Victoria's draft 30-year infrastructure strategy

28 Apr 2025

Engage Victoria
Via online portal:
https://engage.vic.gov.au/project/victorias30yearinfrastructurestrategy/survey/5593#sub-nav

Re: **Victoria's draft 30-year infrastructure strategy**

Veolia is a global leader in water, waste and energy management. The group has close to 220,000 employees worldwide, including 6,500 employees in Australia and New Zealand. Our solutions contribute to the sustainable development of communities and industries. Through our three complementary business activities, Veolia helps to develop access to resources, to preserve available resources, and to replenish them.

Veolia supports the Strategy's inclusion of circular economy goals and the recommendations to identify and enable recycling, waste and water infrastructure to service Victoria over the coming decades. Significant investment is required to deliver water, waste and recycling infrastructure over the 30-year timeframe covered by this Strategy. We urge the Victorian Government to consider mechanisms and structures that will attract and leverage private investment to deliver this essential infrastructure for Victoria.

Please find our comments on relevant areas of the draft Strategy below.

1. Circular Economy

What else can the Victorian Government do to provide enough waste and recycling infrastructure across regional and metropolitan areas?

We commend the Victorian Government for producing the Victorian Recycling Infrastructure Plan[1] (VRIP) to provide Victorian circular economy investors with a road map to guide decision-making on waste infrastructure. We have found that this provides a level of certainty

[1] Recycling Victoria. (2024). Victorian Recycling Infrastructure Plan. https://www.vic.gov.au/victorian-recycling-infrastructure-plan.

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that is absent in some other jurisdictions. Development of essential waste management infrastructure is particularly

time-critical for Melbourne, given that the Hallam Road landfill will close by 2030, and EPA Victoria has recently refused development licence approval for a transfer station at the site.

In terms of recycling infrastructure provision, based on our global experience, we believe that the most powerful regulatory tool for incentivising investment in recycling and resource recovery infrastructure is the waste levy. Higher waste levies, with increases over time, are positively associated with increased resource recovery rates and reductions in waste landfilled. Veolia supports very clear communications to industry with an annual escalation of landfill levies above the Consumer Price Index (CPI) for the next decade. We recommend that a gradual increase, with a minimum of $20 per tonne per year, will further incentivise resource recovery, recycling, composting, and energy recovery without significantly impacting households, and we support national harmonisation of levies across jurisdictions.

What other waste and recycling issues should the Victorian Government consider?

In addition to an optimised waste levy as discussed above, to meet the circular economy infrastructure goals of the Strategy, two other issues are fundamental to success.

Firstly, streamlining and resourcing of the planning and environmental assessment process to reduce the timelines for planning approval for waste and resource recovery infrastructure. Secondly, reduction of assessment timelines and barriers for the use of recycled materials. Access to robust end markets for recycled products is a key investment hurdle in development of resource recovery infrastructure. We understand that EPA Victoria has recently updated the *Waste and Resource Recovery Determinations*[2] for some materials including processed organics and recycled aggregates, and we encourage the Victorian Government to continually seek ways to reduce unnecessary regulatory barriers to use of recycled outputs. Similarly to the Victorian *Recycled First Policy* for major transport projects, local government procurement policies to promote buy-back and use of recycled materials will assist in underpinning the investment required for the development of new recycling infrastructure.

2. Water

What are the barriers to recycled drinking water? Would you support the use of recycled drinking water in Melbourne and Geelong when they need more water?

Veolia supports the use of recycled drinking water in Melbourne and Geelong and other regions when more water is required. Veolia has first-hand experience in the delivery of safe and

[2] EPA Victoria. (2024). Response report: Waste and resource recovery determinations. https://engage.vic.gov.au/waste-and-resource-recovery-determinations.

reliable water recycling in Australia, including to the standard required for drinking Water. Veolia has operated and maintained the Western Corridor Recycled Water Scheme in South-East Queensland for over 15 years, which has a critical role in supporting the region's water balance under the *SEQ Water Security Program*. Similarly, the Western Australia Water Corporation has been successfully incorporating recycled drinking water into aquifer catchments for the past ten years. Recently, the Sydney Water Corporation opened a community demonstration facility which uses Veolia's technology and recycles water to drinking water standards. The Australian examples have used both scientific research and community education to support the successful implementation of recycled water as a source of drinking water.

The Australian examples have demonstrated consistently that there is no scientific or engineering barrier to the safe and reliable implementation of recycled drinking water. In our experience, the primary barriers to adoption of recycled drinking water are:

- The regulatory environment. The Victorian Health regulator is yet to set out the relevant regulatory framework to pursue recycled drinking water despite evidence of its safety and successful precedents in other parts of Australia.

- Community acceptance can be difficult, however is not insurmountable. Community resistance is due to perceptions that water sourced from protected surface water catchments is of superior quality to recycled water. The issue is compounded in that, in times of plentiful rain and adequate water supply, communities generally have other priorities than drinking water scarcity; however in times of drought and low supply, water authorities, governments and the water industry need to move quickly to to educate the community and promote behaviour change in water consumption habits and attitudes. In Western Australia, an early and comprehensive community education program was undertaken to inform communities of the safety and benefits of recycled drinking water, with recycled drinking water now accepted as part of the everyday drinking water supply.

Manufactured water

Veolia agrees with the draft Strategy's assessment that Victoria will, in the future, have less water flowing into rivers and dams, and that manufactured water can provide an important source of future water supply. However, whilst it is possible to expand the existing Victorian Desalination Plant, we understand that there may be future challenges associated with providing water to Melbourne's western growth corridors from sources located in the east. Therefore this Strategy should identify and protect suitable site/s in western Melbourne for the development of a second desalination plant.

Thank you for the opportunity to provide feedback. If you require further information, please contact Miriam Cumming, Veolia's Policy Advisor at [redacted]

Yours faithfully,

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Chief Executive Officer & Managing Director

About Richard Kirkman

Dr Richard Kirkman has been CEO of Veolia Australia and New Zealand since 2020, having worked in energy and waste management for over 30 years. He is an engineer and a Board Member of the Australian Resources Recovery Council. In Richard's previous position at Veolia UK, he oversaw major waste infrastructure development and completed a PhD on Infrastructure for the Circular Economy: The Role of Policy in System Change at Imperial College London. In the UK he was a founding member of The Department for Environment, Food and Rural Affairs (DEFRA) Council for Sustainable Business, a member of Board of the UK Plastics Pact, and Commissioner for the Green Innovation Policy Commission.