

1) **COVER SHEET FOR SUBMISSIONS**

2) **Updating the 2009 National Waste Policy: Less waste, more resources**

<b>Organisation</b> (if applicable)		Australian Sustainable Business Group	
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<b>Overview</b> Feedback is invited on the discussion paper: <i>Updating the 2009 National Waste Policy: Less waste, more resources</i> . Submissions should be provided by 5pm (AEST), Friday 5 October 2018.			
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### **Submission instructions**

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Where possible, submissions should be sent electronically, preferably in Microsoft Word or other text-based formats, to the email address below.

All submissions must include this cover sheet.

Submissions should be sent to:

Email: [nationalwastepolicy@environment.gov.au](mailto:nationalwastepolicy@environment.gov.au)

Post: GPO Box 787, Canberra ACT, 2601

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5 October 2018

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The Australian Sustainable Business Group (ASBG) is pleased to comment on the National Environment Protection Council's [Updating the 2009 National Waste Policy: Less Waste, More Resources](#) (UNWP).

The [Australian Sustainable Business Group](#) (ASBG) is a leading environment and energy business representative body that specializes in providing the latest information, including changes to environmental legislation, regulations and policy that may impact industry, business and other organisations. We operate in NSW and Queensland and have over 110 members comprising of Australia's largest manufacturing companies and other related businesses.

ASBG members represent a wide variety of manufactures, services and waste management businesses. Many have effective waste management strategies and policies to reduce waste and recycle materials where reasonably practicable and generally economically, with some taking losses to ensure recycling rates are upheld.

## 1 Overview

Australian industry and business has in general embraced recycling and reuse. The National Waste Report 2016 states that Australia recycles on average 61% of waste generated (excluding fly ash). Some sectors are international leaders, such as Newsprint which achieves over 75% recycling rate across Australia. There have been significant gains in recycling up from a smaller 49% in 2006-07. Commercial and Industrial (C&I) and Construction and Demolition (C&D) recycling are reported to be 64% leading Municipal Solid Waste (MSW) which is at 51% according to the report.

ASBG members are in general very supportive of recycling and many are responding to the China National Sword recycling crisis. Support via levy relief and or grant programs would assist in assisting this positive direction.

Australia's multiple jurisdictional approach to waste management, while good in many areas is causing considerable constraints on improving recycling and resource recovery. Jurisdictions by using a differing and variety of controls; levies, waste management legislation and standards introduce considerable *red tape* into the process. For example:

- Long haulage of waste to avoid levy costs
- Ultra conservative environmental protection requirements, which overly restricts recycled product use and recycling and reuse options
- Poor support for recycled product market development and development of new markets
- Poor reinvestment of levy money back into the waste sector
- Over regulation of the waste sector resulting in excessive and inefficient administrative requirements

- Lack of policing of rouge end of the waste sector, which tends to punish easier targets; those trying to comply
- Stifling innovative technologies by categorisation under limited existing waste policies based on old and existing processes
- Restrictions on the transport of certain wastes, especially interstate
- Poor measurement and lack of understanding of the issues and how to fix them

Many members are forced to either landfill or stockpile wastes which could be reused, due to poorly prepared rules and legislation. They complain of being painted into a corner. To assist the National Waste Policy should consider:

- Standardisation of waste definitions and measurement
- Standardisation, where practicable, of recycled material collection types (generally for kerbside)
- Encourage consistency on waste levies application to avoid long haulage of waste
- Provide appropriate levy relief for *bona fide* recycling facilities
- Use risk based and evidence based approaches to environmental protection issues for recycled products (Avoid *presence-based criteria* such as applies to asbestos contamination)
- Encourage the expansion of existing recycled product markets and development of new markets to match new products and support the recycling chain including the manufacturers using the recycled products.
- Remove transport barriers on waste transport where they exist to permit economies-of-scale to permit marginal recycling to be economic
- Encourage a minimum percentage of waste levy money reinvested back into the waste management sector and waste generators
- Encourage innovation in the waste management technologies via fast track legislation and special treatment to avoid *red tape*
- Permit more and support existing voluntary systems which are market driven and organised by the industry sector
- Recognise Australian Governments have limited control over the circular economy as much recycling relies on overseas facilities and mechanisms which Australia can perhaps influence (e.g. via trade agreements), but not control
- Avoid over regulation of the sector and permit markets to develop and lead, avoiding targets, penalties and other controls which can distort the market leading to perverse outcomes.

Recycling internationally is facing a crisis with China's National Sword, with flow on impacts around the globe. Market prices for a number of recycled products have in general collapsed. China cutting itself out of the circular economy means more has to be done domestically and or with our other trading neighbours. Kerbside recycling is especially affected due to its high contamination levels. ASBG has prepared a policy document titled [ASBG's Framework Approach to a Revamped/Reengineered Recycling System](#), which covers suggested actions to help recycling.

Exacerbating the China National Sword recycling crisis is the shrunken state of manufacturing in Australia. We import far more recyclable materials than we can process; paper, glass and plastic etc. Roughly Australia imports half our glass bottles and half our cardboard packaging. Our high labour, energy and regulatory costs mean that economic recycling for certain materials is largely relying on off shore processing.

There is even a danger that alternative down-cycling may prove more economic than low contamination recycle process trains. If this occurs then supply of high quality recycled product may not be economic compared to natural materials for our manufacturers. Given the higher energy requirements and high energy prices currently in Australia the few manufacturers left will struggle with international competition of their recycled content product. Governments need to be very careful where they set policy as some recycling economics are on a knife edge and poor decisions could lead to further shrinkage of our manufacturers who rely recycled product as a raw material.

In relation to the [Updating the 2009 National Waste Policy: Less Waste, More Resources](#) (UNWP) ASBG has raised issues with the 4 key targets:

1. Reduce total waste generated in Australia per capita by 10 per cent by 2030
2. 80 per cent average recovery rate from all resource-recovery streams, following the waste hierarchy, by 2030
3. 30 per cent average recycled content across all goods and infrastructure procurement by 2030
4. Phase out problematic and unnecessary plastics by 2030 and halve the volume of organic waste sent to landfill by 2030.

There are a number of key themes which emerge from these and the general approach of the UNWP:

- Waste measurement and data
- 80% recovery rate
- 30% average recycled content
- Other key policy goals

## 2 Waste Measurement and Data

The [2009 National Waste Policy](#) strategy 4 states:

*The Australian Government, in collaboration with state and territory governments, will introduce a national definition and classification system for wastes (including hazardous and clinical wastes) that aligns with definitions in international conventions, provides for when a product or material ceases to become a waste, and reflects these classifications in relevant policies and instruments.*

This has not occurred<sup>1</sup> and is restated in the UNWP. Australia over the last 9 years still has no standard waste classification and measurement system for waste. In contrast the United States under its [Resource Conservation and Recovery Act](#) (RCRA) has had a standardised system since 1976.

As a consequence, the National Waste Policy used Blue Environment to prepare the [Australian National Waste Report 2016](#), which relied on the consultant's use of the existing waste data types, as different as they in classification, data quality and coverage of waste streams are across the jurisdictions. Hence the amount reported of 64 million tonnes of waste reported is based on an arbitrary ad hoc set of definitions and selection of waste types. For example the 2006 [Productivity Commission report](#) found 32.4 million tonnes of waste produced in 2002-03. Why has the amount of waste generated doubled over 12 years. Well it hasn't, but what is different between the two reports is how you define 'waste generated'. Blue Environment's report includes fly ash from coal fired power-stations and other on-site waste management activities, which was not in the Productivity Commission's report. This is one of many examples which show the vagueness of the UNWP.

ASBG is of the position that until an effective standardised method for measurement of waste is developed along with good data collection, the setting of goals and targets lacks foundation. Key parameters are simply not defined nor measurable, such as what is meant by:

- **Waste types** → Hazardous waste has perhaps the better standardisation, but even then there are considerable variations in use of NEPM codes etc. Other waste types greatly vary in definition, quality of data and how they are measured and the data collected. Standardisation of waste types across Australia is required.
- **Waste measurement** → The Australian National Waste Reports should use a standard set of waste types to measure and set minimum standard measurement, frequency and quality levels
- **Recycling** → does this include: on-site recycling, recycling of asphalt on roads, Reuse of products in home and businesses?
- **Recycled materials** → Recycling is a complex multi faceted activity and must recognise the individual issues for each recycled material type and end products

<sup>1</sup> See s 1.4 [Australian National Waste Report 2016](#)

- **Waste generation** → what is to be included?: on-site waste generation such as fly-ash at coal power stations, mining spoil from open cut and underground mines stored on site? Or is it limited to just kerbside recycling? There are many categories, but each requires definitions and measurement criteria. It is confusing that fly ash is included, but is managed largely on site, unlike most other wastes which are moved off site to different facilities or for reuse.
- **Average Recovery Rate** → how is this measured? How is the average measured?, Which basket of recycled materials are used to assess this?
- **Average Recycled Content** → similar issues to above. Even the definition for individual product recycled content has not been established.

Without firm datum levels goals and targets, lack a starting point appear arbitrary and are unable to be effectively measured.

### 3 80% Recovery Rate

This aspirational target is supported in concept, but ASBG considers it is ambitious and doubts it is achievable. Contamination of C&D recycled products is an important example. In a few jurisdictions asbestos contamination has moved away from a *risk-based approach* to a *presence-based* one.

For example, WA Government agencies, lead by the Department of Main Road in WA, refuse to accept any C&D product as it *might* contain asbestos fibres. As a consequence, in Perth > 1.5 million tonnes p.a. of C&D material is going to landfill when about 3 years ago it was largely recycled. If this *presence-based* approach trend spreads across Australia, the C&D recycled product market could collapse. NSW is another jurisdiction which classifies asbestos waste on a one fibre detection level, making it presence-based and not risk-based. This action simply leads to more waste to landfill and undermines recycling recovery.

China's National Sword has also punched a hole in the ability to achieve this result. While it is 2030, there are many changes internationally which can further impact on this target. For example, after Australia develops a good internal recycling infrastructure, China decides to change its policy and open its doors to recyclates, but pays a much higher price than can be afforded by Australian recyclers. Are they simply allowed to close and export the material?

There is also the issue that if 80% becomes a hard target; it may force some materials to be recycled where they should not be. An environmental limit test for recycling should be:

*If the recycling process consumes more natural materials (including energy) than it replaces then it should not be recycled.*

While an 80% average target may be achievable, given a specific set of waste streams, care needs to excised to ensure that some recycled streams do not approach the environmental limit.

While the environmental limits to recycling are straight forward, there is also the economic limit. Recycling is generally marginally economic. Sustainable recycling business are predicated on economies of scale with one or a few sites supporting the entire market. Support for existing and new facilities is vital if Australia is to increase and expand our recycling efforts to get closer to the 80% level. Consequently, good Governance would provide a pathway in which the flows, materials and economics are well researched and considered. However, this is not available and there is no path towards the 80%, just a vision

***R1 ASBG recommends the 80% Average Recovery Rate is identified as an aspirational goal, which may not be able to be met. Consequently it should not be used as a hard target due to a lack of a pathway, current lack of measurability and other conflicts within environmental protection requirements.***

## 4 30% Recycled Content

ASBG considers this is not a good goal, even aspirational, as it is too broad and lacks specifics. A recycled content amount should be product specific, not an average spread covering goods and infrastructure. Despite the lack of definitions of the basket of goods and infrastructure captured, there are considerable issues with this approach. Application to infrastructure materials needs to be carefully considered on a case-by-case basis.

ASBG notes the Australian Packaging Covenant Organisation (APCO) has accepted a 30% average recycled content approach. Though their membership is solely based on a narrow sector of the recycling market — *brand owners*, which appear in kerbside bins. ASBG has no issue with this approach and the APCO due to the narrow recycling types covered. However, APCO does not represent all the recycling sectors, especially infrastructure, metals etc.

C&D recycling efficiency is also being undermined by asbestos and potentially other fear based limits for emerging substances. Specifying percentage amounts would not work currently in the Perth area. There would be a simple rejection of such material, even if legislated.

Recycled content legislation has been applied overseas with varying successes. Where the content is set too high and product quality is uncompetitive and too costly compared to non-compliant products, some manufacturers found it more economic to pay the penalties instead. A key to a successful recycled content is to set a reasonably easy threshold to meet and permit business to compete with each other on bettering its rivals on *bona fide* environmental marketing claims. There are many examples of this such as the US EPA Energy Star computer low power use consumption campaign. considered aspirational

As Australia imports many products from overseas, a recycled content requirement could unnecessarily drive up prices if our recycled content requirements are bespoke. Australia, in being a small international market is a technology taker for large volume consumer goods such as motor vehicles. Requiring recovery rates on many imported goods and even infrastructure materials should be aligned to other major markets. To do otherwise will drive up costs and or be considered non-tariff barriers by importers.

***R2 ASBG recommends the 30% average recycled content should not be used. Instead recycled content may be developed on a case-by-case basis of product/waste stream, fully negotiated by each industry, importer and waste management sector involved in its circular economy. Additionally where a product has a well working recovery and recycling rate no mandated recycled content may be necessary.***

## 5 Other Issues

### 5.1 Total waste generated in Australia is reduced by 5 per cent per capita by 2025. Reduce total waste generated in Australia per capita by 10 per cent by 2030

ASBG assumes this means total waste not just waste sent to landfill. Again this is an aspirational goal and not one to set hard targets against. In this context it is supported. It also requires considerable redesign of products to not only to give them a longer life but to also encourage consumers to use them for longer, perhaps with repair cycles or other waste avoidance initiatives.

### 5.2 Phase out problematic and unnecessary plastics by 2030

While supported by ASBG this approach requires that *problematic* and *unnecessary* be first clearly and thoroughly tested by peer reviewed scientific and economic studies.



Recent bans of, for example plastic bags, were based on reducing marine pollution. However, lightweight shopping bags are a small part of the marine problem, which is dominated by plastic fishing gear and stormwater pollution. Clear outcomes from such bans also require testing later to see if they are effective to their desired objectives. This is often not the case when vague or even perverse outcomes occur. Costs and benefits on potential problematic plastic use must be broad and independently undertaken.

ASBG is concerned that an over emphasis on the environmental *problems* of the plastic will dominate, ignoring of the benefits in, for example, food preservation. This could lead to perverse outcomes of disproportionately more food waste.

### 5.3 Halve the volume of organic waste sent to landfill by 2030

New landfill developments are in general vote losers. However, they provide essential public health and environmental benefits. When they do fill they do need to be replaced. Tough calls are needed to be made to site new ones. Where this has failed; in Naples, Italy in 2009 and more recently in Beirut, Lebanon, public health is threatened.

Reducing the volume to landfill by 50% is ambitious, given the aversion to Energy-from-Waste (EfW) in a number of jurisdictions, especially NSW. EfW is widely used in Europe for reducing the amount of waste to landfill — ash is of a far smaller volume— and also gaining an energy output. Aversion to EfW is high and the public are easily frightened by false claims. Nevertheless, many jurisdictions are considering EfW facilities, such as in Western Australia. Note there are many wastes which cannot be recycled due to their high contamination and currently must be landfilled. However, EfW can fill a niche in this area as it can extract energy from a highly contaminated waste stream.

The UNWP also calls for a diversion of organic wastes away from landfill. Europe has embarked on this tactic, but again it utilises EfW. Without a clear plan on how to process, reuse or recycle this organic fraction, this aspirational goal appears optimistic and lacking in a pathway. Diversion of organic wastes from landfill requires to be properly planned. Identification and support of markets for the outputs of organic waste down-stream treatment and energy extraction systems (including anaerobic biogas generation or other pyrolytic systems). Output streams from organic processing also require markets where they can be sold and make the system of organic waste diversion economic.

This submission was prepared with the assistance of members of ASBG Policy Reference Group.

Should you require further details and clarification of the contents of this submission please contact me.

**Yours Sincerely**

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