

December 2019

Submission to Infrastructure Victoria in response to its report "Recycling and resource recovery infrastructure: Evidence base October 2019"

In summary, BSWWRRG welcomes the direction of the interim report and, in particular, its references to the following specific areas of opportunity/focus for the Barwon South West region:

- High transportation costs being a barrier to improved recycling and recovery, it being more economical for some of the region's councils to use landfill instead of using recycling or reuse processes due to the long distances (page 19)
- A lack of local MRFs and processing capacity and the need for more investment to create opportunities for lower transport costs and emissions, more jobs and a more circular local economy (page 19)
- Organics sorting: the need for more processing (open windrow and in-vessel) and bulk haul infrastructure (page 23).

Further comments on these specific opportunities are noted in the responses below to the feedback questions posed on the Infrastructure Victoria website.

The seven Waste and Resource Recovery Groups (WRRGs) are mentioned only once in the report, on page 6, in a description of the various portfolio agencies in the waste & resource recovery sector in Victoria. No mention is made of the current activity of the WRRGs nor of a role for them in the suggested actions. For example, BSWWRRG is in the process of developing a Regional Recycling Action Plan (RRAP) to provide a regional response to the current recycling issues that builds resilience for the future of recycling in the Barwon South West Region. It will have a regional focus but be informed by state, national and global influences, and take a proactive approach by providing solutions within the control of this region. It would seem appropriate to consider the activities and potential roles of this and other WRRGs, as part of the portfolio, in the final report.

- ***Have we identified the right outcomes for Victoria to aim for?***

The outcomes set out on page 13 of the report are a good summary. BSWWRRG would also like to suggest the following additions would be not only desirable but achievable outcomes for the sector:

- (a) The community has trust in the recycling sector
- (b) The waste infrastructure network (not the policy, as is drafted) is resilient
- (c) Material flows from collection to processing/disposal are transparent and tracked.

- ***Have we identified the most effective potential actions for government to take?***

BSWWRRG concurs with the actions listed on pages 14-16, with the following comments:

(a) BSWWRRG supports a review of the Metropolitan and Industrial Landfill Levy to incentivise waste minimisation and recycling, as mentioned in section 5.1. This review needs to consider the levy differential between metropolitan and rural areas to adequately account for higher waste management costs experienced in rural areas, such as transport.

(b) the report states in section 5.2 that a CDS shows promise but the design of an optimal scheme needs more analysis. In BSWWRRG's view this work is a priority and the final report could usefully include a recommendation in this area. It would seem appropriate to achieve some consistency with the states that have already introduced a scheme.

(c) As well as the incentives discussed in section 5.2, BSWWRRG would like to see mandatory requirements for the use of recycled material in select products, such as packaging, to build a domestic market for this product.

(d) BSWWRRG believes that the operation and management of the private firms to which section 5.2 refers is also an area where government support could be directed, for example in providing sector specific business mentoring or advice.

(e) In BSWWRRG's view, section 5.3 on "Updating Australian, Victorian and local Government procurement guidelines" should include not just the work to update guidelines but also refer to the need for cross-government action to lead the way on procuring recycled products to build market demand. This could include incentives for using recycling materials, education about sustainable procurement and public demonstration projects. The Victorian Government needs to lead the way through mandatory targets for government purchasing.

(f) Section 6.4 mentions landfill bans on particular types of waste being a potential lever for the Government. It is BSWWRRG's view that consideration of any future landfill bans needs to include market development prior to the ban commencing. Likewise, design of new infrastructure will need to be flexible, to respond to export bans, changing markets, introduction of a CDS and so on.

(g) Overall, there needs to be more focus on the Victorian Government's role in reducing and avoiding waste.

- ***Which, if any, of the initiatives implemented in Wales would you like to see applied in Victoria?***

BSWWRRG supports the following:

(a) recycling targets

(b) grants from government

(c) a blueprint for a consistent approach across local authorities

(d) practical guidance for local authorities

(e) consistent data collection and reporting to measure performance.

BSWWRRG sees a place for both financial incentives to reward performance and penalties for non-compliance but would note the concern from councils in this region around reaching targets that may not be within councils' control. The responsibilities of councils and industry would need to be considered here.

- ***What do you think of the market design opportunities proposed to improve waste sector outcomes and efficiency?***

It is not clear which section of the report this question is related to. Section 6.4.2 discusses developing end markets for markets for recyclables. Further work is also needed on making options for and benefits of buying recycled goods clear to local government engineers and officers.

- ***Where do you think government should focus their efforts to increase recycling and resource recovery? (for example, through setting targets, promoting consistency or funding local councils?)***

See above response re Wales plus the following: clear and consistent education campaigns (including a role for the WRR industry in providing information), government leadership on buying recycled materials and committing to targets to reduce waste within government agencies.

In relation to waste and recycling data, this needs to be gathered, stored, shared and utilised in a more sophisticated way than it currently is, so that all levels of government, business and the community can benefit from informed decision-making, policy making and investment. This will require the State to invest more heavily in data collection and analysis moving forward.

BSWWRRG supports reviewing the kerbside collection system to reduce contamination and improve consistency (i.e. increased source separation). Significant funding support will need to be provided to councils to cover additional infrastructure and service costs. It will be important to balance consistency across the state with accommodating different communities' needs (i.e. MUDs versus rural).

- ***Which materials or infrastructure types present the most opportunity in your region?***

The Barwon South West region has two priority needs for infrastructure, more MRF facilities and more composting sites capable of processing FOGO:

(a) The region only has one MRF that takes kerbside recyclables (SKM now Cleanaway in South Geelong, which is re-opening this month, having been closed for 5 months). As identified in the evidence report, it is cheaper for the councils that were using South Geelong to landfill recyclables rather than transport them long distances outside the region. For those unaffected by SKM, they are reliant upon facilities in Melbourne with the associated costs. A new MRF in the west of the region would provide a better alternative for councils, reducing emissions from transport and providing more resilience in the system. A second MRF in Geelong could also reduce the reliance on the dominant market players.

(b) As also identified in the evidence report, there are insufficient composting facilities to deal with the volumes that will be required for universal FOGO services. The City of Greater Geelong composting site at Anakie can only process green waste currently and requires investment in infrastructure to process food waste, such as in-vessel systems. Camperdown Compost can take some FOGO but is volume constrained until it has EPA approval to expand and upgrade its facilities.

The Barwon South West region represents a big opportunity in that it could easily act as an outlet for the large volumes of FOGO to be collected in the Melbourne area, (including part processed material) as it is in close proximity to significant agricultural markets, as well as viticulture. Bulk haul infrastructure would be required.

The other key aspects to this proposal are:

(i) a concerted education/marketing campaign for farmers on the benefits of using recycled organics on farm, supported by evidence from trials funded by the State to ensure there is sufficient demand for compost,

(ii) well understood and consistently applied standards for compost products, and

(iii) a household education program, to ensure minimal contamination for a quality compost product. Recent experience has seen poor quality part-processed product coming from the Metro region.

BSWWRRG would expect that these are addressed and funded as part of the upcoming Victorian Circular Economy policy.

- *What is a legislative barrier or enabler that you have encountered when trying to use recycled materials?*

None known.