

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into recycling and waste management

Melbourne—Monday, 24 June 2019

MEMBERS

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PARTICIPATING MEMBERS

Ms Georgie Crozier

Mr David Davis

Mr Tim Quilty

Dr Catherine Cumming

WITNESSES

Mr Rob Millard, CEO, Metropolitan Waste and Resource Recovery Group; and

Ms Josephine Regal, Director of Corporate Strategy, Projects and Communication, Metropolitan Waste and Resource Recovery Group.

The CHAIR: I am just going to go through some formalities. I declare open the Environment and Planning Standing Committee public hearing. All mobile phones now should 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, Mr Millard and Ms Regal, from the Metropolitan Waste and Resource Recovery Group. I always struggle with your title.

Mr MILLARD: Metro group would be fine.

The CHAIR: I will just call it metro group for short. Welcome. 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 deliberate or false evidence or misleading of the committee may be considered a contempt of Parliament. All evidence will be recorded. You will be provided a proof version of the transcript in the next few days. We are running behind schedule today. We are starting 10 minutes late, but I think we can extend if we need to by 10 minutes at the end, if that is okay with you. Can I invite you to give us—it is up to you—a 5-minute or thereabouts presentation? I believe you have provided the committee with a submission as well.

Mr MILLARD: Yes, and we are part of the government's submission.

The CHAIR: If you want to take us through some pointers basically in the next 5 minutes or so, and then we will go to questions. As you see, it is a large committee. We will go through questions—one or two for each member—and then we will do a recap later. Mr Millard, are you going to lead?

Mr MILLARD: Yes.

The CHAIR: Thank you, please do.

Visual presentation.

Mr MILLARD: Thank you very much, Chair, and thank you to the committee for having Jo and me here today. I am the CEO of the metro group, and Jo is our director of strategy, projects and communications. We are really thankful for having us here to have a conversation with you this afternoon. We put together a few slides as a bit of an introduction to take you through some of the key pieces of work that we are doing and to do a bit of an introduction to the conversation today.

Mr MILLARD: The Metropolitan Waste and Resource Recovery Group is part of the government's portfolio of organisations supporting the sector to add value and provide some support with respect to strategic directions, collaborative procurement support and educational support et cetera across Victoria. The metropolitan group, the largest of the six regional groups, supports the 31 metropolitan councils of Melbourne and industry within the metropolitan sector as well. The key objectives of our organisation are really to look at planning, coordinating and facilitating council's procurement of waste and resource recovery services. So we really assist local government to go out to market to procure services and infrastructure for driving resource recovery into the future. We do that in a number of ways to support local government in aggregating the waste to provide industry with more than just one council's worth of waste. If we aggregate a number of councils together, we can provide enough waste to have industry have enough material to support their infrastructure that they need to provide those services moving forward.

Some of the key things that we do as a group to add value to the sector are to provide support and capability and capacity building really to enable planners, developers and local government officers with the information

and the technical support to actually make some of the key decisions they need moving forward as well. Our educational support can be really seen in things like the Back to Earth Initiative program that supports organic composting and food and garden collection. You can look on our website to see the support that communities really need to understand how to maximise those services that take your kerbside organics and turn them into soil additives and compost moving forward.

In 2016 we released the *Metropolitan Waste and Resource Recovery Implementation Plan*. I will call it the metro implementation plan for ease of words. That plan is really a 10-year roadmap with a 30-year outlook to look at what services and infrastructure Melbourne needs to drive resource recovery into the future. It has four strategic objectives to really help drive that vision. One is to reduce our reliance on landfill and what we can do to treat that landfill with infrastructure rather than put it into the ground and waste the resources that we are putting into the ground at the moment with that garbage that is currently going to landfill, which is just under 3 million tonnes a year. We need to increase reduce the amount of organic waste that we are currently putting into landfill and divert that and turn it into compost, soil additives and energy and do things much better with it than also going into landfill and causing some of those environmental concerns such as odour and leachate that landfills have problems in managing.

We really want to deliver a community that has a really strong economic and viable sector that drives employment investment into the state with a managed, integrated network of services and infrastructure. And we want the right piece of kit in the right place at the right time, so we really have to have that integrated planning and waste and resource recovery activities so we have infrastructure that are good neighbours with their surrounding communities rather than having the impact of being in the wrong position with the wrong technology into the future.

This year we are reviewing the plan. It was a planned review just to look at a bit of a health check to see if it is on the right path. Have we got things in the pipeline that are in place that will deliver the 10-year outcomes of the infrastructure to treat waste rather than put it into landfill—to divert those organics and increase recycling et cetera. So that review is in place and will at the end of this year provide us with an understanding of how it is going, which will inform the five-year review that we are doing in 2021 but will give us any indications of tweaking what we are doing and providing any actions that we need to do to really drive resource recovery at that strategic level in Melbourne.

What is our role in supporting councils with respect to recycling in particular? Part of the government strategic plan in response to the issues that were brought on by China restrictions earlier last year—one of the key activities that our group is doing is facilitating collective procurement: going to the market and offering large amounts of recycling to the sector to be able to develop infrastructure that can really make our industry sustainable and provide the sort of roles for local government and the C & I sector for not just the next two to three years but the next five, 10, 15 years and beyond.

So part of the work that we are doing is helping with contingency planning, so initial overflow contracts where if we have recyclers with problems, we have got somewhere for local government to go whilst we go to market with new contracts; transparent costing models to understand how these MRFs price what they do and what are the effects of external markets on the price of what they are doing; the comms and engagement around informing communities about what should go in a bin into the future; legal advice on what sort of contract documentations are best; and looking at the actual models of contracts. And we have been market sounding with industry to look at how we can engage the generators of waste and the transporters and the processors and the manufacturers, make our contracts more transparent and more reliant and have a more closed-loop approach.

So this slide, which I will leave with you, also really gives that transparency. We need contracts to be more transparent to have an idea of how they are priced, what is the mechanism of the pricing, what are the risks in where the materials are going and what is being done with the materials. How are they linking with the manufacturing industry to have that closed-loop approach? What are the controls in place to be compliant with EPA and WorkSafe issues into the future with their contracts? Councils normally would go out to market one by one, which does not give industry the capability or the amount of material to do things in a way such that they can really put a lot of time, effort and funding into this sector, and we really need to have those aggregated contracts to really drive really good outcomes.

We have been working with local government in many ways in the collaborative contracting sense. As I said on recycling, we are going out with a request for information with industry at the end of this week in the next few weeks. And that will be for 30 councils in Melbourne and potentially another 30 in country Victoria, so there are more than 60 councils out of the 79 in Victoria that need new contracts within the next two years that we are supporting through our group and other regional groups.

In organics we have got three major networks in Melbourne where we have got 23 councils involved in 15-year contracts with a five-year extension period potentially to support driving compost facilities. So we have got a network of nine compost facilities across metropolitan Melbourne supporting that network of council contracts, which has been a real success story for the organics industry.

In the area of residual waste, we put a business case out last year for regional and for the whole of Melbourne, and we have been working with the 17 councils in the south-east of Melbourne to develop a more detailed business case to go to market in August this year to commence the procurement for alternatives to landfill in the south-east of Melbourne to look after the landfilling needs for the next five, 10, 15, 20 years-plus. So there are a number of things happening in that collective procurement space in metropolitan Melbourne. That was just a quick snapshot of some of the things that we are doing, Chair, just to give you a bit of an introduction before you have questions for us.

The CHAIR: Thanks for that. I will kick off questions actually with the last point that you have just raised in relation to the residual waste business case in the south-east, I think. Can you tell us a bit more about that, and particularly alternatives to landfill? Can you take us through some details?

Mr MILLARD: Yes. So the metropolitan implementation plan flagged that there were four major landfills in metropolitan Melbourne supporting the landfilling needs of local government for the 10 to 15-year life of the plan. We have got one in the north, west and the Wyndham area of Melbourne, and there is only one landfill, which is the Hallam Road landfill, that has a life expectancy of probably—it will start to look at running out of capacity somewhere between 2025 and 2030. So it was clear to the group in the plan that the area we needed to work with first, with looking at alternatives to landfill, was the south-east of Melbourne. So we have been developing a detailed business case with the 17 councils in the south-east to look at what technologies are available to treat the waste rather than landfill it. We have been working with those councils now for over 12 months, and we have presented the final south-east business case. Councils are now going through their council meetings to agree to go into a procurement phase. We have got a dozen councils so far, and we look like having about 14 to 15 councils that will go to market in August to start the procurement process, which will be a multi-staged procurement process, will go to an expression of interest and will ask industry, ‘What have you done? Have you got experience?’. And then we will ask for outline tenders, more detailed tenders and final tenders, and that might be an 18-month process. Then we will look at providing one, two or potentially three facilities for the south-east of Melbourne to look at treating the waste rather than landfilling that waste.

The CHAIR: Just in plain English for me: trying to divert that from landfill—that is the objective—and treating that, are you talking about waste-to-energy, for example? APM, for example, might be looking at the red bins: ‘Let’s use the red bins’. Do they use the red bin?

Mr MILLARD: Yes, so we are going—

The CHAIR: So looking at something like this—is that what we are talking about?

Mr MILLARD: Yes, so we are looking at recycling to continue and organics to continue, so it is for the red bin, or your garbage bin. IAP AP have put a proposal in, so they will be obviously a company that may tender, but it is really for companies to look at treating the garbage that currently is going into landfill from local government. And that could—

The CHAIR: Is that something the metro group will be looking at replicating throughout? And you talked about the west. My selfish personal interest, which is in the west, is Ravenhall. Is that something that ought to be considered in relation to the organic or residual waste?

Mr MILLARD: Yes, most definitely. We have been working with the 14 councils of the north and west and some inner councils of Melbourne, and we are meeting with those 14 councils in July of this year. Our first

stage is what we call a strategic assessment, which will then go into a business case. They are about nine months behind the south-east in timing. So we are looking at having a business case for the north-west of Melbourne by the middle of next year to do the same sort of thing and have councils in the north and west of Melbourne determine whether they want to be part of a procurement process to offer industry the same sort of thing in the north-west.

The CHAIR: The last question from me, because I want to give everyone a chance, still on that issue. You have been doing a fair bit of work on the business case and I think when I was doing my report to the minister I did actually meet with you guys as well, so I declare that as well. Can you take us through briefly the cost-benefit analysis in dollar terms and environmental terms of what you are looking at in the south-east versus the current status quo of sending that stuff to landfill? Are you able to sort of—

Mr MILLARD: I could probably give you a bit of a snapshot of that, if you like. We have looked at, obviously, the project. I will give you some sort of high-level indications. We are going to market and we are going to be agnostic. We are not going to go to market and say we want a waste-to-energy facility; we are going to go to market and say we want outcomes which will include waste-to-energy options coming back to us. We have looked at waste-to-energy, we have looked at gasification, mass burn, we have looked at sorting—we have looked at a lot of different technologies. So we have done assessments of their costs over a 20 or 25-year period versus status quo, which is landfilling. All of the other technologies provide a better environmental outcome and most provide a better financial outcome. Some of the more mechanical sorting options that do a lot of mechanical sorting in them might be a little bit more expensive than landfill, but we have done a lot of work on the triple bottom line-type costings of the proposals over a number of years, so there is a lot of information available.

The CHAIR: Are you able to share with us some of these high-level indications? I think the committee would be keen, particularly the secretariat, because I know a lot of work went into this. If you are able to share that with us, it would be excellent.

Mr MILLARD: I would love to.

Mr MEDDICK: Thank you both for appearing this afternoon and for your testimony, first of all. You mentioned you were working also with 30 country councils. Are you able to provide us a list of which country councils they are?

Mr MILLARD: Yes, we can.

Mr MEDDICK: Great. Fantastic. Just expanding on that question then, Melbourne having such a rapidly expanding population—indeed further to the west and to the north there are designated growth nodes outside of the metro area—what sort of extra pressures do you anticipate being imposed upon those councils that we are talking about in so far as managing these waste problems and the structures that you are putting in place to help around metro Melbourne? What sort of extra pressures do you anticipate on those rural councils, and are there plans already in place to assist with that when that population expands out and as the capacity for the more metropolitan-based ones becomes reduced to be able to cope with that?

Mr MILLARD: Part of the review of our plan is those fringe councils. We are working very closely with our other six regional groups to look at what are the councils that are on the fringe of metropolitan Melbourne at the moment that will have pressures with regard to things like transfer stations and infrastructure. So a lot of the work we are doing with the plan is to look at what focus we need to look at that transition from metropolitan into regional Victoria. You are very right: metro, the transitional areas and regional Victoria all have different issues but we need to be looking at all three areas in an integrated way. So, yes, that is being looked at and we can provide you with some clear guidance of the sort of things that we are doing in that respect. We have conversations. An example is a transfer station just out of the metropolitan area. We get a lot of metropolitan people using those transfer stations, so how do we support the development and the ongoing upgrades of those, because they are getting the impact of population growth?

Mr HAYES: I just wanted to ask you, in regard to processing organics, you say there are 23 councils that are involved in putting kitchen waste, say, into their organic collection. What is preventing the other councils at the moment from joining in on that?

Mr MILLARD: I might have misled you there. There are 23 councils involved in three networks. So we have got 11 councils in the north-west of Melbourne, eight in the south-east and five in the east part of cluster contracts that support a network of compost facilities. I think in Melbourne at the moment we have got eight councils that either are trialling or have a food and garden service. Within the next two years we will have about 17 of the 31 councils. Really the timing is about—some councils like to do it at the change of a contract, so they can change their trucks and their collection cycles; some councils want to do it straightaway. So it is really horses for courses. Some are saying: let other councils do it first and we will learn from them. There are many different issues and reasons why everyone is not doing it at the same time.

Mr HAYES: Is there some difference in the equipment used, like the collection trucks or the processing plant? Are they problems of a capital nature?

Mr MILLARD: Some councils are going out. For instance Glen Eira have gone out with food and garden and have gone weekly with the food and garden and they have retained their garbage services weekly as well. Some councils have decided to go food and garden weekly and garbage fortnightly. So it really depends on the sort of service that they are offering. We have designed a FOGO guide which provides councils with an understanding of how to design a service, how to work with the community, how to implement a service, how to review the service and how to improve the service. I am very happy to share that with you. We have been training. I think we have trained over 200 council officers across Victoria with that document over the last 18 months, so we are very happy to share that. It is a very good document in regard to explaining the issues around a FOGO service.

Mr HAYES: I would really appreciate it if you could share that with us. The other thing I wanted to ask in regard to that, talking about bins, like having a bin for this sort of service and then a bin for waste—I mean a bin for hard rubbish—and a bin for recycling. Is it possible to coordinate that across all councils so that everyone has the same coloured bins so that we can conduct a statewide education program about what goes in what bin?

Mr MILLARD: We did a piece of work a few years ago that did a bit of a snapshot of where councils were at in relation to the Australian standard for colours. We put together a piece of work that provided councils with aspirations to get everyone on the same page. What a lot of councils are doing is when they are going to a new contract they can amortise the new cost and the change of the bins in the contract over the 10 or 15-year period of the new contract. A good example is the City of Dandenong. When they changed over to a new contractor they changed their bins and bin colours at the time of the new contract and amortised that cost over the 15-year life of the contract. So all the councils are waiting for those contracts to do that piece of work. So we are moving in that direction, and we are getting closer to everyone being on the same page.

Mr HAYES: So there is a recommended standard in colouring?

Mr MILLARD: Yes. Again, we can provide that information to the committee.

Mr HAYES: Could I ask one more on residual waste?

The CHAIR: Last one, Mr Hayes.

Mr HAYES: I am pushing it, I know. I just wanted to ask a question in regard to the residual waste and the experiment going on in the south-east. Considering that the procurement contracts and what sort of criteria is going to be set for councils to examine the options that are put up when they are looking at this, I am just concerned that maybe in the rush to get into a solution for getting rid of what is going to landfill they might rush into not the best technology available. We are looking at various types of waste plastic to oil. We might be looking at burning or pyrolysis and all these different techniques being bowled up, and the cost bottom line might be the thing that they decide on and not the most environmentally sound of the options. We are in the early days of looking at some of these techniques too.

Mr MILLARD: We are going through a very thorough and detailed process. As I said before, we are going through an expression of interest, outline tenders, detailed tenders, final tenders and contract negotiations. That will take 18 months to two years to do. We are going through a very detailed process of working out what the evaluation process will be, and it will not be price only, it will be environmental, compliance, price, transport and markets. It will be a very integrated piece of work that really looks thoroughly at what the best technology is to meet the requirements of that waste stream for the next 15 to 20 to 25 years. So we are doing a lot of work to ensure that when we go to market we will do it well. We are going to do it in a way that industry might be a little bit unhappy with the timing—and they would perceive the slowness of what we are doing—but we are making sure that it is going to be a process that gets a really good result. This is going to be the first one in Victoria—or the first one or two in Victoria—and we want to make sure they really provide a pathway for the future.

Mr LIMBRICK: Thank you for your presentation, Mr Millard. One of the terms of reference for this inquiry is the possibility of an introduction of a container deposit scheme. Have you done any consideration or analysis on what sort of positive and negative effects the introduction of such a scheme might be on residents, councils, recyclers and existing contracts that councils might have? What sorts of effects would you see a scheme like that having if it was introduced?

Mr MILLARD: We are part of, I suppose, the government portfolio. We have looked at the effect of a CDL scheme in the delivery of contracts and requirements that will be placed on the service provision of a contract. There is a lot more work to be done through the circular economy to determine whether Victoria is ready through government determining whether they want to have a CDL system. We will continue to review the potential impacts and issues around CDL in conjunction with some of our portfolio partners, but we have not done enough work to provide you with an answer of yes or no at this stage. Traditionally local government used to be paid for recycling, so Victoria did not have a lot of benefit in a financial sense in previous years, but now that we are paying for recycling it is a different conversation and it needs to be looked at in that regard.

Mr LIMBRICK: One question on sort of more of the history of the China Sword policy. So my understanding is the reason that they stopped accepting a lot of our materials was because of contaminants. With those contaminants that were being sent to China in amongst all the other stuff, do we know exactly what they were doing with all that? It seems to be a bit of a mystery so far as to actually what was going on in China with all this material.

Mr MILLARD: I could not answer that and know exactly what was being done, but I can just give you an impression of what I believe they were saying. What was happening was we were baling mixed plastics and sending it to China. You can sort the plastics and bale it and you can have 1 per cent contamination, 5 per cent contamination or 10 per cent contamination. China was accepting basically poor contamination, so they were accepting a lot of plastics. So when they were sorting it over there into the different waste streams they had a lot of leftover material which was rubbish that they had to landfill. So they said, 'Enough's enough. If we accept it, we want it in a better condition, so when we sort it we have next to nothing to landfill'. So at the end of the day they were basically saying, 'We'll take your recycling, but it needs to be pretty pristine'. So we need to do a lot more work here. When you look at that, if we are going to do all that work here, why don't we do the whole thing ourselves and flake it and provide it to manufacturers et cetera and sell it overseas? So they are all things. I do not know the specifics of what they were particularly doing, but that was the outcome. They were spending too much money on material that they did not want to do anything with. They wanted the material that we were giving them, but they were getting, as well as that, other material that they had to spend money to get rid of. So it was costing them too much money.

Mr LIMBRICK: So the contaminants were going to landfill? Or do we just assume that they were going to landfill?

Mr MILLARD: We are assuming they went to landfill, or they might have gone to waste-to-energy—but they would have had to have got rid of them.

Mr LIMBRICK: Yes.

Mr MILLARD: I do not know exactly where that material was going.

Dr RATNAM: Thank you very much for your submission, and the work that you are doing. So we have got a context in which we have got a community that is very invested in the environmental outcome of recycling.

Mr MILLARD: Yes.

Dr RATNAM: And we have recognised that when it was interrupted with the crisis that we have experienced. We have got, we presume, a circular economy policy being developed. We hope it is going to be unveiled very soon by the state government. We have got the China Sword policy, which created a really big shock and a ripple effect and inverted the system completely in terms of councils now having to pay to send their recycling. What do you think are the biggest barriers to increasing our recycling, re-use and recovery rates and domestic production of re-use of that recycling, and what is the role of state and local government in that mix in improving our recycling rates and actually building our local recycling industry?

Mr MILLARD: Well, I was at a meeting with a manufacturer this morning on the way to work, and it was clear from our conversation with this company. They import 100 000 tonnes of flake and virgin material to make plastic materials from across Australia. They are very keen to be involved in our procurement. When we go to the market with our material, 20 per cent of what we all put out on the kerbside is plastic, so in Melbourne that is, give or take, 20 000 tonnes of plastic available to industry if it is cleaned and sorted and flaked to give to manufacturers to do something with. So really there is a huge opportunity for us to provide industry with material from within our recycling. This government has put in, I think in the last budget, another \$35 million worth of money to help invest, and part of that is to help invest and fast-track some of the infrastructure required in our collective tendering, which is fantastic. So I see a line of sight with regard to getting the infrastructure and things in place to start to have that circular economy within our sector. We have to do a lot more in buying recycled material and using things that are made from recycled materials. So governments—local government, federal government—need to do more in the buying of material that is made from that material as well. But they are the two areas.

Dr RATNAM: So in terms of meeting some of the challenges that are most pressing in expanding the industry, what is the role of state and local government? Are they the same roles? Do they have different roles? What would you see as the next step? I guess if we are trying to look for solutions, what should we be recommending, do you think?

Mr MILLARD: Well, I think in a local government sense it is buying materials that do not waste as much, but also buying material that is from recycled content.

Dr RATNAM: So a procurement targets kind of thing.

Mr MILLARD: And when they go to market for recycling services, have a transparent contract that says, 'If you are going to take our material, where is it going, what is your linkage to local industry and how does it come back into the sector rather than just being shipped overseas and we lose the value of it?'. So they are the two roles of local government. The state government is putting money in investment through our group, so they are giving us the resources to provide that assistance to local government. They are putting money into infrastructure development to have industry build things to do things, and they need to look at getting the whole of government to do the same thing in buying recycled material.

Dr RATNAM: One last question, just in terms of the alternatives to landfill—so we have had some discussion this morning and throughout the proceedings as well, and noting that you are helping to broker contracts and collective contracts in the south-east and other areas in terms of alternatives to landfill. One of the wider concerns we have had, and we have heard this morning, for example, is that potentially waste-to-energy or incineration could undermine the other goals that we have within the waste recovery system, i.e. increasing the recycling rates. We have had international examples now where private waste incinerator firms are suing local governments because they are not producing enough waste because they are meeting their other goals for reducing the amount of waste that is going to landfill. What are you doing to support the councils you are working with to ensure that you mitigate and prevent those kinds of scenarios and you do not undermine the complementary goals that government is also trying to achieve, which is to reduce the amount that is going to landfill? You are brokering contracts that will lock in, we think, what will be huge amounts of waste needed to

keep these plants and solutions viable, so how do you manage those competing interests? And how will you manage them?

Mr MILLARD: Well, I think, first of all we are saying that waste-to-energy is part of an integrated solution, so we need to still have organic food and organic services. We still need to have a recycling service. We need to look at treating our garbage. We need to go to market and have an integrated network and make sure that we do not have more infrastructure than we need. Population growth is increasing our waste. We are at the point of creating an infrastructure network. Part of that integration is ensuring we have got the right amount of infrastructure out there and we do not have more infrastructure than we need. So part of it is going out to market and saying, 'This is how much material we have got and this is the infrastructure we need'. So it is really designing the infrastructure that we need rather than just having infrastructure built and they will come, because then you will get into a situation where you will have more infrastructure and not enough waste to feed it.

Ms TAYLOR: I do have two questions. So talking about collaborative procurement, what are the challenges that you experience as a group in getting everyone onboard? Because I think before you were saying, 'We'll probably get 14–15 out of 17 councils in one particular contract'.

Mr MILLARD: Yes.

Ms TAYLOR: What is the barrier for you guys in that respect?

Mr MILLARD: Well, I think some of the barriers over the last 10 years with our organisation is that we cannot say to councils 'Thou shalt'; we need to provide them with a meaningful business case and opportunity to do it in a collaborative sense. So we have got to create a good reason from the go to collaborate. And then we have got to have the organisations sit down and make collective decisions. So we have learned a lot from our work over the last 10 years in working with local government. And if you look at the south-east procurement that we are doing, we've got five key work streams. I am leading one of them and I have got CEOs from four of the other councils of the group leading those four other waste streams. So I have got CEO buy-in to an executive group of councils to drive this project. So you have really got to have senior buy-in to these collective tenders to make them work. Traditionally we might have worked at a lower level of a manager or a waste officer, and by the time it went up and down the chain within a local government organisation time was lost. So we have really got to get that executive buy-in to get our time lines met but also have decisions made in the right and in a consensus way. So that is one of the key points.

Ms TAYLOR: Good. Just on a different tangent, thinking about marine life and rubbish that goes out to sea through stormwater or even nylon fish nets that are abandoned, is that an area that you have auspice over? I just wondered what was in place to help mitigate that kind of damage to our marine life.

Mr MILLARD: I might let Jo say something about our litter hot spot program. We had a fantastic litter hot spot program which is probably right in that niche.

Ms REGEL: Litter is in our remit. As part of our plan as well we have got a litter action plan that we are developing. That will focus on really the top five waste issues that do become litter. Given that many of our metro councils are on marine areas, it will likely come up. We also have a network called the CLEAN network, which is the Councils Litter Environment Action Network, which brings together all the right people across local government as well as other organisations to really work together and look at ways to prevent litter as well as with the portfolio—working towards sort of different program initiatives that we have had. So we have had funded programs before and been able to provide funds for council to do particular targeted work. Our action plan that we will develop will really identify the areas to target in the next five years.

Mr MILLARD: And also community reps as well. It is really one of the areas where you create a network where groups can basically learn off themselves with case studies and really support each other to help drive litter abatement and plastic pollution issues across the whole of metropolitan Melbourne.

Dr CUMMING: Mr Millard, how long have you been with the Metropolitan Waste and Resource Recovery Group?

Mr MILLARD: Just over 12 years.

Dr CUMMING: Do I hear right that you may be retiring?

Mr MILLARD: No, the board has decided to go to market for my position, so I am currently—

Dr CUMMING: Thank you. I just want to begin with actually thanking you for all your 12 years of very hard work for waste for Victoria from the bottom of all the local government hearts that I know.

Mr MILLARD: Thank you.

Dr CUMMING: You are obviously the brains trust of waste and in lots of ways have a huge amount of corporate knowledge. I hope that somehow you make sure that this committee has every single little bit of it, because we do want to make statewide decisions. Obviously there is a huge problem with recyclables being put into warehouses across Victoria, and I know that obviously we have this going on. Picking up on questions that I have heard earlier around our contracts, where are we going wrong with our contracts that we actually do not know where the recovered goes? Is there a way of making the chain of contracts better so that we do not have this situation where we have recyclables being stored, and what are the problems? They are being stored obviously in industrial areas. Is it a zoning issue, that waste facilities need to have buffer zones, recyclable facilities need buffer zones? How are we in this predicament of it being stored in warehouses close to residents and the like? How is that for an easy question, Mr Millard?

Mr MILLARD: I will probably answer it in a few ways. The recycling industry/MRFs, with the new EPA act and the incidents that have happened in recent years, will require more licensing provisions to operate into the future. We have got guidelines that have been developed to look at how we stockpile things better than we have done in the past, and we have helped the EPA in doing some of the training at transfer stations to ensure that local government has an understanding of their requirements with respect to things like storage et cetera. So I think the actual compliance of a company doing the job will be better into the future. Our contracts need to be more transparent to ensure that companies advise us of how they are addressing those compliance issues through their contracts into the future, also much better than they have in the past. That is for the recycling sort of issues. The storage of waste in factories that we have had some of the issues with in recent times is probably potentially something that is better answered by the EPA. In some of those activities probably that storage is potentially not what should have been done and may be something that is addressed in other ways. With respect to recycling, I think compliance needs to be better into the future, which it will be. The requirements around the operations needs to be better, but our contracts need to be more transparent and require more information of how they are addressing occupational health and safety, WorkSafe issues and environmental issues moving forward.

Dr CUMMING: Mr Millard, just one other question: do you believe that we will get to a point where Victoria is sustainable in its waste—as in we will actually look after our waste locally rather than it going to China or interstate—or will we actually get to a point where we are looking after local industries that can recycle the plastic and make it into pallets locally where we can actually possibly renew an industry that then China actually collects the pallets? I will leave it at that one first.

Mr MILLARD: China affected the whole of the world. It was not just Victoria, it was Australia, it was the whole of the world that was affected by the China issues and the change to the export market. For 20 years recycling has been a commodity that has been traded across the whole of the world. It will be traded in some way, shape or form for many years to come, but we can make our industry much more sustainable and provide opportunities to lessen the reliance on external markets. But we might get to a position where companies in Victoria start producing flaked material and start selling that material not only within Australia but externally to Australia into the future.

Dr CUMMING: I know that this committee is quite focused on recycling, and some of your submission is quite focused on recycling, but would you have anything to say about one of the biggest community bugbears, dumped rubbish, in kerbside dumped rubbish and litter? Would you like to add anything?

Mr MILLARD: Well, dumped rubbish, I think local government spends on hard rubbish collections and dumped rubbish probably nearly \$30 million across the whole of metropolitan Melbourne a year on that sort of

service, and there are a lot of things that can be done potentially better. We have done some work in looking at how to do a hard rubbish collection better into the future that gets more resource recovery and more sustainable costs, and Jo's group is doing a lot of work on dumped rubbish.

Ms REGEL: Yes, we commissioned some social research into dumped rubbish, particularly hard rubbish or what people perceive—putting it on the nature strip, someone will come and pick it up—and that is going to help develop a bit of a resource kit, which councils have asked for, to help educate residents about that particular issue. So that was some really good information to use. We spoke about the litter as well. So it is what kind of information can we develop based on the research that we have conducted to councils to help educate their residents. Particularly for the dumped rubbish, multi-unit developments can be problematic because there are a lot of residents moving around or people on vacation and things like that, or when people move in and out of homes. So the bodies corporate and real estate agents are now very keen on being able to use the messaging that we can develop to really help educate residents—when is it dumped rubbish, where it can go. Social research showed that a lot of people did not know that they can take it to a transfer station or there are ways or what other opportunities for particular materials. A lot of it is education, engagement required, and that is the kind of information we helped design with councils for the residents.

Dr CUMMING: Is there a way of having a state government campaign statewide?

The CHAIR: Thank you, Dr Cumming. Can we now move to Ms Terpstra, please?

Ms TERPSTRA: If I can take you back, we were talking about collaborative procurement for recycling contracts. Perhaps if you could just, following on from Ms Taylor's question, in the facilitation of those contracts when you are working with councils, are there any challenges that you might be experiencing in facilitating those collaborative contracts, and if there are any challenges, what are there?

Mr MILLARD: I will just outline, I suppose, what we have done to date and what we potentially do have. So we provided councils with a discussion paper on what we saw as the issues and the opportunities. We provided that to local government to get their heads around what we see as the potential to go to market in a collective sense, because traditionally councils would go one by one and it was almost like a league ladder to say who got the best gate fees. So we really said, 'To go to market in a collective sense, there are some real opportunities to get a better result and get a sustainable industry into the future'. We have had a couple of workshops with local government to talk about potentially how those tenders could be designed, and we have agreed that going to market and asking industry what they would also want to see in the contracts was a great idea, so we are going to do that this week. Then we will ask for outline tenders and say, 'Okay, based on the feedback from industry as well as local government's aspirations, what can you do in an outline tender sense?'. Then we will go to more detailed tenders.

The issues with local government, in the metropolitan Melbourne sense, they are very used to working together in collaborative, collective procurement. In country Victoria it is a little bit different. They are not as aligned to doing that as much as metropolitan Melbourne, and we have been supporting the regional groups to have those conversations, and we will continue to. But the Gippsland group and the Grampians Central West are the two groups that are doing that in a lot of detail at the moment, and the Loddon Mallee group. So they are all starting to have those conversations. I would see that we go out and probably support those regional groups to really show what are the things that we can get out of those collective procurements.

Ms TERPSTRA: So would it be correct to say that in a sense you have been working with councils to recognise their market power, to come together and to—

Mr MILLARD: Yes.

Ms TERPSTRA: Are there any other challenges in that space that you are finding that you have been able to assist councils with? I mean, you have touched on one, like you were saying that previously councils were sort of working one by one, but in coming together they have got collaborative power or got market share. Are there any other challenges in that space that you are finding?

Mr MILLARD: If you look at the work that we are doing with the south-eastern councils, we are looking at setting up a special purpose vehicle to help the councils make the decisions in a more productive way and

minimise the interaction with industry. We potentially will look at that into the future with things like the recycling contract to make it so we have not got 30 voices, it is more of a one voice with industry. We want to make the conversation with industry a lot more streamlined and have those conversations so they are not talking to 30 councils at a time; they are talking to—

Ms TERPSTRA: A group.

Mr MILLARD: a group of councils. So we are doing some work there to design those conversations and how do we work with local government to get that result.

Ms TERPSTRA: And just one final question: has your organisation built any resource and recovery infrastructure in the metropolitan area in the last five years?

Mr MILLARD: Our legislation does not allow us to build and operate infrastructure, but we can support and facilitate the procurement of it. We just had the Sacyr organic composting facility open a few weeks ago in the Dandenong South area, where it is going to process about 100 000 tonnes of some of the south-eastern organic material, run by a Spanish company called Sacyr. That is our most recent piece of kit that has been opened.

The CHAIR: I have got a couple of questions. I will actually put them to you on notice in the interests of time. Mr Limbrick has got one as well. Just if you are able to tell us: what are the time lines for delivery of alternatives, which you talked about earlier, and how does that correspond with existing landfill contracts?

Mr MILLARD: That is on notice? Yes.

The CHAIR: Yes. And the second is: where does the disposal fee need to be to make the whole thing work, and how much higher, if it is higher? Unless it is a quick answer, I am happy for you to actually take it on notice and give us a good response.

Mr MILLARD: I think I would be better off taking it on notice, because we have got a little piece of work that will be great to share with you.

The CHAIR: Beautiful. Mr Limbrick—on notice as well.

Mr LIMBRICK: Unless it is really quick. In exactly one week there is going to be an e-waste landfill ban coming into effect. What is going to happen to solar panels?

Mr MILLARD: Solar panels?

Mr LIMBRICK: Yes, that are currently going into landfill. My understanding is there are no recycling facilities that can handle them. There are very poor product stewardship schemes.

Mr MILLARD: I can take that on notice, because we have been doing a lot of work with the federal government through SV on how we can address that issue moving forward. So rather than give you an answer which may be not totally correct, I can provide that on notice for you.

Mr LIMBRICK: I asked them that question too.

Mr MILLARD: Yes. They have been working with the federal government on a scheme to address that into the more medium to long term, but I can give you what are the short-term answers if I have got any.

The CHAIR: On that note, thank you very much—and for being generous with your time as well. We have gone over time. Just a reminder: the transcript will be sent to you in the next few days, if you have got any corrections before we publish it. And there is a list of things the secretariat will send to you as a reminder as well, so do not worry if you have not taken all your notes in relation to the number of questions and the business case brief as well. Both, thank you very much, and we will hear from you soon.

Witnesses withdrew.