



## **Submission on the Senate Inquiry into the Management of Australia's Waste Streams**

### **Status of this Submission**

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management). The Regional Councils members of MWAC include the Eastern Metropolitan Regional Council, Mindarie Regional Council, Southern Metropolitan Regional Council, South East Metropolitan Regional Council, Western Metropolitan Regional Council and the City of Geraldton-Greenough. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Submission therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

This Submission has not yet been endorsed by MWAC, however, it will be put before the Council at the earliest opportunity (Wednesday 18 June 2008) and the Inquiry will be informed of any changes to this Submission following consideration by the Municipal Waste Advisory Council

### **Introduction**

Throughout this Submission, the main focus will be the waste that local government is predominantly responsible for. This waste is generally termed 'municipal solid waste' (MSW). However, the Submission will also include observations regarding the methods of dealing with other waste, where appropriate, and overarching policy direction/issues.

The Terms of Reference refer to "reducing, recovering or reusing waste", as a general comment, few programs focus on reduction as a strategy, despite its paramount position in the waste hierarchy. There is general agreement that, when appropriately applied, direct intervention at source is more effective and efficient in tackling resource over-consumption than other down-stream tools. However, it has to be acknowledged that governments are generally either unwilling or unable to make these types of interventions; this is the primary limitation to this type of action. Therefore throughout the terms of reference the use of the term 'reduce' is questioned.

The Submission is structured around the specific Terms of Reference:

- a. Increasing complexity, diversity and quantity of some materials in waste stream consequent effects on technology and cost, lack of linkage between policy objectives;
- b. Limited application of the principle of shared responsibility, with no incentive for producers to ensure their product is recyclable and recycled;
- c. Technical and policy responses are needed, backed by scientific inquiry and government support.
- d. Support for EPR as a tool to appropriately apportion cost and scepticism about application of CBA in isolation.
- e. Clear designation of responsibility and the application of Extended Producer Responsibility.
- f. Conditional support for National Container Deposit System.

## **a) Trends in waste production in Australia across household, consumer, commercial and industrial waste streams**

In Western Australia, local government is responsible for local government waste - this is defined as material collected from households and generated by the local government in its own activities. Local government provides waste services to the majority of households in the state. In the metropolitan area, a collection service for waste and recycling is provided to all households. In the non-metropolitan area, the majority of regional centres have both kerbside waste and recycling services; in the regional areas waste and recycling services vary dependent on population. As the primary providers of this service, a trend in the municipal waste stream is the increasing volume and diversity of this waste stream and increasing volumes of certain materials in the waste stream.

### **Increasing diversity of waste stream – Impact on Recycling Services**

Those local governments providing a recycling service are faced with an increasing diversity of materials used, particularly in packaging, leading to the need for more complex recycling infrastructure and greater expense in order to separate the material. While there are policy responses in place to assist with this issue (National Packaging Covenant) the issue still remains and local government may struggle to keep pace with the diversity of materials and use of composite materials in packaging.

### **Example: Increasing volumes – Compact Fluorescent (CFL's) bulbs and e-waste**

When the previous federal government made the announcement regarding the ban on incandescent light bulbs, the Municipal Waste Advisory Council wrote to the Minister indicating that while we support the ban, there are substantial waste management implications regarding an increased volume of CFL's being disposed of in the municipal waste stream. MWAC indicated that it considers that best management of CFL's would be achieved through a product stewardship arrangement incorporating industry responsibility for establishing and maintaining adequate CFL bulb collection and reprocessing infrastructure. Further, that the stewardship should include an industry commitment for an ongoing national public education campaign to raise community understanding of why and how to dispose of CFL bulbs correctly.

With increasing consumption of electronic goods, cheaper prices coupled with short life of products, more are ending up in the waste stream. Depending on the collection system in place, there is the potential to recover the product, however, substantial cost is incurred by local governments wishing to recycle these products.

### **Key Point**

- Increasing complexity, diversity and quantity of some materials in waste stream consequent effects on technology and cost, lack of linkage between policy objectives.

## **b) Effectiveness of existing strategies to reduce, recover or reuse waste from different waste streams.**

Areas of concern with existing strategies include the current Product Stewardship arrangements for used motor oil, the potential application of this methodology to other products and the National Packaging Covenant.

### Product Stewardship for Oil (PSO)

Local government is concerned that the Product Stewardship philosophy does not adequately resolve the issue of shared responsibility for product disposal; it is assumed local government will be responsible for the disposal of products. This approach to sharing responsibility does not provide compelling drivers for significant change in producer or consumer behaviour. For example, if producers take some responsibility for their products at the end-of-life, they acquire a direct incentive to maximise the ease and affordability of discharging that responsibility.

The current PSO arrangements have led to a situation in Western Australia where market failure has occurred regarding used oil. Oil recovery has increased – but with no market development and industry responsibility accompanying it local government was left in the situation with increasing stockpiles of oil and no methods of disposal. Currently the situation is that local government is paying for the recycling of used motor oil. This uncertainty and the current disposal charge has substantially damaged confidence in the recycling industry, which has wider implications than for just this specific material type. A large amount of time, effort and money is expended at all levels of government to encourage recycling; such market failures undo much of this good work and damage confidence in Federal programmes.

### National Packaging Covenant (NPC)

Under the NPC Australian packaging manufacturers and users have been prepared to undertake programs to reduce the weight of their packaging, but have refused to accept any substantive responsibility for the impacts of their packaging in a waste management context. The producer has no incentive to look at how their product can be recovered and funding for programmes is targeted at infrastructure provision, not ongoing running and/or replacement costs.

#### *Key Issue*

- Limited application of the principle of shared responsibility, with no incentive for producers to ensure their product is recyclable and recycled.

### ***c) Potential new strategies to reduce, recover or reuse waste from different waste streams***

This section will outline both technical strategies regarding reduction, recovery and reuse of waste and policy base responses.

#### Alternative Waste Treatment

As a technical strategy, Alternative Waste Treatment (AWT) has gained significant support in Western Australia; the City of Stirling and the Southern Metropolitan Regional Council currently operate AWT facilities. In addition, the Western Metropolitan Regional Council is constructing a facility, scheduled for completion in September 2008. The other Regional Councils are all some way along the path to developing such facilities. The Association has a Policy Statement on Standards for Recycled Organics Applied to Land (**attached**). The Policy Statement, and the Background Paper which support it, outlines local government position.

This type of shift in treatment of MSW represents a significant investment by local government and the community in waste management. The technology also represents a substantial increase in the amount of MSW diverted from landfill and the consequent

greenhouse gas emissions (GHG). The GHG reduction of the Southern Metropolitan Regional Council's AWT facility has been formally recognised through the Federal Greenhouse Friendly™ Programme. SMRC are the only local government with accredited carbon offsets for sale.

The current trend identified in Section a), of increasing quantities of hazardous materials such as CFL's and electronic waste in the MSW (without an overarching program for recovery of these materials), threatens the viability of AWT and the products they produce.

#### Extended Producer Responsibility

As a Policy response the WA Local Government Association supports Extended Producer Responsibility (EPR) as a mechanism to address the issue of responsibility regarding product disposal. Local Government endorses the Extended Producer Responsibility approach as an important part of achieving the vision of a zero waste society. Local Government considers that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required by this vision. Local Government considers that these key outcomes are:

- Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products;
- Improved valuation, pricing and incentive mechanisms;
- Greater investment in infrastructure and research and development; and
- Greater transparency and accountability.

The Association Policy Statement on Extended Producer Responsibility is **attached**.

#### *Key Issue*

- Technical and policy responses are needed, backed by scientific inquiry and government support.

#### ***d) The economic, environmental and social benefits and costs of such strategies***

Some general points regarding economic, environmental and social costs and benefits are made here. Including comment on the Productivity Commission and the use of Cost/Benefit Analysis (CBA)

Regarding the cost of the strategies suggested in Section c), the advantages of AWT for WA are outlined in the attached Policy Statement of Standards for Recycled Organics Applied to Land and its accompanying Background Paper. Diversion of waste from landfill (or different approach to landfill design such as bio-reacting landfill) will also be advantageous as a net reducer of greenhouse gas emissions. This is particularly significant with the advent of the National Greenhouse Energy Reporting Scheme (NGERS) and the imminent carbon trading scheme.

The benefit of Extended Producer Responsibility is appropriate apportioning of cost within a products lifecycle. Costs and responsibility for disposal of material will always be borne, ultimately, by society, however through EPR schemes the responsibility and cost can be negotiated and directed toward the producer, providing incentive for minimisation and intelligent product design.

When the Productivity Commission undertook its review of Waste Management, the Municipal Waste Advisory Council made the following comment:

“It is of major concern to MWAC that the Commission continues to represent cost-benefit analysis as a non-controversial model for evaluating policy programmes. MWAC acknowledges that cost-benefit analysis can certainly be a worthwhile technique in appropriate circumstances. However, past experience has shown that, if used in isolation, the technique can produce questionable outcomes as a result of non-transparent processes and controversial substitutions of environmental and economic values. The range of results presented by different cost-benefit analysis of container deposit systems in Australia is considered case and point. If it is assumed that each consultant approached their report in an unbiased manner, then the variation of results presented must be considered the result of flaws in the cost-benefit technique. No modelling technique should be used in isolation.”

*Key issue*

- Support for EPR as a tool to appropriately apportion cost and scepticism about application of CBA in isolation.

***e) Policy Priorities to maximise the efficiency and efficacy of efforts to reduce, recover or reuse waste from different waste streams***

Before the policy priorities will be discussed clear methods for determining the measure of efficiency and efficacy must be determined. Key policy priorities include, EPR, the methodology for determining priority products for national EPR schemes, their efficient and equitable application and ensuring clear roles and responsibility regarding waste management activities.

*How to measure efficiency and efficacy*

The Productivity Commission upheld the ideal of economic efficiency over resource efficiency. Local government made representation at the time regarding the preference for resource efficiency as a measure of waste management policy. MWAC has previously asserted that resource efficiency is an essential tool for environmental agencies to understand how a given economic process is using natural resources. MWAC maintains that it is legitimate for environment agencies to monitor the way our economy uses our natural resources, in that it provides a clear indication of how the market is valuing those resources and driving innovation and efficiency in their use.

*Need for EPR, method of determining priority and equity*

Local government support for EPR has already been discussed in Section c). There is a need for a clear methodology and rationale for intervention regarding a particular product or material. The Association Policy Statement on EPR offers a methodology for this, through the use of a series of questions regarding a product. In relation to equity, the Product Stewardship for Oil (PSO) arrangement has already been mentioned as a case when a national Scheme has failed in at least one State. This situation needs to be addressed to ensure that if a State (or area of a State) has special requirements or is likely to have difficulty, then there is an assistance mechanism in place. This is necessary to ensure equity of service provision and environmental protection across the nation.

#### Identification of roles and responsibility

Unless there is clear identification of roles and responsibilities regarding federal, state and local government and private industry many of the issues for waste management will remain. Local government waste (residential and that generated from the local governments own activities) is well regulated. However, the commercial and industrial (C&I) and the construction and demolition (C&D) sector has only limited regulation and no responsibility authority assigned to it. These waste streams make up the majority of the waste stream, yet go virtually unregulated. Local government may not be positioned to take responsibility for these waste streams, nor should it be assumed that they will.

To use the used oil example again, in this program, the federal government initiated and administered the Scheme – this implies some degree of responsibility for this product. In Western Australia the State Government is now, in the interim, providing funding to ensure that collection of oil continues, as used oil recyclers have instituted a collection charge. If they had not done so, it is likely a large number of local governments would have ceased to collect used oil, as they are unable to take on this additional cost.

#### *Key issue*

- Clear designation of responsibility and the application of Extended Producer Responsibility.

#### ***f) Consideration of the Drink Container Recycling Bill 2008***

The WA Local Government Association has a Policy Statement regarding Container Deposit Systems. This Policy Statement is currently undergoing its biennial review, however, the Association has previously endorsed Extended Producer Responsibility (EPR) as a tool for achieving sustainability; Local Government broadly extends this endorsement to Container Deposit Systems as a type of EPR scheme, in as much as the principles and elements of the System follow the Extended Producer Responsibility framework to advance the key outcomes required (these are outlined in Section c).

The Policy Statement also identifies that a national Container Deposit System is preferred over a state-based scheme as it enables greater financial efficiency through consistency in such areas as marketing, labelling and education campaigns and inherently incorporates the economy of scale. The Association Policy Statement is **attached** to this Submission.

#### *Key Issue*

- Conditional support for National Container Deposit System.