

Rural City of Wangaratta

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28 February 2018

Nada Bagaric
By email: nada.bagaric@delsp.vic.gov.au

Dear Nada

RE: Victoria Grants Commission - Submissions - Wangaratta Council

Council wishes to make a submission in relation to the weightings applied to the cost adjusters for Waste Management.

Submission

Our contention is that the Remoteness Cost Adjuster should have a weighting of 10% or more for the Waste expenditure function. A compensating reduction could be made to the Population Dispersion Cost Adjuster.

That is, for Waste Expenditure:

- Increase Remoteness Cost Adjuster by 10% or more
- Reduce Population Dispersion Cost Adjuster by 10% or more.

Rationale

1. Distance to landfill/processor

Wangaratta Council, along with many others, are grappling with the treatment of the various waste streams. Unlike some Councils, the Wangaratta municipality owns a landfill site. Many smaller Councils surrounding us, are forced to transfer waste to regional landfills, such as Albury and Benalla.

In September 2015, Council introduced a third bin for organic waste. Since then, we have been transporting organic waste to a processing plant near Shepparton. This is a 300 kilometre round trip that is undertaken 5 days per week in accordance with EPA requirements. The cost of transporting organic waste for Wangaratta Council was \$229K for the 2016/17 financial year.

2. Anticompetitive pricing

The lack of competition by processing facilities in northern Victoria has driven monopolistic pricing by suppliers. The processing of organic waste cost Wangaratta Council \$510K in the 2016/17 financial year. The price for this service was negotiated at a premium due to the lack of a competitor.

3. Environmental concerns

A further outcome of using road freight to transport waste is carbon emissions. Council officers estimate that transportation of our organic waste results in additional emissions 35.26 tCO₂-e per annum.

Thank you for the opportunity to make this submission to the allocation of financial assistance grants for 2018-19. I look forward to the Commission's response.

Should you require further information about the matters above, please do not hesitate to contact me.

Yours sincerely,



Ruth Kneebone
Director Corporate Services