



Inquiry into Recycling and Waste Management

Victorian Parliament Planning and Environment Committee

Submission

May 2019

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Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a submission in response to the Victorian Parliament Environment and Planning Committee's inquiry into recycling and waste management.

The MAV is the statutory peak body for local government in Victoria. Formed in 1879, we have a long and proud tradition of supporting councils to provide good government to their communities.

In relation to waste and recycling, the MAV's primary role is to lead advocacy on behalf of the sector to the state and federal governments; to provide guidance and support to councils; and to facilitate information-sharing between councils.

In early 2019, prior to the temporary closure of SKM's materials recovery facilities (MRFs), the MAV consulted member councils regarding the development of the new MAV strategic plan. Waste and resource recovery was identified as one of the top two priority issues for the sector, with the clear message being councils need and want the MAV to do more in this space. All councils – metropolitan, regional and rural – are calling for transformational change to our waste and resource recovery system.

As the provider of waste services and infrastructure, local government plays a critical role in our waste and resource recovery system and must therefore be considered a key stakeholder for this inquiry. We anticipate several councils will make their own submissions to the inquiry in addition to having provided highly valuable input to this submission.

The last 16 or so months have been very costly and difficult for councils as the recycling sector struggles to adjust to a post-China National Sword world. It is our great hope that the challenges facing our recycling system will serve as a catalyst for significant reform and investment to help expedite the transition to a circular economy. We hope the Committee's findings from this inquiry will help further accelerate that transition.

Perhaps one of the greatest frustrations for local government in relation to waste and resource recovery is that it is the other two tiers of government – federal government and state government – that hold the most important levers to transform our waste and resource recovery system into a strong, sustainable and fair system.

In March this year the MAV launched our *Rescue Our Recycling Action Plan*¹. The plan reflects our view that all three levels of government as well as the private sector and the community are responsible for managing our resources sustainably. The plan identifies five key actions each tier of government should take to achieve lasting beneficial change to our system. These actions are referenced throughout the submission.

¹ Municipal Association of Victoria, [Rescue Our Recycling Action Plan](#).

While the terms of reference for this inquiry are broad and refer to the waste management system as a whole, much of this submission focuses on the challenges and opportunities for our kerbside recycling system. We consider this appropriate given the relatively short timeframe provided to prepare a response and the fact that it was kerbside recycling that was most severely disrupted by China National Sword. We cover some of what we consider the most vital broader elements in our response to Term of Reference 4.

Finally, as strong supporters of the waste hierarchy, we and councils ask that the Committee not lose sight of the fact that our first priority should always be to avoid waste generation altogether. As consumers, we tend to view recycling as a panacea that can make any level of consumption sustainable. This thinking needs to change.

ToR 1: The responsibility of the Victorian government to establish and maintain a coherent, efficient and environmentally responsible approach to solid waste management across the state, including assistance to local councils

There is no question that the Victorian government has a critical role to play in ensuring we have a strong and sustainable waste and resource recovery system across the state. The *Environment Protection Act 1970* clearly sets out various state agency responsibilities, including the role of waste and resource recovery groups to plan for the future needs of waste and resource recovery infrastructure within its region and facilitate the provision of waste and resource recovery infrastructure and services by councils.

We consider core waste-related responsibilities of the State to include:

- environmental regulation;
- community education;
- infrastructure planning and investment;
- market development;
- advocacy to the federal government;
- industry / essential service regulation; and
- policy leadership.

Except for the two last dot points, the Victorian government already performs each of the abovementioned duties, albeit with varying degrees of commitment and investment. Indeed, despite a tendency for Victorian governments past and present to often characterise waste management as a “local government issue”, there always has been and continues to be a myriad of state agencies actively involved in waste management-related activity.

Under the current government there are no fewer than ten state agencies with high profile waste management-related roles, namely the Department of Environment, Land, Water and Planning (DELWP), Sustainability Victoria (SV), the Environment Protection Authority (EPA), and the seven waste and resource recovery groups (WRRGs). The challenges of navigating a system with so many State players are discussed in the following section (ToR2).

Environmental regulation

The MAV and councils respect the EPA's role as the independent environmental regulator for Victoria, and we support the EPA's prioritisation of community health and safety when dealing with waste and resource recovery facilities. Although the EPA's mid-February decision to issue pollution abatement notices to two SKM facilities² resulted in significant disruption and cost to councils, councils understood and respected the EPA's decision.

The need for the EPA to be well-resourced, proactive and strong has been further underlined with the recent discovery of enormous illegal stockpiles of hazardous chemical waste across the state. The alleged involvement of organised crime in this activity³ indicates that there is much money to be made doing the wrong thing in waste management. It is clear that the current regulatory settings and sanctions are failing to act as a deterrent to illegal operators. This needs to be addressed as a matter of priority.

While we are hopeful that the new Environment Protection Act, due to come into effect on 1 July 2020, will strengthen the EPA's capacity and remit to deal with rogue and poor-performing operators, it is highly concerning that we are still more than 12 months away from that new Act becoming operational. The need for harsher penalties and a stronger regulatory framework is urgent and immediate, change needs to happen now.

The lack of EPA presence in rural and regional areas is an ongoing concern for many councils and, in our view, a significant weakness in the Victorian regulatory system. While we are aware that EPA staffing in Melbourne has grown significantly as part of the EPA transformation program, councils report no or limited expansion of EPA operations in regional areas. Mildura, for example, continues to be serviced by the EPA Bendigo office some 400km away.

One EPA / Victorian Government program that has delivered benefits both to local government and state government and, most importantly, to the Victorian community, is the Officers for the Protection of the Local Environment (OPLE) pilot program. Seven regional councils and six metropolitan councils are participating in the program which involves placement of an authorised EPA officer within those councils to respond to local reports of noise, odour, dust, waste dumping and storage, litter and water pollution.

The feedback the MAV has received from the 13 councils involved in the program has been unanimously positive. Not only has it resulted in improved communication and collaboration between EPA and local government, it has also enabled councils to resolve long-standing waste and pollution issues within their municipalities. Participating councils have numerous examples of situations where the involvement of an EPA-badged officer has resulted in a

² Environment Protection Authority Victoria, "[EPA issues SKM notices for Coolaroo and Laverton sites to stop receiving waste](#)"

³ The Age, "['Complete disregard for safety': Toxic chemicals dumped in city's north](#)", published 2 January 2019

complete change of attitude and approach by businesses and individuals. This highlights the pressing need for greater EPA presence across all regions of Victoria. We also hope that the Andrews Government will continue and increase its support for the OPLE program beyond the current expiry date of July 2020.

One challenge for councils during the recent closure of SKM's MRFs was that most affected councils had not been advised or aware of non-compliance issues at the sites until after EPA notices had been served and receipt of material was no longer permitted. We understand that in other jurisdictions, including NSW, the environmental regulator publicly shares details of notices issued on their website, so anyone can check the compliance history of a site. We think it essential that Victoria's EPA likewise be able to publicly share details of notices issued.

Another related challenge for councils during the SKM shutdowns was the lack of access to timely and accurate information that could help them gauge when they might expect operations to recommence. On several occasions SKM advised councils that they expected to be back in business by a certain date only for that date to pass without any resumption of service or further communication. While we do not seek to downplay the scale of the task SKM faced to achieve compliance, councils would have greatly benefited from reliable information from an independent source to help them understand the state of play. In the absence of such information, councils could rely only on the limited information that SKM chose to share.

It would have been helpful to councils if EPA had been permitted to brief them directly on what they were observing at the closed sites in terms of the size of remaining stockpiles and the level of activity occurring to clear those stockpiles. This kind of information-sharing is critical to enable councils to plan and to communicate with their residents.

Community education

In our view the Victorian government has a critical role to play in providing state-wide waste and recycling education to build the community's understanding of the waste management system, the impacts of their own behaviour on the system, and the benefits and importance of waste avoidance and recycling. We consider this to be one area where the State could and should be doing much more.

While we understand SV and the seven WRRGs have waste education within their remit, for the last several years' it has largely been left councils to educate their communities about waste and recycling-related matters. In our view, the complete absence of highly visible state-wide waste education campaigns has almost certainly been a key contributing factor to the relatively high rates of contamination in our kerbside recycling and to the public's low level of understanding and appreciation of recycling and sustainable consumption.

One of the key lessons from the ABC "War on Waste" series was that individuals are often oblivious to the fact that their day-to-day behaviours and purchasing decisions are

unsustainable and appallingly wasteful. The series demonstrated that, if presented with the information in a clear and visually engaging way, individuals will change their behaviour. As a result of the series, councils reported increased community vigilance, action and advocacy on waste and recycling issues. If one television series can do this, a concerted campaign from the State could likely achieve much more.

An example of a highly successful state-based education campaign is the 'Every Drop Counts' campaign. This resulted in significant awareness, understanding, behaviour change and action around water use in the Victorian community. The campaign was coupled with a suite of legislative instruments and programs to support its success. Waste and recycling issues, including the related greenhouse impacts, require equal attention and focus.

We understand that the Victorian Government will soon run an education campaign focused on improving recycling behaviour in terms of ensuring waste items are placed into the appropriate bin. We believe there is a pressing need to expand waste education to influence people's desire to recycle and their understanding of the environmental benefits of doing so, rather than just telling them how to do it. We also consider there to be major gaps around waste education focused on waste avoidance and minimisation. While projects such as SV's 'Love Food, Hate Waste' campaign addresses one element of waste - food waste - improved focus and outcomes are needed across all material types.

An unfortunate consequence of media coverage of the recycling crisis over the last several months is the loss of public confidence in kerbside recycling and a public perception that recycling material is routinely sent to landfill. The lack of visible State leadership reinforcing the message that the crisis is a global one, that steps are and will continue to be taken to strengthen the system and that in the meantime it is essential that the community continues to recycle has damaged the public's trust of all levels of government and potentially undone decades of community education by local government.

In order to strengthen our waste and resource recovery system, we urgently need the Victorian government to step up and deliver state-wide waste education via mainstream mass-reaching channels, including prime time television. Changing community behaviour and attitudes towards waste avoidance, recycling contamination, separation at source, resource recovery, diversion from landfill, and support for local markets that generate a circular economy, is fundamental to building a sustainable kerbside waste management system.

On 1 July 2019 the State-wide ban on e-waste to landfill will come into effect. As at late May 2019 we are yet to see any of the promised State-led state-wide education for this ban. In the absence of State-led education on this matter, councils will, yet again, have to fill the void and deal with the consequences of a confused and disengaged community.

Infrastructure planning and investment

According to the SV website, SV 'is responsible for planning for Victoria's waste and resource recovery system at a statewide level' with the Statewide Waste and Resource

Recovery Infrastructure Plan (SWRRIP) at the heart of that planning. The SWRRIP ‘sets out goals and strategic direction for the next 30 years required to ensure we have the right infrastructure in the right place to manage the waste we generate in a manner that maximises recovery and minimises adverse impacts on the community, environment and public health⁴.’

Alongside the SWRRIP sit seven 10-year Regional Waste and Resource Recovery Implementation Plans. Together these plans have been established to not only outline the infrastructure needed to manage and recover resources from waste in Victoria, but also to provide industry with certainty and the information they need to invest in waste and resource recovery infrastructure in Victoria.

Councils are supportive of the SWRRIP and regional plans but are frustrated by the slow pace of their implementation, including the ongoing lack of investment by successive State governments to support delivery of the plans’ infrastructure priorities. The ability of the SWRRIP to fully address future infrastructure needs in light of the current global recycling crisis may also need to be re-examined.

In January 2018 it was rural and regional Victorian councils that were first disrupted by local impacts of China National Sword. Service cost increases and disruption have unfortunately been hallmarks of the Victorian recycling system ever since. The February and March 2019 temporary closure of SKM MRFs again underlined how limited our kerbside recycling sorting and processing capacity is in Victoria and how overly dependent we’ve become on three operators. Regional Victoria in particular is in dire need of local MRFs to provide communities with an alternative to the financially and environmentally costly practice of trucking material to Melbourne for sorting and processing. Due to the tyranny of distance, regional councils, and therefore regional communities, are often required to pay significantly higher costs for their recycling services compared to metropolitan communities.

The costs of building and modernising waste and resource recovery facilities are extremely high. There can be little doubt that 10+ years of underinvestment by successive state governments has contributed to the underdeveloped recycling system we have in Victoria today. This is extremely frustrating given that the State has long had and continues to have a ready stream of revenue to support development of the system in the form of the landfill levy.

The recovery of recyclable material from the kerbside system over the past two decades has relied on the collection of material in a commingled bin. This material is then compacted to achieve transport efficiencies and taken to MRFs where technology is used to separate the material into commodity categories. This approach uses a large amount of energy and water to recover quality resources and has resulted in a dependency on overseas markets rather than development of local markets.

⁴ Sustainability Victoria, [Statewide Waste and Resource Recovery Infrastructure Plan at a glance](#), (p.5)

Separation of material at the household level has the potential to provide a cleaner and higher quality material stream and eliminate the need for expensive resource-consuming technology to undo the material soup that could have been avoided in the first place. There are councils that are keen for the State to use landfill levy income to financially support councils to further separate out waste streams. The longer-term result of separation at source would be higher quality recycling material, the development of local markets, the development of a circular economy, increased commodity value and lower processing gate fee costs.

In order to attract and support investment in infrastructure and market development, it is essential that State grant programs are sufficiently flexible to encourage innovation. Councils report that their efforts to secure funding support for projects that could potentially achieve a genuine step change in waste and resource recovery have often failed because of the requirement to “tick all the boxes” in terms of grant eligibility criteria. While we appreciate that it is essential that the State is accountable and transparent regarding the expenditure of public monies, it’s also critical that there is enough flexibility within grant programs to foster new ideas and partnerships.

Market development

Critical to a stable and sustainable resource recovery system is the existence of strong markets for recycled materials. While SV is responsible for the Victorian Market Development Strategy for Recovered Resources, all Victorian government departments and agencies, and indeed all levels of government, can and must play a key role in market development through their purchasing practices.

While we understand that work is underway within SV to bolster markets for recycled materials, it is clear this is another area where more than a decade of underinvestment by successive state governments has left our resource recovery system too vulnerable to offshore market changes. The State can and should send a clear signal to the market by setting minimum recycled content procurement targets and by incentivising others, including local government, to do the same.

The Victorian Market Development Strategy for Recovered Resources was published in August 2016, almost a year before China notified the World Trade Organisation of its intention to restrict importation of certain waste materials. The strategy includes several actions that should have helped our recycling system deal with such a significant structural change. It’s unclear however, what the implementation status is of many of the actions within the strategy. It would be timely for the State to provide a detailed update on this.

There must be a coordinated approach by the State to foster sustainable waste management practices in all upstream and downstream policies and strategies. Kerbside recycling material needs to be high quality, the material must have local market and manufacturing demand, and the material must be tied into a circular economy which is supported by strong procurement policies and a commitment from federal, state and local

governments to purchase products containing local recycled content. This can and must commence now with products that are already available.

Advocacy to the federal government

While the Victorian government has several critically important roles to play in the waste and resource recovery system, it is the federal government that perhaps has the greatest power to drive upstream change to avoid and minimise generation of waste.

We need the Victorian government to be a strong advocate for national leadership on waste issues including by calling on the federal government to establish, strengthen and expand product stewardship schemes; to ban the importation and production of hard-to-recycle materials; to set targets and introduce regulations/legislation to phase out the use of virgin materials for packaging and other products where possible (and in the interim set minimum recycled content procurement targets); and to also deliver community education campaigns.

For too long the federal government has dismissed waste management as a “state issue”, with the Victorian government often then shrugging it off as a “local government issue” as well. This must change. All three levels of government, the private sector and the community have important roles to play.

Recognising the economic, environmental and social costs of a weak and volatile waste and resource recovery system, we urgently need all three tiers of government working together to achieve several specific outcomes including:

- Reducing the volume of waste generated per capita
- Educating the community to support and act in accordance with the waste hierarchy
- Ensuring products are designed for ease of recycling
- Investment of landfill levy funds for their intended purpose (namely to minimise waste and maximise resource recovery)
- Achieving high quality recovered material streams
- Maximising resource recovery
- Developing and supporting strong local markets
- Achieving a shift from a linear economy to a circular economy
- Product stewardship for all products that generate waste
- Procurement policies that result in a genuine commitment by the three tiers of government to purchase products that have local recycling content
- A strong legal framework to support sustainable waste management practices

Industry / essential service regulation

One key learning from the recycling challenges over the last 16 or so months is that the Victorian community value their kerbside recycling service and want and expect that service to be reliable and responsible, resulting in the recovery of resources. For all intents and purposes, Victorians consider kerbside recycling to be an essential service.

In Victoria currently, we have three dominant MRF operators and a handful of smaller operators. When the impacts of China National Sword began to be felt locally early last year, MRF operators started to demand contract variations from councils to compensate them for the significant drop in commodity prices. When councils resisted those demands, they were threatened with cessation of services. When councils sought to verify that the cost variations were reasonable, industry refused to provide detailed cost and income data on the basis that it was commercially sensitive. Likewise, when councils sought information on whether the material MRF operators sorted was being on-sold locally or overseas, the MRF operators provided little if any detail, again citing commercial sensitivity. Operating in a rate-capped environment, councils were expected to accommodate cost increases of at least \$60 per tonne.

As the procurer of kerbside recycling services, local government is obliged to seek to secure the best value for their communities. It is very difficult for councils to be confident that they are achieving this however when the few MRF operators that exist in Victoria refuse to operate transparently. While there is a push from certain quarters of the Victorian government for councils to adopt a cost-sharing / risk-sharing price model with MRF operators, we do not see how councils could responsibly do this in the absence of regulation of the industry.

The Essential Services Commission (ESC) describes itself as 'an independent regulator that promotes the long-term interests of Victorian consumers with respect to the price, quality and reliability of essential services.' Consideration needs to be given to what role ESC or another state agency could play in regulating our waste and resource recovery industry. Without such regulation Victoria will continue to struggle to achieve an efficient, environmentally responsible and reliable recycling system.

Policy leadership / the Circular Economy

Finally, drawing on each of the responsibilities identified above, we consider the State to have a leading role to play in the development of a holistic policy approach that supports and commits Victoria to transition to a circular economy.

The Victorian Government has committed to a whole-of-government circular economy policy and action plan, to be released in 2020. We welcome this commitment and hope that there will be genuine and sustained consultation with key stakeholders, including local government and industry, throughout the development of both documents. It is essential that all Victorian government ministries are engaged and have accountability for the policy, especially regional development and resources; economic development; transport infrastructure; public transport, ports and freight; jobs, innovation and trade; roads; small business; training and skills; and, of course, energy, environment and climate change.

Any response to the current crisis in Victoria's recycling and waste management system must also consider the potential greenhouse emissions and opportunities to minimise emissions from waste and recycling management. A solution that does not consider the

climate emergency, does not provide a coherent, efficient or environmentally responsible approach.

ToR 2: Whether the China National Sword policy was anticipated and responded to properly

With the benefit of hindsight, it is now clear that there was little appreciation or understanding within any level of government of the implications of the China National Sword policy for the Victorian recycling system. Based on events of the last 16 or so months it's also questionable whether our recycling industry understood and anticipated the impacts.

In July 2017 the Chinese Government notified the World Trade Organisation that it would impose significant restrictions on the import of waste products beginning in 2018. In the six-month period between notification and implementation, little if anything appears to have been done to prepare Victoria for the impacts of China's decision.

We understand that Australia was among five World Trade Organisation members who formally queried the National Sword policy in October 2017⁵. However, we are unaware of what steps, if any, the Federal Government then took to plan for potential impacts or to communicate and work with other levels of government regarding the incoming restrictions.

We are similarly unaware if the Victorian government took any steps to prepare for possible state-wide impacts of China National Sword. The Government and state agencies' initial reluctance to acknowledge that the challenges being faced were of a global nature, would suggest not. The MAV wasn't briefed on any potential fallout and, as far as we know, neither were councils. We'd like to think that if there was anticipation within the State that there would have been strong engagement with key industry stakeholders, including research and development specialists, economists, local government, and a range of others to identify contingencies and solutions before the crisis unfolded.

In addition to a lack of action in anticipation of National Sword, we believe there has been a broader failure across all three tiers of government to consider the overall health and robustness of the recycling system over a long period of time. While National Sword has been the most significant recycling market shock, there has been at least three other downturns in the last decade⁶.

Given the system has been built on the back of strong export prices, market downturns should have been recognised as a significant vulnerability. Long-term investment and planning to reduce waste generation and to create a strong domestic recycling sector should have been treated as a priority by state and federal governments.

⁵ World Trade Organization, "[China's import ban on solid waste queried at import licensing meeting](#)"

⁶ Sustainability Victoria, [Recovered Resources Market Bulletin March 2019](#), p.8

Despite there being numerous state agencies for which this sort of planning might be considered a core role, it appears little was done prior to the current crisis to strengthen our system in case of structural adjustments. Based on our own experience of working with the State, we question whether the lack of role clarity of the various state agencies working on waste issues may have contributed to this. We also wonder whether the fact that local government bears most cost and risk for waste management meant there was little motivation within the Victorian government to prioritise waste management issues.

Whilst, as noted earlier, there are no fewer than ten state agencies involved in waste management issues, it is of great concern to the MAV that none of these agencies necessarily work or have worked in the best interests of local government and the Victorian community. It is also of concern that there is also no single lead agency for waste and resource recovery issues.

Whilst EPA's role as the independent regulator is clear, the discrete roles of the DELWP, SV, and the seven waste and resource recovery groups (WRRGs) are less clear. For example, in relation to waste education we understand SV and the seven WRRGs each develop and deliver programs and projects, as do councils. There is no single agency coordinating this delivery, ensuring that consistent messages are used and that resources aren't being wasted duplicating work already done by others. Similarly, at any given time there may be grant programs being run out of SV, the WRRGs and / or DELWP - all with different requirements and focus areas. This leads to confusion and frustration within councils and raises serious questions about the efficiency and effectiveness of our waste and resource recovery governance structure.

In responding to National Sword, both we and councils have often been frustrated by an apparent lack of understanding within government and state agencies of the seriousness and urgency of the challenges being faced. Again, we believe this is, at least in part, due to the State having limited skin in the game in terms of cost and liability, despite them having the levers to create meaningful system-wide change.

In relation to recent state initiatives in response to China National Sword, we are concerned that the experiences of councils over the last year are being ignored or are still poorly understood. For example, much of the State's focus since early last year has been on "improving" council contracts for recycling services.

Focusing on recycling contracts to minimise the risks associated with reliance on export markets for our kerbside recycling material is an attempt to treat a symptom rather than the cause. This is not a contract issue, this is a system issue and a community behaviour issue. Other export markets such as India, Vietnam, Malaysia and Indonesia are following China's lead in terms of reduced tolerance for material contamination. This has placed an enormous pressure on Australia's kerbside recycling system.

Furthermore, in positing that councils would best be served by entering into collective procurement processes run by the waste and resource recovery groups, state agencies have largely ignored the fact that those councils that are already party to a collective contract

managed by the Metropolitan WRRG have experienced the same, if not more, challenges as councils on individual contracts.

While we see collective procurement as a potentially useful strategy to attract new recycling operators and/or investment into Victoria, we consider it disingenuous for the State to suggest this as a standalone solution to strengthening recycling in Victoria. Furthermore, the MAV has some misgivings about state agencies, in the form of the WRRGs, undertaking this role on behalf of local government. The potential for conflicts of interest cannot be ignored.

On a related note, earlier this year the Metropolitan WRRG and Local Government Victoria (LGV) published guidance and model contract clauses for councils to use in their recycling contracts⁷. This guidance completely ignores the experience of councils in terms of MRF operators' willingness to share cost and income data and, more worryingly, appears to prioritise the interests of industry ahead of councils and ratepayers.

We understand that the genesis of the guidance was the Recycling Industry Strategic Plan⁸ and that MAV was intended to be a partner for this work. Unfortunately, we were only consulted briefly when the documentation was at a final draft stage. At such a late stage it's perhaps not surprising that much of our feedback was not taken on board.

In July 2018 the Victorian government released the Recycling Industry Strategic Plan (RISP). The RISP's stated goals are to stabilise the recycling sector; increase the quality of recycled materials; improve the productivity of the recycling sector; and develop markets for recycled material. We consider the plan to be a positive and important step by the State and welcome the \$24 million (or \$37 million if including the \$13 million announced in February 2018) investment attached to its implementation.

The MAV and local government are identified as partners for six of the 10 actions outlined in the RISP. To date we and councils have had limited involvement in the work being led by state agencies to progress these actions. We are hopeful that this may change following recent meetings with the Minister for Energy, Environment and Climate Change.

As the representative body for Victorian local government, it is critical that the MAV is consulted by the State in a meaningful and timely way to ensure appropriate input on behalf of councils. We further believe that the State should set up a taskforce with local government representation to ensure that the recycling-related work currently being undertaken within State agencies is not disconnected from what's workable and achievable in practice. Councils' operational knowledge and understanding of their local communities should be considered key inputs in the development of policy, programs and resources by the State.

Finally, the MAV does want to acknowledge that there are many individuals within the State working hard to support our recycling system. For example, during the recent SKM service

⁷ Metropolitan Waste and Resource Recovery Group, [Recycling Industry Support for Councils – Guidance Notes and Model Contract Clauses](#)

⁸ Department of Environment, Land, Water and Planning, [Recycling Industry Strategic Plan](#)

disruptions, the Metropolitan WRRG convened regular teleconferences and meetings to update and facilitate information sharing between councils. The newly launched SV monthly bulletin on the state of recyclable material markets is another example of a promising initiative that will hopefully prove to be a very useful resource for stakeholders, including councils⁹.

Future risks

While Victoria's recycling system has already experienced severe disruption as a result of the China National Sword policy, we fear that it is only a matter of time before further significant disruption occurs. Analysis of waste export data completed by Blue Environment for the Department of Energy and Environment notes that Australia exported 343,000 tonnes of waste in February 2019, representing an increase of 29 per cent from January 2019¹⁰. Six countries - Indonesia, India, China (including Hong Kong and Macau), Bangladesh, Malaysia and Vietnam - received 81 per cent of that waste (by weight).

The report also includes an overview of waste import restrictions that countries have implemented or are planning to implement. Each of the six countries that received 81 per cent of Australia's waste in February 2019 have announced or implemented restrictions of some kind. The possible future impacts of these restrictions are somewhat unclear. What is clear is that Victoria and Australia remain very vulnerable to further global market shifts and that there is an urgent and immediate need to develop and strengthen our local recycling capacity and capability.

ToR 3: Identifying short and long-term solutions to the recycling and waste management system crisis

In March the MAV published the *Rescue Our Recycling Action Plan*¹¹. The plan outlines five key actions each level of government should take to achieve lasting beneficial change to our recycling system. Much of what is included in the plan are long-held positions of the local government sector that have been articulated in various MAV submissions and advocacy over the last few years.

Victorian Government

Key actions for the Victorian government to take include:

Investment in recycling infrastructure

There is a pressing need for increased sorting and processing capacity across Victoria. One of the key lessons from the temporary closure of SKM facilities in early 2019 was that there

⁹ Sustainability Victoria, [Recovered resources market bulletin](#)

¹⁰ Blue Environment, [Assessment of waste exports from Australia in February 2019](#), published April 2019

¹¹ Municipal Association of Victoria, [Rescue Our Recycling Action Plan](#)

is little spare capacity in Victorian MRFs to accommodate temporary redirection of material from one MRF to another. This left several councils with no choice but to send kerbside recycling to landfill and placed significant strain on those MRFs that agreed to receive additional material. The SKM closures also highlighted the vulnerability of our recycling system to single points of failure. We urgently need the State to expedite implementation of the SWRRIP and the seven regional plans.

Recognising that it will take time to establish new sorting and processing capacity, urgent consideration and investment by the State is needed to develop contingency options in case of further disruption of services. It concerns us greatly that if one of Victoria's larger MRFs was to shut down tomorrow we would be in the same position we were in when SKM temporarily closed its sites in February and March. We urgently need plans and investment that will prevent further recycling going to landfill and we need financial support for councils to help them deal with cost of these crises.

Fund and support market development

Strong domestic markets for recycled content are a necessity for a sustainable recycling system. We need the State to bolster support for research and development, to set and meet whole-of-government procurement targets for Australian recycled content and to incentivise procurement of Australian recycled content by others, including local government. Incentives could be in the form of tax breaks for Victorian manufacturers who use recycled content and packaging in its processes, and direct funding support for councils to significantly increase their purchase and use of recycled content. Councils would benefit from support to improve their ability to assess and increase use of recovered/ recycled materials and to also incentivise waste reduction. With State funding assistance, the MAV would be well placed to provide this support to councils including by drafting template policies and procedures. The significant reserve of landfill levy funds could be used to support these initiatives.

Introduce a container deposit scheme

Victoria and Tasmania are now the only Australian states yet to commit to a container deposit scheme (CDS). The Victorian Government must work with the MAV and councils, as well as industry, to introduce a Victorian CDS that achieves the best outcomes for the community. Container deposit schemes are celebrated for their strong record of success in increasing recovery of beverage containers, reducing waste to landfill, delivering community, environmental and economic benefits and decreasing litter. In light of trials and studies underway, consideration should also be given to how a separate kerbside collection for glass may complement or supplant a CDS. Either way, it is imperative that the principles of product stewardship and extended producer responsibility apply.

Bolster community education

A consistent state-wide community education campaign is required to empower Victorians to make waste-wise decisions, pressure producers to reduce waste, and recycle correctly in their home and workplace. Education should be informed by the waste hierarchy, with waste avoidance the top priority. Refer to the section above (ToR1) for more detailed feedback on community education.

Strengthen industry oversight / regulation

Recycling is an essential service and should be treated as such in terms of regulation and oversight. In Victoria we have just a few large recycling providers and these providers operate with limited transparency and accountability. State oversight is needed to enable councils and other stakeholders to make informed decisions with regards to recycling services. We need industry accountability regarding their costs and revenue and in relation to what they do with the material they receive. Councils and their communities want to know that their kerbside recycling collection service is actually resulting in resource recovery.

In relation to dangerous stockpiles of material, a lack of industry oversight, appropriate enforcement tools and resourcing within enforcement agencies have all contributed to the current challenges we face. We support the adoption of the *Waste Management Policy (Combustible Recyclable and Waste Materials)* and the establishment of the Resource Recovery Audit Taskforce led by the EPA. We are concerned however that the resourcing afforded to the Taskforce is not commensurate to the significant human and environmental risks these stockpiles pose to the community. The penalties attached to illegal storage and non-compliant stockpiling are also grossly inadequate.

More proactive consideration of the movement of waste materials is needed longer-term, including better tracking of waste from generators right through to eventual disposal or beneficial use. This should allow the EPA and other agencies to intervene earlier to address risk, as well as improve the state of knowledge for our recycling system and strengthen accountability and transparency.

There can be little doubt that low global commodity prices and difficulty in sourcing appropriate markets have led to increased stockpiling by recycling providers. These are risks that should have been planned for not only by governments but also by the recycling industry. As discussed throughout this submission increased market development assistance and the development of a domestic recycling industry where we recycle and reuse the materials locally is critical to strengthen our recycling system. Cooperation and collaboration between state and federal governments will be essential.

Federal Government

As already mentioned above, the federal government has a critical role to play in providing national leadership on waste issues and in achieving upstream change to minimise the amount of waste generated in the first place. Key actions the Victorian government should be advocating for the federal government to take include:

Mandatory product stewardship

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. Instead, for most municipal waste and resource recovery services, ratepayers bear the cost

regardless of their individual consumption choices. This is neither fair nor efficient, and certainly does not accord with the polluter-pays principle. Product stewardship schemes can and do offer a better alternative.

By internalising the environmental costs involved in managing products throughout their lifecycle, producers and consumers are incentivised to use resources more efficiently. We need the State to advocate for the federal government to establish, strengthen and expand product stewardship schemes with mandatory arrangements across a wider range of materials and products. Life-cycle considerations should be improved in order to assist a transition to a circular economy, with more localised outcomes and market development and support. We would also like to see the federal government provide product stewardship incentives and/or tax breaks for manufacturers that use recycled content and packaging.

Tackle consumer packaging

The federal government should work in partnership with state and territory ministers to review the *National Environment Protection (Used Packaging Materials) Measure 2011* and introduce mandatory participation and binding obligations across the consumer packaging chain. The federal government has made clear it considers the Australian Packaging Covenant Organisation (APCO) to be an important partner in driving change in packaging practices but the effectiveness of APCO is compromised by the ease with which industry players can opt not to participate and do so without penalty.

Pending a review of the NEPM existing obligations on industry should be clarified so it is easier to hold them to account. The federal government should also set targets and introduce regulations/legislation to phase out the use of virgin materials for packaging and other products where possible.

Strengthen the National Waste Policy

In partnership with state and territory ministers, an action plan should be developed for the *National Waste Policy* that includes firm and ambitious targets and timelines that fast-track our transition to a circular economy. The action plan must also be developed in consultation with local government and industry to ensure that it is informed by operational knowledge and expertise and is able to be supported by key stakeholders. All three tiers of government, industry, the private sector and the community have important roles to play.

It is enormously disappointing that the *National Waste Policy* published in late 2018 failed to include any firm targets or timelines and that progress on the development of the action plan has been so slow to date. This lack of investment and on-the-ground action again highlights the lack of political will at federal level to provide strong leadership on waste and resource recovery issues.

Regulate / ban production and importation of non-recyclable and hard-to-recycle materials

The federal government is uniquely placed to ban or regulate non-recyclable and hard-to-recycle materials in Australia, such as expanded polystyrene foam and plastic microbeads. Waste avoidance must be the top priority for all levels of government, but it is the federal government that has the power to ban production and importation of problematic materials.

Standardise package labelling and certify use of recycled content

The adoption of the Australasian Recycling Label should be mandated for all consumer packaging sold in Australia. In addition to this, a consistent certification system for recycled content should be adopted in line with the US or European models. Industry and consumers would all benefit from clear, credible and consistent labelling systems.

Fund and support market development

As noted above, strong domestic markets for recycled content are a necessity for a sustainable recycling system. We need the federal government to bolster support for research and development, to set and meet whole-of-government procurement targets for Australian recycled content and to incentivise procurement of Australian recycled content by others, including local government. Incentives could be in the form of tax breaks and direct funding support.

Community Education

Alongside state and local government, the federal government could and should play an important role in community education. Campaigns focused on waste minimisation could easily be developed and run nationally.

Local Government

Finally, councils recognise that they have a critical role to play in strengthening our waste and resource recovery system. Key opportunities include:

Collaboration for market expansion

MAV and councils are seeking to work with the Victorian government to investigate and support options to collaboratively procure kerbside recycling services with the aim of enhancing competition and attracting new investment in recycling in Victoria. As discussed in Term of Reference 2, we do not consider collaborative procurement to be the cure-all for the recycling system, but we see merit in councils working together to try to improve the offering of services in Victoria and to achieve efficiencies of scale.

Community education

Councils are the level of government closest to the community and have long track records delivering effective waste and recycling education. Councils should continue to develop and support community education to complement state-wide campaigns. A number of Victorian councils have declared a climate emergency and recognise the inter-relationship between consumption, purchasing, waste, disposal and greenhouse emissions and have made this a focus of their communication with their communities.

Buy recycled

Councils should be procuring recycled content where feasible for corporate operations, services, and infrastructure programs. We need a stronger pull-through for recycled content to support the recycling industry. Improved research programs spearheaded by the Victorian

government will support a wider range of potential uses for recycled content and enhance councils' ability to buy recycled.

Explore stream separation

Working with industry, we need to explore changes to collections that further separates material, particularly glass, to create a less contaminated and more useful recyclable product.

Advocate to and work with the federal and state governments to achieve the reforms outlined above

Many of the actions required can ultimately only be taken by the State and / or federal governments. As representatives of their communities, local government has a key role to play advocating for reform and investment by other levels of government to create a responsible and sustainable waste and resource recovery system

Landfill levy / Sustainability Fund

Since the introduction of the Municipal and Industrial Landfill Levy (MILL) in 1992, successive Victorian governments have generated significant revenue from the disposal of waste to landfill. The levy, payable on each tonne of material sent to landfill, was introduced by the State to provide an incentive to Victorians to increase their recycling and reduce waste. Councils pay the levy on municipal waste sent to landfill, with the cost passed through to ratepayers via waste service charges, gate fees at landfills and transfer stations, or through general rates.

Since 2005, approximately \$1.7 billion has been collected through the levy¹². According to the 2017-18 DELWP annual report, the State generated \$228.9 million in landfill levy income in 2018 alone. After funding State environment agencies, the remaining \$80 million of the levies went into the Sustainability Fund – a hypothecated fund set up to foster sustainable use of resources, best practice waste management, and reduction of greenhouse gas emissions. The total money accrued in the Sustainability Fund as at 30 June 2018 was \$511 million.

The lack of investment of Sustainability Fund monies back into the Victorian waste and resource recovery system has long been of concern and frustration to councils. The MAV has repeatedly called on successive State governments to use landfill levy income for its intended purpose. Instead successive governments have chosen to stockpile Sustainability Fund monies to bolster the Government's bottom line or, as has occurred more recently, to pay for initiatives not at all related to waste and resource recovery.

In 2018, the Victorian Auditor-General's Office (VAGO) released its report *Managing the Municipal and Industrial Landfill Levy*. VAGO concluded that there was potential risk that the levy and the Sustainability Fund are not always used for their intended purposes and that

¹² Victorian Auditor-General's Office, [Managing the Municipal and Industrial Landfill Levy](#), 2018

activities that receive fund monies are not achieving the legislative objectives'. VAGO also identified that there was an opportunity cost associated with the large portion of unspent money in the Sustainability Fund, noting that if this situation were to persist 'the public may reasonably question the quantum of the charge on every tonne of waste that goes to landfill.'

This failure to invest greater amounts of landfill levy income back into our waste and resource recovery sector has no doubt contributed to the recent and ongoing challenges in the recycling sector. Had the landfill levy been used to improve resource recovery in Victorian – including via community waste education, support to local government, investment in sorting and processing capacity and market development – the recycling system would surely be in a far stronger position than it is today.

ToR 4: Strategies to reduce waste generation and better manage all waste such as soft plastics, compostable paper and pulp, and commercial waste, including, but not limited to product stewardship, container deposit schemes, banning single-use plastics and government procurement policies

As noted throughout this submission, we urgently need to reduce the amount of waste generated in addition to improving the management of waste. There are a number of initiatives through which these goals can be furthered.

Product stewardship

Product stewardship must underpin Victoria and Australia's approach to waste management. 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. Product stewardship schemes can and do offer a better alternative.

Under the *Product Stewardship Act 2011* the federal government has the power to introduce mandatory product stewardship schemes, and we believe it should do so for all products that generate waste. However, in the Act's eight years of operation, no mandatory product stewardship schemes and only one co-regulatory product stewardship scheme have been established.

In early 2018, the Department of Environment and Energy commenced its review¹³ of the Product Stewardship Act. Public input was invited, and the MAV lodged a submission ahead of the 29 June 2018 deadline. As at May 2019, there has been no report back on the public comments received and no progress update on the review. This is very disappointing given the various challenges confronting our waste and resource recovery system and the clear need for upstream change to incentivise waste avoidance. We hope and expect the Victorian

¹³ Department of the Environment and Energy, [Review of the Product Stewardship Act 2011, including the National Television and Computer Recycling Scheme](#)

Government will join local government in advocating for expansion of product stewardship approaches through the review and subsequent operation of the Act.

E-waste

From 1 July 2019 e-waste will be banned from landfill in Victoria. While we support the objective of diverting e-waste from landfill, we have serious concerns about the ban's implementation.

We have consistently argued that the problem of e-waste should be approached through the lens of product stewardship. The National Television and Computer Recycling Scheme (NTCRS) was established in 2011 and represents a working model for the handling of e-waste. We believe that the goal of eliminating e-waste from landfill could have been better achieved by an expansion of the NTCRS or the introduction of a similar system.

Successful implementation of the ban requires a comprehensive community education campaign, a network of easily accessible e-waste collection points, and strong markets for the re-use of the collected material. Less than two months from entry into force of the ban we do not believe these pre-conditions exist.

Container Deposit Scheme

Every mainland State other than Victoria has either introduced or committed to introduce a Container Deposit Scheme (CDS), and Tasmania is actively considering options to do so. CDSs have proven to be effective in increasing materials recovery as well as in reducing litter. The Victorian Government must, as a matter of urgency, work with local government to design and implement a CDS for Victoria.

As noted below, a CDS may have interactions with increased source separation through kerbside collections such as a separate glass bin. This emphasises the need for proper consultation in designing a scheme.

Problematic materials including single-use plastics

Some materials are so problematic for effective waste management that the most appropriate solution is to prevent their use as far as practicable. Single-use plastics such as bags, straws, and wrapping are difficult to recycle, cause significant litter problems, and impact the operation of recycling infrastructure. The Victorian Government has committed to a ban on single-use plastic bags based on this principle, which we support. However, a plastic bag ban cannot be the only response to problematic materials.

Some hard-to-recycle materials may need to be addressed at a federal level through actions such as production and import bans, and again the Victorian Government has a key role to play in advocating for this to take place. The Australian Packaging Covenant must also be significantly strengthened to impose mandatory targets on all producers for the use of both recyclable material and recycled content in packaging and include oversight of both APCO and duty holders.

In addition to legislative responses, Victorian councils are taking a leading role through initiatives such as plastic wise events policies in councils like Surf Coast Shire Council¹⁴ and Darebin City Council¹⁵. These are important not only for their direct impacts, but in developing community awareness of the environmental impacts of disposable products and better alternatives.

Consumers must play a role in tackling the problem of hard-to-recycle materials by making smarter purchasing choices and applying pressure to producers and distributors of products. To enable this, we must do better in educating the community about which materials are problematic, why, and how to identify them.

Government procurement policies

Ambitious procurement policies from local, state, and federal governments are required to establish and support viable markets for recycled content. A number of councils are already moving towards greater prioritisation of environmental impact in their purchasing decisions, including the use of recycled content. We believe that all levels of government should be actively working towards minimum recycled content commitments in their procurement policies.

Many examples exist of local governments prioritising the use of recycled content for particular projects. For example, Hume and Wyndham City Councils are trialling recycled glass and plastics in their roads, while Wyndham and Hobsons Bay City Councils are trialling recycled plastics in their foot and bicycle paths.

We believe that there are several key actions to support increased use of recycled content. Further funding must be made available to make these projects viable to pursue for all councils. Regulatory specifications and requirements must enable the use of recycled content where appropriate. In many cases this will involve working with industry and researchers to validate and demonstrate equivalency of recycled content. Finally, there is a need for better processes, and possibly improved certification, to provide councils with confidence that stated levels of recycled content are genuine. This would greatly assist councils to prioritise procurement of recycled content.

Community education

Community education underpins many of the strategies which need to be implemented and is discussed in more detail under Term of Reference 1.

Food Organics and Garden Organics

Food Organics and Garden Organics (FOGO) represent 44 percent of municipal solid waste sent to landfill in Victoria by weight, with the clear majority of this being food waste¹⁶. This is

¹⁴ Surf Coast Shire Council, [Plastic Wise Guide 2018 For markets and events](#)

¹⁵ Darebin City Council, [Single-use Plastic Free Events Policy](#)

¹⁶ Metropolitan Waste and Resource Recovery Group, [Introducing a kerbside food and garden organics collection service – A guide for local government](#), p.8

in addition to the 344,000 tonnes already collected through existing organic kerbside services.

Diverting more of this organic waste from landfill is a necessity to reduce carbon emissions, increase resource efficiency, and manage landfill capacity, and must begin with separation from garbage at the kerbside.

Many councils are already acting on municipal food waste. As of June 2018, five metropolitan Melbourne councils, and 14 regional councils operated a FOGO service¹⁶. We believe that there is a strong need for State support to assist in the rollout of FOGO collection across Victoria.

Additional consideration must also be given to working with industry to increase the types of material which can be collected and processed through FOGO collections. Items either labelled as or thought of as compostable are often not able to be accepted by the FOGO facilities available to councils. There is also significant scope for the State to work with industry to reduce the level of food waste originating from commercial sectors.

We also believe the State has an important role to play in ensuring that end markets for recycled FOGO material are robust to support increased recycling.

[Kerbside separation of glass](#)

Currently between 30-60 per cent of glass in the recycling bin is recovered. Separation of glass at the kerbside into its own stream could increase this recovery rate to 90 per cent¹⁷. Separation of glass would also reduce the contamination of other recyclable materials, chiefly paper and plastic, by glass fragments. This would result in both the glass and non-glass streams being easier to process and of higher value to users of recyclable material.

Already some councils are taking action on source separation for glass or are actively seeking to do so. Warrnambool City Council has strong support from local industry to pursue a separate glass collection service. However, this is dependent on receiving funding support from the State.

Yarra City Council will introduce a trial “fourth bin” to separate glass from other recyclables for approximately 1,300 houses. Partnering with SV, industry, and RMIT University, Yarra intends for this trial to inform a municipality-wide rollout of a holistic waste-management service.

There are a number of complexities associated with kerbside glass collection. There are interactions to consider with the operation of a CDS, although Germany presents an established example of separate glass collection working in tandem with a CDS¹⁸. Logistics of an additional collection also require examination. In addition to the cost of additional bins

¹⁷ Owens-Illinois Asia Pacific, Submission to [Senate Standing Committees on Environment and Communications Inquiry into Waste and Recycling Industry in Australia](#), p.7

¹⁸ Northern Ireland Assembly Research and Information Service, [Briefing Paper – Recycling in Germany](#)

and collections, the separation of glass into its own stream may make it harder to generally estimate regular recyclables levels per household. This emphasises the need for robust trials across multiple councils, metropolitan, rural, and regional, as well as significant consultation with local government in designing initiatives.

Standardisation of collection services

The operation of our kerbside waste management and recycling systems may be further improved by better standardisation across councils. This may assist members of the community in understanding what items can go in each bin, as well as increasing the effectiveness of education campaigns developed or delivered at a state level. We believe there are two major elements to service standardisation that could be further explored in the medium term: the bins themselves and the materials accepted in each bin.

The Metropolitan WRRG has produced a bin standardisation guide¹⁹ to assist metropolitan councils to align their kerbside bins with the relevant Australian Standard. Bin infrastructure represents a significant capital investment for councils, and changeover to a new set of bin lids presents a costly challenge. We believe that State support should be available to encourage adoption of the red/yellow/green lid standard.

Standardisation of the items able to be collected in each bin is a potentially more complex problem as it is largely dependent on the infrastructure at each MRF. There is also a strong desire in some councils to have the ability to trial different materials collection approaches to improve overall resource recovery outcomes. It would be important that any standard introduced be a minimum standard so that councils are able to innovate including by, for example, offering separate kerbside glass collection or soft-plastic collection.

ToR 5: Relevant reviews, inquiries and reports into the waste and recycling industry in other Australian jurisdictions and internationally

In addition to the various reports and strategies referenced throughout this submission, resources potentially of interest to the Parliamentary Committee include:

- Previous MAV Submissions²⁰ on topics including the [National Waste Policy Update](#), the [Product Stewardship Act review](#), [managing e-waste in Victoria](#), [reducing the impacts of plastics on the Victorian environment](#), and [waste to energy](#).
- The June 2018 Senate Environment and Communications References Committee report '[Never waste a crisis: the waste and recycling industry in Australia](#)'. The Committee recommended the Australian Government prioritise the establishment of the circular economy, prioritise waste reduction and recycling above waste-to-energy, and agree to a phase out of petroleum-based single-use plastics by 2023.

¹⁹ Metropolitan Waste and Resource Recovery Group, [Bin Standardisation Guide](#)

²⁰ Municipal Association of Victoria, [Submissions](#)

- The 2018 VAGO [Managing the Municipal and Industrial Landfill Levy](#) report.
- [Waste export summary reports](#) prepared by Blue Environment for the Department of Energy and Environment.
- [A European Strategy for Plastics in a Circular Economy](#) - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

We would also suggest the Committee keep an eye out for the VAGO report on 'Recovering and reprocessing resources from waste' expected to be tabled in June. The nominal objective of the review is 'to determine whether responsible agencies are maximising the recovery and reprocessing of resources from Victoria's waste streams.'²¹

ToR 6: Other related matters

Waste to energy

Given the growing interest and promise of investment in advanced waste processing facilities in Victoria, it would perhaps be remiss of the MAV not to articulate our position on waste to energy. In summary, councils are excited about the potential opportunities that waste to energy technologies present but also strongly support the waste hierarchy as the guiding principle for how waste should be managed.

Councils are firmly of the view that to achieve the best environmental outcomes for Victoria the primary goal should be waste avoidance, followed by reuse and recycling. 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.

In December 2017 the MAV provided a submission in response to the DELWP 'Turning waste into energy' discussion paper. The MAV was supportive of the preliminary position presented in the paper, noting that clarity around the Victorian government's position is needed to provide some certainty to industry, community and to local government. As of late April 2019, the Victorian government is yet to release its policy position on waste to energy.

As was acknowledged in the 2017 DELWP discussion paper, there is a risk that demand for feedstock for waste to energy facilities will:

- create perverse incentives to generate additional waste;
- undermine more valuable resource recovery alternatives; and
- deter innovation and development of reuse and recycling options.

²¹ Victorian Auditor-General's Office, [Recovering and reprocessing resources from waste](#)

If the State is serious about supporting a shift to a circular economy, we urgently need a State policy that clearly articulates where and how waste to energy might fit in that circular economy.

Waste to energy should be the very last resort prior to landfill to ensure that in the first instance the focus is to create sustainable circular economies that maintain recycling resources within the manufacturing cycle for as long as possible in order to reduce the depletion of virgin materials. This should be reflected in the waste management policies and strategies.