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Christine McDonald
Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Ms McDonald

Senate Inquiry - Waste and Recycling Industry in Australia

Thank you for the opportunity to provide comment on the Senate Standing Committee on Environment and Communications inquiry into the waste and recycling industry in Australia. This response has been prepared by the Local Government Association of Tasmania (LGAT) after consultation with its members.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for Local Government in Tasmania.

If you have any questions or would like further information, please do not hesitate to contact Dion Lester at [redacted] or via phone on [redacted].

Sincerely,

Dion Lester
Policy Director

a. The quantity of solid waste generated and the rate of diversion of solid waste for recycling

All Australian states and territories, except Northern Territory and Queensland, divert a significantly greater percentage of material from landfill than Tasmania. The Tasmanian landfill diversion rate¹ of 37% is significantly lower than the national average² of 58% and almost half that of the ACT, NSW, Victoria and South Australia.

In Tasmania waste data is currently not collected in a standardized manner across different waste facilities therefore, capturing accurate data for both waste generated and waste diversion on a national and state scale is strongly supported. It is vital that the nation is aware of all waste generated and its final destination (be that landfill or diversion processes). Accurate data allows for targeted programs to be developed, improved public education programs and planning of services, resources and infrastructure. It also enables worthwhile targets to be set that are based on reliable information sources.

Unlike most jurisdictions, Tasmanian has not established clear performance targets for resource recovery. State wide and National waste resource recovery data collection management systems are required to monitor and evaluate effectiveness of programs and provide public transparency on the progress toward Tasmanian waste and resource recovery goals.

To aid this, standardisation of waste categories and definitions (on a national scale) is required.

We are aware that this is an extremely complex task, the Australian Waste Database was implemented in the early 1990's with limited success and waste classification has been the result of several revisions and reports since. We are not confident there is standard categorisation across all landfills, transfer stations and recycling and resource recovery facilities, with states using varying systems as detailed in the Hyder Consulting Report for the Department of Sustainability, Environment, Water, Population and Communities; *Waste Classifications in Australia 2011*.

While the National Waste Policy details the design and development of an online National Waste Data System (Strategy 16) and work has been done, there is still improvement to be made. The most recent National Waste Report (2016) issued by the Department of the Environment and Energy noted that –

"Most of the data included in this report was obtained from state and territory governments, which collect it for their own monitoring and reporting. This data is supplemented, and sometimes replaced, by national industry data or other national estimates."

This indicates that a comprehensive national waste and recycling data collection system is not yet in place.

¹ Environment Protection Authority - Annual Report 2014-15 (EPA Tasmania)

² Waste generation and resource recovery in Australia (DSEWPac 2014)

Accurate waste classification and reporting remains vital to understanding the quantity of waste generated and diverted and, the National Waste Policy needs to continue to address Strategy 16 as a priority.

b. The accreditation and management of landfills

Accreditation of landfills is strongly supported and we recommend increasing the scope of this item to include increased involvement and action from regulatory authorities. Accreditation could mean little, if facilities are not effectively and routinely regulated.

c. The extent of illegal landfilling

Illegal landfilling leads to environmental harm, public health and safety risks as well as the avoidance of landfill fees and levies. An enquiry into the extent of illegal landfilling is supported, along with proposed measures to reduce the instances and increase regulation, enforcement and prosecution. As per the response to question 'a,' it is difficult to accurately quantify the amount of waste managed by licensed operators. The volumes of material disposed through illegal operations is therefore even more difficult to quantify. However, we note that the Tasmanian State Government has achieved progress in this area, significantly reducing the number of landfills operating in the State (either legally or illegally).

d. The role of landfill levies in determining the end destination of material, including the hypothecation of collected levies for enforcement and waste diversion purposes;

Tasmania does not have a statewide landfill (voluntary levees exist in the north and northwest, but not the south). The absence of a levy has created a market environment where resource recovery has a limited capacity to compete with landfill. The low landfill diversion rates in Tasmania result in a low economic benefit from the waste and recycling sector and the loss of the value of recoverable resource. Resource recovery operations employ more people and require greater investment in infrastructure per tonne of material processed compared to landfills.

The low landfill pricing in Tasmania is a financial barrier to recycle, invest in resource recovery and implement practices which reduce waste generation. The existing regional local government levies are not adequate to significantly encourage investment in resource recovery. Additionally, these are applied inconsistently across the state and consequently waste is being transported greater distances than necessary in order to realise gate fee savings. In some instances, long term contracts are a barrier to regional landfill operators implementing and/or altering levies.

The absence of strict planning and regulatory controls for the development and operation of privately operated inert landfills means that the establishment of these landfills is not limited. These facilities do not collect levies and provide a market barrier to the implementation of relatively low cost and simple recovery processes for construction and demolition (C&D) material at regional and Local Government operated landfill facilities.

The introduction of a statewide land fill levy in Tasmania is supported. The outcomes of this inquiry will provide valuable information to the State Government and the waste and recycling industry and inform the ongoing statewide levy process/discussion in Tasmania.

Information regarding the hypothecation rates and what proportion of funds are ending up in the various areas (enforcement, waste diversion, general state revenue) and the impact it is having in each area will also provide invaluable data to inform Tasmania's decision on a levy. It should assist in identifying a hypothecation model that provides the optimum outcomes of increased waste diversion and improved regulation.

e. The role of different incentives and collection methods in determining the quality and quantity of material collected for recycling

To effectively divert waste from landfill, a number of conditions need to be in place:

- Appropriate infrastructure for collection and processing;
- A well-funded communication and engagement program; and
- Sufficient motivation to undertake waste diversion activities, motivation can be intrinsic (value based), related to an incentive (cash) or a wish to avoid a negative consequence (regulation).

When these conditions are all met, the chances of recovering good, high quantity material is increased.

In Tasmania the estimated amount of waste diverted from landfill from industrial sources is significantly lower compared with other jurisdictions. To reduce the amount of C&D waste landfilled and improve diversion, the C&D sector requires assistance to decrease waste generation and to implement source separation. Similarly, other industrial waste generators require assistance to use materials efficiently, reuse materials and understand the business case for greater source separated collection, onsite consolidation (baling) and/or processing.

Establishment of appropriate incentives and collection methods is integral to this process.

Tasmania faces the challenges of geographical isolation and lack of local markets for recycled products. The demand to recycle from the supply side (e.g. kerbside recycling) and a lack of demand for some recovered materials can cause economic, community, environment and public health impacts (e.g. stockpiling of glass fines and tyres). Market development, alongside incentives can help address the challenges and barriers for recovered resources by stimulating the right market conditions.

f. The destination of material collected for recycling, including the extent of material reprocessing and the stockpiling of collected material

LGAT is supportive of this item, with two main concerns:

- the long term security of destination markets to continue to purchase recycle; and
- the quality of recycling processing facilities, particularly in international markets, and ensuring they operate in accordance with relevant standards and processes (both environmental and human rights).

It is understandable that recycling processors will stockpile materials from time to time, as recycle is a commodity subject to international market fluctuations. Provided materials are stockpiled in an appropriate manner, it is appropriate that recyclers hold materials to ensure optimum prices are obtained. Selling materials immediately but at lower returns may adversely impact residents, as increased recycling contract costs borne by Local Government would be passed on to ratepayers.

g. The current economic conditions in the industry, including the market for material collected for recycling

Ensuring there are long term viable markets for collected recycling is crucial to the success of recycling programs. As recycling programs are expanded, new markets will be required to be sought, encouraged and developed. As such this point could be clarified to ensure it includes a wide range of markets of recycling and not just the standard well known kerbside materials of paper, cardboard, plastics and metals.

h. The transportation of solid waste across state boundaries

This item has little relevance to Tasmania, with the exception of some controlled wastes, however on a national scale the transportation of waste across state boundaries should be reviewed and aimed to be minimised where possible.

i. The role of the Australian Government in providing a coherent, efficient and environmentally responsible approach to solid waste management, including by facilitating a federal approach

The regulation of the waste management industry is the responsibility of State and Territory Governments. The role of the Federal Government is primarily to coordinate activities under the National Waste Policy³ and administer the *Product Stewardship (Oil) Act 2000*, *Product Stewardship Act 2011* and its subsidiary legislation⁴.

LGAT acknowledges the work the Australian Government has achieved through the National

³ Department of Environment and Energy (2017). *National Waste Policy*.

⁴ Department of Environment and Energy (2017). *Product Stewardship*. Available online.

Waste Policy and its associated frameworks and programs. The continuation of addressing the strategies within the National Waste Policy is supported, as would be any other outcomes that provide coherent, efficient and responsible approaches to waste management and result in increased waste diversion.

There could be more of a role for the Federal Government in this area but it would need to be appropriately resourced and have political support. Another issue with the Federal Government taking more of a role is the need to ensure that Programs use state specific targets and approaches rather than a single, Australia wide target. The National TV and Computer Recycling Scheme is one such example where the absence of state based targets has resulted in negative servicing outcomes for some jurisdictions.

j. Any other related matters.

LGAT raises two related matters for consideration.

That the Terms of Reference be expanded to include a level of community engagement to be undertaken during this process, or any reference to determine the community's expectations of the waste and recycling industry.

That the Terms of Reference be expanded to include the identification of strategic directions for the Federal and/or State Governments, to help direct future infrastructure needs and planning.