

LATE REPORT NO 3 EXTRAORDINARY MCC MEETING 21 DECEMBER 2016

LATE REPORT - TUNCURRY LANDFILL CLOSURE - DISPOSAL FEES

Report Author John Cavanagh, Manager Waste Health & Regulatory Services
File No. / ECM Index Forster Tuncurry Waste Management Facility
Date of Meeting Extraordinary - 21 December 2016

SUMMARY OF REPORT

The progressive closure of Tuncurry Landfill commenced on 1 December 2016 with kerbside collected waste being redirected to the Bucketts Way Landfill at Taree. The next stage is all other trucks with commercial waste destined for landfill will also be redirected to the Bucketts Way facility from 1 January 2017. During negotiations with Councils waste collection contractor it became apparent that the significant difference in disposal fees between the two (2) facilities would leave commercial operators disadvantaged if the Bucketts Way charges were applied to Tuncurry account holders.

SUMMARY OF RECOMMENDATION

It is recommended to continue to charge Tuncurry Landfill account holders the current Tuncurry disposal fees at the Bucketts Way Landfill until 30 June 2017.

FINANCIAL/RESOURCE IMPLICATIONS

There are a number of financial implications that have resulted from these new arrangements. They are as follows:

1. Those relating to contract variations are relatively straightforward and have been resolved through provisions within the waste collection and processing contract.
2. Those relating to increased contractor operating costs of Bucketts Way Landfill due to the increased quantity of waste received have been resolved by applying the current contracted cost per tonne of waste landfilled to that additional waste received from Tuncurry.
3. Additional costs as a result of Tuncurry Landfill account holders having to pay an increase in sorted waste charges (from \$164 to \$165 per tonne at Taree and \$175 to \$370 per tonne of unsorted waste) may be addressed through the recommendation.

The financial impacts relating to Council contracts and services were anticipated with the closure of Tuncurry Landfill and opening of Great Lakes Landfill (Minimbah). As a result there is provision within the Waste Management budget to cover the above transitional costs.

LEGAL IMPLICATIONS

Contract negotiations have proceeded in accordance with provisions with the waste collection and recycling contract. The recommendation to hold fees for Tuncurry account holders is at the discretion of Council.

REPORT

Council considered a report on 23 November 2016 on the progressive actions to close Tuncurry Landfill. It was resolved to redirect the Midcoast Waste Services kerbside collection vehicles to the Taree Bucketts Way Landfill from 1 December 2016 and all other commercial trucks with landfill waste from 1 January 2017.

As noted above, contract negotiations have progressed in a way that has been acceptable to all parties involved with the exception of item 3. A number of options have been explored to resolve this anomaly with the recommendation considered the most equitable.

It should be noted that the main reason Item 3 has become an issue is:

- the disparity between the disposal fees for Tuncurry and Bucketts Way and
- a number of the large contractors have existing collection and disposal contracts that do not expire until 30 June 2017.

RECOMMENDATION

It is recommended to continue to charge Tuncurry Landfill account holders the current Tuncurry disposal fees at the Bucketts Way Landfill until 30 June 2017.