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From: Inquiry into Recycling and Waste Management [REDACTED]
Sent: Friday, 10 May 2019 1:00 PM
To: recyclinginquiry
Subject: New Submission to Inquiry into Recycling and Waste Management

Inquiry Name: Inquiry into Recycling and Waste Management

Mr Michael Jansen
[REDACTED]

Manager Waste and Sustainability
City of Casey

Bunjil Place Narre Warren Victoria

SUBMISSION CONTENT:

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Inquiry into Recycling and Waste Management

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;

State Government's Role

The State government has the primary role in providing an effective state-wide waste management system. It does this through establishing a policy framework, regulation and through development and implementation of various strategies.

The State Government also administers the Landfill levy paid on all waste disposed of at licensed landfills in Victoria, exclusively for environment protection activities, including promoting the sustainable use of resources and best practices in waste management. The levy should provide an incentives to minimise the generation of waste in the first instance, send a signal to industry that the Government supports efforts to develop viable alternatives to disposal to landfill. It also has a role to lobby Federal government to develop a national approach to the circular economy.

State agencies responsible for waste management include Department of Environment, Land, Water and Planning (DELWP), Sustainability Victoria (SV), the Environment Protection Authority (EPA), and the waste and resource recovery groups (WRRGs).

State and Federal Government Waste Management Opportunities

Importantly State (and Federal) agencies can have much greater upstream influences on waste management than local government and need to show greater leadership to foster a truly circular economy.

Council has previously submitted to various State and Federal government reviews for a more coordinated approach to waste policy across Australia including strengthening the national approach to product stewardship and Extended Producer Responsibility. It is critical that industry is properly incentivised to ensure cradle to cradle responsibility for the products they make, and consumers are incentivised to practice correct disposal of the products they use.

Instead we persist with end of line responses that place emphasis on Councils having to manage complex and changing waste streams rather than tackle the problem. The pending State Government ban on e-waste continues this trend and places significant logistical and financial responsibilities on councils without adequate resourcing or compensation. A recent survey by the Metropolitan Waste and Resource Recovery Group suggested that councils are not adequately prepared or supported for the ban and that the consequences of the ban are largely unknown.

Better utilisation of the Landfill Levy

Far from supporting local government, the continued accumulation of landfill levy places additional burden on local government and their communities for little in the way of tangible support. Councils continue to be frustrated at the lack of effective investment of landfill levy by the State government into producer responsibility, environment protection activities, including promoting the sustainable use of resources and best practices in waste management. The poor redistribution of these funds, apart from funding various state government agencies is evidenced by the recent ombudsman's report. The City of Casey contributes significantly more into the Sustainability fund than it sees returned to benefit its community.

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

Waste Management Resilience

There appears to be little or no preparation for a coordinated response to the China National Sword Policy despite it having been foreshadowed by China in advance. The risk management procedures by the State Government to mitigate this risk was clearly not in place.

The only action observed from the Victorian State Government was to allow councils to renegotiate their processing contracts so that it could pay higher rates per tonne of product. This included a small amount of funding which is insignificant compared to the ongoing financial impact of the new prices.

Given the State resources funded directly by the Landfill Levy and the advanced warning of the China National Sword Policy, it is reasonable to have expected a better response from all levels of government.

Inadequacy of the local market and industry to respond

It is also prudent to highlight the disappointing immediate response from some areas of State Government to the current recycling crises brought about by the temporary closure of SKM facilities, which was to publicly blame councils for poor contract management. This appears to be a short sighted and political response designed to deflect blame.

The exception to this is the efforts of the Metropolitan Waste and Resource Recovery Group working towards contingencies in conjunction with MAV and member councils. It is now understood that a more collaborative process has commenced including DELWP, MWRRG and MAV.

Opportunities for group procurement to minimise risks

Part of the state response points to group contracts as a solution to the low number of service providers in the recycling processing market. Casey fully supports and participates in group procurement and regional approaches to solving waste management issues. There are benefits to group procurement, including building in consistency of acceptable products for kerbside recycling, which may even involve the exclusion of hard to recycle items (eg soft plastic in the recycling bin) and opportunities to build in contingencies.

However, it should be noted that several councils already participating in a group contract via MWRRG, were just as affected by the recent site closures as other councils with individual contracts. It is unlikely that this action alone will see much change to the risk of market failure.

The current system relies heavily on overseas markets and therefore is vulnerable to influences well beyond the control of local governments. The development of viable local markets, value adding and processing of collected material are critical areas requiring state and federal investment and clean industry mechanisms and incentives to create the talked about, but not implemented circular economy.

Metropolitan Waste and Resource Recovery Group (MWRRG) Role and Responsibility

It is also worth pointing out that MWRRG must be, at times conflicted in their role of and accountability to implementing state government policy and representing the interests of its local government members.

An effective coordinated state-wide education program which can have a wide reach and access medium such as TV, social media and advertising platforms which may be beyond the reach of local councils.

This is even more important following erosion of community trust in the current recycling system.

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 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;

Stockpiling and the growing waste and recycling epidemic

Dangerous stockpiling is a significant problem for safety, environmental protection and public amenity reasons, however stockpiling is a symptom of the inefficiencies of the current system. Improved levels of oversight are clearly required in the waste sector as evidenced by recent stockpiling of chemicals as well as kerbside recycles. Dealing with the immediate compliance issues requires a coordinated response from state agencies and local councils.

Such strategies might include better understanding of chemical use in manufacture and tracking of chemicals, logistics providers and prescribed industrial waste and increased inspection regimes.

Stockpiles of kerbside collected material can accumulate very quickly. Strategies such as removing single points of failure and triggers to divert material from sites before accumulating to dangerous levels can be written into contracts can assist in holding processors to account, however long-term improvements to the entire recycling system are required to reduce the incentive to stockpile in the first place. The State Government should be adequately resourced to inspect stockpiling matters, enforcement of compliance and needs to be ramped up in a proactive not reactive way.

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- 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**

The City of Casey is a strong supporter of *EcoBuy* and strives to lead in the pursuit of increasing the proportion of spend on environmentally sustainable purchases each year. Council recently commissioned a local company, Replas to design and produce a litter bin surrounds and traffic management devices manufactured from local post-consumer plastics. As an example the new surrounds have been installed in a number of locations including high profile sporting reserve with the ultimate goal of enabling Replas to market the new product across Australia.

While the Replas litter bin is an optimistic individual example of new product development, much more needs to be done to drive the market including setting of mandatory procurement targets for Australian recycled material by government agencies. There is also a need to invest in research, programs and development to increase uptake of new uses for recycled materials. Green products need to be incentivised to ensure recycled products are norm rather than the exception or 'niche' bespoke products.

Procurement and end of life products

Government procurement and producer responsibility has a role to play in encouraging market development, and mandatory targets would help establish and support markets, but markets must ultimately be sustainable outside of this reliance.

A current example of this tension is the establishment of the south east kerbside organics processing facilities. Contractors cannot rely on the expectation that councils will purchase its full range of products as only some of the products are suitable for council applications. Councils play their part by collecting and delivering material, educating the community, paying a gate fee and entering into long term contracts to guarantee supply. Industry should be responsible for marketing the value-added product.

State Government is in a strong position to invest in recycling infrastructure with the private sector to help establish an efficient network of facilities and upgrade sorting technology to assist industry achieve a higher standard of sorted product.

Product Stewardship and Producer Responsibility

Council has previously argued for a more coordinated approach to waste policy across Australia including a national mandatory approach to product stewardship and Extended Producer Responsibility (EPR). This will ensure that designers and producers are properly incentivised to ensure cradle to cradle responsibility for the products they make and the materials they use.

Instead we persist with end of pipe responses that place emphasis on local councils having to manage complex and changing waste streams. Ultimately this cost is borne by all ratepayers regardless of their individual choices. In the meantime, companies creating the wealth from activities that created the waste remain largely unaccountable. The current notion is waste is someone else's problem not being factored into actual cost of the item throughout the products lifecycle.

The current product stewardship program and limited role out of take back schemes will not lead to significant improvements in sustainable manufacturing or more efficient waste management unless targets are mandatory and industries have time to transition. The current approach is inequitable and unsustainable.

Container Deposit Legislation should be introduced across the country, rather than the current inconsistent response from state to state. Funds collected as part of the deposit system should be used to support the infrastructure and services required to collect sort and return product to market.

Any other related matters.

The City of Casey contributed to and supports the MAV "*Rescue our recycling action plan*" including 5 areas of action for each level of government.

Standardisation of bin lid colour is a strategy often cited at network meetings as a high priority. Whilst desirable, the cost benefit changing over all bins and/or lids is questionable.

This will cost councils millions of dollars and underestimates the ability of residents to distinguish between bins when moving from one council to the next. Standardisation of bin colours is a nice to have but not the solution to our recycling crisis.