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Department of Environment, Land, Water and Planning

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RE: ASBG's Submission on Victoria's Waste and Recycling Legislation and Governance Options Paper 2020

Overview

The Australian Sustainable Business Group (ASBG) welcomes the opportunity to comment on the draft **Waste and Recycling Legislation and Governance Options Paper 2020**.

The [Australian Sustainable Business Group](http://www.asbg.net.au) (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 on industry, business and other organisations. We operate Federally, in NSW, Queensland and other state. We have over 100 members comprising of Australia's largest manufacturing companies and other related businesses.

ASBG represents a broad range of industries and businesses which also includes manufacturers, importers and the waste section. Our membership base, while including the waste sector, it largely represents generators of waste and product suppliers. Business wishes to reduce waste to landfill, recycle and reuse wastes made and supports government policy in this direction. Our members are strong supporters of waste avoidance, reuse and recycling founded on a science, cost-benefit and a risk-based approach. ASBG supports the continuing export of recycle commodities which meet international and local acceptable standards for recycling. In this context export is an essential way for Australia to better participate in an internationally based circular economy.

ASBG supports the general thrust of the *Waste and Recycling Legislation and Governance Options Paper* including the *Waste and Recycling Act 2020* (WRAAct). There is no question a new approach is required in the management of wastes and recycling across Australia. Victoria has been hit particularly hard by China's National Sword and the knock on effect to other recyclables markets. Put simply the internationally based circular economy system that was working reasonably well for many years has been significantly curtailed. China's actions, while there is some merit in their reaction to highly contaminated recyclates, are considered unnecessarily harsh, as they have essentially rejected their role in the circular economy. While they currently have a 0.5% contamination limit, they indicated recently that fibre, plastics, textiles and some metals may be simply banned from acceptance as recyclates. As a consequence, jurisdictions across the world have had to respond and seek new methods to manage their waste and recycling.

ASBG agrees with the proposal on the following issues:

Lack of quality data.

This issue has been consistently sought by ASBG and is part of the National Waste Policy, but there are many issues which have prevented good quality data. These include:

- Lack of national definitions on waste types, which varies across jurisdictions and even local Government areas

- Disincentives to publish the data and or make the data publically available, as it may contain evidence of failure to meet targets
- The cost of collection, compilation and central data base

The United States has had quality data since it enacted its [Recycling and Resource Conservation Act in 1976](#), which ASBG sees as an embarrassment for Australia on its inability to have common definitions and centralised database.

R1 ASBG recommends the WRAct include standardised waste classification definitions as a regulation power, consistent with the National Waste Policy and ensure the data is fully available and accessible to the public.

Waste Authority Model

ASBG supports the formation of the Waste Authority approach. Noting this concept is not new and similar systems are in use or have been used in the past including:

- [NSW Metropolitan Waste Management Authority](#) – this was limited to the Sydney area, but was also involved in the operational and construction phase of waste management. In 1992 many of its regulatory powers were transferred to the EPA and it was then seen as an alternative to private waste operators which lead to its sale about 15 years ago.
- [Alberta Recycling Management Authority](#), not a true Government Agency, but comprises of six member organisations representing stakeholder interests with a board member from the overseeing agency.

Lessons from these and other Waste Authorities and agencies etc should be reviewed to identify the weaknesses and strengths to ensure a well structured, empowered and resourced authority will provide the outcomes Victorian's are looking for.

R2 ASBG recommends the legislative framework for the Waste Authority take into account advantages and disadvantages of similar Government waste agencies that are in operation or have existed in the past.

Consistent Recycling Practices

Setting consistent standards for household waste must include punitive measures for all involved in the waste and recycling streams for those who breach quality and or contamination levels. For the waste service contractors these standards need to be reasonable and workable. Stakeholder meetings should be used prepare and improve the standards which are to be applied. In addition, the standards need to be flexible as end markets change, due to new or changed environmental contaminants or changes or closures to end facilities.

There is also little point on requiring recycling facilities high standards when highly contaminated material is supplied subject no controls on it. This can be true of kerbside bins where Local Governments are, unsurprisingly, reluctant to impose controls on its residents. However, there are a number of examples where contaminated bins are refused to be collected and or treated as red bin waste, some with a fee to suit¹. Bins contaminated with asbestos waste can lead to significant and further stockpile contamination.

R3 ASBG recommends: Inclusion of stakeholders in the preparation of any proposed standards in their development and ongoing improvement. Standards for contamination and quality should be applied to all those involved in the generation, collection, processing, and end use of recycled materials.

¹ Blacktown Council [Waste Management Service Charter 2019](#) see Contaminated Bins

Business Source Separation

Most businesses generally have good recycling practices as not doing so can lead to increased costs and fees. Mandating business recycling should be of a tiered approach with very small businesses treated similarly to residential addresses. Rural businesses will be different from urban. Increasing requirements can then be applied to progressively larger organisations, perhaps by industry type. In any formation of business source separation it should be developed with stakeholder engagement. Many business groups wish to be engaged in such sustainable practices, if they do not already do so. Inviting business engagement is likely to generate some effective and efficient recycling ideas and practices which would be a good show of Government Business cooperation.

There are already many punitive measures in place for businesses contaminating waste streams, but this could be made more in proportion to the scale of the business and along the lines of a tiered system as discussed above. Most waste collection businesses prefer a reputational approach to weeding out those who supply the more contaminated wastes from those who provide higher quality recycle. Under this approach the waste contractor can simply follow a contract with the customer and charge them more or less depending on the quality of their recycles provided. This would negate regulatory involvement, except in extreme circumstances.

R4 ASBG recommends a tiered approach be developed with consultation, where the scale, location and type of businesses is considered and proportional to the waste volumes and types.

Data Collection - Businesses

Data collection again should focus on a tiered system. Smaller businesses can benefit from the waste collection company providing weights on recycling, contamination and reporting these back to their customers.

Data collection for the waste contractors can be problematic for smaller operators. A key cost is in the software required to track, link weight, customer and contamination or other issues. Provision of a generic software package should assist in the recovery of waste data from the smaller waste operators. Weighing is also an issue and methods than weighbridges for smaller operators would be well accepted.

ASBG also warns about the use of mass-balance systems on recycling facilities. Mass-balance is inherently error prone; moisture, biodegradation and chemical reactions (such as steel rusting) changes the weight of materials throughout the recycling chain. In NSW a mass balance is used to ensure the correct waste levy amount is applied. However, it would be simpler, from an accounting perspective to use receipts of recycling product to measure the amount recycled and landfill or downstream waste facility receipts to show the masses of materials moved.

ASBG has developed an alternative method to applying waste levy amounts to recyclers in a simpler and fairer way that avoids many of the inherent errors and accounting difficulties with the mass-balance approach. ASBG's paper [Levy Discount by Payment on the Amount of Product](#) document describes a system where bona fide recycling products are given a rebate and all wastes going to landfill or disposal are still subject to the full levy amount at the gate.

New Powers for Recycling Markets

With the commonwealth Product Stewardship Act is being reviewed and the National Waste Policy taking a lead role in the area of national recycling markets ASBG is concerned that Victoria requires having its own separate powers in this area. Any recycling market schemes to be introduced should be made to work with Commonwealth lead schemes to enhance and not compete with them.

Firstly the Commonwealth is in a far better position to apply levies on imported products that are subject to Product Stewardship schemes that require a levy² in order to fund its recycling schemes. Victoria does not have powers to do so to imported products. Consequently, alternative schemes are required which are less efficient and tend to harm local manufacturers rather than capture all the products in the market. Having special recycling fees, labels, collections and processing for Victoria only is inefficient. Where Victoria targets different priority products, these are likely to either avoid being sold in Victoria or result in price differences resulting in cross border smuggling if the costs are set too high.

Reference is made to NSW powers, which were put in place over 20 years ago when the Commonwealth had no significant position on waste. Also NSW abandoned its pursuit of Extended Producer Responsibility after 2011 when the National Waste Policy was firmly in place. As a consequence ASBG finds the proposals for State Based Product Stewardship redundant considering the recent Commonwealth initiatives in this area.

R5 ASBG recommends not including additional powers when the Commonwealth is currently leading the policy and legislative frameworks to manage Product Stewardship on products and other Extended Producer Responsibility Schemes as two systems will create inefficiencies and potentially may result in perverse outcomes.

Infrastructure Planning


To be an effective Waste Authority, it will need to have powers and programs to site new waste facilities. New strategies will be required to assist in getting proposed facilities through the planning system. One approach which has worked in the past is to reward a community, such as local sporting groups with new facilities and even equipment. Bringing them along with the new planning proposal can result in such groups being a louder voice than those who simply oppose the development. Success using this approach has worked in the past but such negotiations require considerable resourcing. Nevertheless, it is always better for the community to support such proposals rather than have them forced upon a community.

There are many advantages to having one State wide entity managing waste and recycling. Education becomes much simpler. Contracts are centralised and fair prices for fair delivery can be struck. The Authority will audit and oversee many of the operations under its control. However, there needs to be a clear line in the sand between the Waste Authority and the EPA's jurisdictional areas.

R6 ASBG recommends and supports a strong planning system within the Waste Authority, who will need to work with other departments and local communities to provide incentives that may dominate from the common negative sentiment associated with important and essential waste facilities.

Should you require further information, clarification or details on the submission please contact me on 02 9453 3348.

Yours Sincerely



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² The [Product Stewardship for Oil](#) levy scheme is an example

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