

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Recycling and Waste Management

Morwell—Wednesday, 21 August 2019

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PARTICIPATING MEMBERS

Ms Georgie Crozier

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Dr Catherine Cumming

WITNESSES

Cr Natalie O'Connell, Mayor,

Mr Anthony Basford, Chief Executive Officer,

Ms Fiona Weigall, General Manager, Assets and Environment, and

Mr Kartik Venkatraman, Manager, Sustainability and Waste Minimisation, East Gippsland Shire Council.

The CHAIR: I would like to extend a welcome to our next witnesses from East Gippsland Shire Council. Thank you very much for your time today. I just want to go through the formal process.

All evidence taken at this hearing is protected by parliamentary privilege—you may have heard that earlier—as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside this hearing may not be protected. Any deliberate or false evidence or misleading of the Committee may be considered a contempt of Parliament. All evidence is being recorded, and you will be provided with a proof version of the transcript in the next few days.

We have allocated 5 or 10 minutes for a member of your team to present. My understanding is that we did not have a formal submission, but we have just received one now. Is that correct?

Ms WEIGALL: That is right. We were part of a regional submission, but we have put out a document and our presentation today for you.

The CHAIR: Thank you. A copy of the submission has been just provided to the Committee, and that will form part of the transcript. It will be incorporated as a submission and will be received as a submission. So who would like to go first? If you can take us briefly through an outline of the submission and allow us a bit of time for questions and answers, that would be wonderful. So who wants to lead? Mr Basford?

Mr BASFORD: Chair and Members, thank you for the opportunity. I have asked our General Manager of Assets and Environment, Fiona Weigall, to provide the introduction because I feel that it is important that you hear from people that are dealing with the matter on a daily basis and have that working knowledge. I have asked Fiona to provide the initial introduction, so I will hand over to Fiona.

Ms WEIGALL: Thank you. So I guess if we could just perhaps set a little bit of context about East Gippsland and what that means in terms of waste for us. We are a large municipality; we are about 21 000 kilometres—10 per cent of Victoria; 70 per cent of that is Crown land, so we have got about 46 000 people dispersed across 42 different communities. So when you think about that in terms of waste generation and waste management, it is quite complex.

Back in 2014, recognising that, we actually developed our waste facilities and disposal strategy, and we have been slowly implementing that over the past five years, led predominantly by our Manager of Sustainability and Waste Minimisation, Kartik, who is at the end here. It is one of our largest single budget items. In terms of operating costs, it costs us around \$10 million per annum. Of that, interestingly, \$1.2 million is probably the landfill levy that we pay back to State Government. And then on top of that we have capital costs. Depending on the work that we are doing, this year about \$3 million because we are closing a landfill and rehabilitating it.

Given the complexities of our situation and our geographic area, it means that we have also got a complex approach to how we manage waste. We have a three-bin kerbside collection, which we offer to most of our urban areas. That is under an external 10-year contract until 2025. It has a total value for council of around \$25 million. On top of that we have a street bin collection service. We have two licensed landfills and one unlicensed landfill. Those are all managed in-house by staff, so we have actually brought the service in-house. We have 15 transfer stations where we collect waste and then transfer it back to those landfills. In addition to that we have another 11 transfer trailers, where we do not have the capacity or the need for entire transfer

stations but we still need to be collecting and providing a collection opportunity for our communities. We also have a rural kerbside collection service, and we have trialled a composting facility in Mallacoota.

So for us the growth in our population has led to an increase in waste and recyclables, which coupled with the ban has put enormous pressure on us as a local government to manage this. Unfortunately as part of this process we have seen that those councils bear most of the cost and responsibility for managing household waste. Consultation with the sector has been a little sporadic, and we perhaps feel that we have not had enough of a voice and a seat at the table at this time, so we thank you very much for this opportunity.

Whilst we see that it is good to have researched and explored solutions, we believe that we need really strong strategies and programs to support that. We would encourage that focus on immediate programs and strategies and policies to be put in place whilst working on the longer term issue around how we actually minimise waste. So for us we see there are two issues: there is the critical issue around what is happening at the moment, which needs some policies and some actions, but there is also how do we minimise waste going forward so we are not always in this sort of crisis process? For us, waste avoidance is very important, and we see that as being around waste education, sustainable procurement, the ban of certain packages and materials, and product stewardship. For example, I know in the last hearing you talked a little around container disposal schemes. While we see that as falling into that short-term action, it provides an opportunity for us to divert recyclables from waste and from landfill at the moment. However, in the long term we would like to see policies where we are actually minimising packaging, not just managing the packaging when it is in circulation. We see that as being fraught with risk.

Council has lobbied on this matter. We have worked through our regional group, we have worked through motions through the MAV and through the national Australian Local Government Association, but we see that this should not be a matter where there is a need for advocacy. It is a matter of such importance that all levels of government need to work together on solutions rather than it being a response to advocacy. Therefore we see that there is a strong role for government—state and Australian governments—to provide that leadership for us all on these important matters.

As a local government that abuts the New South Wales border and shares quite a lot of border with New South Wales we are also caught and impacted around a lack of policy around cross-border initiatives. For example, some of our communities are much closer to New South Wales receiving stations and yet we are not able to transport some of our waste materials across the border to take advantage of those situations there. So we see there is a need for not only looking at what we are doing here in Victoria but how we can look at our cross-border relationships and innovation as well.

So one of the areas that I know the Committee was keen to question and discuss with us was around were we aware and were we prepared for what has happened in the last 12 to 18 months? For us in East Gippsland we have been separating at source our recyclables for quite some time, so we have had yellow bins, or recycle bins, as part of our kerbside collection and we have been collecting commingled and dried recyclables as well as organic waste and municipal waste for quite some time. We have been lucky that we have a local MRF that operates and also has our kerbside collection contract, so unlike some of the others we actually have a lot of recyclables collected from the kerbside and locally segregated and categorised into paper, plastics, glass, cans, tins et cetera. And then they are on-sold or exported for further use.

Unfortunately one of the problems and one of the challenges we have when we answer our community's questions is we know very little about where those recyclables go once they leave our local MRF. We are very confident that we are not having recyclables going into our landfill, but there is very little tracking and policy of reporting where our recyclables actually go. We will touch on that little later—we think that that is a policy initiative that could be introduced.

So I think we have seen that the speed with which the changes have happened has made it quite difficult for us. We were aware of what was going to happen but perhaps did not fully understand the risk in terms of that short turnaround and the impact of those tight time frames. We, probably looking back at it, have seen that there were signals there that this was likely to happen for quite some time. If it was not the China National Sword policy, it was perhaps going to be some other policy. So therefore we are questioning, 'Well, if that was a risk, why didn't we have a response to that risk collectively, and a mitigation strategy?'. Perhaps that is where we would

have liked to have seen in retrospect some of the waste levy, the landfill levy that is collected by councils, going into preparing us and making sure that we are not so exposed to that risk. We do ask some questions later on about the use of that levy.

From this point forward, once the China sword policy was introduced, stockpiling was seen as being really inevitable, and I guess we are therefore questioning why there was still a focus from EPA and other agencies on enforcement rather than finding solutions. We did question that, and while our processing stream is not one of the ones that has been closed, looking from afar we are saying, 'Well, why is there not this collective response to try to find solutions to the stockpiling rather than closing down those that are stockpiling?'. So let us go beyond the National Sword policy and what is happening in south-east Asia other than to say that it really puts enormous pressure on the waste industry but also is probably the catalyst for us exploring new opportunities, and we should be using it as such to restart and recheck what we are doing and take a new and fresh approach to how we are managing waste across all sectors.

We know, though, that in the short term there is going to be continued cost with this. The screening processes to get the waste contamination down from 5 per cent to 0.5 per cent will incur further costs, and we believe that councils will continue to have to and be expected or seen to pay some of those costs, and we are asking for assistance with those increased costs in the short term while we are still relying on export. In the last 18 months we have seen the changes result in an additional \$85 per tonne in the cost of our recyclables. For us, because of our distance from Melbourne and the fact that for most of the recycling the final end point is in Melbourne, it turns out a lot of our costs are also associated with transport, and we believe that there are better short-term and long-term solutions that have a more localised approach. MAV, who we work closely with in this sector, have advised that they think in the short term there will be an additional cost which will equate to a rate rise of between 1.1 and 2.5 per cent, so given that we are in a rate-capped environment, how do we manage that sort of escalating cost?

If we move on to talk a little bit about what that means to the waste industry and what that means to some of those critical questions that you asked as part of your letter to us, we see that there is an opportunity to use the waste levy quite differently. Over the last 10 years we have paid approximately \$12 million into that levy. We have received \$3.8 million back, of which less than 30 per cent was actually waste-related initiatives. So we believe that it is time to shift the investment focus and use the levy to really look at waste management, recycling management and new initiatives in that space. If we look at what other councils and what other states are doing, there seems to be a closer correlation between the levy and investment in waste management and waste controls. We see that there are some opportunities to use that levy to improve the sorting and cleaning of recyclables, because that cross-contamination is a really important issue to address so that we can re-use them in a circular economy.

We believe there is a need to look for an end use for plastics just as we have with paper. We have now created a value for paper so that it is recycled, and a lot of it is going into recycling. We need to place the same sort of emphasis on an end use for plastics. We are seeing quite a lot of research coming out of the UK and Europe. They are using it in road bases and other areas. We think that there are similar opportunities there for not just Victoria but the whole country.

We believe there is an opportunity to use the levy to fast-track the use of crushed glass and other materials so that we can start to use those in some of our civil construction and in other areas quickly. We know some of the research has been done, so now let us open the doors and create policy and incentives to support that going on. We heard in the last lot of evidence that there is a lot of stockpiling of glass throughout Victoria. Here is an opportunity for us to really take a commodity and give it an end use, with a little bit of investment.

We also think that whilst we are looking at recyclables we also need to keep focus on looking at our organics and our green waste so that they do not become our next crisis. There are still a lot of organics and green waste that are going into landfill or not being treated and not being turned into an end product, so we would encourage the levy to also be used for some of those sorts of initiatives as well.

In terms of the levy, we also recognise that it funds a lot of the EPA functions, and we think that in some ways the new EPA legislation has taken the EPA from being a partner and mentor to more of an enforcer. We would

like to see some of that old partnering and mentoring approach back for the EPA so that we can work through some of these complex problems together rather than one being seen as an enforcer and one as a perpetrator.

We believe that it is not just about projects; there is a lot of legislation and policy change that could help in this matter. We have just talked about one of the questions, that communities do not know where their recycling is going. In terms of our e-waste contracts, we have just put criteria into our contracts that they must report on the downstream use and the end use of those products. We believe there could be policy around all recyclables so that we can track the downstream processing and tell our communities where they go and restore that community confidence that their recyclables are not going into landfill and can be used appropriately.

We have talked about the fees being reinvested back into waste management, so I will not go into that.

We think that there is a need for some clear guidelines around the re-use of food and green waste, so around FOGO, and some clear policy and some clear incentive around that so there is some consistency in how that is being managed across the state. We have also encouraged the Committee—and I am sure you have already done this—to look at the policies of some of the other states that are considered to be leaders in this field, such as New South Wales.

We see that the energy-from-waste initiative being discussed at the moment provides some solutions to deal with current waste. However, for a local government like ours, where we do not have the volume and we do not necessarily have the ability to transport that waste to a centralised system, we are not sure that that is the only end solution, and we have encouraged the Committee to keep looking at other solutions that reduce waste at source and reduce creation of waste.

That I guess leads us on to this whole area of centralisation and shared services. Whilst we recognise that shared service brings with it the opportunity to create economies of scale, it can also lead to sometimes a metropolitan or a high population base focus for those services and also perhaps push some of the smaller players out of the market that could create opportunities more locally and that create opportunities and initiatives that have a more localised solution. So whilst we understand the shared service focus, we would also say that that needs to be matched by a decentralised approach that allows those in regions and communities like ours, where it is not economical to transport waste long distances, to look at more localised solutions.

We have heard a lot of talk about banning single-use plastics. Whilst we support that, we say that without it also having a big community education process around it and a lot of these other policies we will merely see that transferred into more durable plastics being used and filling our landfills.

We note that recently COAG discussed waste at a whole-of-nation level, and we are encouraged by that and believe that waste needs to be addressed at a whole-of-nation level as much as possible. When we see different states having different approaches, that sometimes leads to even more confusion in the market. Therefore things like consistency around the container disposal scheme will be important so we have the same standards and where we have—and we just touched on this earlier—cross-border opportunities these are not restricted by cross-border movements.

We heard previously from our colleagues from the western areas of Gippsland talk about the need for consistency through the yellow bins and through what goes into our bins. We believe that there needs to be some consistent policy around that so that we do have one consistent standard of bins so our consumers and our customers and our communities recognise and feel confident that they know what they are and that they know what goes into them. If we think back in terms of the investment that went into campaigns around 'Life. Be In It' or wearing seatbelts, we believe this is the time for similar investment in public education around waste.

This leads me, I guess, to one of our last points, which is around the importance of any policy and incentives being matched with community education and behavioural change, both residential and industry based, where there are actions and incentives so that the community understands those and that the industry sees that there is value to their business in being involved in waste minimisation. At the moment unfortunately we are seeing some of those being very metropolitan focused. I would encourage you all to remember that waste is generated throughout the state and we need to make sure that our education campaigns reach our entire state. For example, in the recent changes—the banning of e-waste—council actually invested in their own marketing and

community education campaign because we believed that the campaign that was being run by the state did not have enough reach into our community. So that was an additional cost that we had to bear to make sure that we actually got that community understanding and take-up of that initiative. We think it is really important that we have initiatives around community understanding and the importance of 'sort, clean and crush'. We have heard about the importance of avoiding cross-contamination in our waste and recyclables, and that starts with our community, so it starts with what goes into the bins.

We have seen across Victoria ResourceSmart officers, which suggests 'Why aren't we perhaps putting waste and environment into our primary school and secondary school curriculums so that we have that consistent approach?'. Again we encourage working with industry on initiatives there. There have been really successful initiatives working with industry around energy reduction, and we would see a similar approach could be taken to waste reduction.

We also see—I just touch on this very briefly, because I know we are running out of time—that there are also opportunities to work with waste and see waste as an industry. The way waste is termed it is seen as an end use. We really do support the circular economy concept and see that there are some real opportunities here, not just for the big players but, as we have said, in the small to medium sector. They will need different controls and different incentives to the large ones. If we take, for example, Orbost, a town of ours which used to be a strong timber town, it is 400 kilometres from Melbourne so the cost of transport is excessive, but if we took away some of those cross-border restrictions, we could see that we could have a locally based MRF there that is collecting and crushing glass, is collecting concrete and crushing that and selling that as an end product. We could see a real industry in processing our recyclables and our FOGO in that sort of area. Whilst we understand that, we think that there is opportunity to balance both. There are also commercial opportunities in those sectors in their own right.

The CHAIR: Ms Weigall, I have got to interrupt you, because that is why we ask for submissions, and you did put that in late; next time I think it would be better if your submission was a bit early. But I have got to say I compliment you on the great work in the submission that you put in, and the presentation was excellent. Do you want to conclude, and then we will go into questions?

Ms WEIGALL: Sure. Look, I think we all agree that waste in Victoria is at its cross-road. But we feel that at the local level councils like ours are bearing a lot of the costs at the moment. We are looking at the state and national leadership. We see that there is an opportunity for us to take some quite decisive short-term actions whilst we are still working on those longer term changes and behavioural change. We have a strong role to play in this, and we look forward to working with the state on these sorts of initiatives. And we thank you for the opportunity to present before you today.

The CHAIR: Thank you. One question from me: you mentioned the EPA changing their role—it used to be a partner and mentor—to an enforcer. I am interested in you expanding on that a bit because it is always this debate about what should they be. Should they be the enforcer? And someone else is the partner and mentor? I do not think you can have two hats. I mean, you can do it but it is—do you want to sort of expand that a bit further? Let us say the EPA is just, only, a partner and a mentor. Who is going to be the enforcer, then?

Ms WEIGALL: Look, it is a good point.

The CHAIR: Which has been the biggest criticism in the past: they have not been strong enough to enforce the law—SKM is one of them. So that is what I am sort of curious of: your view on that. Are you then suggesting maybe we should get someone else to fill that role of partner and mentor if the EPA is going to be an enforcer?

Ms WEIGALL: Well, I guess perhaps—and look, I think we will have more comments on this—if we see the shift that has left a vacuum behind them, where we used to work with the EPA and work through the solutions together, we now do not have that. We are just going straight to enforcement—PIN notices, PAN notices, formal warnings—whereas we feel that there should be an opportunity for us to work with them on some of the minor issues and work through them and not just go straight to the enforcement end. We recognise that there is a need for enforcement on serious matters.

Mr HAYES: Just on that point that Mr Melhem raised, for what sort of issues has EPA issued enforcement against your council?

Ms WEIGALL: I will hand over to Kartik on those ones.

Mr VENKATRAMAN: In terms of the enforcements, it is more to do with the landfill compliance, and monitoring and reporting.

Mr HAYES: So actually what is going to the landfill? Or—

Mr VENKATRAMAN: That is correct. And basically what we have seen is a shift since the reform. We used to have a very coherent relationship with the EPA, especially with the Gippsland office, with the regional offices, where we could approach. Now it is just kind of—we have to go through Melbourne. That has been quite a different approach. And the reform has shifted, obviously, from reactive to prevention—and that is the focus of the EPA, we totally understand. But in the scheme of things, for example, there is so much happening in the recycling space, including what has happened with SKM. I totally understand that it had to be shut down, but there needs to be some flexibility, practicality, which is not happening anymore with the EPA.

Mr HAYES: I am just trying to get to the crux of it. What you are saying is that since the close of the China market the EPA have been chasing you after recyclables going into landfill? Or is it stockpiling?

Mr VENKATRAMAN: No, it is not the direct impact.

Mr HAYES: About stockpiling?

Mr VENKATRAMAN: No, it is not. We do not stockpile.

The CHAIR: Do you operate your own landfill?

Mr VENKATRAMAN: That is correct.

Ms WEIGALL: We do.

The CHAIR: Maybe I am just going to be helpful, I think. So basically you have got two hats. One is as a council, sort of responsible for the overall policy, and on the other hand you are an operator of a landfill. And that is where I suppose you are putting that hat on, as the operator of the landfill and your interaction with the EPA.

Mr VENKATRAMAN: The EPA, yes.

The CHAIR: So that is basically—

Mr VENKATRAMAN: So there are two interactions. One is, as rightly said by Mr Melhem, the operation of the landfill and the waste facilities, and the restrictions on the stringent regulations that come with it and looking at the recyclables and the back end, where we are at potential risk with the increase in cost plus the transportation, and also looking at how our contractors are basically processing the material. So that is putting a lot of pressure from the EPA perspective. In terms of the timing, we all know that since 2018 we have been in a recycling crisis. I do not know if it was practical, flexible, to have these enforcements and the reform implemented stringently—that would impact local government. And as we see, the closing of SKM is impacting 31 different councils, and the cost. The end result is the recyclables are going into landfill. I do not see where the environment is being protected. That is where I see that the EPA needs to be more flexible and work with councils and Sustainability Victoria. We see that that is not happening at the moment.

The CHAIR: That is the problem I am having with your approach, because on one hand we want the EPA—we have been criticising them for years of being a toothless tiger and it has led to two major fires in Melbourne, which led to the SKM non-compliance. Now that they have grown some teeth we are not happy about it. I do accept what you are saying—you need a partner and a mentor. I think it is very important because that is very important. On the other hand, you need a strong enforcer. We cannot have it both ways; that is what I am trying to say.

Ms WEIGALL: I think what we are saying is that we recognise there is a need for enforcement, that perhaps there is that gap now. In the submission we suggested this is maybe the time to look at what Sustainability Victoria's role is as well and what DELWP's role is and for them to play a mentoring role and maybe look at resetting that platform so we as a local government know where we go for that mentoring and advice. Perhaps we are still going to the EPA for that mentoring and advice and finding it is no longer there. So who is filling that gap to provide that leadership that we need as a local council to get to that point?

The CHAIR: I would like to explore the issue further because it is something we have not really focused on. Essential service, for example—then the industry should be declared as an essential service and then you have got some central sort of support. I think what I am getting to understand is we are shifting a lot of responsibility between various players and various agencies and who is doing what. So do you see it is sort of part of that to look at where there is more support, whether it is financial support, technical support, policy guidance? We talked about the China National Sword policy. What is your understanding of the China sword policy? A lot of people sort of think, 'Okay, we will just stop importing everybody else's rubbish,' which pretty much is that, but there is a reason behind that. I think the central government policy is to actually change the way they actually deal with waste and how they do it, and it is done centrally.

Ms WEIGALL: Yes.

The CHAIR: So do you sort of see, then, maybe a top-down sort of approach and having some real accountability about having some real directions—is that something you are sort of crying out for?

Ms WEIGALL: I think that is exactly where we are heading in terms of saying that we need some centralised policy and some guidelines—that we know that they are the guidelines and we can follow them, whether that is about what goes into bins or does not go into bins, so that is standardised. I think it is about setting the goalposts very clearly for us so we understand where we fit. Then we can follow those rules. We follow those rules in all the other things that local governments do, and we are trying very hard to follow the rules in terms of how we manage our waste and manage our landfill, and we are trying to be creative—but it seems that there are little pockets of things happening without that centralised approach. We hear someone is doing some trials of glass, but there is not that centralised approach. We hear that VicRoads and the Department of Transport have changed their requirements so we can do that, but there is not that centralised approach of 'Okay, now, everybody, this is the way we have got to go. We have got this change'. So it is about that guidance and that mentoring so that every local government is not wasting their resources trying to research things and find out what is going on—there is that more centralised area which is providing that leadership.

Mr BASFORD: It is interesting that you ask whether it is an essential service, because clearly councils broadly are traditionally known as 'rates, roads and rubbish'. So it is something that is in the psyche of local government. It certainly, as Fiona said, is an area we spend a significant amount of money on, both rates and grants. How many legacy landfills do we have?

Mr VENKATRAMAN: Forty-six.

Mr BASFORD: Forty-six legacy landfills that we have to monitor and manage, plus the existing ones, plus the very remote rubbish collection. So it is a significant part of what East Gippsland does. Each shire in Gippsland will do it slightly differently because of their geographic area and their population, but it is a significant service and cost for our shire.

The CHAIR: But you should not be doing it on your own going forward, I think. That is the message I am getting.

Dr RATNAM: Thanks very much for your submission and your evidence here today. It has been very compelling and really important for us to hear. Just a start-up question, I am just trying to jog my memory: when you mentioned the type of recycling and resource recovery you do, at the moment you have got the two bins—recycled and residual waste; are you doing food organics at the moment?

Ms WEIGALL: We are doing residential green waste. I will get Kartik to explain it in more detail.

Dr RATNAM: Residential green waste? Okay, great.

Mr VENKATRAMAN: At the moment we have a three-bin service across the shire, where the third bin is the organics, which is only garden waste at the moment, except in Mallacoota, where we have trialled and been successful with FOGO. We are looking at a business case in the next 12 months to look at how we can roll out a similar program across East Gippsland.

Dr RATNAM: Great. Can I ask, what do you anticipate or know of the likely barriers to a rollout across the whole municipality for FOGO?

Mr VENKATRAMAN: There are two major barriers. One is the contamination levels.

Dr RATNAM: Of FOGO?

Mr VENKATRAMAN: The FOGO, yes. Mallacoota is a pro-environment, a very environment-conscious community, so to have that consistency across 42 different towns is going to be a big challenge. It has got to be backed up with comprehensive education and awareness. The contamination is going to be a major issue. The second one is the technology. We need to explore. We are working with eastern water at the moment and industry partners such as Patties and Vegco, looking at alternative options for processing organics.

Also, one of the biggest constraints is we have a huge influx of garden waste and food waste. Is it going to complement the supply and demand? So that is something that needs to be looked at in the market. We need to look at the end use as well. So it is kind of a very challenging task, but not impossible.

Ms WEIGALL: For council we have got probably a two-year window of opportunity while we are using our green waste on our own landfill rehabilitation projects, and then we are likely to have a massive cost if we have not got to a point where we can start using and finding a composting use for it locally. So the transport costs and gate fees of taking it somewhere else are really going to be problematic for us.

Dr RATNAM: You need to find somebody who could process that organic waste as well?

Ms WEIGALL: Yes.

Dr RATNAM: Right.

Ms WEIGALL: Which links into how we use the levy and the fund, and how we have some clear guidelines about how we should be managing composting facilities across Victoria.

Dr RATNAM: I also note in your submission that as a council you are supportive of a container refund scheme or a container deposit scheme as well?

Mr VENKATRAMAN: Yes, we are quite supportive of the scheme, but we do not see that as a solution to combat, or for waste minimisation. It is more of a litter prevention scheme. The scheme would work very well because we are a tourist destination, but on the other hand we want to look at how we reduce waste generation and looking at alternative refill stations. So there are two different things that we need to look at: one, with the CDS obviously, to get a cleaner product so that we can process it without additional cost and also prevent litter. As you know, 70 per cent is Crown land and it is very easy for people to go into the bush and litter. And the first thing is to look at comprehensive education. All the three factors need to be complemented.

Dr RATNAM: It is part of, but not the whole, solution.

I was also going to ask in terms of the current crisis with SKM: you are not one of the most directly affected councils, but previous councils that have presented to us before today have said that it has ripple effects. You start to feel it because your local recyclers will then start feeling they do not have another place to send it when central Melbourne starts to have issues with that. Has that been your experience as well? Are you all feeling that ripple effect now?

Ms WEIGALL: We are feeling quite vulnerable—

Dr RATNAM: Yes. Can you explain that?

Ms WEIGALL: because we have now got almost a monopoly, or an oligopoly, occurring in Melbourne, so what does that mean in terms of the fees that we are going to be paying? What does that mean in terms of all of those logistic costs? And what is our community attitude towards recycling?

Dr RATNAM: How have you been able to meet some of the costs that have been borne recently as well? So you have had an increase in how much your recycling is costing to be disposed of?

Mr VENKATRAMAN: We have introduced costs for recyclables—all the recycling through self-haul to the waste facilities, since July last year. We have also increased the rates—

Dr RATNAM: Yes.

Ms WEIGALL: It is one of our fees and charges.

Mr VENKATRAMAN: As part of the fees and charges. We have been lucky in a sense. We pay \$85 a tonne, as opposed to all the other councils, who pay \$110 to \$130. That is primarily because of the MRF we have in house. So most of the contaminations are sorted and segregated, and the overburden is then sent to Visy.

Dr RATNAM: Okay.

Mr VENKATRAMAN: In that way we have been working on—but we have introduced fees and charges for recouping costs.

Dr RATNAM: And you have an in-house MRF, do you?

Ms WEIGALL: The contractor that we use for our kerbside collection is the MRF.

Dr RATNAM: It is the MRF. It is not council run, but you have a local contractor?

Ms WEIGALL: Yes.

Mr BASFORD: Mr Chair, if I could just add something to that as well, I think one of the issues that our community particularly faces is a capacity-to-pay issue. So we have a number of communities. Like all shires, there are areas of greater wealth than others, but certainly some of our more remote communities, where potentially the cost to actually bring the waste back to a central point, their capacity to pay additional fees—so for instance at the moment we do not charge for green waste. That, I think, costs council somewhere around \$60 000—

Mr VENKATRAMAN: Six-hundred thousand to process.

Mr BASFORD: Six hundred thousand—sorry—to process a year, and we do not charge fees on that, because one of the other reasons, we know, is that given the type of communities and type of geography we have there are a lot of opportunities then to dump that waste in state forests, national parks and those sorts of places, because if the fees are too high, then people can take an easier option. It is not necessarily because they actually want to do that, but it is because, as the fees go up, then their capacity to pay that—

So there are some real competing issues for us around if we were to charge all those fees and if fees continue to rise—and I think this picks up on the point that Fiona made about our vulnerability—if we start to see those prices going up, and that has a flow-on effect on our community, then that is the sort of knock-on effect that we may see as well.

Mr HAYES: I just wanted to ask a few questions. Dr Ratnam covered the ones I wanted to ask about the green waste trial and where that got. I just wanted to ask you about the cross-border cooperation. Are you saying there is no cooperation either way in dealing with waste in small communities along the river?

Ms WEIGALL: There are actually restrictions on moving waste across the border, which I will get Kartik to explain.

Mr VENKATRAMAN: We have been in discussion with neighbouring councils over the years, but nothing has actually materialised till lately. But there has been quite a bit of interest from our neighbouring councils, whether it is Snowy Monaro or Bega. We see a lot of synergies, because towns like Mallacoota, which are closer to the New South Wales border, do not have to bring all their waste back to Bairnsdale, which is 300 kilometres further down. There are already facilities and state-of-the-art infrastructure for processing organics—Cleanaway has a materials recovery facility—so that is something we could look into and work on with the councils. That is our future direction, and the plan—

Mr HAYES: There is no legislative barrier, is there?

Mr VENKATRAMAN: There is some kind of restriction in terms of what we can do and what can be moved interstate. It also varies with the levy. There are two different levies, so another thing that needs to be looked at Australia-wide is to bring more consistency to the levy, because our levy system is much cheaper than our New South Wales counterparts'. Again, it is cost benefit versus the cost of disposal and how it is going to work.

Mr HAYES: It makes sense, doesn't it? The other thing I wanted to ask was you said you have an industry that collects the recycling and presumably sorts it too, and then you say you do not know where it goes. You must have—

Ms WEIGALL: We know where they take it; we then lose track of it from when it goes to the recycler in Melbourne. So that is where we do not know where it goes.

Mr HAYES: So they are onselling it up to Melbourne?

Ms WEIGALL: So they are onselling it, and then that is where we do not know. Our community is saying, 'Well, how can you guarantee that your waste isn't going to landfill? It's not going to your landfill, but do you know that it's not going to landfill more generally?'. We have listened to our community saying it, so as I said, with our e-waste contracts that we are just letting at the moment we have put a criterion in there that they must tell us where it goes and be able to trace it all the way downstream for us.

Mr LIMBRICK: With regard to the differentials between states, especially in the landfill levy but also other things like container deposits schemes, is there any evidence of materials—I know there are restrictions on materials crossing the border, but it would seem that the lower landfill levy in Victoria would incentivise illegal activity to cross the border. Is there any evidence that you are aware of that this is actually happening?

Mr VENKATRAMAN: Yes, absolutely. Prior to our sites in Bendoc, Bonang or Genoa, which is closer to the border, whether it is Snowy Monaro or Bega, they were not staffed sites—like, they were not supervised—and we have seen a lot of cross-border illegal disposal happening. We have found that not just from the New South Wales counterparts but also from the other Victorian borders, where there has been a lot of waste coming from Dinner Plain and Mount Hotham to the sites closer to Omeo and Benambra.

Ms WEIGALL: So, for example, in one of those four sites, with a small population—you know, a population of about 250—we will end up with 50 or 60 mattresses at the transfer station. They are not all coming from the local community.

Mr LIMBRICK: Yes, clearly.

Ms WEIGALL: We are seeing commercial quantities of cooking oil being dumped in some of our national parks that are close to the border. So, yes, we are seeing that.

Mr LIMBRICK: And this is incentivised by the high levies?

Ms WEIGALL: Yes.

Mr LIMBRICK: On a converse point, New South Wales has a container deposit scheme. Is there any evidence of containers crossing the border the other way to take advantage of that? You would not be aware of it?

Mr VENKATRAMAN: No.

Ms WEIGALL: No. We hear about it happening at other parts of the Victoria-New South Wales border. We are not seeing it ourselves, but that does not mean that it is not happening on a much smaller scale.

The CHAIR: Thank you very much for your time. We really appreciate it. It has been great to hear from you and your contribution. Thank you for the submission. The submission will be accepted at the next meeting and will be published on the website. A copy of the transcript will be sent across to you so if you have got any corrections, please let us know. Also if there are any other materials or issues you would like to share with us in the next few weeks, we are due to report back at the end of November, so please send that to the secretariat. Again, thank you very much for your contribution.

Mr BASFORD: Thank you for your time.

Witnesses withdrew.