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Via online submission portal

<https://engage.vic.gov.au/new-victorian-waste-act-and-waste-authority-proposed-model>

To whom it may concern

**Submission to the:
New Victorian Waste Act and Waste Authority – a proposed model Options Paper
From the Committee for Geelong Ltd**

The Committee for Geelong provides strategic leadership and influence to leverage the economic and social prosperity of our city-region.

An independent, non-partisan, membership-based, not for profit organisation, the Committee for Geelong works collaboratively with an authoritative group of stakeholders and influencers to design Geelong's best future.

Please find below our submission to the New Victorian Waste Act and Waste Authority – a proposed model Options Paper.

1. Formation of the Victorian Waste Authority

The Committee for Geelong welcomes the formation of the new waste Authority. Specifically, we welcome a regulatory approach that considers Victoria's waste and recycling sector as a whole and seeks to standardise contract provisions and service standards. This includes support for the consolidation of the WRRGs under the new Waste Authority.

In regard to governance, the Committee for Geelong believes that all waste services, infrastructure planning and waste policy development including those currently provided by Sustainability Victoria and DELWP should be managed by the new Victorian Waste Authority, in order to simplify administration, data collection and reporting obligations.

We would also recommend that rather than Sustainability Victoria does not take on the role of delivering state-wide education and behaviour change campaigns to households as an essential component to the reform. We recommend that this role also be given to the new Waste Authority.

In essence, if the relevant functions of Sustainability Victoria and DEWLP processes are merged and given to the new Waste Authority, the reporting and oversight of the Victorian waste management system will ensure that there will be:

- Simplification of administration, data collection and reporting requirements;
- Less duplication of effort; and that
- Ultimate responsibility for the system will rest with the new Authority.

The Committee for Geelong notes the proposal to use minimum standards as a tool to drive policy implementation and standardisation. The Committee cautiously welcomes the intent of such a mechanism, however, would encourage a principle-based set of standards to permit appropriate innovation and flexibility within different parts of the supply chain. We would also welcome a carefully thought-out transition plan that will ensure that the introduction of standards does not undermine existing investments in plant and machinery. This could undermine existing investment and innovation.

The Committee for Geelong also supports a newly formed Victoria Waste Authority setting up an office in Geelong as a regional touchpoint.

2. Support for specialist, independent legal and procurement advice for Councils

The Committee for Geelong supports consolidation of the Waste and Resource Recovery Groups under the new Waste Authority. However, we believe that regional control of waste contracts should be governed in the regions while still looking to achieve economies of scale through potential collaborations for service delivery. This would help ensure the opportunity for local procurement in the provision of services.

We also support the use of proposed specialist, independent legal and procurement advice to Councils. It has been observed that there is often a capability gap in councils when procurement decisions are being made and independent advice on the commercial aspects in particular will result in more realistic, industry standard expectations that will result in better outcomes for service providers and Councils.

The Committee for Geelong's view is that the State Government can make suggestions on the clustering of collaborative procurement however should refrain from stepping into the process.

3. The circular economy requires clean, separated materials

Essential to an improved recycling system for Victoria is focusing on reducing contamination of waste that can be recycled. If recyclable materials are cleaned and separated, they can be sold.



Unclean or poorly sorted material cannot be sold, even with help from the State Government. To be commercially attractive, we need to acknowledge that recycled materials compete with virgin materials, including manufactured fuels. So it follows that in a market economy, recycled materials must be competitive in the open market (or treated differently i.e. written into procurement processes for tenders) in regard to both cleanliness and price.

The Committee for Geelong believes that the State Government taking on a role to sell material is not appropriate. Ownership of recyclable material must remain with the operators who process it. Where recyclable material is unable to be sold, it is mainly because contamination of the input material is too high. Market intervention by the State Government in this manner is not supported as the risk to the tax paying community is too high.

Local Government and industry must work together on initiatives to create clean material streams. Therefore, the Committee for Geelong supports initiatives in the Options Paper to improve kerbside source separation and increase the level, consistency and quality of community education.

4. Only the private sector can deliver high quality recycling services

The Option Paper suggests that Local Government take ownership of domestic waste. In order to operate effectively as private recycling companies, the ownership of recovered materials needs to transfer to the private operators who process them.

Regarding the provision of recycling services for businesses, it is essential that waste collection services for business remain privatised. Where Local Government has taken control of commercial waste and recycling services, there has been a decrease in competition, more limited recycling options and increased price. Only the private sector is placed to provide leading recycling services.

Further, where Local Government has been allowed to create waste and recycling businesses, this has deterred private sector investment. Private sector investors will not enter the market where they are forced to compete with the government. Only through private sector investment will we be able to find the hundreds of millions of dollars needed to build the infrastructure necessary for a Victorian circular economy.



In the event local councils were given authority to compete against private operators, the Committee for Geelong would expect that appropriate protections were embedded in legislation to ensure State and Local Government would have regard to the State's competitive neutrality policy and provide robust avenues for private operators to seek redress in the event that this policy was contravened.

5. Keep national approach on product stewardship

Regarding the state-based stewardship scheme, the Committee for Geelong would prefer the Victorian Government to work with the Federal Government and other states on product stewardship, rather than departing from the current national approach.

6. Resource recovery infrastructure

The current resource recovery infrastructure schedule only captures current infrastructure. It does not explore or identify future opportunities. It would be beneficial to develop further details on the proposed infrastructure based on the Infrastructure Victoria's recommendations, and include them in the future infrastructure schedule.

The Committee for Geelong recommends that the State Government to take the lead to develop business cases to attract investments to build and manage resource recovery infrastructure.

7. Contract standardisation

The Committee for Geelong believes that contract standardisation for kerbside material collection is welcome. These standard contracts should;

- Standardise bin lid colours, acceptance of materials and the use of four bins;
- Include standard and best practise provisions for contamination reduction; and
- Return the cost of the landfilling of residuals from recycling to local government.

In regard to the cost of landfilling of residuals from recycling, this cost is best left with Local Governments who are in a position to reduce this contamination through education in collaboration with the new Waste Authority, and source separation.



Further, standard contracts are helpful, but negotiations should remain between contractors and or regions/Councils. The Committee for Geelong would be concerned where:

- requirements imposed by the Authority undermine the ability of parties to come to a sensible commercial arrangement; or
- existing contractual arrangements are interrupted or made uncommercial prior to the end of their term (it is not appropriate to call in existing contracts and void them, nor change the rules to any extent that would make such contracts uncommercial and place further pressure on private operators).

While the proposed powers to intervene in Council procurement arrangements may be directed at ensuring good purchasing decisions, such interventions only add uncertainty and costs to the private sector seeking to make good sales decisions and investments to support that. We understand that the new Waste Authority is proposed to have 'reserved powers', but there need to greater clarity and careful consideration to the nature of how decisions are made regarding the collaborative procurement.

The Committee for Geelong welcomes the separation of waste charges from council rates in all Local Governments.

8. Data collection and evaluation

Measurement and evaluation of the system is vital and we support the need to develop a process to collect and report on data. This data can be collected from waste collection companies, waste processing facilities and landfill sites.

With regard to the accurate collection of data, the Committee for Geelong believes that Local Government has the appropriate information to accurately report recycling data on domestic streams. In the commercial sector, recycling performance can be measured by the State Government through auditing the materials received at landfills.

The collection of data needs to be streamlined between different reporting agencies. There are many existing waste data sets required by the State Government. Therefore, the new proposal needs to be streamlined and collect meaningful data that will be used to report back to the public.



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The Committee for Geelong recommends a merger of key waste functions of Sustainability Victoria and DELWP as advised in response 1 to ensure clarity of reporting and one agency responsibility for oversight. To assist in this aim, the State Government could provide a data management platform or software that streamlines the collection of all waste data reporting (e.g. EPA and Local government performance reporting).

Many thanks for the opportunity to provide you with this feedback. If you have any questions, please contact me via jennifer.cromarty@committeeforgeelong.com.au or call our office on 03 5227 8075.

Kind regards

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