



Executive Director  
Sustainability Programs Division  
Department of Environment and Climate Change  
PO Box 644  
PARRAMATTA NSW 2124

22<sup>nd</sup> June, 2007

Dear Sir,

The Australian Council of Recyclers (ACOR) welcomes the opportunity to comment on the *Waste Avoidance and Resource Recovery (WARR) Act 2001* as part of the five year review process to determine whether the policy objectives and the terms of the Act are valid and appropriate.

ACOR seeks to encourage governments, industry and the public to take actions that advance the optimal use of Australia's secondary materials and facilitate the removal of barriers that hinder effective and efficient recycling and reprocessing. ACOR members currently receive and process almost 13 million tonnes or 86% of all recycling activities nationally and are directly impacted by state based legislation.

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. New South Wales needs to replace its ineffective Waste Strategy with a Resource Management Strategy.

The target in the NSW State Waste Strategy has become more difficult to justify as debate on environmental issues has moved on. Now that climate change and water security are such significant issues, the idea of developing a waste strategy around mere landfill diversion is harder to defend. The landfill levy is a very blunt instrument that favours the diversion of easy materials such as inerts and waste from landfill while ignoring the embodied energy and degradable carbon content of materials landfilled.

The *WARR Act* needs to be revised so that it creates the regulatory environment to meet the challenges of the 21<sup>st</sup> century.

The implementation of any new resource recovery framework will require the services of ACOR members who will be at the front line of delivery of services to recover and benefit the materials and products required. However, our investment decisions to build, expand or invest in new technology and equipment is linked to the political and legislative framework established by state governments.

Recycling is constrained in NSW and nationally by a net benefits approach where it relies exclusively on the commodity value of the recovered material to offset the costs of its activities. This approach does not value the eco-services that are provided by the resource recovery sector, i.e. avoidance of landfill, resource conservation of minerals, forestry and water, greenhouse gas abatement through reduced CO<sub>2</sub> emissions, avoidance of water and air pollution and conservation of embodied energy. Further, the net benefits equation for purely commodity players like metal recyclers is adversely impacted by increasing landfill levies with no eco-service offsets.

For greater resource efficiency we need acknowledgment of the investment in materials and energy which has occurred during a product's life cycle from pre-consumer, consumer and post-consumer. This differs from the currently simplistic definition of improved resource efficiency as reducing wastes associated with a given product or resource. Society needs to become more resource efficient and it needs to maximise the return on materials and energy embedded in currently manufactured products.

To measure resource efficiency needs a multi criteria approach where currently we measure only diversion from landfill which is a crude tool as it does not discriminate between the benefits of keeping more hazardous materials out of landfill, than inert material.

This submission outlines and identifies barriers which in our opinion are hindering our companies and the resource sector as a whole in its efficient and effective operation.

ACOR supports the following initiatives to maximise resource recovery and seeks continuous improvement in resource efficiency however we need leadership from the government on a range of issues including:

**1. Extender Producer Responsibility Programs** - ACOR has been calling on all governments to implement EPR programs specifically for products containing hazardous materials including gas bottles and cylinders, lead acid batteries, fluorescent bulbs and tubes and smoke detectors. These items contain toxic and hazardous materials and have the ability to kill and seriously injure our employees and members of the public and contaminate recycling and resource recovery processes. We believe that all programs:

- Must be underpinned by clear and concise legislation to ensure that the participants are protected from free-loaders
- The producers, brand owners or importers are clearly identifiable and held accountable for the product that they are introducing into the economy.
- Where appropriate, landfill bans should be introduced to discourage the often cheap alternative of disposal.
- The timetables, lead times and roll out of programs must be set in conjunction with the producers and the resource recovery sector to ensure that realistic and viable recovery services can be provided.
- Each material should have measurable targets and quantifiable outcomes which can be clearly articulated to the community and monitored by government and participants.
- While being cognisant of life cycle assessment (LCA) criteria, we are seeking for products to be designed with zero or minimal toxicity and maximum recyclability to facilitate improved resource recovery as opposed to the current disposal options.
- Members are asking that all regulatory options are explored and if appropriate, that compulsory regulatory action is taken to encourage and force manufacturers and brand owners to deal with the real end of life and recycling issues that their products and commodities create.

We understand that the DECC is currently undertaking a review of the criteria for the selection of products to be listed on the NSW Priority Lists of Waste of Concern and we strongly recommend that the criteria be made public and transparent so that all stakeholders can readily identify why a product has or has not been placed on the list.

We strongly advocate the need for a national focus on EPR schemes, but such schemes are more likely to gain momentum with strong state leadership that takes a multi-stakeholder approach.

The current WARR Act has been ineffective in EPR scheme development and needs to be strengthened to deliver safe and sustainable outcomes.

**2. Market Based Instruments** - The State Government has shown a preference for the KISS principle applied to waste levies to allow ease of enforcement, however this is limiting the levy's effectiveness. The use of waste levies in NSW and other states does not assist resource recovery across the board, but simply punishes waste disposal rather than rewarding recycling efforts. This presents a bottom line cost to the recycling industry and in some cases it decreases the recyclability of certain commodities with high residual waste because it does not differentiate between the environmental impacts of different residues.

We understand that Schedule 4 was changed to abolish the Waste Fund and provide for the transfer of funds to the Environmental Trust Fund. The resource recovery sector, while contributing millions of dollars to the Fund has never received any financial assistance to address the increasing complexity of issues to which our sector is challenged.

Other State Governments are supportive of the initiatives put forward by industry and use their levies as a source of funds through grants to assist with offsetting the high capital investment required to advance and achieve optimum recycling rates. There is currently no attempt in NSW to plan for the massive recycling infrastructure investment required to achieve the ambitious state targets. A rational regulatory and financial framework must be implemented to support the required recycling infrastructure delivery and this will lead to greater investment and partnerships between the public and private sector.

The revised Act should facilitate the formation and funding of Co-operative Research Centres and university research programs to work towards the advancement of competitive and sustainable resource recovery processes. A Technology Innovation Fund for Australian Council of Recyclers Inc. ABN 60 574 301 921 PO Box 277 Balgowlah NSW 2093 Australia  
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the resource recovery industry should be established similar to that which the government has supported for renewable energy. After a promising start with NSW recycling R&D grants, work appears to have almost ground to a halt.

ACOR strongly advocates the implementation of alternative MBI schemes such as the Landfill Allowance Trading Scheme (LATS), the Packaging Recovery Notes (PRN) and the Aggregates Levy in the UK. The use of tradeable certificates has a number of parallels such as the renewal energy certificates or the NSW Greenhouse Gas Abatement Certificates already in use.

**3. Landfill Bans** - Banning the landfilling of hazardous materials including gas bottles, lead acid batteries, fluorescent tubes and smoke detectors and biologically active carbon, including paper, textiles, food, wood and garden waste will not only achieve state waste strategy diversion targets but will substantially reduce the greenhouse gas emissions from methane in landfill. The use of a differentiated landfill levy based on whether a material is biologically active or inactive will drive outcomes.

The residues from recycling operations that meet stated quality requirements should be either not subject to landfill levies, or eligible for rebates of the levy. It is unjustifiable, for instance to establish a levy designed to cause the diversion of 66% of waste from landfill, and then apply that to the residues of processes that achieve diversion in excess of this amount. The levy should apply to disposal processes that fall short of the target, rather than reducing the competitiveness of recycling processes against disposal services.

**4. Improved Planning for Infrastructure** - Lack of planning for the siting of resource recovery infrastructure near to the points of generation is a substantial hindrance and a serious impediment to greater achievements by many members. Infrastructure needs to be located close to where the material is generated as participation rates decrease exponentially with increasing businesses from generation to facility in many cases. State governments need to actively set aside resource recovery parks, with adequate buffer zones to prevent impacts on neighbours, for the co-location of facilities and infrastructure to increase resource recovery with access by road, sea and/or rail.

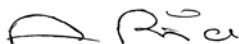
These resource recovery parks should be treated as essential public infrastructure and their development should be led by a State Resource Recovery Authority that contracts out operations and market risks to the private sector.

The Nolan ITU report commissioned by ACOR in December 2005 demonstrated that meeting the 2014 State Waste Strategy targets will require the recovery and recycling of an additional 1.8 million tonnes of resources (wastes) per annum, almost tripling current recycling levels. This requires massive infrastructure development which will not be delivered without a radically different regulatory framework. This is justification for the creation of a new Statutory Authority – Resource Recovery Authority - with the ability to coordinate with local government, industry and local communities the establishment of this new Resource Recovery infrastructure. At the moment, the planning system is driving recycling industries out of Sydney, and Sydney's waste management system is comprised mostly of obsolete equipment designed to facilitate wasting (dumping) rather than recycling.

ACOR recommends the adoption of a new strategy of “maximising resource recovery and continuous improvement in resource efficiency” (sustainable resource management). This will allow NSW to continue moving in the direction of international trends towards zero waste, and certainly zero landfilling of unprocessed waste.

The new Resource Recovery Authority would need to be guided by life cycle assessment (LCA) tools so that it could concentrate its efforts where they will be most environmentally effective. This will need a system for determining the “Eco Services” required of the new infrastructure. NSW has an opportunity here to extend its ground breaking work in Renewable Energy Certificates and NSW Greenhouse Abatement Certificates to a system which will “get right the pricing for the services of nature” in Municipal Solid Waste (MSW) management. An LCA approach would properly value the upstream impacts of resource recovery as well as the avoided dumping impacts of disposal so that the role of recycling in avoiding virgin material extraction and manufacturing impacts is properly accounted for. ACOR repudiates the view that the value of recycling is only realised in comparison to the avoided landfill emissions impacts and supports comprehensive LCA. At the very least, the new WARR Act needs to build a framework for maximising carbon abatement through sustainable waste management.

Yours sincerely



Anne Prince  
CEO