

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into recycling and waste management

Melbourne—Wednesday, 6 November 2019

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Ms Georgie Crozier

Dr Catherine Cumming

Mr David Davis

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WITNESSES

Dr Jonathan Spear, Executive Director, Advisory and Corporate, and

Ms Elissa McNamara, Project Director, Recycling and Resource Recovery Advice, Infrastructure Victoria.

The CHAIR: Good afternoon. I declare open the Environment and Planning Standing Committee public hearing. All mobile phones are 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 would like to welcome our witnesses for the afternoon—the last witnesses for the Inquiry. I am not sure if that is a good thing or a bad thing, but I think it is a good thing. I would like to welcome Ms McNamara and Dr Spear from Infrastructure Victoria. Thank you both for making yourselves available today, and congratulations on the report you just produced a few weeks ago.

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's standing orders. Therefore the information you give today is protected by law; however, any comments repeated outside of 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.

We have allowed 5 to 10 minutes if you would like to give an opening statement, and then we will go to questions. So we are in your hands, really. I am sure you will be talking to us about your discussion paper. Is it a discussion paper that is the title at this stage or interim report—

Dr SPEAR: Our evidence-based report.

The CHAIR: There we go. So maybe you want to give us a snapshot of what you have got there and what you are looking at going forward between now and March or April next year—for your final report?

Dr SPEAR: That is correct.

The CHAIR: So if you want to take us through the main ingredients, that would be excellent. Then we will go to questions and answers. Who would like to lead, Jonathan?

Dr SPEAR: I am Jonathan Spear, I am Executive Director with Infrastructure Victoria, and with me is Elissa McNamara, who is the Project Director working with me and the team on this advice. Thank you for the opportunity to appear again before the Committee. As we referred to last time, we now have our evidence-based summary report that has been released—and all the evidence-based reports—so we would be happy to take you through where we are up to today and some of the directions we are heading in, which is hopefully of some assistance to the Committee.

Just a reminder: Infrastructure Victoria is the State's independent infrastructure advisor, and one of the functions we do is provided advice under specific terms of reference that the Minister issues to us. So that is the context in which we are doing this work. We have been asked to give advice really on four related things: how to develop the State's reprocessing sector for recycled material, then how to better enable the use of those recycled products in markets—the two of which are obviously intimately connected; what the role is of the waste-to-energy sector; and also a look at the role of organics, in particular food organics. Overarching all that, there is a question around the role of the State and other players in this system that of course has a multitude of private sector, public and general members of the public involved in it.

We started this work in April of this year when the request for advice was issued, and not long after that we appeared before the Committee for the first time. From May to September we did a lot of consultation with stakeholders to work out what they thought the key issues were in relation to these terms of reference, to garner what evidence we could that existed already and to inform the commissioning of detailed technical studies, some of which we have just released as part of our evidence base.

We released our evidence-based report in October. You might have noticed that was accompanied by quite a lot of interest, including media interest, and a lot of that media interest turned around the assertion that we might be recommending there be six bins for every household in Victoria. So I thought it was probably worth clarifying we had not recommended that there be six bins. In fact, we have not made any recommendations yet. We are certainly going to talk you through shortly some of our findings and directions. We definitely think there is real scope in greater source separation. Six bins, of course, is something that some places like Wales have done. We have a very open mind and a lot of interest as to what the right number is and the right mix of that. That is actually one of the things we are going to be looking at in the next six months.

So we are out consulting at the moment on that evidence base and there is the report but also on our website every one of those evidence-based technical reports has been released as well as a summary of the consultation that we have done so far. What we are seeking are views from all sorts of stakeholders: what they think of that evidence base, whether some of the directions that we are heading in are the right directions and any other ideas people have got, with a view to providing final advice to government in April of next year.

With that, I will hand over to Elissa, who will talk through a little bit more about what our evidence base covers and our findings so far, and I look forward to in turn assisting with your questions.

Ms McNAMARA: Thanks, Jonathan. I am not going to run through all of these reports in detail, but I will just give you a bit of a headline of what is in them, so if you do want to look into one or more of them in more detail, you know which ones to target. The interjurisdictional analysis is pretty much what it says. We looked at a long list of 15 or 20 jurisdictions, which were found to be performing well in one or both of diversion from landfill and recycling. We narrowed that down to six, so there were four international jurisdictions as well as South Australia and New South Wales. Obviously they are our nearest neighbours and so have the most potential for waste tourism. What the interjurisdictional analysis found was you need to have a long-term commitment that needs to be bipartisan, you need to have a range of policy levers that flex over time, you need to target different points along the waste cycle.

Secondly, the Centre for Market Design at Melbourne uni did the sector mapping and market analysis. That is an economist's view of the sector. They identified a number of issues where the Government's stated objectives in terms of reduction of waste and increased recycling were not being met and unpacked a few reasons why, and that looked at individual choices, the role of businesses and the role of the landfill levy. Also they put forward a long list of potential interventions. We are pursuing three of those as part of our next phase of work. We will be particularly looking at incentives and options for households and businesses to separate more organic waste, particularly looking at options to improve the procurement of waste collection services and particularly looking at options to improve the procurement of waste processing services.

The materials flow analysis is a consolidated dataset of all of the waste in Victoria, whether it ends up in landfill, recycling or other. 'Other' includes things like littering, stockpiling that we cannot necessarily account for very well. That is broken down into 30 different materials, so it includes seven kinds of plastics as well as six different kinds of organic waste. That is for a 2017–18 base year, because that is the most recent data that we are able to get well.

The infrastructure analysis looks at a number of different possible waste and recycling futures for Victoria and how those futures perform against each other, looking at the amount of tonnage that gets diverted to different fates—the greenhouse gas emissions impact as well—and then it looks at the kinds of infrastructure that would be required to support those scenarios.

The legislative analysis looks at the levers that are available to the Federal and Victorian Governments to essentially get change, and obviously we have done a lot of stakeholder and community engagement, including a polling task that surveyed 1000 different Victorian households and found that 90 per cent of them were open to changing the way that they sort their waste at home.

If there are no questions, what I thought you guys might be most interested in is the potential actions. So we framed these up in accordance with our terms of reference, but we found that we had this overarching sector-wide bucket, which I will run through first. So number one obviously is around setting an overarching policy

framework with targets. Obviously the Government is looking at this at the moment, and we have found in our analysis that targets have been very common and really able to drive performance in other jurisdictions.

Improving data collection—obviously, in news to no-one, VAGO is among one of many to have highlighted issues with data in both Victoria and Australia. That is certainly something that we have found in our research and something that we looked at in other jurisdictions—how they manage that—particularly in Wales where they have some mandatory reporting of the fate of materials rather than just what truck they get collected in.

Implementing an ongoing education campaign is obviously a big thing, but that would need to be supported by increased consistency across the state. The current education campaigns—although Sustainability Victoria and others have developed campaigns, they have not been very well funded, again as identified by VAGO, relative to other government behaviour-change campaigns. And if you have got a red landfill bin and I have got a green one, that makes the ads and the materials pretty hard to produce.

We also threw up a few things for Government to consider in their review of the landfill levy settings. Obviously how the levy sits relative to other states impacts on waste transport across borders, but how the levy sits, and its function as a floor price for the fates of other materials, also impacts on the financial viability of recycling, waste to energy, composting and other outcomes further up the waste hierarchy.

We had a key dot point in our scope around how the reprocessing sector in Victoria can be better supported. Some of the key things we identified were around reducing the contamination of material streams and focusing our infrastructure investment or Government effort—not necessarily dollars—on end markets with the greatest potential. So there have been some strategies developed looking at organics, for example, but there has not necessarily been a lot of focused effort on making those things happen.

Then there is promoting the procurement of products made from recycled materials—at the very least working harder to remove barriers to procurement—but also considering to what extent Government wants to use its procurement powers to achieve objectives other than the bottom line. So we understand the Government has a social procurement framework, but to what extent is that applied, how mandatory is that framework and which bits within the framework are mandatory?

Container deposit schemes, which I understand you have been looking at in quite some detail, are one way to achieve a cleaner recycling stream. They are very effective at doing that, but they do not capture all materials so they do need to be considered in conjunction with kerbside reform. In terms of better enabling the use of products containing recycled materials, obviously Government has done some pretty significant work already in this space, but as always there is more that can be done—and not just for roads but for other materials as well, as we mentioned, looking at Government procurement and the barriers and enablers there.

In terms of providing clarity to the waste-to-energy sector, having a waste-to-energy policy is obviously step number one—and we do acknowledge that Government is looking at that as part of their circular economy policy—and also considering the place that the Government wants for waste to energy when reviewing the landfill levy settings is also a key part of that. In terms of recovery for organics, again consistency is key. There are many councils that—most councils now—have a garden collection service; not all of them collect food. What is able to be accepted depends on where that material is going, so again trying to drive some consistency would help to reduce contamination.

In terms of better supporting infrastructure close to the source of waste, we have put this in the supporting organics recovery bucket but really it applies to all waste infrastructure, and that is looking at what the role is of land use planning in managing our waste and maximising the amount of waste that we can affordably recycle. Lastly, in terms of improving product disclosure and generally raising awareness and standards for organic material, agriculture is obviously a potential end market for compost, and that would replace chemical fertilisers. However, if I am growing lettuce, I need to be assured that this material is meeting the very high food quality standards that are demanded for public and environmental health. So I think there is a lot of work that needs to be done there in having standards that are understandable and in generating confidence in the products for that uptake to occur.

Dr SPEAR: So maybe just a couple of next steps on our part: as I mentioned, we are open for consultation on this evidence base that we have released until 13 December, and our final advice is due in April of next year. We wish you the best of luck in concluding your report, and we will certainly be reading it with a great deal of interest. We hope that we can use that as an input to our final recommendations, as we hope our work has been useful to you in your process. We would certainly welcome any questions that we can assist the Committee with.

The CHAIR: So you are saying you are going to copy our report?

Dr SPEAR: No, we do not believe in plagiarism—rather, in inspiration!

The CHAIR: And you will accept that as evidence. Thank you both. We did the same thing to your report, by the way. Thank you for handing in your report earlier so we could actually quote from it. We already have, with my first draft here.

Elissa, I just want to take you to the last slide you talked about, which is on the organic—let us call it the FOGO—when you talked about the lettuce. As part of your, so far, evidence base have you had the chance to look at any precedents around the world where it has been used and how they go about it? Or is that something you are still looking at for your final report? I am curious. I think it is a great thing. The question is: have we got any experience elsewhere where it has been used effectively, particularly on food products like lettuce or any other?

Ms McNAMARA: Yes, so far we have looked at it at a high level, and there are multiple jurisdictions where they are effectively using both liquid digestate from anaerobic digesters and also high-grade, high-quality compost—and they have had the same journey in terms of increasing confidence in the product. But what they have found is that really it is a local thing, where it is very dependent on the relationships between local farmers, so that transport costs are low, and the local producers of these products. And what really helps with that is the independent certification of that product and making sure that that certification is reliable.

The CHAIR: Is that including adding food to the compost? So is that food as well, food waste included?

Ms McNAMARA: So food waste goes into the compost? Is that what you are talking about? Yes.

The CHAIR: Okay, so are you planning to do more work on that as part of the following report?

Ms McNAMARA: So what we have particularly asked for in our submissions process is particular stories, and when I say stories, particular evidence where—

The CHAIR: Case studies.

Ms McNAMARA: Case studies, excellent. That is the word I was looking for. Particular case studies where people have had experience with these regulations either as a barrier or an enabler to that end product use. So we are as part of our stakeholder consultation currently trying to pursue some more detailed case studies around that to see what we can learn from those.

Mr HAYES: Just on FOGO for a start, and not pre-empting your report, we are talking about maybe having an overarching authority-setting policy. Do you see that as something that could be set at a statewide level, the standards for FOGO, or do you see it as something that should be left council by council? And then I suppose you have got to look at it on a broader scale if you want it used for agricultural purposes.

Ms McNAMARA: Certainly it would be, in our view, far better determined on a statewide scale. If, for example, you run a council and you wanted to offer a FOGO service, it would be far more efficient for that service to effectively be defined by some kind of statewide body, whether it is the Government or SV or whoever, so that you have got consistency in what is able to be accepted into that, you have got consistency in terms of what your bin looks like—what colour it is—and you have got consistency for the education materials.

Mr HAYES: And that is part of the statewide campaign as to what you can put into your compost bin?

Ms McNAMARA: Yes, and what that also means is that as well as getting a higher quality waste product, if I am a compost facility provider and I need to procure product from multiple councils, I have increased confidence in what I am going to get so I am more likely to make that investment.

Mr HAYES: Do you see FOGO producing enough volume in the way of compost to really be used in a broadscale sort of way with agriculture, or do you see it as being fairly limited to market gardens or local uses?

Ms McNAMARA: I think there is going to have to be. If we do want to have large-scale uptake of FOGO from commercial and household, you will need to have agricultural uptake to really take up all of that capacity. The amenity market will not be sufficient.

Mr HAYES: Won't that be fantastic if it went that far? That would be great.

Talking about market development, you were talking about interventions required. Was that the three interventions you were talking about to develop markets for recycled products? Could you just elaborate on them a bit?

Ms McNAMARA: Yes, so the ones that we are focusing on are the incentives that are offered to households and businesses to separate their food waste. We are also looking at how waste collection services are procured, so often it is now currently done on a council-by-council basis. It is defined by the council boundary. That may not necessarily be the most efficient arrangement if I am a transport contractor, for example.

The third thing that we are looking at is the procurement of waste processing services. Currently the waste and resource recovery groups, the WRRGs, work with councils to do collaborative procurement of services. They have already done quite a bit to try and improve that efficiency. We are working with the metro WRRG on this particular project to say what else might be possible so that (a) we are getting a better price for the services, and (b) we are getting a better quality service with more guarantees, I guess, of performance.

Mr HAYES: What services in particular?

Ms McNAMARA: So, for example, if you are taking all of my council's kerbside commingled bin, what actually happens to it? What guarantees do I have about how much of it ends up in landfill? What guarantees do I have about your financial viability as an operator and also as a manager of risk?

Mr HAYES: Okay. And that would be sort of looking at probably over a statewide sort of basis rather than municipal.

Ms McNAMARA: Yes. What we would be looking at are mechanisms that could be applied across the state.

Mr HAYES: Yes, but administered locally, I suppose. And the other thing is you have not mentioned procurement policy in regard to products. Are you looking at that at all? How much—

Ms McNAMARA: We have identified obviously Government as a procurer with an ability to exercise their purchasing power to drive the uptake of recycled product. Government has a big role as a procurer, and there are certainly strong signals that it is within their power to send if they choose to send them. However, government procurement is only a relatively small percentage of the economy, so we are not pretending that that in itself would be sufficient, but what it does do is help to build confidence in a particular product so that if I am a local government or some one that does not have the wherewithal, necessarily, to go out and test all of these products myself, I can say, 'Well, look, the Victorian Government has confidence in this product, and therefore I can have confidence with it as well'.

Mr HAYES: It could be roadmaking material or park benches or things like that.

Ms McNAMARA: Exactly.

Mr HAYES: But you are not going as far as saying that industry should be mandated to use so much for insulation or building framing or anything like that.

Ms McNAMARA: No. We have not got there.

Mr HAYES: No. Okay.

Dr SPEAR: I think the only thing I would add to that is we have seen from a variety of sectors of industry and consumers interest in increased recycled product anyway. So to some degree consumer sentiment and a market is following that—

Mr HAYES: It is developing.

Dr SPEAR: in some areas at least already.

Dr RATNAM: Related to that question—thanks very much for the work you have done and the interim report as well; that is also food for thought—you talked in your presentation about procurement targets being affected in other jurisdictions. We heard from Sustainability Victoria this morning. We have heard from the department as well. We have been talking a lot about procurement targets and have been asking the question about what is stopping Government from setting a number rather than just a framework and a strategy, which are all important and which we hear anecdotally are helping drive some new, innovative and pilot projects. Can you talk us through those other examples if you know them before us?

Ms McNAMARA: We looked at recycling targets in our interjurisdictional scan, not procurement targets.

Dr RATNAM: So mandatory minimum recycling content?

Ms McNAMARA: No, a mandatory minimum proportion of waste that is recycled as opposed to going to landfill or waste to energy or some other fate. So it is about the fate of the material rather than Government actually procuring a minimum percentage of recycled content.

Dr RATNAM: Have you looked at procurement targets? Or are you looking at it? Is there anything you could tell us about your exploration so far in terms of jurisdictions that might have actually set numerical targets, you know, ‘Thirty per cent of all new roads that Government procures should have recycled content’, et cetera?

Dr SPEAR: We have not looked at that in detail. It has been raised with us by stakeholders, and we have had mixed reviews on it. Certainly some see it as a way to contribute to hitting recycling targets. Others regard it as being too blunt an instrument or too far down in the level of detail, so sometimes what is said to us is: instead of prescribing a certain percentage of recycled content in construction, set up a higher-level aspiration for recycling to occur and diversion from landfill, and think about, ‘What are all the different ways you can do it’, rather than simply picking procurement. That is the feedback we have had from stakeholders. We do not have a fixed view on that yet; we are still thinking it through.

Dr RATNAM: That is really interesting. On that kind of pathway of inquiry, I think Sustainable Victoria were saying they do not actually have data that is tracking how much recycling material we are using in our procurement or infrastructure, for example. That seems to connect with what you were saying about better data monitoring and management systems or capture systems. Because if we do not know how much we are actually using, how do we know we are making any progress and how do we know that it is actually an effective way? I understand the need to not set your targets too low as well and locking in, you know, a lower performance than you could otherwise get. But how do you measure success, then, if you do not have targets and you do not have anything to be held accountable to, I guess, is the question we are considering.

Dr SPEAR: Yes, that is right. Elissa might want to add to this in terms of some of the jurisdictions overseas, but the universal, or almost universal, thing we have seen with high-performing jurisdictions is they set a target.

Dr RATNAM: They set a target, yes.

Dr SPEAR: Often the targets change over time, and sometimes they are broken down into subcomponents and sometimes they are not, but the setting of a target at least gives everyone something to aim toward. Would you like to add to that, Elissa?

Ms McNAMARA: Yes. We have looked at the targets for how much waste gets recycled as opposed to landfill in quite a lot of detail, and we have outlined some principles around that and things for Government to consider when they are deciding whether or not to set targets. However, we do firmly believe that having a target, whether it is statutory or not, is a really good place to start because it gives someone somewhere to aim for. However, we need better data as a fundamental. Until we get our data sorted and we know with confidence how much waste is actually being recycled currently, then it is very hard to set targets and really have any faith in those. So we would certainly advocate for, number one, data, and then, number two, targets.

Dr RATNAM: So Sustainability Victoria have talked to us about the 71 per cent target that they have got. I think that is for municipal waste. That does not include commercial, I think. But they said they have gone from 67 to 69 per cent in the last few months. They have seen some improvements. No, actually, that involves commercial industrial. We were talking about that.

The CHAIR: The total for recycling is 69 per cent.

Dr RATNAM: Yes, so they have gone from 67 per cent to 69, and earlier this year when they presented to us we actually asked them about what their aspiration was. Their target is sitting at about 71 per cent, so I asked today about whether we can set that higher given that we seem to be getting better. But that is interesting. That is what they have told us about their targets—that they actually have targets.

Ms McNAMARA: My outer engineer is really looking to understand how accurate those figures are before doing anything else.

Dr SPEAR: It is good that Sustainability Victoria have got targets. We need to ensure that those targets line up with agreed State policy and that that looks forward to what our aspiration of what we might want to achieve in the future is so we all agree on that.

Ms McNAMARA: And what is also helpful with targets is making sure that everybody else knows what the target is, right? Because if I do not know and you do not know, and then who does know about the target and therefore how many people are aspiring to meet it?

Dr RATNAM: And we do not know when that is even for as well.

Ms TERPSTRA: Thank you for your presentation. It is funny, when you came in one of the first things you said was, 'We are not introducing six bins'. That was the freak-out moment that everyone had in terms of how many bins are going to be lined up at someone's house. But I am just wondering: are you going to look into perhaps that issue of bins, or is that too granular for what you are doing? Only in the sense that if the current thinking is that we need to do better separation at the kerbside level, would that naturally include a look at how we are actually doing that? Like if we had six bins, maybe they would not look like what they look like now. Maybe they could be stackable. Is that something that you would look at, or is that too granular for what you are doing?

Dr SPEAR: No, we are looking at that because we do think that a greater degree of separation is required. So we will be looking at both where the greatest value lies in separation and some of the practical things in terms of how you do it, and we are going to be talking to ordinary people about what works for them.

Ms McNAMARA: We are also conscious that DELWP is doing a fair bit of work looking at this already. It is quite possible that they will make an announcement before our recommendations; I do not know. But we are identifying the priority materials that would be separated by households and businesses, from which the number of bins kind of falls out. We will not be doing a detailed cost-benefit analysis of a rollout of new bins, for example. That would be a level the Government would do if they wanted to implement change.

Ms TAYLOR: Two questions: one is the organics. I know in the council I am in we are already doing that. You are talking about the prospective impact of that, whereas it is already happening. So I am wondering: are you basing your analysis on how it is functioning now? It is already happening, so that is why I was a little bit confused, because yourselves and others this morning have talked about it as if it is in the future when it is already here now. I am not saying it is a perfect enterprise. Obviously they have got to look at contamination and other issues, but I just wondered where that sat.

Dr SPEAR: Sure. You are right. It is happening inconsistently geographically and also in terms of precisely how they are doing it at each place. That is not necessarily a bad thing, because we can learn from that. What we know is that one of the biggest opportunities we have got to reduce landfill from municipal waste is food organics. That seems like a big opportunity to be grasped consistently. We are keen to learn from those experiences with those trials at the moment and what is being done overseas and to think about what is going to be the best approach to roll it out statewide.

Ms TAYLOR: That is good. That excites me; that makes me happy. I know it would be best if we still encouraged people to do as much as they can at home, but for those who do not have space for a compost or whatever that is obviously a critical element. The other thing with looking at this residual waste is that it is a bit like having a crystal ball. The idea is obviously to get rid of residual waste and to have everything recycled or composted ultimately. With education and everything in place, is it the fact that we are thinking there is still going to be a lot of residual waste for some time? Because the presumption is that society will just take time to adapt and a lot of education, and that is why recyclables and food and everything will be sent to a waste-to-energy facility—because you just do not think people will change quickly enough. Is that where the premise of it is?

Ms McNAMARA: Society will take a long time to change. If we look at Germany, for example, they have been working on this stuff for 20, 30 years. They are a lot better than we are, but they are not at this Holy Grail of zero waste to landfill yet. When looking at waste to energy and based on the research that we have done so far, our position is that waste to energy only has a place for what is in the landfill bin. So if there are materials that are recycled—so your paper and card from your household or your tin tomato can or whatever—that stuff should be recycled. We are not advocating that all waste would go to waste to energy.

Ms TAYLOR: The other thing to peg onto that, if I take the liberty, is: what is to stop the consumer from saying, ‘Oh well. It’s going to go to waste to energy so it doesn’t matter—I will just chuck it in the bin’? What is to stop that default? That is my concern—that people who perhaps are not as passionate about waste as some like those on the Committee will just say, ‘It doesn’t matter. It’s going to get burnt. We’re fine’. What is to stop that?

Dr SPEAR: We certainly think behaviour change and having the right bins that everyone can understand is the front line of that. We have observed that in some jurisdictions there are penalties for doing what you have just described. We are still thinking about that in terms of whether that is one of the appropriate policies, but that certainly happens in some places. But really the behaviour change and making it easy for people to do the right thing is really the front line of where we should be heading.

Ms McNAMARA: And in addition to fines or sticks for people who are doing the wrong thing there are also jurisdictions where incentives for doing the right thing are applied. So there are range of approaches that could be applied to mitigate that risk. Ultimately we cannot control an individual’s actions, but certainly all the research that we have done so far indicates that a very high proportion of Victorians are motivated to do the right thing in terms of waste and recycling.

Mr MEDDICK: I am also going to ask you to do a little bit of crystal ball gazing if I can, and it is in relation to organics and FOGO. You are right: I think in travelling around at least the councils in the western region of Victoria it is a very scattered approach at the moment. There are a couple of trials on at the moment. The digester in Daylesford, for instance—Hepburn Shire—all those things are relying to a certain degree on government grants over a period of time so they can go. So bearing in mind that you have had a look at other jurisdictions then, are some of these situations a lot more well established, as in on a larger scale across the state. And if so, are they private-only operations or are they public-private partnerships, as in government has got some degree like a percentage or majority ownership of those things? I guess the crystal ball gazing part of that is: would you care to put a dollar value on what you think our State Government might need to invest in that?

Ms McNAMARA: We have not got there yet.

Dr SPEAR: Why don’t I start with the last part of your question and Elissa can give some detail around those models. The intent of our advice is to be able to give the government advice on what is the priority

additional infrastructure that is needed, where is it located and when do we need it. And we certainly are intending to give some ballpark costs around what that will look like and then government can use that, along with our advice about what is the appropriate role for government at all levels, and the private sector, in terms of who is contributing to that. And of course the State Government, if it wants to contribute to that, has got a variety of funding sources. The landfill levy is one of them. Other forms of revenue are available too. So that is where we are ultimately wanting to have our advice in April to give some ballpark costs around that. Elissa, would you like to address the rest of the question?

Ms McNAMARA: Yes. In terms of the ownership of infrastructure the vast majority is private sector-owned. There are some PPPs and a few instances where government may own some infrastructure, but it is very much in the minority from the jurisdictions that we have looked at. And it is in Europe, Asia and other places far more mature in the market in terms of composting facilities, anaerobic digestion, waste to energy—obviously with composting here. But there is a lot more maturity and a lot larger scale for a lot more options than we currently have at that scale here.

Mr MEDDICK: Is there a role then, I guess, in that data collection system to look at them and scale it to what we have got here to give you some better information to go on?

Ms McNAMARA: To scale? I am unclear on your question.

Mr MEDDICK: I am just thinking in terms of if they are a lot more mature in what they are doing, and you were talking about data collection before, can we learn from what they have done and the systems that they have put in place so that we can also then do something?

Ms McNAMARA: Absolutely. Hopefully you will find the interjurisdictional analysis report quite helpful in that regard. Certainly we have been able to delve down in more depth for some of those questions as well, and we will continue to do so in our next phase of work before we come to our final recommendations. But ultimately when we get there, there will need to be a role for the government, SV, whoever, to really take our recommendations and do some additional cost-benefit analysis to get down to the nitty-gritty of exactly which facility we are going to put up where or whether we are going to facilitate private sector investment.

Mr DAVIS: Just following on from those questions about cost, and I understand that many of these will be ballpark figures at this point, will you in the report bring back figures that suggest the cost impact on households through their rates? If there is more to be done, what is the actual cost impact? Can you work that out from other jurisdictions? Can we see some pattern there? That might be the first question. I will come back with some more on that theme.

Dr SPEAR: So we will be thinking about it. Particularly if you are going to have changes to the types of bins that are available or changes to collection systems, one of the things we are going to have an eye to is what the costs of doing that would be and whether there are any savings that could be achieved—

Mr DAVIS: Offsetting.

Dr SPEAR: Yes, offsetting—as well.

Mr DAVIS: So do we have some frame at this point about what that is likely to be?

Dr SPEAR: We do not yet, no.

Mr DAVIS: Right. But your report will address what might be called the household cost impact of a new system?

Dr SPEAR: Yes, we will be interested in that as well as what the costs are to industry and Government and benefits to industry and Government.

Mr DAVIS: And coming to Government—Elissa I think correctly pointed out who is responsible across targets set over here, but they do not know over there and so forth—and the maladministration of the waste levy

pool that is being collected and not necessarily either well applied or applied at all in some cases—it is a significant measure. Who do you see taking that responsibility to take the overall role?

Dr SPEAR: The overall role in what, sorry?

Mr DAVIS: Well, it is setting out these frameworks in State Government, but where in State Government? Who? Is it the Minister who has got to take charge? Is it one bit of the bureaucracy? Is it Sustainability Victoria or is it the EPA or is it the department or is the municipal waste management areas? I am just trying to get to who and where.

Dr SPEAR: So the advice we have been asked to give is about what infrastructure do you need basically. In doing—

Mr DAVIS: But someone has got to pay for that and someone has got to order it.

Dr SPEAR: Yes. In doing that one of the things we will be turning our eyes to is if there are any barriers in the current structure of the governance and organisation of how waste is done in Victoria. If there are barriers to the delivery of that infrastructure, then we will consider whether there are any recommendations to be made there.

Mr DAVIS: You will consider it. So you will or you will not recommend on that?

Dr SPEAR: Well, we will consider whether there are any barriers. If there are barriers we have identified to delivering that infrastructure, then there may be recommendations to be made there.

Ms McNAMARA: We have not done the work yet, so we do not know what we are going to say.

Dr RATNAM: One more question: soft plastics. So we have covered a lot of different ground during the Inquiry hearings, and what seems to be clear is that there are some emerging pathways for most of the waste streams, obviously reducing consumption being the highest priority and something that we need to put a lot more emphasis on. But in terms of what will happen to soft plastics, are you all starting to really think about what we can do about soft plastics? So there is a reduction on the consumption side, but there is the reprocessing. It seems to be that last bit of residual now that we have to think about, like you were talking about it in terms of waste to energy. If we do not want recyclables to be burnt, one of the pieces of thinking from other examples internationally is that often waste to energy will rely on burning recyclables like plastics because it is actually a really good stimulant and those waste-to-energy facilities actually need that kind of stimulant to be viable. Have you all given much thought as to what could happen to soft plastics that are not burnt?

Ms McNAMARA: So we are looking at the current and growing options that are available for a whole stack of different plastics, including soft plastics, but that is contingent on the end market for those products. We are looking at the maturity of that end market as it exists and weighing that up relative to the cost of reprocessing infrastructure to try and get a handle on how likely an investment in this really is. So there is a stack of work that is happening there to identify possible outcomes for soft plastic. Obviously for where we cannot get to a financially viable and technically viable outcome, then we do need to consider other things, like elimination of those types. We are aware that the Federal Government, particularly, and APCO, are looking at this a great deal.

From our research into waste to energy, because of where Victoria is at in the market we can benefit a lot from a bit of a late-adopter advantage. So the mix of residual waste has changed and is likely to undergo some further change, and any good operator or particular investor in a waste-to-energy sector is doing some pretty detailed modelling to look at possible changes in that residual waste make-up and what it might mean to their facility. So relative to some areas in Europe where facilities have been up and running for 10–20 years and they have been overtaken by the recycling technology, I think we can be in a better place there.

Dr RATNAM: The other by-product issue is the ash that incineration produces. So we are actually producing a new waste stream, and so we have been asking a number of questions over the course of the hearings as well about hundreds of thousands of tonnes of ash that are going to be produced if the scale of

waste incineration goes ahead with the current proposals in the pipeline. But it is, I guess, something probably worth thinking about. It is probably more a comment than a question, but in terms of new waste streams I really hope that IV would look at that as well.

Dr SPEAR: Yes, and that is certainly raised with us.

Mr HAYES: In regard to the container deposit schemes, you say there is more work to be done on that. They seem to be operating successfully interstate. What do we need to further look at, do you think, before implementing one here?

Ms McNAMARA: So there are a plethora of different models of container deposit schemes. They all have different costs and benefits attributed to different parties, so the Government would need to look at those, do an assessment of what is going to be most workable in Victoria and make sure that the cost and benefit attribution is going in the right way. The other thing to be considered is, as I said, even if we make them accept quite a lot of materials, they are never going to capture 100 per cent of those materials in the economy. So they cannot do everything, which means we still need to do something with kerbside reform and public litter bins and whatever. Our advice to Government is to make sure they are looking at all of those things together to come up with the solution that has the best cost benefit overall when they are making any changes.

The CHAIR: On that note, thank you very much. Our report will be tabled on 28 November.

Dr SPEAR: We look forward to it.

The CHAIR: Feel free to use it and quote—

Ms McNAMARA: I am sure we will be downloading it on 28 November.

The CHAIR: And we are also looking forward to your report, and hopefully we are all lining up and can hope for a better future. So thank you very much. With that we conclude all public hearings for this Inquiry.

Committee adjourned.