

5 April 2019

Office of Resource Recovery
Department of Environment and Science
GPO Box 2454
Brisbane Qld 4001

Delivered via email to: wastepolicy@des.qld.gov.au

RE: ASBG's Submission on Queensland's Draft Waste Management and Resource Recovery Strategy

The Australian Sustainable Business Group (ASBG) welcomes the opportunity to comment on the [Draft Waste Management and Resource Recovery Strategy](#) (The Strategy).

The [Australian Sustainable Business Group](#) (ASBG) is a leading environment and energy business representative body that specialises 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 strongly support waste avoidance and minimisation and the development of a strong effective recycling and beneficial reuse systems and infrastructure, which operate cost effectively and efficiently.

Comments on The Strategy and the circular economy are provided. In general ASBG is supportive of the of The Strategy, but has concerns on the implementation and interpretation and offers additional ideas on the way the Circular Economy can be best implemented in Queensland.

1 OVERVIEW

ASBG supports the general thrust of the The Strategy and its direction. It is recognised the circular economy policy is a long term process and one which will continue. Many ASBG members have embraced the circular economy principles and there are many examples where businesses have diverted waste from landfill and introduced many different recycling systems and schemes, with many national industry based schemes such as for newsprint. Many of our members are in the business of recycling and or consume a major component of their activities for example:

- Paper recycling
- Newsprint recycling
- Steel and metal recycling
- Kerbside recycling
- IT and electrical equipment recycling
- C&D recycling
- Asphalt recycling
- Concrete recycling

- Other waste recycling

Recycling and beneficial reuse have always been part of Australia's economy. With increased emphasis on diversion from landfill and the subsequent cost drivers, recycling has increased significantly over the last two decades.

The recent China National Sword and other international import bans has impacted on recycling across the world. Contagion of bans on collected recycled materials, especially plastic and paper, are forcing developed countries, including Australia, to expand seek and develop new and alternative markets and reuse options for these collected materials.

In Australia the above has mainly impacted on kerbside recycling, via a cascading collapse of a variety of recycled product markets. To assist Government ASBG prepared its [Framework Approach to a Revamped/Reengineered Recycling System](#) which is attached in Appendix A. The Framework introduces key elements to build an efficient cost-effective revamped recycling systems including:

- Standardise the categories of collected recycle streams nationally.
- Reduction of contamination levels from point of collection to recycled product is essential to access existing markets and generation of new markets for such products.
- Regulatory reforms to reduce *red tape*, high costs, permit further down-cycling and improve the planning approval processes for waste infrastructure.
- Preference for a Nationally based approach, to standardise and remove *red tape*
- Support for Energy-from-Waste
- Improved streamlined approaches for business-to-business recycling
- Proviso of new financing approaches to assist in the revamping of recycling systems.

For a long term circular economy ASBG also adds the following principles:

- **Be market driven**, and avoid generating new recycling products where there is a limited market. Where practicable markets can be increased and develop via procurement and advertising campaigns.
- **No legislation needed.** The most successful long term recycling and waste reduction programs have been on a voluntary basis. Interventions such as waste levies have resulted in many perverse outcomes such as long haulages and arbitrages between markets. Interventions such as setting recycled content have resulted in many failings internationally. In short markets tend to suffer from red tape intervention, which should be avoided.

2 SUPPORT AND IDEAS FOR THE POLICY

ASBG strongly supports the key areas in the The Strategy, but adds ideas and comment on:

2.1 Strategy Targets by 2050

- 25% reduction in household waste is broadly supported, but notes, this is a visionary target and comes with no baseline in which to measure it.
- 10% reduction of waste to landfill again lacks a baseline, but this is an achievable target considering that The Strategy also strongly supports energy from waste (EfW).
- 75% recycling rates across all waste types by 2050 is an ambitious target, with a long timeframe and many government changes along the way. While supported as a vision achieving this will be a complex and difficult process. Currently we face a lack and declining level of manufacturing in Australia which can accept recycled materials. At the same time overseas markets for currently

collected recycled materials are drying up. This is an immediate issue which requires careful scientific, economic and careful planning to manage, even over the next 5 to 10 years.

2.2 Strategic Priority 1 – Reducing the impact of waste on the environment

ASBG supports Strategic Priority 1 actions, but a key issue to consider including is the waste generators' responsibility to provide a clean or cleaner waste recycling streams by minimising contamination. Contamination of collected recycling materials is a major problem for downstream processing and recycled product purchasers. For example, a small piece of asbestos sheet in a recycling truck can condemn the entire load. If it goes undetected it will contaminate and condemn the stockpiles as asbestos waste, sending all to landfill.

2.3 Strategic Priority 2 – Transitioning to a circular economy for waste

The development and expansion of new and existing markets for recycled materials is strongly supported. However, it faces considerable challenges which need recognition including:

Broad definition

Australia's manufacturing sector has been shrinking and in many parts simply cannot consume the vast volumes of materials generated in the waste streams. For example, glass bottle manufacturing makes less than 50% of the Australian market, plastics and paper are even less. For a true circular economy, these materials should flow back to the overseas producers to complete the circle. However, these overseas suppliers of goods, which did in the past accept our collected recycle are now rejecting all but very low contamination streams, forcing developed economies to create new internal markets or other solutions. Down-cycling is considered one of the answers, where a lower grade use of the material is made, such as making glass bottles into glass sand or an engineered fill.

As a consequence, ASBG welcomes a broad definition of a circular economy, which accepts that many recycled products will be down-cycled materials and energy from waste. However, the concept of a circular economy needs to also express that some waste, albeit a much smaller volume currently is being generated, is better off going to landfill. It must be recognised that recycling has its environmental limits as well as economic ones. This environmental limit can be expressed as the point where more natural resources are required to recycle into a product than the natural resources it replaces.

Product Stewardship

ASBG supports a national approach to product stewardship and strongly supports the Australian Packaging Covenant Organisation. Our members in their areas of material use will continue to explore product stewardship schemes to help drive market development.

Energy from Waste

ASBG strongly supports the Queensland Government's position of permitting *investment options to develop fuels and recover energy from wastes that cannot be reused or recycled as an alternative to landfill disposal*. EfW has a variety of public perception issues, especially in NSW, but is slowly gaining community acceptance in many other areas in Australia, especially Western Australia.

ASBG looks forward to working with the Queensland Government in developing its EfW policy, which should promote and progress this important inclusion in waste infrastructure. Given the difficulties in recycling and reusing some materials, EfW offers a solution even if it is medium term while better separation and collection systems are developed.

2.4 Strategic Priority 3 – Building Economic Opportunity

ASBG applauds The Strategy in recognising the need for a profitable and effective waste and recycling industry. As a result of the spate of import bans and limitations on collected recycled materials, many recyclers of wastes are experiencing difficult economic conditions.

ASBG also supports the waste levy relief Queensland has applied across the recycling sectors, as we were instrumental in the establishment of the 50% levy relief for metal shredders in NSW. The first of this type and now adopted in Queensland.

Legislative and Planning Frameworks and Market Development

ASBG strongly supports the use of funding from the waste levy revenue to *facilitate industry development and the expansion and evolution of the state's waste management and resource recovery industry*. However, recognition of the main road blocks is required so they may be addressed at the policy and perhaps legislative level. These include:

- Minimisation of contamination
- Evidence and risk-based acceptable contamination levels in recycled products

Minimisation of contamination

Waste generators, including residential and businesses must play their role in reducing and minimising contamination in their recycled streams. With 0.5% contamination being the threshold across many overseas recycle markets, higher contaminations are simply rejected. However, if such contamination rates are met the international market rate paid is reaching new highs, but 0.5% is very difficult to achieve. Most contamination rates for kerbside collections run at around 5% to 15%, but this has been increasing¹. Certain contaminants in recycling streams are intolerable such as asbestos. New innovative and educative methods are required to change behaviour in the managing the quality of recycled materials. While The Strategy identifies businesses, the inclusion of all waste generators is required to improve the contamination of the supply of recyclates. The concept of minimisation of contamination of recycle must also extend through the entire chain from generation, transport, storage, processing and then to market.

Acceptable contamination levels

ASBG calls for the use of evidence and risk-based acceptable contamination levels in recycled products. The majority of environmental contaminants are controlled by a risk-based approach, leading to an acceptable set of concentration levels which can be tolerated in the end use of a recycled product. These limits are established and well founded with the criteria, such as under the [Assessment of Contaminated Land NEPM](#) cited as one example.

C&D recycling is facing a considerable threat due to an overly conservative and non-scientific approach to asbestos contamination. Collapse of the C&D recycling product market in the Perth area and substantial quantities of asbestos contaminated soils being sent to landfill in NSW are two examples. Both are based where there might be asbestos present or the detection of one fibre in a stockpile condemns that stockpile. The NSW EPA and WA Government agencies reject [AS 4964 Method for the qualitative identification of asbestos in bulk samples](#), which was developed by occupational hygienists adopting a

¹ NSW EPA, [Domestic kerbside waste and recycling in NSW, Results of the 2011 waste audits](#), June 2014 see Contamination Rate

presence or may be contaminated criteria. If the trend of the non-scientific presence of asbestos catches in Queensland, then the targets for C&D and other affected recycling products will be cast in considerable doubt as landfill is generally the only option once asbestos waste is declared.

It is also not just asbestos, but an overly conservative approach to environmental protectionism will impact on the current and new markets available for recycled products. A sensible and scientifically risk-based approach is required or the markets available for recycled products applied to land or elsewhere will be greatly reduced, with landfill being the main destination.

3 CONCLUSION

ASBG welcomes the opportunity to engaging in the discussions on The Strategy and look forward to working with the Queensland Government in its roll out.

This submission has been prepared with the input and assistance of members of ASBG's Policy Reference Group (PRG).

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

Yours Sincerely

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ASBG's Framework Approach to a Revamped/Reengineered Recycling System

ASBG has developed this long term framework, based on member input, in response to the increasingly difficult economic environment of recycling across Australia. To provide confidence that businesses are concerned about recycling ASBG is looking to maintain existing recycling levels in this time frame. ASBG's key actions include:

Scale of the issue and response: Identification of the scale of the economic problems affecting recycling. Its purpose is to identify the extent of support and investment required in the sector. Minimising cost to revamp recycling is essential.

Physical Approaches: The two bin recycling system is no longer effective and new systems are required in collection, transport, MRFs and recycling facilities aiming for lower contamination levels and higher quality recycled products attracting higher prices. A key element in this approach is to develop a national *Agreed standardised set of source separated categories* for collections, which is likely to increase the number of categories for collection. Standardised inputs with should provide increased certainty in reengineering MRF and other recycling facilities. Improved education of the public and other recycle generators will be simplified and revamped following this standardisation.

Markets – New and expanding existing: Improved lower contamination levels via use of *source separated systems* will deliver higher classes of recycle for domestic and international markets. However, there is a need to develop new end uses for recycled materials, such as those based on engineered fill, down cycling and other markets. Adoption of recycled content procurement policies by Government is also required. For example, require the use of glass fines for engineered materials by government agencies in infrastructure, provided standards are met. *Industry innovation* → Supporting concept to market ready innovative new recycled materials, processes, products and end markets, including regulatory and grant supports and removal of green tape.

Regulatory / Policy Framework: Working with industry and the waste sector to deal with recycling in a cooperative manner to develop efficient governance and remove over regulation [green tape] on recycling, such as:

- *Outcome* based [environmental] measures preferred with *process and activity* based measures avoided.
- Avoid regulation of B2B by-product recycling where a common raw material used in another *bond fide* process.
- Promote the use of EfW, including use of existing industrial thermal processes.
- Establish the national waste database, increased waste tracking and economic modelling of waste and recycling.
- Review waste levies to: better support recycling via hypothecation and levy discounts on their waste streams, lowered to levels to reduce illegal dumping and disposal and to disincentivise long haulage of waste.
- Government to lead in progressing regulatory approvals for new and reengineered recycling facilities.
- Review of planning rules to increase community responsibilities for their wastes on a regional basis as in the UK.
- Remove planning approval road blocks to waste infrastructure, recognising waste is also a local health issue.

Financial Support and Approaches: including new grant schemes for new kerbside bins, MRF upgrades, and market support. Revised contracts to better share the risks in recycling markets between Councils and contractors. Development of low cost finance such as Australia's CEFC to support the revamped recycling system funding required.

Main Actions for Governments based on the above:

Progress an efficient; low-cost revamped reengineered recycling system with actions to:

1. Develop *Agreed standardised set of source separated categories* for collection.
2. Develop *recycled product standards* that are cost effective and environmentally responsible.
3. Review waste legislation, levies and polices to enable recycling to become efficient and profitable again.
4. Establish National, State and Territory Taskforces to enable the above actions, which include all major stakeholders to facilitate a new revamped and reengineered recycling system for Australia.
5. Establish improved financial funding for improved recycling.
6. Identify the scale of the recycling issue, the economic impact and support required and to establish the balance between onshore and off shore processing.