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Working for South Australia



Business SA response
to the Draft *South
Australia's Waste
Strategy 2020-2025: A
vision for a circular
economy*

Executive Summary

Economics, not just science, is what determines recyclability: a material is only recycled if money can be made from the process of collecting, sorting and recycling. In addition, the environmental and health costs associated with waste are not currently included in the equations. These costs are considered externalities: society as a whole, rather than the manufacturer, retailer or consumer, absorbs those longer-term costs.¹The Government needs to recognise these long term costs when determining the level of support provided to the private sector to develop waste management strategies.

As part of its Waste Management Strategy, Business SA is calling on the State Government to:

- Provide data on how diverted waste is used, not only the volume of waste that is diverted from landfill
- Improve regional infrastructure to provide businesses with better opportunities to divert waste from landfill in an economically viable manner
- Become a best practice model for businesses and other State governments on recycling and the procurement and use of recycled products in government projects
- Investigate strategies to develop economically viable products from recycled products
- Look at solutions for businesses to recycle soft plastics
- Develop a scheme that matches up businesses to create symbiotic relationships through companies using the waste of one company as a resource
- Encourage and develop industry-lead product stewardship schemes, rather than mandatory scheme
- Champion businesses that are going above and beyond, leading the way in waste management

Introduction

Business SA, South Australia's Chamber of Commerce and Industry, was formed in 1839 and has approximately 3,250 members across a wide range of industry sectors, from micro businesses right through to listed companies. We are a not-for-profit business membership organisation which works, not only on behalf of members, but for the broader business community and in pursuit of economic prosperity for both South Australia and the nation. Business SA has long been an advocate for position South Australia as a world leader in the circular economy and believe, in light of the challenges the world faces during a pandemic, this is the perfect opportunity to bring the State out of economic crisis on the back of the circular economy.

Business SA has had a strong focus on the waste management industry for many years. In 2014, as part of our "*Charter for a more prosperous South Australia*" we recommended further support for businesses in the waste management industry to sell their best practice waste management systems, practices and expertise to the world, particularly the growing Asian markets.

South Australia has consistently led the nation on recycling; in 1977, we were the first jurisdiction to introduce a container deposit scheme, a full 35 years before the Northern Territory. In 2004, the Parliament established Green Industries SA (GISA), formerly Zero Waste SA, to reduce the amount of waste going to landfill and to enhance the state's recycling capabilities. Furthermore, we were the first state to ban lightweight, single-use shopping bags in 2009, resulting in some 400 million fewer plastic bags in South Australia. This puts South Australia in a unique position to be ahead of the curve (in Australia, at least) on transitioning to a circular economy, and reducing the use of single-use plastics. But we must not rest on our previous achievement. As the other states catch up, we need to forge ahead to continue to be Australia's leader in waste management and look to other overseas economies such as Germany and Wales to ensure continued improvement.

¹ <https://www.weforum.org/agenda/2016/10/we-can-recycle-everything-we-use-so-why-don-t-we>

Our support for this industry continues and as part of this submission to the Waste Strategy 2020-2025, Business SA conducted a survey of members to determine the issues and blockages business still face in improving waste management systems within their workplaces, industries, regions, and across the State.

The key to making the resource sector more attractive to businesses is to ensure that there is a market for the end product. This will create value attached to waste rather than it being a direct cost for the business to recycle. This includes recycling products to make new items as well as reusing products that businesses typically dispose of in landfill including office furniture and electronics.

Electronic waste is currently the fastest growing solid waste stream, increasing two to three times faster than other waste streams.² One of our members suggested an improved warranty framework for second hand electrical goods would assist in the recycling and reuse of second-hand products.

Business SA encourages the State Government and local council committing to purchasing the 'end product' of projects such as Redcycling. Redcycling is an initiative whereby households can drop off soft plastics to their local Coles or Woolworths store. The plastic is then transported to a facility that recycles it into products such as fence posts, park seating and walkways.

A government led development of the recycled product market will increase demand and therefore lower the cost of the products. Subsequently, this helps to overcome the issue that without developing a market for the end products, while waste is initially removed from landfill, waste is not reduced if the end product cannot be used.

Business SA would like to see a greater focus on how businesses can reduce waste and recycle existing waste and by-products. In South Australian households there is a strong culture of recycling. This has been taught to the next generation through media and the education system. However, all the lessons are forgotten when we leave our houses. At residential properties there is the ability to recycle everything from glass, hard plastics, organic waste and households are also given the opportunity to recycle glass bottles through the bottle deposit scheme and soft plastic through the RedCycle scheme. These opportunities that are easy to access for most households do not exist on a commercial scale.

Waste management needs to be better incentivised. For example, Business SA argues there is merit in a government run scheme that matches up businesses to create symbiotic relationships through companies using the waste of one company as a resource. Firms that are willing to cooperate to improve their economic and environmental performance need to be fostered by the government. Industrial Symbiosis (IS) can contribute to this objective. IS represents an engagement of traditionally separate industries in a collective approach to competitive advantage, involving the physical exchange of materials.³ A mind set change is needed at a fundamental level to change the policy environment to perceive potential business synergies as reusing resources rather than handling waste.

There is no silver bullet in improving South Australia's recycling and resource recover, however the engagement of the business community is essential in taking the next step beyond household waste to make South Australia a leader in waste management.

With the option of selecting more than one answer, 77% of surveyed members indicated that access to waste and recycling infrastructure are the most important issues in terms of waste and recycling, and 60% of businesses indicated that incentives to adopt better practice recycling behaviours was a high priority. When asked what businesses need to achieve better recycling/waste management outcomes from their business, 77% of

² Szaky, *We can recycle everything we use, including cigarette butts and toothbrushes. So why don't we?*, 2016

³ Chertow M, *Industrial symbiosis: literature and taxonomy*, Annual Review of Energy and the Environment, 2000.

businesses indicated better access to waste and recycling infrastructure followed by better labelling of recycling products (57%). Infrastructure was a major issue in regional South Australia with a majority of the facilities and initiative for waste management being city centric.

The role of the State Government

Business SA members overwhelmingly believed that that State Government has a large role to play in waste management and there was much more that could be done in order to become the leaders in the field of waste management. If the State Government wants to achieve an increase in recycling and a reduction of waste, it must take a leadership role and lead by example. SA businesses are not seeing such a proactive approach by government departments. Business SA members suggested the State Government look internally at all of its protocols to see where improvements could be made and waste reduced:

“Huge volumes of office equipment and furniture are sent to waste from government departments when refurbishing, downsizing or just building renovations. These could be used to help establish small developing businesses, regional schools/learning centres in lower decile regions etc. Recycled materials for road constructions, and recycled hard plastics, timber and glass in building construction for low cost public housing, emergency housing. Shipping container housing options for temporary accommodation for the homeless, emergency housing, permanent, prefabricated modular off grid housing options for remote regions.”

It is not just the State Government that needs to improve its role in the waste management strategy. Local governments need to work together to ensure that not just the households, but also businesses that recycle. This can only be achieved by providing uniformed services across the State to reduce the confusion over what can be recycled and where. The Local Councils across the State have different messages and different services. There are multiple approaches to organic collections with some councils providing free services, some voluntary at a cost to the ratepayer and some councils not providing organic services at all. It is difficult to have a state-wide conversation on recycling and recycling targets when each area is doing something different.

In Wales, the Collections Blueprint promotes consistency in collections approaches across local authorities supported by community education and engagement programs that are led by local authorities but supported by a national agency. Wales has become the third best country in the world for recycling and towns are recognised as ‘plastic free’ if they can prove they have achieved five-plastic free objectives, including mobilising the community and working with businesses and community.

However, even in countries that are leading the way, and household recycling is much higher in Wales than anywhere else in the UK, business recycling continues to lag. This even has the potential to prevent Wales from reaching its ambitious targets for 2050. Recognising the issue surrounding business waste management, the Welsh Government have attempted to counteract the lack of business engagement by offering companies the chance to apply for grants of between £25,000 and £750,000 from the Circular Economy Fund to boost their use of recycled plastics.⁴ The State Government needs to be aware of the effect of not truly engaging and developing the business community will have on reaching its own targets.

The issue of product stewardship schemes as a ways to drive waste out of landfill and back into the productive economy is discussed in the Draft Waste Management Strategy as a way to ‘encourage’ industry to fund the collection of, and recycling of, their goods once they reach the end of their productive life. Business SA continues to be a supporter of industry led schemes rather than government mandated ones. Mandatory schemes risk imposing additional costs on South Australian businesses rather than have a scheme run by the industries that

⁴ Method Journal, *Wales recycling success*, 2020

know the products best. That is not to say the government doesn't have a role to play in the product stewardship schemes. It is important for the Government to effectively support the schemes and we support the State Government continuing to work with the Australian Government under the *National Waste Policy and Product Stewardship Act 2011* to advocate for better national systems in relation to e-waste, hazardous materials and product stewardship.

A number of members want to see monetary incentives for recycling items that will have an end value, similar to the bottle deposit scheme.

"Larger R&D incentives for developing new recycled products" and

"Major investment into R&D for new innovations in this industry. SA to be the lead manufacturing plant for Australia's waste."

R&D investments are also crucial in developing cost-effective end products and industry, government and the education sectors should be working together to develop new recycled products. The Fight Food Waste Cooperative Research Centre is a great example of government led initiatives that bring together the key players in the fight to reduce food waste. The CRC is developing ways to REDUCE supply chain losses, TRANSFORM the waste resources and ENGAGE with industry professional to facilitate behavioural change.⁵ Business SA encourages the support and development of R&D opportunities across multiple industry sectors.

Additional Member comments and suggestions

"Small Monetary (incentives) are always good for the lower social economic society. We already incentive cans/bottles why not extend to other waste material by the kgs etc. Or if it's not monetary why not an end product that people can redeem for i.e say people can recycle X amount of plastic and they can redeem for a free reusable/recycled coffee cup."

"All projects should be allocated to business with good recycling policies. Make it part of the tender process."

"There are some fantastically innovative solutions out there globally for recycled products in industrial processes. State Government departments like DIS, DTI and GISA should be proactively working together, creating an interdepartmental taskforce for the research and adoption of these global initiatives. Early adoption will put Adelaide and SA on the map in driving change, developing trade opportunities and creating a better future for all South Australians. The procurement process should certainly acknowledge the strategy that GISA have recently put forward where applicable. It should be a necessary aspect of procurement."

"Stretch targets for procurement of materials with recycled content should be set across the board of material types. The onus must be put back on the buyer to purchase recycled content."

"Make it mandatory to consider recycled products, give assessment advantage to contractors that use recycled products"

⁵ <https://fightfoodwastecrc.com.au/our-programs-and-projects/>

Regional South Australia

A large concern for Business SA was the lack of specific goals in regional areas other than to 'maximise diversion to the extent practically and economically achievable from a 2020 baseline.' While Business SA acknowledges that regional areas pose a difficulty for recycling, we believe that with greater investment and consideration from the State Government, much more can be achieved in the regions. Our regional members indicated that there was not enough support for business and residential waste management.

Members in regional South Australia have voiced specific concerns that they are not supported or encouraged to improve waste management strategies. The biggest concern of members was that there was no road-side pick-up or ability to recycle at their location and that the regions lacked any significant waste management infrastructure.

"Just having something present in some areas would be nice!! If it is not economical to have rubbish collections and recycling collections for individual households in rural and regional areas, perhaps have small recycling hub areas where locals from an area can take all of their recycling from the region, and have only 12 pickup point."

"Provision of recycling infrastructure in more regional areas, ie green bins, food waste. Allow regional/rural areas to manage their own green waste for local profit/benefit and create local employment opportunities provision of low/no interest community loans for the purchase of initial equipment, capitalise on government bulk purchasing power For example - large scale community rotational composters for recycling cardboard/ paper waste, food waste, animal waste (ie horse stable waste), poultry/piggery waste, sawdust, greenhouse plant waste (crop prunings, crop changeover plant waste) and used potting media (cocopeat, sawdust, rockwool, potting mix).

"Start by having collection - we live rurally, and our council does not collect recyclables, so we have to take ours to another dump for recycling. Would be good to have plastics, tin and glass separated."

While acknowledging that the same level of recycling that is provided in the city may not be financially viable, there was a call for improvements for initiatives such as recycling hubs and the development of more waste facilities and proper access to them.

On 8 May 2020, the State Government announced transport subsidies for twenty-two regional councils to support councils' continued recycling efforts by offsetting some of the extra costs associated with processing and transporting collected recyclables.⁶ While Business SA supports this initiative there still needs to be more work done to increase the areas that local councils will pick up kerb side waste. This is a nation-wide issue with regional areas still lacking the support to recycle with kerbside municipal waste collection and recycling services unavailable to most communities in remote and regional Australia.⁷ There are also significant geographic disparities. Of a total of 544 LGAs across Australia, 123 (or 23 per cent) offer no collection or recycling service at all. These areas are overwhelmingly in remote and regional parts of Australia. South Australia should be looking at initiative on how we can become the leader in Australia in regional recycling.

⁶ <https://www.premier.sa.gov.au/news/media-releases/news/sa-waste-management-and-recycling-gets-a-big-boost>

⁷ Australian Government, Department of the Environment and Energy, *Analysis of Australia's municipal recycling infrastructure capacity*, 2018

Additional member comments from regional areas

"Utilise LGA or RDA, issue is too big (and repetitive) for each council alone"

"Support small business to utilise waste and recycled materials"

"Regions rather than local council need to find solutions, all small towns need to have the services that feed into the bigger regions."

"Subsidised transport of recovered materials to help overcome the additional burden of transport expense regional areas have to bear. Co-ordinated transport networks for collection of recyclables. Support for small scale materials recovery at local depots to maximise the value of the material transported. Reducing packaging materials from transport or having returnable packing from businesses."

"Reduce the cost at waste transfer stations, improve trading price of scrap metals"

Barriers to businesses procuring more recycled content materials or manufacturing recycled content products.

Regarding businesses procuring more recycled content materials or manufacturing, the Waste Management Strategy states: *The South Australian Sustainable Procurement Working Group is maximising collaboration between all levels of government, the business community, and the waste sector to develop a framework to drive end-market development for post-consumer recyclables.*⁸

Business SA agrees with the sentiment that increased domestic demand for local recyclable materials and recycled content products can play a vital role in attracting investment in local remanufacturing and supporting long-term structural adjustment of the waste sector to a circular business model domestically.⁹

South Australian businesses want to be part of a big uplift in the use of recycled products. The focus on recycling and managing waste can only go so far without the technology and market for the end goods that are produced. This needs to be a key focus of any waste management strategy. Members indicated that they wanted to see *"Larger R&D incentives for developing new recycled products."* This includes initiatives that will increase the attractiveness to use these products by the private market. However, recycled products will only be a commercially viable alternative if the products are competitive in quality and price.

The State Government needs to ascertain the areas where commercially viable, quality products can be developed and assist in the R&D of these products to get them to market.

⁸ Draft South Australia's Waste Strategy 2020-2025, Pg 22

⁹ Ibid, Pg 56

Soft Plastic and Packaging

Business SA was pleased to see the issue of soft plastic and packaging addressed in the strategy and we recognise the work that has been commenced in this area. Business SA made a submission to the State Government in 2019 regarding the banning of straws and single use plastics and supported either a ban or limiting the use of single use plastic in South Australia. Our submission was informed by a member survey with 141 respondents from which 95% of members believed single use plastics were causing environmental problems and 97% of respondents thought the State Government should introduce measures to reduce single-use plastic.

As part of our recent member survey, businesses demonstrated a strong appetite for the State Government to be proactive in the reduction and recycling of soft plastics.

“Try to collect ALL of the ridiculous soft plastics that all products are wrapped in and take them to Coles and Woolworths soft plastics bin. Because they seem to be the only place that promotes soft plastics collection.”

At present, residential households can arrange for soft plastic to be recycled at Redcycle recycling depots at Coles and Woolworths stores. While this is a great initiative, it is limited. There is no ability for businesses to drop off soft plastic to a depot, and it relies on a proactive approach by residents. Compounding the limitation of this scheme is the limited drop off points, particularly in regional South Australia.

While we recognise the benefit of reducing the production of single use plastic, plastic does and will continue to be an important factor in our lives. As discussed in the Strategy, plastic can assist with food safety and is used in the medical industries in ways that are unlikely to be superseded by alternative, better products in the near future.¹⁰ As soft plastic and packaging will continue to be produced, there is a high level of interest in soft plastic recycling by South Australian businesses, Business SA is disappointed that there are no immediate initiatives to investigate the viability of recycling soft plastics in South Australia.

However, we are also aware that recycling soft plastic is only useful if there is a market for the end product and as discussed above, more needs to be done to develop and incentivise the use of the end products, preferably developed by South Australian companies.

Members were also interested in the promotion of biodegradable/compostable packaging.

“Mandates policy which drives innovation and volumes for local manufacturers. Food packaging should be biodegradable in as many instances as possible to avoid short-life plastics.”

“More accessible compostable packaging.”

Business SA encourages the government to investigate cost effective methods of encouraging the use of such technologies and providing the State the opportunity to once again lead the country in initiatives surrounding single-use soft plastic.

Additional member comments

“Make the general public more aware what recycled products are used for roads and encourage people to recycle. I think it is a great initiative that large corporates like Woolworths, Coles accept plastic bags for recycling, Bunnings for electronics and Aldi for batteries. More retailers should get on board with these kinds of accessible recycling depots supported by the Government and the public just needs to be better educated where these products end up. A lot of the time when we recycle, we trust we are doing the right thing and the products are

¹⁰ Ibid, Pg 63

correctly recycled. It would be good to understand the entire stages of a recycled material product to the finish goods."

"(Regionally) We need soft plastic collection facilities and more info as to what can go into our recycling bins"

"Ban single use plastics. Get rid of plastic wraps and bags in supermarkets. Just do it."

Education

When members were asked for further ideas for how waste and recycling services could be improved in South Australia, an overwhelming number of respondents indicated better education was essential. Businesses are also looking for easily accessible and implementable guidelines for small businesses. Further, there is a call for better labelling on products to educate consumers on what is recyclable and how.

"More education and help with numbers on products. Improved labelling nationally."

"Access to educational materials and suggested guidelines for small business will make it easier to implement internal policies and procedures."

The 'which bin' campaign that was released in 2019 has received great coverage but is directly focused on residential premises. There is limited education for businesses on how to recycle many of the common business products such as electronic equipment, office furniture, soft plastics etc. When discussing this issue with members, one member commented that we all know what to do in our homes but as soon as we head to work, all the recycling and waste management lessons are forgotten. Businesses need to be encouraged to recycle through incentives and to see the short and long-term benefits of reducing waste. In many instances, this should occur via commercially viable incentives such as the development of buy-back schemes where recyclable products become a commodity. Particularly at the present time when many businesses are suffering from the impact of COVID-19, increased costs associated with waste management are unlikely to be well received.

The Strategy states collection systems, education, and possible legislative measures to reduce the amount of food waste disposed to landfill should be explored. In Massachusetts, a ban on the disposal of food waste is having significant effects on the amount of food waste diverted from landfill (Commonwealth of Massachusetts, 2018).¹¹ Any strategy that is considered needs to explore cost effective ways to assist businesses that produce food waste such as restaurants, supermarkets, fruit and veg stores and food producers and manufacturers to become educated on waste reduction and supported in implementing cost effective strategies.

Additional member comments

"I think Education is the biggest thing. Have more smart bins in the general public areas where single use and high waste are disposed i.e. shopping malls, restaurants, cafes etc. When I say smart bins, Bins that can recognize different kinds of waste or only accept certain products. Could we not have all the states aligned for standard practice of recycling if this is not possible with different jurisdiction than we could at least make it standard for all the local councils within the state to adopt the same approach to recycling. Otherwise I think signage is the best to educate people before they throw out waste."

"Access to educational materials and suggested guidelines for small business will make it easier to implement internal policies and procedures."

¹¹ Ibid, Pg 60

“Greater funding for education programs for business and the public about waste and resource recovery, which will lead to better waste behaviours and better functioning systems. Investments in technology and infrastructure, including research and development in recovery and reprocessing of post-consumer recycling materials.”

Conclusion

There is no doubt the South Australian business community has a strong appetite to see improved waste management strategies implemented in the State. Business SA believes the Draft Waste Strategy is a great basis for setting South Australia up to be a leader in recycling and waste management. However, in order to ensure success in meeting and hopefully exceeding the targets that have been set, the State Government needs to work closely with industry to develop solutions to many of the key problem areas.

While South Australian businesses are encouraged to implement better waste management strategies, Business SA would like to see the State Government lead by example to become a leader and example not just to local businesses but to other State Governments. Business SA members believe the State Government has the opportunity in all of its departments to improve the implementation of waste management strategies from internal recycling efforts through to the procurement and tendering processes.

Keeping this in mind, Business SA is aware that in order for any strategy to be successful, it must be commercially viable. Businesses will not embrace major changes in waste management if the costs are unreasonable. In these challenging economic times this needs to remain front and centre of any strategy implemented. The cost to business needs to be carefully evaluated through research and consultation with industry.

Ultimately, we need to make the change as the current rate of increasing landfill is not viable long-term and Business SA supports South Australia becoming a world leader in the field of waste management.