



Farewell 2016, hello 2017

By Jacqueline Ong, Friday 16 December 2016

What a year it has been, with container deposit announcements made in in two states, waste to energy discussions ramping up, a second Waste Less Recycle More instalment planned for NSW and of course the impending repeal of the proximity principle, the commencement of the safeguard mechanism, and most jurisdictions undergoing regulatory and policy change, to name a few.



As the year comes to a close, *Inside Waste* turned to the sector's experts - the heads of the major waste and resource recovery associations in Australia - and asked them to reflect on the year gone by as well as share their expectations for 2017.

We posed three questions to Waste Contractors & Recyclers Association of NSW executive director Tony Khoury, Australian Council of Recycling CEO Grant Musgrove, Waste, Recycling Industry Association (Qld) CEO Rick Ralph, Waste Industry Alliance (Vic) head Tim Piper, Australian Organics Recycling Association executive officer Peter McLean, and Australian Landfill Owners Association CEO Max Spedding - we also approached Waste Management Association of Australia CEO Gayle Sloan but she was unable to respond at press time. However, in an interview with *Inside Waste* earlier this month, Sloan highlighted some of WMAA's key goals for 2017. More [here](#) - and here's what they have to say.

Looking back on the last 12 months, what have been the biggest challenges, milestones reached and changes that have faced the sector?

Khoury: The failure of the much maligned and un-enforced NSW proximity principle has presented the waste sector with some challenges and disappointments. Although those that have prospered from this lack of enforcement will no doubt disagree with our view.

It was also disappointing that Transport for NSW and the Ministers for Roads and Local Government failed to assist waste transporters with collection issues from no stopping and no standing zone areas.

However, it was good to see the NSW government achieve some good results with council amalgamations, hopefully there will be some future efficiencies that should equate to lower costs for affected rate payers.

Finally, WCRA negotiated a re-signing of our partnership agreement with Safe Work NSW, which will assist all workers in our NSW waste industry to achieve better workplace safety outcomes.

Musgrove: The last 12 months have seen massive regulatory and policy change in most jurisdictions. ACOR has been at the forefront of achieving these reforms for the commercial benefit of our members, spanning every policy space that's not landfill. Prices have been depressed across most material streams, with little end in sight.

Ralph: Arguably the greatest challenge the sector has faced and continues to face has come from state regulators. Their constant and enduring interference with the sector's regulatory regime and lack of both certainty and threats to existing licence approvals this brings is causing significant loss of business confidence. Examples exist right down the eastern seaboard and across to Western Australia where for reasons unknown or those that lack transparency, the sector's operating environment is constantly under scrutiny.

As an essential services provider, the industry needs a balanced and stable operating environment to have continued confidence to invest and ensure assets and jobs are secure. In my opinion, the central reason for this lies in the fact that policy ownership for the sector at both the federal or state government level resides with regulators. They drive policy from a regulatory perspective and haven't a clue how to look at the sector in business terms. Until that cultural change is accepted at a political level and we look at the sector in terms of its business credentials as per the resources, mining or agricultural sectors, real growth, real opportunity will be overlooked and lost. We must start that debate as without it, the industry in my view is being forced in the wrong direction.

The recent announcement to establish a high level council of industry members with state and other partner engagement to focus on policy-related issues is great news. Bringing together leaders from both the recycling and waste interests provides the sector a chance to lead policy debate, not as is mostly been the case, being the policy takers. Hopefully we can get government to see sense and settle itself. We need to stop the constant interference simply to suit regulators or political self-interest and we need a better business-focused debate, supported by good and sound regulation.

My personal 2016 milestone was in assisting Boyne Smelters re-establish Cash for Cans. As one of the principle architects of the original Cash for Cans program over 30 years ago, to again be involved and see it re-established by an all-Australian local aluminium producer and recycler is certainly another great milestone for the Australian recycling industry.

Piper: The biggest concern we had was ensuring there was integration and coordination between government departments, particularly between the Departments of Environment, which is DEWLP (Department of Environment, Land, Water and Planning) and Planning because across a number of areas that we were looking at, we needed to have them both engaged and both interested and recognising the issues that we had and that's not something that government normally does very well. You need to do that because you want them to have long-term confidence and to be investing in whatever it might take, you need to make sure that all departments are on the same page. So one's not going to be preventing something from happening while the other one is actually allowing it to happen.

Very early on in the calendar year, the Victorian departments recognised that they needed to do something about that and so we had a very senior meeting between the Environment and Planning Departments and brought them together to talk about issues, in particular buffer zones and to recognise why those zones are such an important part of a landfill and dealing with waste. And having them in the same room, discussing the same issues, was absolutely vital and a turning point for us. What moved from there was, we then got a meeting with the Minister for the Environment and the Minister for Planning. Getting two ministers in the same room to talk about the same issue is quite rare.

So we had Lily D'Ambrosio and Richard Wynne in to talk about what could be done in this area and why buffer zones were so important and why you needed to stop residential, in particular, encroaching on these landfill sites. And we were also able to explain to them another particularly important issue - that waste is an essential service. So when they decided that, it put waste in the same category as electricity and water and gas and those types of things and it was then recognised that you have to maintain and keep it in the area so it doesn't take too much transportation, it doesn't take too long, the costs are kept to a minimum. That's been a real milestone and achievement in getting government on-board, talking to us about those issues.

McLean: Overwhelmingly, the biggest challenges for the recycled organics (RO) industry in Australia during 2016 have been inconsistent government regulation, contamination and market development.

Despite these challenges, AORA has engaged with almost every state and territory government as well as the Commonwealth government and positively influenced policy and regulations to ensure excellent environmental and community protection in combination with continued industry expansion. AORA has very much moved from a reactive standpoint to a proactive standpoint through working in partnership and building relationships with government agencies.

During 2016, AORA ran 24 events and meetings across Australia, spoke at five industry events, compiled nine government submissions and held their most successful conference to date. Another positive milestone was the establishment of the AORA WA Division which has ensured that members in WA have a united voice to advance the RO industry in WA. This high presence has also resulted in a strong increase in membership as stakeholders in the industry see AORA as a credible vehicle to progress and unite the RO industry in Australia.

Spedding: 2016 has been a challenging year for the industry due to continued uncertainty over 'carbon' policy and the impact new initiatives may have on the industry.

In particular, the Emission Reduction Scheme's safeguard mechanism will penalise the country's five largest landfills whilst leaving smaller sites to take no action on emission reduction. This matter will need to be addressed when the government reviews the policy setting in 2017.

Other significant issues for 2016 relate to:

- Pressure to ban several items from landfill without firstly creating a market to purchase or reprocess the nominated material. ALOA is an enthusiastic supporter of the circular economy, but landfills cannot contribute to the program if markets are not available for the material selected for diversion.
- Failure of the Victorian waste planning process to nominate any new landfill sites across Victoria.
- An urgent need to introduce harmonised policy across Australia to avoid unnecessary waste transport and the extension of poorly site and engineered landfills.

What trends, changes, challenges should the sector look out for in 2017?

Khoury: The newly formed National Waste Council, with five to 11 majors forming the inaugural membership body. It will be interesting to see how the council negotiates a buy-in from the many other important parts of the Australian waste and recycling sector.

The Council has a golden opportunity to hit the deck running, especially if it acts decisively and forms a strong, national and united position on the issue of long distance transport of waste to cheaper waste jurisdictions.

Musgrove: In 2017, I expect there will be confusion amongst government in relation to industry representation. There seems to be a surplus of organisations suddenly wanting to do policy and advocacy, when ACOR is the only group that actually understands government decision making it the most respected and influential association in Australia.

Ralph: I don't have my crystal ball nor am I across all state issues but in terms of NSW, the introduction of CDL is a game changer. There will be winners and losers. I am going to watch carefully how that unfolds as Queensland follows in 2018. In Queensland, July 1, 2017 sees after 10 years a new EHP ERA licensing framework for the sector commence. As a longstanding advocate of this, WRIQ has been pivotal in making that occur. Let the games begin.

Piper: We've got the Vic EPA Inquiry final report and the outcomes that will come from that. And this will be to deal with the EPA for the next 20 years so it's very important that we get it right. I know there's going to be a lot more discussion about environmental justice as part of that and it would be interesting to talk to the government about what that actually means.

The waste companies are not concerned about that because they do find that they are much more transparent and they need to be world's best practice - that's the good waste companies. So they are happy to be engaging the communities because we know you're not going to have a waste site of any sort, whether it be landfill or anything else, without engaging communities.

Of course the other thing that is potentially exciting in Victoria is the types of waste disposal that we could have and waste to energy is coming into the market. WtE is being discussed in a way that hasn't been before and that's obviously off the back of the loss of the Hazelwood coal fire power station in Victoria. So that will make a difference and I think that's probably as exciting an innovation as we've seen in Victoria for quite some time.

McLean: Changes in 2017 will undoubtedly come from state and territory governments gearing up for elections and potential changes in governments. This includes a WA state election in early 2017 followed by a flurry of four state elections in 2018 so 2017 will be a hotbed of policy discussion and potential reform in Vic, Tas, Qld and SA. AORA will ensure we always work in a bipartisan approach to achieving the best outcomes for successive and new governments.

All existing information, surveys and trends point to a continued expansion of the industry in Australia with more organics resources being produced as well as being diverted away from landfill. We are going to see more recycled organics being turned into beneficial products like compost, mulches, fertilisers, soils amendments and energy.

Energy may sound a little out of place, but anaerobic digestion (AD) is on the rise in Australia and is a proven model for producing consistent base load power in countries around the world using all kinds of organics resources. Australia is arguably well and truly behind countries like the UK and Germany, however we now have a number of AD plants operating in Australia with a strong interest in developing further plants and retrofitting existing systems with smaller site contained digesters. The energy outputs will be all but privately consumed due to their associated investor ties but we may see a change in public policy which will see investment to generate energy solely for public consumption so watch this space as governments are closely investigating.

Through increased investment supported through government grants especially in NSW through the WLRM Program, we are seeing more FOGO collections be introduced in 2017 which means feedstocks with higher nutrient and a downside of increased contamination.

Spedding: Hopefully 2017 will see greater bipartisan cooperation on climate change solutions and waste management planning. If the industry is to step up to the challenges of increased population and sustainable living, significant investment is needed. This is available, but more market and policy certainty is needed to attract new investment.

What are the key policy areas that your association will be focusing on in 2017 and why?

Khoury: Our focus as always is to work towards achieving a level playing field, that provides better resource recovery outcomes in NSW.

WCRA will work with and assist our members to benefit from the Waste Less Recycle More initiative.

WCRA is fortunate to have great relationships with our members, sponsors and many stakeholders. We are well positioned to continue advocating for and representing our 193 NSW/ACT members, just as we have each year since 1948.

We also value the great work undertaken by *Inside Waste* staff. Your challenge will be to maintain this high standard of media reporting in 2017 (and WCRA will assist).

Musgrove: I'm confident that 2017 will be another outstanding of a year for ACOR, based on the real and tangible commercial value we provide to our members.

Ralph: In terms of policy, gee wouldn't it be nice if Queensland actually had a policy accepted by government.? WRIQ will not be changing its position on policy as to date, no Queensland elected state

government has ever committed to a formal position nor accepting a sound and well-articulated policy.

We will refresh our existing work and in the lead up year to yet another state election due early 2018, we don't expect anything of substance to be debated. That of course will all change in 2018 when a newly elected government will have a term of four years to promulgate all the reasons for the sector to reform itself and why things must change.

In terms of the Northern Territory, on March 9 and 10, we are holding the first major conference in Darwin to discuss and present ideas for change related to recycling and waste in that region. Government has committed to overhaul the outdated Waste Management and Pollution Control Act, replacing it with a total new structure and that is urgently needed. WRINT is well placed having now established itself to directly influence and proactively work with the NT government and we are starting that process in March.

Piper: We will be focusing on those two issues - dealing with the EPA and making sure that we've got a good working relationship with the waste industry and the EPA.

We'll also be helping the government to determine what are the best types of waste disposal and how and whether we can make waste to energy work, while recognising the importance of landfill sites - they're not going away - so they need to be maintained as our population is increasing so significantly.

Infrastructure Victoria has also put out their report, which had some chapters in it and one chapter is about waste. That wouldn't have happened in the past. They've recognised the value and they've recognised the need for buffers. So those types of things will be important activities for us next year.

McLean: In 2017, AORA will be focusing on a number of existing and new policy priorities. The existing policy priorities include:

- Ensuring government's investment and infrastructure are aligned with their regulatory settings to achieve a parallel approach.
- Ensuring effective consultation to reduce unintended consequences and equal playing fields especially between licenced and unlicensed processors.
- Reviewing the definition of waste to ensure beneficial products like compost aren't classified as waste.
- Emphasising the importance of soil health in Australia especially its economic significance to increase agricultural yields and secure our position as Asia's future food bowl.

The new policy priorities include:

- Ensuring plastic bag bans in the eastern states are introduced consistently and aligned with other state bans like South Australia which include an exemption for Australian Standards Certified Compostable Bags.
- Ensuring education and awareness are accelerated to address widespread contamination challenges whilst also addressing packaging design and recoverability.
- Collecting more widespread and consistent industry data to ensure government policy makers are best placed to introduce sound policy.
- Working even closer with the decision makers to ensure they are aware of the opportunities and growth in the recycled organics space. AORA will always engage with a solutions focus, collaborative and collegial approach.
- State specific regulations like engineered timber exemptions in NSW, Environmental Guidelines for Compost in WA and review of scheduled premises in Victoria.

AORA's National policy approaches and a full list of our policies can be found [here](#).

Spedding: In 2017, ALOA will continue to seek a better outcome from the Safeguard Mechanism issue that now faces our larger landfills. At the other end of the scale, we will work with smaller landfills to improve performance and reduce environmental impacts.

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