

**Introduction:**

This short document seeks to provide some comment and feedback regarding the draft National Waste Policy (NWP) Framework Document. The response is structured to follow the format of the draft framework.

The submission is made on behalf of the Boomerang Alliance and its member groups who include:

- ACT Conservation Council
- Australian Conservation Foundation
- Arid Lands Environment Centre
- CleanUp Australia
- Conservation Council of South Australia
- Conservation Council of Western Australia
- Environment Centre of the Northern Territory
- Environment Tasmania
- Environment Victoria
- Friends of the Earth
- Greenpeace Australia Pacific
- Local Government & Shires Association of NSW
- National Toxics Network
- NSW Nature Conservation Council
- Queensland Conservation Council
- Tasmanian Conservation Trust
- Total Environment Centre

**General Comments**

Boomerang Alliance congratulates the Commonwealth for both its efforts to improve waste management and recycling practice through the development of a National Waste Policy and in the quality and focus of the draft framework for same. The approach is comprehensive and it is encouraging to see the environment portfolio recognise the economic drivers such as increased economic activity in the market and achievement of broader sustainability objectives.

Notwithstanding the merit of the approach we would highlight what Boomerang Alliance sees as the critical areas where the framework needs some further consideration and refinement. They are:

- The framework reflects the major aspects of waste and recycling policy but the role of the states and territories in delivering in the National Waste Policy is unclear
- In particular price signals on waste and incentives to encourage recycling have been largely ignored. Without these aspects being properly embedded into the NWP it will be doomed to fail
- Providing clarity and definition regarding the waste hierarchy and the roles of downcycling and waste to energy within the hierarchy
- Waste and recycling infrastructure considerations both in terms of access to capital and planning etc.
- Stronger focus on markets and a recognition that this aspect of the NWP needs a stronger focus on domestic reprocessing and the markets for products
- Contamination issues have been addressed in part but the NWP needs to recognise that some wastes, while not a hazard to human health bear a very high cost in terms of causing large amounts of material to be lost in the waste stream and landfilled. Unless these problem materials are addressed there are only limited opportunities to lift Australia's waste management and recycling performance.
- Administration, management and resourcing of the Commonwealth and State departments are a critical factor. The proposed NWP will clearly increase workloads for a group of agencies that are clearly under-resourced and, consequently, struggling to meet workload.

## Specific Responses to the draft NWP Framework:

### Key Principles:

1. The Waste Hierarchy should be included in the Key Principles and updated to reflect the roles government sees for Re-Manufacture, Down-Cycling, & Waste to Energy. A suggested revised waste hierarchy from most to least preferable should look as follows:
  - Avoid;
  - Re-Use (refill, seal as a second hand product etc.);
  - **Re-Manufacture (i.e. repair or rebuild a product for a second life);**
  - Recycle (transform an end of life product back into a virgin material for similar uses);
  - **Down Cycle (transform an end of life product into an alternative use e.g. paper and food waste to compost or glass to road base);**
  - **Waste to Energy (capture the embodied energy of a product at its end of life);**
  - Treatment
  - Dispose
2. The precautionary and polluter pays principles have been a key aspect of government environment policy for many years - they should be formally adopted as guiding principles for the NWP

### Taking Responsibility:

1. The roles and responsibilities of the various arms of governments should be better articulated and clarified in this theme. Specifically, the role of the EPHC and NEPC Service Corporation and where it differentiates from the role of the Commonwealth and the roles of states and territories within the NWP should be clearly expressed.
2. Each stakeholder's responsibilities for reporting and data capture should be identified.
3. The framework states that the Mutual Recognition Act is not necessarily 'aligned with jurisdictional schemes'. While there is a need to consider modifying the Mutual Recognition Act to provide jurisdictions with certainty regarding when and how they act in their own right without breaching the terms of the Act, our legal advice is clear - waste and recycling measures are a legitimate issue for state action without breaching the Mutual Recognition Act. A copy of the advice we have received from Baker & McKenzie Lawyers regarding EPR and in particular Container Deposits is enclosed for your consideration.
4. Boomerang Alliance is open to effective shared responsibility and voluntary schemes, underpinned by regulation; but would highlight that in a number of instances (e.g. The National Packaging Covenant) a lack of clarity about the specific aspects of shared responsibility has meant National Environment Protection Measures (NEPMs) are unenforceable particularly in regard to goals wider than just compliance about signing the instrument. It is important to recognise that existing shared responsibility schemes on products like Used Oil, Newsprint and the DrumMuster program are very effective because each stakeholders responsibility in recovery is clear. In the instance of the NPC the shared responsibility approach has created a shield to avoid genuine action on the packaging supply chain.
5. The framework is clear on how specific priority wastes will be addressed via Product Stewardship and/or Extended Producer Responsibility (EPR) schemes but fails to address the macro issues. This theme should also address overarching issues including:
  - State & Territory Government responsibilities for the application, level and hypothecation of price signals on waste;
  - Responsibility to prohibit the transport of waste across state borders to avoid regulatory and fiscal measures;

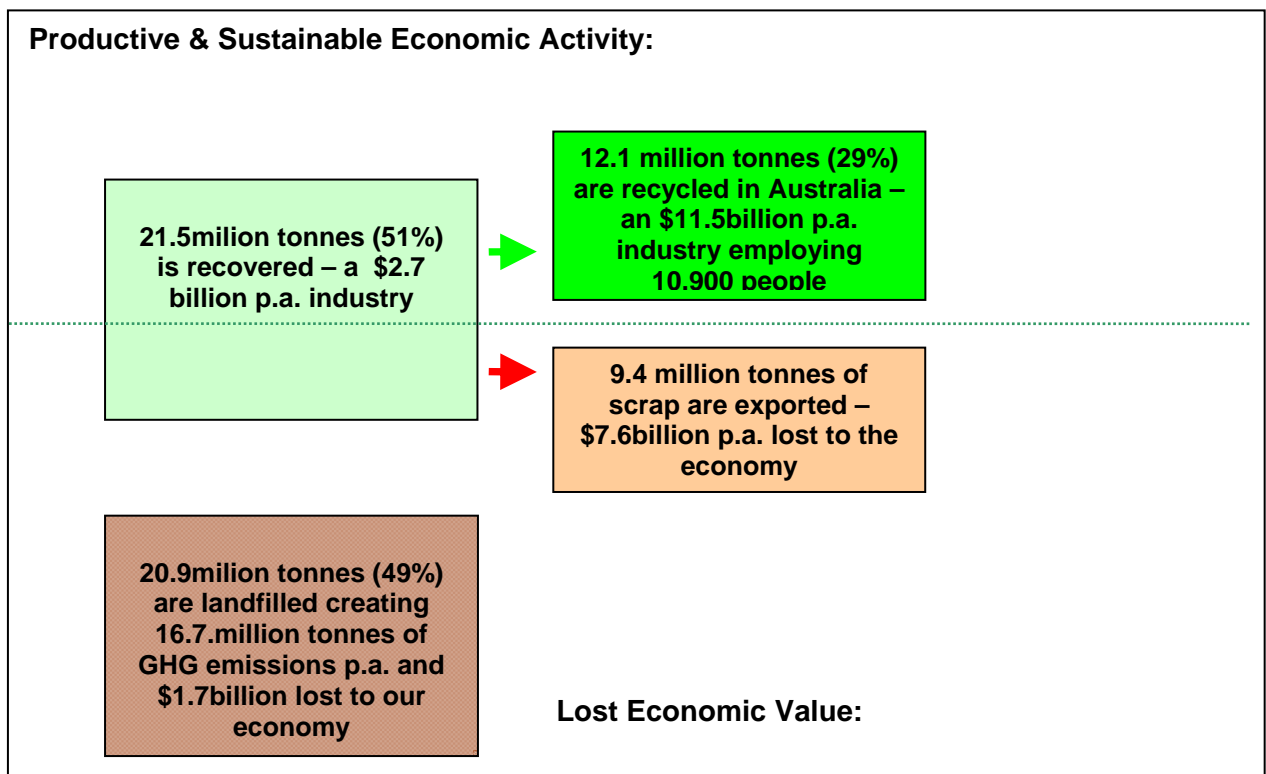
- Responsibilities for the development of convenient and accessible collection infrastructure including planning, capital assistance and coordination of different product stewardship schemes to ensure effective recovery of new products and materials;
- The operation and funding relationship between state and local government in for municipal waste and recycling programs;
- Establishment of minimum standards for landfill, pre-treatment, and sorting.

It is Boomerang Alliance's views that there should be a rigorous framework that encourages waste diversion and recycling at a macro-level with micro measures on priority and problematic wastes, examples of which are included in the appendices to this document.

6. The Taking Responsibility component of the NWP should clearly articulate what will 'trigger' a product or material identified as a priority waste for Product Stewardship.

**Improving the Market:**

1. While some of the mechanisms identified such as government procurement and better guidelines for the use of recyclate in engineering works etc. have merit it will be to little or no effect if the major barriers are not addressed. The current performance of recycling in Australia is best summarised by the following graphic:



- Based on DEWHA estimates outlined in the NWP Consultation Paper just 51% of all waste products and materials are recycled. This conservatively costs the Australian economy approx. \$1.7billion in lost scrap value each year and creating some 16.7million tonnes (Co2-e) of Greenhouse Gas Emissions.
- According to the ACOR's "Recycling Values Study" just 60% of all materials recovered for recycling are reprocessed in Australia. The remaining 40% of all material recovered in Australia is exported with little to no value adding domestically, costing the Australian economy some \$7.6billion per annum resulting in 'conservatively' exporting much of our largest current source of greenhouse gas abatement (lost abatement potential from exporting scrap materials without reprocessing sees approx. 3.5million tonnes of Co2-e in avoided landfill and approx. 134Gj of embodied energy exported annually)

- The result is that of the 41.4million tonnes of products and materials just 29% is returned to the productive Australian economy with Australia losing some \$9.4billion per annum in new GDP.
- Fundamentally there are inadequate incentives to encourage further resource recovery or to reprocess scrap materials. The draft framework needs to recognise that there will need to be specific programs developed to provide a price signal against landfilling and incentives to encourage reprocessing of materials in Australia.
- The obvious mechanisms that can address this market failure are:
  - i. To provide an 'offset' for Australian recycling via the CPRS or a complementary measure; or
  - ii. To develop a tradeable waste certificate scheme similar to the U.K. Landfill Allowance Trading Scheme (LATS); and / or
  - iii. To adopt high landfill levies and hypothecate much of the revenues earned from landfill towards incentives for recycling
- 2. Government also needs to recognise that there are a number of specific materials recovered for recycling that offer strong environmental benefits that are not recognised in current commodity markets – specifically glass, compost, and inert construction and demolition wastes such as concrete and asphalt. These programs face significant structural barriers including high transportation costs to reach marketplaces (e.g. glass and compost); existing sales networks that prohibit easy take-up of recyclate as an alternative (e.g. marketing channels to sell, distribute, and spread compost to the agriculture and horticulture sector); and difficulties accessing capital for infrastructure development. Government must identify a pool of funds and resources to support and assist in developing end market solutions for recycled products.
- 3. Labelling is also becoming a significant issue with pre-industrial efficiency measures being named as recycling; false environmental claims of a product's sustainability; and misleading advertising with a green "feel". Consumers become more confused and generally sceptical about purchasing products that offer an environmental solution. Government needs to ensure that there are consistent definitions regarding recycling and consider development of labelling standards to better inform consumer choice.

**Pursuing Sustainability:**

1. Developing a plan for a convenient and accessible collection network for wastes that cannot be efficiently serviced by kerbside recycling should be a priority within the theme of pursuing sustainability. Products like TV's, computers, electronics, tyres, batteries etc. are sold via many thousands of points of sale in almost every suburb across Australia. It is naïve to believe that these products will enjoy high levels of resource recovery without a comprehensive network comprising collection networks conveniently located adjacent to major retailing centres.
2. The focus on organics and its value to Australian soils, greenhouse gas emissions and avoidance of direct waste impacts is welcomed and sorely overdue. However, whilst the proposed focus on organics will deliver greater recovery there remains a significant challenge to develop a marketplace to purchase the materials. Government should adopt a market development program for compost and mulch.
3. In particular, the NWP framework needs to reflect on the aspects of the CPRS that will hurt Australian recycling, ironically the largest current source of GHG abatement (based on both avoided landfill emissions and the capture of the embodied energy contained in recyclate). Our analysis indicates that recyclers, already struggling to compete with Asian reprocessing will face increased operating costs due to liabilities for the greenhouse gas emissions they produce during recovery and reprocessing; yet receive no credits for either the avoided landfill gas emissions or embodied energy benefits from recycling. This approach will have a significant negative impact particularly in the transition period where free permits for the metals industry for

example will blunt the price signals that may (in the medium term) see market forces drive up the value of recycle. The result is that end use purchasers of recycle (who drive reprocessing domestically) will face significant GHG liabilities while manufactured goods from Asia will receive a free ride. There are a number of mechanisms that can address this issue. They are:

- a. Allow recyclers to claim abatement certificates reflecting the GHG benefits of recycling. Issues of additionality can be readily countered at the macro level through a variety of mechanisms;
- b. Apply GHG liabilities to any imported products that have not been subjected to an emissions trading scheme in their country of manufacture – which would ensure that imports are not given a perverse price advantage over Australian Industry;
- c. Commit to the development of a complementary measure to the CPRS for recycling during the transition period.

See appendices for more information.

4. Overall, the focus of this section seems to be too heavy a focus on energy capture with little to no discussion of the considerable water savings and improvements in air pollution that result from re-use, remanufacture or recycling.
5. Specifically this energy / climate change ‘centric’ approach will not adequately recognise that there is greater value in recycling than simply capturing the energy component of a material – this will see waste to energy approaches (which are generally lower cost) favoured over recycling.
6. It is important to recognise that the embodied energy contained within a product at the end of its life has a greenhouse gas abatement potential that is 2-3 tonnes greater than the avoided landfill emissions. This position is supported with research by SITA Environmental Solutions which modelled a variety of GHG solutions from the waste sector and found that avoided landfill emissions had an abatement potential of 2-2.5% of Australia’s total emissions while capturing the embodied energy values had an abatement potential of some 5+%.
7. Recycling is increasingly having to cope with complex machinery – cars, e-waste, white goods. This significantly increases the cost of recycling activities but is not reflected in the costs of the product, creating and increasing externalities against resource recovery. To this end, “Design for Disassembly” and “Dematerialisation” approaches do not seem to have been considered within the NWP. Governments need to recognise that if a product is not designed with recovery in mind it will cause the recovery to cost more.

For example, most European cars have key design for disassembly features resulting in both less residual material post shredding (reducing recycling costs) and key components (bumper bars, mirrors, and some engine components) that can be recovered and sold for re-use.

Thus the current recycling of an Australian car generates around \$120 in gross income – if it was designed for disassembly (like European cars) it would be worth between \$160 (scrap only) and \$400 (scrap and second hand parts).

The NWP Framework should consider how it can either penalise poor end of life design and / or incentivise good design to ensure manufacturers.

8. Government should consider forming an agency or independent body similar to either the U.K WRAP or Zero Waste SA, both of whom have been credited with playing a leading role in their jurisdiction’s strong performance in recent years. This body would focus on pursuing sustainability in the waste sector developing national recycling programs and end use markets, coordinate grants and funding, and gather leading data and information on how to improve resource recovery.

### **Facilitating Investment**

1. While the Commonwealth should be congratulated for acknowledging and embracing the notion that it has a role to play in facilitating investment, the content in this section simply will not deliver an outcome. Australia is facing its most difficult economic conditions in at least 20 years and capital finance is more difficult to access than at any time in recent memory. To suggest that government can facilitate investment through token gestures like its own procurement, while meritorious, is simply naive.
2. The NWP will not be able to 'facilitate' investment if core market failures are not addressed. It is disappointing that the issue of market failure has not been addressed in the framework approach.
3. While there is cause for optimism over the medium to long term, the scrap commodity market saw the value of recycle drop by 50-70% almost overnight late last year. In more recent times commodity prices have improved but remain some 40-50% below their peak in September last year. Financial pressures on industry and poor price signals on waste in most states has also seen significant volumes of C&I and C&D recycling diverted back to landfill and most operators in these sector are reporting around a 20% drop in volumes. The result is that almost all investment has been stalled and if the NWP is going to facilitate investment it will require a much stronger package than the tokenistic approach reflected within this theme.
4. The combined waste and recycling industry is a vital part of the Australian economy, with waste and recycling transportation; Advanced Waste Treatment facilities; sorting and disassembly of end of life products; and reprocessing of materials comprising around 1.5-2% of Australia's total economic activity. It is a major employer providing well over 12,000 jobs. The sector's contribution needs to be recognised as an essential service in modern day society. The 1992 Ecologically Sustainable Development Policy & National Waste Minimisation and Recycling Strategy have been abysmal failures because government failed to underpin the approach with complementary industry, local government and infrastructure policies. Unless these aspects are addressed the National Waste Policy will be doomed to fail.
5. Unless Australia enjoys a commodity boom like that of recent times, the only way to see investment in recycling and advanced waste treatment facilities accelerate will be through:
  - Regulation such as landfill bans and/or pre-treatment requirements (like those being considered by South Australia currently);
  - Development of a broad based MBI such as the UK LATS Scheme;
  - Use of price signals (like waste levies);
  - Capital Assistance Grants;
  - Tax incentives like the Accelerated Depreciation provisions for recycling investments similar to those adopted by the U.S.A. as part of their Emergency Economic Stabilisation Act 2008 (copy attached).

### **Reducing Hazards:**

1. The NWP should recognise the broader risks and hazards presented via the waste stream and these should be reflected in the approach within the reducing hazards theme. In the first instance this requires a redefinition of the notion of a hazard and over the longer term the focus should expand to address the broader threats presented in collection and compounding or eco-toxicological effects.
2. BA believes that the definitions of what constitute a hazard in the waste and recycling stream requires review and expansion. There are 3 identifiable types of 'hazard':
  - i. Toxic materials i.e. the material contains components that exceed existing guidelines and regulations for the management of toxic material. e.g. arsenic.
  - ii. Eco-Toxicological Compounds. In any landfill or incineration approach to waste there is huge variety of materials and components mixed together, many of which contain toxic elements. When mixed there are strong eco-toxicological and synergistic impacts that are not addressed or quantified to establish a level of risk. One example is when elemental mercury from CFL or e-waste enter the waste stream and are exposed to methane and organic material it creates

organic mercury which presents very different hazards and risks to elemental mercury. Additionally, while an individual product may only contain a small amount of material - in a large landfill operating over a 10-20 year timeframe the amount of material contained in a single location will expand to the point where it may present a major risk to human and environmental health.

- iii. Dangerous materials that present a threat to the public and waste and recycling workers if they are placed in a bin are without question hazardous to human health. For example if a bin containing a gas bottle is hit by a car or compacted when collected in a garbage truck it may explode and could injure passing pedestrians or the employees of the company. The disposal of sharps presents similar risks to both workers and the public.
3. There is little to no exploration of regulatory options for an economic instrument to deliver on the theme of reducing hazards in the waste stream. Landfill bans on hazards that are high risk and economic instruments (e.g. an Advanced Disposal Fee) to collect revenues that will meet the costs of clean up hazardous material at the end of products life are approaches already used internationally and in Australia. It is difficult to understand why these options have not been canvassed.

### **Reporting on Performance**

1. The concept of establishing a National Waste Database has been a policy for many years. The paper does not explain what has changed or why stakeholders should now have confidence it will be delivered.
2. Specific reporting responsibilities and penalties for failure to deliver need to be specifically identified in the NWP if a National Waste Database is to have any hope of succeeding.

### **Tailoring Solutions**

1. At this stage this theme contains little more than a motherhood statement to recognise tailored solutions are necessary.
2. The notion that geographic considerations are the only 'issue' in tailoring solutions demonstrates little understanding of the waste stream. Tailored solutions are needed for different geographic areas, for different industry sectors and for specific problematic and profligate aspects of the waste stream.
3. Specifically this theme should outline how product stewardship and EPR approaches will be integrated into the NWP.

### Appendix: Priority Wastes & Actions

Waste	Reasons for Concern	Priority	Considerations	Supported By	Proposed Action:
<b>Glass, Plastic, Steel and Composite Containers</b>	* The most difficult part of packaging to recover – away from home consumption & low scrap value when recovered in mixed recycling * Significant cause of contamination glass which can drive up kerbside costs to the point of being unviable low yield per bin.	* Very High: 1/ Redresses externalities experienced within kerbside; 2/ Most likely initiative to develop local infrastructure for collection of problem wastes – reducing overall recovery costs 3/ The biggest EPR target (by tonnes). Containers are the poorest performing segment.	* Entrenched opposition, but only by a very small part of the industry; * Most likely to build collection infrastructure for other popular wastes at no cost to govt. * Strong economic outcomes via growth of plastics reprocessing, additional aluminium & steel recovery, colour separated glass and new collection centres	* 90+% support from public; * Very strong support from NGO sector * Very strong local gov't support (about 70%); * National action has strong state support in Qld; NSW; Tasmania; NT; SA * Senate enquiry into waste management	* Introduce Container Deposit System using a 'hub & spoke' approach to maximise infrastructure benefits * Retain unredeemed deposits within gov't fund to minimise operating cost * Programs to develop further end use markets for glass fines such as use in road base and building architectural products
<b>Reprocessed Paper</b>	* There is a significant surplus of paper recovered with no domestic use meaning Australia exports (or stockpiles) some 700,000+ tonnes p.a. of scrap paper.	* Additional reprocessing will stabilise the Australian recycling industry. * Additional reprocessing capacity will stimulate additional paper recovery	* Opportunity to build 3 new recycled paper mills (2 in NSW & 1 in SA) to reprocess 725,000 tonnes of paper * This will create some 2,000 jobs and generate some \$260million p.a. in new GDP * will lead to another \$200+ million investment in recycled paper packaging manufacturing plants	* Local government & recycling collectors * Recycling and waste industry * Environment groups and unions	* provide capital assistance and tax incentives towards paper reprocessing
<b>Plastic Bags</b>	* Iconic Issue; * Litter and marine impacts;	Not High BUT the community has been promised repeatedly. Needs to be finalised.	* Collection issues make recycling difficult * Levies have a significant economic impact	* 70+% support for community action; * Local Gov't has a lot of political capital invested in bags	* Ban Plastic Bags from sale
<b>Batteries</b>	* Dangerous and toxic * Contamination of organics	* High – major cause of GHG via organic waste, toxic and hazardous	* 1 car battery can causes up to 25 tonnes of compost to be contaminated	* Waste & recycling Industry * ENGOs	* Ban all batteries to landfill * Place a \$10 deposit on lead acid batteries
<b>E-Waste</b>	* Massive sector with fast growing problems * E-waste is costly to	* Broad policy approach / directive: Very High * TV's and computers: Very High; *	*TV scheme is a good voluntary programs* Computers: priority for action but we cannot support the current	*Strong community support for action on computers, TVs mobiles; * Local Government;	* Establish targets, penalties and min. recovery standards via a broad e-waste directive

	disassemble * Significant underlying toxic issues * Sector requires a broad policy but multiple 'schemes' for recovery (computers, TV's, mobiles, CFLs, general electronics)	CFLs; High – ensure threat is eliminated before CFL replacement program starts Other electronic waste: Medium	voluntary approach – see RIS submission * CFL's: EE initiatives will massively increase consumption – cost to cover waste is low. OHS issue on CFLs is potentially huge; * Other electronics (smoke alarms, mobiles, kitchen appliances, etc.) have a high ratio of recovery cost to retail value and would be more effective if implemented after TV and computer schemes are introduced (lower cost once a collection system exists)	* TV And IT Industry bodies; * Waste & recycling Industry. * Strong State gov't support. * Lighting Companies (fear of mercury limits take up) * Many retailers are interested in operating aspects of resource recovery operations -particularly hardware stores.	administrated by C'wealth * Implement industry lead TV scheme immediately * Introduce CFL light globe scheme * Start funding e-waste and CFL collection schemes while Prod Stewardship schemes are implemented * Allow exemptions from waste levies for residual materials on disassembly based recycling activities
<b>Metals Recycling</b>	* Metals contain highest embodied energy values for recycling	* High	* Free permits have blunted demand side price signal for recycle * metals produce little GHG in landfill, meaning demand side price signal is ineffective	* Metals recyclers, smelters and manufacturers. * Community Sector * general recyclers and reprocessors	* Exempt recycling residuals from levies – this disincentive is driving disassembly offshore. We are exporting GHG abatement opportunities
<b>End of Life Vehicles</b>	* Tyres * residuals from recycling end of life cars	* Tyres – Very High, * Relief from waste levies on Shredder Flock (Auto residuals post recycling) – High	*Tyres: 15 years to consider supporting a voluntary scheme with no opposition. * Costs to dispose of the residual waste in cars is a problem. A 10% waste component sees recovering the other 90% become unviable. * The commodity value of recycling a car has dropped from \$250 in September to under \$100 today.	* Tyre Industry * Recycling Industry; * Used Oil Industry * Local Government * Community Sector	* Implement the ATIC used tyre recycling scheme immediately * Exempt metals recycling residuals from waste levies – this disincentive is driving disassembly offshore.
<b>* Hazards</b>	*Gas bottles explode when crushed * Sharps in rubbish bins can slip through composting and become a hazard to agriculturalists and gardeners	* very high	* Gas bottles explode when crushed. This means they represent a hazard to the public when left in a bin or on the kerb and are also a hazard to workers. * Sharps (old needles etc.) are often disposed into waste by vets etc. They represent similar hazards to the public.	* Community * Local Gov't * Waste and recycling Industry	* Ban hazards from landfill or MSW recycling * Establish an industry funded recovery scheme * For Gas Bottles recovery should happen at the point of refill