

Michael Baker  
The Secretary, Environment and Planning Committee  
Inquiry into Recycling and Waste Management  
Parliament House, Spring St  
EAST MELBOURNE VIC 3002

Via email:  
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10 May 2019

Dear Michael

The National Waste Recycling Industry Council (NWRIC) is the national peak body representing waste and recycling businesses. We work to improve waste and recycling services for all Australians.

Our members<sup>1</sup> and affiliates<sup>2</sup>, service most households and businesses across every State and Territory. The NWRIC's 450 plus members range from small family-owned businesses to multi-billion-dollar global companies. They collectively own and operate nearly every private waste and recycling asset in Australia for collecting, recycling, processing and treating waste.

The NWRIC members work together and cooperatively share a vision for a fair, safe, innovative and sustainable waste and recycling industry. The NWRIC members do this by:

- transforming waste into resources for reuse or energy;
- ensuring the safe handling, disposal and treatment of non-recyclable and hazardous waste; and
- providing a safe and clean environment for the community.

The NWRIC welcomes the opportunity to comment on the *Victorian Parliamentary 'Inquiry into Recycling and Waste Management.'*

## Response to the terms of reference

### **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;**

The Victorian Government has an important role to play in maintaining a coherent, efficient and environmentally responsible approach to solid waste management across the state

The roles include

- regulating the operation of the collection, transport, processing, resource recovery and disposal of all waste, including liquid and hazardous waste to meet all safety and environmental requirements. As well as ensuring a level playing field across commercial and local government operators in waste management.
- providing guidance to operators (commercial and local government) on the regulations

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<sup>1</sup> Australia's nine largest waste & recycling companies: Alex Fraser Group (Hanson), Cleanaway, J. J. Richards and Sons, Solo Resource Recovery, Sims Metal Management, Suez, Remondis, ResourceCo and Veolia.

<sup>2</sup> Waste Recycling Industry Association, Queensland (WRIQ), Waste Contractors and Recyclers Association of NSW (WCRA), The Victorian Waste Management Association (VWMA), Waste Recycling Industry Association of South Australia, Waste Recycling Industry Association of Western Australia (WRIWA) and the Waste Recycling Industry Northern Territory, WRINT.

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- setting the state's waste and resource management strategy and infrastructure plans for the short, (5yrs), medium (10yrs) and long term (20 yrs) and ensuring this strategy is framed not just in a state context but in nationally and globally
- ensuring state and local planning powers allow for waste and recycling infrastructure plans, including designated precincts.
- ensuring waste generators meet their responsibilities for the safe disposal, recovery or treatment by using waste levies, financial incentives and regulatory reforms to encourage waste avoidance and move waste up the waste hierarchy
- consulting and working collaboratively with local government and the commercial sector to deliver the outcomes of the state-wide strategy and infrastructure plans
- driving consistent and clear community education, waste collection times, and bin systems across the state in partnership with local governments to ensure
- working collaboratively with other states and national governments to ensure nationally consistent standards, regulations, definitions, data, levies that work in harmony to reduce waste and increase resource recovery and prevent the illegal and poor management of waste and the resources that can be recovered

## **2) Whether the China National Sword policy was anticipated and responded to properly;**

In July 2017 China notified the World Trade Organization that it planned to effectively ban imports of 24 types of scrap, which its Environment Ministry called "foreign garbage". This program is called the 'National Sword'. China's 'National Sword' policy is a continuation of a long-standing policy program which has slowly been tightening standards. It was previously called the 'Green Fence'.

While EPA and State Departments around Australia did launch a response to this program, in Victoria programs have not been sufficient to protect kerbside recycling, which is under imminent threat. Without further government action, kerbside services in Victoria may be cancelled. This may flow onto SA and Tasmania, which utilise Victorian infrastructure.

## **3) Identifying short and long-term solutions to the recycling and waste management system crisis, taking into account:**

### **3.1 Short term solutions**

The NWRIC recommends four steps to respond to the collapse of recyclate exports, especially plastic.

3.1.4 *Implement 'risk sharing' contracts.* The Victorian government responded in 2018 to the China Sword crisis with a funding program which provided \$13 million in funding to local governments. As a condition of funding, the Funding Program required councils to:

- Pay recyclers a nominal \$60 per tonne gate fee for recyclable materials; and
- Commit to incorporating model contract clauses into future kerbside recycling services contracts.

These extensive contract clauses included risk sharing provisions for the price of recycle and contamination.<sup>3</sup>

Contracts which include minimum prices and risk sharing will be essential to the future sustainability of the industry, as should be implemented Statewide. The State should also look at requiring the packaging industry to contribute to funding unmet kerbside recycling costs like the UK-style Packaging Recovery Notes. These industry funds could be

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<sup>3</sup> See: [New Model Contract Clauses for Recycling Industry – Implications for Local Government](#) - RK Lawyers.  
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managed through the Sustainability Fund or through an improved National Environment Protection Measure (NEPM) for packaging.

*3.1.2 Develop markets.* Local, State and Federal governments must buy recycled materials. Mixed plastics can be used for civil infrastructure projects including roads, bins, bollards and street signs. Governments must make recycled content mandatory in tenders. A good example is [Downer's recycled roads](#) built from soft plastics and glass.<sup>4</sup> Similarly, state government should work with other jurisdictions to require minimum levels of recycled content in new products and packaging sold into the market.

*3.1.3 Reduce contamination.* States must invest to reduce contamination. Education to reduce contamination across Australia must be the same for every Council and Shire. Recycling providers, not packaging companies, must decide which material is recyclable. States should fund education officers in every Council and Shire from landfill levies. Hazardous household waste collections should be extensively available.

*3.1.34 Identify, monitor, and control stockpiles.* EPAs must be appropriately resourced to identify and track stockpiles which have become a fire hazard. Where inappropriate stockpiles have been identified, landfill levy deductions should be given to incentivise their rapid disposal. This process will protect public health.

### **3.2 Long term solutions**

In the longer term, the regulatory and commercial environment must be appropriate for sustainable, private sector investment into household material recovery facilities. In order to create this environment, the NWRIC recommends:

1. The adoption of a container deposit scheme for Victoria.
2. The implementation of product stewardship for batteries.
3. The development of secondary MRFs for plastic flaking, washing and reprocessing back to nurdles.

### **3.3 the need to avoid dangerous stockpiling, and ensure recyclable waste is actually being recycled.**

Victoria has recently seen the extensive media reporting of several very large illegal waste stockpiles. These include [construction and demolition waste at Lara](#), and a major stockpile of [hazardous chemicals](#) which caught fire in Campbellfield as well as the SKM stockpiles. These are due to a combination of factors including changes in local and overseas processing markets, differential levies between states and the lack of stockpile regulations and monitoring.

In order to mitigate these issues, the NWRIC recommends;

1. Additional funding to EPAs for enforcement officers.
2. The implementation of mass balance reporting.
3. Universal licencing of waste management facilities, regardless of size.
4. The application of best practise ICT tools to track the disposal points for waste.
5. Harmonising waste levies and stockpiling regulations with at least NSW and SA to prevent the inappropriate transport and illegal dumping and stockpiling

### **3.4 Ensuring the highest use for waste materials**

There are many factors that drive where waste ends up. The higher the material is valued the higher the use will be. One step is to remove low value and problematic materials from the waste stream in the first place through banning single use plastics, requiring recycled content in products and packaging and government procurement of recycled goods.

For those materials that can't be recovered providing an environment that recovers their energy should be encouraged. Victoria sends 6-8 million tonnes of material to landfill each year. Recovering energy from calorific

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<sup>4</sup> More than 10 million tonnes of material is used on road construction every year - *Inside Waste April/May 2019*.  
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material (otherwise destined only for landfill) is the single biggest missed recovery opportunity in Australia. In order to facilitate the creation of these facilities, the Victorian Government can:

1. Identify and promote appropriate zones/locations for the establishment of these facilities.
2. Assist local government to aggregate waste volumes, provide group tenders.
3. Expedite planning approvals, and
4. Provide financial guarantees.

### **3.5 The cleaning and sorting capabilities, and the processing capabilities in Victoria and the potential to expand the local recycling industry;**

If MRF processing is not cost neutral or profitable, the private sector will not invest in these facilities to clean and sort materials. Governments must act to change the commercial environment for MRFs. Key to this action is:

- 1) Risk sharing in local government contracts for kerbside recycling,
- 2) Investment to reduce contamination (technology and education), and
- 3) A strategy for the export competitiveness of recycled commodities, including discounts for disposal of residuals from recycling processes.

### **3.6 How to better enable the use of recycled materials in local manufacturing;**

Australia's manufacturing capacity does not match our output of recovered materials. Specifically, Australia lacks remanufacture capacity in plastics and metals. This is also true to a smaller extent in paper. In the short and medium term, it is safe to assume that metals and plastics must be exported for cradle-to-cradle recycling. Therefore, in the short term a better way to address this market is via an export competitiveness strategy for recovered materials and to require recycled content in products and packaging imported into Australia.

### **3.7 the existing business model and economic challenges facing the existing industry;**

The strongest policy available to develop Australia towards a circular economy is levy hypothecation. However, important additional policy actions include:

1. Harmonisation of national waste and recycling regulations.
2. Planning reform, including efficient planning for future waste/recycling assets.
3. Promoting and effective policing of high standards for waste processing, including landfill standards.

Energy recovery is an under-developed aspect of Australia's waste and recycling industry.

### **3.8 The quantifiable benefits, including job creation and green-house gas emissions reduction, of pursuing elements of a circular economy in Victoria**

In April 2019, the Victorian Waste Management Association (VWMA) has published a report quantifying the economic and job creation benefits of the waste/recycling industry.

### **3.9 The existing Sustainability Fund and how it can be used to fund solutions to the waste crisis;**

Government investment into waste and recycling assets should be via low or no-interest loans, in a similar manner to the CEFC. It should not be given to local government to set up waste businesses, as this deters private sector investment. Currently, the Sustainability fund could be used for:

- 1) Investment into energy recovery facilities,
- 2) Programs to develop improved organics recovery, and
- 3) Initiatives to better promote and police standards across the industry and waste generators (i.e. household local government bin check)
- 4) state-wide community education campaigns

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**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:**

**4.1 Product stewardship;**

The NWRIC has repeatedly call for national, mandatory product stewardship for problem waste. The current NEPM for packaging is ineffective and does little to ensure packaging producers deliver on targets to avoid waste and cover the cost of the disposal of their products. Other waste materials which need to be targeted first include batteries and tyres.

**4.2 Container deposit schemes;**

The NWRIC support a container deposit scheme for Victoria. This scheme should be harmonious with other State schemes - or ideally form part of a national scheme.

**4.3 Banning single-use plastics;**

We support banning all unnecessary single use plastics, but ultimately this will have little effect on the recycling industry. Recycling is driven by bulk commodities; C&D, materials, metals, paper and organics. Plastic recovery is economically margin and end markets for recycled products are currently very constrained. Bans will also help reduce contamination in recycling streams and protect the environment for plastic pollution.

**4.4 Government procurement policies**

Government procurement of recycled materials will be essential to the continued sustainability of the industry. We recommend the Victorian Government consider the following:

1. Mandatory procurement targets for recycled materials in civil projects including roads.
2. Local and State Government procurement of recovered organics for mine site rehabilitation.
3. Procurement of recycled paper in government departments.
4. Avoidance of single use plastics
5. All products purchased must have a minimum level of recycled content and either be recyclable, reusable or compostable

**5. Relevant reviews, inquiries and reports into the waste and recycling industry in other Australian jurisdictions and internationally;**

The NWRIC commends to recent publications;

**5.1 *The NWRIC Policy Roadmap for a Circular Economy.***

The NWRIC [Policy Roadmap for a Circular Economy](#) contains a number of policy changes needed to advance a circular economy.

**5.2 *Australian Senate Report - Waste and Recycling in Australia - 26 June 2018.***

Chapter 8 of this report [contains recommendations for developing a circular economy in Australia](#), a welcome report detailing the useful policy changes to advance the circular economy.

**5.3 *The NWRIC submission to the National Waste Strategy – Oct 2018.***

**5.4 *Waste Contractors & Recyclers Association – Glass Recovery & Recycling in NSW – Situational Analysis and the Way Forward – 2017.***

**6. Other related matters.**

The NWRIC is currently completing a White Paper on Waste Levies. We hope to have this completed and available by late June.

*6.1 The shortage of drivers.*

The Australia waste industry is suffering from a shortage of drivers. Some companies hold permanent ads asking for drivers. We recommend Victoria Government Officials speak to the Commonwealth about 457 Visa for waste vehicle drivers.

*6.2 Worker safety - hazards in the waste stream.*

Beyond recycling, hazardous materials in the waste stream expose waste workers to real danger. Work and public safety must be integral to any future strategy to develop the industry. This includes removing hazards from the waste stream with the potential to harm workers.

*6.3 Hazardous waste levies can disincentive appropriate disposal.*

Victoria has very high prescribed industrial waste levies. Industry is concerned these levies dis-incentivise appropriate disposal of these toxic materials.

*6.4 A lack of effective disaster waste planning*

Major disasters such as the Christchurch earthquake in 2011 have shown the necessity of good disaster waste planning. Victoria must have a comprehensive and effective Statewide disaster waste management plan.

The NWRIC would welcome the opportunity to meet with the Environment and Planning Committee to present further information to support this submission.

For further information in the first instance please contact NWRIC Secretary Alex Serpo in the first instance ([secretariat@nwrlic.com.au](mailto:secretariat@nwrlic.com.au) - 0417 932 303).

Yours sincerely,



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