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Dear Commissioner

SUBMISSION -WASTE GENERATION AND RESOURCE EFFICIENCY IN AUSTRALIA

Congratulations on preparing such an insightful dissection of 'accepted' international and Australian environmental policy and practice. Disturbingly the draft report has shown much of Australia's waste management policy to be unsustainable. In simple terms a recipe to waste money while making the environment worse off; and all along the community should feel good and pay for it. As I will explore later this is not because of malice or dishonourable intentions, rather because of firmly held false notions.

The report objectively and impartially rejects almost all of the concepts, principles, and policies that make up contemporary waste management in Australia, at all tiers of government and jurisdictions.

Apart from supporting the draft report I believe it could have gone further in some respects and in this regard I make the following points:

1. Waste management is essential public infrastructure and like roads, railways, waste water treatments plants, ports and harbours, airports, water supply and power generation/transmission, should be the primary responsibility of state level infrastructure agencies, not environmental (or sustainability) agencies.
2. The draft report does not fully explore how an area of policy can become so misguided or expose widely accepted false notions about the environment, society and human well being.
3. Current initiatives toward 'resource recovering' the organic fraction of the waste stream is uneconomic, technically and environmentally flawed.
4. The draft report could give further attention to the anti competitive nature of current policy and the behaviour of many environmental agencies.

These points are expanded on below.

1. Hands Off the Wheel

Pollution or solid and liquid waste became a health issue during the Industrial Revolution in Europe. The subsequent provision of sewers, reticulated clean water, waste collection services and landfill was driven by health objectives and state health agencies. During the seventies and eighties most Australian states transferred responsibility for solid waste to environmental authorities because the remaining externalities were environmental i.e. groundwater pollution, odour and litter. The mechanics of collection and disposal was handed to local government. In 2006 and with the environmental externalities of waste disposal internalised, it is now appropriate for waste management infrastructure to be planned and coordinated by state level infrastructure agencies.

Where viable markets exist and/or where waste producers are willing to pay operation and service delivery should be undertaken directly or indirectly (e.g. contracted by local government) by the private sector. Environmental agencies should be confined to the regulation of specific facilities/sites in the same way they regulate environmental impacts (downstream externalities only) from roads, rail, ports, dams and airports. The current situation is akin to the Victorian EPA fulfilling the responsibilities of VicRoads and unsurprisingly like waste they would not be qualified to undertake open and rigorous analysis of transport costs/benefits that would best serve the community.

2. What Is Really Going On?

The contrast between the draft report findings and 'accepted' waste management policy is arresting and stark. The draft report identifies glaring systemic problems in waste policy however could more boldly and courageously identify who is responsible and accountable and where changes should be implemented to address the situation. For example, the final concluding comment of the draft report overview states: "*Policy makers and community attitudes need to be guided by open and rigorous analysis of costs, benefits and risks if waste management measures are to best serve the community*". Personally I find this unqualified statement shocking and as a practitioner in the industry embarrassing. To make matters worse once you delve into the draft report we find either:

- no cost/benefit analysis has been undertaken into which vacuum the community has been guided by false ideology; or
- cost/benefit analysis has been undertaken but is probably deficient, plainly wrong or contrived to justify the false ideology.

As the draft report has revealed contemporary waste management policy has almost nothing to do with cost/benefit, addressing market failures or the externalities associated with disposal. I agree for the most part health and environmental externalities associated with waste collection and disposal were sorted out 10 years ago through better siting and design of landfill, though some now argue landfill is now over engineered.

The presence of viable local, national and international markets and not waste policy has driven the increase in value and volume of recyclables between 1994 and 2004, particularly for metals, paper, concrete and plastics. For example, data from the draft report shows the export of recyclable material from Australia was \$695M in 04-05 compared to \$243M in 94-95. Most of this comes from the commercial, industrial, demolition and construction sectors. As noted in the draft report there is still significant

scope to improve these markets, for example changing attitudes and amending product standards with regard to recycling road base, concrete, oil and paper.

The Commission should be aware that many national and international waste companies avoid or reluctantly bid on local government contracts because of low margins.

Apart from showing the shortcomings of well meaning policy makers the draft report correctly highlights deficiencies around landfill compliance and enforcement action. I often wonder if these agencies have been distracted by ideological and arbitrary targets, rigid compliance with the waste hierarchy and misguided policy instruments like landfill levies, EPR, CDL and NPC schemes. To make matters worse most state governments have failed, at times with great environmental cost to address the disposal of hazardous and intractable wastes, the Bellevue fire in Western Australia being the best example.

As highlighted by the draft report it remains questionable whether current waste policy can claim any credit for the significant improvement in recycling in Australia.

3. The Litany

As the submissions already indicate many people object to the findings of the draft report, with few being particularly objective. Why? How in the words of the draft report can seemingly competent policy makers come up with measures which do not “*best serve the community*”? How can policy become law without “*open and rigorous analysis of costs and benefits*”?

While only touched on in the draft report the answer would seem to lie in widely accepted and often recanted false paradigms. In his book “The Sceptical Environmentalist – Measuring the Real State of the World” Bjorn Lomborg explores these false paradigms or as he calls it the “Litany”. Lomborg asserts “*the Litany is a series of doomsday myths that are almost universally accepted as fact and promoted worldwide by environmental organisations, politicians and scientists*”. It goes something like this: the planet is in bad shape, we are poisoning the sea, air, land, water and ourselves, the land is being stripped of topsoil, famine is increasing, we are running out of scarce resources, we waste too much, landfill space is running out, fisheries are being killed off, wells, rivers and wetlands are drying up, we are destroying species and the wilderness, the planet's species are becoming extinct in vast numbers, coral reefs are dying, population growth is leaving less and less to eat, acid rain is killing forests, population growth is unsustainable, we are running out of energy, more people are being murdered, there are more wars and political unrest, we are less prosperous and global warming is a catastrophe. Lomborg cites Al Gore's book the Earth in the Balance where he describes our “*dysfunctional civilisation colliding violently with our planet's ecological system*” more importantly he informs us these calamities are “*only the first in a steady stream of progressively more serious ecological catastrophes*”. Not a bad summary, which many people would think is probably true.

Gore's ‘dysfunction civilisation’ reflects a scary idealisation of our past and an abysmal arrogance towards the developing countries of the world. Think about it. When would you prefer to have been born? Where would you have liked to be born? I never knew we had it so bad.

Lomborg then goes on to show that during the last century life expectancy has doubled, infant mortality rates have fallen dramatically, across the planet people have far more to eat, the proportion of people starving has fallen significantly, on average in the developing and developed world people have become three times as richer, we have gained access to more amenities, clean drinking water, health care, medicines, housing, cars, computers, we are better educated, have more leisure time, fewer accidents and greater security, freedom and choice. Romantic visions of the past should be tempered by the unpleasant reality of life in London during the Industrial Revolution.

In fairness to Al Gore he does not really justify his dysfunctional claim on the basis that we are not doing better, rather that we are doing better to an increasing extent at the cost of the Earth's ecosystem. Obviously this is why we should put a stop to the insane collision with the Earth's limits. And this is probably the central premise behind waste policy – we consume and throw away too much. The question is, is this true?

Once again as Bjorn Lomborg shows in staggering detail this premise is all part of the same false Litany. Food production has and will increase, we will not lose our forests, and we will not run out of energy, raw materials, topsoil, water or landfill space. Atmospheric pollution has reduced in cities in the developed world and there is no good reason this will not happen in developing countries. Our oceans have not been defiled, our rivers have become cleaner and support more life. Acid rain did not kill our forests and our species are not dying out as many have claimed with half of them disappearing over the next 50 years. The problem of the ozone layer has been more or less solved. The current outlook on the development of global warming does not indicate a catastrophe. And finally our chemical worries and pesticide fears are misplaced. Obviously this does not mean we do not have problems either in specific locations or globally that need to be addressed and solutions will come at a cost.

The social scientist Aaron Wildavsky pondered this paradox: *"How extraordinary! The richest, longest lived, best protected, most resourceful civilisation, with the highest degree of insight into its own technology is on its way to becoming the most frightened."* And Julian Simon, Professor of Economics stated: *"This is my long-run forecast in brief: The Material conditions of life will continue to get better for most people, in most countries, most of the time, indefinitely. Within a century or two, all nations and most of humanity will be at or above today's Western living standards. I also speculate, however, that many people will continue to think and say that the conditions of life are getting worse."*

When this Litany is exposed and the real state of the world is revealed accepted paradigms like 'ESD', the 'precautionary principle' and 'intergenerational equity' become almost insulting and immoral propositions. Which recent generation has or is really likely to leave the next worse off? Many people have a mental image of starving sick children growing up with a shortage of food and water, with pollution, acid rain and global warming. But the image is a mixture of our own prejudices and a lack of analysis.

What does this have to do with waste policy? The Litany has serious consequences. It undermines our confidence in our ability to solve our remaining problems, perceptions and myths become real and true, it creates false and unnecessary fear, we fail to effectively prioritise resources/risk and we follow misguided directions and make unwise decisions based on gut reaction and do not objectively consider the facts and what is best for the community based on good cost/benefit analysis; the recent

proposition to ban plastic bags being a perfect example. The media's need to sell papers and increase viewers and politicians desire to secure votes adds a potent catalyst.

A similar report on other areas of environmental policy would reveal the same result and to this extent it is my contention that the draft report has highlighted a significant underlying flaw in environmental policy across Australia, which has spilled across to other policy and legislative areas. The irony is these policies are less rather than more sustainable.

4. Organic Gold?

A key point not made in the draft report, which needs to be acknowledged is parts of the waste stream follow a very steep curve of diminishing (read – negative) return. Once the valuable recyclable materials (i.e. metal, plastic, paper and concrete) are removed the remaining portion is essentially organic, including plastic (and other material) contaminated with organic material. This organic portion equates to around 25% of all solid waste produced in Australia (02-03 data) or approximately 8,158,000 tonnes, typically 55-65% of municipal waste, 20-25% of commercial and industrial waste and up to 5% of construction and demolition waste.

For simplicity I am really talking about municipal household waste. Because local governments and regional councils are being driven to follow the waste hierarchy and all matters 'zero waste' the arbitrary targets criticised by the draft report can only be achieved by recovering this organic component of the waste stream.

In Australia the evidence shows' chasing this waste fraction has a very high cost, little or no environmental benefit and is technically, financially and administratively complex. I am not aware of a single "Resource Recovery Facility" which has lived up to the hype that is Brightstar (Wollongong (NSW) and Gosnells (WA), Bedminster (Cairns (Qld) and Canningvale (WA) and UR-3R (Eastern Creek NSW)

There are only two technically viable options to recover the organic fraction of the waste stream:

- anaerobic digestion/aerobic composting; or
- waste to energy or the less polite term incineration.

Both will increase the disposal cost threefold (~\$100-125/tonne).

With composting there is little or no viable market (and unlikely to be) for the compost produced, the quality of compost produced does not meet the Australian standard (piles up or often used as daily cover on landfill), 10-20% (residue) still needs to be landfilled, the plants can use more electricity than they produce (for anaerobic digestion) and are not without their own technical and environmental problems (e.g. reliability and odour).

Incineration for all the reasons outlined in the draft report represents a better option, there is a viable market for the product (electricity), though it is still expensive electricity, the technology is mature and proven, there are less transport costs, there are fewer residues (ash), which is relatively inert and the environmental/health issues are very manageable. Unfortunately it is hard to imagine an incinerator being approved and built in any metropolitan capital city in Australia.

In my experience contractors typically prefer to build plants capable of processing a minimum of 150,000 tonnes/pa (+\$100M in capital costs), a challenging proposition for a single or group of local governments.

I would strongly argue and suggest the Commission give greater consideration to bioreactor landfills than incineration. I suspect a cost/benefit analysis will show the organic fraction of the waste stream is best landfilled in 'bioreactor' cells where the methane gas can be optimally extracted and converted to electricity. This approach could be enhanced by a wet and dry bin (inorganic/organic bin) where the landfill site also has a front end material recovery facility (MRF) to sort valuable recyclable metal, glass, plastic and paper from the dry or inorganic bin. This option needs to be highlighted and promoted because most environmental agencies see this option as nothing better than traditional landfill.

5. Submissions on the Draft Report

I did take the time to read all 401 pages of the draft report. I have also taken the time to read a number of submissions, for example the WMAA press release and various WMAA divisional and branch submissions. As you will appreciate from this submission I believe it is important for the Commission to appreciate the views expressed in these submissions are not the collective position of the Association members.

In the face of your compelling arguments the repetitive justification for current waste management policy rests on 'community expectations'. In other words we are just giving people what they want! As the draft report suggests politicians, regulators and industry groups need to develop the leadership and courage and admit to the community they have been misguided into believing landfill is terrible, recycling is wonderful, will save the planet and the more we do the better.

It is almost amusing to note some submissions calling on the final report to assess the impact of the draft recommendations on resource recovery industries. Apart from being melodramatically overstated it is a bit reminiscent of the tobacco industry's position when the impact and cost of smoking on the community became clear in the seventies and eighties. The authors of these submissions should draw their attention to the Commission's charter and terms of reference which require a "*community wide perspective and a focus on net benefits*". If people pay more believing there will be a greater environmental benefit shouldn't there be a benefit?

As the data shows in the draft report the recycling industry largely exists because of market success, not market failures, government intervention and waste policy and will hardly collapse (e.g. loss of 5,630 jobs) if the draft recommendations were implemented, as suggested by some submissions. It is interesting to note that many benefits attributed by some submitters to current waste policy are actually costs (e.g. jobs or levies).

6. Anti Competitive Behaviour

In the last 10-15 years landfill disposal costs have increased (though not consistently) in response to much needed improvements to landfill regulation (siting and design) and the need to allow for closure and long term (30 yrs) post closure costs. Supply of landfill space has been constrained by planning, community and political issues and there have been increased costs associated with transport, collection and multiple bins.

Taking up the point on page 170 of the draft report the Commission should be aware that some state (Victoria and WA) environmental agencies are now increasingly attempting to restrict landfill space, either through inappropriate application of environmental regulation or through the approval of regional waste management plans. They openly concede the intention is to increase the price of landfill. Like landfill levies the theory is this will help fulfil arbitrary waste targets. As discussed in the draft report this creates "*perverse outcomes*". Specifically in Victoria this has created undesirable monopolies in some metropolitan regions, increased illegal dumping and some Council now transport waste a further 100 kilometres.

The Commission should more strongly recommend against this type of behaviour and if possible use anti competitive laws to eliminate it. Further, the Commission should more strongly reiterate that environmental regulators and policy makers would better serve the community by ensuring downstream externalities of waste disposal are fully and consistently incorporated into the cost of landfills by more rigours regulation, audit and compliance during the design, construction, operation and closure of landfills.

As an individual, rather than representing HLA, I appreciate the opportunity to comment on the draft report and hope this deliberately provocative submission elevates the debate from the mute to something livelier. Should you have any questions of comments please email me on avlok@hla-enviro.com.au or telephone (03) 8699 2199.

Yours faithfully,

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