

# TRANSCRIPT

## LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

### Inquiry into Recycling and Waste Management

Dunkeld—Thursday, 19 September 2019

#### MEMBERS

Mr Cesar Melhem—Chair

Mr Clifford Hayes—Deputy Chair

Mr Bruce Atkinson

Ms Melina Bath

Mr Jeff Bourman

Mr David Limbrick

Mr Andy Meddick

Dr Samantha Ratnam

Ms Nina Taylor

Ms Sonja Terpstra

#### PARTICIPATING MEMBERS

Ms Georgie Crozier

Mr David Davis

Mr Tim Quilty

Dr Catherine Cumming

**WITNESSES**

Mr Michael Tudball, Chief Executive Officer, and

Cr Mary-Ann Brown, Mayor, Southern Grampians Shire;

Mr Scott Cavanagh, Director of City Infrastructure, and

Mr Glenn Reddick, Manager, City Amenity, Warrnambool City Council.

**The DEPUTY CHAIR:** I declare open the Environment and Planning Standing Committee's public hearing. I request that all mobile phones be switched off or turned onto silent. I want to extend a welcome to members of the public, to those submitting and to media, if present. The Committee is hearing evidence today in relation to the Inquiry into Recycling and Waste Management, and evidence is being recorded.

I welcome all those from the councils today. We have got the Southern Grampians and Warrnambool too. Welcome today, and thank you for your submissions.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the state Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comments repeated outside this hearing may not be protected. Any deliberately false evidence or misleading of the Committee may be considered a contempt of Parliament. All evidence is being recorded, and you will be provided with a proof version of the transcript in the next few days. We have allowed 60 minutes, I think, for this session. To ensure that there is sufficient time for questions the Committee asks that any opening comments be kept to 5 to 10 minutes. We might ask to hear from Southern Grampians first. If you would like to make your submission to the Committee, we would be very happy to hear you.

**Cr BROWN:** First of all, thanks very much for coming to Dunkeld and Southern Grampians shire. We have turned the weather on for you as well. It is great to have the opportunity also to present here.

From the Southern Grampians perspective—I think you have all got a copy of our talking points in regard to it—there are probably five areas that we would like to address. First of all, council does provide a recycling service, and I think the community are very supportive of that. We are intending to roll that out further. So at our last council meeting we decided to proceed to a mandatory food and garden organic service, to be introduced from 1 July 2020. We have had an optional service for three years, but that will significantly enhance it. What we have found when we have done bin audits is that probably more than 50 per cent of the waste which would go to landfill is in fact FOGO. So if we are able to divert that, that will have a significant effect, both in terms of what is going to landfill and obviously it will reduce what we are paying in terms of that levy, but also it has got much better environmental outcomes. That is probably one aspect, which I will come back to in a minute in terms of the financial support for that.

The second issue is about product stewardship. This is really not an area that local councils can address. It probably needs to have state and national government leadership in terms of actually reducing the amount of packaging in the first place so there is less material going into landfill or being recycled. Obviously the banning of single-use plastics has been a significant step in that direction, but I think there is still work to be done in that space. Certainly we have had discussions at council around that particular issue.

The third one is in terms of a container deposit scheme. At our April 2018 council meeting council resolved to support the introduction of a container deposit scheme in Victoria. We understand that other local government organisations also support that position and have done for quite some time. It is difficult to understand why the State Government has been resistant to that. Obviously there has been some form of container deposit scheme operating in other states. We should be able to look at the best of those and implement that. I think the community would strongly support that. Because of our proximity to South Australia, we know that there are people from the western part who actually take material across to South Australia and get money, so I think there would be strong community support for that. Again, that is an area where the State Government can show leadership in introducing something like that.

Probably the fourth point is that we strongly support the five-point action plan that the Municipal Association of Victoria has developed, which addresses a range of issues in this space. So probably the significant one from the State Government's perspective is investing in recycling infrastructure. There is an opportunity, we think, to look at some regional facilities so that you are reducing the transport costs and the carbon footprint of transporting recyclable material, and there probably needs to be a coordinated strategy across the state in terms of identifying suitable locations. For western Victoria there may be also an opportunity to work with south-east South Australia in terms of supporting those types of facilities. Currently at Camperdown there is a composting facility which serves the region, so there are probably some models out there as to how those types of regional facilities could occur.

I mentioned the container deposit scheme, which the MAV supports. I think one of the other important aspects is, I think, that the community wants to do the right thing. It is important to educate them so that they can do that to the best of their ability. It is not hard for people to sort material if they know what to do and to make sure that we are not providing contaminated material. That is where I think either a statewide or a national program would be really beneficial in terms of making sure that people understand what goes where and that they can look at plastics and work out: can this be recycled and how, and similarly with things like glass as well—and cardboard. So I think there is an opportunity there.

If you liken it to the Quit campaign, there were some carrots and sticks. I think that is the type of approach we need here, because we are talking about significant behaviour changes that we want to become just normal practice. So I think there is an important role for Government to play in terms of developing that type of program.

Probably the last one is, again, in light of recent issues, there needs to be better industry oversight and regulation. The issues with SKM have not affected us directly, because we have a contract with another supplier; however, it has highlighted that there are issues in terms of regulation. One of the concerns, I think, is the concentration in terms of industry to only a few players. When one of those falls over it causes significant issues, so we need to strengthen that.

Just getting back to the issue about the Sustainability Fund, currently we are probably contributing about \$500 000 a year to that. In regard to the funding that has been proposed to be rolled out, we do not believe it should be competitive. We think it should be offered to councils who have taken a leadership role. As I have mentioned, we have been doing optional FOGO for three years. We are going to go mandatory from July next year. Having access to those funds would significantly reduce the one-off costs to our residents, which again helps in terms of a higher acceptance and good practice in that space. So that is probably about it from me. Oh, the technology—did you want to talk just briefly about that?

**Mr TUDBALL:** We might get it in the questions and answers, so we might let Warrnambool go and then we can come back.

**The DEPUTY CHAIR:** Sure. Thanks very much, Cr Brown. Just a couple of questions, first of all, and then I will ask my panel members if they would like to ask you some questions. Sorry, we might generally direct the questions. I will give the Warrnambool council a go to make their submission first, and then we will do the questions.

**Mr CAVANAGH:** Thank you, Mr Chairman, and Committee members. I would like to start today by passing on the apologies of our Mayor, Tony Herbert, and CEO Peter Schneider, who were both unable to attend the session, and I welcome the opportunity to speak before the Inquiry. I am going to provide a bit of context around Warrnambool City Council's waste service and my colleague Mr Glenn Reddick will then talk about some of the areas we are moving towards.

In 2018–19 we collected some 3750 tonnes of recycled commingled materials, just over 6000 tonnes of municipal solid waste and just under 1800 tonnes of FOGO through our kerbside collection to 15 600 tenements. During the 2018–19 year we commenced a phased introduction of our kerbside FOGO service, which was initially scheduled to occur over a three-year period. However, following the receipt of a grant to cover, in part, some of the capital costs for mobile garbage bins, we were able to expedite the rollout to within a year. The FOGO service is proving extremely successful, with volumes expected to exceed our initial

estimates and projected to be about 5200 tonnes this financial year with 1 to 1.5 per cent contamination rates and an average monthly reduction in waste to landfill of just under 100 tonnes per month.

Council has just also entered into a new waste and recyclables kerbside collection contract, a new FOGO kerbside collection contract and two new FOGO processing contracts, which have all commenced this year. In late 2018 we advertised a recyclables processing tender but ultimately had to abandon this process due to market instability which saw a respondent withdraw and our unwillingness to award it to SKM, who had reached preferred tender status. The tender will shortly be readvertised.

Warrnambool is very fortunate to have a regional landfill facility within 1 hour and two contracted FOGO processors within 1 hour. However, our recyclables have traditionally been transported at low densities to Melbourne for processing. Prior to the February 2018 recycling crisis, there was no cost for the transport or processing. However, we now pay for both transport and the gate fee. In February 2018 council's recycling processing contract was one of 13 to become immediately affected by the impacts of the China National Sword policy, which saw recycling processing affect our third-party contract arrangement. Under this contract arrangement our contractor was responsible for the material once collected, and they have been transporting it to Visy for processing. Ultimately while we were in a contractually strong position with our contractor, the scale of the issue, which grew progressively, combined with limited alternatives placed great pressure on the service, with us being within days of having to divert to landfill.

At the time of the initial crisis it became evident that a leadership vacuum existed on how to manage or respond to the issue. For local government our focus was on continuity of service and financial issues, and unfortunately we had little control over either of those. What has become apparent to us is that waste management involves all levels of government working collaboratively and with a clear delineation of the responsibilities for each level of government. While local governments generally provide a sound kerbside collection service we rely on sound state and federal government policy and incentives to develop and involve opportunities for the processing of materials.

Despite our best endeavours, serious questions remain within our waste team over transparency about recycling processing and how and for what purpose kerbside commingled recyclables are used. Despite a costly market reset in 2018, we still do not have an transparent process to understand how, where or for what purpose our kerbside commingled recyclables are destined. It is imperative that federal, state and local government work to restore community confidence in our recycling system. In the 18 months that have elapsed since the initial crisis we have seen much uncertainty in the marketplace. We have seen a reluctance by regional businesses to invest in waste services and a shortage of tenderers. We have seen a regional processor in Warrnambool stop accepting kerbside commingled materials, and we have seen business investment at considerable risk.

Our own FOGO experience shows us that there is a willingness and value in implementing new systems. However, the biggest impediment to achieving higher standards is the capital cost burden required to implement the change. With a reported balance of around \$500 million in the Sustainability Fund there is a need for all levels of government and the private sector to invest these community funds in a waste management system that starts at product stewardship and runs through each phase of the waste management chain. We also need to address issues related to the tyranny of distance and invest in a system that helps improve regional capacity to re-use recovered materials locally.

Warrnambool City Council has progressive plans for its waste service. We have consulted with our community on a fourth bin option, for which there is strong support, and we partnered with Deakin University 12 months ago to look at regional waste innovation and will soon be considering how these options can be applied. My colleague Mr Reddick will now talk about some of the approaches we are moving towards.

**Mr REDDICK:** Thank you, Scott. Good morning, all. In looking at the recycling crisis we looked at what we could do locally—and understand that we are but a small player in this whole predicament. We looked at what was missing and what are some of the inhibitors that are preventing us from making inroads. We identified that we really needed to look at more local recycling processing. Touching on some of Scott's points around the tyranny of distance, we are heavily reliant on trucking recyclables to Melbourne, and as has been mentioned previously there are very few players in the recycling processing market, so we are quite exposed. We also identified that there needed to be a market for this product. It is all very well having innovative

schemes and ideas, but unless there is a market for this product it all falls over. We also think that the container deposit scheme has merit. It would be part of a suite of initiatives that could assist. And we definitely support that there needs to be more education.

We looked at the cost of transport. In Warrnambool we pay about \$40 a tonne to take our recyclables to Melbourne. So if we could establish local recycling processing, there is an immediate cost saving; there is an immediate environmental saving. But one of the inhibitors to that was the commingled recycling which is such a dirty product and so expensive to separate that it really knocks out the local market, so a relatively small investment could be made if there was more at-source separation. So this is why Warrnambool City Council is looking to introduce a fourth bin, and that bin will be for glass. From all of the research and all of the evidence, through tenders and investigations, we have learned—and other councils are looking at trials in this area as well—that if the glass comes out it becomes much less expensive to recycle and it brings local recycling into play. Of course there would be local jobs in that, so we think that increased source separation with increased education is definitely something that we can do at a local level.

We have a local company in Warrnambool that has recently been in the media called Fulton Hogan, who are a road builder. They have a use for the glass, so the glass that we collect from our kerbside collection—they are investing in a glass crusher in Warrnambool, and that will replace a lot of aggregate material that would ordinarily be mined. There is also a local business that is doing a CBD glass collection—so around all the restaurants, collecting the bottles—and they will go to Fulton Hogan. So it makes no sense for us to collect our glass in Warrnambool, truck it to Melbourne, crush it in Melbourne and bring it back to Warrnambool. It makes sense to do it locally, and we have strong evidence that that is viable locally.

Once again we feel that we are always looking for local solutions, but we are looking to State and Federal Government to help us with the bigger picture problems. One of them that we have learned through our discussions with Deakin is that it is more expensive to recycle than it is to make from new. That is something that local councils cannot deal with, and it is something that if recycling is ever going to be viable, there need to be incentives and smart minds put to the task of how do we actually make it more attractive, more viable, to recycle rather than continually bringing in virgin product. It is because when you have got a packet that has been used for something or a can that has been used for something, when it is melted down there are impurities in there that have to be removed. So it is less expensive for companies to use virgin material than recycle, and that is something that we think is critical.

So at a local level we can do a huge amount: we can educate, we can help clean up the collection, we can advocate for funding, we can combine forces with our nearby councils to aggregate waste streams—we can do all of that—but we do not have the financial capacity to solve the problem on our own. We cannot pass legislation and we cannot create markets and funding and incentives. So we are looking, as Scott has said, to all levels of government to each play their individual role, and we are certainly desperately trying to do that in Warrnambool.

**The DEPUTY CHAIR:** Thanks for your submissions and what you have already said. I just wanted to maybe go to the issues of establishing local industries in recycling, which obviously seems like something that both councils are interested in, and we have heard this from many regional councils too. I imagine the same applies for you—that if glass was separated out from the recycling material, you would be able to handle glass processing regionally quite satisfactorily. What about the rest of the recycling? As you were saying, the difficult part there is separating, purifying and refining. Could you see industries being set up regionally to do that or would you see that really you would have to send the rest of the recycling product to the Melbourne markets, as you are currently doing, and how sustainable would that be if you had to take that approach?

**Mr CAVANAGH:** Thank you, Mr Chairman. A lot of the work that we have been looking at relates to separating out materials that can be used locally and then doing presort of other materials so that you can find the markets. I think obviously there are going to be a number of the materials that will have to go off to Melbourne or to other areas. The issue around a presort is that it gives you the ability to compact them locally, transport them at higher density to a destination and then look at different options for different materials. So our focus has been not about finding necessarily local uses for every product in the commingled recyclables stream; it is about which ones we can use locally, which ones fit with local businesses or local opportunities—deal with them locally and then combine the others and send them to where it is most viable for us to use them.

**The DEPUTY CHAIR:** Do you see possible solutions in even more sorting at home, or do you see maybe legislating about trying to stop plastics being mixed in the first place, or anything like that to try and clear it up?

**Cr BROWN:** I think it is an education thing because I think people are quite keen to do it, but we need to make it easy for them. I mean, I have got five rubbish bins at home, so it is easy when I put stuff out but I need to make sure I am putting it in the right ones. So I think that is where the education part comes in. If it is easy, people just do it. It is a contribution that individuals can make, and it is not hard to make, but they need to understand where and how they need to sort it. So you can use basically volunteer labour to do that, I think, better than it has been done. I think it is interesting—it has changed.

I do not have a rubbish collection because of where I live, so I would go to the transfer station. Years ago we used to sort glass by colour and then you would have tins, so there were a whole range of options. That has actually changed and become less over time, which I think has been disappointing from a community member perspective, because we are quite happy to do that work, but you get to the transfer station and some of it goes back in together. So I think there is a great desire by the community to do it, and it is not a big effort, but they need to know what they need to do. It needs to be easy and quite clear what they are doing, and that is where I think the education part is. I am not sure that legislating actually is helpful in that space. I think it is really about educating people and making it easy for them to do it.

**Mr TUDBALL:** I think the other thing that we have in our favour now is technology, and we are looking at it in Southern Grampians, as our colleagues right across the Great South Coast are. But one of the things that we are exploring is that you can get smart bins—they are around now—that tell you when they are full or not. We are actually exploring that possibility with our digital strategy: can we use the same bin and use it for different purposes during the course of a week and a fortnight? We do not necessarily think that five bins is the answer. Out here it is not too bad; we have got big streets and big nature strips. Get into Melbourne, I do not know how units are going to have five bins sitting out the front. So we are looking at the technology. If we can reduce our landfill bins—so our little red-lid bin, which has got about 56 per cent of that as FOGO that goes in at the moment—if we can get that out of there, we think it is at most a fortnightly service for that. Can that bin just be washed out and then glass go in it one other week and whatever? And the little sensor, they either push a button or it happens—this technology is available now—and it beams back to the truck, and the truck comes and it goes down the street and knows that it is glass this week, and it knows it is FOGO the next week. That technology is there now, and we never had it before.

**Ms BATH:** That is great.

**The DEPUTY CHAIR:** Yes.

**Mr TUDBALL:** The other thing is, as Mary-Ann said, we used to do this. We used to have the little crate for paper and the little tin for glass, so we had 1 million households that were sorting it themselves. Now we have 1 million lots going in and some poor little man and woman in there trying to sort it all.

**Ms BATH:** Or not.

**Mr TUDBALL:** That is what has created the problem.

**The DEPUTY CHAIR:** Yes, that is right.

**Mr TUDBALL:** We believe the community, as Mary-Ann has said, is ripe for it, but we have made it a bit too easy just with the one big yellow bin and just throw everything in and someone else will sort it out. So we are doing a lot in pilot mode. I am not sure that legislation is the answer either, but the Sustainability Fund is there. Just for our FOGO, for instance, we are after \$250 000. That will reduce the cost to the consumer—nothing for us, the consumer—to encourage them to do it. We think another couple of little investments in those types of things would support local councils and local communities to do it.

But then also into the industry that Scott and Glenn were talking about—and Mary-Ann—glass, we think, is a no-brainer. We should be able to get it to crushing. We have got enough in the Great South Coast to go to Fulton Hogan. They do all of our work for VicRoads here as well. So sand stops being used, and aggregate and

glass goes in. So that all goes to them. We could do that tomorrow if we had the will and a little bit of support to do it.

The other thing is the recycling industry. Is there an opportunity for an industry? We put forward a model when this first came out that somewhere in western Victoria could do the whole of Ballarat to the border up to Mildura and down to Portland and Warrnambool in a central spot around here. Land is not usually our problem, unlike Visy and SKM in Campbellfield and Craigieburn and those places. We have opportunities to do them out here, again for a small investment. I was at something this week where Mike Ritchie from MRA was talking about recycling, and he said for half a million dollars you could solve Victoria's problem. I do not know what his answer is, but he will probably charge you to get that answer.

**Mr MEDDICK:** It sounds like a very cheap answer.

**Mr TUDBALL:** It sounds like a very cheap answer.

**The DEPUTY CHAIR:** Sounds good.

**Mr TUDBALL:** So they are a couple of things we think can be done locally and regionally.

**The DEPUTY CHAIR:** That is really interesting—some good suggestions. I just wanted to ask you about FOGO. You have been doing it for a while.

**Mr TUDBALL:** Three years.

**The DEPUTY CHAIR:** Yes. I am just wondering what sort of reduction in waste have you seen from diverting FOGO?

**Mr TUDBALL:** So it has been relatively small. Because it is optional, we have 1100 services at the moment that take it up. When compulsory comes in next year, it will go to 6500 that will be doing FOGO.

**The DEPUTY CHAIR:** And how will you make it compulsory?

**Cr BROWN:** What we have done is we have mandated it so that in the areas where we have currently got waste and recycling collection services this service is going to be provided. It is not an opt-in service; it is all-in.

**Mr TUDBALL:** So council has the authority to make a mandatory service. It is not always overly popular, but FOGO, we understand, is. Eleven-hundred have taken it up just as an option. The idea of the \$250 000, that will just go towards the cost of the bins.

**The DEPUTY CHAIR:** Yes.

**Mr TUDBALL:** I have a FOGO at the moment, and it costs us \$65. It will go down to \$35 when it becomes compulsory because of course you get efficiencies from everyone being in. Not everyone will be happy about this when it comes in, but if we can offset the cost to the community we believe the will is there to be able to do it. So 56 per cent of FOGO goes into our bins at the moment. We have had five audits this year—last year and the first one we did was in 2004, so 2004, 2009, 2013 and this year—and it has slowly reduced. We have got it down from about 60 per cent to 56 per cent. But this big move to compulsory will make the change. So we are hoping to get FOGO right out of our red bins, and we imagine that we can reduce it to negligible that is in there. Get the recycling right, get the FOGO right, then our landfill we will reduce by at least 50 per cent.

**The DEPUTY CHAIR:** Fifty per cent? That is a really good reduction. When you say mandatory, are you going to make it a fine if you find—

**Cr BROWN:** It will just be on their rates notice.

**Mr TUDBALL:** No, it will be on their rate charge and they will get a bin delivered. Now, if people choose not to use it, they will still pay for it.

**The DEPUTY CHAIR:** Yes. Okay.

**Mr TUDBALL:** And people will—we have found there is a willingness. The 1100 is right across our community, so it is Glenthompson, which you would have come through on your way here, Dunkeld, where we are today, Hamilton and their outlying areas. So it is only the areas that get a service now, which are all of our towns basically. Waste is compulsory; recycling is compulsory. We have now taken the move just two weeks ago that FOGO will be compulsory.

**The DEPUTY CHAIR:** If someone could just answer very briefly, how do you process your food scraps when you collect them—your organic waste?

**Mr TUDBALL:** It goes down to Camperdown at the moment. There is a composting facility down there. Just with us, we are going from 1100 to 6500, so about a 300 per cent increase. We believe there will be an opportunity for an industry to be created out of that—maybe not just ours but certainly regionally. We are talking to our colleagues from Warrnambool, Corangamite, Glenelg and Moyne all the time about how we can get something collectively from the six councils in the Great South Coast.

**The DEPUTY CHAIR:** Thank you very much. I might ask my colleagues for some questions.

**Ms BATH:** Did you want to add anything about your FOGO, Scott?

**Mr CAVANAGH:** I would just make the comment about our FOGO service that was fully rolled out in April-May this year. We had about 45 per cent organic materials in the general waste bin. Pretty quickly we have got about half of that out into the FOGO stream in a very short period of time, in under six months. So the FOGO is a very successful service, and there is a real willingness in communities that we are seeing of people actually using them and adopting them. We are very hopeful of increasing our volumes in that as well.

**Cr BROWN:** And just one of the things with our FOGO: we are going to do weekly collections over spring because obviously—

**Ms BATH:** Fermenting food.

**Cr BROWN:** Well, no. It is actually about cutting lawns, for people who are keen gardeners—again to encourage them to make sure that as much as possible is diverted into FOGO as opposed to landfill.

**Ms BATH:** It is good to see green grass.

**Cr BROWN:** Yes, indeed.

**Ms BATH:** Thank you, Chair. If I can ask just a couple if you do not mind. For Warrnambool, you talked about the Deakin regional waste and innovation discussion and the work that you have been doing. Is that something that will be ready soon? I am not sure when we will table our report. I am not sure if it is at the end of the year or in early February, but it would be really interesting for us to be able to look at it and review it in terms of our work here. That is my first question, or maybe you would like to talk to it if there is anything that you can, off the top of your head, talk about. So that is one question. I guess the other one is: you mentioned the reluctance of regional businesses to invest in recycling because they cannot make a dollar out of it. What can be useful out of the funds to help that that they might piggyback? What would see regional investment? I have got another one, but I will let you answer those.

**Mr CAVANAGH:** Perhaps I will respond to the Deakin one. We have been working with Deakin for probably not quite 12 months. We have had a draft of our report and we expect a further draft in about a month's time, so certainly at that stage it is probably getting pretty close to release. The study has looked at initiatives and how people are dealing with waste worldwide, and fundamentally what we are being told is that there are two approaches to waste. There is one approach to keep everything fully commingled or you move to source separation, and there are various examples of that around the world. With Deakin, we have then taken that to the next step: given that we are a long way down the path of starting to separate products or looking at that as the viable alternatives, we are then looking at how we can deal with individual streams in that remaining commingled cycle—what we can deal with locally and what we cannot. We are hopeful that that report will come out in the next couple of months.

**The DEPUTY CHAIR:** That will be good to see.

**Mr REDDICK:** There are some fascinating things that we have been told—that there are technologies emerging around turning plastics back into oil. We have a local pharmaceutical company, Sun Pharma in Port Fairy, which manufactures high-quality medication that uses a really highly refined oil product, so there is a local market for it.

Going back to the investment locally, they are telling us that the market is quite unstable and there is significant risk involved. However, through an expression of interest process that we ran, we did have interest for local pre-sort recycling. The material would be collected, deposited in an area near Warrnambool and bailed into cardboard paper and those sorts of things so that they could be actually then transportable to the broker, who would then sell the product on. So the recycling pre-sort has two income streams: it has the sale of the goods but also the gate price that we pay, which probably would sustain the processor, and any money that they make from selling cardboard, aluminium et cetera would probably augment that. This one particular business also has a collection contract as well, so there are various income streams that come into that business, but they have definitely shown interest in having local processing.

**Ms BATH:** And, Glenn, is that more with commercial recycling waste or is it municipal as well?

**Mr REDDICK:** It would be both, from our understanding. This would be subject to a future tender, as Scott has just mentioned. But in terms of our recycling, all of our recycling could potentially be pre-sorted in or near Warrnambool.

**Mr MEDDICK:** Thank you for coming and presenting today. And might I say, it is great to see some of my councils out and about and to see you all again. I am very much a graduate of the Billy Connolly school of public speaking. I go around in a big circle and eventually come to where I want to come to, so I want to make some observations about what you have all been saying and what I know from being in a regional area. Ms Bath would reiterate this: necessity is the mother of invention, and rural shires seem to be far better at a collaborative approach to all sorts of problems and working together. Some of the things that I am hearing—and I take your point about Fulton Hogan, in the *Age* only this morning, running a trial in St Kilda of some 2300 square metres of road surface being made from recycled plastic. I know that Glenelg shire, for instance, are also pushing for Boral to have a recycling facility there for glass so that, with their problems with rural roads, they can be self-sufficient and have a plant that will produce road surface for the local area and reduce that reliance on VicRoads and Federal Government funding.

As I understand it—and I think Mr Limbrick is probably a little bit more around the science on this than I am—these two different types of recycling of these things produce different gradings for road surfaces, and therefore some are not suitable in certain areas. So if we could have some of these plants actually built in a collaborative area for the regional councils that you could all use, bearing in mind the separation of glass and bearing in mind all the educational facilities—and I come to that point too—we would just simply be going back to what we used to do. We used to do this, and it was not hard. It is just, again, that education—going back to what we used to do in the 70s and 80s. I do not think it would be too difficult. It comes back to, for me, investment from government to assist private enterprise to assist the councils to actually set these businesses up so that they are viable, that they then have an outlet and that there is a net benefit to the community. In this instance it would be better roads, which we all agree are needed. There are also things on other technologies like having a circular economy and then having an end use for things and eliminating certain types of plastics. But it all comes back to, for me, one thing, and that is unlocking the Sustainability Fund. Is this the core issue that we need to see—this unlocking of the fund—that will set all of these things up, for you?

**Cr BROWN:** I think certainly local government would be of the view that they have contributed on behalf of their ratepayers to that fund over a long period of time and that very little of that money has actually gone into sustainability as such. We are starting to see a bit of that happening now, but well overdue. And in terms of the amount of money that is there, there has not been enough investment into projects of that nature.

Just as a general comment, it is probably disappointing that there is talk about this being a crisis, which hit the headlines in January last year. But governments would have been aware of it well before then. We need to be much more proactive rather than reactive. I think, on behalf of the community, it is really disappointing that we

are reactive instead of thinking ahead and trying to do these things instead of playing catch-up all the time. So I think the community expects more from us. As I said, there has been a significant contribution by ratepayers across the state to that fund, but only now are we starting to see some of that money come back into that space.

**Mr MEDDICK:** Yes, and if am reading the community right—all the community of Victoria and indeed all of Australia—it is that we are well educated around what is required in the recycling area, as people at a base level at our homes, and there is a willingness to do the things that are necessary. It just takes some direction. Would that be correct?

**Cr BROWN:** Yes. I think there is a need for leadership. I think there is an onus on all levels of government to do that. Local government can do certain things, but there is also a significant role for state and federal government as well in that space.

**Mr CAVANAGH:** I think in posing your question you made a very good point: that regional communities can work well together, and I think if we move towards some kind of as-of-right funding from the Sustainability Fund to a region, I think regions could come up with really good and sustainable solutions that fit their area. I think collaboratively we all know where we want to go. There might be some slight variations, but with some kind of as-of-right money we can move towards some of these solutions and be sustainable in our own right as a region.

**Mr MEDDICK:** I think we recognise that it is not a one-size-fits-all approach.

**Mr CAVANAGH:** Yes, absolutely.

**Ms TAYLOR:** I have just got a couple of questions. So, firstly, just as I was in Echuca, I am blown away here as well just by the innovative and very adaptive approach of the rural councils. I just want to say it has been a fabulous experience, and that is why I came here as well, because I knew it would be great, and it is. So thank you across the board for that, and I mean that genuinely. So the couple of questions I had are with regard to the CDS. So we have got some differing opinions on it through the Inquiry, and I have a very open mind. Let us do whatever is going to solve issues in terms of minimising contamination and so forth. So where there was a differing opinion, I think it was from one council, was they were worried if we take aluminium, some of the highest price items, out of the recycling equation that it may not be viable for some recyclers to stay in the market. So what would be your comment to that? I am just trying to balance up all the different perspectives, but not to put down a CDS.

**Mr REDDICK:** I am happy to answer that question. We have had lots of discussions with our South Australian colleagues, who have said that the CDS achieves a certain amount because it gets some glass and some materials out of the stream. But it does not solve the jam jars, the sauce bottles, so you have still got an element of glass left in the collection, which has to be dealt with. We just see it as being a measure, along with all of the others that we have been talking about and you have obviously been hearing, that can assist with the problem. What we found through all of our discussions with our community is that they are very interested in this. They are very engaged in trying to help solve the problem. So we have imposed a third bin through FOGO, which in some cases was challenging for people that have minimal storage. But we came up with solutions for individual areas. So we might have put a communal FOGO bin in a block of units. We have a wheel-out service in our contract so the truck driver can wheel the bin out if it is an elderly person or somebody with disabilities. With the glass collection it is exactly the same thing. We are finding that the community are actually embracing it and saying, 'Please do something: we care about this, and we will have as many bins as we can manage to solve the problem'. It does leave us with some problem-solving in individual areas, but it does not necessarily scupper the whole scheme.

**The DEPUTY CHAIR:** No. I think that is interesting about the bins: that you can press a button and say when they are full. So if you had a bin for an apartment block, as soon as it was full someone could press a button.

**Mr TUDBALL:** Maybe if I can just have a quick response to that as well. Whilst council has got a resolution to support the container deposit scheme, certainly personally I think it is a range of solutions and it is not one-size-fits all, and I agree exactly with what Glenn said. I think if we can separate in the first instance and

get these into another market, then maybe look at what schemes will get—because you are reducing it getting into the bin in the first place. If we have still got it going into the bin now, what can we do with it when it is the bin? First of all, separate it. We have got a market for glass. It could be there tomorrow. It is there now to crush it and put it into road base. So we have got it there. Aluminium is a bit of a different story. But I think if we bite off a couple of the key ones—for us FOGO and glass are the two easy wins for Victorian communities that we can do now, and most of us are doing something now. I think if there is investment in that in the first instance, then we see how we go with the CDS and the other things as part of a longer term arrangement.

**Ms TAYLOR:** So the other question I had—I am just putting it out there because I am trying to think of the most efficient way that we get to that point, reducing the waste in the first place, because like you said, there is a certain amount of things you can deal with here, but then there is going to always be the extra stuff. Having to ship it off to the city just costs you money in the long run, at this point anyway. So through the Inquiry we sort of learned—talking to people who produce packaging—that it needs to be done nationally. That is not to obviate things that could be done at a state level but because companies in order to be profitable transcend state boundaries. It just does not work that way. So I am wondering—and I am putting an idea out there—what would mobilise this most efficiently? I am not saying you have to have the answer, but we are running an inquiry; why not put it out there, like a national packaging summit or something that is going to drive this along quickly, because we can see the products that cannot be dealt with. We all see it every day in the supermarket, and we are a clever country. What do you think might move that along at a national level? If you have ideas after this, maybe you can even submit after. I am not saying you have to have the answers.

**Mr REDDICK:** I can throw one in. Look, it is on a fairly small scale, but we have been looking at our events and our markets in Warrnambool, which are hugely popular. They produce a lot of food waste. We are now looking to bring FOGO into that stream. We are asking the markets to reduce the level of packaging that they are actually supplying, so put it on a stick and that can go into the FOGO bin. But they are also looking seriously at compostable packaging, which would mean that the amount of waste that is actually going to landfill—could not be recycled and going to landfill—is negligible. I am not sure if there is a national approach to it, but certainly at a local level, as Michael was saying, if we bite off small pieces, there are little solutions that can come up which incrementally can switch the light bulb on.

**Mr TUDBALL:** Can I make a little suggestion again on that, Nina, as well. I think the small approach, the pilot or something—we are in an ideal situation here in south-west Victoria to work with south-east South Australia. So two states could come in. We could work on it. One little example of a coffee shop in Hamilton: they have the decomposable cups and they have been promoting since last month planting a seed in them. You use them as a seed bowl. You dig a hole, you put the cup in, you put a seed in it, cover it back over—it decomposes, but it also plants a tree or a plant or something like that. They are supplying the seed with it. So you have your cup of coffee, then you go home, you bury it and you stick it in there—very small things. And I know cups are not the biggest problem we have got—

**Ms TAYLOR:** They are up there.

**Mr TUDBALL:** But if you look at *War on Waste* and that tram that was full of a day's cups or whatever it was—

**Ms BATH:** Yes.

**Mr TUDBALL:** Sorry, Melina—small things, piloting, like that. We have got to have a national approach to the packaging, but it is not going to happen anytime soon. You have got to get it up there.

**The DEPUTY CHAIR:** Thanks, Mr Tudball. Just one thing about biodegradable plastics that I got told about in Parliament a week or so ago was that biodegradable plastics produce microplastics that get into the groundwater. So they might have a negative as well.

**Ms BATH:** Do they have to be plastic? Could they be cellulose based?

**The DEPUTY CHAIR:** That is the other way of looking at it. But I had better give Mr Limbrick a couple of questions now.

**Mr LIMBRICK:** Thank you for appearing today and for your submissions. It was really interesting. Ms Brown, I would like to touch on a few questions. You raised a few points about a container deposit scheme that I would like to explore a little bit. Firstly, it states in the submission that one of the benefits would be reducing landfill. I think we have heard evidence that a container deposit scheme might increase sorting and decrease contamination and also litter, but I do not think we have heard a lot of evidence that it might decrease landfill. Have you seen evidence that a lot of recyclables are currently going to landfill now?

**Cr BROWN:** I probably cannot answer that, to be honest, David. When I look at what goes into the skip at the transfer station, just anecdotally, I suspect that it would be a bit like what we are seeing with the FOGOs. Because it is easier, people just put it in their bins.

**Mr LIMBRICK:** So people are not using the yellow bin—they are using the red bin instead?

**Cr BROWN:** I think there would be mixed experiences.

**Mr LIMBRICK:** All right.

**Mr TUDBALL:** We do not have the stats on that. And Warrnambool may have done some of this work, but anecdotally in our communities, particularly with some of our older residents, three bins is very difficult for them. Particularly the FOGO and the recycling are 205 litres, so they are the big buggers, and they find it difficult to take them out. So we are looking at strategies to do that. What they tend to do is put it in the rubbish bin, which is the smaller bin, of course, so they put everything in there. So anecdotally we do not have the facts to back that up, but we know that 56 per cent is food organics, garden organics, in our waste bins, and a much smaller percentage is recyclables that are still going into our landfill bins.

**Mr LIMBRICK:** Into the red bin, yes. I have a couple of other small questions. So another point that you raised that was interesting was containers going across the border to South Australia. Now, this implies two things: firstly, that the South Australian container deposit scheme recovery rates are inflated by cross-border materials; and second—

**Cr BROWN:** I am not sure that it would be significant, but just because of the proximity—

**Mr LIMBRICK:** Yes.

**Cr BROWN:** I mean, I have heard that there are people that do do that, just because of our proximity to South Australia.

**Mr LIMBRICK:** The second implication of that is that if a container deposit scheme was introduced in Victoria there would be a step increase in the amount of recycling that you would be handling that is currently crossing the border. Do you have any idea of what those volumes might be?

**Cr BROWN:** Look, I do not think it would be significant, but I think there is probably a little bit of that going on. I thought there was something like that going on in the northern part of New South Wales with Queensland as well.

**Mr LIMBRICK:** Yes, I have heard that also.

**Cr BROWN:** Just again because of that proximity. My understanding is that New South Wales has only recently introduced a container deposit scheme, so that may have changed that. I do not think it would be significant volumes, but what I think it does indicate is that people are willing to do that to handle material in a different way if there is an incentive there to do so.

**Mr LIMBRICK:** And finally, on the container deposit schemes, I have read reports from other countries that have introduced these schemes. In rural areas one of the problems can be that it actually increases carbon emissions because people that currently put the containers in their yellow bin no longer do that—they save them and then they drive to a transfer station or wherever they might be able to get the refund. Where do you think that people might actually be collecting these refunds? We have heard in some of the other inquiries that they envisage it would happen at a supermarket or something like that, but I do not think that is how it works in

South Australia. I would be interested to hear whether you think that would be a problem—people driving around all over the place to deliver these things that they currently just put in the yellow bin.

**Cr BROWN:** Basically, in western Victoria people drive most places anyway. For instance, in Dunkeld most people would go in to Hamilton to shop. We have got a transfer station. All of our towns have a transfer station. So there is probably a variety of options as to how you might do that. So whether it is somewhere like Hamilton, which is in the centre of the shire where most people would come at some point, or whether you do it through transfer stations or some other place in their local community, I think they are options that could be explored. These days, well, we have certainly had the rollout of the NBN, so there is access to internet if you are talking about electronic transactions, which may be the way of the future as well because cash is being used less and less. That probably is an option that would be available just because of the rollout of that technology. So I think there are probably some options there in terms of proximity.

**The DEPUTY CHAIR:** Ways around it.

**Cr BROWN:** But people do drive. We drive everywhere because we have not got many other options.

**The DEPUTY CHAIR:** Thanks, Ms Brown. I am just going to allow one more question to Ms Bath on waste to energy, which we have not really talked about, and then we have to wind it up, I am afraid.

**Ms BATH:** Thank you, Chair. I will be brief. Both of your submissions state that you support waste to energy. I would just really like to have a brief conversation about why you have put that in and what that would mean potentially for your region.

**Cr BROWN:** Do you want to talk about the biomass?

**Mr TUDBALL:** We are just in the throes of developing a second industrial estate for Hamilton and for the region. They are small industrial—so, you know, panel-beaters et cetera on the Port Fairy Road. As part of that we have got a lot of land. It is council-owned land. We got \$500 000 from Regional Development Victoria to do the development. It is underway at the moment. As part of that there is a block set aside for biomass to look at powering the whole industrial estate through that means. The issue is we have got to have someone to come in. Council is not going to do it, obviously; we are not in that business. We have done the business case, and we have spoken to the industry about it. It does not quite stack up at the moment. We are very interested in it, and I think again that a regional approach has got to be the way to go to get that quantum—to get it done with a few of us together on it. So we are very keen to explore something and be part of it. If we can facilitate somehow, that is the role that we see council can play. We are really keen to do it.

**Mr CAVANAGH:** In terms of Warrnambool's experience around waste to energy, we support it in terms of the step before landfilling—so, you know, rather than landfilling, following the waste hierarchy. We have done a little bit of work around it and certainly looked at it with businesses. For us it is a good option for the things that you cannot deal with. We have got a lot of industry, or we had some industry, in Warrnambool that had some interest around it as well, but obviously we agree with the comments from Southern Grampians that it is about volume. You need a certain volume to make it viable, and certainly there is a significant capital cost associated with them as well.

**The DEPUTY CHAIR:** Okay, thank you very much. We had better wind it up now. I just want to say thank you very much for your submissions and for the fantastic work that both your councils are doing in this area. It is really great to see, as Mr Meddick said, and Nina said too, local councils and regional councils really getting ahead of the ball game and being very innovative, so congratulations and thanks for your work. We have got our work to do now to get our report together for the Government and get some action happening on this front.

**Cr BROWN:** Thank you again for the opportunity to be able to talk to you locally. It is great. We appreciate it.

**Witnesses withdrew.**