

SUBMISSION

To: Victorian Parliamentary Committee

Subject: Inquiry into Recycling and Waste Management

Prepared by: BINGO Industries

Date: 31 May 2019

1.0 Preface

BINGO Industries welcomes the opportunity to make this submission to the Victorian Parliamentary Committee Inquiry into Recycling and Waste Management in Victoria.

BINGO has ambitious long-term growth plans for our Victorian operations and we believe the Victorian market has supportive economic and regulatory drivers for our business.

Despite being a relatively new entrant into the market, Bingo is confident we have the ability and know-how to be stewards for change and lead the Victorian recycling market to achieve enhanced environmental outcomes. In the last 12 months we have invested in excess of \$50 million in site acquisitions and have committed an additional circa \$50 million for upgrades of local waste management businesses and poorly managed post-collections assets. We are also considering an additional \$50-\$100 million in additional recycling assets, providing the regulatory environment is suitably attractive for us to do so.

We support the Government's efforts to improve the recycling and waste management industry and note that the Government and its agencies (particularly EPA Victoria and Sustainability Victoria) do an excellent job driving enhanced waste management outcomes.

We also understand the magnitude of change the implementation of the *Environment Protection Amendment Act 2018* will entail, and see the time between now and when the act comes into force in 2020 as an opportunity to assist the Government in preparing the policy changes and guidelines affecting the industry.

BINGO believes the suggestions outlined below, which focus on the diversion of waste from landfill, will lead to material and sustainable improvements to Victoria's recycling and waste management industry, and in turn the environment and the community.

2.0 Recommendations

2.1 Increase in waste disposal levy

When the Queensland Government reintroduces a waste disposal levy of \$75 per tonne on 1 July 2019, the Victorian levy of \$64 per tonne will be the lowest of all Australian states (excluding Tasmania). BINGO supports an increase in the waste disposal levy in Victoria to better align with the

levies in neighbouring states (NSW's levy is \$141, South Australia's is \$100) for a number of reasons. A significant increase in the levy will:

- Further encourage recycling, optimise the diversion of waste from landfill and promote the development of a truly circular economy
- Promote investment in recycling technology
- Move Victoria towards international best practice diversion rates
- Ensure waste from other states does not enter Victoria to take advantage of the arbitrage currently on offer between neighbouring states

The waste disposal levy provides the baseline upon which all other waste disposal and recycling costs are based. The current levy provides little incentive for significant investment in alternative recycling technologies and encourages the use of landfill.

The levy increase could be implemented in stages over a defined period (say, three years) in order to provide certainty and enable industry to plan and invest capital into the future.

2.2 National standardisation of waste levy

Ultimately BINGO would like to see a standardised national waste disposal levy. This would remove any arbitrage and ensure that waste produced in each state remains in that state.

2.3 Increased penalties for non-compliance

BINGO acknowledges the efforts of EPA Victoria's Illegal Dumping Strikeforce program and believes this is helping to reduce the incidence of rogue operators in the industry. However, BINGO believes that even tougher penalties, and increased enforcement of compliance will make significant further improvements.

Increasing penalties - including increased fines, custodial penalties and the introduction of civil penalties – for illegal dumping will have a material and immediate impact.

2.4 Creating a level playing field

BINGO is currently holding back on further investment in recycling facilities until the playing field is levelled. Our significant investment to date in compliance measures must be supported by regulatory enforcement in order to encourage further investment. For example, we have invested significant capital – including the installation of thermal cameras - to ensure our new West Melbourne facility adheres to the new fire protection regulations. If non-compliant operators are able to continue operating without adhering to these regulations, it places compliant operators such as BINGO at a distinct disadvantage and discourages further investment.

Establishing minimum operating standards across the industry, complemented by the introduction of entry level requirements will help ensure the Government's recovery rates are achieved. Expanding the EPA's remit across the industry to include waste management and resource recovery facilities (ie. not just waste disposal facilities) would help level the playing field.

2.5 Mandated use of recycled products

The creation of markets that create demand for recovered materials is critical to establishing a sustainable recycling industry, and the Government is able to play a leading role in this area.

Opportunities to recover more materials from waste because a demand has been created for that material, and to support businesses that develop products from waste, are critical to ensure valuable resources are not landfilled and continue to have value. The current lack of markets and demand for recovered materials renders many materials non-recyclable even if they were to be recovered, and severely impacts the economies of operating recycling infrastructure.

By increasing the percentage of recycled materials required to be used on all Government construction and infrastructure projects – and potentially *all* public and private projects over a certain value – the Government will help establish a sustainable market for recycled products and promote further investment in recycling in the State.

2.6 Mandatory auditing of recovery rates

BINGO supports the Government's drive to achieve its targeted recovery rates for various waste streams. Unfortunately, many operators in Victoria claim to achieve impressive recovery rates with limited recycling infrastructure to support such rates, and with no objective verification. Based on our knowledge and experience in both Victoria and NSW, we do not believe many of the recovery rates that some operators claim.

BINGO believes we are the only waste management company in the State to have its recovery rates independently verified by a third party, with a view to enhancing transparency within the industry and lifting the standards of waste reporting.

Mandating third party auditing of recovery rates and regulating minimum standards of recovery will promote greater scrutiny and lead to the production of better quality recovered materials.

2.7 Waste to Energy

BINGO believes waste-to-energy has an important role to play in Victoria's move to a circular economy. There will always be residual waste that cannot be recovered. Currently the only viable option for these materials is to send them to landfill.

Australia currently sends approximately 60% of its waste to landfill. In order to achieve the 100% diversion rates now achieved by a number of countries - including Germany, Switzerland and Sweden – waste-to-energy must be part of the mix and Government policy must reflect this.

The benefits of waste-to-energy include; a net reduction in greenhouse gases; increased resource savings, improved diversion from landfill; reduced transport of waste, and; power generation.

There are a range of proven waste-to-energy technologies available that could be used for different waste streams in Victoria, and it would be inappropriate for the Government to mandate a single technology. Providing emissions standards are met, environmental and safety requirements are achieved, and the process does not cannibalise recycling activities, the Government should remain technology-agnostic.

Waste to energy can play an important role in resource recovery. It provides an opportunity to extract value from residual waste, thereby increasing our resource recovery rates and diverting up to 90% of waste from landfill.

3.0 About BINGO Industries

BINGO Industries is a fully integrated recycling and resource management company that provides solutions across the entire waste management supply chain.

BINGO entered the Victorian recycling and waste management market in 2017 through a number of strategic acquisitions. We offer sustainable recycling and waste management solutions for Building & Demolition (B&D) and Commercial & Industrial (C&I) waste streams with a clear strategic intent of diversion of waste from landfill.

Despite being a relatively new entrant into the market, Bingo is confident we have the ability and know-how to be stewards for change and lead the Victorian recycling market to achieve enhanced environmental outcomes. In the last 12 months we have invested in excess of \$50 million in site acquisitions and have committed an additional circa \$50 million for upgrades of local waste management businesses and poorly managed post-collections assets. We are also considering an additional \$50-\$100 million in additional recycling assets, providing the regulatory environment is suitably attractive for us to do so.

BINGO's business model is underpinned by a recycling-led solution, which sets us apart from some of the major competitors in the market. Our collections business is supported by a growing network of recycling facilities across NSW and Victoria with state-of-the-art processes and advanced technology. Bingo's network of facilities accept mixed waste that would otherwise be sent to a landfill and achieves industry leading recovery rates in excess of 75%, creating 14 different materials as a result. By diverting waste from landfill to our resource recovery and recycling centres, we are helping to drive towards a circular economy and also supporting the communities in which we operate.

Our success to date has been built upon our three key business systems of Safety, Environment and Quality. All of which are externally certified to International standards. Our safety systems are certified to ISO 45001:2018, making us one of the first companies in Australia to achieve this certification. Our Environment Management System is Certified to ISO 14001:2015 and our Quality Management System is certified to ISO 9001:2015. Few in the Australian recycling and waste management industry can boast of these certifications. We are proud to say that our systems in Victoria are underpinned by the same standards.

ENDS.

Attachments: BINGO 2018 Sustainability Report

BINGO corporate video:

<https://www.dropbox.com/s/ta5a7ty5lvtpjtr/Bingo%20Stakeholder%20Video%20v7%20%28titles%20brighter%29.mp4?dl=0>

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