

[REDACTED]

---

**From:** Pete Shmigel [REDACTED]  
**Sent:** Friday, 10 May 2019 11:26 AM  
**To:** recyclinginquiry  
**Subject:** ACOR submission  
**Attachments:** ACOR submission Parliament of Victoria.pdf

We would be happy to appear before the Inquiry.

**Pete Shmigel**  
CEO, Australian Council of Recycling  
Email: [REDACTED]  
Twitter: [REDACTED]  
Website: [www.acor.org.au](http://www.acor.org.au)  
Mobile: [REDACTED]





## **ACOR SUBMISSION TO PARLIAMENT OF VICTORIA INQUIRY INTO RECYCLING AND WASTE MANAGEMENT**

The Australian Council of Recycling (ACOR) takes this opportunity to provide a submission to the Parliament's timely and appropriate Inquiry and also welcomes any opportunity to provide direct testimony.

ACOR is the peak body for the recycling sector with some 40 member companies operating across the spectrum of recycling activities of:

- recyclate collection, sorting, reprocessing and recycled content product manufacturing;
- recycling supply chains in the municipal, commercial & industrial, and construction & demolition spheres, including packaging from all spheres, and;
- recyclate streams from domestic kerbside materials to e-waste materials.

The resource recovery sector in Australia, including value-adding to collected glass, metal, plastic and paper packaging recyclate and its remanufacture into new products, represents around 50,000 employees and around \$20 billion of contribution to GDP (while the packaging sector is thought to employ more than 30,000 people and contribute more than \$15 billion to GDP.)

### **Term of Reference: whether the China National Sword policy was anticipated and responded to properly.**

ACOR believes that the response of the Victorian Government to the China National Sword policy was largely appropriate and commensurate with the risks posed by that policy to Victoria's municipal solid waste recycling system.

This included: coordination and communications activity by Sustainability Victoria and EPA Victoria; the specific development of direct funding allocations; the identification of the need to expand domestic recycling and remanufacturing infrastructure. Victoria's response compares favourably, in ACOR's experience as a national body, to that of NSW in particular which is the other State with significant impacts. The existence and work of Sustainability Victoria as a nimble, responsive and well-informed agency is particularly noteworthy in this context.

ACOR would, however, argue that the quantum allocated in Victoria to infrastructure support are not realistic, given the capital costs of, for example, additional equipment to decontaminate paper streams, or new plant to reprocess mixed plastics. To that end, ACOR suggests greater re-investment of waste disposal levies that have been established to effectively support resource recovery.

ACOR suggests that recent stockpile issues in Victoria are the result of: a) historic under-investment in the recycling infrastructure and domestic recycle markets needed to sustain the achievement of waste-related targets established by public policy, and; b) poor business decision-making by individual businesses and Councils, such as unsustainable contractual arrangements that were overly based on commodity revenues rather than recognising and funding kerbside recycling as an essential service and public good.

While this dynamic merits a further series of system improvements, ACOR urges the Inquiry to note that:

- Victoria's recycling system – outside of the municipal solid waste sector – is in fairly good shape following many decades of private initiative, good cooperation with and from public authorities and the waste disposal levy as an effective signal for heavier and more homogeneous material;
- The municipal solid waste proportion of the recycling system is only approximately 1/3 of the whole system;
- While export markets have been important to the sustainability of the kerbside recycling system, exports were and remain a minority fraction of reprocessed materials and that exports actually increased last year, and;

- Given the heterogeneous and “light” characteristic of kerbside recycling materials, it will always be a challenge for that system to be financially justifiable on a pure market basis and that it is vital for its contractual structures to reflect it as an essential environmental service and a public good.

Further to the final point, it is imperative to reduce the systemic costs of kerbside recycling, increase the systemic reviews of kerbside recycling, and have more transparent arrangements in place for its conduct.

Initiatives in the first category could include:

- Greater standardisation of services across Councils, including more regional arrangements;
- Greater standardisation of materials collected, collection bins, and collection frequencies within services;
- Appropriate source segregation of some materials within services, such as glass;
- Improved community education by the public sector about quality participation in kerbside recycling;
- Greater standardisation of communications and signage for recycling in public places to increase the value of similar streams collected there;
- Stronger enforcement of anti-contamination efforts with ratepayers by Councils;
- Greater investment in material decontamination technology at both the MRF and remanufacturing levels, and;
- Curtailing the practice of ‘kerbside recycling’ from high-rise multi-unit dwellings which are consistently producing highly contaminated and near useless material.

ACOR for its part is developing an app that assists ratepayers to visually identify any item and be informed whether it is or is not recyclable in their local system. The NSW Government is funding its development in NSW; the Federal Coalition has pledged to do so on a national basis. There has been no offer of funding as yet from Victorian authorities.

Initiatives in the second category could include:

- Increased procurement by Councils and State Government of recycled content products, including in roads using collected plastic and glass which are readily available, technically proven and cost competitive, and according to comprehensive targets and reporting against targets;
- Separating recycling fees on rate notices and adjusting them to fully fund kerbside recycling as an essential environmental service, and;
- Pursuing producer responsibility models with the packaging supply chain, such as Ontario where kerbside recycling costs are 50% funded by the packaging supply chain, and;
- Introduction of a complementary Container Deposit/Refund system based on best practice principles which increases the value of key streams in the kerbside system and could be targeted, in the first instance, to multi-unit dwellings.

Initiatives in the third category could include:

- Provision of commodity price information across the sector in line with Sustainability Victoria's recent initiative;
- Development of a model contract system that enshrines the principle that kerbside recycling is an essential environmental service, and;
- Trials of user-pays or "pay as you throw" waste / recycling services at Council level.

**Term of reference: 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 recycle**
- b. the cleaning and sorting capabilities and the processing capabilities in Victoria and the potential to expand the local recycling industry**
- c. how to better enable the use of recycled materials in local manufacturing;**
- d. the existing business model and economic challenges facing the existing industry;**

- e. **the quantifiable benefits, including job creation and greenhouse gas emissions reduction, of pursuing elements of a circular economy in Victoria;**
- f. **the existing Sustainability Fund and how it can be used to fund solutions to the waste crisis;**

ACOR'S policy positions and recommendations in these respects are outlined in: a) [ACOR 10 Point Plan for Results-Based Recycling](#), and; b) [ACOR China Sword Response Plan](#). These detailed and costed Plans feature recommendations for infrastructure investment, recycle market development including procurement, community education and other aspects.

**Term of reference: 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:**

1. **product stewardship;**
2. **container deposit schemes;**
3. **banning single-use plastics;**
4. **government procurement policies.**

See above.

**Term of reference: relevant reviews, inquiries and reports into the waste and recycling industry in other Australian jurisdictions and internationally.**

See above.