

## **BRIEFING NOTE**

TO: Robyn Parker  
**STATE MINISTER FOR ENVIRONMENT**

FROM: Martin Rush  
**CHAIR OF MUSWELLBROOK SHIRE COUNCIL; AND  
CHAIR OF HUNTER COUNCILS**

### **RE: MUSWELLBROOK NSW WASTE AND ENVIRONMENT LEVY**

The Waste and Environmental Levy was imposed by the State Government to promote a reduction in landfilling and an increase in recycling and resource recovery throughout NSW. A substantial part of the levy is budgeted to fund marine parks on the State's coast. Muswellbrook Shire and Upper Hunter councils have been included in the Regional Regulated Area (RRA) since 1 July 2009. The two councils are the most inland councils captured by the RRA.

Muswellbrook Shire Council is firmly of the view that Council has been unreasonably included in the RRA.

### **BACKGROUND**

The ABS estimated the Shire's population for the year ending 30 June 2010 at 16,676. Growth, for that same year, was estimated at 1.8%. That growth, however, is atypical of Muswellbrook's 10-year growth which has been approximately 1.2% per annum in that period. The present statistical skew is related to the short-term intensification of state significant developments in the Sub-Region. Muswellbrook Shire continues to have a higher proportion of younger families than the Regional or State populations, a high proportion of vocationally trained employees and a corresponding lower proportion of university qualified employees (all related to the industrial dependence on coal and power generation). The population is also characterised by:

- a) a higher than average face value of labour (but a close to average real wage);
- b) a high cost of living (high rental and mortgage repayment costs and the high price of labour are the most significant contributing factors to the localised skew in the cost of living index);
- c) very low unemployment;
- d) a high participation rate;
- e) a high relative proportion of persons identifying as aboriginal (5%);
- f) a high relative proportion of persons renting from the Department of Housing (50% higher than the State average);
- g) a very low mean attainment in the Australian Early Development Index; and
- h) The highest proportional presentation for Asthma and cardiovascular related diseases for treatment at public hospitals in the State.

## **POPULATION DENSITY**

Australian Bureau of Statistic 2010 data show that the Hunter Valley has a population density of 22.2 people per square kilometre. This figure is highly skewed to the Lower Hunter area of Newcastle, Maitland and Singleton. Muswellbrook Shire has a population density of 4.8 and Upper Hunter Shire 1.7. By comparison Mid-western Regional Council has a population density of 3.2. The figures used by the Office of Environment and Heritage appear to have been arrived at on the basis of the Hunter Valley statistical mean and not the actual data for the two shires. In Council's submission, the use of the generic data was unreasonable and inappropriate insofar as Muswellbrook and Upper Hunter shires were concerned.

## **GROWTH RATE**

While Muswellbrook Shire's population growth rate for the year ending 30 June 2010 was 1.8% per annum, it is noted that the historical prevailing trend and future projections are much lower (at around 1.2%). The growth is statistically skewed by the intensification of the coal industry which has grown substantially in the last few years<sup>1</sup>. It is estimated that the coal industry will reach maturity by 2014. Much of the population growth has been related to construction phases which are projected to reach a mean peak in the 2012 – 2013 financial year. Even so, in absolute terms, a 1.8% growth rate adds less than 300 people to the population each year because of the low base number and, in Council's submission, should not be used to justify an inclusion in the RRA.

## **MEDIAN HOUSEHOLD INCOME**

The median household income (2006) in the Muswellbrook Shire is very similar to that of the Upper Hunter Shire at \$46,174 per year or \$887.00 per week. As discussed above, however, the purchasing power of that mean income is assessed to have remained relatively static over the last 10 years. The price of labour (wages) has been constrained in real terms – unable to outstrip the local cost index and Muswellbrook's position on the relative wealth index has actually dropped relative to other local government areas over the last fifteen years<sup>2</sup>. Council further submits that this is problematic in a community with a 50% higher proportion of people on fixed incomes – many of whom rent from the Department of Housing. Council submits that the impact of the high cost index created by the intensification of the coal industry on those not benefiting from the higher face value of labour (wages) is unreasonable and unaffordable and notes that Council despite genuine and concerted efforts to work with the Office of Environment and Heritage to reduce illegal dumping has been unable to do so.

Council notes that the illegal dumping has occurred, or principally occurred, on land held by the Aboriginal land councils. Council is not in a financial position to recover the illegally dumped material or compensate the Aboriginal land councils for the illegal dumping – although it continues to work with the Aboriginal land councils on strategies to assist them with the issue.

Council submits that the use by the Office of Environment and Heritage of average income

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<sup>1</sup> Mount Arthur from 13MtPA to 28MtPA – with potential for 36MtPA, Bengalla from 8MtPA to 10.7MtPA, and Mangoola commencing operations –generating an additional 10.5MtPA (a doubling over the last 2 years in local coal extraction).

<sup>2</sup> 2008 ACARP Report: Assessing the Cumulative Impacts of Mining on Regional Communities: An Exploratory Study of Coal Mining in the Muswellbrook Area of NSW (the Centre for Social Responsibility in Mining, the Centre for Water in the Minerals Industry and the University of Queensland) February 2008 – Table 9 at p. 72.

levels was inappropriate insofar as the Muswellbrook and Upper Hunter shires was concerned because it did not take into account the atypical local cost index and the purchasing power of that average income. Council also notes that it did not take into account the actual affordability of the levy on a community experiencing a grossly divergent income range.

## **WASTE PERFORMANCE**

The 2009 domestic waste performance figures for the Upper Hunter Shire Council and Muswellbrook Shire Council are similar, with MSC having a higher recycling percentage on a lower total household waste tonnage. These figures are:

### Domestic Waste Collection Services

Upper Hunter Shire Council: 2358 TPA, or  
0.668 tonnes per domestic collection per year.

Muswellbrook Shire Council: 2818 TPA, or  
0.564 tonnes per domestic collection per year.

### Domestic Kerbside Recycling

Upper Hunter Shire Council: 181 kg per household per year.

Muswellbrook Shire Council: 266 kg per household per year.

Muswellbrook Shire Council's 2009 figures show that overall domestic recycling is in excess of 55% which is an exceptionally high figure for a rural category Council. This figure is achieved by a judicious and active process of resource recovery (both on-site and at the kerbside) and community education which, in itself, comes at a cost to the community.

Muswellbrook Shire Council has been the leader in the Hunter Region for recycling of domestic waste since 2006 when it was the first Hunter Council to institute a three-bin system. Muswellbrook Shire Council also established a Materials Recovery Facility for domestic quantities of cardboard, plastics and cans, and set up a supplementary material recovery hard stand area for scrap metal, green-waste, timber batteries, tyres and chemical drums.

Council is targeting a continuation of its current successful community education program at the major commercial waste producers in the shire, with particular emphasis on the reduction of Commercial and Industrial Waste. We expect this program to commence early in July 2011.

Muswellbrook Shire Council submits that it has demonstrated an ability to formulate and implement by coordination and cooperation with the Office of Environment and Heritage, best practice management of waste facilities, and has a strategy that will be successful in addressing ongoing reduction of waste to landfill.

## **SUBMISSION IN BRIEF**

The imposition of the levy will ultimately account for 70% of the cost of waste management in the shire. Council assesses that to be unreasonable and without justification in the local context. Taking into account the assessing criteria within a local context (actual growth rates, actual wages, actual densities, and actual performance) Council submits that it should be removed from the RRA.