

10/07/06

Mr Phillip Weickhardt
 Inquiry into Waste Generation and Resource Efficiency in Australia
 Productivity Commission
 LB2 Collins St East
 Melbourne Vic 8003

Dear Commissioner Weickhardt

At the outset the Boomerang Alliance would like to register our extreme disappointment with the Productivity Commission's draft report 'Waste Management'. Apart from some minor draft findings and recommendations, there is nothing in the report that will 'improve economic, environmental and social outcomes' (Inquiry terms of reference).

In fact a closer examination of the draft report reveals a marked divergence from the original terms of reference. Dubious use of semantics has allowed the Commission to equate resource efficiency with economic efficiency, which is clearly contrary to modern understanding of the triple bottom line and the spirit of the terms of reference. Also the assertion that economic efficiency is the best way of delivering ecologically sustainable development (p 99) is at best a triumph of dollars over sense, and at worse highlights an inability within the Commission to adequately grasp the sustainability challenges facing Australia in the 21st century. The draft report seeks to reinforce failed economic paradigms.

Boomerang Alliance would like to highlight the following deficiencies in the draft report, and suggest that the Commission give greater regard to stakeholder input that is not pushing a 'waste Australia' agenda through increasing the number of land dumps.

- fails to address terms of reference
 - economic efficiency in its conventional sense used by the Commission, cannot be equated with resource efficiency
 - no recommendations given on how to optimise resource efficiencies
 - no consideration given to promoting resource recovery and resource efficiency
 - no examination of the impacts of suggested waste policy framework changes
 - no forecasting of 'optimal' level of resource efficiency and recovery.

The Boomerang Alliance:

 Australian Conservation Foundation	 Clean up Australia	 Conservation Council of Western Australia	 THE EARTH FRIENDS OF THE EARTH	 TOTAL ENVIRONMENT CENTRE	 Conservation Council	 GREENPEACE	 Tasmanian Conservation Trust
 Arid Lands Environment Centre	 Environment Victoria	 NATURE CONSERVATION COUNCIL OF NSW Inc		 Local Government Association of NSW		 Shires Association of NSW	

- the waste management hierarchy has been a useful policy making tool and has achieved widespread resonance amongst the community – it should continue to be used to guide policy. The Commission’s analysis assumes that all consumption is beneficial now and that; therefore, there are no benefits to resource conservation at the top of the hierarchy. Studies into the financial benefits for business of cleaner production have proven this false. The Commission should widen its focus from the bottom of the hierarchy (recycle or dispose) to include the top of the hierarchy (avoidance)
- targets are an essential feature of achieving sustainable resource recovery outcomes – without targets (and associated penalties) there is no impetus for business to change current behaviour nor the capacity to create a level playing field, that provides incentives to new technologies
- zero waste is technically achievable – the fact that we do not even come close highlights problems in current infrastructure, recovery technologies and policy settings, not in the goal itself. Poor current performance and stretch targets should not be used as an excuse by industry to allow ongoing disposal
- levies are an important component in ensuring that the price signal of disposal adequately reflects environmental externalities, benefits of alternatives and community expectations
- clearly the National Packaging Covenant has run into problems, however to suggest that this justifies no action to reduce the amount of packaging waste and increase packaging recovery simply beggars belief. It is the system design that is at fault. For example, deposits on containers are more effective mechanisms for delivering recovery outcomes than voluntary industry schemes
 - the Commission’s analysis of CDL is flawed – CDL does not compete with kerbside collection as it directly targets away-from-home consumption, something that kerbside cannot address
 - CDL is a direct user-pays system, as opposed to spreading the costs of resource recovery and litter onto the broader community
 - containers make up a higher proportion of litter on a volumetric basis than stated by the Commission (10 – 32 per cent) – an in-depth analysis of Keep Australia Beautiful data shows that the proportion of containers in the litter stream for non-CDL states is closer to 50 per cent
 - the Commission has not provided enough evidence (all of the costs and benefits) to conclude that CDL will be a net social cost over and above kerbside. Either the Commission should undertake a more thorough analysis, or should retract its conclusion on CDL
- product stewardship schemes, typified by the Australian Government’s oil recycling program, have proven to be effective mechanisms for increasing resource efficiency and improving resource recovery rates. The Commission’s negative assessment of such schemes shows a failure to adequately understand and account for all costs and benefits. The only practical way to address the waste that products create is to target them specifically with appropriate schemes, tailored to their specific features (which differ widely), rather than a fanciful belief in general market forces
- using a risk based approach to value externalities certainly results in a devaluing of environmental impacts. Just because the risk of death associated with landfill operation is low does not mean that there are not significant costs to the

environment and society. Arguably the biggest impact of landfill is that it prevents any further resource use of the wasted resources. This 'destruction of value' is at the heart of the resource efficiency equation at a society level and has been completely overlooked by the Commission

- ignoring upstream benefits related to recycling artificially skews any systems analysis between resource recovery and waste management approaches. There is an abundance of documentation in the public domain that quantifies the savings in energy and water associated with recycling. These savings are lost when landfill gatefees are 'subsidised' by the broader community as is the case when all costs are not internalised. Moreover the community has demonstrated a willingness to pay for improved environmental outcomes associated with recycling. This fact has also been overlooked by the Commission.
- a ban on all free plastic bags would send a message to the consumer that plastic bags were not free commodity items – this in turn would reduce both the volume of bags potentially able to be littered and also the 'free' status of bags, effectively changing plastic bag behaviour. Arguments that marginalise plastic bags as an important issue for action on the basis 'only a minor element of litter' of 'low environmental impact' are ill founded.

Sincerely

Jenny Henty
Director Zero Waste Campaign
Environment Victoria
On behalf of the Boomerang Alliance