



The Committee Secretary  
Senate Standing Committee on Environment, Communications and the Arts  
Department of the Senate  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

2 June 2008

Dear Sir / Madam

### **Inquiry into the Management of Australia's Waste Streams**

The Australian Local Government Association (ALGA) welcomes the opportunity to provide a submission to the Senate Inquiry into the Management of Australia's Waste Streams (the Inquiry)

We note the Inquiry's terms of reference, specifically:

- a. Trends in waste production in Australia across household, consumer, commercial and industrial waste streams
- b. Effectiveness of existing strategies to reduce, recover or reuse waste from different waste streams
- c. Potential new strategies to reduce, recover or reuse waste from different waste streams
- d. The economic, environmental and social benefits and costs of such strategies
- e. Policy priorities to maximise the efficiency and efficacy of efforts to reduce, recover or reuse waste from different waste streams and
- f. Consideration of the Drink Container Recycling Bill 2008.

The management of Australia's waste streams presents complex technical and economic problems. Clearly waste management is an issue of great relevance to Local Government, and Local Government is an essential provider of waste management services. It is local councils which, in all Australian jurisdictions, provide regular collection and processing services to households and some commercial premises.

We are aware that individual State and Territory Local Government Associations may be making submissions to this Inquiry. These organisations are all members of ALGA, and are well placed to inform the Committee on the matters addressed in the Inquiry terms of reference. The Associations represent councils in the states and territories. Those Associations, and individual councils which make submissions to the Inquiry, will provide detailed commentary on the technical and economic issues associated

with waste management, in addition to policy-relevant information on the effective delivery of waste management throughout Australia.

Given the more detailed information which will be provided by those bodies, ALGA will confine its submission to the following general observations, which all fit broadly under Term of Reference (b).

1. Local Government is to some extent at the tail end of production systems that create materials and products which must be managed at the end of their life. Local Government has little control over the types of materials, their volume and their potential toxicity. There is an expectation that Local Government will adapt to new circumstances and deal with new types of waste as they arise. This may not always be economically or technically feasible.
2. The Australian and State/Territory Governments do, however have the ability, through their statutory powers, to regulate materials and products that come into the market place. The environmental impact of these materials and products is often not considered to the same degree as, say, public safety and consumer rights. For example a children's product that includes parts that may cause choking would either be banned, recalled or include warnings. Yet the same scrutiny is not applied to a newly introduced product which, for example, is not recyclable. There is a case for greater consideration of the environmental impact of products. This would lessen the burden on local governments, which currently deal with the end of life products.
3. In general terms, Local Government seeks a much greater consideration of management of the production and consumption stage of products' life cycles. While Local Government is well placed to provide services and infrastructure to deal with waste and recycling, this should not be seen as an infinitely expandable service, able to simply adapt as new types and increasing volumes of waste come into the market. The Australian and State/Territory Governments are well placed to:
  - regulate the materials and products produced
  - offer economic incentives and sanctions to control the front end of the production system
  - ensure that costs are appropriately apportioned to producers; some examples of instruments include: point of sale levies, deposit / refund schemes, industry run and funded collection schemes.
4. The volumes of waste are showing an upward trend in most if not all states and territories of Australia. While there were some ambitious waste reduction targets set in the 1990s, it appears that Australia has been unable to stem the flow of materials requiring disposal, either on a total or per capita basis. Clearly this has resulted in an ever increasing cost of waste service provision by local councils. While it is true that these costs can be passed on to the ratepayers through their annual charges, this represents a fairly "blunt" and indiscriminate way to pay for these environmental costs, in that it does not recognise varying levels of the waste / environmental "footprint" of households. Local Government contends that there is a case for greater consideration of "user pays", a more direct mechanism whereby the environmental cost of products and materials is built into their purchase price, and funds collected in this way can be made available to conduct more efficient end of life programs, or to fund local government to conduct these programs.
5. Innovative cost-effective waste management solutions are possible, and should be developed by manufacturers and importers working collaboratively with all tiers of

government including, crucially, Local Government. There are numerous market and non-market mechanisms which can be used to change the composition of the waste stream and to reduce overall waste production. Not all will be cost-neutral, and subsidies and/or consumer levies may be required.

6. Car batteries provide a good example of waste to which a fairly simple and straightforward consumer levy can be applied. Currently a significant proportion of batteries end up in council waste receptacles, council clean ups or are illegally dumped. Despite having a value in terms of their lead content, they are very problematic to Alternative Waste Technology processes, and one battery is able to contaminate and render worthless very large tonnages of otherwise valuable end product. A levy on the sale of each car battery, perhaps refunded on exchange when the battery requires replacement, would assist in solving this problem.
7. This is not to suggest that local government wishes to opt out of the waste and recycling service provision industry. Local Government, for example, is a pivotal player in the industry funded DrumMuster scheme. Councils have the infrastructure, personnel, and importantly, presence and profile in the community, to make this program more efficient and successful. Councils are reimbursed for their expenses arising from their involvement. It is suggested therefore that a greater consideration should be given to Local Government acting as a service provider, on a commercial basis, or at very least a cost recovery basis, to industry.
8. Recycling in remote, rural and regional Australia poses particular difficulties, due to the economics of collection and transport to central recycling facilities. The widespread adoption of recycling schemes in such areas may require government support, by way of subsidies or other mechanisms.

I trust that these general comments have been of assistance. I would note in summary that the Australian Local Government Association considers that:

- effective waste management should be based on waste minimisation, through collaborative work between manufacturers and importers of products and materials, and all three levels of government
- the changing composition and increasing volume of the Australian waste stream present significant challenges to Local Government, which is the principal agency managing waste in Australia
- innovative cost-effective market and non-market mechanisms to reduce the waste stream and to encourage recycling are possible and should be explored by the Australian and State/Territory Governments
- additional support to Local Government may be required to encourage recycling in remote, rural and regional Australia.

I encourage the Committee to consider the more detailed technical information and commentary submitted to the Inquiry by State and Territory Local Government Associations and individual councils across Australia.

  
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**Chief Executive**