



The Hon. Ms Juliana Addison, MLA
Chair, Legislative Assembly Environment and Planning Committee
Parliament House
Spring Street
EAST MELBOURNE VIC 3002
By Email: regionalhousing@parliament.vic.gov.au

20 March 2025

To the Honourable Ms Addison,

Re: WMRR's recommendations for the inquiry into the supply of homes in regional Victoria

Thank you for the opportunity to provide feedback to the Legislative Assembly's Environment and Planning Committee on the supply of homes in regional Victoria. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$17 billion waste and resource recovery (WARR) industry. With more than 2,300 members from over 410 entities nationwide, we represent the breadth and depth of the sector, including representation from business organisations, the three (3) tiers of government, universities, and Non-Government Organisations (NGOs), including research bodies. In Victoria, WMRR represents over 530 individual members from more than 90 entities. The state generates 19 million tonnes of waste each year with a resource recovery rate of 67% delivering an economic value of \$3.72 billion employing 12,300 Victorians.

Our members are involved in a range of important activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable products from resource recovery, energy recovery as well as community engagement and education. Being at the forefront of the ongoing evolution towards a whole-of-system WARR approach and the development of a circular economy, WMRR strongly advocates for a systems-based approach to managing materials in Australia with the clear goal of using less for longer. This includes fierce advocacy for the waste and resource management hierarchy, which promotes avoidance of waste, and the diversion of suitable materials from landfill through preference for the reuse, recovery, recycling and composting of appropriate resources. It also emphasises design, extended producer responsibility and the provision of clear pathways for the use of secondary raw materials, in order to keep valuable materials in circulation at their highest and best use for longer. Key to WMRR's advocacy is to urge all levels of government to apply a systems lens and consider WARR within the context of broader supply chains and systems.

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It is appreciated that many of the submissions made to this inquiry will focus on the issues pertaining to housing affordability. However, WMRR's submission is focused on the issues of material selection, carbon impacts, livability and the efficiencies of regional planning in accordance with global, national and state circular economy goals and resource recovery targets. Opportunities such as this inquiry provide a valuable opportunity for government to recognise the complexities and interconnectedness of the WARR industry within the broader economy and supply chain, engraining the importance of planning for WARR infrastructure when planning and delivering homes throughout the state, as well as taking the opportunity to embed circular economy principles by identifying practical opportunities for the government to implement measures that will actively reduce greenhouse gas emissions, provide improved services for regional communities and increase material productivity.

The Victorian government is already committed to creating a circular economy and reducing waste. Victoria's recycling targets include diverting 80% of waste from landfill by 2030, cutting total waste generation by 15% per capita by 2030 and halving the amount of organic material going to landfill by 2030¹. Further, to reduce impacts of climate change, the Victorian Government has committed to reduce the state's greenhouse gas emissions by 45-50% below 2005 levels by 2030, 75-80% below 2005 levels by 2035, and achieve net-zero emissions by 2045. WMRR would like to ensure that these commitments to reducing waste and moving towards a circular economy are captured across all levels of government policy, regulation and planning processes.

In particular, the *Victorian Recycling Infrastructure Plan* ("VRIP") should be referenced when considering the supply of housing into regional Victoria. The VRIP guides planning and investment in waste, recycling, and resource recovery infrastructure over a 30-year period to support Victoria's transition to a circular economy and directs the State Government to:

- Take a systemic approach to waste, recycling and resource recovery infrastructure planning;
- Address problematic and emerging waste streams;
- Plan for a resilient and safe disposal of residual and hazardous waste;
- Improve data collection and the presentation of analysis to support investment decision making;
- Integrate recycling, resource recovery and waste infrastructure planning into land use planning, and
- Work collaboratively with the sector to inform planning and attract investment.

This means considering the essential services provided by the WARR sector with the same consideration in planning processes as other livability issues such as transport, education and health when considering the supply of housing and broader regional planning. When considering the supply of housing into regional Victoria, it is imperative that a long-term view is taken to provide certainty for investment areas and by mapping out short-, medium- and long-term timelines to grow Victoria's

¹ <https://www.vic.gov.au/strategic-plan-2023-2026>.

WARR and remanufacturing network, starting with what it looks like now. The reality is that WARR infrastructure although necessary for the effective and efficient operation for both community and business, is often infrastructure that if not pre-existing, can cause community concern and backlash. To avoid frustrating WARR development to its own detriment, it is preferable that when planning the supply of houses in regional Victoria, essential infrastructure is earmarked and 'mapped out', given that it is necessary for servicing sites both during construction but also once housing is occupied. It is also worth noting that Infrastructure Victoria has recently released the draft Victorian Infrastructure Strategy for the next 30 years. This document is currently open for public comment, and WMRR's submission will include commentary around the lack of 'systems thinking' within the draft strategy, noting that it too, would benefit from considering the interconnectedness of the supply chain, planning and circularity. In order to build a strong and effective Victoria over the next 30 years and beyond, it is integral that government takes the time now to recognise and address the potential constraints.

As such, WMRR has taken the opportunity to provide two (2) concise recommendations in respect of waste management, resource recovery and circular economy, which we trust will be included in the Committee's report.

i. The inclusion of Waste and Resource Recovery Priorities

WMRR encourages the Committee to include a specific section in respect of waste management and resource recovery, and that the content of this section recognises the importance of a transition to a circular economy, the role of the built environment in contributing to carbon emissions and waste generation, and the contribution of the WARR sector to the broader Victorian economy. This inclusion should specifically reference the VRIP, *Circular Economy (Waste Reduction and Recycling) Act 2021* ("*Circular Economy Act*"), the soon to be released *Household Recycling Service Standards* and the *National Waste Policy Action Plan 2024*, in order that these instruments (and the targets and actions within them) are duly incorporated into broader government thinking when considering the supply of homes into regional Victoria.

This inquiry provides a significant opportunity for Victoria to reinforce government commitment to integrate principles of designing for circularity throughout the planning and building stages of new housing developments in regional Victoria, such as through a preference for sustainable procurement via defaulting to the use of recycled building materials, as well as ensuring that adequate provisions allow for the storage, collection, aggregation and processing of waste materials in proximity to their sources. Ideally, all greenfield residential development would reference design to avoid generation of waste, use of recycled (as opposed to virgin materials) during the build lifecycle, and planning for the logistical management of waste and resources with a view to optimise source separation of recoverable materials from homes. It is recommended that new housing developments are considered alongside the *Recycled First Policy* program, with new roads supporting new housing

developments in regional Victoria preferencing recycled materials as part of (or complementary to) Victoria's *Big Build*.

ii. *Access to (affordable) waste services should be identified as a key consideration at the planning stage*

Essential services like health, transport and education are prioritised by planning processes, and WMRR would like to see the same level of consideration afforded to essentials waste services. The household recycling service standards are being implemented across Victoria, reflecting the overarching desire to standardise residential collections and provide a high quality, consistent service to households. It follows that government must take responsibility for driving the market conditions required for suitable resource recovery operations to be accessible and affordable for all Victorians.

When considering the impacts of housing in regional areas, the delivery of appropriate infrastructure – including essential waste and resource recovery services - needs to be considered at the initial planning stage. The mix of housing forms and types will have a direct impact on the methods and frequency of waste collection services, and available disposal and processing capacity in the vicinity or accessible via suitable transport routes will directly determine access and affordability of these essential services. This is crucial to consider for regional areas, as we have seen in multiple jurisdictions that residents in remote and regional locations can lack access to affordable resource recovery services, resulting in either higher waste services charges being necessarily applied by Councils (to cover the transport costs) or the service being deemed too expensive and impracticable for Councils to deliver at all.

Housing developments should not rely on transport over large distances to ensure the delivery of essential waste services. It is important that sufficient attention is given to this topic at a strategic level as there are many subsequent practical examples where optimised material collection is impossible, or the processing of materials is inhibited or of greater cost through lack of early consideration.

In the broader context, WMRR's concern is that without having the right market conditions for operators to deliver a cost-effective service, efforts to drive a circular economy in Victoria will fall flat as the material will be collected without an appropriate or affordable recovery option available. This is why consideration of WARR infrastructure viability needs to be considered at the initial stages when planning for increasing housing feedstock - particularly in regional areas.

It is therefore paramount that when considering the supply of homes, waste and material flows are duly considered and mapped out. Material volumes received at WARR facilities need to be secure over a long term, and to be economically viable, require large scale tonnages. For Victoria to foster a circular economy with secure material flows into WARR facilities that have the confidence and backing of investors, directed efforts must be made by the Victorian Government to provide the secure market

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conditions for WARR facilities to operate. In plain terms, this means that the government must take action to enable WARR facilities to be developed in locations that have the appropriate scale to service a circular economy in a cost-effective manner.

It should be noted that WARR technologies and capital infrastructure to recover and recycle are more expensive than disposal (i.e. landfills), necessitating strategic and collaborative procurement to assist in economic viability not just for industry but also the community. Significant investment is often required to implement technologies and upgrade existing facilities, or build new facilities to receive discarded materials to create marketable end-products. Therefore, economies of scale are a crucial consideration. It follows that for the WARR industry, opportunities for regional councils to engage in collaborative procurement that amalgamates collected material, enabling contracts to prescribe both certainty of term and security of volume would be a beneficial outcome. However, this requires considerable thought in the planning stages as to where infrastructure can be strategically located to best service these regional communities.

WMRR welcomes the opportunity to provide further detail as required so that the Committee is well placed to recommend pathways for the Victorian Government to contribute to a strong and robust circular economy, increase resilience of the Victorian waste and resource recovery system, enable WARR sector investment and growth and most importantly, build system capacity and capability that improves liveability in regional areas for Victorians.

Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia