

Gippsland Local Government Waste Forum
e-Submission: Inquiry into Recycling and Waste Management

Date submitted: 28/5/2019

The Gippsland Local Government Waste Forum (Forum) welcomes the opportunity to respond to the Victorian Parliament Environment and Planning Committee's inquiry into recycling and waste management. This response has been prepared by the Gippsland Forum which is supported by the Gippsland Waste and Resource Recovery Group (Gippsland WRRG) who act as the secretariat.

This submission addresses the terms of reference set out by Parliament. The Forum has reviewed and is supportive of the principles and fourteen strategies contained within the National Waste Policy 2018 and is keen to see a consistent approach across all states regarding waste and resource recovery policies and education, in particular around recycling.

The six Gippsland Councils, Bass Coast, Baw Baw, East Gippsland, Latrobe, South Gippsland and Wellington, were affected in different ways by the market disruption caused by the China National Sword Policy (crisis). A strong relationship between councils, industry and the Gippsland WRRG meant that communication locally was quite good, however there was a disconnect at a more state-wide level. Only once the Municipal Association of Victoria (MAV) was involved in discussions did local government feel the conversation opened up between local and state governments.

Gippsland has an impressive record in recycling with approximately 70% of the material recovered from the waste stream for further re-processing. As a region, Gippsland is a net importer of recycling with garden and food organics reprocessing being a strength.

Unlike other regional areas in Victoria, Gippsland does not enjoy the economic scale that large urbanised centres can provide in the treatment and remanufacturing of waste. Forty percent of Gippsland's residents live in towns of 1,000 people or less with limited services options for many householders and businesses in the more remote areas within the region. This makes Gippsland's performance even more impressive and underscores the commitment and value our communities place on recycling.

Gippsland has two operational Material Recovery Facilities (MRFs) within the region, however the bulk of the material collected through kerbside services is deposited into MRFs in south eastern metropolitan Melbourne, namely facilities operated by Polytrade and Visy.

A combined total of around 30,000 tonnes per annum is collected through the kerbside services provided to Gippsland householders and businesses.

Gippsland's councils are exploring collective procurement opportunities of kerbside services through the *Gippswide Kerbside* initiative. There is an increased emphasis on this project to deliver maximum resource recovery of comingled recyclables and food and garden organics. However, in order for this to be effective there is a need for consistent education across the state, clear waste and resource recovery policies, an appetite from industry to invest in infrastructure and services that enhance the performance and compliance of the sector.

Response to Terms of Reference

1. *The responsibility of the Victorian government to establish and maintain a coherent, efficient and environmentally responsible approach to solid waste management across the state, including assistance to local councils.*

There is a clear framework established by State Government for the planning and identification of waste and resource recovery infrastructure and service needs through the State-wide Waste and Resource Recovery Infrastructure Plan and each of the regional Waste and Resource Recovery Implementation Plans. These plans were approved in July 2017 however are currently unfunded.

The plans have been developed through wide consultation across the waste and resource recovery sector and with local government, business, community and the waste industry. The state-wide goals and priority actions within the Gippsland Implementation Plan are just as relevant since the Recycling Crisis.

Whilst the recycling industry is based in metropolitan Melbourne, the symptoms of its effectiveness (or in this case failure) are felt just as acutely in regional Victoria. Since the crisis, the opportunity for Gippsland Councils to influence and leverage support has been limited by a predominant metro-centric view of what the sector needs.

Immediate needs that should be addressed are:

- a consistent education effort that engages broadly across the Victorian communities (and more ideally, consistently across the nation),
- a clear infrastructure investment pipeline to respond to population growth (in peri-urban municipalities this is critical),
- the increasing complexity of the materials being treated, and
- a more rigorous regulatory environment that the sector is now experiencing.

2. *Whether the China National Sword policy was anticipated and responded to properly.*

The Gippsland Councils worked collaboratively with Gippsland WRRG and their respective contractors during the crisis. There was an effective communications process to understand the complexity and impact of the market reset. The good relationships across the sector allowed rapid and consistent messaging to be provided and resulted in timely information advising communities in Gippsland.

Service disruption was ultimately avoided, however this was largely due to the swift action of the industry and council officers working closely with their contractors. This was a testament to the professionalism of the industry and public service in ensuring the commitment made to our communities was honoured.

In light of the global nature of the Recycling Crisis the market correction that resulted was in the order of \$20 to \$35 per household per annum. All Councils received financial support (to 30 June 2018) from the Victorian Government through the Recycling Industry Strategic Plan allocation of \$13 million across the state.

Of particular note is the identified lack of accessible capacity within the infrastructure able to process commingled recyclables. In Gippsland there has been a steady reduction in operational MRFs in the region over the past 15 years in preference to longer haulage option to larger facilities. This has ultimately restricted contingency options as the remaining two facilities in Gippsland have little to no capacity to accept additional feedstock. They are merely doing their best to compete

with the larger market players. The limited competition in market leading up to the Recycling Crisis provided limited margins to enable rapid and dramatic change at the small facilities in Gippsland.

In the event that either Visy or Polytrade are unable to accept material collected in Gippsland, landfilling is currently the most viable contingency option. However, this is not an option that Gippsland Councils are prepared to explore, nor is it one that is acceptable to their respective communities.

Gippsland Councils are exploring options to increase capacity to process materials collected at kerbside through the 'Gippswide Kerbside' initiative. This initiative includes all six Councils who are participating in an Expression of Interest process currently in the market place. The Gippswide Kerbside process is facilitated by the Gippsland Waste and Resource Recovery Group.

3. *Identifying short and long-term solutions to the recycling and waste management system crisis, taking into account:*

- a. *the need to avoid dangerous stockpiling and ensure recyclable waste is actually being recycled*

The Forum supports actions to ensure industry performs at a level that is compliant with regulation. Furthermore, improvements to waste recycling facilities across the sector is supported to achieve the following outcomes:

- Cleaner material able to be further processed into new goods
- More orderly site operations to improve the functionality of waste businesses but to also improve safety, public health and community acceptance of the waste sectors activities
- Improve compliance to reduce the likelihood of service disruption that results in poor outcomes for business the community and the environment.

In the short-term industry requires state and federal government funding to accelerate these improvements and possibly provide incentives to transition businesses to locations that allow for legitimate and compliant stockpiling activities whilst limiting the risk to public health.

- b. *The cleaning and sorting capabilities and the processing capabilities in Victoria and the potential to expand the local recycling industry*

The Forum supports local investment to expand the capacity of industry and ultimately increase the value (expand the market) for the materials collected.

There is strong support for secondary and tertiary processing locally to stimulate economic investment and related job opportunities.

The Gippswide Kerbside EoI seeks to entice the market to invest through:

- Aggregating the volume of waste collected in the region and controlled through Council contracts.
- The ability to supply material in a form that has market demand.

Establishing the supply chain arrangements beyond the initial sorting of the product is an aim of this process.

c. How to better enable the use of recycled materials in local manufacturing

The Forum believes that we are not really recycling unless we are buying recycled products. We all have a role to ensure where possible we preference the purchasing of recycled products. This requires a concerted effort by organisations both public and private to stimulate and sustain the market for recycled goods and products or those containing recycled content.

Since the Recycling Crisis there has been some interest in the Gippsland region in developing new products and expanding into traditional and emerging markets. It is critical that the focus on quality is maintained so these products can compete in their own right to ensure market pull is achieved for recycled goods. There is a general optimism in the opportunities new industry could bring to the region in line with the intent of the Gippswide Kerbside initiative.

d. The existing business model and economic challenges facing the existing industry

Until the crisis, the recycling industry has provided a particularly affordable service (especially compared with other jurisdictions in Australia). Rebates provided to Victorian Councils have off-set the cost to householders as a result of larger recycling companies competing to expand or maintain market share.

We now understand that the business model that allowed this to occur did not have the margins to enable a transition to occur rapidly enough to alter the sorting systems in time to meet new contamination specifications mandated by China and prevent stockpiling of collected materials.

This has reduced the confidence in the recycling services we provide to our householders. It is clear a greater focus on mitigating further failures of the system are paramount and increased knowledge of the economics that underpin the sector as well as greater transparency in where materials are reprocessed (the ultimate fate of materials collected).

It is the Forum's view that aspirations of a circular economy will only be realised following a rebuilding of trust in the sector. Furthermore, any further increases in the cost of services will require detailed and solid justification.

e. The quantifiable benefits, including job creation and greenhouse gas emissions reduction, of pursuing elements of a circular economy in Victoria

It is the view of the Forum that broader recycling options for Councils to consider and increased investment in improving technology and sorting equipment should be prioritised. Furthermore, support for emerging markets and greater scrutiny on products that are difficult to re-process must be established.

The situation does provide opportunities for job creation and there is support from the Forum to see greater establishment of processing facilities in Gippsland.

Access Economics reported that the establishment of a recycling business in place of current landfill activities can result in a threefold increase in the number of jobs associated with the waste we produce. Local government collection systems can assist in aggregating volume to stimulate increased recovery and the resultant jobs and economic investment. Again, the Gippswide Kerbside initiative will assist Gippsland Councils in the most effective strategies in achieving this outcome.

The Forum is of the view that a less material intensive, less polluting community can support increased jobs and reduced greenhouse gas emissions and create a more positive future. The recent introduction of food and garden organics collections in Bass Coast has led to a reduction of waste to landfill of 47% from the kerbside service.

f. The existing Sustainability Fund and how it can be used to fund solutions to the waste crisis

Access and utilisation of the Sustainability Fund has been an ongoing discussion, with local government frustrated with the lack of reinvestment of levies back into the long-term sustainability of the sector. The issues within the waste and resource recovery sector extend beyond the recycling crisis with the following concerns:

- *Closed landfills*: varying levels of rehabilitation and significant funds required to rehabilitate the sites to expected standard, supporting the protection of environment and communities.
- *Land use planning*: protection of buffers to ensure the long-term sustainability of infrastructure from encroachment and in turn protection of the community.
- *Adequate funding of WRRGs*: WRRGs are responsible for undertaking planning future waste and resource recovery needs including infrastructure and services; for facilitating collective procurement of waste management facilities and services; and educating businesses and communities to reduce waste going to landfill. WRRGs are a vital conduit between the waste and resource recovery industries and local government. However, there is a disparity between regional WRRGs and the amount of funding allocated, with little to no funding provided to implement the objectives of the Gippsland Implementation Plan.
- *Asbestos management*: landfill capacity and access to safe disposal options

Issues related to or linked to the crisis that still require intervention or investment (or both) are:

- illegal storage of hazardous waste materials and managing the correct disposal of these materials
 - regulation of unethical operators in the industry (tyre stockpiling, chemical storage, abandonment of stockpiled materials).
4. *Strategies to reduce waste generation and better manage all waste such as soft plastics, compostable paper and pulp, and commercial waste, including, but not limited to:*
- a. *product stewardship*
 - b. *container deposit schemes*
 - c. *banning single-use plastics*
 - d. *government procurement policies.*

Product stewardship

The Forum advocates for increasing the level of Product Stewardship as well as greater regulation of the markets to ensure goods are designed to enable a 'cradle to cradle' approach to material recovery. A prioritisation of goods and products that move through the household quickly as well as those that pose particular challenges at end of life should be prioritised. The Forum sees the responsibility of this with the Commonwealth Government and respective business industry.

Container deposit schemes

It is the view of the Forum that a Container Deposit Scheme (CDS) is essentially a product stewardship initiative undertaken through the packaging industry (i.e. beverage containers).

A CDS could assist with the extraction of higher quality glass and plastic materials and reduce contamination in commingled kerbside systems, which may alleviate some of the economic impacts a CDS is likely to involve.

General support for this tool is held by the Forum with the emphasis on ensuring consistency in approach with cross jurisdictional schemes in adjoining states. Ultimately a national harmonised approach to CDS is favoured.

Banning single-use plastic bags

The Forum strongly supports the removal of single use plastic bags and looks forward to the introduction of a ban. Some Gippsland communities have already introduced a ban on single use plastic bags including Phillip Island, Meeniyan and Mallacoota.

Government procurement policies

Local Government has in the past engaged in prioritised procurement of recycled products through the 'EcoBuy' platform initiated by the then state government in the early 2000's. A lack of ongoing support of the program led to its demise. The Forum acknowledges that local and state governments can have a marked effect on the procurement of recycled goods and the specification of recycled content. Where these goods and products meet or exceed the quality requirements, the Forum is generally supportive of this approach within a policy of sustainable procurement.

5. Relevant reviews, inquiries and reports into the waste and recycling industry in other Australian jurisdictions and internationally.

The Forum has reviewed and is supportive of the principles and fourteen strategies contained within the National Waste Policy 2018.