

Used Oil Collection in WA – Interim Findings

General comments

- On the whole collections are operating reasonable well. There remain problems with collections in some regional areas, both for local government and commercial operators, with continuing examples of some locations where collections have not taken place
 - Detail from LGA survey and phone interviews
- There is no contingency plan for used oil should collections suddenly stop
 - Certainty of end point markets is therefore valued
 - Christmas Island Phosphates lease to expire in February 2019. They are currently burning a significant proportion of the used oil bottoms.
 - Current processes for moving product out of the State are difficult
 - Storage infrastructure is important
- Most commercial operators have little trouble passing used oil collection costs on to customers but local government has substantial issues
 - The Shire of Merredin is not currently accepting used oil from Shire residents at its facilities. The reason for not accepting material is however not because the two oil storage locations in the Shire are full but because the Shire is currently unwilling to pay for used oil collections
- Historically the blending of decant with heavy bottom product has always been a marginal business activity, and will continue to be marginal in the future
- Some market concern regarding any joint venture operation between current used oil collection operators reducing competition and resulting in higher prices for collections
- General positive view and support for facilitating higher value uses for used oil such as lube-to-lube
 - Also understand that the current arrangements represent a challenge to the Product Stewardship for Oil program should used oil be fully reprocessed
- Mining operations are a key source of used oil and are insensitive to price due to the high capital cost of equipment used in mining
 - See **Error! Reference source not found.** and 2 for used oil generation by LGA

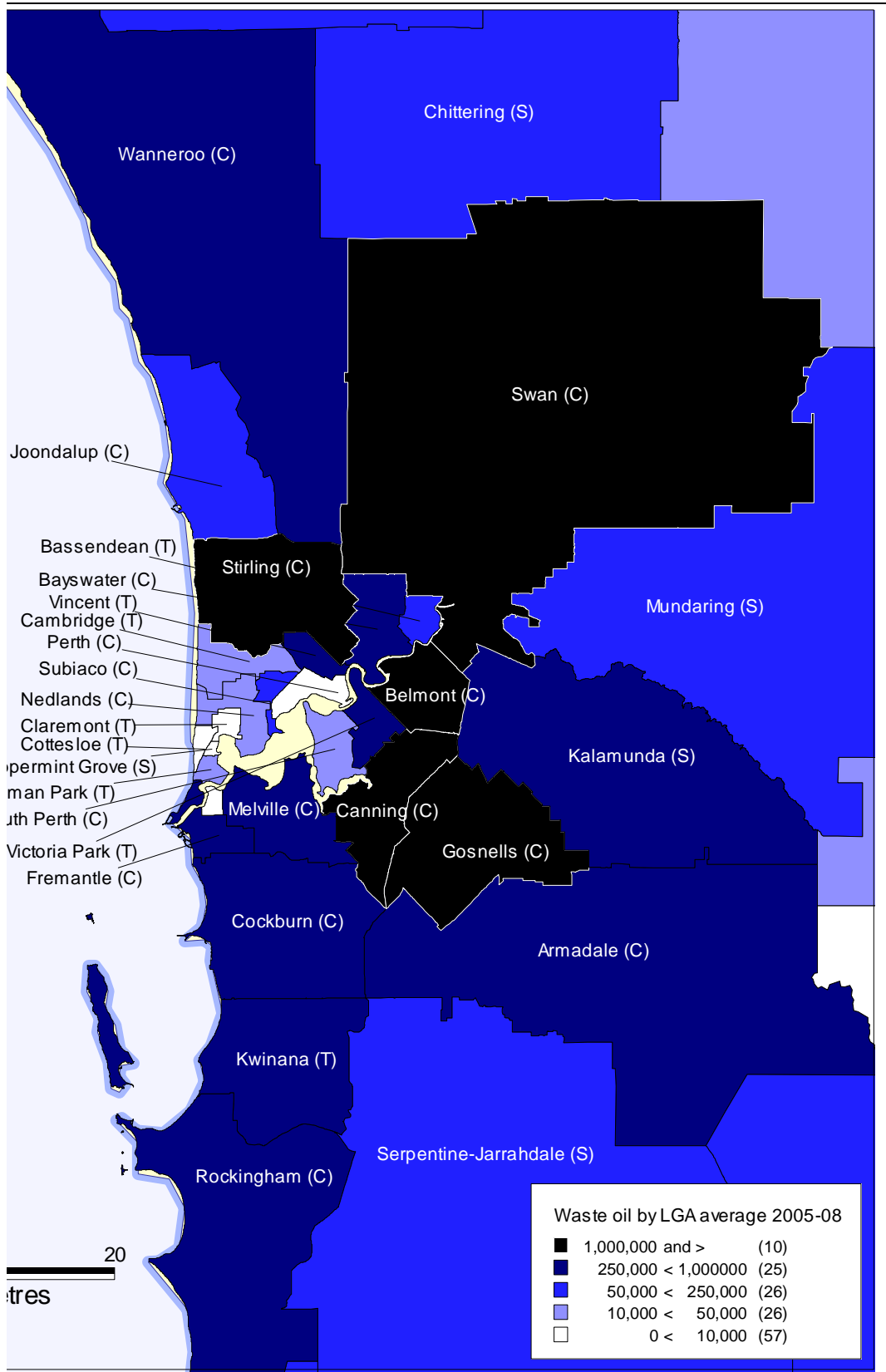
See Note: LGA- Local Government Area. Default count includes the Shire of Christmas Island and the Shire of Cocos Island as Western Australian local government areas even though they are non-self governing external territories.

Data source: DEC controlled waste tracking system.

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Economics Policy Strategy

metropolitan area by LGA average 2005-08



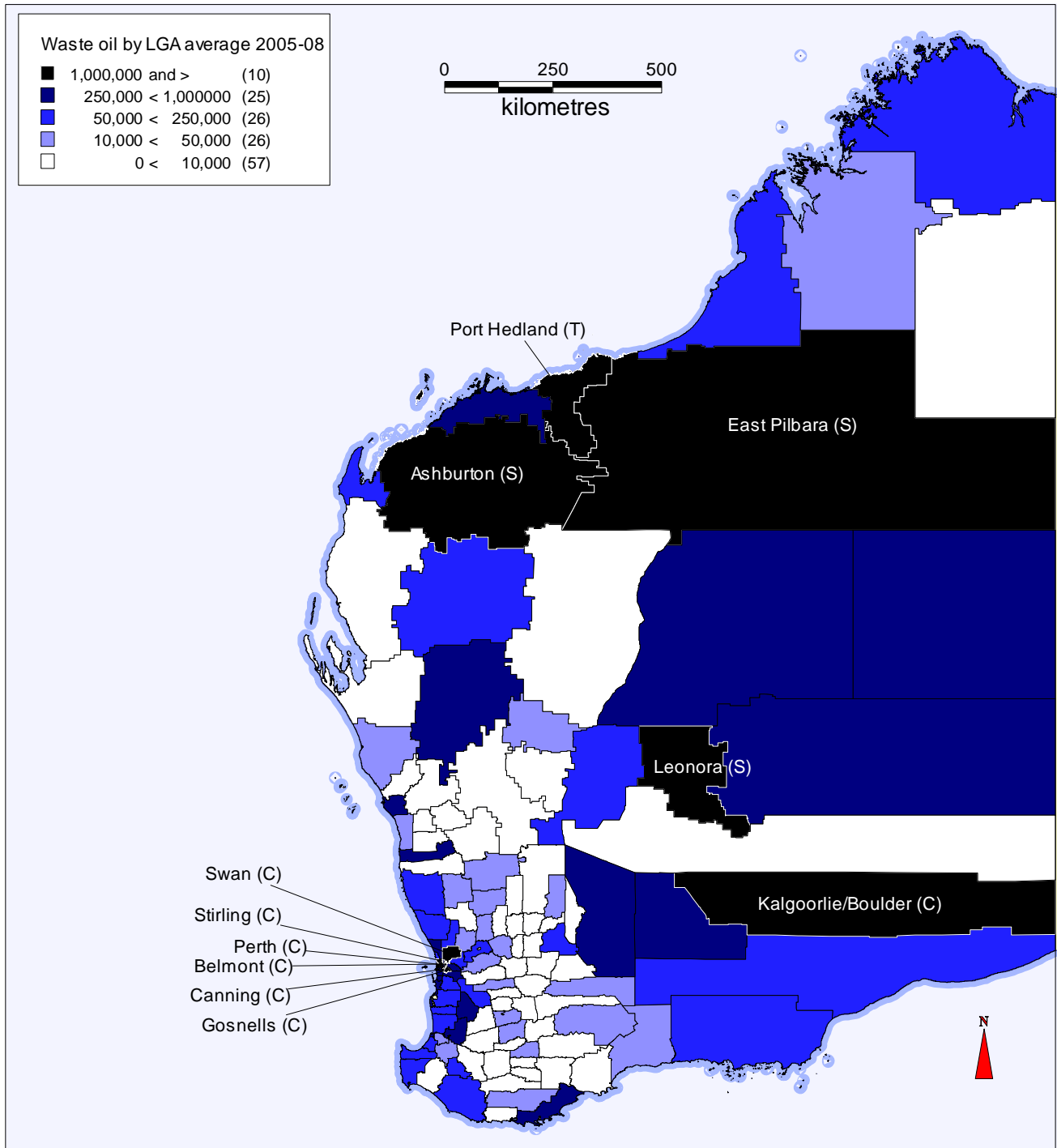
(C), Garden Island part of Rockingham (C)
ing system



- Table 1 for top 25 LGA locations for used oil generation
- Long run expectation that per vehicle generation of used oil waste will continue to fall
 - Potential for substantial per car reduction as the overall fleet mix, in terms of fuel source, changes in coming decades
- Wren oil has the largest market share
 - See Table 2 for collection details in LGAs



Figure 1 Waste oil in Western Australia by LGA by average 2005-08



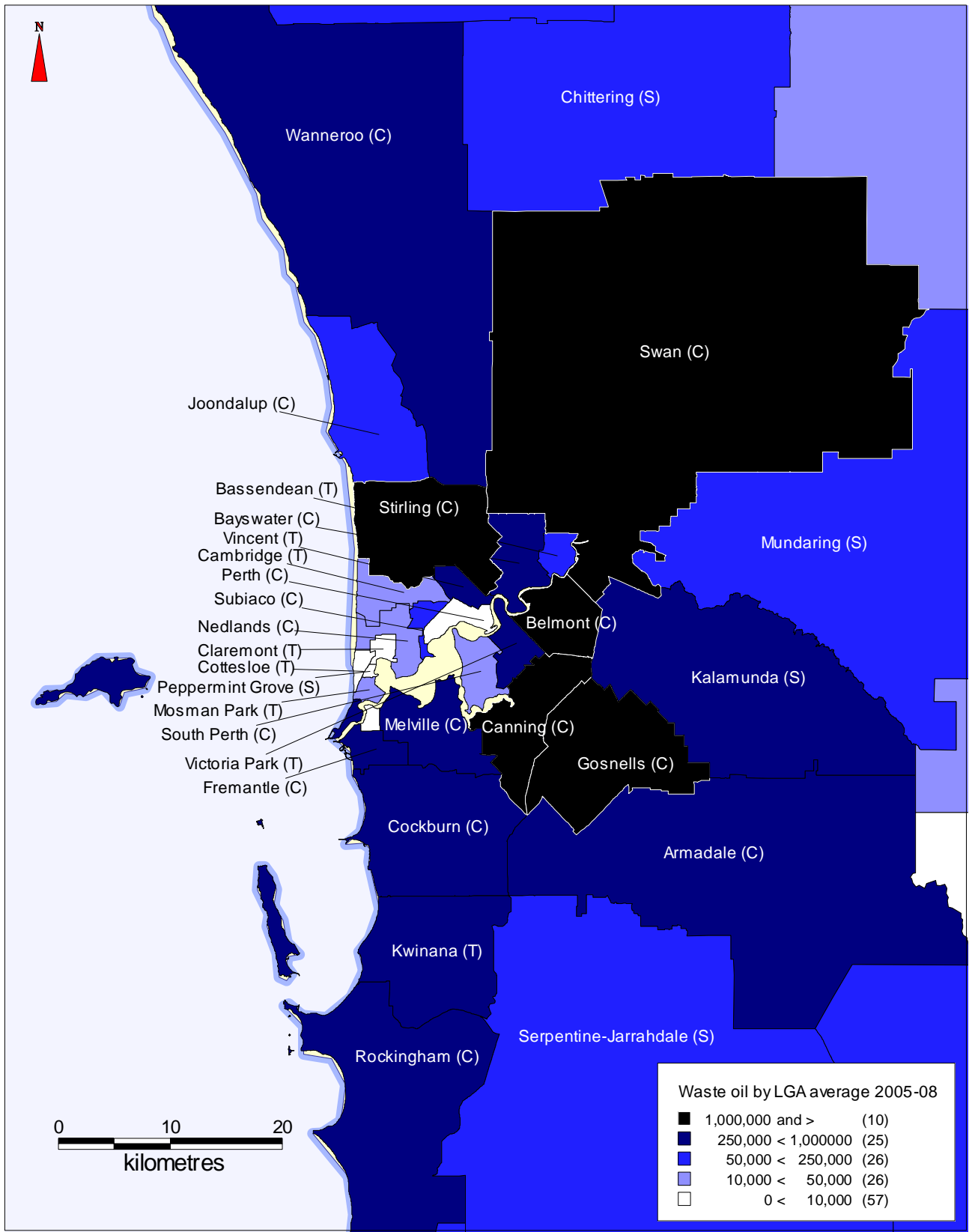
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Figure 2 **Waste Oil Perth metropolitan area by LGA average 2005-08**



α LGA Local Government Areas
Note: Rottnest Island part of Cockburn (C), Garden Island part of Rockingham (C)



Table 1 **Top 25 LGA regions for the generation of used oil**

LGA	2005-06	2006-07	2007-08	average
	L	L	L	L
East Pilbara (S)	3,242,500	3,847,775	3,590,158	3,560,144
Kalgoorlie/Boulder (C)	2,594,458	2,509,238	2,572,921	2,558,872
Port Hedland (T)	1,526,499	2,920,295	2,439,207	2,295,334
Ashburton (S)	1,370,570	2,171,855	1,424,900	1,655,775
Swan (C)	1,462,216	1,610,289	1,750,979	1,607,828
Leonora (S)	1,335,300	1,412,110	1,540,400	1,429,270
Belmont (C)	1,190,204	1,133,820	1,277,840	1,200,621
Stirling (C)	1,201,410	1,189,372	1,158,557	1,183,113
Canning (C)	1,104,132	1,121,382	1,243,196	1,156,237
Gosnells (C)	1,132,210	1,038,556	1,127,800	1,099,522
Bunbury (C)	931,080	897,022	767,465	865,189
Cockburn (C)	773,055	887,960	750,359	803,791
Collie (S)	790,950	775,767	823,770	796,829
Wanneroo (C)	781,590	738,625	809,325	776,513
Roebourne (S)	916,798	444,771	897,256	752,942
Rockingham (C)	736,657	713,106	785,204	744,989
Vincent (T)	680,305	607,108	599,827	629,080
Kalamunda (S)	586,036	598,075	675,855	619,989
Bayswater (C)	559,445	534,995	552,854	549,098
Kwinana (T)	404,180	531,865	620,260	518,768
Coolgardie (S)	399,648	506,231	547,787	484,555
Yilgarn (S)	430,050	526,756	475,850	477,552
Fremantle (C)	602,395	436,900	361,815	467,037
Laverton (S)	359,000	423,000	563,850	448,617

Table 2 **Companies that collect oil from local government in WA**

Company	Number of respondents using company	Percentage of respondents using company
Wren Oil	37	67
Nationwide Oil	8	15
Transpacific Industries	1	2
Environmental Recovery Services	1	2
Unanswered	8	15

Data source: Pers. Comms. WALGA