



Mildura Rural City Council

File: 15/05/03
10 April 2019

The Secretary, Environment and Planning
Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

recyclinginquiry@parliament.vic.gov.au

To whom it may concern

INQUIRY INTO RECYCLING AND WASTE MANAGEMENT

Thank you for the opportunity for Mildura Rural City Council to make a submission into the Inquiry into Recycling and Waste Management.

China's National Sword policy has had a significant impact on Mildura Rural City Council. It is disappointing that, despite our reliance on export waste material, little has been done to ensure that we create a circular economy in Australia for the recovery and beneficial re-use of recyclable material. Further to this it is also disappointing that State and Federal Governments have not committed to tackling the problem of waste generation through robust legislation which could reduce the pressure on reprocessors and subsequently our waste exports.

In Mildura, due to geographical isolation and relative lack of available waste and recycling options, our municipality is critically exposed to changes to both regulatory and market environments. It is obvious that there has been very little investment in the domestic recycling system leaving Victoria vulnerable to changes in international markets. Prior to the National China Sword policy Mildura Council paid almost \$100/tonne for the transport and subsequent processing of kerbside recycling. This is in contrast to the more affluent Metropolitan Councils who have traditionally been paid for their recycling.

Following the National China Sword policy the cost of Mildura's kerbside recycling processing has increased to almost \$220/tonne. Similarly it is understood that the same Metropolitan Councils, who have been subject to the same price rise still only pay around \$60/tonne for processing of their waste. This is clearly an inequitable outcome given there is a universal requirement for all Councils to provide waste management services and to pay a levy on all waste to landfill.

Mildura Rural City Council's contribution to the Municipal and Industrial Landfill Levy has been significant. Since the 2009/10 financial year Mildura ratepayers have contributed around \$8.3M in levy payments, \$5.1M of this over the last four years. Our waste volumes have remained relatively consistent over this period however we have seen an exponential increase in levy payments for very little return. There needs to be significant investment in the local recycling systems and markets, particularly in Regional Victoria, to ensure that we can be domestically

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To: The Secretary, Environment and Planning Committee
 File: 15/05/03

10 April 2019
 Page 2

resilient and that regional residents are not disadvantaged purely based on where they live.

Council noted that in July 2018 the Victoria's Auditor-General morning tabled the 'Managing the Municipal and Industrial Landfill Levy' (MILL) report in parliament. The audit provided an independent assessment of whether the landfill levy system is being managed transparently and is meeting its intended legislative objectives. There were a few interesting points in the report:

- Since 1992, Victorians have been paying the MILL when they dispose of waste to landfill
- As at 31 December 2017, the balance of the Sustainability Fund was \$562 million. DELWP expects this to be \$513 million by 30 June 2018. The balance of the fund was \$29 million in 2009–10
- Since 1992, Victorians have been paying the MILL when they dispose of waste to landfill
- Since 2005, approximately \$1.7 billion has been collected through the levy
- Over the past three years, MILL payments to environmental agencies have increased by 71 per cent—from \$76.1 million in 2015–16 to a forecasted \$130.5 million in 2017–18
- Over the next four years, the MILL is expected to collect approximately \$215 million a year

Council strongly endorses the recommendations from VAGO report which calls for a fairer and greater distribution of the MILL, particularly in regional areas, to ensure that every person in Victoria has access to fair and equitable waste services. As has been noted in this letter Mildura residents still pay significantly higher waste costs than those in metropolitan areas due to the limited access to processing facilities and recycling markets.

Further to the VAGO report the Municipal Association of Victoria (MAV) released a *Rescue Our Recycling Action Plan* in March this year. Mildura Rural City Council is fully supportive of this plan that represent the big picture items that require cooperation at all levels at government for any meaningful change to occur to strengthen the resilience of the sector. These actions include:

- Action 1: Invest in recycling infrastructure which demonstrates the urgent need to increase Sustainability Fund investment into recycling and sorting infrastructure.
- Action 2: Fund and support market development to support any initiative, program or incentives that would develop and encourage a local/domestic market for recycled products. This would reduce the cost of recycling, create jobs and reduce the amount of transport required.
- Action 3: Introduce a container deposit scheme which Council would support if adopted universally across Victoria.
- Action 4: Bolster community education to provide a consistent and sustained education campaign in regards to community education programs for recycling.

To: The Secretary, Environment and Planning Committee
File: 15/05/03

10 April 2019
Page 3

- Action 5: Strengthen industry oversight and regulation to allow for greater transparency for recycling material flows and the costs of recycling processing. For example there should be no single use plastics and there should be product stewardship schemes in place for all waste generated.

In this context Mildura Rural City Council strongly believes that there needs to be a network of centralised recycling hubs which should be identified as key deliverables in the Statewide Waste and Resource Recovery Infrastructure Plan (SWRRIP) funded by the Sustainability Fund. Mildura is listed as a hub of State Significance in the SWRRIP which indicates that the Mildura site could include a mix of infrastructure at a larger scale that sorts, consolidates and reprocesses a range of materials significant at the state level. Developing a recycling hub at Mildura will facilitate an integrated system that maximises resource recovery and achieves optimal economic, community, environment and public health outcomes for the state. Importantly these hubs need to have well established feeding spokes and good access to transport networks. Market development for the beneficial use of recycled materials also needs to occur to ensure that there are complementary activities that provide feed stocks or markets for the product.

Overall Council believes that the MILL should be used to fund infrastructure and projects that ease the cost pressure on Regional Victoria. This is also important as disposing of valuable materials to landfill such as kerbside recycling is a terrible outcome for the environment. We hope that the enquiry will result in immediate investment and commitment from all levels of government to ensure that we have a sustainable recycling and waste management system into the future.

Should you require any further information, please contact Matt George, Manager Parks & Waste Services, on [REDACTED]

Yours sincerely

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ACTING CHIEF EXECUTIVE OFFICER

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