

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Recycling and Waste Management

Melbourne—Tuesday, 22 October 2019

MEMBERS

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Mr Clifford Hayes—Deputy Chair

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Ms Melina Bath

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Mr Andy Meddick

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Ms Georgie Crozier

Dr Catherine Cumming

Mr David Davis

Mr Tim Quilty

WITNESSES

Cr Jonathon Marsden, Mayor, and

Ms Pene Winslade, Hobsons Bay City Council; and

Cr Dick Gross, Mayor, and

Mr Marc Cassanet, City of Port Phillip.

The CHAIR: I declare open the Environment and Planning Standing Committee's public hearing. All mobile phones now need to be turned to silent. I would like to welcome members of the public attending here today. The Committee is hearing evidence today in relation to the Inquiry into Recycling and Waste Management, and the evidence is being recorded. I would like to welcome our witnesses for this morning: Ms Winslade and Cr Marsden from the City of Hobsons Bay, and Cr Gross and Mr Cassanet from the City of Port Phillip. Thank you for making yourselves available today and providing us with evidence. All evidence at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law; however, any comments repeated outside this hearing may not be protected. Any deliberately false evidence or evidence misleading of the Committee may be considered a contempt of Parliament. You will be provided with a proof version of the transcript in the next few days. We have got a total of 45 minutes. We have received submissions from both councils. If I invite you to speak, if you can keep it to 5 minutes each, that would be great—just the key points you want to make. There will be a lot of questions from the Committee to basically go back and forward. If we haven't covered a particular point, feel free at any time to raise it. Again, thank you. Who would like to go first?

Cr GROSS: I am very honoured to be here, and it is an important submission for us. I am grateful to be here. I have had 15 years being a waste tragic, and unfortunately I am going to burden you with some of my 15 years.

Visual presentation.

Cr GROSS: If I could go to slide 3, I have used this organisation: I have made it putrescible and recycling. The aim of the presentation is to go over history and look in an unvarnished and honest way at some of the dreadful mistakes that have occurred but are typical in this area. Every jurisdiction makes big, expensive mistakes. I do this not to lay blame but just to say this is the past and we will make mistakes going forward. I divided it into putrescible waste, which can be decomposed by microorganisms, and recycling.

Could we go to slide 6 now? My argument about putrescible waste is that it creates really significant climate change gases. In an anaerobic environment where there is no oxygen—i.e. in a landfill—methane comes out. This is such an important Inquiry because it is not just about waste; it is also about sewage and agricultural waste. If you look at sewage and agricultural waste and combine them with municipal waste, it could be 20 per cent of our emissions that are related to the sort of technology that might come out of this conversation.

If we could go to the next one, I just wanted to lob this graph in. When waste decomposes and breaks down it decomposes differently if it is in an anaerobic or oxygen-deprived place—i.e. in a landfill, under the ground. So if you look at that graph, you start off with the oxygen depleting over the first two phases—that is that thick grey line starting at 20 and going down to zero. Then the methanogens take over. Methanogens are methane-producing bacteria and they bring the mix of emissions up to sort of close to 50-50 CO₂ and methane. Methane is important because it has 30 times more global warming potential than CO₂. That is why I obsess about this methane and why I think your task is incredibly important. It is not just about the local drama du jour—and there is always a drama in waste—but it is about the methane.

If we can go on, these are just technologies that are around in Victoria. I assume you know all about those. We as a diversion from landfill are at 44 per cent according to the Sustainability Victoria figures—better than America, much worse than Europe.

If we can stop here, I am going to talk about the problems now in the three topics: putrescible, recycling and just general financial governmental things. This is the Coldstream aerobic composting facility. It was set up with the best of intentions and it is a really tragic story in my mind. It was finally closed in 2010 because of odour issues. It was heaped hedgerows. We probably lost \$10 million out of that. It made recycling of putrescible waste in the northern suburbs virtually impossible. It was a disaster. I used to be the inaugural chair of the metro waste group, so I inherited this. I am part of the problem; I am not trying to say I am not part of the problem. I have been around with all of these disasters. Now we are obsessed with odour and everything is in-vessel, like at the Bulla facility. But odour is not the only issue. My thing is that—I will get onto some of the answers—Victoria's soil, since colonisation, has lost 40 per cent of its carbon content. So if you can get these incredibly complicated issues right, there is huge value in getting agricultural people to take a product that they can use, and I do not think we are there yet, which I will get onto.

Can I go to the next one? This is Cranbourne. We all know about Cranbourne. That was once again an EPA issue. In the design they have all got to have a lining. The lining was too impermeable, and there was a very rich mix of organic material—a lot of wood in there—so the methane poured out of this. It tried to go sideways and it could not; it went up. They had to evacuate some of those houses. This is supposed to be a beautiful open space. Of course all that methane is not being captured and is going straight into the atmosphere—once again, a real disaster. Who was at fault? Maybe you would have to say local government and the State Government. We both share the blame. It is a shocker.

So Cranbourne and Coldstream must have cost the Victorian ratepayers and taxpayers at least \$20 million; I do not have the figures. There is no point in going over and getting the figures other than to say that when you do big investment at large scale and with volatile, dangerous material like waste it is easy to make mistakes—easy. Non-trivial losses, methane still being emitted—this is why I say your task is very important, very complex and very noble.

We can go on to the next one, I think putrescible waste is a huge opportunity for our community. Go to that third yellow one. Compost is not compost until it matures. It might take three to five months, so it does need the waste management organisations to have partnerships with farmers who can take a product the farmers can rely on and do the last bit of the composting on site. I think that the EPA and metro waste have so far missed the opportunity of the big carbon-eating, soil-enriching rural composting businesses—difficult to get together.

And if I can go to the next one, this is from the SWRRIP report. These figures indicate to me that with our food waste, which is a big problem, we are not composting the almost 1 million tonnes going to landfill—huge unrealised opportunity. And you might want to say, 'Let's get all of the food out of the waste stream by education and changing purchasing patterns'. I am open to that. But if you assume that is going to be the food in the waste stream—with garden waste we are doing better, we are taking less than half of the garden waste. And listen, can I put my hand up and say that Port Phillip and the City of Melbourne are the biggest offenders because we have the worst diversion from landfill. We do not have a green bin because it does not stack up in a highly densified urban environment. But I will talk about how we are addressing it, and we need to address it.

Dr RATNAM: You do not have organics collection at the moment?

Cr GROSS: None.

Dr RATNAM: Okay.

Cr GROSS: We do have little bits and pieces from our gardening business, but basically we are underachieving on that. I like to be honest about this because I like to say that I am not in a position of throwing stones.

Can we move from organics to non-putrescible waste issues? My thing about recycling is the contamination. I think that this has been a problem for local government, I would say we have not got this right. We have got it nearly right but not right enough.

This is from Sustainability Victoria's data on contamination. You can see the numbers are actually sort of quite low—that we finished at a 6.5 per cent contamination rate. That is sort of not too bad. But the feedback from

the recyclers is that they are knocking back whole containers because of contamination. That is very costly for so many reasons. So I reckon we need uniformity.

If you go to number 4, in 2008 I was on the Australian Packaging Covenant council and we gave the metro waste group and councils hundreds of thousands, maybe a million bucks, to get the work done to get all of our colours harmonised—because you cannot do statewide education if everyone has got a different coloured bin. I am sure you have been told that by everyone. So if we go to the next one, and this is a decade after the national covenant council grant, this is Stonnington and Port Phillip—

Members interjecting.

Cr GROSS: Blue! It is a nice blue. I quite like it. It matches your lanyards.

Dr RATNAM: Is that Stonnington?

Cr GROSS: That is Stonnington.

A Member: Is that the green bin? Is the blue bin the green bin?

Cr GROSS: Blue is the recycling bin, I think.

Mr HAYES: There is going to be a bit of lid swapping, I think.

Cr GROSS: There is going to be a bit of lid swapping, and we have to pay for that. The State has to organise it for the whole state.

One thing I have not addressed in this is the really difficult logistical problems of rural and regional councils. Sometimes it is better just to chuck stuff in a hole rather than bring it from a poor council in the north-west, you know?

Now, I have got a different view on the recycling crisis. I think the recycling crisis was, a, a good thing and, b—that bottom-left picture of the stockpiling of glasses would be terrifying—if we can go to the next one, I say that SKM has now closed and I do not think it was such a bad thing because everyone is noticing this issue now. As I say, it could be 25 per cent or 20 per cent of our emissions if you combine it with other similar sort of emissions. I have been informed that SKM bought two pieces of technology for paper and plastics. They did not have the capacity to install it, but they did install the paper, and they were exporting back to China because they had less than 0.05 per cent contamination. China Sword is about the challenge for us to get our contamination down, not about, ‘We do not want your material’. Sorry to take so long. And then if we go to the next one, and the next one.

Dr RATNAM: You were an SKM-contracted council, is that right?

Cr GROSS: We were an SKM-contracted council. And if you look at that, it says our recyclables were back on stream after just five weeks. That is pretty good. There was a fire crisis before that and we closed for two weeks. It is not too bad given the sense of fear and trepidation that everyone had.

Dr RATNAM: Are you back up and running now?

Cr GROSS: Yes.

Dr RATNAM: With Cleanaway?

Cr GROSS: We are with Cleanaway. And there is the sexy Mayor!

So the recyclables summary: loss of community confidence; loss of council confidence a bit; loss of council money—losses amounting to millions of dollars, and we still have opportunities out there to garnishee, and they are important because of the embodied energy and all of those commodities—and the final one, the financial and organisational disasters.

So let us go to the next one, the shocking organisational set-up. You have been told that a million times.

So could we go to the next one? No-one knows what to do. There is duplication.

The CHAIR: Could we just go back to the last slide for a sec?

Cr GROSS: That first line I took from the MAV, who is not on that list. The CEO of the MAV said they went to a meeting with all of these organisations and no-one knew who was doing what to whom—who was responsible.

The CHAIR: So on that, are you suggesting leadership by council? Are you saying less State Government, more council run?

Cr GROSS: No, I think this is where we need leadership from the State.

The CHAIR: Right. Okay.

Cr GROSS: But I just think we need—

Ms TERPSTRA: A rationalisation—

Cr GROSS: A rationalisation of all of that.

Ms TERPSTRA: into one single point.

Cr GROSS: Yes.

Ms TERPSTRA: Are these State Government organisations?

Cr GROSS: EPA, Sustainability Victoria, metro waste, DELWP. The Premier's office, I am told, have got people who are looking into this.

The CHAIR: They are looking at one authority to look at the whole thing—a single authority to be in charge. That is something we are considering.

Cr GROSS: Well, that is a radical but defensible proposition.

The CHAIR: Okay.

Cr GROSS: If I can just go to a couple more. Just to show that it is not just the State Government—about 14 years ago, because councils do the pick-up, our contract was coming to an end, and it was when the Western Region Waste Management Group was set up, before amalgamation into the metro group. There are nine councils. I went and offered nine councils this deal where we could go and group-purchase all this capital equipment for pick-up. I got no takers, mainly because their contracts were in a different phase, and I get that. But one council was in an identical phase. It was a financially embarrassed council—not represented at this table—and they just said no. They said no to \$1.5 million. How is it that the system works and that we can be so capricious and frivolous with ratepayers money when we are offered—

And that is why under the old system we could mandate joint procurement. Sometimes I think there has to be more compulsion for councils to do stuff together.

The third one is the organisational duplication failure by councils to collaborate. That has cost the community millions. That is me done. There is a whole lot of other—

Dr RATNAM: Are you happy to share that with us?

Cr GROSS: Yes. Everyone can have that. Then the next one: the City of Port Phillip advocacy and ideas—we are having new service trials. We are waiting for the circular economy stuff, and we will align with that.

If we could go to the next one, I will leave this slide with you: we need really a single-point of leadership and a comprehensive policy for waste resource recovery, investment and the circular economy stuff. If we can go on, these have been flagged with the inner southern: Stonnington, Bayside and Kingston and people like that, and they do not object to it. I put some more radical stuff in red.

The CHAIR: Thank you. Can we get a copy of the whole presentation later on?

Cr GROSS: Absolutely.

The CHAIR: If you are able to send it to the secretary, that would be great. Thank you, Dick.

Cr MARSDEN: My name is Jonathon Marsden. I am the Mayor of Hobsons Bay City Council.

The CHAIR: Jonathon, welcome. If we are able to, could we go through the issues that have not been raised?

Cr MARSDEN: Yes, certainly, and it is useful that Dick has covered so many of the problems. I just want to comment on the things where we have taken a different approach in some cases but also to comment more specifically on the potential for collaboration between councils and the State Government. To start at the beginning, we support the MAV submission. We think it is a very sensible submission, and I get a sense from our council that the current MAV leadership under Cr Coral Ross and Kerry Thompson is a very strong one—evidence-based and likely to succeed because they are good operators. We see that the sector being represented by strong leadership cannot be substituted by a single agency which cuts out democratically elected positions to determine council's future on the waste crisis. I think that is partially the problem with the metro waste groups—they are top-down creatures of the department, and so councils are not adequately represented within those structures. I think there is a lot to be said for the collaboration between the MAV and the department, or Minister D'Ambrosio, as the nexus between the two sectors, if that makes sense—between the two levels of government, State and local—because it ensures democratic accountability and a single voice in the case of the MAV.

Our response to the recycling crisis is to deal with waste at the source. We have taken the approach that it is our waste and also to take the opportunity to communicate to the residents that it is their waste effectively—so rather than being seen as a service provider who just takes stuff away from the household, to encourage people to take responsibility for what they buy and what they throw out and ultimately to reduce it at the source and obviously to use as much of the compostable within the property as possible and then for us to deal with what cannot be avoided. Then rather than necessarily waiting for some regional actor to put together a large waste-to-energy facility, for example, we would be looking to deal with all of our waste within our own borders, and to that end we have gone for a four-bin system, separating out glass, and food and organic waste into the waste bin. We will have a four-bin system up and running by Chinese New Year and we will be rolling it out throughout November, including with that messaging to change behaviour.

But of course we do not want to cut across any of the State's circular economy policies, as Dick has said, and we have been regularly communicating with the department. I should introduce Pene Winslade, my Director, who has responsibility for waste and recycling. We have been communicating with the department to make sure that the initiatives that we are taking as an individual council are not cutting across any of their initiatives nor working at cross purposes with the MAV. We recognise that as a local council, as the MAV as a sector and as the state as a whole we have to be perfectly aligned, otherwise we are going to end up with more wastage and failure. So there are a few things we think the State could do in order to facilitate that collective success, and that is, as Dick pointed out, bin standardisation—that is sort of an easy get, we think—and by doing so be able to change behaviour through public education statewide, focused on waste avoidance first of all as well as all the other measures in the MAV submission around product stewardship and circularity principles.

Our next step is throughout November to get people excited about the new changes, because it is a decisive response to the recycling crisis, and without the crisis we would not have had the opportunity to take this bold action. As Dick said, it is a timely and ultimately useful thing for the state of Victoria, we believe. Just to re-emphasise: we are keen to collaborate with our fellow councils and with the State Government to have no

distance between us when it comes to solving this once and for all, because it is possible. We see it elsewhere in the world and we are keen to be part of a successful First World waste and recycling strategy.

The CHAIR: Excellent. Thank you very much. Can I just kick off with a couple of questions. You have seen the Infrastructure Victoria draft reports, consultation reports, which came out on Monday. What is your view about increasing the number of bins? I hear Hobsons Bay is going to four bins, glass separated, and there has been some discussion about six bins—I think that has probably come out from the media more than Infrastructure Victoria. But the thing about having an additional number of bins, with a minimum of four, seems to me to be what the landing is at this point in time but with the possibility of going to six. Do either of you or both have a view on how many bins you can cope with?

Cr GROSS: As I say, we are behind everyone. If I can go to the next slide, 47. This is subject to a council endorsement on 4 December. We are trialling kerbside communal glass collection points. In parts of South Melbourne you cannot fit two bins. The difficulty for Melbourne is there are inner-urban areas and then there are suburban areas with heaps of room. We have got a FOGO and then with street cleaning we are going to recycle the material from there. So what I would say is we had difficulty selling two bins to parts of South Melbourne and parts of St Kilda.

Ms TERPSTRA: There is no room.

Cr GROSS: There is no room. When you go overseas to Europe you see communal collection points, so that is why I am really excited about the communal glass collection points. My issue is that as an inner-urban council we might have pushback from the community, as we want to make sure we do not have more trucks on the road. The other thing is we have not got onto—what is it?—the advanced waste recovery tenders that are being put out by the metro waste group. Melbourne is being divided into two groups: the south-east and the north-west. The south-east tender is just about to go, just ready to go, and that would be 14 councils looking at new technology. It is going to be technology agnostic and it could be, conceivably, that it goes to one bin. So I think let us see what we are told through the tenders for the advanced waste recovery—I forget the exact name. It is sort of quite an important learning from this.

The CHAIR: Is that in relation to residual waste—let us say the red bin, which is the most common?

Cr GROSS: Yes.

The CHAIR: And that is where you are talking about, where that could go to a waste-to-energy type—is that what you are talking about?

Cr GROSS: Yes, it could be that, but I think it is also that they are asking for general solutions. I am not the expert on this; I just know that this Committee, I think, should find out about this tender. The south-east are ready to go; I reckon the north-west will be two years away. We are part of the north-west, but we have got observer status on the south-east.

The CHAIR: Okay, Ms Winslade?

Ms WINSLADE: I am happy to start, and you jump in. I mean, the IV report makes a lot of sense, and certainly the greater the source separation you get, the better the environmental outcomes, although the larger the number of bins you are collecting, the higher the operating costs. The view we have taken at Hobsons Bay is that getting glass out of the yellow bins is the first, and it will have the most significant impact. If the state were to go to a six-bin model, we would make that work, absolutely, but we have not sort of started with moving to—effectively we have got three bins in most of our households, two in some—six as a first step.

Cr MARSDEN: Yes, that is true. So in many cases we are doubling the number of bins and in some cases we are just adding an extra one. The point that Dick made about not having more trucks on the road is something we have thought a lot about, and most of our modelling has been predicated on rescheduling the pick-ups in order to not increase the pick-ups too much. We go from 104 to 116 collections per year per household. So there is a slight increase, but by rationalising the—

Cr GROSS: Pick-up times.

Cr MARSDEN: Yes, it is not too bad. Effectively that means a monthly glass pick-up and a fortnightly red bin pick-up.

The CHAIR: Bigger bins, smaller bins—that could be another solution?

Cr MARSDEN: Yes, precisely—just different sizes.

Cr GROSS: Can I just mention—

The CHAIR: I am not sure if we can let you talk again.

Cr GROSS: Sorry, Comrade Chair.

Members interjecting.

The CHAIR: Look out!

Cr GROSS: One thing we have not talked about is our real problem with apartments. I do not know the answer to that. Whenever I look at these questions, I always look at it through the kaleidoscope of it being a single freestanding house. Most people in Port Phillip are in apartments, and they are a disaster. They have got the single chute. I do not have any magic wand for that.

Cr MARSDEN: If I may, Chair?

The CHAIR: Yes.

Cr MARSDEN: That has obviously occupied a lot of our thinking. There have been three myths or misconceptions or fears, I guess, on Facebook in regard to our announcement. One is nappies, and that is not a consideration, really; it is about the fortnightly collection and they can be double-bagged or otherwise dealt with, so that is not a problem.

There is another one, which is obviously the number of bins, and that definitely is an issue with multi-unit dwellings. So the approach that we have taken is that we will solve it case-by-case as we go. We will learn and adapt, effectively, but we are not going to let that hold us up, because there are lots of models around the world that we can learn from. And that will count in some residential circumstances with large families and others, where people are worried that they might not have enough volume in order to deal with a household of 10, for example. But we can deal with that on a case-by-case basis as well. So when it comes to the modelling and the anticipation of the demand, we have got some direction, but we will learn and adapt as we go.

The CHAIR: Now, we have got more questions. I will come back to you. I ask members if we can stick to one question at a time. Then we will come back around. Mr Cassanet, do you want to say something before we go to the next questions?

Mr CASSANET: Just very briefly adding on to that, it is not just the existing apartment blocks. It is also how we design new ones.

Ms TAYLOR: That is what I was thinking.

Mr CASSANET: So there is no standardisation.

Ms TAYLOR: Good point.

Mr CASSANET: So if we are going to a new system, we need to standardise the design to accommodate that as well.

Dr RATNAM: Thanks, everyone, for your submissions, for all the work you are doing on the ground and also for highlighting some of the real challenges that we all have to work on together to solve. I am glad for those presentations.

I wanted to ask Hobsons Bay, particularly around the introduction of your separated glass and organics: can you talk us through how that is working? What were the barriers you needed to overcome? How much is it costing and how are you managing those costs? And what are the shifts you have seen in behavioural change and waste volumes? I just want to see how it works. I guess we are really looking for solutions and what we can generalise across the city.

Ms WINSLADE: I am happy to start. We do not start until the Chinese New Year period; we will be announcing that. I think our community was one of the strongest proponents in us coming to, 'Actually, we are facing this crisis'. We were looking to pilot accelerating a rollout of FOGO. SKM shut its doors, and the community were kind of saying, 'What can we do? What can we do? Where can we take our recycling?'. And we looked around the table and said, 'Well, we've got a long-term strategy to move to source separation. Let's just do it'. And it has really been working out what the volumes and schedules would be, working with some community volunteers and with council to think through what some of those issues will be.

Cost-wise, we are framing our costs against a changed baseline. I think with SKM's collapse the cost of recycling has changed, so costs will change.

Dr RATNAM: Do you have a waste charge in your city, or have a waste charge in your rates?

Ms WINSLADE: We do. We have come up with a model that will cost the same as what the new BAU would cost were we to remain with Cleanaway. Does that make sense?

Dr RATNAM: Yes, that makes sense.

Ms WINSLADE: And we will be smoothing the capital cost over an extended period so there is not a shock in bills for residents over time and also making sure we do not penalise anyone who is already paying for their green bins.

Dr RATNAM: Can I ask how you did that? Did you drop your residual waste collection by a week? Is that how you managed to keep it neutral?

Ms WINSLADE: Yes. So as the Mayor spoke to, we are changing the collection schedule, reflecting volume and need. At the moment we are planning weekly FOGO, fortnightly landfill, fortnightly yellow bin—which is the remaining recycling—and monthly glass. Our intent is to monitor it very, very closely and have a very active community engagement and behavioural campaign to improve the quality, and to revisit scheduling over time. If the volumes in the yellow bin allow it, there could be flexibility for that sequencing to be pushed out as well, which would reduce those trucks on the road and costs for the community.

Ms TERPSTRA: Thanks very much for your presentation. Just one question, with two parts—

The CHAIR: Samantha had two questions; you can have two questions.

Ms TERPSTRA: In regard to separating glass from your recycling, we have heard in previous submissions that some glass is not equal. In glass collection, are you anticipating that when you take the glass out it is all glass—soft drink bottles, wine and jars—or is it going to be restricted to soft drink and wine-type bottles? And then the second part of the question is: what is your view about a container deposit scheme? Over to you.

The CHAIR: There were two questions there.

Ms TERPSTRA: Part (a) and part (b).

Ms WINSLADE: In terms of glass, and I cannot talk about suppliers yet because we are in commercial negotiations at the moment, we are proposing all glass and we are proposing to follow a hierarchy, as I am sure most would, to be then sorting that glass so you get the high-quality glass, the maximum circular economy response of glass to glass, and then lower broken glass and other types of glass into more building uses and road uses and things. The second part of your question?

Ms TERPSTRA: Container deposit scheme.

Ms WINSLADE: Container deposit—look, Hobsons Bay has been advocating for a container deposit scheme for a long time and would be very supportive of that and would adjust accordingly. There would still be a volume of glass that a container deposit scheme would not take, so we would still envisage the need for a glass bin, but the frequency might change. We are proposing that we will be working on developing an app, which we will do in an open-source way so that other councils can use it if they would like to, which will make it easy for us to communicate with most of our residents about bin scheduling as well—‘It’s bin day tomorrow’.

Ms TERPSTRA: Everyone loves real-time action, right?

Cr GROSS: Can I just proffer a view? We are trialling this glass, but I am going to put it on our council and officers—we have to understand the SKM evidence. If they have got decontamination of the broken shards of glass and are exporting it back to China, if that story is true, we do not need glass separation. I think that we made a mistake 15 years ago with the yellow bin. I think that evidence is critical. Everyone is rushing out to do the glass thing, but if that evidence is correct, we do not need to separate; we just—

Ms TERPSTRA: So what you are saying is you need to evaluate if there is technology there that allows for that separation. You do not necessarily need a separate bin if it can be successfully separated.

Cr GROSS: Correct.

Ms TERPSTRA: And we need to evaluate that, that is kind of what your point is.

Cr GROSS: That is right, and that is a very difficult question. On container deposit legislation, everyone I know is deeply in favour of container deposit legislation except me.

Ms TERPSTRA: I am interested why. What is your view?

Cr GROSS: It costs a fortune.

Ms TERPSTRA: So some schemes are funded by industry, though?

The CHAIR: I think it is funded by taxpayers, by consumers.

Cr GROSS: By industry and consumers. The good thing about charging consumers is that a lot of the stuff that goes in glass, like sugar and alcohol, you want to discourage. I think that the New South Wales Government have been in denial about the huge costs of their scheme—about a quarter of a billion a year. But anyway, look, I do not want to get into a fight on that. I just urge the Committee—everyone is looking at it as the golden panacea. It is far from that. Most litter by number or by weight is not the sort of packaging that comes under that scheme in South Australia. It sends a message that some form of littering is okay—it is fine, you can leave your glasses out. When you look at the national litter index, when South Australia was the only one with really big, highly working CDL, its litter rates were worse than Victoria. So it is a very difficult question.

Ms TERPSTRA: That is why I am interested in your views.

Cr GROSS: And people hate me. People hate me for this view because it is sort of very popular. If you go out in the general community, the general community love it. My council is in favour of it, voting 8-1 in favour.

Ms TERPSTRA: But what you are saying is there is more to this story.

Cr GROSS: My first vote after I was Mayor I lost 8-1.

Mr LIMBRICK: Thank you all for your evidence today. It has been great. Mr Gross, I was very excited to hear that you are interested in one of the other waste streams that we have not been talking about much, which is taxpayer funds. One of the big problems that has been going on is the general public has seen a lot of money being wasted on a lot of these schemes, and you identified some of them which total tens of millions of dollars. With anything that this Committee comes up with or that the Government comes up with as legislation there are going to be questions from the public on: is this going to be some harebrained scheme that is going to waste our

money? How do we regain the trust of taxpayers that money is going to be spent in a prudent manner that will get results that are cost-effective? How do you think we can go about that?

Cr GROSS: I think it is a really profound question. It is not immoral to save money; in fact it is moral to save money because you can do something better with it all the time. On the other hand, one thing I want to say is we have to be more forgiving of stuff-ups because stuff-ups are business as usual. Can I talk about the German experience? Germans lost hundreds of millions of dollars in the 80s with new technology but they did not punish themselves. They just kept on, and now they are making a fortune selling technology to the world. I actually teach at Melbourne Uni. My supervising professor rang up this German friend at Heidelberg University to check that out, and she said two things: 'First of all, we lost a fortune. Secondly, you've got no idea how important to our emissions control was the stuff we learned by doing waste, so it is very important. Even though on all of those pie charts it only says 5 per cent, it still seems to be much more important than that. Thirdly, we kept our nerve and we continued to invest, and now we are making a fortune'. I do not have a cited reference for that, but that seems to be the anecdotal evidence. Saving money is really important, and we have got such a big task cleaning up our bay, cleaning up everything. Please come up with cost-effective solutions.

Mr CASSANET: I just wanted to add to what Dick was presenting on before, which is a lot of that money has been lost through inconsistent approaches. Where we have a standardised approach and a harmonised system, that is where you can gain a lot of efficiencies.

Cr MARSDEN: Just quickly, I think financial sustainability and management within council is our primary responsibility because without sustainability we cannot continue to operate and we forego that opportunity. I think the other mechanism is democratic accountability. There are very low expectations of the sector, of council in general. People do not think very highly of us. So if we move, learn, adapt, improve and make the service cheaper, the community will forgive us. I think we have the opportunity to move because of the curse of low expectations.

The CHAIR: You can only improve from here.

Mr LIMBRICK: The only way is up.

Cr MARSDEN: The other thing is when people see their recycling being re-used locally, then that will give them great confidence. So, for example, if in a perfect world we could send our glass directly to the O-I glass factory in Spotswood and they see the glass that was in their bin yesterday made into bottles tomorrow, then there is a direct link and a sense that council is not sending it off to an overseas destination or otherwise burying it or doing something that they are not sure of. They actually see the results, and I think that will give great confidence to the public when it comes to doing the right thing at the source.

Mr HAYES: Thanks, guys. Thank you very much for your presentation today—very interesting. I just wanted to ask you about establishing a single authority, and I just want to get both of your councils'—or whoever's—point of view on what problems you would see with establishing a single, overarching State Government authority in charge of waste and recycling responsible for legislating things like FOGO, source separation, mandatory procurement and the bin lids, with councils carrying out the implementation and making that specific to your particular municipality, depending on density and services required, and also in charge of community education about the whole process and the direction the Government was taking on this. Do you see that as being a positive, or do you see negatives that you would like to raise?

Cr MARSDEN: I see a couple of risks first off; that is that there is a risk of duplicating the existing systems. I think we have to eliminate the uncertainty in responsibility for coordinating. I think there has to be a central point at the State Government level where these decisions are made, and presumably it would rest with the Minister or her department. I think you cannot abrogate the responsibility for the local government sector to work on behalf of their citizens without democratic accountability. I think you have to allow the councils as a sector to work through the MAV to come up with the best solution for the state in partnership with the Minister, and that is why I emphasise the need for the MAV to talk directly to whatever that new agency might be, but I think it should not subsume everything else into it. There has to be a high-level point of contact where the 79 councils in Victoria are speaking with one voice from the grassroots up to the Minister rather than imposing a top-down approach.

Cr GROSS: Can I just say there is a risk. We want one voice to speak to, but with the separation of powers doctrine, the EPA are doing quasi-judicial prosecutorial sort of stuff, and the rest of the organisations are not. Normally you separate those out. We want one voice to talk to, but from your point of view, from the State's point of view, the EPA does something that no Government department can easily do, which is prosecution, so that has to be independent of Government. So I do not think you will easily get down to just one. So we want single-point leadership; that is what we want.

Mr HAYES: Like a minister or something like that?

Cr GROSS: Yes, or some organisation that is a single point of leadership.

The CHAIR: It is a coordination role. That is what you are talking about, because at the moment you have got multi agencies and multi councils doing multi things, and sometimes the left hand is not tallying with the right hand.

Mr HAYES: That is what we hear, yes.

The CHAIR: So what about putting some standards across the board and a particular agency coordinating policies across the board? You are right; there is an argument about top-down, bottom-up. They are things to be worked through. But it is the coordination, efficiency, productivity and getting an outcome.

Mr HAYES: Community education too.

Ms TAYLOR: Coming back to the inner-city issue, which I totally understand, I remember being in Holland and Israel; I do not know how well those systems work, but I did see the communal concepts for rubbish to deal with apartment blocks, and I get the issue. One thing I was just thinking about: our State Government supported Sacyr, the facility out at Dandenong South. They suppress methane, they have negative air pressure and they can actually turn the organic waste into nice compost in about six weeks. It is sped up through leachate. I know because—I will take no credit—I just launched it on behalf of the Minister. I went there and witnessed the facility. It deals with the smell issues and other things. I know quite a lot of councils are sending stuff there. The point of me raising this is—and I know this is an innate question and issue for those inner-city areas and space—what do you think is the future for FOGO with composting? I know you are probably trying to work it out. What is that, in addition to the self-responsibility?

Cr GROSS: It is a bit technology driven. There is a facility that takes Sydney's waste—and I believe it is the red waste bin—and it is just outside Canberra. They train it down there, and they sterilise it and get 70 per cent diversion from landfill.

Ms TAYLOR: Sorry, I should qualify. What I mean is, physically, how are you going to capture it kerbside? That is what I am talking about, that physical problem of capturing, because we actually have a facility to deal with it and to keep methane to a minimum.

Cr GROSS: That has to be in a bin.

Ms TAYLOR: Yes. Is a communal bin going to be the way? I am thinking from the space issue. I am just putting it out there.

Mr CASSANET: The types of things we are trialling at the moment—certainly we are looking to trial kerbside collection in areas that can handle a third bin, and then we are exploring things such as dehydrators that can dehydrate organic waste within apartment blocks—

Ms TAYLOR: Really?

Mr CASSANET: and looking at how to work those, yes.

Ms TAYLOR: I had not heard of that.

Mr CASSANET: Some alternatives to compact it down—

Ms TAYLOR: Good. That is what I am talking about. That is good.

Cr GROSS: The other thing is we cannot—if I would say something about the EPA it is that they have been too narrow on prosecution. Where is the big vision for getting all of that FOGO out to our agricultural sector? Who is running that?

Mr HAYES: Do farmers want it?

Cr GROSS: Not at the moment, because of contamination.

The CHAIR: Just one last question from me, and from both of you a quick answer. We have reduced, re-used and recycled, and we are diverting the last residual waste—let us call it the red bin at the moment. Landfill or waste to energy—and I am not talking about a particular technology—what will it be? Let us hear your view on that last bit.

Cr MARSDEN: It depends entirely on what the emissions are, I think, and how much embodied energy goes into that process. I think you have to extract as much energy as you can before it goes into the red bin, obviously. That is a pat answer, perhaps, but without more definition on the exact waste management technology it would be hard to answer, I think.

The CHAIR: What I am basically saying is do we continue relying on landfill going into the future, or is that something we need to move away from?

Cr MARSDEN: I think it is possible, from what I gather, to eliminate landfill entirely. I am confident we can do that. As a wealthy nation I think we can solve that problem and not waste any of the energy in the waste-to-energy stream.

Cr GROSS: I asked a guru, who I trust, ‘What about waste to energy, because there is a residual at the end?’. And he said, ‘Look, it’s problematic, but it’s better than landfill’, because of the carbon capture and methane capture, which are stock standard in any of those things. So it is not a panacea, it is not perfect but it is better than landfill.

The CHAIR: And that is what I am talking about—methane gas generation and CO₂. A total ban on sending that to landfill, is that something you all agree should be a target for our State to actually pursue?

Dr RATNAM: A ban on organics to landfill.

The CHAIR: Anything that generates CO₂ and methane gas, should we continue to send that to landfill or go with the lesser evil—that is to use your words, I am paraphrasing here, I am verballing you here. Waste to energy could be the lesser evil of the two. Is that fair?

Dr RATNAM: Organics out.

Ms WINSLADE: I am happy to make a start. I think absolutely FOGO coming out of landfill is our aspiration and what we will be working for with our community, and if the State were to be backing that as well that would be really helpful. It would be helpful as a support rather than a top-down, to your earlier question. In terms of the work that council has been doing in looking at landfill versus waste to energy, it is the lesser of two evils, getting the volume down to the absolute minimum, not creating an incentive for more and more to go in that red bin, but at the very end the residual absolutely makes sense. I think we have been talking about—there is a lot of talk about—large-scale, but perhaps we should be in that smaller scale as well.

Cr MARSDEN: Our principle is to deal with our waste within our borders, so that would necessitate a small scale.

The CHAIR: So you will not be sending anything to Ravenhall; is that right?

Cr MARSDEN: Exactly.

The CHAIR: I am going to hold you to that.

Mr CASSANET: Just to add to that, I think we would be supportive of that FOGO prevention, but we just need to deal with the apartment blocks and things where the collection is very difficult to go to an alternative service. It needs to, in terms of that single-point leadership, look at how you deal with the whole market, not just the collection side. That single-point leadership will have to actually deal with the market for these products if it is actually going to achieve the outcomes we want to achieve.

Mr HAYES: Like mandatory procurement and things like that. Could I ask one more, Chair?

The CHAIR: Last question from the Deputy Chair.

Mr HAYES: I just wanted to ask you: are you talking about the south-east councils being ready to look at doing a deal that they are looking forward to—

Cr GROSS: Because one of their landfills is closing.

Mr HAYES: Yes, that is right. I know that and I know that there are waste-to-energy proposals that are very keen to get their hands on the fuel or the rubbish. I would feel that we should be looking at this whole subject a lot more closely before councils race into doing any deal and pre-empting the State Government really looking at it and developing a policy on how to handle waste in general before councils go off looking for individual and seemingly urgent solutions at the moment. Any comment on that?

Cr GROSS: I think market testing is always instructive. It is rare to get 14 councils acting in unison, but if you have got that unity of purpose—when I have spoken to Sydney councils they were technology agnostic. They just said, ‘We want this sort of result, which is the structure of this bid’. I would not try and second-guess the market too much. Let us see what the market throws up. They are the experts. One of my slides talks about barring. We wasted \$10 million doing it the other way, trying to find—you know, pick the technology. That was 10 million bucks down the drain. I am desperate to see what the market says.

The CHAIR: On that note, I thank you very much for your contribution. I appreciate your time.

Cr MARSDEN: Thank you to all of you and good luck.

Witnesses withdrew.