

# **Banishing Waste: the Resource Efficiency Solution**

## Introduction

The Australian Council of Recycling (ACOR) is the peak industry body for the national resource recovery and recycling industry in Australia. It represents the largest and most sophisticated businesses in the sector, recovering more than 20 million tonnes of materials every year and employing, directly and indirectly, more than 38,000 workers.

ACOR is enthusiastic about working with Government to build a sustainable and profitable industry helping make more efficient use of material resources to improve economic prosperity, create 'green jobs' and protect the environment. ACOR stands ready to play its role in co-ordinating or supervising the implementation of the Government's waste policy agenda.

ACOR encourages the Government to formulate a policy framework which inherently engages the recycling industry and draws upon the deep and diverse knowledge and expertise of the sector to develop, refine and review strategies from time to time.

ACOR refers to and re-iterates the principles and arguments presented in its joint response dated 15 May 2009 to the *National Waste Policy: Managing Waste to 2020* consultation paper. In particular, ACOR strongly supports the Federal Government initiative to establish a clear and rigorous policy framework within which all governments, industry and the community can collectively manage resources in an ecologically sustainable way.

ACOR supports the following points made or alluded to in the Framework Discussion Paper which contextualise the formulation of the policy: namely, that the policy should :

- be guided by the principles established in the *National Strategy for Ecologically Sustainable Development, 1992*
  - build upon the policy platform established in the *National Waste Minimisation and Recycling Strategy, 1992*
  - deliver more consistent policy and regulation across jurisdictions in accordance with the December 2008 COAG *National Partnership Agreement to Deliver a Seamless National Economy*
  - complement and align with regulatory schemes to address carbon pollution reductions, national greenhouse and energy reporting and increased efficiency of energy and water use
  - be integrated with other national and state policies and programs to develop sustainable industries, invest in associated infrastructure and grow 'green' jobs.
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The “Context” and “Key points of Clarification ...” sections of the discussion paper identify a myriad of issues and desirable outcomes but provide only limited indication of ways of addressing or achieving them.

However, if the aim is to “establish a culture of recovery where waste becomes a resource”, then consideration could be given to fundamentally changing how the policy document is framed. Rather than focus in a conventional way on the ‘management’ of ‘waste’ outputs of productive activity, a holistic view of what is being addressed would be better characterised as a ‘materials resource efficiency strategy’.

This approach would conceptually turn the policy ‘on its head’ by focussing on the efficient use of resource inputs to product manufacture instead of the inefficient and undesirable ‘waste’ outputs thereof. By definition, the test of the (economic) efficiency of any production process would entail ‘waste’ being seen as an inefficient or misdirected use of a resource. Thus, the concept of ‘waste’, in the context of this Framework, would be reserved for the unused, surplus or residual resources left over from the production process after all other technically and economically viable uses have been exhausted.

This approach could be articulated by a set of fundamental principles being expressed in the policy along the following lines:

1. The provider of any good or service has a prima facie obligation to maximise the efficiency with which all resources are used or reused.
2. The material or other resources which are surplus to any production process or service should be characterised as a by-product, not as ‘waste’.
3. All by-products should aim to be recovered as a resource and re-applied to serve in the provision of another product, process or service.
4. Thus there is a presumption that a production process or service will have no ‘waste’ per se and the term ‘waste’ should be reserved to refer to the minimal ‘residual waste’ after all technically and economically feasible resource recovery and recycling options have been exhausted.
5. The desired goal of all resource efficiency efforts is to achieve zero residual waste to landfill other than minimal inert materials.
6. This national ‘framework for resource efficiency’ should be part of a ‘whole of government’ approach, with supporting fiscal policy, industry and infrastructure policy and climate change policy.

As other industries in their development phase, such as ‘clean energy’, incentives should be used to overcome market failure and to catalyse the development of resource recovery and

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recycling infrastructure which helps maximise resource efficiency and create 'green jobs' while minimising carbon emissions.

This would align conceptually with the recently announced National Strategy on Energy Efficiency and similar policy frameworks relating to water.

### **The Structure of the 'Framework'**

In devising the structure of the Framework document, ACOR would make the following observations and suggestions:

- A more explicit explanation of the relationship between the Framework document and the broader 'National Waste Policy' would be desirable.
- The express adoption of a 'waste hierarchy' (perhaps reframed as an 'efficiency hierarchy') derived from the principles of ESD should be at the centre of the policy logic in the document.
- The efficiency hierarchy should highlight that the practices of waste minimisation and recycling are paramount and the disposal of 'waste' is regarded as a last resort.
- Governance arrangements, including the roles and responsibilities of federal, state and local jurisdictions as well as producers and consumers should be mapped against desirable outcomes or performance targets.
- While not to be entirely dismissed, targets, aspirational or mandatory, are of little significance if not linked to ongoing measures to transparently monitor and evaluate performance and improvement. Mandatory targets or standards, they are appropriate, should be ratcheted up over time to provide a base of acceptable or minimum performance.
- The policy should explicitly identify regulatory mandates and market-based instruments as the key intervention measures for delivering the policy goals and targets.
- Clearly articulating the criteria for deciding which of these intervention options are likely to be appropriate for which products, processes and resource flows would help guide jurisdictions towards greater regulatory consistency.

- The policy should adopt the principle that waste or landfill levies should be fully or substantially applied to improving recycling and overall resource efficiency under the Framework.
- The policy will need to identify institutional arrangements to be established to deliver the policy goals of the Framework, including the allocation of functions to industry bodies like ACOR along lines similar to the National Packaging Covenant Industry Association.

## The Themes

The definition of ‘themes’ should be reconsidered to express more clearly the categories of strategy and action likely to come out of the final policy. In this respect:

1. ‘Pursuing sustainability’ seems light on substance and purpose, and could be replaced by a theme around national governance arrangements –
    - a. jurisdictional and other roles and responsibilities,
    - b. the various national (e.g. NEPM, NPC) and State mechanisms for overseeing change and improvement
    - c. national design guidelines and/or technical specifications or standards for recyclability of materials
    - d. a national classification system that differentiates between recyclables (including co-products and by-products) and waste (residual)
    - e. an national agency or body to act as a broker for implementing policy initiatives that drive improvement, similar to the Clean Energy Council or the Council for Energy Efficiency. ACOR could fulfil such a role.
  2. ‘Taking responsibility’ is really about achieving sustainability in product design, production and use by emphasising the primacy of product design/stewardship and extended producer responsibility (EPR), linked to the recyclability (including reuse, reprocess, reclaim and reapply) of resource streams.
  3. ‘Improving the market’ should cover all aspects of the supply chain for resource use and could incorporate ‘Facilitating investment’ under it. This theme would, inter alia, canvass the market mechanisms for dealing with key components of the market –
    - a. Product design (design for reuse and recovery)
    - b. Production efficiency (minimise by-product)
    - c. Recovery and recycling systems, including infrastructure investment
    - d. Reliable markets for ‘by-product’ resources and recycled materials
    - e. Maximising local recycling and reprocessing within Australia, including industrial ecology systems, integrated waste management and resource-use complexes
    - f. Ensuring investment is guided by a combination of consistent mechanisms which overcome market failure and catalyse accelerated co-investment in recycling infrastructure and reprocessing capacity e.g. incentives, venture capital grants, industry policy, an innovation and investment fund etc.
    - g. Designing market-based instruments (taxes, levies, CPRS etc.) affecting the recycling sector so as not to impose perverse incentives or barriers to
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emerging recycling technologies and investment in them i.e. ensure the recycling residuals are not penalised as heavily as primary or non-recycled wastes and ensure appropriate 'credits' are allocated for the efficiency and carbon abatement benefits of recycling

- h. Empowering industry to take a leadership role through funded initiatives auspiced through a representative body like ACOR, especially for targeted projects to establish infrastructure to deliver recycling of specific end of life products (e.g. gas bottle, CFL's, batteries, tyres, e-waste) and EPR development.
4. 'Reporting performance' could perhaps be reframed as 'Tracking progress' and include the information management arrangements necessary for accountability; monitoring and evaluating performance against targets, and directing public and private investment:
  - a. A national classification system
  - b. National waste data system
  - c. A national and jurisdictional reporting framework that provides key participants with a transparent feedback loop on the outcomes of various strategies and investments.
5. 'Reducing hazards' should extend beyond the safe transport of chemical and medical wastes to include the special requirements for the recycling of items such as batteries, gas cylinders, fluorescent lights and smoke detectors.
6. 'Tailoring solutions' is an appropriate themes for the issues addressed although the issues canvassed could deal with the challenges faced by all remote communities, not only indigenous communities.