly my understanding, like the Chairman's, is that local government has a very viable role in regulation at a local level for both requiring rehabilitation of quarries, incorporating the requirement for recycled materials in tender documents in road reconstruction and conditioning demolition licenses. And all of those things are in the 50% percent of the people who claim to be from local government hands. The incentive I guess is the other issue. We want the levy to encourage incentives - so it becomes a balancing act. The difference in levies between NSW, SA and WA I thought was particularly interesting and was certainly raised by the gentleman who's name I have forgotten now. Who was the only person who voted, who put his hand up at one point when Adrian asked people to put their

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hands up. Roberts comments about the importance of class 1 waste not necessarily being benign is something that we need to take into consideration.

5 If we want to divert more than our current 21% of C&D we certainly need to look at both regulation and incentives. And I will certainly take that on board. Bruce along with your comments of waste is waste – until it is further processed. And if it is landfill it is still waste but we then come back to that debate of what is a landfill.

10 The numerous speakers spoke about consultation and effective consultation and I sort of got the feeling, I might have been wrong, that there was a view that there wasn't effective consultation in discussing this issue. And I was a bit concerned about that. And I wanted to assure you on behalf of my fellow Authority members that there is no preconceived outcome and that the point of having this session was to initiate discussion about those issues of differentiation which are very clearly stated in the regulations.

15 The proposal for a more sophisticated levy structure is certainly something that might bear looking at and supports that whole issue of differentiation. I was really interested in how come the putrescible in your list Rob (Sippe) had...um...there was large, larger, largest and small, smaller and smallest, but we didn't have the same big, bigger, biggest - in the putrescible. I thought that was quite an interesting and quite on purpose.

20 Adrian's comments regarding the \$35.00 per tonne by 2020 in the real terms, and the importance of ensuring that there is sufficient C&D waste to keep the existing plants around going because they are certainly not operating at full strength is a really important note.

25 Of course we live in the boom and bust town and this is part of the cycle to isn't it.

30 **Barry Carbon:**

Now you all have pens in your hand. You need to write down this address : Locked bag 104, Waste Authority, Bentley Delivery Centre 6983

35 Any comments that you have, we would love them, particularly as a group.

40 Now we come to one of the important parts of the night, but before we do that I would like to you to join me in thanking the speakers who have not only managed to put a lot of thought into their 10 minute presentation, but have also been prepared to put their views before each other and in front of you. I was really greatly appreciative of that. Thank you.

45 We have now arranged for you to spend the next hour, with the opportunity to grill the speakers and each other, outside with some lemonade and biscuits.