



Waste Generation and Resource Efficiency  
Productivity Commission  
Locked Bag 2  
Collins Street East, Melbourne, Vic, 8003

8<sup>th</sup> February 2006

Dear Commissioner Weickhardt,

The Australian Council of Recyclers (ACOR) appreciates the opportunity to make this written submission to the Inquiry into Waste Generation and Resource Efficiency.

Australia's current consumer choice revolution and growth in wealth has created a massive increase in the disposal of redundant goods, with an associated increase in waste diversity, toxicity and complexity. This has a negative impact on the viability of recovery of consumer durable goods, food, packaging, clothing, commercial and industrial goods, and building construction materials. It is vital that governments provide the leadership required to replace this 'take-make-waste' pattern with a more sustainable mode of consumption, reuse and recycling.

Governments across Australia and around the world have recognised the unsustainability of current consumption patterns, and have either adopted ambitious targets for reducing waste to landfill or adopted Zero Waste policies. However, progress has effectively stalled in many Australian jurisdictions, because the 'low hanging fruit' of easy recycling has been picked and recycling from the remaining mixed streams is considered more expensive than disposal.

Some state governments have encouraged recycling through the sensible application of waste levies, but this becomes problematic when levies are boosted to increase tax revenue without regard for accurately reflecting the environmental externalities of disposal. Losing the link to environmental externalities could discourage some current recycling practices and encourage inefficient recycling in other areas.

The time is overdue for abandoning the focus on waste management and addressing the sustainable management of our resources. This paradigm shift calls for the cessation of ad hoc waste programs and the implementation of technology and infrastructure that sustains resources in the economy rather than disposing of them into the environment. We need to not only value 'goods', but also the recycling and recyclability of these goods.

A recent cover story in The Economist, entitled 'Rescuing environmentalism (and the planet)', advocated three things needed for a new market based green revolution:

- 'Get the price right' for the services of nature;
- Develop the information that is required to set prices correctly; and
- Embrace the concept of cost-benefit analysis (recognising that some things in nature are irreplaceable).

ACOR would also add: develop the planning and infrastructure required to deliver sustainable outcomes; as well as a number of associated recommendations in the attached paper.

ACOR members currently reprocess and recycle over 11.3 million tonnes of material annually otherwise destined for landfill. Our members are increasingly coming under pressure to abandon recycling opportunities as these cannot be accessed economically within the existing waste policy and associated regulatory framework. Continuing to value recycled commodities only on the basis of their secondary material market value will not create the sort of conditions necessary to lift resource recovery levels.

It is imperative that financial rewards are attached to recycling outcomes, based on the 'true' eco-service benefits provided by resource recovery. These eco-service benefits include waste avoidance, greenhouse gas reduction, energy savings, material resource provision, fossil fuel replacement, soil formation, land and water pollution prevention, human illness prevention, and social amenity preservation. At present eco-service benefits are enjoyed by the community for no charge.

The reason that government waste targets have not been achieved is because recyclers receive no recompense for the true value of their recycling services. There will only be minor improvements in recycling services and resource sustainability until this underlying 'market failure' is fixed.


ACOR considers the present variability of waste legislation within Australia not conducive to further investment and uniform levels of service provision. As a first step in delivering improved outcomes for waste generation and resource efficiency, ACOR is calling for the implementation of a coherent and national resource management strategy to replace existing waste management strategies.

A national strategy of 'maximum resource recovery and continuous improvement in resource efficiency' would seek to value resource recovery eco-services, create mechanisms to overcome existing market failures, financially reward eco-service provision, improve data collection, improve planning and provision for recovery infrastructure, further develop national standards for recycling products and establish a fund for resource recovery industry development.

ACOR estimates that implementing this strategy has the potential to deliver \$912 million of commodity inputs, between 5,000 and 9,000 jobs, and in excess of \$3.5 billion of associated eco-services. However, unless required changes are co-ordinated at a national level this opportunity will be lost.

We welcome this inquiry and trust that the Commission will take on board the following practical recommendations for removing the impediments to the economic viability of recycling, improving the efficiency of service delivery and revitalising resource recovery in Australia.

Yours faithfully,



Anne Prince  
CEO