**GOVERNMENT RESPONSE**

**Introduction**

Victoria has an integrated framework of regulatory, economic and planning measures for solid waste management. This framework, including implementation undertaken by EPA Victoria, EcoRecycle Victoria, Regional Waste Management Groups and local government, has contributed to substantial waste reductions over the past decade: in 2002/03 51% of solid waste was diverted from landfill through reuse or recycling, compared to 26% in 1993/94.

The Auditor-General's performance audit report #65 (2000) examined the State's waste management framework. The Auditor-General’s report has stimulated a number of legislative changes, reports and investigations that have strengthened the state’s waste management framework, including amendments to the Environment Protection Act 1970 that clarified the roles of the agencies involved in waste reduction and increased landfill levy rates.

The Public Accounts and Estimates Committee (PAEC) has conducted a follow-up review of the Auditor-General's performance audit report. During the follow-up review, the Committee heard presentations from officers representing EPA Victoria, EcoRecycle Victoria and Regional Waste Management Groups. Detailed responses to a series of follow-up questions were provided to the Committee by EPA Victoria and EcoRecycle Victoria.

PAEC’s report was presented to Parliament in April 2004. PAEC has acknowledged the significant progress made since the Auditor-General's review but has indicated a number of matters that it considers require further attention, and has made 21 recommendations in its follow-up review. The Government thanks the Committee for its detailed consideration of this important issue and its recommendations. The Government concurs with the Committee’s findings and is in the process of addressing PAEC’s recommendations. Where a recommendation has been partially accepted it only reflects a differing view on how best to address the underlying issue.

The Government’s detailed response to the Committee’s recommendations is outlined below (responses in italics):
Chapter 2. Waste management reform

Recommendation 1:

Government policy for waste management (that is, the Towards Zero Waste Strategy) formally recognise the role of local government in waste management. (p.39)

Accepted. The implementation of any final Towards Zero Waste or other such Strategy will recognise the role of local government.

Recommendation 2:

The Minister for Environment and the Treasurer issue a statement advising the current and future status of specific allocations from the sustainability fund (i.e. recurrent annual funding of: $800,000 for Regional Waste Management Groups; and $500,000 for Neighbourhood Environmental Improvement Plans). (p.43)

Accepted.

The Minister for Environment and the Treasurer have released the final Priority Statement for the Sustainability Fund, along with Sustainability Fund Guidelines. In addition, in order to assist regional waste management groups develop successful bids for sustainability fund monies, a guidance note, which specifically mentioned the $800,000, has also been issued by the Ministers.

Regional waste management groups (RWMGs) will have access to up to $800,000 of the Fund monies for high quality bids focusing on the development and implementation of sustainability solutions for local communities. As for all applicants, high quality bids that deliver on the Fund objectives (as contained in the Sustainability Fund Priority Statement) and are developed in accordance with the Sustainability Fund Guidelines and Information, will be viewed favourably.

Similarly, up to $500,000 is available for high quality project bids from councils, Regional groups, local government associations and similar non-government bodies for Neighbourhood Environment Improvement Plans and projects developed under the Local Agenda 21.

Recommendation 3:

Regional Waste Management Groups develop and maintain a flexible approach to consultation and co-operation with the industrial and commercial sectors, to ensure that advice is available when required and all stakeholders receive due consideration in the development of regional waste management plans. (p.45)

Accepted. The Environment Protection Act 1970 requires RWMGs to consider the views of stakeholders prior to submitting a draft regional waste management plan to EPA for Approval. RWMGs are encouraged to consult widely in the preparation of plans.
Recommendation 4:

The Minister for Environment and the Environment Protection Authority monitor developments with the various reforms being implemented by the Regional Waste Management Groups and in doing so assess their capacity and need for further changes. (p.46)

Accepted. This will be undertaken as part of the evaluation of the work of the RWMG Organisational Status Audit Implementation Group as set up by the Minister for Environment, which is made up of representatives of RWMGs, EPA Victoria and EcoRecycle Victoria.

Recommendation 5:

EcoRecycle’s Towards Zero Waste Strategy address and articulate cost sharing arrangements between State and Local Governments for the timely closure of unlicensed landfills. (p.47)

Partially Accepted. The draft Towards Zero Waste Strategy is largely focussed on actions higher up the waste hierarchy than disposal, and this focus is likely to continue in any final strategy. EcoRecycle Victoria has already provided funding to assist local governments with the closure of unlicensed landfills. EPA Victoria is currently working with RWMGs and local government to assist them in making informed decisions about the future management of these sites, in particular to assist in regional waste management planning processes to identify priority sites for closure.

Recommendation 6:

EcoRecycle’s Towards Zero Waste Strategy address the issue of appropriate cost sharing by State and Local Governments and industry sectors for the provision of new landfills or residual waste treatment facilities. (p.47)

Partially Accepted. EcoRecycle Victoria’s utilisation of landfill levy funds for the provision of infrastructure is targeted at programs and infrastructure towards the top end of the waste hierarchy, where the conservation of resources can be maximised. For instance, EcoRecycle Victoria is providing over $5m in infrastructure grants over the 2003-4 and 2004-5 financial years to upgrade facilities and amenities at recycling and transfer stations. Landfills, which are at the bottom of the waste hierarchy, are expected to operate at full cost recovery and will have a lesser priority for funding from the landfill levy.

Recommendation 7:

The Government and EcoRecycle, as a matter of urgency, finalise the Towards Zero Waste Strategy. (p.48)

Accepted. The Government supports the objectives of the draft Towards Zero Waste Strategy, and is working with stakeholders on how best to give effect to these objectives; to work with local government; to change behaviours by
consumers; and to work with industry to develop innovative technologies to deal with residual waste.

Chapter 3  Performance management and monitoring

Recommendation 8:

All State Agencies involved in waste management and the local government sector:

(a) make information in relation to performance targets publicly available and ensure that measurement against set targets is robust; and

(b) where difficulties are encountered that have an impact on the quality of a target or assessment – this is clearly explained in a note to the relevant performance measure. (p. 59)

Accepted. Reforms to the Environment Protection Act in 2002 introduced a differential levy for municipal and industrial waste, which will allow for the collection of more comprehensive data to assist with planning and performance measurement.

EcoRecycle already publicises substantial data sets in relation to a range of waste management statistics. In relation to RWMGs, reporting will occur via Business Plans and Annual Reports. Where issues with data quality exist, these will be acknowledged.

Recommendation 9:

Councils work with the Regional Waste Management Groups to develop performance targets and systems relating to waste management and councils be involved in the evaluation of the results. (p. 64)

Accepted. The Government encourages RWMGs to work with their member councils to develop and evaluate performance targets.

Recommendation 10:

EcoRecycle send out data collection instruments earlier (i.e. closer to the end of the financial year), and councils make a concerted effort to return completed surveys within specified timeframes. (p. 65)

Accepted. EcoRecycle proposes to send the Local Government Data Collection Survey in an electronic format to assist Councils with data entry and to speed up response times.

Chapter 4  Development of markets for waste and recycled goods

Recommendation 11:
As a result of the increases in the landfill levy, the Environment Protection Authority assess whether the increased risk of illegal dumping can be adequately addressed under current strategies. (p. 77)

Accepted. While noting that the landfill levy is not the only component of the cost of landfilling, EPA Victoria will continue to implement enforcement programs to reduce illegal dumping and will prosecute offenders where appropriate.

Recommendation 12:

The Environment Protection Authority, through its audit program with operators, encourage landfill operators to regularly review their costs to ensure pricing models and pricing decisions are based on the best available information. (p. 79)

Partially Accepted. However it has to be recognised that landfill disposal charges are subject to market conditions and are not directly set by Government. EPA Victoria does not have a role in requiring landfill pricing to be reviewed. However EPA Victoria does have a role in ensuring that operators incorporate all measures necessary to meet objectives established in State environment protection policies and Waste management policies, and provide sufficient funds through Financial Assurances to enable rehabilitation and after care to occur.

Recommendation 13:

The Environment Protection Authority continue to work with the Institute of Chartered Accountants in Australia and the Commonwealth Department of Environment and Heritage to actively promote environmental management accounting to both public and private sectors. (p. 79)

Accepted. EPA Victoria will continue to work with a range of parties to promote the application of environmental management accounting approaches.

Recommendation 14:

EcoRecycle use market research and assessment of demand to strategically allocate grants to areas that in particular encourage the recycling of green and organic waste. (p. 80)

Accepted. During 2004, EcoRecycle Victoria provided funding support to the Organics Working Group of the Barton Group Resource Recovery Task Force to develop a national Technology Road Map for the organics industry. The project aims to engage the entire spectrum of the compost supply chain, from generators to end users, and will explore the key issues of technology, stewardship, regulation, viability, industry competitiveness, product quality and marketing.

EcoRecycle Victoria will develop a strategic plan for the organics industry that will identify priorities and actions which is due for completion in late 2005. This plan will guide the allocation of grants to encourage the recycling of green and organic waste.

Recommendation 15:
EcoRecycle’s grant funding for green organics be significantly increased to assist with:

(a) the development of facilities and markets for green waste; and

(b) improvements in the quality of recycled green and organic products. (p. 82)

Accepted. Green organics are a priority area for EcoRecycle Victoria. A new funding support program has been established to foster the development of a sustainable organics and/or residual waste reprocessing industry for household wastes, utilizing controlled environment systems (with or without energy recovery). Funding of $8.2 million will be made available over the three years of EcoRecycle’s Business Plan to establish a new Best Practice Organics/Residual Waste Recycling Program for household waste. A further $800,000 will be directed to market development projects for processed organics over that period.

Recommendation 16:

Efforts to reduce the amount of green waste going to landfill (should) focus on the development of markets for recycled green products and also on education of ratepayers on how they can successfully reprocess green waste ‘on site’. (p. 84)

Accepted. Priority areas such as market development and community education for green and organic wastes are addressed through EcoRecycle Victoria’s programs, which are guided by its annual business planning process.

Recommendation 17:

In line with the waste hierarchy that advocates avoidance of waste as the preferred waste management option, the Victorian Government through the National Environment Protection Council examine alternative options to using materials in production that are not sustainable or cannot be recycled. (p. 85)

Accepted. The Victorian Government supports the examination of alternative options to using materials in production that are not sustainable or cannot be recycled. EPA Victoria, along with other states through the Environment Protection and Heritage Council, is developing product stewardship programs for a range of wastes (e.g. computers, televisions and plastic bags), which will include consideration of these issues.

Chapter 5 Community awareness programs and strategies

Recommendation 18:

EcoRecycle reassess the level of funding provided to Regional Waste Management Groups and councils and consider whether it may be appropriate to provide more grants directly to councils that are implementing approved regional plans. (p. 94)

Accepted. Since 1996, EcoRecycle has contributed over $7 million to upgrade or establish 134 transfer station and resource recovery facilities. These facilities recover an increasing variety and tonnage of materials for recycling from both households and industry.
EcoRecycle will support a three-year program, targeting infrastructure funding to local government for transfer stations and resource recovery facility development and/or upgrades throughout Victoria (rural and metropolitan) in line with Regional Waste Management Plans. The recent publication of the revised Guide to Best Practice at Resource Recovery and Waste Transfer Facilities will be supported through funding, with an enhanced focus on ensuring public and occupational health and safety improvements. The budget for this is $5.6 million over 3 years.

The Sustainability Fund provides another potential avenue for funding for RWMGs and local government, for high quality project bids that meet the Fund objectives, as outlined in the Sustainability Fund Priority Statement.

Recommendation 19:

Councils and other Government Agencies contracting with waste management providers consider including community education as a key result area of the contractual agreement. (p. 95)

Accepted. Where the provision of community education programs can add value to State Government agencies’ contracts for waste management services in relation to their own operations, these programs will be considered. EcoRecycle will explore the potential for the inclusion of community education as a key result area in situations where RWMGs facilitate the establishment of waste management services on behalf of their member councils. The Government will encourage education programs to be included as part of service delivery arrangements. Where appropriate this may be included in contract agreements.

Recommendation 20:

The Office of Commonwealth Games Co-ordination give urgent consideration to finalising the contract for waste management so the successful contractor can maximise opportunities for achieving a zero-waste games. (p. 96)

Accepted. The Government has made a commitment to a low-waste Games in its Games Environment Strategy. The Strategy includes a wide range of initiatives designed to deliver on this commitment. These include aiming to recycle 95% of construction and demolition waste from key Games venues, uniform public place recycling, litter prevention and clean-up programs, waste minimisation plans for Games infrastructure projects, construction of a new litter barge to clean up litter along the Yarra and Maribyrnong Rivers, and an anti-litter communications campaign.

The scopes of work for the venue waste contracts are currently being developed by M2006, and the waste management arrangements for the public domain are being developed. The waste contracts will be let well in advance of the Games, and it is anticipated that the successful contractor(s) will work with OCGC, M2006 and venues to achieve a low-waste Games.

In addition to the waste management contracts, a range of other initiatives will be in place, including environmental procurement guidelines and other policies.
These guidelines will include environmental specifications and will be used in the evaluation of suppliers.

Recommendation 21:

The Department for Victorian Communities require all major sporting and community events being held in Victoria to consider waste management as part of their planning process. (p. 97)

Accepted. EcoRecycle Victoria’s Waste Wise Event Program helps event organisers integrate simple and cost-effective waste, recycling and litter management systems into their event. This program has been successfully road-tested at large and small events, including Moomba and the Melbourne International Flower and Garden Show. The Government will consider requiring all major events to adopt sustainable waste management practices. In addition, EcoRecycle Victoria will continue to encourage the application of sustainable practices at private events.
## Summary Table of Government Response to PAEC Recommendations

<table>
<thead>
<tr>
<th>PAEC Recommendation</th>
<th>Government Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chapter 2. Waste Management reform</strong></td>
<td></td>
</tr>
<tr>
<td>1. Government policy for waste management (that is, the Towards Zero Waste Strategy) formally recognise the role of local government in waste management. (p.39)</td>
<td>Accepted</td>
</tr>
<tr>
<td>2. The Minister for Environment and the Treasurer issue a statement advising the current and future status of specific allocations from the sustainability fund (i.e. recurrent annual funding of: $800,000 for Regional Waste Management Groups; and $500,000 for Neighbourhood Environmental Improvement Plans). (p.43)</td>
<td>Accepted</td>
</tr>
<tr>
<td>3. Regional Waste Management Groups develop and maintain a flexible approach to consultation and co-operation with the industrial and commercial sectors, to ensure that advice is available when required and all stakeholders receive due consideration in the development of regional waste management plans. (p.45)</td>
<td>Accepted</td>
</tr>
<tr>
<td>4. The Minister for Environment and the Environment Protection Authority monitor developments with the various reforms being implemented by the Regional Waste Management Groups and in doing so assess their capacity and need for further changes. (p.46)</td>
<td>Accepted</td>
</tr>
<tr>
<td>5. EcoRecycle’s Towards Zero Waste Strategy address and articulate cost sharing arrangements between State and Local Governments for the timely closure of unlicensed landfills. (p.47)</td>
<td>Partially accepted</td>
</tr>
<tr>
<td>6. EcoRecycle’s Towards Zero Waste Strategy address the issue of appropriate cost sharing by State and Local Governments and industry sectors for the provision of new landfills or residual waste treatment facilities. (p.47)</td>
<td>Partially accepted</td>
</tr>
<tr>
<td>7. The Government and EcoRecycle, as a matter of urgency, finalise the Towards Zero Waste Strategy. (p.48)</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>Chapter 3. Performance management and monitoring</strong></td>
<td></td>
</tr>
<tr>
<td>8. All State Agencies involved in waste management and the local government sector: (a) make information in relation to performance targets publicly available and ensure that measurement against set targets is robust; and (b) where difficulties are encountered that have an impact on the quality of a target or assessment – this is clearly explained in a note to the relevant performance measure. (p. 59)</td>
<td>Accepted</td>
</tr>
<tr>
<td>9. Councils work with the Regional Waste Management Groups to develop performance targets and systems relating to waste management and councils be involved in the evaluation of the results. (p. 64)</td>
<td>Accepted</td>
</tr>
<tr>
<td>10. EcoRecycle send out data collection instruments earlier (i.e. closer to the end of the financial year), and councils make a concerted effort to return completed surveys within specified timeframes. (p. 65)</td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>Chapter 4. Development of markets for waste and recycled goods</strong></td>
<td></td>
</tr>
<tr>
<td>11. As a result of the increases in the landfill levy, the Environment Protection Authority assess whether the increased risk of illegal dumping can be adequately addressed under current strategies. (p. 77)</td>
<td>Accepted</td>
</tr>
<tr>
<td>12. The Environment Protection Authority, through its audit program with operators, encourage landfill operators to regularly review their costs to ensure pricing models and pricing decisions are based on the best available information. (p. 79)</td>
<td>Partially Accepted</td>
</tr>
<tr>
<td>13. The Environment Protection Authority continue to work with the Institute of Chartered Accountants in Australia and the</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Commonwealth Department of Environment and Heritage to actively promote environmental management accounting to both public and private sectors. (p. 79)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>14 EcoRecycle use market research and assessment of demand to strategically allocate grants to areas that in particular encourage the recycling of green and organic waste. (p. 80)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>15 EcoRecycle’s grant funding for green organics be significantly increased to assist with: (a) the development of facilities and markets for green waste; and (b) improvements in the quality of recycled green and organic products. (p.82)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>16 Efforts to reduce the amount of green waste going to landfill (should) focus on the development of markets for recycled green products and also on education of ratepayers on how they can successfully reprocess green waste `on site’. (p. 84)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>17 In line with the waste hierarchy that advocates avoidance of waste as the preferred waste management option, the Victorian Government through the National Environment Protection Council examine alternative options to using materials in production that are not sustainable or cannot be recycled. (p. 85)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Chapter 5. Community awareness programs and strategies</strong></td>
<td></td>
</tr>
<tr>
<td><strong>18 EcoRecycle reassess the level of funding provided to Regional Waste Management Groups and councils and consider whether it may be appropriate to provide more grants directly to councils that are implementing approved regional plans. (p. 94)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>19 Councils and other Government Agencies contracting with waste management providers consider including community education as a key result area of the contractual agreement. (p. 95)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>20 The Office of Commonwealth Games Co-ordination give urgent consideration to finalising the contract for waste management so the successful contractor can maximise opportunities for achieving a zero-waste games. (p. 96)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>21 The Department for Victorian Communities require all major sporting and community events being held in Victoria to consider waste management as part of their planning process. (p. 97)</strong></td>
<td></td>
</tr>
</tbody>
</table>