

# TRANSCRIPT

## LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

### Inquiry into Recycling and Waste Management

Melbourne—Thursday, 3 October 2019

#### MEMBERS

Mr Cesar Melhem—Chair

Mr Clifford Hayes—Deputy Chair

Mr Bruce Atkinson

Ms Melina Bath

Mr Jeff Bourman

Mr David Limbrick

Mr Andy Meddick

Dr Samantha Ratnam

Ms Nina Taylor

Ms Sonja Terpstra

#### PARTICIPATING MEMBERS

Ms Georgie Crozier

Mr David Davis

Mr Tim Quilty

Dr Catherine Cumming

**WITNESS**

Mr Peter Allan, Director, Sustainable Resource Use.

**The CHAIR:** I declare open the Environment and Planning Standing Committee public hearing. All mobile phones must now be turned to silent. The Committee is hearing evidence today in relation into the Inquiry into Recycling and Waste Management, and the evidence is being recorded. I welcome Mr Peter Allan, Director, Sustainable Resource Use. Thank you, Peter, for making yourself available today.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comments repeated outside the 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. What we have planned for today is for you to make an opening statement of 5 or 10 minutes, and then we will go to questions. Again, thank you, and the floor is yours, Peter.

**Mr ALLAN:** Great. Thanks, Chair. For 25 years I have worked in the recycling and resource management field, in government and in the community and private sectors. My company provides strategic advice to all levels of government and to corporate Australia, and it does that across products as diverse as motor vehicles, packaging, computers, clothing and all sorts of things. We are the go-to source for data on plastics, glass, textiles and most other materials. There are many aspects of resource management and the development of a circular economy that I would like to touch on, but I will contain myself to five issues in 5 minutes.

Firstly, the recycling sector is one of the world's fastest growing, and we are letting thousands of quality jobs slip through our fingers. Overall we have a strong recycling sector in Victoria, with companies such as Alex Fraser, Sims, Visy and Aurora leading the way. However, from a position of global leadership we now find that Victoria is playing catch-up on many fronts. We are missing out on employment opportunities in managing end-of-life outcomes for cars, for clothes, for plastics and for batteries. Our away-from-home recycling systems are worse now than they were 20 years ago. We have also not adapted to the challenges of recycling markets, and it has cost us in many aspects of our household recycling. The global and local markets for recycling are clear. We need to collect, sort and reprocess high-quality material to meet end market needs.

My company, SRU, has tracked Australian plastics recycling activity for the past 19 years, and local processing of plastics is lower now than it was in 2005. Significant investment will need to be made to ensure we gain the economic and employment benefits that grow from this sector. I have visited a clothing recycling plant in Germany that employs over 200 people. We need to replicate this in Geelong. There are opportunities for a recycling plant for batteries and another for solar panels. They can be in Victoria or they can be in Singapore—or Sydney or elsewhere. One-third of Australia's recycling activity used to take place just in Laverton. We need to again become the recycling capital of the Asia-Pacific.

Secondly, we have let thousands of tonnes of recyclables end up in landfill by not using the regulatory tools we have available. Ten years ago we almost adopted important regulations in State Government policy and we dropped the ball. As a result this cost us millions of tonnes of resources to landfill. We need simple, uncontroversial regulations, such as requiring that inert waste be sorted for recycling at either waste generation sites or through licensed subsequent sorting sites. Currently I can fill a truck full of steel or cardboard or aluminium cans and dump it in landfill. Why would we allow this? Other regulations should be introduced to ensure consistent bin colours, consistent recycling services, reporting on destination of recyclables and using the recycling service that is provided. The regulatory control of stockpiles is now welcome but was long overdue. We have not been proactive in driving change and have drifted as a result of this.

Thirdly, we need to make our kerbside collections relevant and effective in three significant ways. We need consistent systems across all councils, with State Government funding available to facilitate this, but with the funding contingent on implementing best practice. Glass separate collection is essential. Container deposit revenue should be available for materials that are recycled through our kerbside systems, not just through

vending machines. We need to recycle the 60 per cent of plastics packaging that is rigid, but also the 40 per cent that is flexible or soft plastics. We have no chance of meeting the targets set by COAG if we do not do this.

Fourthly, we need clear, convenient pathways for a range of products that we generate. Kerbside collection is the pathway for organics and packaging, but the Victorian community disposes of 100 000 tonnes of clothing, 200 000 cars and 200 000 bikes each year, along with toys, furniture, gas cylinders, smoke detectors, batteries, books, phones. We need designated pathways for each of these and neighbourhood collection points for a wide range of products for both reuse and recycling. This is essential for a circular approach or we have massive leakage to landfill. The era of the linear model free hard waste collection is over.

Finally, product stewardship arrangements need to be fast-tracked for key products. At the moment there is little national action in improving how we manage resources. Product stewardship arrangements for electronics, newspaper, paint, lighting and tyres have been game changers, but they have taken 10 years to develop and we urgently need arrangements for some key products. The first two are clothing and motor vehicles. Clothing sees 400 000 tonnes reach end of life annually, and it has a recycling rate under 1 per cent, yet we have a range of brand owners keen to be more sustainable. We lack government interest and leadership on this. We have over 800 000 vehicles deregistered annually, but we recover no glass, no plastic, no rubber and no textiles from this. Through steel shredding we have a recycling rate of cars of 65 per cent, but the Netherlands achieve 97 per cent by basic arrangements to capture these materials.

So in summary we need to become the recycling infrastructure capital. We need to regulate strong outcomes, we need to revamp kerbside recycling, we need to develop pathways for handling key products and we need to fast-track product stewardship. I have some short summaries of some key issues around this that I would be happy to share with you.

**The CHAIR:** Yes, please do.

**Mr ALLAN:** Here are copies of my presentation. I have developed a one-pager which I have called ‘A Blueprint for Household Recycling’—so what we need to do at a household level—and I have an article in the *Age* that I had a few weeks ago that talks about what we are doing right and what we are doing wrong.

**The CHAIR:** Excellent. While we are circulating that I will kick off questions. Who would like to go first?

**Mr MEDDICK:** Thank you so much for your presentation, and I would like to catch up with you afterwards because some of the figures that you are quoting there I would like to be able to use for a different thing, so I will get in touch with you there. That would be fantastic.

Our failures notwithstanding—and they are clearly quite substantial, otherwise we would not be sitting here—the solutions that you are outlining or what you are proposing there, should they be government or legislatively driven or left to market forces to control them to come up with the solutions and then go, or should they be basically then a public-private partnership? What do you see as the way out? What is the way forward, and is there a time frame that you can see this becoming successful and Victoria becoming the leader, as you would like to see it?

**Mr ALLAN:** I think we have let recycling be a little dictated by the markets, and so we have extraordinarily high recycling rates for automatic batteries—98 per cent or something—and incredibly low recycling rates for clothing and for plastics and everything. If we are going to be serious about a circular economy, we need to have more intervention and we need to have a bit more government control over the outcomes it is seeking. So it does not mean that we are not mindful of what the markets need and whatever, but we need to be a bit more proactive than that and we need to be in there.

So, for example, on clothing we have Country Road and DJs and Wesfarmers all putting their hand up saying, ‘Yes, we want to be involved in this; we want to be active in achieving a more sustainable outcome’, and that is reflected globally, but we need government at the table. We need the basic numbers on where this is going and what we need. We need a plan for each of these products and each of these materials, and so I guess from that point of view I am saying we need to take the regulatory levers that we have got available. Some of them will be legislation, some of them will be quite simple. Some of them will be for local government to initiate, some at a State Government level.

And in terms of the time frame, we have got COAG signing off on some packaging targets through to 2025 and now some bans on export of material. It means we have got to get our skates on. Currently we have a plastic recycling rate of less than 10 per cent and a packaging recycling rate of, I think, about 28 per cent. The target is for plastic packaging to reach 70 per cent by 2025. Now, if we are going to achieve that and at the same time take the half of the plastics that get recycled overseas back onshore, we are talking a 400 to 500 per cent increase in plastics recycling infrastructure. Now, that is achievable, but it is going to require some pretty strong signals from government to say, 'This is what we need. We need this for polyethylene. We need this for PET—

**Mr MEDDICK:** Significant investment long term.

**Mr ALLAN:** Exactly. And I think there are some key players who are prepared to put in the millions of dollars that are required there and to partner with government on that. I am reasonably hopeful that if there is that drive and message from government, we can turn this around quite rapidly.

**Mr HAYES:** Could I just ask a couple of questions? Thanks, Peter. That is a very interesting submission. We have heard a lot of those things that need to be done, like separation at source and changing the procurement policies of government and making mandatory regulations for inclusion of recycled product in building materials and road construction, things like that. But talking about product stewardship, how would you see legislation that could be effective? Let us say in the car industry—what would you require from manufacturers? Or what do you suggest manufacturers actually do? And clothing is a really interesting one, because I know a lot of clothing goes straight into the landfill bin. I have worked in an op shop, and they were deluged with the amount of clothing coming in. So there is a desire to recycle it but just not the capability to really handle the amount that has to be recycled.

**Mr ALLAN:** I think we have got some good models on product stewardship, whether we look at tyres or electronics or newspapers or whatever, and what we need is up-front for a contribution. If you look at motor vehicles, what we have seen around the world is you put a dollar value into a fund at the initial sale and that funds the downstream management of end-of-life motor vehicles. So, for example, in the Netherlands there are regulated five or six steel shredders that can take vehicles. Everybody has to hand back the vehicle. They cannot just hand back the number plates; they have to hand back the vehicle so they do not end up in gullies or in shipping containers to the Middle East—

**Mr HAYES:** So they cannot sell the vehicle?

**Mr ALLAN:** Yes, they can sell them, but ultimately if you want to deregister your vehicle and not keep paying registration, you have to hand back the vehicle. So we control the end-of-life outcome. That is then shredded, and then the residue is sent to a single plant, which I have visited, where all of the glass, all of the plastic and everything is sorted. That is partly paid for by the initial purchase of the vehicle, and it might be a very minimal amount. So that is the model that we can then apply to clothing. You know, it might only be a few cents on each item, but that can go into a fund that then enables us to develop the sort of plant that I visited in Germany. There is a lot of interest down in Geelong in whether they can be, I guess, the clothing recycling centre. It has got enormous employment attached to it, but if we sit on our hands, at the moment of the clothing that we collect for re-use through the charities around 90 per cent of that goes offshore into export, and that is not going to continue. We need to learn the lesson of exporting our kerbside recyclables and hitting a wall. We are going to hit a wall with clothing sometime in the next five to 10 years, and we need to be proactive and say, 'Right, what are the downstream responsible pathways for clothing?'

**Mr HAYES:** And how would people hand back their clothing? Maybe having public bins again or something—

**Mr ALLAN:** It could involve the charities. It could involve aggregating that back to a central point where we can look at re-use and we can look at recycling of what we cannot re-use: for synthetics, for cotton, for wool. But we can also look at other models. You know, maybe we do not need to own our clothing in the same way. There are models in Europe at the moment where baby and children's clothing, which gets grown out of every four weeks or something, is leased.

**Ms TERPSTRA:** And shoes as well. That is another thing.

**Mr ALLAN:** Yes, exactly. So yes, we have all experienced the incredible waste, where something like 10 per cent of the clothing that we purchase never gets worn—it goes into the waste stream—and something like 30 per cent gets worn once. That is not a model that is sustainable. So product stewardship enables us to take the brand owners and the recyclers and government together and say, ‘Let’s find a downstream solution for this and fund it throughout’.

**Mr LIMBRICK:** Thanks for your presentation, Mr Allan. I wanted to ask a few questions about a couple of issues that you raised, and one was clothing, which you mentioned a number of times. The figure that you mentioned, of 1 per cent recycling, sort of surprises me because I put everything in the charity bin that I do not have and so does pretty much everyone I know. That 1 per cent—what are you actually talking about there?

**Mr ALLAN:** I am talking about recycling. We have a re-use cycle. So we purchase, we use, we then send around 30 per cent through a re-use cycle, as you do, through charities and everything. But ultimately it all ends up worn out or exported and in a waste stream. It is either in our—

**Mr LIMBRICK:** What is wrong with it being exported, though? I am not sure what the problem is with that.

**Mr ALLAN:** There is not a problem with it being exported, but it is ending up in the Vietnamese waste stream or the Zambian waste stream or our waste stream, and we need to have an answer globally and locally on that.

**Mr LIMBRICK:** My understanding was that some of the other charities give you those pink bags and you stick your clothes in—I do not know whether you get them in your area—in my area. My understanding is, and I actually phoned them up and checked out what they do with them, apparently they send them to, I think, Zambia, and they make rags out of them and then they sell the rags.

**Mr ALLAN:** There is a great global trade in clothing, for clothing, but what we do not have is fibre-to-fibre recycling at the end of that. So at the end of that we just need to, as we do with every other product, have an ability to capture that resource and keep it in the system.

**Mr LIMBRICK:** But if it was economic, wouldn’t somebody already be doing it?

**Mr ALLAN:** Well, they are doing it. The Swedes are doing it, the Austrians are doing it. We are falling behind in terms of the global fashion push for recycling, and that is what I am concerned about. We could and should have a closed integrated re-use and recycling facility here in Victoria, and we could. That German plant takes clothing from across Europe. It sorts to something like 250 different categories, so if you want fur-lined jackets or if you want English Premier League tops, they can give them to you. But then at the end of that, when it is worn out, it goes into recycling, and it is recycled back into the automotive industry or back into clothing or into sports flooring—anything. We need those facilities here. We need that facility for batteries. There is a facility in France; there is one in South Korea. Why shouldn’t the third one to serve the Asia-Pacific region be in Victoria? There are huge jobs here.

**Mr HAYES:** Yes. Batteries is a big one.

**Ms TERPSTRA:** Just following on from your answers there. So for things like shoes, for example—I am interested to hear more about how textiles and clothing is dealt with overseas, and you have given some examples—we were talking about children before, their school shoes; they grow out of a pair of shoes in six months, and they are often very serviceable but they just do not fit anymore. I know there is a practice amongst people with young children that they hand down things for other kids to wear and they all get handed around. But at the end of the day it sounds like, and correct me if I am wrong—if you look at the example that Mr Limbrick was talking about—if I put my clothing into a collectable bag, it gets collected and gets used for rags. That is one use, but if it is used as a rag, then there is no other use and it gets into landfill. So I am interested to hear more about what some of the manufacturers are talking about and particularly with shoes and how that has been dealt with.

**Mr ALLAN:** Okay. I guess we have got the waste hierarchy. We need to be buying less for a start. Clothing has gone up 300 per cent since 1980; that is clearly not sustainable so we address that. Then we look at re-use

and keep the good stuff in the system as long as possible, and maybe we get two, three, four owners out of some clothing and footwear. But at the end, we need to take that material and recycle it. This plant in Germany, which is funded by the French product stewardship scheme even though it is in Germany, is taking shoes and shredding and recycling everything right down to the eyelets. They were turning it into sports flooring and it was worth, I do not know, a few hundred euro a tonne, which was barely marginal from a marketing point of view. Now Nike and Adidas are saying, 'We want that material back into our shoes and we'll pay you three times that to be able to brand our shoes with recycled content'.

**Ms TERPSTRA:** As recycled content. Right.

**Mr ALLAN:** So they are the opportunities we need to go for, and we need to say, 'Recycled content, which we've considered second best, we now need to move to the point where it's actually got a price premium'.

**Ms TERPSTRA:** Is there any point at which that recycled product cannot be recycled? Sometimes some products lose their inherent qualities the more they are recycled and then they are just no good, so is there a point at which something in the textiles and footwear area can no longer be recycled? Then I am interested in your views about whether you think, for example, waste to energy is a way to deal with it at the end of life or not.

**Mr ALLAN:** Across a range of different materials from paper and cardboard right through to textiles and everything, yes, we try to keep material going around at the highest level. It will often cascade down into a secondary use and sometimes it will run out of gas in some way or another—the fibre will be destroyed or whatever. When that happens, yes, we need an answer for that residue. And, yes, over time we probably need to do better than sticking it in a hole in the ground, and so waste to energy, if it is the right technology, offers the ability to at least derive the energy from that.

But what we have seen around the world is the cart before the horse, and so we need to make sure we are exhausting the re-use before we look at recycling. We are exhausting recycling before we look at dealing with the residue. Then when we have done the 80-20 and we have captured 80 per cent of our material for re-use and recycling, then we say, 'Let's have a facility that can efficiently deal with the 20 per cent'.

I know 20 years ago there were people saying, 'Don't bother with recycling; just let us burn it', and then 10 years ago they were saying, 'Don't bother with food organics or garden organics or plastic; just let us burn it'. Now they are saying, 'Don't bother with soft plastics; just let us burn it'. I think we need to have a circular economy policy, which I have seen is coming together really well, that says, 'Here's where we're aiming for. We can get all of these products up to a practical but ambitious recovery and keep that resource in our system to drive our economy—

**Ms TERPSTRA:** So the emphasis might be, if you have got virgin materials, that it has, for example, a mandated 3-4 usage life cycle for the whole thing, including how many times it is recycled, but then at the end of its life it gets dealt with. So the emphasis is still on re-use and recycling until it is exhausted.

**Mr ALLAN:** Yes. And because the same material is going back into different things each time, you are blending three times recycled with virgin and single-pass material all the time.

**Ms TERPSTRA:** Could a product stewardship scheme be used to track where things go in that regard?

**Mr ALLAN:** Yes, and I think what that needs to do is have a one-year and a three-year and a five-year target of how much we are going to capture and how much we are supporting financially.

**Mr HAYES:** Just following up on what Ms Terpstra was asking, when it gets to the end of its useful life as clothing or rags or whatever before it goes to burning or anything like that, it could go into making building materials like insulation or something that ends up in a wall for a hell of a long time. That would require mandated requirements, wouldn't it, to get that industry really going, because virgin material is probably cheaper?

**Mr ALLAN:** One of the biggest markets for textile after we recycle it and it is no longer becoming clothing is into the automotive industry—so every BMW, Volkswagen and Mercedes on the road is full of German

clothing. We do not have an automotive industry so we do not have that market, but we have a need for an insulation market or some other markets like that.

**Mr HAYES:** Flooring, would you say?

**Mr ALLAN:** Or back into clothing. And that is where I think Deakin University is doing some fantastic work on this at the moment and winning international recognition. But we need to—

**Mr HAYES:** I am just thinking about trying to make it cost-competitive, though, with virgin material in Victoria.

**Mr ALLAN:** Yes. Sometimes you can just put it out in the market and it will find it—

**Ms TERPSTRA:** The market will drive it too.

**Mr ALLAN:** The market will drive it. But sometimes you need government to say, ‘We’re getting behind this and procuring this material’—whether it is into roads or parks or clothing—and you also need the brand owners, the corporates, to step forward as well, and I think we are seeing that at the moment. We are seeing Coke and Coles and others saying, ‘We’re going to put all our beverage in 100 per cent recycled content’, or ‘25 per cent content’. If you cannot get them to step forward and do that of their own initiative, then you have to mandate it. We have got a target for 30 per cent of packaging to contain recycled content by 2025. We already have that on paper and we already have it on metals; we need it on plastics. If we get that response from industry and if we get government responding, we will have a market pull on that material; otherwise we do need to mandate.

**Mr LIMBRICK:** My understanding—and we have heard this from a few people giving evidence—is that one of the biggest problems with recycling in Australia really is that the biggest input cost is energy cost and therefore if we have high energy costs a lot of these operations are not economic; that is why it has been going to China, which has lower energy and labour costs, and these other countries. Unless we can curb these energy costs, how do you see that fitting into the mix? I know some of the things like glass, steel and aluminium, especially lately, require massive amounts of energy to recycle them. How do you see that feeding into the mix?

**Mr ALLAN:** You are right. In many cases the gas price in particular is killing a lot of remanufacturing industry, not manufacturing. The biggest plant in Australia for windscreen recycling out at Laverton is in danger of closing for two reasons, and there is no other pathway for windscreens if they close. One is the cost of gas to run their plant and the other is government agencies procuring the Chinese equivalent for their road-marking paint, which is where windscreens end up. The solution to that is pretty obvious: the Victorian and national governments have got to get behind it and say, ‘We want our windscreens to have a market so we’re going to purchase that material and we’re going to designate it and tell our agencies’; and secondly, we need to address the input costs.

But for so many of these materials recycling offers the energy saving itself. The cost in energy terms of producing aluminium, compared to recycling aluminium, is something like 18 to 1. Glass furnaces to turn glass from soda ash and silica into glass take a lot more energy than turning existing glass packaging into glass; and it actually enables the furnace to last longer. We need to derive the energy gain that we are going to get from some of those. But you are right: there is at the moment, as there is across manufacturing more generally, a problem in the gas availability and the gas price that is hurting some.

**Mr LIMBRICK:** But on the energy costs for putting together virgin materials, often that is done offshore because they are imported products and therefore—because we heard it yesterday with glass—it is 10 per cent cheaper in energy terms to recycle something than to use virgin materials. But the recycling is done using Australian input costs and the production is done using foreign input costs, which are vastly different.

**Mr ALLAN:** No, you are right. I actually do not have a philosophical problem, seeing we are importing half of our plastics, half of our cardboard, 100 per cent of our cars and 90 per cent of our clothing, in sending some of this material offshore to be recycled. The driver should be: can we do it here and can we find markets for it here? But if we are asking the plastics packaging industry that is 50 per cent imported to absorb 100 per cent of

the material here, I just do not think that the maths add up. So from that point of view the latest COAG ban on the export of recycling I think is well-intentioned, and we should try to do as much as we can within the country and take responsibility for our own materials, but I think an outright ban is impractical. When you have got plastics—4 per cent being recycled here, 6 per cent being recycled overseas and 90 per cent going to landfill—I would rather see a ban on plastics to landfill than a ban on the 4 per cent going overseas. That is the wrong priority in my view.

**Mr HAYES:** That's right.

**Mr MEDDICK:** I just want to revisit the issue of what you were talking about with the fee overseas—I think you said in the Netherlands—where they purchase a vehicle and there is a cost so it covers its end of life.

**Mr ALLAN:** Yes.

**Mr MEDDICK:** Quite often in this country, as I am sure you are aware, a lot of people are all for change unless it means they have to make the change, and also industry is quite resistant to something that they may see as being a cost imposed on them. They are happy to have that cost so long as they do not have to do it. You may or may not know—I presume you do, because I think you are pretty well versed on it: is it a set fee that they pay or is it a percentage of the vehicle price? Because if anyone like me has gone down to buy a new car, the stamp duty that you pay on that car, that gets paid to the government or to VicRoads, is on a sliding scale of how much you have actually paid for that vehicle, so it is a percentage cost. Is this the same with that end-of-life-type fee?

**Mr ALLAN:** It is different in different countries. Here the product stewardship schemes are different on different products. So we have this on computers and televisions. Every computer and television that comes into this country contributes a fee. I am not sure whether it is based on dollars or tonnes. In some cases you can structure it so that it is a declining fee where you are getting a higher recovery rate. So there is a built-in incentive that the higher the recycling rate goes, the lesser the fee becomes. But we are talking about very small fees here. We are talking probably \$200 or \$300 on a \$30 000 car. We are talking about one half of 1 per cent on a bottle of Coke, and it is a hidden cost. Whether you like that or not, it means that people are willing to see a cost to get a good outcome. I am sure nobody going in and buying a computer or a television at the moment is complaining about the 20 cent surcharge that is on their television. It is hidden and it is just there achieving a good outcome at the end.

**Mr HAYES:** But despite that fee being charged it seems like we have a problem with electronic gear being recycled. A lot of it is building up in storage and people do not know how to get rid of it, really. What is happening there?

**Mr ALLAN:** That fee has to cover the cost of collection and reprocessing. We cannot just then stand back and say, 'Here's the money'. We need to then regulate and say, 'Here are the licensed electronic waste recyclers'. We need to track where they are processing—where are the plastics going, where are the trace metals going, where is the steel going? And we need to make sure that it is not going offshore in any environmentally or socially damaging ways.

**Mr HAYES:** So how would you suggest setting up such an industry?

**Mr ALLAN:** Well, we have got lots of good models overseas to base these on. We have also got good product stewardship schemes running here; we can utilise their frameworks. Some of them are voluntary, where the industry has come to government, as the newspaper industry did, and said, 'We want to keep driving newspaper recycling higher. Here is our scheme'. And others, when you had a whole range of players in an industry, government has had to initiate that and say, 'Here is what will be the situation'. So most motor vehicle manufacturers would face product stewardship schemes in almost every other country in which they operate. I have spoken to Toyota, and they said, 'Bring it on. We'll comply as soon as you introduce it'. And I am sure the same would apply for clothing. A lot of these companies are saying, 'We don't want to go off and do our own thing that will be costly and ineffective. We'd rather have an industry-wide with government partnering push to get things right'. And I think if we prioritise that and say, 'We're developing on a faster time frame than



traditionally a product stewardship scheme for clothing’, those guys will put their hand up and say, ‘We’re around the table’.

**Dr CUMMING:** Mr Allan, I really want to thank you for your very detailed and thoughtful submission, and I want to pick up on the points that you have raised around the amount of resources that we actually have in the community and the point around how the community or consumers have purchased multimillion dollars worth of material from cars to mobile phones to laptops, very expensive resources, and your very thoughtful thoughts around the very strong way that Victoria could possibly have multiple recycling plants on all different levels. I know that you only really picked up on maybe a dozen possibilities of these different kinds of recycling plants that Victoria could possibly do, and also you made the point there are a multitude over the world that we could actually look at that could possibly be replicated here in Victoria. I guess I am just picking up on a couple, say with carpets—the same as with shoes and clothing, carpets as well as recyclable material that could be sought from demolitions of houses and those kinds of things, and mattresses. You pick a product and the way it could be possibly turned into a recycling plant. Are there any others that really stand out that you have not suggested today?

**Mr ALLAN:** I will just pick up carpets. I mean, what we need for all these products is a plan and to say, ‘What’s the data? How much is going out into the market? How does it flow through the market? What are the decisions that lead to carpet coming out of a building? Is it a building demolition? Is it an upgrade of an office block?’, and then to say, ‘What’s the best way for us to handle this material?’.

**Dr CUMMING:** Recover it.

**Mr ALLAN:** It might be that we lease the material in the first place. It might be that we move to carpet squares that are able to be repaired easier, or it might be that we have a factory that shaves carpet and recovers the pile. I know there are recyclers and carpet manufacturers looking at this at the moment. So that is what we need. We need a framework for each of these products. We need a framework for gas cylinders. We need a framework for mattresses. We are doing a lot better than we were—tyres we are doing a lot better. But at the moment there are not really plans for some of these, and in many cases we do not even know how much of it is out there and why it ends up in our waste streams. One of the things I have found frustrating with clothing is we do not even know the basics of how much we have got going out into the market and sitting in our wardrobes.

**Dr CUMMING:** Mr Allan, do you think there is a body of work that could be done around that to actually have a better understanding of what possible recycling plants could be made in Victoria so that we could be leading the world or at least be very competitive in the Asian market?

**Mr ALLAN:** Yes. I do not want to tell the Committee what they should put in their report, but yes I think—

**Dr CUMMING:** Please do, because there are a lot of things that you have raised that I would hope to see as recommendations.

**Mr ALLAN:** Yes. I think at the moment we have got government agencies that are trying to develop pathways for food organics and for plastics, but they need to be better engaged across a much broader range of products and materials, and to prioritise some of these and to have a plan. We did a simple piece of work for the South Australian Government a number of years ago where we went through 30 or 40 different products and just did the basics of this is how much of it is going into the market each year, this is how much is in use and this is what is cascading out and here is its destination. It enabled us to make some priority settings and to say, ‘Look, this is one that really needs attention or infrastructure’. For example, there are huge ones that caught us by surprise, fencing or something like that, and then there were others that were the opposite. I think the minister there said, ‘What about credit cards?’ and so we looked at credit cards. It amounted to 23 tonnes across 10 million locations and it was hardly worth the effort. But until you do that work, you do not know and you cannot set those priorities. So I think you are right: there is an urgent need for that at the moment. I have got together a range of global leaders in fashion and clothing and we have talked to the Victorian Government and we have talked to industry and we have produced what we have called a blueprint for sustainable clothing. What we need is for both government and industry to put their hands in their pockets and say, ‘Let’s go. Let’s do this. Let’s not miss the boat while—

**Dr CUMMING:** Do you think it is the right way of actually banning things from going into landfill, such as banning organics or banning e-waste and making that a driver to get our recycling plants and recycling up to a world standard?

**Mr ALLAN:** Yes, I do. At the moment we ban based on hazard, so we ban liquid waste, we ban whole tyres. The legislation is there, the model is there—

**Dr CUMMING:** Strategically banning.

**Mr ALLAN:** But what we need to do is ban based on an alternative pathway that is there and existing. You do not ban a material until there is a market for that material. But at the moment there is a good, strong market for steel, for aluminium, for sorted cardboard. Why would you not then say, ‘Cardboard is no longer to go to landfill’?

**Dr CUMMING:** Or organics.

**Mr ALLAN:** We are going to legislate that, or we will regulate that. How you do that, you just say that for every site that is generating that, whether it is the local supermarket or whatever, it is now a requirement if you are generating more than 10 per cent cardboard in your waste stream, that you have a cardboard recycling system. That is the way the ban would play out, so their waste provider would provide them with a cardboard system. It is not controversial; it is an easy thing to achieve. Then you roll it out, and next year you might say, ‘Let’s look at the following products. We now have adequate markets for PET packaging or we now have adequate markets for aluminium motor vehicle components; they now are no longer to go to landfill’. Then eventually you will do the same for clothing.

**The CHAIR:** We are running out of time. One question and a quick answer.

**Mr HAYES:** We were just talking about banning things going to landfill. Something we have been raising quite often in our discussions is banning single-use plastics, but I am just wondering about banning single-use anything. Do you think that that is possibly a way to go, that we really try and encourage only materials that have a life beyond a single life?

**Mr ALLAN:** I think there are a range of different things that are single use that should not be on the market, and then there are a range where we should perhaps not ban them but actively discourage their use.

**Dr CUMMING:** So banning the production. Not even getting it into the system.

**Mr ALLAN:** Yes, or build in some product durability requirements. So we do not want bikes and clothes to become single-use items, which they are rapidly becoming.

**Dr CUMMING:** Or irons or fans that last one year. They need to last 10 years or a lifetime.

**Mr ALLAN:** Yes. So we deal with them, but at the same time we say, as we have done with check-out bags, which were 95 per cent single use, let us create a system where we are maximising the no-bag transactions, maximising the re-use transactions, and then eventually saying that there is a charge and now there is a ban. That is the pathway to go with those.

But yes, our inability to use our regulatory tools to bring about the changes has been incredibly frustrating and we have probably let 1 million tonnes go to landfill in the last decade that we should not have.

**The CHAIR:** Thank you very much, and on that note, Mr Allan, I just want to thank you for your contribution. It has been very insightful and helpful information. So thank you very much; we appreciate your time.

**Mr ALLAN:** Please feel free if you need anything.

**The CHAIR:** Thank you.

**Witness withdrew.**