

**RESPONSE TO THE PRODUCTIVITY COMMISSION'S DRAFT REPORT ON WASTE
GENERATION AND RESOURCE EFFICIENCY IN AUSTRALIA**

BY GRD LIMITED

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GRD Limited, an Australian engineering and development company which, through its subsidiary Global Renewables, has developed the UR-3R sustainable urban waste management solution and built the world's first UR-3R Urban Waste Management Facility at Eastern Creek, Sydney, is pleased to make this response to the Productivity Commission's draft report from the Inquiry Into Waste Generation and Resource Efficiency in Australia.

The objective of the Inquiry was to identify policies that will enable Australia to address market factors and externalities associated with the generation and disposal of waste, including opportunities for resource use efficiency and recovery throughout the product life cycle (from raw material extraction and processing to the product design, manufacture, use and end of life management).

In undertaking the inquiry, the Commission was required to examine ways in which, and make recommendations on how resource efficiencies can be optimised to improve economic, environmental and social outcomes. This was to include an assessment of opportunities throughout the life cycle to prevent and/or minimise waste generation by promoting resource recovery and resource efficiency.

GRD submits that the draft report focuses heavily on the private economic aspects of the Inquiry brief to the detriment of adequate consideration of environmental and social factors.

The draft report, in our view, does not conform with either the stated objectives of the Inquiry or the general approach by Government in Australia, or by the Australian public, to improving economic, environmental and social outcomes in all aspects of urban living.

GRD will be making a detailed response to the draft report at your forthcoming hearings in Sydney.

In the meantime, we suggest that the draft report could be refocused more closely to the stated objectives of the inquiry with relative ease by first re-drafting seven of the eleven Key Points (page XXII in the executive summary of the draft report) to establish a framework for an extensive redraft of the entire draft report.

To assist this process we have reviewed all eleven Key Points to ensure they reflect and conform fully to the stated objectives of the Inquiry.

Following is our proposed redraft with seven of the Key Points amended to conform with the stated objectives while reflecting to some extent the intentions of the writer/s, and with the only two Key Points not amended shown in italics for ease of reference.

- Waste management policy should be guided by best practice approaches to policy development, namely that objectives are clarified; all expected costs and benefits of different options are considered; and the policy selected that gives the best return to the community in economic, social and environmental terms.
- Waste management policy should be integrated with sustainable resources policy to focus equally on economic issues and all environmental and social externalities associated with the life cycle of materials rather than mere waste disposal.
- The Commission does not favour any one method of waste treatment over others. Waste policy should be about achieving the best possible outcomes for the community taking full account of the economic, environmental and social issues associated with waste management.
- States and Territories have adopted a range of policies to minimise waste and maximise recycling. Some aspire to eliminate waste altogether. This is an aspirational goal that should be managed appropriately to ensure it does not lead to perverse outcomes if recycling is pursued at any cost.
- Where they exist, even fully complying landfills appear to give rise to externalities that collectively exceed any economic advantage they bestow. These should be assessed to include the embodied energy, resource conservation and other value of the materials wasted in the landfill.
- Greenhouse gas externalities from landfill are a significant source of Australian global warming risk and must be addressed as an integral part of a broad national response to greenhouse gas abatement.
- *Getting prices for waste disposal right will help to reduce waste generation and achieve an appropriate balance between disposal and recycling. Basic forms of 'pay as you throw' pricing for municipal waste, such as charging for larger bins or more frequent services, should be more widely adopted.*
- The case for using landfill levies should be based equally on economic environmental and social assessments. Landfill levies should not be used simply as revenue raising devices.
- Mandatory schemes designed to place more responsibility for end of life disposal on producers should only be introduced where inappropriate disposal is likely to cause substantial externalities and intervention will

produce net benefits, and where materials from those products are not being managed sustainably.

- *In large urban centres, scale and planning issues suggest (just as with sewage and electricity) that local governments are no longer the most appropriate authority to be managing waste.*
- Waste management policy in Australia needs to be refocused. Policy makers and community attitudes need to be guided by open rigorous analysis of economic, environmental and social costs, benefits and risks, if waste management measures are to best serve community aspirations and whole-of-Government policies.

We trust that the foregoing suggestions will help to refocus the draft report on the stated objectives of the inquiry.

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