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## Nillumbik Shire Council

### Submission to the Parliament of Victoria Inquiry into Recycling and Waste Management

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Nillumbik Shire Council welcomes the opportunity to provide a submission to the Parliament of Victoria Inquiry into Recycling and Waste Management, and notes the Municipal Association of Victoria submission and recently-launched 'Rescue Our Recycling' action plan.

The Shire of Nillumbik is located less than 25 kilometres north-east of Melbourne, and has the Yarra River as its southern boundary. It extends 29 kilometres to Kinglake National Park in the north. The Shire stretches approximately 20 kilometres from the Plenty River and Yan Yean Road in the west to Christmas Hills and the Yarra escarpment in the east.

The Shire covers an area of 431 square kilometres and has an estimated population of 64,280 who live in close-knit communities which range from typical urban settings to remote and tranquil bush properties.

The Nillumbik community are active recyclers evidenced by at least 65 per cent diversion from landfill for kerbside waste collection compared to the published state average of 46 per cent. Nillumbik's universal three-bin system has been in place since 2003 (more than 15 years) and includes weekly collection of the organics bin, which accepts all food scraps along with garden waste to be recycled into compost. Landfill and recycling bins are collected fortnightly.

Nillumbik Shire Council has worked with the Metropolitan Waste and Resource Recovery Group (MWRRG) to procure waste and recycling disposal services for the landfill, recycling and organics (food and garden waste) waste streams.

The Nillumbik landfill diversion rate is evidence that the community is committed to at-source separation of waste so that the inherent value of materials can be realised through recycling and reprocessing.

There should be increased investment into building a municipal waste management system both in terms of strategy and operations using the Sustainability Fund which receives money collected from the Victorian Municipal and Industrial Landfill Levy (MILL) of which Nillumbik Council has contributed \$3.191 million in the last five years.

To support an improved municipal waste management system, the key issues detailed in this submission can be summarised as follows:

1. There is a need for improved waste data and information collection and collation including waste volumes, waste end products, market pricing and price trends to support decision making
2. There is a need for improved and more commercially aware waste policy and strategy linked to broader industry policy with clear roles for implementation
3. There is a need for targeted regulation to promote better resource recovery
4. Improved investment is required utilising the Landfill Levy to achieve a circular economy for waste products

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#### **Failure of the relationship between policy, strategy and operations with potential solutions**

While there's a government framework including policy, strategies and plans to support the delivery of effective waste management and resource recovery, ongoing issues within the industry indicate that this framework is not working as effectively as it could.

The commitment of the Nillumbik and broader Victorian community should be supported by a regulatory and strategic framework as well as disposal facilities that are capable of and committed to realising the inherent value of materials in kerbside waste streams.

Currently, disposal facilities are commercially operated and require large aggregate volumes to be commercially viable. Consequently there are few, large-scale disposal facilities that are, as we have seen through the recent closure of SKM's facilities, too big to fail.

The Victorian Government needs to increase its regulation, monitoring, enforcement and direct involvement in the industry. The current lack of action is resulting in increased cost to councils, materials needlessly ending up in landfill / loss of valuable resources, ongoing stockpiling issues and harm to human and environmental health such as the impacts of the recent fire in a chemical stockpile at Campbellfield.

The Victorian Government and MWRRG have not put sufficient incentives in place to facilitate investment from the private sector into the marketplace. Government needs to monitor market intelligence, as well as use this information to anticipate potential market changes and adapt policy and plans such as the Statewide Waste and Resource Recovery Infrastructure Plan accordingly. It needs to work to increase competition in the marketplace so that councils are not reliant on a single service provider.

Appropriate regulation and a diverse, well-functioning market would also prevent stockpiling.

The loss of valuable resources could be prevented through establishment of pre-sort facilities at all landfills, which is something that could be regulated and introduced immediately.

Additionally, there is a lack of clarity around the difference in roles and responsibilities between MWRRG and Sustainability Victoria (SV). This needs to be clearly defined and followed.

Both federal and state government must also play a more visible role in the community.

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#### **Lack of action in anticipating and responding to the China National Sword policy**

Since around 2016–17, the Chinese Government has been informing the industry of its intention to tighten the rules for the import of cardboard/paper and plastic. The National Sword policy only came into effect in February 2018.

The Victorian Government and MWRRG should have played a much more active role in investigating, problem solving and preparing the industry long before the introduction of the National Sword policy. This could have been done through grants to adapt recycling infrastructure to ensure a cleaner product, research and development into local production of value-added end products and much earlier investment in local markets for the separated product.

Councils, including Nillumbik, have been impacted by the flow on effects of the National Sword policy through materials recovery facilities seeking to renegotiate contracts. Councils have been urged to accept the new pricing offered for contracts without sufficient transparency around the drivers for the price increase, with MWRRG appearing to prioritise the interests of industry ahead of councils and ratepayers.

#### **Monitoring commodity prices and exports**

MWRRG should actively monitor the prices of each separated recyclable components i.e. paper, cardboard, glass, PTFE, HDPE, mixed plastics, tin, metal etc to understand the commodity market place. This commodity price monitoring will ensure the viability of the recycling industry in Victoria and Australia in general.

If these materials are exported, MWRRG should also monitor the destinations of each component. This would facilitate the responsibility of government to ensure that Australia does not exploit the destination countries which may not be appropriately handling waste.

#### **Building a local market, circular economy and encouraging investment**

Government procurement policy should use SV waste volume data and incorporate clauses to encourage investment. The aggregate annual amounts of waste streams are well documented.

Over the last 15 years, the majority of recycled materials separated out from kerbside collection, i.e. cardboard/paper, plastics, iron, aluminium with the exception of glass, have been exported, especially to China.

The Victorian Government can improve in using this data through SV and MWRRG to strategise meaningful investments to enable these materials to be processed in Victoria and

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create a circular economy. There is a need for these agencies to understand more about how the waste industry operates commercially and how the products link into the broader manufacturing, construction and agricultural industries to better understand where government intervention (or regulation) will deliver the most benefit.

The Victorian Government should encourage value-added investments to promote a circular economy, such as:

- conversion of cardboard/paper to pulp – 2016/17 SV data show there is 242,723 tonnes that could be processed to pulp
- processing facilities to process HDPE/PTFE plastics – 2016/17 SV data show that there is 18,675 tonnes of HDPE and 18,675 tonnes of PTFE that could be processed to pellets
- the use of glass in road base material
- research and development for the end use of products, especially mixed plastics

The Victorian Government should ensure that councils engage with MWRRG to improve collaborative procurement outcomes. Collaborative procurement provides certainty about the volume of feedstock for the investor and can encourage development of new or innovative facilities.

Collaborative procurement specifications should give preference to integrated facilities i.e. facilities that process kerbside recyclables into individual components and also turn these components into value-added final products, such as both sorting mixed plastics and turning it into pellets. This would encourage investors to find local integrated solutions to the recycling problem.

#### ***Learnings from green waste***

A commitment to recycling green waste – a relatively low value product – has required government and industry to work together to create a circular economy.

Collaborative procurement has provided certainty about feedstock volumes which has resulted in commitment from industry to build new composting facilities, create useful products and expand local markets.

#### **Use of the Sustainability Fund**

The Sustainability Fund receives money collected from the Victorian Municipal and Industrial Landfill Levy.

As stated by SV, the purpose of the Sustainability Fund is to:

- foster environmentally sustainable uses of resources and best practices in waste management to advance the social and economic development of Victoria; and/or

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- foster community action or innovation in relation to the reduction of greenhouse gas substance emissions or adaptation or adjustment to climate change in Victoria.

While its purpose is broad, the following priorities should be funded:

- investment in recycling infrastructure to develop our local recycling industry
- a program to encourage existing recycling processors to work with industry in developing useful end products locally and to encourage new entrants with downstream investment to process separated product
- a reintroduced financial assistance package for councils such as Nillumbik that are income constrained by rate capping and suffering exorbitant waste costs due to the failure of the recycling market
- a state-wide consistent and long-term community education strategy that ALL players including state and local government, industry and non-government organisations support and commit to using, which focuses on:
  - standardising waste and bin terminology tested through social research i.e. what to call the green waste / organics / compost / garden waste / green / food and garden organics bin
  - making waste-wise decisions
  - putting pressure on producers to reduce waste
  - what can and can't go into each bin and the costs of getting it wrong
  - reducing contamination

### Container Deposit Legislation

Container Deposit Legislation will encourage the separation of glass and plastic at source and make recyclable products cleaner, which will result in better prices for cardboard. It is disappointing that Victoria is one of only two states (along with Tasmania) yet to commit to a scheme.

### Food waste diversion

SV's Local Government Annual Waste Services Report 2016-17 states that 1.18 million tonnes of garbage went to landfill in 2016/17. Food organics in the kerbside landfill stream constitutes about 40-50 per cent, which equates to approximately 530,000 tonnes of kerbside food waste ending up in landfill in 2016-17.

This food waste can be recovered if it is diverted to the organics stream and composted into a renewable resource.

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While an increasing number of councils are now joining Nillumbik in diverting food waste from landfill, most are yet to commit to this. Councils know of the resource (food waste) being lost in the landfill stream, however, there is still some reluctance from councils to introduce food waste into the organics bin.

Along with encouraging and providing a guide to divert food waste from landfill (which is currently happening), there needs to be a mandated regulatory framework. This will require councils to make changes to bin configurations to divert food from the landfill bin into the organics bin and provide stronger rationale to their communities for the change. With the increase in cumulative tonnages of organics, it will encourage:

- recovery of the lost resource
- the building of green/organics processing facilities
- an increase in employment
- a reduction in the cost to council of diverting food from landfill
- a decrease in environmental impact

#### **Increased communication**

It would be beneficial for councils to receive regular status updates from SV and MWRRG on the Recycling Industry Strategic Plan, Statewide Waste and Resource Recovery Infrastructure Plan and Metropolitan Waste and Resource Recovery Implementation Plan.

#### **Learning from the recycling crisis**

The recycling crisis and this Inquiry provide a learning opportunity to improve our waste recovery system.

Government must take these learnings and apply them to ensure positive outcomes for the community. In particular, the need for:

- more active involvement within industries e.g. power, automotive, agriculture to encourage use of recycling end products
- anticipating, planning and adapting appropriately to market changes
- strategies and meaningful action to ensure local investment and a strong and vibrant circular economy