

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Recycling and Waste Management

Melbourne—Tuesday, 22 October 2019

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WITNESSES

Cr Jane Addis, Mayor,

Mr Andrew MacKinnon, Group Manager, Parks and Infrastructure, and

Ms Natasza Letowt-Vorbek, Coordinator, Waste Contracts and Projects, City of Boroondara; and

Cr Susan Rennie, Mayor, and

Ms Rachel Ollivier, General Manager, Sustainability and Strategy, City of Darebin.

The CHAIR: I welcome everyone. I am just going to go through some formalities. I declare open the Environment and Planning Standing Committee public hearing. All mobile phones need to be turned to silent. The Committee is hearing evidence today in relation to the Inquiry into Recycling and Waste Management, and the evidence is being recorded. I welcome our witnesses for this afternoon: Cr Addis and Mr MacKinnon from the City of Boroondara, and also Ms Letowt-Vorbek. I also would like to welcome Cr Rennie from the City of Darebin and Ms Ollivier from the City of Darebin as well. Thank you for making yourselves available today. All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comments repeated outside this hearing may not be protected. Any deliberately false evidence or misleading of the Committee may be considered a contempt of Parliament. You will be provided with a proof version of the transcript in the next few days. Should you find any typos or mistakes, please make the changes and email it back.

Because of the size of the Committee and the number of witnesses, we have allocated, I think, until 3 o'clock, so we have got nearly an hour. What I would like to do is ask one person from each council to speak for 5 minutes and what I would like them to talk about are some of the key issues at your council with the current Inquiry and some solutions. Then we will go to questions and answers, so you will have plenty of time to discuss matters.

Cr ADDIS: Good afternoon, Chair, and members of the Committee. I am Jane Addis, Mayor of Boroondara. We really thank you for this opportunity to make this verbal submission, which summarises many of the things we have already put in writing to you. You have met Andrew MacKinnon, who is Group Manager, Parks and Infrastructure, and Natasza Letowt-Vorbek, who is Coordinator, Waste Contracts and Projects. They are the experts so I will defer to them if there are technical questions.

Obviously this matter is of ongoing interest to the City of Boroondara and its community. We have, as people would know, been negatively impacted a number of times by the issues relating to the China National Sword policy and the disruption and eventual closure of SKM. Boroondara council's views and contribution to this Inquiry are outlined in a number of other submissions, including those made by the MAV and LGV and Boroondara's own submission. We certainly contributed to the MAV and LGV submissions, so all of those things sort of apply to us. In our view, the Inquiry raises questions that call for both strategic and operational responses and our submission addresses both of these. Today I would like to just highlight some of the key points that are included in our submission.

I appreciate that the feedback we are providing is in a sense done with hindsight, and while some of it is probably a bit frank and honest, it is certainly not offered as a view to criticising but rather in a genuine interest to make a positive contribution and to try and improve the recycling environmental effects for the broader community and our own specific community. So while we understand that the recycling crisis was the trigger for this Inquiry, we think that in reality it is not really a new problem at all. It is a new impact of a problem that has existed and remained unaddressed for many years.

The first term of reference of the Inquiry touches directly on the underlying problem, which has been the role of the State Government regarding waste management over the years. An examination of the past 10 years really does not paint a very favourable picture, but it is one that I think we need to view and dissect if we are to move

forward positively and constructively to work out how waste is managed and how the environmental impacts of waste can be reduced for all Victorians.

I would like to begin with some comments about the State Government's *Metropolitan Waste and Resource Recovery Strategic Plan*, which was released in 2009. The plan outlined Towards Zero Waste targets for Victoria and committed \$10 million to the Victorian Advanced Resource Recovery Initiative, or the VARRI project. Unfortunately the project failed to deliver tangible outcomes, and in reality little progress was made towards what were really quite modest targets of the Towards Zero Waste strategy. This Inquiry we believe provides an opportunity to investigate and change the underlying problems in the sector. We suggest there should be an audit of all actions, targets and commitments which were outlined in the 2009 plan and the funding directed to these as a means to gain insights into the underlying problems in the sector.

2009 also saw quite a significant increase in the State Government's landfill levy. While the principles underpinning the levy appeared to be very sound, it seemed that the application of the levy did not deliver on the objectives of the fund. To have over \$500 000 sitting idle while the State's waste and recycling sector is in disarray arguably is fairly poor management of resources and has resulted in a consequent lack of opportunities to address the Victorian recycling crisis.

Further, it is clear that 10 years on the increases that applied to the landfill levy have not generated the statewide behaviour change that was intended, and it seems that waste diversion levels have actually barely moved—in that disappointingly they have barely moved in those 10 years—which must call into question not only, I suppose you could call it, mismanagement of the fund but also the very principles underlying the application of the landfill levy.

So looking forward, our submission supports, first, a clear plan of action for utilising the funds collected through the landfill levy, and we would like to see a really comprehensive plan; and second, providing clarity about the role of Sustainability Victoria and the seven regional waste and resource recovery groups, particularly in relation to delivery of major projects such as alternative waste-to-energy infrastructure. The third thing that our submission supports is given the state of the sector we believe this warrants a review of the effectiveness of the structure of the seven regional waste and resource recovery groups that sit under Sustainability Victoria.

One of the other questions that the Inquiry has posed relates to the National Sword policy and asks about the state of readiness prior to and responses during and after the events. Our submission and those of MAV and LGV outline views on this. I will not repeat them here. Instead I want to highlight that the key learnings from the experience are, in our view, that there need to be clear role definition and accountability for two tasks. The two tasks that we are highlighting are the monitoring capacity of the market and the ability within the market to respond to a range of risks and scenarios, and the responsibility for provision of market capacity, including appropriate contingency.

The fourth term of reference to this Inquiry seeks feedback on future strategies. I would just like to comment on two. In relation to the container deposit legislation Boroondara's view is that we would like to see a business case into the viability should this be undertaken. Our concern is that it could lead to taking a valuable resource out of the commingled processing stream in the market. This market is already under stress, and taking the valuable resource out could affect the stability of the sector and its effectiveness. So while in principle we are certainly supportive of the container deposit legislation, we would really like to see some due diligence about how that will work before we launch into it.

The second thing I wanted to comment on is in relation to procurement policies and specifically the push towards collective procurement. We believe that this may not necessarily be a solution to the problem. Boroondara was not a party to the metro group's collective contract for recycling, and with quite a bit of work on the part of our officers we were able to maintain service continuity as a consequence of not being part of the bigger group. So while collective procurement could well be a positive initiative, it is not necessarily a solution to resolving a problem of demand outstripping supply for recycling services. Essentially our concern relates to that really we are producing more waste than we currently have the capacity to process, that in a sense being the underlying issue. Thank you for your time. We are happy to answer any questions you might have.

The CHAIR: Thank you. If we can go to Cr Rennie to do similar things, and then we will go to questions. Whoever wants to jump in and answer our questions, feel free.

Cr RENNIE: Great. Thank you all for this opportunity. From our point of view resolving and finding solutions for this problem lies in the first instance with finding an appropriate governance model to actually oversee what is happening, and we do not feel as though there are currently governance structures in place and a single source of control or oversight that would actually enable this problem to be resolved. We feel as though it is necessary to establish a new Victorian waste authority which could actually oversee the entire system. I think that might lead to a situation where we were not caught out the way we were on the recycling crisis because different parts of Government and different structures and different networks were doing different things.

An independent waste authority could be comprised of leading market developers, research and development specialists, industry commentators, local government representatives and obviously people from within Government. Some of the current regulation is over 25 years old and it does not actually suit the contemporary situation we find ourselves in. It is really also necessary to coordinate work between the State and Federal Governments. Key priorities of such an authority would be to address the urgent short-term recycling crisis and find solutions there but also, and really importantly, to find long-term solutions and to establish a secure and robust recycling market.

The next thing too I think from our point of view is to turn off the tap on the volume of product that is coming through the system. This is not just about what we do at the end of life of products; this is about actually looking for ways to ensure there is less product coming in in the first place. In order for that to be achieved we need to set targets and introduce regulations and the legislation to phase out the use of virgin materials for packaging and to replace these with recycled materials. That has two impacts. Firstly, it reduces environmental degradation by stopping the use of those finite resources and also would drive product and market innovation in terms of recycled materials then actually being easier to source and use.

We need to set high minimum recycled content for procurement targets in government. This is something we have been looking at in Darebin, so our road resurfacing contracts are now made up of 90 or 95 per cent recycled content. We think if that type of shift occurred right across government with all types of procurement contracts, then there would be a very significant market for recycled goods, which would in turn drive innovation and shift the cost in price dynamics involved.

It would be useful to expand the product stewardship scheme, so the sort of scheme that we had for TV and computer products could be broadened and deepened to actually capture other products. That would be very good way of ensuring that stuff is neither slipping into recycling if that is not where it belongs or going into landfill when there could be other uses for it.

We would also recommend banning single-use plastics and microbeads. Our council has done quite a lot of work on single-use plastics, and overall that has been very well received. The community gets it. After the initial, 'Oh, my God, what about balloons?', I think there is a really high level of interest and demand from the community to actually see these products go, and a lot of people are saying, 'Not fast enough'. The other benefit I think is significant reduction in litter and recyclable materials that we would see in our urban environment. So there were really significant environmental benefits to actually taking this out. When I walk along the Darebin Creek and the Merri Creek, and Darebin, as you may know, is sandwiched between these two creeks, single-use plastics are the greatest source of litter and really undermine the amenity of that physical environment. It is really worth seeing, particularly after high rains, the volume of that material. So there are benefits not just in terms of where the stuff goes but also where it does not go.

Our council considers that it is very important to incentivise and drive effective end-of-pipe behaviours. That can be done in a number of ways, one of which, of course, would be a container deposit scheme. That type of scheme in other jurisdictions has been proven very effective at reclaiming a high proportion of containers. But also I think you could explore other sorts of cashback models that are funded from the product sales levy on all types of problem packaging or packaging where you need a source separated scheme, including things like cigarette butts or other types of plastics, textiles or glass. I was a kid who went round collecting aluminium cans. You never saw an aluminium chucked away on the street because there was always someone who was

willing to pick it up. I think that we could actually look at that type of cashback scheme for any number of products. There will of course be some people who are not interested in the cashback, but there will be others who are very interested, and that will actually enable us to create higher quality separated streams of waste materials.

The CHAIR: Cr Rennie, can I jump in. How do we address the concern Cr Addis raised in relation to—I am just interested in the debate on that, because it is a good issue—the CDS may undermine the kerbside quality, because if you take the metal out, for example, it is not attractive or profitable. Have you got a view on that? And then if I need to come back to Cr Addis, I will as well.

Cr ADDIS: Sure.

Cr RENNIE: Certainly in some other countries they separate everything, and so there is not a commingled stream at all. I think it is worth looking at what are the problematic parts of the recycling stream content at the moment. We know the metals are the most valuable, so perhaps that is not where you do the cashback; perhaps you say, 'Well, metals are not our primary problem'. But glass is really problematic. A lot of it gets broken. It gets mixed. Other things end up in it. If you can take the glass out, then you actually increase the value of the other because you have taken out the part that is undermining the value. So I think that it would be worth doing the economic modelling on each part. We are very pleased we have now managed to sign up with Visy after obviously losing our contract with SKM. I am confident that Visy has a business model which makes paper valuable to them. That has not necessarily been the case with all recycling providers, but I think it is which are the bins.

Plastic is the other really problematic part of the stream that does not have as much value as metal, for example. Plastic has a higher value if it is clean and if it is separated. So obviously the total cost is tied up in volume, and if you start taking some things out, the volume goes down. That would be very beneficial for councils because we are paying by volume, so there is a significant cost to councils. So we can keep our costs down whilst increasing the cost of the residual material that is in recycling. I think it is about choosing the models carefully, and I do not think it is too difficult to do that economic modelling.

We could use funds from container deposit schemes or cashback models to help industry to establish collection points where people who already visit those places can go. I think that is important. It probably will not work if we expect people to take material somewhere that they would not ordinarily be going, but there are lots of places people go in their day-to-day lives. They might include transport hubs or shopping centres where this type of material could go. We see that in other countries and it works very well, and that would have to be matched with a sustained and widespread waste education campaign focused on waste avoidance and designed to encourage people to understand the importance of doing the right thing. This has been happening for decades in some other countries and the community is really onboard, so I think we know from overseas models that that can work.

We need to look at recycling industry development and sector-wide standards. I think we have seen that the standards have not been there and the regulation has not been there to be sure of what is actually happening to content that is being picked up, but I think better policy in this area could create new markets and drive innovation. Normal industry development and economic development tools are important to help this industry development grow, and we need a lot more research and development grants and support to facilitate that early business development and help identify locations for collection networks and other tools that can be used.

Sector accreditation for overseas imports and processing is important and should be done at the State or Australian level to ensure that it is effective. It could be industry funded, and it is important for public confidence. If we do not have public confidence, then I think behaviour can slip very quickly.

Finally, I think we need very high standards for waste and recycling processing, and we need to take into account cutting emissions as part of that. At Darebin we have just done a waste review, and the lens that we placed over that first and foremost has been about emissions reduction and how to reduce emissions through what we do with waste. In Darebin we found that the single biggest emissions reduction benefit we can get is by taking all organic matter out of landfill, and I think it is also important to put that lens across any future technology that might be used.

For that reason we do not regard waste-to-energy technology as a sustainable technology. At its base it does actually involve burning materials made from oil and creating CO₂. You can make that more clean with more technology but you are still left with residual by-products that are problematic, and we think there are essentially much better solutions for most of this product. These standards need to be put in place with those earlier things I talked about, about turning off the tap. Some of this innovation becomes much more possible if we are dealing with less volume to begin with, and we are always then going to need effective recycling processes because recycling can be turned into really quality materials, and obviously as a society we are going to keep using things, so we have to make sure that we know what we are going to do with them afterwards.

It is also really important with the market that there is good competition to minimise risks associated with the failure of large players. Obviously with the recycling we did not have that good competition and that did mean that the failure of one large player was quite catastrophic for the industry.

On a bright note, in Darebin we have never had such extraordinarily positive feedback as we had when we announced to our community that we had signed up with Visy and our recycling was back on track. In the history of Darebin's social media and communications with residents, never have we had the volume of positive feedback that we got to that announcement.

The CHAIR: Thank you very much for your contribution.

Mr DAVIS: I have got questions—I have got a sequence of them. I just wanted to go to Mayor Addis and the submission. Just picking up on the CDL, you support the investigation but not an automatic introduction? Secondly, in response to the responsibility of the Victorian Government you said, or Boroondara said:

Despite the potential ramifications being made clear to State Government in 2018, up to 32 Councils were forced to landfill and no contingency plan was ever formulated by State Government in advance to account for this situation. This cannot be considered to be a 'coherent, efficient and environmentally responsible approach to solid waste management ...

Do you think there should be in place contingencies in the future for these sorts of issues?

Cr ADDIS: I think we thought at the time, because it was an underdeveloped system, that it probably needed it at the time. But, look, hopefully we will get to a point where this is a system that works better. But until we have that I think we are a bit beholden to recycling companies that have sometimes let us down. Maybe Andrew or Natasza would like to add something?

Mr MacKINNON: The key point, really, is that the system as a whole should have the ability to accommodate the needs of the councils that are utilising it, and it did not, and the degree of the size of the contingency would need to align with the relevant risks. In this case there were risks that needed to be considered.

Mr DAVIS: Thank you. The other issue out of your submission that I wanted to highlight and discuss is where you say:

In addition, grant funding in general, (for example the recent Sustainability Fund Round 4 Resource Recovery Infrastructure Fund) had no prior notice and usually extremely short timelines for applications. Despite having a suitable idea to submit from the City of Boroondara (with potential to partner with other councils), there was not the opportunity for the required match funding to be secured to be submitted with the grant application. Therefore it was decided that an application would not be submitted from the City of Boroondara.

This related to the transfer station and polystyrene recovery cycle. So that seems to me entirely a process issue. My observations of Sustainability Victoria are that it is a very stop-start body with a lack of opportunity for longer term planning, and that seems to me to be kind of the problem here.

Cr ADDIS: We set our budgets a little way in advance, so we need a bit of a longer lead time.

Ms LETOWT-VORBEEK: Yes, there were a few aspects of the way that the fund has been administered so far that have been preclusive to us being able to apply new ideas and innovations and continue to minimise and direct waste to the most appropriate place. I have repeatedly, on behalf of not only Boroondara but a number of other metropolitan councils, requested they meet with the fund administrator to discuss the misalignment of time lines and allow an appreciation of the detailed council time lines.

As many of you would be aware, we are just about to enter our budgeting and budget bid processing for projects to commence on 1 July 2020. At this point we have, as we have never had with the fund, no prior notice of when any rounds of funding may be offered and as to what the targets are—whether they will be metropolitan or regional targets or whether they will be targeted at industry or councils or transfer stations or something else. So effectively I cannot plan and ask councillors to run an innovative project from 1 July next year because I actually do not know if I can match fund that.

What we have seen is that that is absolutely correct about the polystyrene. We could have partnered with two other councils but we were not able to submit in time.

Mr DAVIS: My point here is it seems to me, and it is a theme that comes through from other submissions too, that it is not really clear who is actually responsible. I might ask both mayors perhaps the very simple question: who is responsible in Victoria for management of waste; who has overall responsibility?

Cr ADDIS: That is probably the problem, isn't it?

Cr RENNIE: I would say that is precisely the problem, and that is why the very first thing I said was that we have a governance problem and we need a Victorian waste authority.

Mr DAVIS: No, no, but even at Government level, who is responsible at Government level?

The CHAIR: I think the answer to this question is that I do not think anyone knows.

Mr HAYES: They do not know.

Cr RENNIE: Ultimately I would say it is Minister D'Ambrosio, I would have thought, who sits in that portfolio; that would have been my initial response. But I think we all know that there are then different bits of the system that fall elsewhere and that whenever bits of the system fall in different places inevitably some bits fall through the holes.

Mr DAVIS: But I think there is agreement—I detect that there is not actually any clear central control.

Mr HAYES: Just taking up the same point, we are hearing from so many submitters that there is a lack of State Government control and maybe direction in regard to waste and recycling, and I am just wondering if both of your councils would like to make a comment on how far the State Government can go in this. I am talking about things like mandating procurement policy, bin lids, setting policy for FOGO and community education, and waste separation at source. Where do you see council and the State Government sitting in that, and how much policy control would you like to see the State Government taking on that?

Cr ADDIS: I would think we would like some input into what it would be, because what we have noticed is that there has been a fairly significant change in community readiness for, for example, our FOGO that we have brought forward because it was so clear that the community was ready for it. I think perhaps people work better when they want to endorse something. Because we have that really close relationship with the community, I think ideally if we could work with the State Government to plan what the community is ready for, we would get a great deal more success.

Cr RENNIE: I would be very much in favour of seeing some things managed in a statewide manner much more effectively. I think the colour of bin lids is just a small example. I was speaking to residents about our food waste recycling on the weekend and I had a resident say to me, 'Is that the one with the red lid?'. We have no bin with a red lid. This was a resident in Darebin who was talking about a bin with a red lid. None of our bins have red lids. I suspect over the road in Moreland they do. People move around.

Mr HAYES: There is a rainbow of colours out there.

Cr RENNIE: When we cannot get this type of thing right, what it means is that residents move municipalities. They are confused again. It means we cannot do statewide recycling education, which arguably would be much more effective than all of us trying to do it locally. I think that is just a small example. It also makes it harder if there are no regulations for us to actually go out to market and seek contracts for different

services. If you are allowed to put one set of items in a food waste recycling program in Darebin and a different set in Boroondara, then what does that mean about what the market is able to deliver or the certainty that is there for them as well? It reduces the number of people who can potentially compete for contracts, because you might have one service provider set up to manage one set of waste. They do not want to have two systems or two streams of systems, so when we go out looking for someone to deal with some waste, we are more narrow in who we can go to because the other one is set up for something else that is not what we want. I think if some of that stuff was organised at a statewide level, sure there would be a transition period that would be difficult, but over time I think we would actually see significant gains.

Mr HAYES: The same on procurement policy, I suppose. To get a uniform response from industry, you would probably want all councils to be asking for similar things in their procurement standards.

Cr RENNIE: I think it would be helpful, because when it comes to road resurfacing, for example, it would be terrific if there was just no market whatsoever for road resurfacing material that was not produced out of recycled content.

Mr HAYES: That is right.

Cr RENNIE: We have had feedback from our residents that the recycled content is actually more quiet for the cars to drive on. So from my point of view this is a win for everyone. Why would we enable any providers in our market in Victoria to continue to deliver a product that does not use the recycled content?

Dr RATNAM: Thank you to both councils for your submissions, both your written submissions and your oral submissions today. I have to say your written submissions are some of the highest in quality that we have received—from my perspective—from councils, so thank you very much for their depth and the commitment you have made to those, for presenting here today and for the work you do on the ground. I think it is an interesting contrast, because I think, Boroondara, you were not affected by SKM because you were not part of that—

Ms LETOWT-VORBEK: We were, but we were able to navigate differently to councils who were direct or strategically contracted through Metro Waste.

Dr RATNAM: Fascinating. All right, so that was the difference.

Ms LETOWT-VORBEK: Yes.

Dr RATNAM: It was Metro Waste contracting as opposed to you directly contracting. That is an interesting contrast as well; we will talk about that. Just to add a little bit to the previous conversation about container deposit schemes, I think you had a good point about due diligence being needed. You said you have in-principle support but that due diligence needs to be done to support that. To the question you had about, ‘What would it do to the value of kerbside recycling?’, you might be interested in some evidence we heard at the last hearing from environmental groups, a number of them, who talked about what is happening in the other states. In fact what they said is it is not only the value increase because it is separated—so you have got the inherent value going up—but you have got the deposit, which also adds to value. What they found in other states—I think it was New South Wales—is that that has balanced it out. Now we are paying for recycling to be picked up, so not only do you reduce volumes—and cost recovery—you have got increased value of separated product, but you have also got deposits that councils can claim through the deposit system, and you make money. So just some background you might be interested to know a little bit more about and you might be interested in looking through those submissions.

In both your submissions you talk about communications and governance. I think that is a really interesting frame for the Committee and the Inquiry to consider. You talk about the communications not being great over years, endemic of the governance issues that we have. I am interested to know how the communication is going now, given that a number of us think of it as a partnership between State and local governments, the State Government having a significant responsibility. I am interested to know how that communication is going now both of you have recontracted. What kind of dialogue are you having with the State Government about more solutions into the future and ways to improve that? We are really interested in solutions. The second prong of my question is about organics. So you have introduced organics? Not yet?

Cr ADDIS: Almost.

Dr RATNAM: On the way. I would be really interested to know what barriers and challenges you are anticipating, how you are working through those, how you have overcome them and also the cost—so how you have managed that model. Once again, we are really interested in solutions that we can generalise across the state. So the two questions are about communication and governance: how is that going and how could it be improved; and the second is about barriers, costs and how that organics collection is working now.

Cr RENNIE: Maybe I will start on that one, but I will hand to Ms Ollivier to continue. I would like to start with the organics collection. I have to say we have had very positive feedback from residents. The biggest kind of obstacle, the hesitation for people, has been around the idea that that material could sit in bins for a fortnight. I think there is an idea of pests and smell and everything. Interestingly people did not raise that so much when the same material was sitting in a regular rubbish bin. It is not as though the material has not been sitting in a bin. But our green collection is fortnightly, our rubbish bin collection is weekly and I think ultimately we need to be thinking about swapping over. I think that is probably some consideration that has to occur across Victoria. I think that would be much easier. I know some councils have already gone there. Bass Coast and Nillumbik are already doing a fortnightly rubbish collection, a weekly green collection. Politically that can be one of those difficult things. Once again, I think that would be a great thing if that just became the norm across the state, that 40 per cent of our landfill bins was organic waste, and if you take 40 per cent of the content out of a landfill bin, then actually fortnightly should be adequate. If you are not putting organic material in there anymore, there is no reason why fortnightly would not be okay and the bin could not sit there. So I think that is something to think about.

Dr RATNAM: Also in terms of the cost models and how you have been able to absorb that—do you have a waste charge et cetera?

Cr RENNIE: Look, cost is one of the biggest issues for council right across this, and I would have to say one of our biggest challenges. We do not have a separate waste charge at Darebin, so we have had to absorb all of the additional costs of recycling and change in management into our rates in an environment where we have rate capping. So I have to say I think that has slowed down the innovation that we can do and slowed down the changes that we can implement. That is just food for thought in relation to that. Over time we expect that if we can get enough people getting that organic material out of the landfill bin, we will save on landfill levy but pay more on green waste, and that that should even out, but I will get Rachel to add the details.

Ms OLLIVIER: I might start with food waste as well. Certainly on the cost side of things, I have been in councils who have introduced food waste—I have been in two different councils that have introduced food waste—and it is fair to say that cost is definitely the biggest challenge. Actually at Darebin we expect it to reduce costs overall. What we cannot do is model precisely what will happen in the first few years. So in the first few years we will be absorbing the cost, we think, and then we expect to save in the longer term.

Mr HAYES: Sorry, could I just interrupt? Do you have a green waste bin in any way or were you collecting green waste?

Ms OLLIVIER: Yes, we do, and that is one of the reasons the initial transition cost is lower—because we have got that existing bin we do not have to supply new bins to introduce the service.

Cr RENNIE: But it is an optional bin, so not everyone is able to access the service unless they all sign up for the green bin.

Ms OLLIVIER: That is right, and actually the next phase of a rollout might start looking at food waste in multi-unit developments, which we have not tackled yet, or commercial premises, which we have not tackled yet. And we would expect bin supply to start to be a cost at that point. The cost conversation is tricky for local governments because it is such big part of their budget, so waste services are typically 10 to 15 per cent of the entire spend of a council. Just imagine having that conversation about cost increases. So if you have a separate waste charge, you are trying to have a conversation about cost increase with a community that is often very price-sensitive—that is really tough for local politics, even when it is something that is welcomed by lots of the

community—or if you do not have a waste charge, absorbing it within a rate cap, so dialling back on other services. It is a very big part of a local government consideration on these.

Mr DAVIS: So just on that, the question I have asked others is: how much of your budget is waste and recycling and management thereof? We would be interested to see a bit of a precis of that.

Ms OLLIVIER: Look, I would have to check the figures and come back to you precisely. The order of 10 to 15 per cent is kind of ballpark.

Dr RATNAM: Is it staying within that with organics being introduced? Are you still staying within that 10 to 15 per cent ballpark, do you think? Or has it gone up a little bit?

Ms OLLIVIER: We are expecting our introduction that we have just done to have marginal cost impact, partly because of how it has been designed. In the next couple of stages we would expect that to change.

Cr ADDIS: So we have similarities and differences. Our bins, we are going to swap the frequency. We will do the green food waste/garden waste every week and the ordinary bins will go to fortnightly. They are not currently that.

Ms TAYLOR: Good on you; well done.

Cr ADDIS: Yes. The community seems to be taking it on really positively. I know myself I sometimes have something and I think, ‘I simply don’t know where to put this. Really is it a soft plastic or is it a hard plastic?’. We are working hard to communicate, and consistent messaging would be fabulous across all the councils. I mean, it is not an easy discrimination always. We do have a cost recovery model. We have a waste levy, and we have increased that to accommodate FOGO but on the assumption that eventually it might go down. We have had really very few people who have complained in my experience, a very limited number of emails from people, and I would suspect that that would be typical of all of us. There would be just a couple who have complained about it, but perhaps because we have always had a waste recovery levy, they accept it.

Dr RATNAM: The other question I had was about communication from the State Government to both of you as well, and how that is going—any areas for improvement, as a partnership?

Ms LETOWT-VORBEK: We as a council remain in the conversation for other solutions, so short, medium and long-term solutions for recycling, but also solutions for alternatives to landfill across all three streams in the sector, which are all undergoing significant change. Despite the fact that we do have a recycling solution until the end of November 2022 that does not mean that we do not want to be involved in the conversations to assist other councils in resolving this issue, because it is a statewide issue.

Mr MacKINNON: The comms are with multiple parties, so it is the same in Victoria to a degree to the metropolitan waste and recycling group. There is a lot of interaction with them over procurement for an alternative waste facility. What we have said in our submission about that governance model and Darebin’s proposal around a waste authority—the metro group procuring a facility to process, so an alternative waste-to-energy facility—

You know, is that the sort of activity—other things that State Government does—where they would have a group such as that administering that? Our questions are about the governance and the idea about an authority. If you want to remove level crossings, set up an authority and the job gets done. There are a lot of jobs not getting done because of a piecemeal approach. Your question about communication—there is a lot of communication, but it is just with so many entities.

The CHAIR: It is confusing.

Ms TAYLOR: Just with the FOGO, in Glen Eira we encourage people not to use bags, just put it from the caddy straight in. I am just wondering where you are going with that, because it is just to minimise contamination levels.

Ms LETOWT-VORBEK: This is my third time introducing FOGO. Me and Rachel, we have both been at other places. I did some studies—a pilot study in the UK about 15 years ago, where I indicated that there was a significant perceived barrier to do with exactly what you said: as soon as FOGO is mentioned, ‘It’s going to smell. It’s going to be yucky’—the ‘yuck’ factor, we colloquially term it. A number of studies have subsequently proven that the provision of liners will increase the engagement and capture of materials, so with the primary objective being to divert recoverable organic resources from landfill, the provision of compostable bags I would advocate for, having been round this whirligig a few times. Darebin may be different to that. I know Glen Eira does hold a different opinion about that. But having done it a few times and looked at the evidence, that is what we see as the best.

Mr DAVIS: Or home composting. A lot can be—

Ms LETOWT-VORBEK: Yes. Part of our FOGO program includes a significant food waste minimisation program at the front end, because it is always going to be more efficient to spend ratepayer money not picking up the bin, not taking it over the weighbridge, not reprocessing it. It is always a lot better for people to do it at home. So we will be providing a system of support for that too as a precursor. It is one of a number of interventions that you can do to prevent food waste going to landfill: so do not buy it if you are not going to use it, store it properly, plan, use leftovers, those types of things. Then we move into the intervention of having the kitchen caddy on the benchtop and the intervention of me coming and picking it up from your bin. So really actually the—

Mr DAVIS: Or it going into the garden.

Ms LETOWT-VORBEK: Yes, so—

Mr HAYES: If you have got a garden.

Ms LETOWT-VORBEK: Yes, so you can manage it at home or send it via us. But really actually the most efficient way is to minimise, prevent and do it at home. The last intervention that should be put in place is actually a kerbside collection.

Cr RENNIE: So we are not going with the bin liner. We have said to people, ‘Put it straight in the bin. We don’t want the contaminants’. That was to do with the contract we had with Veolia.

Ms LETOWT-VORBEK: Yes. Not all of the reprocessors will accept the liners. Some will; some will not. It actually depends on where you are geographically based, which strategic contracts you may or may not be in and whether you want to provide that at the council’s expense as well. The other—

Mr HAYES: But the liners are compostable?

Ms LETOWT-VORBEK: Correct. They are made from cornstarch.

Mr HAYES: But some people do not want them.

Ms LETOWT-VORBEK: Some reprocessors do not want them, yes.

Mr HAYES: Because there are contaminants in the liner?

Ms LETOWT-VORBEK: I was the project officer at Metropolitan Waste and Resource Recovery Group when we commissioned the Bulla facility, which was the first in-vessel compost facility in Victoria, and they had elected to not accept compostable bags. Through my research in the UK I know this to be to do with the loading rhythm, so it is about their business model. So it is about how many times a week they can fill and shut the door on the in-vessel and do that processing, because they have a week-long processing in the in-vessel instead of two to four weeks which it takes for the bags to compost. So you can see how the business model then is built on quite a fast turnaround over one week. Other reprocessors have elected to go for a slightly different business model and are going for the 10 to 14 days, which means that liners can be included and composted. It is a bit scientific, sorry, but that is the answer.

Mr HAYES: It is important in a way, as to community acceptance of the program and what is compostable and what is not in the end.

Ms LETOWT-VORBEK: Correct.

Ms OLLIVIER: The other consideration for us on that matter is confusion about what a plastic bag is made from and the risk of contamination. So at the moment the labelling and standards of bags if you are buying them in the supermarket is terribly confusing. Some are biodegradable, some are compostable. It is very hard to navigate through. So there is a high risk of plastic contamination in those organic streams, and of course if that occurs you end up with microplastics on farms and in gardens and all of those sorts of things at the other end of the cycle. So it is a bit of a wicked dilemma, that choice.

Mr HAYES: Yes. It needs some strong regulation as to labelling really on what is—

Ms OLLIVIER: Or, I guess, a shift in community acceptance. Council has taken the decision not to encourage liners, so the messaging that we are using is: get your internal bin set up, empty it straight in, put it through the dishwasher—you know, make it easy, so it does not have to be a mucky, icky business. Yes, it takes time to shift people's behaviour, but maybe that is possible as well.

The CHAIR: If you get a stainless steel bin, it is easy to wash, you do not need to put it in the dishwasher, instead of a plastic one—and it does not smell as much.

Dr RATNAM: The caddies are working fine. They are working great for us in Moreland—great.

Mr HAYES: They are good.

Cr RENNIE: We have said to people, 'You can wrap it in a sheet of newspaper if you want, or in a paper towel'.

Ms TERPSTRA: It does not smell.

Ms TAYLOR: It does not. Yes, I know.

Ms TERPSTRA: My caddie on my bench, I have it there for weeks and it is full, and it does not smell.

Ms TAYLOR: Yes, it is fine. It is perception.

Cr RENNIE: People have not been as concerned about the caddies on the bench as they are about what happens when it is actually in their outside bin, which is interesting. One of the things I have said to people is, 'Throw some leaves in there first, throw some grass in. It's a green bin. Pop it in on top of your leaves or your grass'.

Mr HAYES: If you put enough carbohydrate material in, it should not smell. That is how you make a good compost.

Ms TAYLOR: That is a good final question.

The CHAIR: One last question, as I have just been reminded by my colleague. You would have seen Infrastructure Victoria's report?

Ms LETOWT-VORBEK: Yesterday.

The CHAIR: There were discussions about a fourth bin. I think the six bins came from the ABC putting out Infrastructure Victoria advocating six bins, but definitely they may be advocating a fourth bin. We might be doing the same, in particular in separating glass. What is the view of councils in relation to going for additional bins to encourage kerbside sorting and getting cleaner product? Who wants to go first?

Cr ADDIS: I will just say something. My feeling is that if it were marketed properly the community would adopt it, because it is something they are ready for and passionate about, but it would be a darn nuisance to store another bin.

Ms LETOWT-VORBEK: Yes, operationally.

Cr ADDIS: A lot of people have smallish gardens, properties.

Ms LETOWT-VORBEK: There are bins available, so in the UK for example we do have a crate that fits inside the recycling bin just for the glass and leaves room for everything else to go past in the bigger bins. So there are bins available. They have not traditionally been used in Australia as yet, but the technology is there. It would involve some operational and logistics changes, and we would obviously hope to be being supported by the Sustainability Fund if we were going to be asked to do this type of approach.

Mr DAVIS: Good luck getting access to that.

Ms LETOWT-VORBEK: Thanks! I am having a meeting Tuesday to discuss that misalignment of budget cycles with the fund administrator. But regarding the removal of glass I believe there probably are one or two materials that are not silver bullets but the best to remove from the commingled stream to achieve the best overall results. I am not sure, until I have seen more data and empirical evidence, whether that is glass or whether that is paper or cans or something else, but I am fully supportive that it should be looked at. Glass may be the answer, but it may be something else or it may be one of a suite of answers.

Cr RENNIE: I think that ignores the fact that the bigger issue is how we actually reduce the volume in the first place. A fourth bin just kind of suggests more, and I think we need to be thinking about less. Partly that is about product stewardship and where the stuff goes at the end of its life, and what that might mean is looking at what I talked about earlier in relation to container deposit schemes or cashback. It is great to create separate streams—I am all for getting it separated. I am not sure that the fourth bin is the best way to do that. It also places a very high cost on councils in implementation. I think we can actually shift that cost onto the product so that people who are consuming the stuff end up getting cash back for a container deposit or some kind of cashback scheme. I think that is a much better way to go than the assumption that more bins are needed. I think we can incentivise behaviour change instead.

The CHAIR: On that note, and we are approaching 3 o'clock, my last question is on some of the comments today—conflicting comments, conflicting views—on how we handle it. You are the last local governments before us. We have heard different comments, different attitudes to ideas about solving the problems. So should the State Government look at intervening hands-on and start setting up statewide policies and approaches in consultation? Should the Government intervene in the market or let the market solve the problem for us or individual councils solve it? Is it time for the State Government to actually intervene to provide a solution, or do we just let it be and hope the world will not finish?

Cr RENNIE: I would say it is absolutely time for intervention because the market has not delivered—the market has failed. SKM was the most extraordinary example of market failure. This is an essential service. State Government intervenes and regulates other essential services, and I think that that is the sort of approach. I will just ask Rachel to add something.

Ms OLLIVIER: I think the other example of market failure is actually the quantity of new materials that are coming through the waste stream. So if you did take 80 per cent of new materials out of products and packaging, you could translate that straight through into a reduction in the recycling stream.

Ms TERPSTRA: Like virgin materials?

Ms OLLIVIER: That is right. So if your packaging had to be 80 per cent recycled, suddenly you would drop the amount of materials that we are dealing with at the other end substantially and you would free up all that money that councils spend managing waste for other more innovative things. I think that is where the kind of big opportunity is. That is actually only possible with policy levers that State has some of, Federal Government has some of—they are not in local government control.

Dr RATNAM: So this is State intervention, but look at which point that intervention is happening.

Ms OLLIVIER: That is right.

Dr RATNAM: So do not lose focus on the front end, which is bringing volumes down.

Ms OLLIVIER: That is right.

Mr HAYES: Product stewardship is essential.

Ms OLLIVIER: Yes.

The CHAIR: Okay, thank you. It is 3 o'clock. We do have a video link scheduled for 3 o'clock, so thank you very much. The report will be tabled on 28 November.

Witnesses withdrew.