



**WASTE CONTRACTORS
AND
RECYCLERS ASSOCIATION
OF N.S.W.**

Waste Levy Presentation

Tony Khoury

WASTEMINZ

Thursday 17th April, 2008



**WASTE CONTRACTORS
AND
RECYCLERS ASSOCIATION
OF N.S.W.**

- 1948
- 125 Members
- Representing estimated 85% commercially owned waste & recycling vehicles in NSW
- www.wcra.com.au



Waste Levy in NSW

- 1971 - \$0.56 cents per tonne
Metropolitan Waste Disposal Authority
- 1991 - \$2 per tonne
- 1992 - \$2.80 per tonne
- 1993 - \$4.20 per tonne
- 1995 - \$7.20 per tonne



Waste Levy in NSW

- 1996
- \$10 per tonne in Sydney Area
- \$4 per tonne Extended Regulated Area
- No levy in rural areas
- Total levy \$30 million
- Amount to NSW Treasury \$30 million



Waste Levy in NSW

1997 to 2002

- \$17 per tonne in Sydney Area

1998 to 2002

- \$8 per tonne Extended Regulated Area
- No levy in rural areas



Waste Levy in NSW

- 2007 / 2008
- \$38.60 per tonne in Sydney Area
- \$31.60 tonne Extended Regulated Area
- No levy in rural areas
- Total estimated levy \$200 million



Waste Levy in NSW

- Planned increase \$7 plus CPI each year until June, 2010

Sydney Metropolitan Area - \$60 /
tonne

Extended Regulated Area - \$53 /
tonne

No levy in rural areas



Annual levy increases

- Business & Councils have to adjust
- Increased costs of waste disposal
- Cost recovery
- 1st July each year
- What amount will the Levy be beyond 30th June 2010?



Benefits of the levy

- Concrete
- Bricks / Bitumen
- Soils / Fines
- Metals
- Paper / Cardboard
- Kerbside Recycling
- Alternative Waste Treatment
- Land Application of Liquid Organics



Concerns about the levy 1

- Little impact on light waste
- Creates higher tip fees for products that cannot be recycled - asbestos, treated timbers, contaminated soils etc
- Residual wastes
- Disposal invoice from waste contractor
- Effect on the House Holder



Concerns about the levy 2

- Annual increases
- Lack of suitable notice time
- Bad debts
- Levy not evenly applied across NSW
- Policing by the NSW DECC
- Difficulty with accessing levy funds for bona fide commercial recycling projects



Concerns about the levy 3

- Difficulty with accessing levy funds for bona fide beneficial infrastructure projects
- Grant funds favour Local Government over Commercial Applicants
- De facto tax & not a Waste Levy
- Major portion of funds to Treasury
- Insufficient hypothecation



Typical Householder Rates Notice

Ordinary service charge	\$900
Storm water charge	25
Domestic waste service	<u>300</u>
Total	\$1,225

- No separation of the waste levy
- Waste fee \$5.77 per week
- Waste component less than 25%
- Fee to cover waste, co mingled recycling, green & kerbside clean-up
- Can't see the levy, unlikely to be too affected by an increase



Typical Tax Invoice to an SME from a Waste Contractor

Front lift – 3 cubic metre bin	\$90
GST	9
Total Cost	\$99

- Cost of bin
- Transport fee
- Tipping fee – includes waste levy component
- Invoice is per cubic metre
- Tip fee to the Contractor is per tonne



So what is the purpose of a Waste Levy?

The purpose is-

- To act as an incentive to Councils and Commercial Contractors respectively to reduce their tipping fees

Because-

- Small / Medium Sized Commercial Waste Generators & Householders do not identify with the levy



NSW levy and landfills

- Higher costs at all landfills
- Penalises well designed, properly planned, modern engineered landfills
- Putrescible waste v non putrescible
- Waste types that cannot be recycled
- Asbestos, contaminated soils etc
- Residuals
- Incineration (waste to energy facilities)



NSW Waste Levy

- Successful in generating revenue for Government – Estimated \$200 million pa
- Levy is significant – therefore making alternatives to landfill more cost attractive
- Guide waste generators & government to recycle, reuse, treat, prevent & minimise
- Guide transporters & investors- recycle, reuse & treat



Related benefits of a well managed high waste levy

- Save on landfill space
- Improved environmental outcomes
- Lower reliance on extracted & natural resources
- More employment opportunities
- More investment opportunities



Don't look at the levy in isolation

- Waste Levy = one waste management tool
- Waste Regulation
- Other Regulators
- Awareness & Education
- Enforcement



Litter, dumping & other illegal practices

The higher the levy, the more \$'s, the greater the incentives for illegal activity

- Litter
- Dumping
- Disguising waste types
- Waste movements to avoid levy
- Set up business on a rented block of land, build a stock pile, grab the money & run



Liquid Waste Levy

- October 2007
- Business concerns
- Role of Sydney Water
- Tax on discharge to sewer
- Intent was to encourage reuse & waste minimisation



Waste Management & Clients

- Need to understand waste types, volumes
- Bin options
- Lawful disposal
- Waste generators responsibility
- Visual inspections / checks
- Sales Representatives
- Client Education

With or without a Levy - for recycling to work two criteria must be satisfied -:
end-markets & financial viability





In the ideal World

- There would be no waste
- Underarm bowling incident would not have occurred
- Wallabies would always beat All Blacks
- No levy required – market forces should provide legal solutions



The World including NSW is not perfect

- Levy - reward proper sustainable practices
- Levy - act as a disincentive to all poor waste management practices
- Government needs to closely police & regulate all undesirable & illegal practices
- Full hypothecation to waste management & reduction programs



Waste levy from scratch

- Reward good, proper sustainable practices
- Disincentive to poor waste practices
- Sufficient resources to regulate & administer
- How much per tonne
- Landfill / Incineration / Liquid Plants
- Levy – gap between Metro & Regional
- Levy – differentiation by waste types
- Rebates for recycling
- Exemptions for cover material
- Exemptions – asbestos, contaminated soils etc
- Annual increase
- Hypothecation – how much & purposes?



www.wcra.com.au

Convention

Hunter Valley, NSW

14-16 May, 2008



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Tony Khoury

- **Executive Director of the Waste Contractors & Recyclers Association of NSW, a position that he has held since March 2003 - where the Association has grown from 30 Members to 125 Members**
- **Employed in the waste industry since 1991**
- **Held management & operational responsibility for most areas of waste management including commercial collections, domestic collections, landfill, transfer stations, clinical waste incineration, hazardous waste, liquid waste, grease trap, land application, concrete crushing, timber reuse, composting, skip waste etc**
- **Tony has observed that those that have more readily accepted change and progress have grown with the waste industry**
- **Whilst those that have resisted change and resisted progress are either on the way out or are becoming less significant or have gone.**
- **Tony is very passionate about training of Employees and Contractors across the waste industry. He believes that it is vital that we turn to training to better prepare our Businesses & our Workers for the challenges of more recycling, more reuse and the business & regulatory demands of a more sophisticated industry.**