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28 January 2022

Dear Dr Vogel

**Re: NT Circular Economy Strategy 2022-2027**

Thank you for the opportunity to provide feedback on the Northern Territory's Circular Economy Strategy 2022-2027.

The Waste Management and Resource Recovery Association of Australia (WMRR) is the peak national body for all stakeholders in Australia's \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members across the nation, representing the breadth and depth of the sector, spanning business organisations, the three (3) tiers of government, universities, and NGOs.

Our members are involved in a range of important WARR activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery, and community engagement and education. WMRR's purpose is to lead the success of this essential industry while ensuring the environment and community are protected through the safe and responsible management of waste and resources.

The WARR sector drives jobs – employing up to 50,000 people – and investment in the Australian economy; in the NT, the value of the territory's waste and recycling activity in 2017-18 was estimated to be \$52 million across municipal solid waste (\$25.8 million), commercial and industrial waste (\$12.6 million), and construction and demolition waste (\$900,000).<sup>1</sup> In 2018-19, the NT generated 0.44Mt of waste, with a recycling rate of 19% and recovery rate of 23%, which are by far the lowest rates across Australia<sup>2</sup>. While the NT has had a functioning container deposit scheme since 2012, the second in Australia, and this has resulted in the return of 80% of all containers sold in the territory, the rates above represent a significant opportunity to drive WARR improvements, and in turn, increase environmental, community, and economic benefits.

An integrated WARR system where material flows are captured and managed by a balanced and considered suite of policies, regulations, and strategies aligned to the adopted waste management hierarchy is key to the success of the NT's WARR efforts. Further, it is pivotal to enable a closed loop model that repeatedly recycles and reuses materials instead of downcycling, and an integrated WARR system is one important element that supports a circular economy.

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<sup>1</sup> Inside Waste Industry Report 2019: Volumes and Values

<sup>2</sup> National Waste Report 2020

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WMRR acknowledges and supports the NT government's intent to transition to a circular economy and while the development of this draft circular strategy is the first step in the journey, and the paper does accurately articulate what a circular economy entails as well as the numerous benefits it will offer, the paper as it stands, remains largely a waste and resource recovery strategy. It does not at this time, make the necessary links to transition NT towards a circular economy, continuing to reinforce end-of-pipe approaches instead. There remain several missing elements in the strategy, specifically in the areas of recognising supply chain and product design, and the government's plan to modernise and improve its regulatory framework continues to place disproportionate emphasis on end-of-life material management, as opposed to designing out waste and pollution in the first instance, which is a key tenet of a circular economy.

WMRR notes with interest the comments in the paper about the success of the Container Deposit Scheme when recovering containers. This scheme is an Extended Producer Responsibility (EPR) scheme that requires generators of material to fund the lifecycle of these materials. It highlights what occurs when producers are held responsible for end-of-life and the value that is created (jobs and investment) when this is done. The NT can use this model to provide greater funding and investment in other material streams, and to strengthen the paper, there should be inclusion of the supply chain and the role of the generator in the government's thinking.

WMRR recognises the government's ambition to explore the concept of a circular economy and agrees that this transition is a vital part of overall economic and environmental planning. This strategy however, could be further enhanced to capture the government's objectives and WMRR's full submission, which includes several recommendations, can be found below.

WMRR looks forward to productive engagement with the government as it embarks on its circular journey. We would also encourage the government to recognise that WMRR is in fact the peak body for the sector in NT given that the association represents the breadth and depth of the industry, both the current stakeholders in NT and those who wish to invest further, and encourage meaningful engagement beyond just the existing association that the Department appears to preference. Please do not hesitate to contact the undersigned if you would like to further discuss WMRR's feedback.

Yours sincerely



Gayle Sloan

**Chief Executive Officer**

Waste Management and Resource Recovery Association of Australia

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## SUBMISSION

| Strategic priority | WMRR's feedback                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| General            | <p>There appears to be some understanding in the paper of what a circular economy entails, with the paper referencing the three (3) fundamental principles of a circular economy and referencing the Ellen MacArthur Foundation's model, which WMRR supports.</p> <p>Moving from a linear take-make-dispose model to a genuine circular economy requires a paradigm shift and while the NT government has the right intentions, in reality, the paper remains at best a closed loop, waste and resource recovery strategy that largely focuses on end-of-life material management as well as "current state" rather than "future state".</p> <p>What is evident is that the strategy is seeking to resolve long-standing end-of-pipe challenges, e.g., inadequate funding and capability of regional and remote councils to properly manage waste, the need for urgent upgrades to facilities, improving landfill diversion and resource recovery capacity, littering, and illegal dumping. Thus, the strategy may solve the current challenges that the NT is facing in regard to end-of-life material management, and WMRR supports resolution to these challenges, but the strategy itself will not enable a structural shift in the way we produce, consume, and manage materials across the entire supply chain.</p> <p>For this paper to be a genuine circular economy strategy, more emphasis must be placed on the design of products, waste avoidance, repair, and reuse across all three (3) streams – MSW, C&amp;I, and C&amp;D. Further, as WARR is a shared responsibility that is, as noted above, an element of a circular economy, a multi-pronged approach that addresses all of these higher order processes, along with the use of Australian recycled materials is required and must be underpinned by robust regulations and policies.</p> <p>WMRR notes that the government has commissioned an analysis of the WARR industry's economic benefits to the NT economy and agrees that there is a significant opportunity to increase the sector's contribution to the economy. WMRR also agrees with the strategy's aim to adopt a system-wide and whole-of-government circular approach that leverages opportunities identified across the government's priority areas and responds to current and emerging national and local drivers around waste.</p> <p>We would suggest that the NT looks to the EU's whole-of-government approach as a best practice collaborative model and considers how it can adopt appropriate elements of the proven EU's 2015 Circular Economy plan, which comprises:</p> |

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|                                                                                                        | <ul style="list-style-type: none"> <li>• Five (5) key areas: production, consumption, waste management, and secondary raw materials.</li> <li>• Five (5) priority sectors: biomass and bio-based products, plastics, food waste, critical raw materials, and construction and demolition.</li> </ul> <p>To capture these opportunities and benefits, the government is urged to consider how to develop a strategy that provides a measurable and evidence-based policy and regulatory framework that will drive a structural shift in product design and consumption, as well as improvements in reuse, recovery, recycling, and remanufacturing. The first step in doing this could be to ensure the data proposed to be captured does so with the entire supply chain (brought to market and generated material), not simply what is discarded and what occurs with it, as appears to be proposed. In order to understand what is required to create both improved resource recovery as well as a circular economy, it is necessary to understand what material is produced by the generators at first instance. Once this data is available, interventions (mandated design, EPR policy, etc.) as well as infrastructure can be planned and developed.</p> <p>Additionally, the NT strategy discusses concerns related to toxic chemicals such as PFAS and the issues related to poorly designed, equipped and managed landfills in receiving materials containing toxic chemicals. WMRR supports the development of well-engineered and effectively managed landfill facilities that comply with high environmental standards. These facilities provide containment to minimise emissions of leachate, stormwater, and landfill gas, and treats leachate and landfill gas to protect human health and the environment. While there is a need to improve facilities in remote and regional NT to get these sites up to the requisite standard and ensure that they can appropriately manage materials that may be contaminated with chemicals such as PFAS, it must be highlighted that PFAS is in fact prevalent in myriad household items, including children's clothing, carpets, and non-stick cookware. The government is encouraged, in line with its ambitions of transiting to a circular economy, to work with other jurisdictions on a nationally coordinated process to classify and manage substances like these before the disposal stage, and not solely focus on the end-of-pipe solution as this is a whole of supply chain issue.</p> |
| Priority one (1): Modernise the regulatory framework to protect the environment and support investment | <p>WMRR supports the government's objective to modernise the WARR regulatory framework, including the need for a risk-based licensing and registration scheme to ensure regulatory oversight of the sector, waste tracking system, and a framework the manage environmental impacts. However, there are a number of fundamental issues. Firstly, as highlighted above, these proposals continue to focus on the end-of-pipe and do not embed any circular principles.</p> <p>The WARR sector has historically been, and remains a highly regulated industry across most, if not all jurisdictions. Often, the regulatory landscape penalises legitimate operators while not putting the onus on waste generators or taking sufficient action against those who are unlicensed. WARR operators do not in</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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|                                                                 | <p>fact control the materials that they receive but are punished if these materials are contaminated with toxic materials, e.g., asbestos, PFAS. WMRR supports the NT government’s proposal to set up a risk-based licensing and registration scheme as well as the proposal to strengthen the law and policy around the storage and disposal of hazardous waste. However, we query what action, if any, the government will undertake to penalise illegal/unlicensed operators as well as how the government will ensure oversight of waste generation.</p> <p>WMRR’s recommendation is that the government considers how to develop regulations that balance the eradication of poor practices while creating a level playing field that does not add significant pressure on the industry but builds investment certainty (highlighted as an objective in the strategy).</p> <p>Instead of reinventing the wheel, a good first step is for the NT government to engage with both the Victorian and South Australian EPAs for guidance on flexible risk-based approaches through a General Environmental Duty (GED) model that would ensure a less onerous framework to take “waste” back to being a “resource”, which is an important process (and one that unfortunately has not been discussed in the draft strategy), to move the NT from a linear economy to one that is more circular.</p> <p>Ultimately, the devil is in the detail and WMRR believes that more work needs to be done, including engagement with industry, to articulate what the NT’s proposed regulatory framework will look like, how it would work, including a cost-benefit analysis of potential options for current and future developments, and how it would enable a material’s transition from waste to resource.</p> <p>On the NT’s proposal to phase out and ban certain problematic single-use plastics by 2025, this is supported by WMRR, and we would encourage the government to work with all jurisdictions that have implemented/are implementing similar bans to ensure a nationally harmonised approach to single-use plastics, including the types of plastics to be banned, exemptions, education, and the caution around alternatives. However, we note that whilst this is a national policy and timeframe, the NT does have larger and more problematic materials that require addressing at the same time, e.g., MSW recycling and organics.</p> |
| Priority two (2):<br>Start the transition to a circular economy | <p>WMRR supports the government’s proposal to identify priority waste streams for resource reuse but also highlights that there is value in looking to the other states that have commenced work on procurement of recycled materials, particularly in civil construction. Of note is Victoria’s Ecologi initiative, which WMRR believes could be replicated in the NT. This program has made headway in a number of areas, including bringing a uniform approach to the use of recycled and reused products on major transport infrastructure projects in Victoria, and developing a tool that maps out current and future supply and demand trends for recycled materials.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



Broadly, WMRR agrees that the NT government has a role to play in developing policies, standards, and guidelines for the use of recovered resources, including in public civil works and the built environment, and we would encourage the government go further by setting targets and timelines for the procurement of recycled goods across all of government, and articulating how it will encourage the growth of a remanufacturing sector alongside the development of end markets. WMRR recommends that the government details:

- The key changes it will make in government procurement processes to mandate the use of recycled products as well as the processes and reporting that show the use of recycled content by government departments.
- The roles and responsibilities of all stakeholders.
- The tools, levers, incentives, and disincentives that it will rely on to encourage the use of recycled content in the manufacture of products.
- Whether it will develop a remanufacturing plan for material streams following its review of priority materials and how it will back this plan by funding.
- How it will undertake a stronger approach to extended producer responsibility. The paper notes that the government intends to implement reforms to its CDS, including an expansion of the scope and network of the scheme, which we support. WMRR encourages the government to also consider how it can ensure its CDS is a true EPR scheme where packaging manufacturers are required to include recycled content that is locally sourced and produced. There is also an opportunity for the government to consider what other hard-to-recycle materials are eligible for EPR schemes and we support the government's intent to look at nationally accredited schemes as part of its consideration.
- The development of ideally, nationally consistent specifications and standards to allow for the use of recycled and/or remanufactured goods.
- Last but not least, the education and communication piece; this is a significant area that is currently missing in the strategy. While there is mention of the delivery of education and awareness programs, details are lacking on what these will entail, how they will be rolled out, and how the NT will ensure that they are consistent both across the jurisdiction and nationally (as much as possible).

Finally, WMRR fully supports the government's proposal to investigate a waste levy framework that is suitable for the territory context. A waste levy, while not the be all and end all of waste management, is an important cog in an integrated WARR system; it is a proven economic tool that places value on secondary

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|                                                           | <p>material and supports landfill diversion. When used as part of a suite of government instruments and levers, and when levy monies are invested in the waste and resource recovery industry, it has the power to incentivise and drive resource recovery, which will grow jobs, industries, and investment in the territory.</p> <p>WMRR recommends that the NT government look to the other jurisdictions for lessons in developing and implementing a waste levy framework, and that in investigating a best practice framework, that the government consider:</p> <ul style="list-style-type: none"> <li>• How it can maximise the levy to incentivise the use of recycled material through levy discounts.</li> <li>• Any potential exclusions or exemptions and how these will be managed.</li> <li>• How to ensure that the levy does not adversely impact the management of landfill sites and their use of cover and other materials.</li> <li>• An appropriate transition period and schedule of rate increases.</li> <li>• An appropriate levy rate; WMRR advocates that the waste levy should be set at upwards of \$100/t for benefits associated with the levy to be realised.</li> <li>• How to address potential long-distance transport of waste if the NT decides to create leviable and non-leviable zones.</li> <li>• How it will ensure that levy monies are fairly, equitably, and transparently reinvested in the WARR industry to drive positive WARR outcomes; WMRR advocates for a minimum of 50% of monies to be reinvested in the sector.</li> </ul> |
| <p>Priority three (3): Realise economic opportunities</p> | <p>WMRR agrees with the proposed actions in priority three (3) to encourage innovation and facilitate the adoption of resource recovery and recycling technology, support investment and industry development, and investigate business cases for sector-specific or specialist WARR facilities. WMRR also supports the government's intent to fund activities through grants to support projects that enhance tyres, plastic, glass, and paper recycling and reuse capacity and capability across the territory.</p> <p>These actions must be underpinned by a robust, considered, and transparent regulatory framework (as discussed above). WMRR would also encourage the NT government to develop a strategic infrastructure strategy that is aligned to both its waste management strategy and finalised circular economy strategy. This infrastructure plan should consider the effectiveness of place based WARR infrastructure as it is a fundamental tenet of our industry where waste is managed as close to generation as possible and unnecessary transportation of waste (whether interstate or within the territory) is avoided.</p> <p>Prior to developing an infrastructure plan, the government should understand the material flows and waste generation throughout the territory, taking into account unique factors (related to, as an example, demographics, geographical</p>                                                                                                                                                                                |

challenges, etc.) and adapting basic metrics (size of land, transportation distances) that can also be adopted in territory planning aligned to WARR facility requirements. A sound infrastructure plan should support these findings and identify, at least by region, the types of facilities required (not technology) that will enable the identification and classification of land to support the development of WARR infrastructure. WMRR also supports the development of precincts that co-locate related facilities on one site, e.g., manufacturing and recycling, to enable ease of movement to and around that site.

It is vital that the government works closely with industry to identify where these precincts could occur, understand the intricacies of planning and local government contracts, and importantly, the on-the-ground operations of these facilities.

WMRR notes that the government will also investigate markets for non-specification food such as mangoes to reduce waste. WMRR would encourage the government to look more broadly at how it can manage food waste across both the MSW and C&I streams through avoidance strategies (including education) at first instance, and by setting up a long-term food organic garden organic (FOGO) system. For FOGO to succeed however, it must within an overarching, territory-adopted waste and resource recovery and/or organics strategy, have the appropriate infrastructure – collection, transportation, processing – in place, and the appropriate regulatory frameworks to provide clear pathways for reclassifying FOGO and FOGO-derived materials as a resource permissible for beneficial reuse, such as applying compost to agricultural land.