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Submission arising from issues paper relating to the Productivity Commission's review of the Waste Sector.

From: Green Planet Environmentals Pty Ltd

From site: http://www.pc.gov.au/inquiry/waste/index.html

Background to submitter:

- Green Planet Environmentals Pty Ltd (GPE) is a major Victorian player in relation to both municipal green, organic and liquid wastes of both domestic and industrial origin, as well as being forestry sector waste managers. It manages recycling sites on the north and south sides of metro Melbourne, as well as larger semi permanent regional sites.
- GPE is a manufacturer of Australia's own green waste processing technology – the MT 8000 series machines – designed for both biomass production for forest waste and municipal green waste applications.
- The machines manufactured by Green Planet are unique in the world, being Australia's and indeed we believe the world's largest trailered "mulchers" with sufficient capacity to produce large volumes of recycled green and related wastes.
- Green waste diversion and processing arguably has one of the highest employment footprints of all waste streams. Such employment in relation to forestry and timber sector industries is regional in nature by design.
- GPE is a subsidiary of Green Planet Holdings Pty Ltd – see www.greenplanet.net.au

General Points:

- Experience in this sector in Victoria confirms that further **infrastructure assistance** is needed from government to ensure optimal extraction of resource value from these above waste streams as well as further **R&D investment** particularly in relation to extracting value from the as yet untapped resource of food organic wastes from domestic and industrial origin.

- It is also clear that significant public **education and marketing** is needed to improve the community's support for, and actions taken that have a significant impact on, further waste diversion from landfill. This includes the current very costly and avoidable situation in relation to **contamination** of non separated recyclable waste streams as organics with other wastes.
- We note and recognize and support the key points put forward to date by the **Waste Management Association of Australia**, of which we are a member.

Points for Consideration in order of request from the Paper:

- In relation to **data**, we don't perceive a problem with current data for Victoria – it is functional enough for industry to continue to grow and to determine technological and infrastructure arrangements and funding.
- Having noted this, better **nationalized data** and data uniformly collected across the states (in relation to definitions, technical specifications and scope) would assist.

- In relation to **web based information** we strongly support greater centralization of information onto one main site that is as up to date as possible, lists all main players with a reporting function on waste diversion success and includes all councils in this – also thereby assisting in creating a performance indicator for future waste stream management improvements.

- In relation to the **waste hierarchy** we in general endorse and agree with it. The following points of this document relate to recycled organics (RO) – which include green waste, food wastes and general organics (including liquids). Given GPE is also involved in forestry wastes these comments also relate to this.
- In relation to the energy question specifically versus recycling GPE views it as far more desirable environmentally, as well as we believe economically, to pursue far more green waste and related municipal organics waste **recycling** before great efforts are spent on **energy** production – which clearly in accord with the waste hierarchy is lower down the desirability chain anyway. We believe there is a risk going forward of sufficient focus not being placed on more recycling with a preference instead to energy production.
- Having noted this we also view it as sensible that a **two pronged** approach is taken to both recycling organics as well as sending contaminated organics to energy streams.
- Specifically in relation to RO, there is a need to work more at the community level to prevent contamination (more **education and marketing**) to enable more recycling to go on which avoids contamination at source. Without this far too much recyclable material will end up non recyclable and hence there will be a self fulfilling claim that the most productive or efficient means is to send it to energy instead. This we view as non optimal.

- In relation to improving the **economic efficiency of use of resources** in waste management, we view it as critical to ensure that Councils and therefore State Governments across the board have common (and higher environmental) base line objectives and criteria for environmental outcomes in relation to waste minimization and adherence to the principles of the waste hierarchy in determining "best fit" solutions to waste management – eg the most optimal use of green organics waste is to ensure that all waste is recycled (mulches and soils) and reused in the region in which it is generated (the "**virtuous cycle"**). A universal Council commitment to this would clearly have economic and environmental benefits, however the absence of a uniform approach to this means that this is rarely implemented and therefore the (what appear to be additional) costs associated with this for individual Councils and operators in turn do not outweigh the in the short term simpler (but less environmentally and community oriented) economically cheaper options.
- We view that in relation to RO the **optimal** point of waste generation that is disposed is close to **0%** - ie that without this approach we are wasting resources otherwise of value.

- In relation to **government intervention**, a general comment is that a move towards a better resourced MRET energy scheme for Renewable Energy Certificates is vital to encourage early adoption and investment in alternative fuel sources. Experience in the forestry sector has confirmed this.
- In relation to **externalities** pertaining to incineration and composting, clearly poor composting practices can lead to higher levels of emissions of green house gases. Effective techniques and possible endorsement of certain techniques may be useful in this sector. A recent industry driven draft Green Organics Standard may assist here. GPE's technologies and techniques used in composting we view as leading in the industry in relation to speed of compost process and in turn lowered emissions of GHGs.
- We take a view in relation to **illegal dumping** that higher penalties must be imposed to point of additional criminal penalties at the company level for pollution and dumping to ensure sufficient incentives for companies to invest considerably in ensuring this does not occur. Further, additional monitoring resources are clearly needed at a national and state and regional level to police this. This needs to be carefully managed with both industry and stakeholder consultation on an ongoing basis. This stakeholder involvement would include residential and regional players.

- In relation to **market power** issues our view is that there are sufficient (and in many cases highly competitive) players to ensure competition. Ironically one of the main concerns in fact relates to undercutting by either new entrants or under resourced entrants who then fail to deliver quality outcomes and service for clients (Councils in the main). An example of this arises from "lowest price" approach of many Councils which delivers in some cases operators who do not have the ability to produce effective and quality end recycled products which in turn affects the market demand for these end products – having a domino effect.

We would therefore desire a higher common denominator of end product quality to ensure the "virtuous cycle" of waste resources grows rather than diminishes.

- In relation to the issue of **regulatory or institutional barriers**, the last point above is relevant to the issue.
- Having noted this, an **independent assessor** at either state or federal level, which assesses compliance and efficacy and efficiency of existing **contracts** for RO would be ideal to ensure best practice is maintained, whilst also ensuring that Councils are not being restricted and being held legally to contracts that are being breached at the very least in principal by some operators.

- There is a clear additional case to use waste **policies to improve sustainability of resource** use by ensuring benchmarks and legally binding targets are set in relation to diversions such that more effective and long term sustainable practices are put in place – driven in large measure by a market place guided by simple but effective and enforced regulations. The case is simply a broader environmental one – reducing GHGs and improving resource use generally whilst preventing further landfill than necessary.

- The most **efficient policy** from an RO perspective has been the "zero waste" targets.
- In relation to **KPIs** and target setting specifically for RO it is very evident that a zero waste position is sensible economically and very achievable.
- Australia should take note of **other countries** but set its own standards as high as feasible within a sensible economic framework that achieves real environmental benefits and outcomes.

- In relation to **specific policies encouraging more recycling** or diversion of wastes, clearly greater government mandated procurement (including for all tendered work such as roadway landscaping, urban developments etc) is desirable.
- Whilst not associated with RO, the policy in relation to **5 cents return** per plastic or glass bottle should be mandated across states and therefore be a **national program**. Clearly this program is working very effectively and proving markets can drive diversion of waste from landfill.

- In relation to **energy from waste** we view that in the main it is from forestry waste that energy production should be focused first and foremost.
- Standing in the way of this in large measure is a more effective **REC scheme** as noted above.
- Energy production **should not distract** the ongoing growth and improvement of recycling of RO – ie there is a risk that the "easy option" in the short term is to divert considerable amounts of RO to energy production when all avenues have not been satisfied for higher value adding recycling and reuse.

- **Pricing**: GP views a need to significantly increase the land fill charges per tonne in Victoria to drive incentives to reduce waste creation in the first place. This

simple step will drive innovation and improve the sector overall, including greater efficiencies in the waste stream management through time.

- **Landfill levies** should be set in relation to noted need for additional investment in infrastructure as well as vastly improved resourcing of education and marketing – across schools as well as the general public
- In relation to **producer responsibility,** our sector is not as dependent on point source producers – ie the main contamination issue comes from residential (mixed) sources. As a general position however GP views it as ideal to have levies imposed on producers including ones mandated for imported products to create a market incentive for further reuse and recycling of packaging and related materials.

- **Recycling facility positioning** should have special consideration by planning authorities in relation to siting to ensure optimal position within the community rather than only on its outskirts. Having noted this clearly there is a need for careful regulation and best practice to ensure the communities affected remain supportive of the positioning of recycling centres within the precincts of the community.

- In relation to **littering** our position on container deposits is noted above – strongly in support of a national system.
- Further, **higher penalties** and far greater resourcing for policing and prosecution of this is essential.

- **Education** position noted above – more emphasis needs to be placed on creating awareness of the "cycle" of RO such that contaminants in the stream are fully appreciated and avoided. Also more education on the end use and demand for recycled products is essential to "complete the cycle" and to keep it going.

- In relation to **national approaches,** a uniform landfill levy would assist in ensuring ongoing appropriate diversion of wastes, while this national approach could feed a higher levy payable to the federal government (in addition to that collected by states) thereby feeding an education and marketing campaign on an ongoing national basis.
- The only other need at a national level of co-operation is in relation to data collection and co-ordination as noted above.

End of Submission