

Discussion Paper - Updating the 2009 National Waste Policy: Less waste, more resources

Submission

October 2018

About the LGA

The LGA is a membership organisation for all councils in South Australia and is the voice of local government in this State.

The LGA is created by councils and endorsed by the South Australian Parliament through the *South Australian Local Government Act 1999* and is recognised in 29 other South Australian Acts.

All 68 councils are members of the Association, as is Anangu Pitjantjatjara Yankunytjatjara.

The LGA provides representation, quality service and leadership relevant to the needs of member councils. The LGA also operates specific units/entities providing:

- All public liability and professional indemnity cover for all South Australian councils;
- All workers compensation cover for all South Australian council employees and associated local government bodies;
- Asset cover for South Australian councils; and
- Extensive education and training; procurement; online services and a research and development scheme.

The LGA is a constituent member of the Australian Local Government Association.

The mission of the LGA is to provide leadership to Councils for the benefit of the South Australian community.

Local government's waste management role

Local government plays a very significant role in waste management in our community through providing municipal waste and resource recovery services, seeking to increase recycling and resource recovery rates and taking action to reduce waste disposed to landfill.

Local government also makes a significant investment in the management of waste and recycling. The increasing expenditure on waste management and recycling is predicted to present one of the most difficult financial challenges for the local government sector in coming years, meaning that councils have a key interest in waste reduction methods.

Local government also plays a significant role in educating their communities in relation to waste management, in particular, in relation to recycling of materials

Local government's role in the policy development process

The LGA welcomes the Commonwealth, State and Territory Environment Ministers' actions in committing to updating the *2009 National Waste Policy – Less waste, more resources* by the end of 2018. The LGA believes that national leadership and coordination is required if we are to achieve the goal of establishing sustainable waste management practices and processes throughout our communities.

The recent implementation of the China National Sword Policy has shown that Australia still has a long way to go before it can claim that waste management practices are truly sustainable. However, the LGA is hopeful that the momentum created by this development can lead to positive reforms.

The LGA acknowledges the role and leadership provided by the Australian Local Government Association (ALGA) in preparation of the Discussion Paper and appreciates the opportunity, through ALGA processes, to provide input early in the policy development process.

However, the LGA would like to note that it does not agree with the statement made on page 8 of the Discussion Paper that “the regulation and management of waste and resource recovery within Australia is primarily the responsibility of state and territory governments” (emphasis added). In the LGA’s view, the management of waste within South Australia is a shared responsibility between state government, local government and the private sector.

For this reason, the LGA believes it is important for local government to have a strong voice in the development of a National Waste Policy document. Whilst the LGA acknowledges that it would be very difficult to ensure that the timing of national consultation processes suited all jurisdictions, the LGA notes that the release of the Discussion Paper has coincided with local government elections (and, in particular, the caretaker period) in South Australia.

It should therefore be noted that if fewer submissions are received from local government bodies in South Australia than anticipated, this is not evidence of a lack of engagement, but rather a consequence of the timing of the consultation process.

General approach to National Waste Policy

The Discussion Paper suggests that the National Waste Policy (NWP) will seek to apply circular economy principles to waste management in Australia. The LGA’s view is that the NWP should include a clear definition of what is meant by “circular economy”.

The Ellen McArthur Foundation cites the following definition:

What is a circular economy?

Looking beyond the current “take, make and dispose” extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts...”

For the purposes of this submission, products designed and manufactured according to the current “take, make and dispose” extractive industrial model are referred to as “linear-use” products. Products designed and manufactured to be reused, repaired and recycled are referred to as “circular-use products”. The LGA’s view is that the NWP should adopt similar concepts and language.

The Discussion Paper states that applying circular economy principles “includes designing systems and products to avoid waste, conserve resources and maximise the value of all materials used. It also includes improving capacity for products to be better designed, reused, repaired and recycled”.

The LGA’s view is that the principles, targets and strategies contained in the Discussion Paper are too focused on the back end of the process (waste management and resource recovery). The National Waste Policy should instead seek to apply circular economy principles to all stages of production and consumption.

Apply circular economy principles to all stages of production and consumption

The biggest opportunity to tackle Australia's waste problem is at the front end of the process (at the point of decisions being made about design, manufacture, packaging, marketing and consumption) rather than at the back end (at the point of waste disposal).

The level of government with responsibility for the front end of the process/production process is the Federal Government. The failure of those involved in the front end to take into account end-of-useful-life issues may be considered a "national market failure". This is the role of the Federal Government to address, as it is the only level of government that has significant ability to influence the front end, which it can do through legislation, regulation and policy processes relating to Australian Standards, taxation, imports/exports, product stewardship and consumer laws.

If circular economy principles are only applied at the back end of the process/waste management the real opportunity for change has been missed.

The level of government with responsibility for the back end of the process/waste management is local government. However, local government has limited tools available to it to influence the back end of the process. Local government can make changes to waste collection and processing systems, increase investment in waste infrastructure and undertake community education process. Local government is doing all of these things and, in response to the changes brought about by implementation of the China National Sword Policy, has significantly increased its efforts in this regard.

The local government sector is very proud of South Australia's diversion rate of 81.5% (the highest rate of any Australian jurisdiction). However, the sector acknowledges that its efforts have plateaued in recent years and the evidence suggests that it is unlikely that the community can increase diversion further without significant systemic change, such as that proposed in this submission

In the current system, local government must dispose of all waste that cannot be diverted (residual waste) to landfill and pay the costs of the South Australian Government's solid waste levy, a very blunt instrument that does not incentivise behaviour change at any point along the production/consumption chain.

The LGA's view is that the Federal Government has an opportunity to re-shape waste management systems and processes in Australia.

The NWP should establish a framework that provides incentives for all participants in production/consumption processes to support the circular economy. The NWP should incentivise engaging with the circular economy from both angles – by both encouraging the production and consumption of circular-use products and by discouraging the production and consumption of linear-use products.

Encouraging circular-use products

The LGA's view is that the NWP framework should encourage the production and consumption of circular-use products by establishing a clear and credible national accreditation system for these products. This role would not necessarily need to be performed by the Federal Government. A national accreditation system could be established jointly by the states and territories in partnership with industry.

An accreditation system could consider all aspects of product development including design, manufacture, packaging, marketing and sales (and potentially even take-back or other product

stewardship schemes), and require circular economy principles to be applied at all stages, to qualify for accredited status.

The benefits of a national accreditation system are as follows:

- it would provide a clear incentive to all decision-makers involved in developing and selling products to ensure sustainable decisions are made in order to obtain accreditation (the national Greenpower program is a good example of one such system);
- it could be implemented hand-in-hand with sustainable procurement targets and could make it easy for all buyers (government, business and individual consumers) to make responsible purchasing decisions. Further, if industry knows governments will preference purchases of these products, this would be a strong incentive to obtain accreditation;
- it would reduce the risk of the States and Territories all acting individually to establish similar (and potentially overlapping and inefficient) systems and processes to support their own sustainable procurement programs;
- it could be flexible and tailored to be workable for all products (for example, it might be perfectly acceptable to expect 50% recycled content in a paper product but it might be entirely inappropriate to specify 50% recycled content in a road base); and
- Unlike the arbitrary targets suggested through the Discussion Paper, an accreditation system developed in partnership with industry (and potentially part-funded by industry) could tailor accreditation requirements to make them suitable for all products and flexible enough to respond to innovation and changes in technology over time.

Discouraging linear-use products

The LGA's view is that the NWP framework should discourage the production and consumption of linear-use products through incorporating the true costs of these products (including environmental and other externalities) into the price of the products. This could be done through numerous mechanisms available at the federal level including taxation, import/export restrictions, product stewardship schemes or consumer laws.

The benefits of ensuring linear-use products incorporate a price-signal for consumers are as follows:

- ensuring that the true cost of the products to the community is taken into account in the purchasing decision by the consumer at the point of sale;
- helping to ensure that circular-use products are less expensive and more attractive to the consumer and encourage take-up;
- helping to adjust consumer expectations to be more sustainable (for example, a consumer may be happy to purchase a soft drink in a recycled "cloudy" plastic bottle rather than a virgin material "clear" plastic bottle if it will save them 20 cents by doing so);
- helping to avoid the need for more interventionist policy responses such as banning particular products that may be highly-valued by some consumer groups (for example, plastic straws are often used by people with a disability who find it difficult to hold or drink from bottles or cans).

Such a framework would be consistent with many principles of good public and economic policy and Australian principles for best practice regulation. These include supporting consumer choice in the market and implementing policy responses that are proportionate to the policy problem. Rather than

banning or phasing out linear-use products, the “user pays” principle should be applied. Market forces will then work to provide consumers with more efficient (and sustainable) alternatives.

This framework would also remove the need for arbitrary targets and strategies around waste avoidance, improving resource recovery or expanding markets for recycled products, as it builds economic incentives into the system so that market forces will operate to ensure these things occur.

Specific issues raised in the Discussion Paper

The LGA makes the following comments about specific issues raised in the Discussion Paper.

Proposed targets and strategies

The Discussion Paper outlines five principles to be established as well as a proposed national target (reproduced below) and proposed strategies and milestones for supporting its achievement.

Principle 1: Avoid waste

For comment: a national target to reduce total waste generated in Australia per capita by 10 per cent by 2030

It is considered that:

- the principle, strategies and milestones are too focused on the back end of the process (waste management) when all the opportunities for substantial change are at the front end of the process (production process); and
- many of the statements are highly aspirational (eg. proposed interim milestone of “businesses implement actions to avoid waste and support design of products that increases a product’s lifecycle (including disassembly and repair) by 2020”) without any indication of how they will be achieved.

Principle 2: Improve resource recovery

For comment: a national target of an 80 per cent average recovery rate from all resource recovery streams, following the waste hierarchy, by 2030

It is considered that:

- the Product Stewardship framework should be significantly strengthened to give clear direction to business and industry on which products will or will not be acceptable in the Australian marketplace into the future (similar to the APCO targets in relation to packaging). As suggested above, a clear distinction between linear-use and circular-use products should be adopted;
- recognising that e-waste is the fastest growing waste stream in Australia, the NWP should also give consideration to how resource recovery of e-waste can be improved/made sustainable;

Principle 3: Increase use of recycled material and build demand and markets for recycled products:

For comment: a national target of 30 per cent average recycled content across all goods and infrastructure procurement by 2030

It is considered that:

- the proposed target is unclear and may be unworkable given there is currently inconsistent disclosure about the amount of recycled content a product contains, and therefore it is not clear how it could be established that the target has been met. This is especially the case given that the target is not expressed to apply to only government procurement but also (presumably) to business and consumer purchases.
- in relation to the strategies and milestones, it is difficult to implement sustainable procurement practices without clear and credible processes for establishing which products and materials include recycled content and which do not. The LGA welcomes the suggestion of “*standardised national product labelling indicating percentage of recycled content in packaging in place by 2020*”. We are, however, of the view that such a system is needed for products and materials themselves, not just for packaging.

Principle 4: Better manage material flows to benefit human health, the environment and the economy

For comment: national targets to (a) phase out problematic and unnecessary plastics by 2030; (b) halve the volume of organic waste sent to landfill by 2030.

It is considered that:

- it is currently unclear whether the proposed national target is intended to cover all plastic products or only plastic packaging. Whilst the target does not refer to packaging, the proposed strategies and milestones appear to be limited to packaging. Other problematic plastics should also be included (for example cutlery, plates and cups).

The LGA supports the proposed national target of halving the volume of organic waste sent to landfill by 2030 and notes that, if this involves changes to food and organics collection services by councils, then councils must be resourced to enable this to occur.

Principle 5: Improve information to support innovation, guide investment and enable informed consumer decisions

For comment: a national target for fit-for-purpose and timely data to be available for individuals, businesses and governments to make informed decisions

The LGA supports work to improve availability and accessibility of data on waste and notes that South Australia has been working to implement a “mass balance reporting” system that has the support of many stakeholders in this state.