



9 October 20

Ian Campbell-Fraser
Director Governance and Legislative Reform
Waste and Recycling Division
Department of Environment, Land, Water and Planning

Level 1, 8 Nicholson Street, Melbourne, Victoria 3002

Via email: wastepolicy@delwp.vic.gov.au; ian.campbell-fraser@delwp.vic.gov.au;

Dear Ian,

The Victorian Waste Management Association (VWMA) is a not-for-profit association representing Victorian waste recycling businesses. The VWMA operates as a subsidiary of the Victorian Transport Association. The VWMA has more than 150 business members, ranging from small, family owned and operated companies to multinational corporations. The VWMA represents;

- Waste collection specialists, operating more than 5,000 waste trucks on Victorian roads.
- More than 10,000 sanitation and recycling workers,
- A membership with a total member turnover in excess of \$2 billion.

VWMA members commit to the high standards in regard to protecting Victorian communities, workers and the environment.

The VWMA congratulates the Victorian Government on *Waste and recycling legislation and governance - Options Paper*, which provides a blueprint to form the Waste Authority. This letter describes industry's preferred position.

Preamble

In regard to the formation of the Waste Authority, we offer the following broad principals.

- a) Where additional costs of regulation are placed on business, best practise implies these costs are subject to regulatory impact statement. new regulation should focus on ensuring the business environment for new investment into resource recovery infrastructure is improved.
- b) Contract controls must not only consider best practice but also maximizing competition, and opportunity to bid. Contracts should not be offered in a manner which 'locks up the market'.
- c) Where the new Waste Authority collects data, this data should be made publicly available.

- d) The Waste Authority should focus on systems development, that is, regulatory programs that enable best practice of specific industries such as construction waste recovery and e-waste recovery.
- e) The Waste Authority should work closely with industry associations to develop systems to improve standards in the industry.
- f) Waste Authority can be in a position to clarify policy on behalf of the Victorian government. This body can deliver on industry intelligence, define issues and, delineate objectives and advise the government accurately and with confidence. This in turn will give our industry real direction and certainty in making worthwhile business decisions.

1. The VWMA welcomes the formation of the Victorian Waste Authority

The VWMA welcomes the formation of the new waste Authority. Specifically, we welcome a regulatory approach that considers Victoria's waste and recycling sector as a whole, and seeks to standardise contract provisions and service standards.

VWMA members work to improve recycling services for all Victorians. Only through close and effective partnerships between industry and government can we transition Victoria to a circular economy.

In regard to governance, the VWMA believes that all waste services, including those currently provided by Sustainability Victoria should be provided by the Waste Authority, in order to simplify administration.

The VWMA supports consolidation of the WRRGs under the new Waste Authority, however, we believe that regional control of waste contracts should be governed in the regions.

2. The circular economy requires clean, separated materials

Essential to an improved recycling system for Victoria is focusing on reducing contamination. Once materials are effectively separated, they can be recycled. Where material is clean, it can be sold.

Unclean or poorly sorted material cannot be sold, even with significant assistance from the State Government. Recycled materials compete with virgin materials, including manufactured fuels. Therefore, in a market economy recycled materials must be competitive in regard to both purity and price.

The State Government selling material in tranches is not appropriate, ownership of material must remain with the operators who process it. Where material is unsalable, it is because contamination of the input material is too high.

Local Government and industry must work together on initiatives to create clean material streams. Therefore, the VWMA supports initiatives in the *Options Paper* to improve kerbside source separation.

3. Only the private sector can deliver high quality recycling services

The '*Waste and recycling legislation and governance - Options Paper*' suggests that Local Government take ownership of domestic waste. In order to operate effectively as recycling

companies, ownership of recovered materials must transfer to the private operators who process them.

In regard to providing recycling services for businesses, it is essential that waste collection services for business remain privatised. Where Local Government has taken control of commercial waste and recycling services, there has been a decrease in competition, more limited recycling options and increased price. Only the private sector is placed to provide leading recycling services.

Further, where Local Government has been allowed to create waste and recycling businesses, this has deterred private sector investment. Private sector investors will not enter the market where they compete with the government. Only through private sector investment can we gain the hundreds of millions of dollars needed to build the infrastructure necessary for a Victorian circular economy.

4. Contract standardisation

The VWMA believes that contract standardisation for kerbside material collection is welcome. These standard contracts should;

- Standardise bin lid colours, acceptance of materials and the use of four bins.
- Include standard and best practise provisions for contamination reduction, and
- Return the cost of the landfilling of residuals from recycling to local government.

In regard to the cost of landfilling of residuals from recycling, this cost is best left with local governments, who are in a position to reduce this contamination through education and source separation.

Standard contracts are helpful but negotiations should remain between contractors and Councils. The Waste Authority must respect existing contractual arrangements until the end of their term, it is not appropriate to call in existing contracts and void them.

The VWMA welcomes the separation of waste charges from council rates in all Local Governments and Shires. Where the State is asking Local Government to provide new services such as glass collection, this must be controlled by

5. Recycling performance

regard to the accurate collection of data, we believe that local government has the appropriate information to accurately report recycling data on domestic streams. In the commercial sector, recycling performance can be measured by the State by auditing the materials received at landfills.

We welcome further feedback to the undersigned below,

Sincerely,

A handwritten signature in blue ink that reads "A. Serpo". The signature is written in a cursive style and is positioned to the left of a vertical blue line.

Alex Serpo

**Executive Officer
Victorian Waste Management Association (VWMA)**

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RESPONSES TO QUESTIONS

A key challenge is to achieve consistent services without discouraging innovation. Can this balance be achieved with the options described above (bin standardisation)? What other options are there?

The VWMA supports standardization across the state. This includes bin lid colours and provision of four services;

- dry recycling (yellow),
- FOGO (green),
- glass recycling (purple),
- and residual to landfill (red).

Contamination will be reduced if the same things go in the same bins across the state. What barriers do you see in implementing this? Is there a way to design the standardisation to address those barriers?

In the context of China National Sword/Blue Sky policy, only four commodities remain saleable from kerbside yellow bins;

- steel and aluminium cans,
- clean paper and cardboard, and
- plastics 1 and 2.

The VWMA supports standardisation around these four inputs.

Glass should be sent to either CDS collections, a separated glass collection services, or in the absence of these services - the residual landfill stream.

As part of this obligation, should councils be required to provide waste and recycling services to small businesses as well as households?

As described in the preamble, the VWMA firmly opposes Council involvement in commercial waste collection and processing. We believe this is a conflict of interest, and will stymie private sector investment.

For businesses likely to require an EPA licence or permit under the new environment protection legislation: how can any new data requirements be designed to minimise additional burden?

Commercial recycling performance can be measured by auditing materials received at landfills and landfill levy receipts.

What will be the most efficient way to collect data from smaller waste and recycling businesses? (those not requiring a licence or permit)

As above. If material is collected from the Commercial sector it must be commercial in confidence and undertaken by an independent auditor.

Is the current resource recovery infrastructure schedule the best way to plan for future resource recovery infrastructure? Would some other way work better?

As noted in the preamble, landfill capacity in Victoria must reflect planning for natural disasters. in regard to the upcoming Victorian Recycling Infrastructure Plan - it is essential that this plan is ratified by local government and clears sites and buffers are protected for essential waste and resource recovery infrastructure.

Which of these additional options would be effective in enshrining a strong regional focus for the waste authority?

The VWMA believes that regional contracts should be implemented and controlled by the regions, which implies regional offices for the waste authority.