Productivity Commission Circular Economy Opportunities Inquiry

Some thoughts of mine. These are all a little left of field and are ideas in their infancy. I have submitted these thoughts to the Circular Economy Huon group, which I am a committee member of, and they may choose to include some of these ideas. I have decided to send them directly anyway.

National policy - especially taxation
Waste disposal is a cost borne by us all, no matter how or where it is disposed. Obviously regulating waste disposal is a better and safer way to go but also has significant costs. It seems from an Australian study in 2009 costs range from $50 -$150/tonne with a huge range of variables involved. Ref: The full cost of waste disposal in Australia, BDA Group, 2009 https://www.dcceew.gov.au/sites/default/files/documents/landfill-cost.pdf

It seems to me that a national disposal tax on everything that is produced or imported into Australia would have huge potential in the quest to minimise waste. Certainly will have challenges of implementation, equity and monitoring, but I'll continue. This tax would be imposed on anything that has an end of life and would vary according to the need and use of the product, and would aim at recouping the cost of waste disposal at the end to the item's life, a cost that is currently borne by consumers and ratepayers, and by all of us in terms of the associated pollution with the eventual degradation of each item.

This tax would fund better recovery processes, less littering, along the lines of the South Australian container deposit scheme, and could fund repair shops, research into improved nutrient and mineral recovery schemes, recycling of wood, metal products . Hopefully it could enable recycling of homes rather than smashing them and sending them to landfill.

It would hopefully result in less unnecessary packaging and enable more bulk supplies being available to more people in regional areas, resulting in less plastic waste.

Having a national end of use tax on all products should immediately have an impact on the amount of waste generated, especially on unnecessary packaging and single use items.

Additionally the funds raised could be used to stimulate additional recovery actions, such as promoting the use of repair facilities and processes, funding research and establishment of nutrient recovery programs, innovations in recycling of plastics, electronic items and any other retrieval processes.

Revenue should also be used to educate people about the crucial need for waste management, which would then largely be free or very reduced charge if proof of the tax having been paid. This needs a neat fix to enable it to be simple, fair and equitable.

Or people who attend waste management courses and wash, sort and prepare waste before disposing at municipal waste collection sites are entitled to lesser charges.

Significantly it seems that much of the costs in waste disposal are included in greenhouse gas recovery so introducing a carbon tax could also raise funds to help prevent this sort of pollution, either by preventing the pollution in the first place or by recovering the gasses and using them to generate energy to offset costs. Or by offering subsidies for vehicle owners of waste transport services to use non ICE vehicles.

In Tasmania, especially in the Huon region, we have additional costs of transporting all waste collected in the municipality approximately 100 km to the Copping waste disposal facility with obvious costs involving energy and of course more CO_2 production using our present modes of transport.

As a slight aside here I would also advocate for alternative methods of transport for waste from waste management facilities to the main landfill sites. In Southern Tasmania, using electrically powered vehicles will reduce the carbon costs that are already of concern, or sailing and electric

boats could be used to transport waste from various waste transfer stations in southern Tasmania to the Copping landfill site.

Insurance costs in CEH
It has been obvious to me for some time that the insurance industry has a lot to answer for in generating excessive costs with minimal community benefit. The fact it is almost exclusively a private industry and mainly overseas owned means that firstly we are all paying for the profit of these companies (most of which is sent offshore), and because of a lack of effective regulation, there is no guarantee that a claim will be paid, that is entirely determined on the processes within the company.

There are models around the world, especially in NZ, where the Accident Compensation Commission (ACC) and the NZ Earthquake Commission serve to spread the costs associated with loss, accident and injury through national programs, not unlike our no-fault MAIB motor insurance program. While not perfect, these schemes serve to ensure everyone is covered, including non nationals in the event of a visitor suffering an injury.

The NZ Earthquake Commission similarly services to spread the costs associated with a natural disaster around the community, so people who live in earthquake, flood or landslip prone areas can expect some assistance in recovery after an event.

While neither of these schemes are perfect, everyone is protected from homelessness, or the considerable costs of medical treatment following an accident.

I have included this as I am sure that insurance costs have an impact on the circular economy. For example many of the regulations and costs associated with bundling a house are driven by extremely pessimistic and conservative views of potential liability later down the track.

Circular economy and energy production and usage

Sadly Australia lost an opportunity when PM Abbott decided to discontinued subsidies to the car industry in Australia in December 2013, resulting in the closure of our local Ford, Holden and Toyota car factories. Imagine what we could be doing now with a home grown EV industry making cars right here in Australia.

Regardless of this sad fact, stimulating EV uptake and use in Australia, particular with a national approach to stimulate PV and battery uptake could lead to huge savings in energy costs for car and home owners, as well as benefit the wider community.

And combining these initiatives with enabling v2g technology (vehicle to grid) would enable a huge amount of on demand energy to be readily available. There are at present about 30,000 electric vehicles in Australia (a number that could rise even more rapidly with the right policy settings) which at an average of a 50kWh battery per car represents 1.5mWh of storage, which is at least 3 times the storage of the proposed Snowy 2.0 at 350mWh.

This energy can be released when needed when a car is on a v2g or bidirectional charger, and recently in the ACT a small number of EVs connected to v2g chargers prevented a grid shutdown during an unexpected outage in February 2024 (https://www.cmtedd.act.gov.au/open_government/inform/act_government_media_releases/rattenbury/2024/act-electric-fleet-vehicles-powered-grid-during-energy-emergency)

From a circular economy perspective this initiative has the potential not only to reduce costs to consumers, homeowners and motorists, but also to massively reduce carbon production and pollution from the transport sector, and to make our energy supply much less reliant on foreign suppliers, trade wars, etc.

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