

---

## **COMPOST AUSTRALIA ROADMAP PROPOSAL**

---

### **1. Introduction**

The waste industry has struggled for years with the economic disposal of green organic wastes, and the marketing of viable recycled organic (RO) products. A number of previous initiatives in the compost sector have aimed at developing products and markets, eg horticultural soil conditioners. To date, these products these have proven to be viable only in the urban garden compost and soil mix markets.

Recent changes, including municipal collection of green wastes, introduction of extended producer responsibility in NSW and stewardship covenants in Vic have changed the industry dynamics by greatly increasing the volume of materials intake. In addition there is growing public support for directing green waste into compost production, despite the fact that urban demand for RO derived compost is saturated.

Wright Corporate Strategy (WCS) (2001) estimated that materials processing in 2001 has been conservatively estimated to have a market value of \$40 million per annum which is only 5% of the current estimated Australian waste market. There is significant growth potential given market sentiment to divert more putrescible waste from landfill for beneficial re-use beyond methane waste-to-energy facilities. WCS further estimates that by 2007 the economic value of this sector will increase almost 4.5 times over 2001 levels and that an additional \$950 million would be required to sustain this envisaged growth.

Initiatives to address the demand developed by the compost industry have been internally focused and have aimed at a traditional marketing approach of developing markets and increasing sales volumes. That is, the industry has addressed the RO problem as a waste and more specifically a compost sector problem. The engagement of the support for RO recycling and councils in 'third bin' collection has stimulated the generation of organic waste beyond the scope of markets to absorb existing quality outputs, and beyond the capacity of landfills to accept the volume of 'lower quality' wastes.

The waste industry has determined that a conventional marketing approach is no longer appropriate given the current volume of material intake and the projected volume of material intake, the complexity of the stakeholder perceptions, and the difficulty in developing a viable market for outputs.

Compost Australia is proposing that a national technology roadmapping exercise be undertaken that engages the entire spectrum of the compost supply chain from generators to end users and that the key issues of stewardship, technology, communication, viability, industry competitiveness, and communications be explored to prepare a strategic plan to prioritise the compost industry's development needs. A technology roadmap is a process by which an industry group can set, organise, prioritise and implement industry development goals.

### **2. Project Goal**

Compost Australia proposes to develop a 10 year strategy in partnership with its supply chain to

- 
- (i) plan a strategy to manage for the expected increase in national green waste volumes collected
  - (ii) develop a roadmap for technology and commercialisation pathways to deliver viable products/grades and markets sufficient to take up the expected growth in output, and
  - (iii) upgrade industry training and marketing standards (including brand and franchise arrangements) which harmonise quality and product accreditation to meet the needs of product users, regulators, and the community.

### **3. The Project Proposal**

Compost Australia will conduct a road-mapping project to :

- identify national and international trends in technology and policy processes;
- engage the supply chain stakeholders, clarify perspectives and resolve issues;
- coordinate a national RO response via state agencies and business;
- agree an a priority industry response and strategy;
- recommend a plan that is endorsed by States and Industry

The project will entail four stages

- Preparation of an issues and discussion paper by consultants;
- Staging a “national road show” consultative seminar series;
- Preparation of a consultative report and conclusions report;
- Preparation of a Compost Australia work plan to detail actions and recommendations to be taken up by the stakeholders.

---

#### 4. A Proposed Consultant's Terms of Reference

- Review the RO resource documents and materials available through Compost Australia, EA, Resource NSW, EcoRecycle Vic etc. and present a synthesis of the scope and nature of the industry and the issues, opportunities and challenges confronting the industry in the short medium and longer term.
- Consult with the relevant key state and territory stakeholders to gain an understanding of the stakeholder perspectives of issues opportunities and challenges presented by RO. Stakeholders might include generators, policy administrators, regulators, compost processors, existing and potential product users, and consumers of end products relying on organic composts. Identify additional stake holders who may contribute to the seminar series. (eg transport, regional development, indigenous interests).
- Review the supply chain for RO products and consider the position relative to competitor and substitute products. The study will consider comparative advantages , regulatory or institutional barriers, and other factors affecting the competitiveness of RO products with manures, sludges and biosolids.
- Consult with international partners and overseas agencies to identify relevant technology, policy settings, procurement / marketing processes and economic instruments and incentives, that have been used to promote a partnerships approach to managing RO products and developing markets.
- Prepare an issues discussion paper which informs the stakeholder group of the strategic issues facing the industry, presents the international experience, and presents perspectives and considerations from the Australian supply chain.
- Develop a seminar and workshop presentation to build upon the discussion paper and gain consensus on the important issues, to develop a strategy on how these are to be addressed, and to develop action plans comprising milestones and measurable targets.
- Manage a facilitated seminar series (with international expert star presenter) in key state and territory capitals to elicit decision maker (and perhaps influential adviser) level participation in the consultative process. Prepare a logistics and satisfaction report of the consultations including a completion report, comparison to budget, workplan, milestone, timeline; and a analysis of the participants profile. Complete a stakeholder satisfaction review of the consultation process during and after the exercise.
- Prepare a technical consultants report of the consultations to address the issues raised in the discussion paper; document the seminar series conclusions, findings strategy and actions arising from the consultations; and a cost benefit analysis of the key actions proposed. Present a draft consultations report to the steering committee for their consideration and prior to completion and public release as a final report.
- Work with Compost Australia to develop a comprehensive implementation plan and a detailed business case for the actions proposed, and present this to Compost Australia.

---

## **The Consultation Process**

The consultation process would entail a national seminar / workshop series to inform and engage stakeholders, and gain consensus on a plan of action to address the RO problem.

- The consultant office or agent with state WMAA / Compost Australia branches conducting regional pre- briefing seminars in key states, prior to having a RO Roadmap workshop in each state capital.
- The discussion paper would set the framework for the seminars.
- An international expert sourced by the consultants could contribute to the seminar series – probably on the sales training, marketing and product franchising sides of the business.
- The critical thing is to have policy and business decision makers at the seminars.
- The seminars would be facilitated and include a presentation, Q and A with expert panel, and a probably workshop on the key elements: generation responsibility, stewardship, processors, building markets, policy instruments and incentives.
- At the end of the consultations the consultants would prepare 2 reports :
  - A report on the roadmap consultations
  - Action recommendations for Compost Australia