



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

MAV Submission

October 2018

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Table of contents

<i>Introduction</i>	4
<i>Principle 1: Avoid waste</i>	5
<i>Principle 2: Improve resource recovery</i>	6
<i>Principle 3: Increase use of recycled material and build demand and markets for recycled products</i>	8
<i>Principle 4: Better manage material flows to benefit human health, the environment and the economy</i>	10
<i>Principle 5: Improve information to support innovation, guide investment and enable informed consumer decisions</i>	12

Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a response to the *'Updating the 2009 National Waste Policy: Less waste, more resources'* discussion paper. The MAV is the peak body for local government in Victoria. Formed in 1879, we have a long and proud history of supporting councils to provide good government to their communities.

As acknowledged in the discussion paper, local government plays a critical role in our waste and resource recovery system and should be considered a key stakeholder for this review.

Recent events, including China's implementation of its National Sword Policy and growing media interest in waste management practices, have highlighted the challenges involved in dealing with the many million tonnes of waste generated in Australia each year. Significant change is needed to improve the efficiency and sustainability of our waste and resource recovery system. National leadership, cooperation and investment in waste and resource recovery is critical to achieve systemic, lasting change.

The MAV supports and applauds the decision to update the National Waste Policy and to include targets for waste reduction, improved resource recovery, use of recycled content, phasing out of problematic plastics, reduced organic waste to landfill and enhanced data. It concerns us, however, that the detail regarding the why, how and who of these targets is largely missing from the discussion paper. It's also highly problematic that pending the release of the 2018 National Waste Report later in the year, targets and actions are being considered and consulted on without shared knowledge of current baselines and trends.

The discussion paper is silent on whether further consultation with key stakeholders, including local government, will occur to develop an implementation plan for the various strategies identified in the discussion paper. This would be an important next step, so all stakeholders can understand and provide feedback on the implications of any proposed role allocation. Victorian councils operate in a rate-capped environment and are therefore constrained in their ability to fund or support new or changed responsibilities.

It is our hope that this review, together with the review of the *Product Stewardship Act*, will genuinely help transition Australia to a circular economy where waste avoidance is prioritised. It's unacceptable that our current waste and resource recovery system provides little or no incentive for designers, manufacturers, importers, distributors and consumers of products to take responsibility for the environmental impacts of products throughout their lifecycle, from design to disposal. This is not fair and certainly does not accord with the polluter-pays principle.

For too long waste has been thought of as a local government problem when it is the federal government, industry and business that hold the most power to drive the necessary systemic change. Upstream solutions are long overdue, and we again call on the federal government to set Australia on track to achieving a more sustainable and environmentally responsible waste and resource recovery system.

Principle 1: Avoid waste

The discussion paper proposes a national target to reduce total waste generated in Australia per capita by 10 per cent by 2030. The baseline for this target will be determined by data presented in the 2018 National Waste Report to be published later this year.

The paper states that in the last 10 years Australians have reduced the total amount of waste we generate by 3 per cent per capita. We note, however, that this only holds true if you include fly ash, a waste from coal-fired power plants, in the total amount of waste generated. The 2016 Australian National Waste Report clearly notes that if you exclude fly ash, waste generation in Australia per capita increased by almost 1 per cent each year over the same 10-year period.

As supporters of the waste hierarchy we consider waste avoidance to be a priority area of focus and therefore we welcome inclusion of a target for waste reduction. In the absence of an explanation as to why 10 per cent was chosen, how it will be achieved, and what baseline will be used, however, it's difficult to determine whether we agree with the target.

Considering Australia's population growth projections, we are concerned that a 10 per cent reduction per capita does not go far enough and essentially endorses an increase in waste generation overall. According to the Australian Bureau of Statistics, over the past decade our national population grew by 17.9 per cent. With Victoria's rate of growth currently exceeding all other states and territories (2.2 per cent for the year ending 31 March 2018, compared with a national average of 1.6 per cent), Victorian councils and the Victorian public have good reason to question what the implications of only achieving a 10 per cent reduction would be.

We consider a reduced waste generation target preferable to a reduced waste to landfill target as the latter does not address waste avoidance and risks a cultural shift towards increased consumerism with greater reliance on alternative waste treatments such as waste to energy.

It is concerning that the paper fails to mention climate change or greenhouse emissions and acknowledge how reduced waste generation could contribute to Australia's emissions reduction target. The MAV recognises that we are in a state of climate emergency that requires urgent action by all levels of government. Reducing consumption and waste, and managing waste better, are important elements of the response to the climate emergency not least because of the potential to reduce our production and transport emissions.

The discussion paper identifies three strategies and several possible interim milestones to help meet the proposed target. The strategies are expressed in high level terms only and suggest that the Government may seek to rely on voluntary action to achieve the target. For example, one proposed interim milestone is that 'businesses implement actions to avoid waste and support design of products that increase a product's lifecycle (including disassembly and repair) by 2020'. While we support the intent of this proposal, there is so little detail in the wording in terms of the who, how and what happens if no businesses act, that the milestone risks being

meaningless. Likewise, we support in principle the proposal for 'targeted consumer education strategies in place across Australia ...by 2021' but need to know more in relation to who will be responsible for developing and implementing these strategies. There is a pressing need for national and state education campaigns that deliver clear and consistent messaging and reach the masses via mainstream media channels.

The discussion paper notes that of the 64 million tonnes of waste generated in Australia per year, 31 million tonnes come from the commercial and industrial sectors, and 20 million tonnes come from the construction and demolition sectors. While there has been much media focus on municipal solid waste, these other waste streams require significant attention. There is a risk that by having one combined reduction target, the improvements in one sector could mask inaction in others. Consideration should be given to separate targets for municipal solid waste, commercial and industrial waste, and construction and demolition waste.

In order to drive investment in the circular economy it is critical that the waste reduction target be ambitious and that there be inducements for action. While voluntary measures and consumer and industry education are vital components of reducing waste, regulatory measures should also be considered to deter needlessly wasteful practices from continuing. Expanding and strengthening extended producer responsibility and product stewardship obligations are clearly within the remit of the national government and we call on the government to exercise these powers.

As per our submission to the *Product Stewardship Act* review, Victorian councils support mandatory schemes for all products that generate waste and sacrifice valuable resources to landfill or to other non-renewable channels. Clear and binding targets should be contained within the *Product Stewardship Act* to drive action by industry and to provide a straightforward measure about the level of success being achieved.

In relation to consumer packaging, we call on the National Environment Protection Council to review the *National Environment Protection (Used Packaging Materials) Measure 2011* (NEPM) and impose mandatory participation and binding obligations on all industry participants in the consumer packaging chain. There should also be penalties for those who do not meet their obligations.

Principle 2: Improve resource recovery

The discussion paper proposes a national target of an 80 per cent average recovery rate from all resource recovery streams, following the waste hierarchy, by 2030. The baseline for this target will be determined by data presented in the 2018 National Waste Report to be published later this year. The paper notes that Australia currently recovers 58 per cent of waste via recycling and waste-to-energy initiatives.

The MAV supports a strong national target for resource recovery and we also strongly support the waste hierarchy as the guiding principle for how waste should be managed. It is important that in setting an 80 per cent target for resource recovery that reuse and recycling are clearly prioritised over energy recovery. This must also be accompanied by strategies to ensure there is sufficient pull-through for the resources being recovered. Increasing levels of stockpiling following changed market conditions demonstrate that without a strong demand for the recovered resources the benefits of a circular economy cannot be fully realised.

While Victorian councils are excited about the potential opportunities that waste to energy technologies present, they remain of the view that energy recovery should not and cannot be allowed to become an excuse for diverting our efforts and investment away from waste reduction and improved resource recovery. For this reason, we support there being a separate target specifically for recycling.

The discussion paper proposes four strategies to help achieve the proposed 80 per cent recovery rate. The first is product stewardship. As already noted above, we consider it essential that product stewardship be a major part of the National Waste Policy. The current framework for product stewardship is inadequate as evidenced by the scarcity of approved programs. We support significant change to the Act and its administration to ensure more schemes are enacted and are subject to proper oversight.

While the proposed milestone of 100 per cent of packaging being reusable, recyclable or compostable by 2025 is admirable, it is important not to conflate the ability to be recycled with the ability to be usefully recycled. A critical element is market pull-through to ensure the material that is present has a use. It is also important to acknowledge that while materials may be recyclable, if the systems to recycle them are not easily accessible recycling still may not occur. Transport costs can be and often are a strong disincentive to recycle. Lack of easy access to the necessary facilities can also result in an unfair expectation on local governments to set up and maintain separate recycling systems. We believe there should be an ambitious target for packaging to use recycled material in the National Waste Policy, noting that this is addressed in a strategy identified under principle 3.

Another of the proposed strategies is to implement a common approach towards policy and regulation of waste, particularly in relation to national opportunities to support development of markets for recycling. It's proposed that action plans on policy priorities be agreed by 2019, with common approaches towards transportation of waste, national energy from waste responses and landfill levies to be developed.

We agree that consistency of approach across jurisdictions is preferable, but we also note that it is important that this consistency results in a lifting of standards rather than a lowering. We are wary of any approach which may hinder individual governments at state or local level from going above and beyond what has been agreed nationally. Councils working alone and with other councils have a long history of leading innovation and progress by pushing the boundaries.

We strongly support better consideration of regional, remote and indigenous communities when developing circular economy initiatives. For too long schemes such as the National Television and Computer Recycling Scheme have neglected these communities, resulting in increased burden on the local councils in those areas and/or poorer environmental outcomes. Industry as well as state and national governments must be required to provide adequate resourcing to service our more geographically distant residents.

In relation to the proposed strategy to increase industry capacity, we agree this should be a priority. The discussion paper identifies a number of proposed interim milestones most of which include a delivery timeframe of 2019 or 2020. We question whether these timeframes are realistic, again noting the total lack of detail regarding the who, how and what for each milestone. For example, one of the proposed milestones is to 'establish or improve recycling and resource recovery infrastructure by 2020'. There is no detail given regarding the type of infrastructure or improvements this milestone will capture or the measures that will be used to determine success, nor how and to what extent industry will be supported to increase its capacity.

The recent challenges in the recycling sector arising from China's import restrictions have highlighted that the Australian public effectively consider recycling to be an essential service. When faced with losing their kerbside recycling services Victorian communities were vocal and resolute in demanding that the service be maintained even if this meant paying higher costs. Consideration needs to be given to how greater transparency and oversight of recycling industry players can be achieved to ensure residents are getting good value. Issues such as lack of competition and insufficient oversight in the waste and resource recovery industry need to be addressed.

Principle 3: Increase use of recycled material and build demand and markets for recycled products

The discussion paper proposes a national target of 30 per cent average recycled content across all goods and infrastructure procurement by 2030. The baseline for this target will be determined by data generated through a new National Waste Account and reported in the National Waste Report to be published in 2020.

The MAV supports the adoption of this target. As noted in the discussion paper, improved resource recovery in Australia depends on growth in demand for recovered and recycled material.

The discussion paper identifies two strategies and numerous interim milestones to mark progress towards meeting the target. In terms of sustainable procurement by governments it's proposed that:

- All Australian governments adopt sustainable procurement policies or guidance with measurable targets for use of recycled content by 2020
- A baseline be established through a new National Waste Account from which to measure changes in procurement of goods containing recycled materials by 2020
- By 2025, government achieve 30 per cent average recycled content in goods and products purchased, by total volume

In relation to the third dot point above, consideration needs to be given to making this 30 per cent average recycled *Australian* content in goods and purchases. Without the emphasis on Australian recycled content, the resources we are aiming to create a circular economy for may be substituted with imported recycled content.

While the MAV is supportive of each of these milestones we note that significant work will need to be undertaken to achieve each one. There would be clear efficiency gains if template procurement policies and guidance were developed in consultation with possible end users. We note that the Victorian Government's Recycling Industry Strategic Plan includes an action to drive demand for products containing recycled material through government procurement. Sustainability Victoria and the Department of Treasury and Finance will lead the work focused on Victorian government procurement, and the MAV and councils will work with the state on local government procurement. It should be acknowledged that recycled materials are often more expensive and this may influence council purchasing decisions in a rate-capped environment.

In relation to use of recycled content for infrastructure projects, we note that one key barrier to greater innovation are the specifications used for different asset types. There is much work to be done to ensure and to satisfy project managers that recycled material can be used without compromising the quality or risk profile of an asset. Industry support will be critical to advance this work.

In the absence of a standardised national product label indicating percentage of recycled content in products, we note that it will be difficult to establish a credible baseline from which to measure improvements in the use of recycled material from 2020. We support the development of a standardised national product label and welcome its inclusion as an interim milestone in relation to sustainable procurement by business and consumers. We note that it will be essential that the accreditation system for the label is credible so that consumers can trust that products claiming a certain percentage of recycled content do indeed contain that recycled content. In order to help drive consumer demand for recycled content it will also be critical that the label is easily recognisable and has a strong public profile.

In relation to sustainable procurement by business and consumers, we support in principle each of the following proposed interim milestones noting that, as is the case for most strategies and milestones included in the discussion paper, important detail regarding who will be leading and funding this work is absent:

- Review of regulatory barriers and opportunities for use of recycled content in products by 2020
- Innovation in resource recovery and manufacturing uses for recycled content better supported by 2020
- National standards and specifications for high priority recycled materials or applications in place by 2020
- National packaging targets, focusing on recycled content in packaging, achieved by the Australian Packaging Covenant Organisation by 2025
- Standardised national product labelling indicating percentage of recycled content in packaging in place by 2020
- Australian businesses adopt sustainable procurement policies or guidance with measurable targets for use of recycled content by 2025
- 30 percent average recycled content in goods and products purchased by businesses, by total volume, by 2030

Principle 4: Better manage material flows to benefit human health, the environment and the economy

The discussion paper proposes national targets to (a) phase out problematic and unnecessary plastics by 2030 and (b) halve the volume of organic waste sent to landfill by 2030. The baseline for this target will be determined by data presented in the 2018 National Waste Report due to be published later this year.

The MAV is supportive of the targets although we would like to see the timeframe for the phase out of problematic plastics to be reduced to 2025 at the latest and we note that significant investment in market development and consumer education will be essential to achieve the organic waste target.

Progress made on the phase out of problematic plastics must be monitored closely to assess whether a mandatory requirement is necessary rather than voluntary or self-regulating measures.

While significant improvements can be made by phasing out products which include microplastics, there is a need to recognise that this will not remove the problem of microplastics completely. For example, synthetic materials release large amounts of microplastics when washed leading to significant pollution of waste water. We would encourage a program to upgrade water treatment facilities to enable filtering out of microplastics as an efficient method of addressing this.

To improve the management of chemicals and hazardous waste, extended producer responsibility must play an increased role. This is also an area which must have consistent

policy at a national level both in the identification of which chemicals and waste products to target as well as the requirements on those who use and handle them.

In 2014-15, 15Mt of organic waste was generated in Australia (including hazardous organic wastes). Organic waste is the second largest waste stream by tonnage after masonry materials (National Waste Report 2016). We support the goal of reducing the generation and landfilling of organic waste, although believe there needs to be more detail on how the goal of 25 per cent reduction of organic waste to landfill was developed, and exactly what it includes.

Based on Sustainability Victoria data, 54 of Victoria's 79 councils collected some amount of material through a kerbside garden organic service in 2015-16, although this includes a mix of opt-in and mandatory services. These councils account for 89 per cent of Victoria's total kerbside collection tonnage.

The 2016 National Waste Report indicates that non-food organics are recycled at a rate of 64 per cent, compared to food organics at 23 per cent. It should be noted that rates for energy recovery should be treated with caution, as these are predominantly comprised of capture of landfill gas. In MSW food waste this accounts for approximately 75 per cent of the material considered recovered in fact being material sent to landfill and then recovered as energy through gas. There is a need for clarity on whether the target for a 25 per cent reduction in organic waste sent to landfill includes this material as being sent to landfill or as being recovered.

A critical factor in recoverability of food and organic waste is separation into its own stream at the source. This is borne out by the National Waste Report. Nearly 100 per cent of hazardous commercial and industrial food waste, which must be separated due to its hazardous nature, is recycled compared to the 85 per cent of non-hazardous commercial and industrial food waste which is sent to landfill.

Assisting councils in developing food waste collection services should be a priority for reducing the amount of material that goes to landfill, as should ongoing programs to reduce the amount of food waste generated. The significant constraints facing councils in introducing services should be kept in mind when developing strategies in this area, particularly in states like Victoria where rate-capping presents an additional legislated restriction on council resources. Proximity to reprocessing facilities is a key consideration for councils when considering introducing a food waste service. Investment in additional facilities in strategic locations to minimise transport costs would encourage councils and businesses that generate food waste to support recovery of food waste.

We strongly support initiatives to reduce the generation of food waste which target businesses through the supply chain but note that community education to reduce food waste in the home may be even more vital. Household food waste collected in municipal solid waste is generated at a higher rate than commercial and industrial food waste and is sent to landfill at a higher rate.

Organics are not the only stream that would benefit from increased separation of materials. In all streams this can lead to a higher quality and more usable product with less contamination. Container deposit schemes and product stewardship not only have the potential to increase the efficient recovery from those products directly targeted, they can also reduce the impacts those products have on the rest of the waste stream.

Principle 5: Improve information to support innovation, guide investment and enable informed consumer decisions

The discussion paper proposes a national target for fit-for-purpose and timely data to be available for individuals, businesses, and governments to make informed decisions. The target itself is not stated although proposed interim milestones include:

- Publish biennial National Waste Reports, and include data generated through a new National Waste Account by 2020
- Investigate options for the production of infrastructure, trade and market information, including imported product and packaging information and material flows, by 2020
- Data and reporting improvements implemented by 2020

Victorian councils already provide significant amounts of waste-related data to Victorian government agencies, including Sustainability Victoria and the Department of Environment, Land, Water and Planning. In improving national reporting, it is important that consideration is given how to best leverage reporting that is already provided to state and territory governments and bodies such as the Australian Packaging Covenant Organisation. It is essential that any decision to introduce new or additional reporting requirements is preceded by consultation with those being asked to provide the data, to ensure that they have the capacity and capability to comply. It is also important that any data request has clearly defined parameters, so the information provided is consistent and comparable.

Timeliness of data and reporting is an important issue, with the lag time between providing data to government and the publication of the aggregated data analysis an ongoing frustration for councils and other waste stakeholders. For example, in Victoria we are still working with 2015-16 aggregated waste data because the Victorian government is yet to release the 2016-17 data. This has made an already challenging year in the waste and resource recovery space more challenging. Likewise, it is frustrating that this discussion paper has been published ahead of the 2018 Australian National Waste Report and that more was not done to expedite the release of that report.

In relation to trade and market information, we'd strongly support the provision of publicly available reporting that facilitates greater oversight and transparency of the waste and resource recovery sector. While there are various privately-owned services available that offer access to price indices and forecasts and market analysis, these come at a high cost and with strict

constraints regarding sharing of that information. Given governments' role in waste and resource recovery, an argument can be made for there to be public access to detailed and current market information.

In relation to market development and research it is proposed that existing recycling data collection methodologies be reviewed by 2020; barriers and opportunities in markets for goods containing recycled content be analysed by 2018 and ever five years thereafter; and support for innovation and research and development in waste management and recycling be improved by 2025. Again, we support each of these milestones in principle but note the complete lack of critically important detail regarding the who, how and what.