

## **Submission to Parliament of Victoria's Inquiry into Recycling and Waste Management**

**10 May 2019**

Thank you for the opportunity to provide input into this inquiry into Victoria's recycling and waste management systems.

Environment Victoria is one of Australia's leading independent environment groups. With more than 40 member groups and over 150,000 individual supporters, we've been representing Victorian communities on environmental matters for almost 50 years. Through advocacy, education and empowerment, Environment Victoria seeks significant and enduring solutions that will safeguard the environment and future wellbeing of all Victorians.

This is a timely inquiry and we look forward to seeing it lead to the adoption of measures to dramatically improve the effectiveness and sustainability of our current waste systems.

### **Victoria needs a transformational and well-resourced circular economy strategy**

We believe Victoria needs to take every opportunity to urgently shift to zero emissions and a circular economy, to combat the growing crises affecting our climate and environment.

We commend the Victorian Government's commitment to develop a circular economy policy and action plan by 2020. This is a crucial opportunity to address the severe and irreversible impacts of the current linear approach to resource use on our natural environment.

At the same time, the development of a circular economy strategy presents an opportunity for Victoria to stimulate new industries, capitalising on our strengths in research and development, following cradle-to-cradle principles for the design and manufacture of products.

Efforts elsewhere, most notably in the European Union, to move towards a circular economy means that early and committed efforts by Victoria to become a leader in this field will put local innovators and businesses at a strong competitive advantage, all while helping to reduce drivers of environmental degradation and reducing the evident strain on our recycling and waste management systems.

A circular economy has three key features: (1) the recirculation of materials, (2) designing and making things so they can be disassembled and re-used, (3) circular business models that stimulate and reward this approach to materials use.

The aim should be to reduce landfill and avoid the need for incineration - incineration, while providing some energy, ultimately destroys materials and removes them from the economy. Our submission to the proposed Australian Paper waste-to-energy facility is attached to this submission, outlining our concerns about the drift towards more incineration in Victoria.

Product design should go beyond making something merely recyclable: designing products so they last longer, can be repaired easily and can be upgraded easily would reduce the rate at which waste is produced (whether it is destined for recycling or landfill).

We want to see sufficient resources allocated to the development of Victoria's circular economy strategy, to ensure it delivers more than basic improvements in waste management and recycling rates. *It should be transformational, not incremental.*

In order to be successful, we believe this strategy must include:

- Ambitious targets, policies and programs to move Victoria to a circular economy;
- Significant economic incentives to drive down the amount of waste going to landfill, including fostering the development of new strategies for product design;
- Major projects using a high proportion of sustainable, recycled material;
- A significant improvement in the quality of the material we collect to recycle in Victoria with steep improvements in contamination rates, handling and management of material.

## **Solutions**

There are many short-comings in Victoria's waste and recycling systems, and many opportunities for improvement. Here we provide some possible solutions that should be pursued.

### **Restore integrity to our recycling system - improve transparency and accountability**

We have the right to know that our recycling is making a difference. Reports on programs such as the *War on Waste* showed how little transparency there is in our recycling systems. This undermines people's confidence in our recycling system and makes people less likely to recycle properly. To overcome this, we need transparent reporting from all councils, with the assistance of state government, that show where our recycling ends up combined with regular, transparent audits of recycling operations. We also need regular data on how much waste is going to landfill in Victoria, including what percentage of recyclable material is going to landfill.

### **Increase the landfill levy**



The landfill levy has been a highly effective tool for incentivising recycling and discouraging landfill dumping. The fund has also raised a significant amount of money for environmental programs. Victoria's levy is less than half of the levy applied in New South Wales. The Victorian Government should better capture the full cost of landfill and improve the economics of recycling by increasing the levy in-line with New South Wales. The Government should also introduce a proximity rule, banning the shipment of Victoria's waste to other states to avoid the levy.

### **Supercharge environmental programs through the Sustainability Fund**

The Sustainability Fund was set up to fund environmental programs through environmental levies such as the landfill levy. Over time, the fund has accumulated over half a billion dollars, which should be used to drive innovation, reduce emissions and protect our environment. Instead, the fund sat unused for years helping to prop up the state budget. Indeed, it is this consistent under-utilisation of the Sustainability Fund that has contributed to the under-investment in waste infrastructure which in turn has led to the crisis we are in now.

Late in its previous term, the Andrews government started to disburse the fund, but the rate of investment is still far too low. Expenditure from the fund should be accelerated to meet the scale of the environmental challenges that we face. Additionally, there should be more prompt and more transparent reporting of how much is being spent from the Sustainability Fund, compared to the rate of incoming money via levies.

### **Financial disincentives for virgin plastics**

We need to put in place financial disincentives to create new plastics. For example, a tax on virgin plastics would partly address the true cost of virgin materials and provide an extra incentive to use recycled material. Similarly, an advance disposal fee could be applied to materials that are not readily recyclable, such as materials that mix different types of plastics. Over the medium term, this will act as an incentive for producers of problematic materials to shift their production methods towards alternatives that lead to better use and re-use of materials.

### **Develop Victorian recycling industry and jobs**

The recycling crisis in Victoria revealed the vulnerability of our current recycling systems to decisions made in China and elsewhere. Any solution to the recycling crisis needs to drastically increase the amount of recycling dealt with here. This means we need to create recycling jobs in Victoria – from processing to manufacturing. We need to invest in local industry to ensure we can recycle here and reap the benefits.

### **Set strong standards for recycling collection, handling and processing**



Improving our recycling systems involves addressing the way we collect recyclable material.

Some of the standards that we believe are important to set and implement are:

- minimum sorting standards for all contracts between councils and recycling processors.
- help sorting facilities meet higher standards, while ensuring there is sufficient processing capacity across the state
- standards for the way councils and companies handle our recyclable material. For example, we need to stop over-compressing our waste in collection trucks, which makes it impossible to separate glass from other products.

### **Turbo-charging best practice public awareness campaigns**

Consistent sorting rules for households will make it easier for every household to do the right thing. A standardised sorting system should be supported by effective mass media campaigns that make sure everyone understands what should go in which bin. Councils that achieve the best results via creative and effective public awareness campaigns should be supported by state government and enabled to share lessons with others and keep raising the bar.

### **Invest in Victoria's capacity to use recycled materials in manufacturing, government projects and infrastructure**

Fifteen years ago we processed much more recyclable material in Victoria than we do today. With the right investment Victoria could build a new manufacturing industry around the use of recycled materials. To do this, we need to provide incentives for companies to develop new ways to use recycled materials in manufacturing processes. We also need to create a strong demand for products made with recycled materials by committing to purchasing products made with locally sourced mixed plastic through VicRoads, Parks Victoria, state departments and agencies and local council.

### **Take progressive steps towards requiring all products to be reusable, recyclable or safely compostable**

According to the Boomerang Alliance, "*Out of the 907,401 tonnes of plastic packaging consumed in the year 2017-18, only around 32% was recycled overall, with only 14% recycled in Australia.*"<sup>1</sup> This is unacceptable.

Over time, Victoria needs to move towards fully closed-loop systems. This means that all products are produced in ways that allow the constituent parts to be recovered and reused, or to biologically breakdown in safe ways. This "cradle-to-cradle" design is the ultimate step towards sustainable use of natural resources and can be supported through grant programs to help manufacturers design products to be suited to disassembly and reuse, combined with a shift to reusable products like refillable bottles and returnable food containers.

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<sup>1</sup> <https://www.boomerangalliance.org.au/packaging-and-a-stronger-product-stewardship-act>

Where federal legislation (such as the *Product Stewardship Act*) or collaborative national efforts (such as the Australian Packaging Covenant) fall short, Victoria should seek to develop more ambitious rules and targets.

Specifically on the Australian Packaging Covenant: it is not enough to ensure that products are reusable, recyclable or compostable. Governments need to ensure that products are actually reused, recycled or composted.

### **Enable consumers to drive change through better labelling**

Revelations about the fragility of Victoria's and Australia's recycling systems has left many consumers disillusioned. Many want to know how they can help solve this problem. While government must lead through setting clear policy direction and guiding investment, consumers could play a significant role in supporting the shift to smarter and less wasteful products if products were required to comply with appropriate labelling rules.

Many products make claims about their environmental credentials, but an independent, rigorous and trust-worthy labelling requirement would enable consumers to choose products that include, for example, a higher percentage of re-used or recycled material.

### **A circular economy is a smart response to climate change**

As Victoria's electricity grid becomes increasingly clean and powered by renewable energy, and as more energy demands (such as residential heating) become electrified, industrial processes will become a much larger share of Victoria's residual greenhouse gas emissions profile.

Efforts in the EU have found that the main sources of these industrial emissions are the production of steel, plastics, cement and aluminium, and that emissions from these processes can be cut by as much as 50% through increased use of recycle, rather than raw materials.<sup>2</sup>

### **Economic risks and opportunities from the global shift to circular economies**

If circular economy policies take hold in markets such as the EU and North America, primary producer and exporting countries such as Australia face having demand for our raw materials cut significantly, as our erstwhile trading partners become more reliant on the re-use of the materials already in circulation. This represents a significant long-term risk from a focus on a linear, one-way vision of the economy.

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<sup>2</sup> <http://climatecollege.unimelb.edu.au/seminar/growth-within-eu-circular-economy-vision-re-designing-future>



For Australia to remain competitive in this future global marketplace, we will need to develop the skills and technology to continue contributing valuable resources to our trading partners - even if these increasingly take the shape of intellectual property, design know-how and technological advances.

Combined with the obvious environmental and climate benefits of producing and wasting less “stuff”, Victoria stands to gain if it makes a concerted early move towards a circular economy.

We urge this inquiry to recommend significant government efforts in this space.

Regards,

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