



The Charitable Reuse, Recycling and Retail Sector Commitment to



Tasmanian
Government

**NACRO's Submission on the
Tasmanian Government's
Draft Waste Action Plan**

Introduction

NACRO Incorporating Zero Waste Network commends the Tasmanian Government on its comprehensive and proactive Draft Waste Action Plan, and its commitment to improve waste management and resource recovery in Tasmania.

In particular, its focus on seeking ways to create resilient reuse markets through Circular Economy principles promises to be a significant step to ensure Tasmania responds to global recycling market changes and identifies ways to effectively reduce waste, and accelerate reuse, repair and recycling while creating new jobs, growth and social inclusion.

NACRO Incorporating Zero Waste Network (NACRO) is committed to supporting and partnering with the Tasmanian Government in developing its Waste Action Plan, with specific emphasis on our area of influence and authority:

- NACRO represents the entire charitable reuse, recycling and retail sector in Australia, including every single influential charitable recycling brand.
- 3,000 charitable op shops and reuse enterprises already divert more than 588,000 tonnes of waste from landfill each year through reuse, resource recovery and recycling.
- 285 million products a year are given a second life through reuse and resale, while engaging 40 million consumer transactions to underpin Australia's second-hand economy.
- To become zero waste, the 60,000 tonnes of unusable donations dumped in charities also needs to be diverted, including material flows like clothing /textiles (16%), kitchenware (16%), furniture (15%), homewares (12%), toys (11%), electricals (6%) and more.
- In addition to already upholding Circular Economy principals, these charitable recyclers, social enterprises and community reuse organisations are active innovators, entrepreneurs and participants in waste diversion, resource maximisation, reuse and recycling acceleration.
- Together, the charitable reuse, recycling and retail sector also generates \$500 million in revenue for charitable mission and social welfare programs – with the proceeds going directly to the most disadvantaged people and communities in Australia. From homelessness to meals for those in need to crisis support to mental health to migrant assistance to almost every spectrum of illness and disability, right down to protecting the welfare of our pets, the charitable work and mission of this sector underpins essential Government programs.
- In addition, the network of 3,000 shops and reuse centres provides an unrivalled opportunity for regional economic development and job creation, along with a long-term solution to clothing and textiles, by acting as collection, recycling and repurposing centres.
- The charitable reuse, recycling and retail sector gives Tasmania arguably the greatest triple bottom line impact for the state – with environmental, social and economic benefits.

NACRO Incorporating Zero Waste Network is delighted to speak on behalf of this sector, which prides itself on collective impact, to support the Tasmanian Government with the following specific feedback in respect of the Draft Waste Action Plan

Moving to a Circular Economy

There is a massive opportunity for the Tasmanian Government to scale and leverage the groundswell of charitable reuse, recycling and retail organisations already operating with circular economy principals. These organisations sit at the very top of the waste hierarchy, fully committed to avoidance, reuse and recycling, and are the purest early adopters.

- By providing adequate support for the cost-effective solutions that already exist, the Tasmanian Government can accelerate measurable results both fast and efficiently, to scale the groundswell of this community-wide movement.
- Of the 3,000 charitable op shops and reuse enterprises nationally, 4% are in Tasmania and already diverting 22,800 tonnes of waste from Tasmanian landfill each year through reuse, resource recovery and recycling. They extend the life of 11 million products in Tasmania through reuse and resale, while engaging 1.5 million Tasmanian consumer transactions to underpin the state's second-hand economy.
- Over 100 charity op shops and community reuse enterprises across Tasmania are perfectly placed to drive regional economic development through circular economy principles. This unrivalled network of sites reach deep into regional and remote areas, as well as metropolitan locations and are already making goods available for recirculation while also generating funds to support the community and employing people, including those with disabilities.
- They have the fullest social licence to operate because of their social and environmental impacts, while also delivering the proceeds of \$19 million in revenue to support essential Tasmanian Government services for the most disadvantaged communities in the state.
- Supporting these organisations do more with specific, local grants to encourage repurposing will directly increase recycling rates and drive regional economic development as well as new employment opportunities. The perennial difficulty for charities to invest exclusively (to do even more) is that they would have to divert core funds from their mission. Investing more in recycling often equates to how many fewer meals they can provide for those in need, or a reduction in mental health counselling session – gruelling decisions for any board. If the Tasmanian Government can spark grants in each location, it will ignite charitable recyclers to co-fund multiple social enterprises focused on resource recovery.
- This can be a catalyst for the development of new skills, resources and facilities for repair and reuse across Tasmania. It can engage residents and consumers to change their attitudes and consumption patterns, creating and enabling new and existing communities of practice around reuse, repair and other sustainable forms of material consumption.
- Collaborations with other State Governments will harmonise an integrated best-practice policy and implementation across the country. This issue is too big and too important for a fragmented approach.
- NACRO is committed to sharing best practice between State Governments in respect, specifically and solely, to the charitable reuse, recycling and retail sector.
- The triple bottom line impact of the charitable reuse, recycling and retail sector is perhaps unmatched by any other sector in terms of the social, environmental and economic impacts

already delivered on a dollar for dollar basis. Without the support of the charitable sector, Governments would need to budget hundreds of millions of additional dollars nationally to support the essential services underpinned by charitable organisations.

- More specifically in terms of recycling impact, a NSW study showed that charitable recycling enterprises created nearly 200 full time equivalent jobs for every 10,000 tonnes of material reused, compared with the commercial recycling industry's 9.2 jobs per 10,000 tonnes.
- This sector needs to be a priority focus for the Tasmanian Government because of its importance and impact. It is also a sector that does not need a huge investment to scale its impact, because it is already entrenched in circular economy principles, already has a huge network of sites to be leveraged, and already engages a wide spectrum of the community. It just needs to be scaled with appropriate support and government investment.
- The repair and reuse sector has typically not received much Government focus or support historically, but the development of a circular economy now necessitates that this becomes a priority – because it sits at the top of the waste hierarchy.
- For most products, extending the product lifespan is the most efficient use of materials. Supporting access to reuse and repair services for most residents is something that can readily be achieved through the existing networks of charitable op shops and community reuse enterprises across the state.
- Charitable op shops already extend the life of 11 million products a year in Tasmania. With a move to the circular economy, there is an opportunity for the Tasmanian Government to help drive demand for the second-hand economy. With appropriate support and policy settings in place, this figure could rise to 22 million products given an extended life. Doubling the second-hand economy will act as a massive catalyst towards a circular economy.

NACRO's Recommendations

- Support and invest in the charitable reuse, recycling and retail sector.
- Work with NACRO to deliver maximum collective impact, by enabling the unrivalled triple bottom line impact of the sector in terms of social, environmental and economic impacts.
- Encourage charitable reuse in the second-hand economy with a target of 22 million products given a second life through charitable op shops and community reuse enterprises.
- Invest in grants to accelerate charitable recycling as a driver of regional economic development as well as the creation of new employment opportunities.
- Collaborate with other State Governments for a harmonised approach to the circular economy.
- Remember that the charitable reuse, recycling and retail sector is the purest, earliest adopter of the circular economy in Tasmania. It is one of the easiest to scale in the transition towards a circular economy. Help them succeed.

Statewide Waste Levy

The Tasmanian Government is to be commended on developing a statewide waste levy to provide an economic lever to achieve environmental targets and to fund waste management and resource recovery activities, with the proceeds of the levy are quarantined for this.

- However, the introduction of a waste levy in Tasmania will place an additional financial burden on charitable organisations, putting their charitable, welfare and support programs at risk – unless charities are exempted or provided financial relief.
- Therefore, all other state jurisdictions either exempt charitable recycling organisations from their waste levies, or provide financial relief to offset the added burden of the levy:
 - Victoria – Financial Relief
 - Western Australia – Financial Relief
 - New South Wales – Exemption
 - Queensland – Exemption
 - South Australia - Exemption
- NACRO’s member charities assist tens of thousands of people in aged care services, education programs, emergency/crisis relief, home visits, hospital and health services, hostel accommodation, mental health services, suicide prevention counselling, medical research, prison visits and migrant/refugee assistance. These services support the work of many Government departments.
- Many Tasmanian charities receive waste from the public; through illegal dumping at donation bins, and through unusable and non-recyclable donations at op shops.
- With the additional charge of a landfill levy, there is a greater incentive for the public to dispose of waste free of charge via charity donation bins and op shops. Charities would have to deal with an increase in illegal dumping at collection points, increasing the cost burden. This may lead to the withdrawal of charity bins from some areas, which would likely have knock-on effects with dumping on crown or council land.
- Studies conducted in Queensland prior to their introduction of a waste levy in July 2019, shows a potential cost impost of \$1.7 million at the lower end of the spectrum, and much higher if illegal dumping were to soar by 25% or more. Queensland, like all other states, has chosen to protect charitable recyclers from the waste levy.
- Other vulnerabilities for Tasmanian charities include during times of natural disaster when the amount of waste dumped by the public increases, further increasing the cost to charitable organisations.
- Protecting Tasmanian charities from the unintended consequences of a waste levy is in the public interest, and in line with the Tasmanian Government’s aim of protecting local communities, and supporting the work of the charitable reuse, recycling and retail sector in its transition to a Circular Economy.
- The total burden for Tasmanian charities may be in the vicinity of \$250,000 a year.

- NACRO works closely with all state governments on waste levy implications for charities, including administering the Victorian Landfill Levy Relief Program, providing education and support for the Queensland Waste Levy Exemption for Charitable Recycling Entities, working with the South Australian Government on the launch of their Waiver for Charitable Recycling Entities, assisting the Western Australian Government’s Charitable Recycling Rebate, and providing feedback to the NSW Government on extending the Community Service Exemption. NACRO is well placed to provide suitable recommendations.

NACRO’s Recommendations

- That the Tasmanian Government affords full protection to Tasmanian charitable recycling organisations from the effects of the statewide Waste Levy.
- The recommended administrative structure of the protection is best place to be in the form of a financial rebate system, rather than an exemption:
 - Financial rebates are easier and less costly to administer than exemptions, especially in states where the total tonnage is less likely to generate large levies capable of dealing with high administrative costs.
 - A rebate system also eliminates the need to integrate complex third-party implementation policies, procedures and risk including the management of exemption administration at landfill stations, transfer stations and in-transit with commercial waste contractors.
 - A rebate system allows for charitable recyclers to easily claim for their portion of mixed waste loads transported by contractors.
- Established best practice financial rebate and relief models already exist in Victoria and Western Australia, and NACRO can provide expert advice in how to administer a successful program in Tasmania with full due diligence, low administrative costs and maximum impact.

Container Refund Scheme

NACRO supports the Tasmanian Government’s intention to introduce a Container Refund Scheme.

- While the overarching benefits of a CRS have long been established, there is currently a variety of different CRS models being implemented across Australia, and a lack of harmonisation with different models offering different levels of environmental impacts and different operating and income generation benefits for participants.

NACRO’s Recommendations

- NACRO would be pleased to participate in any working groups established by the Tasmanian Government to input on the role and participation of the charitable reuse, recycling and retail sector with a view to achieving maximum impacts, including:
 - Achievement of Tasmania’s littering objectives and a cleaner stream of recycled materials with greater value.
 - Effective new revenue generation opportunities for charitable recyclers, with income to be put towards their community welfare programs in Tasmania.

- Generation of new employment opportunities, especially in the disabilities sector.
- Providing feedback to the Tasmanian Government from lessons learnt interstate on effective policy and the potential pitfalls of implementation.
- NACRO has been appointed to the Western Australia’s Container Deposit Scheme advisory board, as it looks to launch its Container Deposit Scheme in 2020. NACRO can also provide effective feedback from the recent introduction of Queensland’s new Container Deposit and Refund Scheme, and how charitable recycling organisations have been engaged and impacted.

Waste Reduction & Resource Recovery

NACRO is committed to assisting the Tasmanian Government’s proposed waste reduction and resource recovery targets, although these are macro targets outside of the specific remit of NACRO.

- NACRO estimates that charitable recycling organisations in Tasmania are forced to send around 2,340 tonnes of waste to landfill each year, from illegal dumping and unusable donations at charities. Annual store donations are estimated (includes projections and modelling) at around 24,000 tonnes a year, plus 6,500 tonnes collected through the Tasmanian charitable donation bin network.
- Illegal dumping at charities is the greatest burden on charitable recycling organisations, causing them to spend over \$13 million on waste management each years – that’s \$13 million that is diverted from social welfare programs for Australia’s most disadvantaged people – like homelessness, food and shelter, crisis counselling, refugee assistance, mental health and a wide spectrum of disabilities and illnesses. In Tasmania, NACRO estimates charitable recycling organisations spend over \$500,000 a year on waste management.
- An estimate of the typical profile of unusable donations sent to landfill each year is:



NACRO's Recommendations

- In respect of waste reduction and resource recovery targets specific to the charitable reuse, recycling and retail sector, NACRO would recommend a data-driven approach in two key areas, that are strongly inter-linked:
 - Reducing illegal dumping and donations of unusable items
 - Reducing the total waste-to-landfill tonnage from charitable recycling organisations
- NACRO has developed a 3-point plan and is calling on all State Governments to invest just \$10 for each tonne of waste charities are forced to send to landfill each year, through illegal dumping and unusable donations. NACRO is also calling on the Federal Government to join the conversation and match the funding.
- With this funding, we can eliminate illegal dumping at charities and take a massive step towards a zero waste circular economy future. A copy of NACRO'S 3-point plan is attached.
- Three key interventions form the basis for this plan – Infrastructure Investments, Recycling Initiative Grants, and Consumer Education Campaigns. NACRO's three proposed interventions link seamlessly with the Tasmanian Government's three focus areas:
 - Providing Infrastructure
 - Supporting Resource Recovery
 - Education and Community Engagement
- NACRO also recommends the Tasmanian Government investigate possible options for legislative change that would make dumping at charities and stealing from charities an enforceable offence. The behaviour change this enforces would have significant benefits on both the environment and social welfare programs in Tasmania.

Focus Area – Infrastructure

What are the highest priority infrastructure requirements for the charitable reuse, recycling and retail sector?

NACRO's Recommendations

- Installation of infrastructure that deters dumping at charity sites, such as fencing, CCTV, signs and sensor lighting.
- Purchase of waste management equipment to facilitate process improvements and divert more waste from landfill, such as balers, waste trucks etc...

Focus Area – Support Resource Recovery

How can governments best support the development of the resource recovery industry within the charitable reuse, recycling and retail sector in Tasmania?

NACRO's Recommendations

- Resource recovery grants to increase the capacity of charitable organisations to sort through donations and recover more resources by repairing, repurposing and recycling targeted waste types, such as clothing, textiles and furniture.
 - Example: Vinnies (NSW) established a social enterprise to hand stitch waste garments into tote bags, driving resource recovery in regional areas, generating supported employment opportunities and growing op shop sales.
- The linkage of repair enterprises with charitable recycling organisations to maximise the resource recovery from donated items, through repair to reuse (and re-sale). Connecting these organisations in collaborative networks, so they work as a group can have a profound effect in diverting waste from landfill.
 - Example: Linking repair centres (like tip shops or Men's Shed) with charity op shops to scale the repair of selected unusable items that can be repurposed for sale in op shops, to divert more waste from landfill by targeting the 'low hanging fruit'.
- Encouragement of multiple small-scale new recycling and resource recovery initiatives at individual op shop and community reuse locations, and in regional areas.
 - Like the Vinnies example, other op shops and reuse enterprises can target dynamic waste streams, trends or needs, such as dealing with the current trend of plastic straws as consumers move towards paper.
- The development of social enterprises focused on job creation, disability employment and regional economic development.
 - Government grants are critical to scale all these opportunities, because it is difficult for charities to invest independently: given their mission needs, any funds diverted away from mission can be measured in metrics like how many fewer meals or lifesaving counselling sessions they can provide.
- NACRO's overarching recommendation is for the implementation of a fully costed project plan, with specific measurables in return for a government grant to accelerate resource recovery in one (or more) of the following opportunity areas:
 - Repair – Linking repair and reuse organisations
 - Recycling – Targeting key waste streams
 - Regional Social Enterprises – Driving jobs and regional development
 - Dynamic Waste Streams – Targeting specific trends

Focus Area – Community Education

Are you aware of any existing education materials that could be adapted for the Tasmanian context?

NACRO's Recommendations

- The NSW EPA has developed an engaging video to encourage responsible donations, in collaboration with NACRO that could easily be adapted to Tasmania and filmed locally.
 - <https://www.nacro.org.au/donating/>
- Griffith University in Queensland has also just been awarded a \$347,000 Australian Research Council Linkages grant, in collaboration with the Department of Environment and Science, and NACRO, to pilot a social marketing study designed to increase the quality of items donated to charities, and address dumping hot spots. The findings from the 3-year research will provide authoritative data on the types of social marketing messages that work in addressing consumer donating behaviour. As the research rolls out, NACRO can share key insights and learnings with the Tasmanian Government, with a possible pilot extension for Tasmania.
- With Tasmania's move to a Circular Economy, there is an opportunity to educate consumers on its greater benefits in reducing resource use and increasing economic and social impacts, including the second-hand economy, reuse, repair, resource recovery and responsible donating. An education and video campaign would support Tasmania's move towards a Circular Economy, and encourage better donating behaviour at charities, that in turn would create environmental benefits and enable Tasmanian charities to invest even more into social welfare programs to support the most disadvantaged people in the state.

Conclusion

NACRO looks forward to supporting the Tasmanian Government with its Waste Action Plan and collaborating on a range of initiatives to accelerate the role and impact of the charitable reuse, recycling and retail sector in improving waste management and resource recovery in Tasmania.

NACRO's three priority recommendations are:

- Waste Levy – Supporting charitable recyclers from the effects of the waste levy
- Resource Recovery – Investment in specific, costed project plans
- Education – Educating consumers on the benefits of circular economy principles



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