SUBMISSION

TO: The Department of Environment, Land, Water and Planning
RE: Proposal to remove the refrigerator destruction activity (formerly Schedule 19)

Summary

Kids Off The Kerb submits in the strongest possible terms that the proposal to remove the refrigerator destruction activity (formerly Schedule 19) should not proceed.

Kids Off The Kerb works in partnership with White Goods Recyclers Pty Ltd (WGR) having established a joint venture to assist young disadvantaged people through white goods recycling. WGR has been accredited to create Victorian energy efficiency certificates (VEECs) in the VEET scheme. We estimate that about one-quarter to one-third of VEECs are created through the Kids Off The Kerb / WGR project.

Kids Off The Kerb relies on the funds generated through the VEECs to operate its white goods recycling social enterprise program and has established partnerships with ten local government authorities in the conduct of its white goods recycling program, namely, City of Whittlesea; City of Moonee Valley; City of Melbourne; City of Moreland; City of Darebin; City of Hume; City of Maribyrnong; City of Melton; City of Yarra; and City of Monash.

We submit that the reasons stated for the proposed removal of the refrigerator destruction activity are based on false assumptions.

Background

Kids Off The Kerb is a not-for-profit organisation and registered charity that assists disadvantaged and at-risk young people to help them reach their potential. Kids Off The Kerb offers projects using environmental and recycling platforms to create sustainable education, training and employment opportunities for young people through projects that provide young people with real life work experience and training opportunities, as well a pathway into paid work. We operate a warehouse and social enterprise recycling facility in Thomastown and have previously established community hubs and youth spaces in Footscray and Ivanhoe. Kids Off The Kerb endeavours to develop flexible and creative programs that are individually tailored to cater to the needs of each person.

The White Goods Recycling Project is the charity’s signature program and is more fully explained at Annexure A of this submission.

We understand that the VEEC Scheme was established with the view to:

1. Reducing the level of greenhouse gas emissions
2. Encouraging residents to invest in Energy Efficiency
3. Creating employment opportunities
We submit that the proposed removal of this activity will have significant adverse environmental impacts, for example:

- Illegal dumping – Residents are met with a roadblocks when it comes to discarding unwanted white goods.
- Increased greenhouse gas emissions – Refrigeration gases will be released into the atmosphere as cutting off the compressor pipes will once again be normal practice.
- Increased landfill – Due to lack of recycling and incorrect dumping of units.
- Loss in retail sales – For both new and old units. Kids Off The Kerb is still seeing an increase in purchases of second hand and refurbished white goods appliances, as consumers demand the best product at a more affordable price point.

Reasons for opposing the removal of the refrigerator destruction activity

1. Removal of the refrigerator destruction activity will adversely affect the financial viability of Kids Off The Kerb’s social enterprise to the point of threatening its very existence. Aside from the social welfare, education, training and employment benefits of the program, the white goods recycling enterprise reduces landfill; promotes energy savings; and reuses and recycles material. It is recognised that the Department may not be focussed on social welfare factors. Nevertheless, Kids Off The Kerb believes that there are compelling reasons to retain the refrigerator destruction activity, as set out below, due to the false assumptions which underline the proposed changes for this activity.

2. The reasons stated for the proposed removal in the Proposed Activity Changes document are “a declining pool of opportunity, a diminished level of abatement and additionality concerns”. However, we submit that this is based on false assumptions. As evidence for these assumptions, it has been stated as follows:

   A. The department believes that most refrigerators and freezers are now being replaced outside of the Victorian Energy Upgrades program due to them getting closer to the end of their lifetimes, and that the incentives provided by the program are not causing any additional units to be destroyed beyond business as usual.

We strongly deny this assumption. For the period of 1 January 2018 to 30 June 2018, Kids Off The Kerb’s project has produced (either already processed or to be processed) some 4,687 VEECs. As a result of our expanding home collection service, we have been collecting approximately 196 VEEC assigned fridges each month, and moving forward we anticipate an average of 250 VEEC assigned fridges per month. Our historical average per fridge is 5.06 VEECs, so this projection for 1 July 2018 to 30 June 2019 equates to 1,265 VEECs per month, or 15,180 VEECs per year.

Furthermore, the model used by Kids Off The Kerb promotes the appropriate destruction and recycling of fridges that would otherwise not occur. We submit that without the home collection service, residents would simply leave out their
white goods to be collected by opportunistic scrap metal merchants. In this event, the fridges would not be properly destroyed. Additionally, under our program, residents are able to buy affordable fridges that have been refurbished as part of the Kids Off The Kerb project. If this option was not available, we submit that many of these residents would retain their existing pre-1996 fridges. Hence, our project is encouraging their recovery.

B. Pre-1996 refrigerators and freezers are now over 20 years old and are likely being replaced due to age and failure. VEEC abatement is calculated using data for units manufactured in the period 1993 to 1996. In determining energy savings, the department needs to estimate the likely remaining lifetime of these units. In 2012, it was assumed that pre-1996 refrigerators and freezers had an average of 7 years of lifetime remaining - a lifetime of until approximately 2019.

As explained above, we submit that without affordable choices, many residents (especially in lower socio-economic areas) would retain their old fridges and, when they did finally break down, they would be left for scrap and not disposed of properly. Our white goods recycling project offers a viable alternative with free collection and free degassing. However, if we cannot continue to support the program through the creation of VEECs, we will not be able to afford to offer this service. We submit that the number of pre-1996 fridges being able to be collected has not declined and this is an artificial construct due to under reporting. This is discussed more fully below.

C. For refrigerators and freezers reaching the end of their lifetime, destruction in accordance with the relevant commonwealth legislation (Ozone Protection and Synthetic Greenhouse Gas Management Act 1989) is required, and applies regardless of the program.

We submit that to believe that all operators and scrap metal merchants will destroy fridges and freezers in accordance with the relevant commonwealth legislation (Ozone Protection and Synthetic Greenhouse Gas Management Act 1989) is fanciful. We know for a fact that many do not. There are numerous rogue scrap metal operators, and even some established ones are not following the correct procedure. If the department were to remove the refrigerator destruction activity, we have no doubt whatsoever that there would be a manifold increase in opportunistic and inappropriate scrap metal activity, with disastrous consequences for the environment.

D. The rate of VEEC creation has declined over the last two years, with just over 32,000 VEECs created in 2017 (compared to 42,663 VEECs in 2016). This could in part be due to lower VEEC prices during 2017 but it is expected it is mainly due to a declining pool of opportunity.
We submit that the numbers set out above are misleading. Firstly we say that, as stated, lower VEEC prices in 2017 clearly impacted on the numbers. Secondly, our own experience (as referred to above under point 2A) is of expanding numbers, not decreasing numbers. Thirdly, there is significant under-reporting of pre-1996 fridges. A major reason for this is the requirement that in order to claim VEECs there is a need to include detailed information about the owner of the fridge. This is a problem for Council transfer stations who cannot divulge that information either because they do not have it or for privacy reasons. Currently, there are three Councils who regularly provide white goods to Kids Off The Kerb from their transfer stations, namely, City of Yarra; City of Melton; and City of Monash. Collectively, this totals about 170 fridges each month which are pre-1996 fridges, which equates on our historical averages to 860 VEECs per month or **some 10,322 VEECs per year that are simply not reported**, due to the way the legislation is currently framed and/or enforced. Additionally there are other authorities in the same position as Council. For example, last month we collected 68 fridges from the Department of Human Services from their housing projects and more than half of these were pre-1996 fridges. Yet none of these fridges were able to be assigned for VEECs because of a lack of owner details. In short, there is a large hidden pool of pre-1996 fridges whose best chance for recovery is through a program such as ours. We have attached a letter from the City of Yarra which supports this point (see Annexure B).

E. Finally, it is trite for us to reiterate that the greenhouse gas emissions created by incorrect destruction of pre-1996 fridges are extremely damaging to the environment. Indeed, the department would be aware that "refrigerant management" has been identified as the number one solution to reversing global warming, according to the bestselling book of 2017, **Drawdown** ([http://www.drawdown.org](http://www.drawdown.org)). In particular, "because 90 per cent of refrigerant emissions happen at end of life, effective disposal of those currently in circulation is essential". The EPA’s new suggested refrigerants have much lower global-warming potential, a measure of the heat that a greenhouse gas traps in the atmosphere. These range from 3 to 675, compared with 1,400 to 4,000 for older compounds they’ll replace. This illustrates the impact that incorrect destruction of pre-1996 fridges will have if the refrigerator destruction activity is removed. The graph at Annexure C highlights the alarming difference between the costs to run an efficient and inefficient fridge. We believe that by continuing to offer free collection and degassing of old units, we can increase the number of households that wish to remove these units from circulation.
KIDS OFF THE KERB
Kids Off The Kerb is a not-for-profit organisation and registered charity that assists disadvantaged and at-risk young people to help them reach their potential. Kids Off The Kerb offers projects using environmental and recycling platforms to create sustainable education, training and employment opportunities for young people through projects that provide young people with real life work experience and training opportunities, as well a pathway into paid work. We operate a warehouse and social enterprise recycling facility in Thomastown and have previously established community hubs and youth spaces in Footscray and Ivanhoe. Kids Off The Kerb endeavours to develop flexible and creative programs that are individually tailored to cater to the needs of each person.
WHITE GOODS RECYCLING PROGRAM DESCRIPTION

The White Goods Recycling Project is a social enterprise which builds upon other social enterprise projects conducted by KOTK and which is focussed on reuse and recycling. The White Goods Recycling Project is based at KOTK’s training and factory space at 9 Dunstans Court, Thomastown, Victoria. White goods such as fridges, washing machines and dryers are donated to KOTK and are reconditioned by young people and then donated, scrapped or sold through the project.

The type of work and opportunities that are created by KOTK’s social enterprise projects for young people through this project include the following:

- Participate in a site induction program and become aware of OH&S issues, practices and procedures.

- The onsite practical experience includes, site induction: physical; OH&S; policies/procedures/practices; and work experience: manual handling; stock movement; disassembly of units to be scrapped; clean and prepare units for sale; and assist in degassing of pre-1996 units. All young people involved in the project are supplied with personal protective equipment, eg, boots, gloves, glasses and safety vests.

- KOTK uses vehicles to collect items for reuse and recycling. The collection process provides the opportunity for young people to gain experience as a driver or driver's assistant. This activity also supports skills in planning, time management and basic logistics, which includes scheduling and route management skills.

- Manual handling and warehouse floor space management are functions of the receipt and sorting of the collected items. Young people are encouraged to develop their skills in the use of a forklift and to apply for a forklift licence. Additionally, the young people learn to complete goods receipts logs and other relevant administration forms.

- As part of the post receipt and assessment of products, items that are considered as viable for reuse are assessed for sale and some items may be sold. Items are photographed, described, costed and loaded onto the system. This provides a range of employment and learning opportunities for young people through direct customer service activities through phone, email and in person, and activities including marketing, database management, receipt, identification, photographing, cataloguing, warehousing, sale and dispatch of goods.

THE NEED
Youth in the northern suburbs of Melbourne are facing rates of unemployment well in excess of 20%. Many of the young people that Kids Off The Kerb supports are from backgrounds of generational unemployment and dependence on welfare. Many have experienced homelessness and suffer from a range of health issues. They may also have a history of excessive drug and alcohol use, self-
harm and anti-social behaviour. Often they have a background of family dislocation, neglect and/or abuse. When combined with low levels of educational attainment, language, literacy and numeric proficiency, this cohort of young people are at increased risk of falling victim to drug and alcohol abuse, mental health issues, crime and incarceration. For those with a non-English speaking cultural background or Aboriginal or Torres Strait islander heritage, youth in this region of Melbourne face significant hardship, lack of support, mentoring and limited role models. Kids Off The Kerb believes that education, work experience and training activity has the power to break these negative cycles and transform lives. Our aim is to offer the skills and support required to effect positive change in this group of socially disadvantaged young people by helping up-skill them and assisting them to attain proper education in order for them to secure employment. Employment is crucial in a practical sense because it provides young people with essential income. It also has significant psychological benefits and contributes to a sense of personal and social identity and inclusion. Unfortunately, significant numbers of young people exit the education system early and have little or no experience of work. Unassisted, this group of young people are, at worst, at real risk of causing harm to both themselves and the community or, at least, likely to remain as an economically unproductive resource in the community as a result of long term unemployment.

EXPERIENCE
Since 2008, Kids Off The Kerb's social enterprises have assisted young people obtain jobs and create employment pathways, Kids Off The Kerb has supported a variety of young people excluded from the job market including homeless young people; young people from an indigenous background; those with a disability; newly arrived migrants and refugees; unemployed young people; and/or young people disengaged from the education system. Kids Off The Kerb has delivered numerous Work For The Dole programs in Victoria over the last three years to the value of about $1,000,000, through collaboration with Job Service Providers including Job Prospects; Salvation Army; Max Employment; AMES; Sarina Russo; Matchworks; and Employment Services Group. These projects have resulted in direct employment outcomes for about 25% of the almost 700 candidate referrals, while most of the other participants have proceeded to engage in further education or training.

PRE-EMPLOYMENT PROGRAMS
Kids Off The Kerb has also conducted several successful pre-employability programs. The purpose of these programs is to help participants to prepare to successfully enter the workforce. The program covers the topics including:

- Mapping out employment pathways
- Identifying strengths and areas for improvement
- Getting “job ready”
- Resume writing
- Successful cover letters
- Job Interviews
- How to keep your job and plan your future
These programs also run in conjunction with Kids Off The Kerb’s work experience programs where participants gain real industry knowledge and experience working within a social enterprise giving participants exposure to the following roles and skills such as:

- Hospitality
- Retail
- Transport and Logistics
- Electrical and Mechanical repairs
- IT and Computer repair
- Recycling
- Office Administration
- Customer Service and Sales
- Digital Marketing and Social Media

As an example of an employment pathway, candidates selling recycled goods on-line through Kids Off The Kerb’s “Flipin-it” program are provided with access to skills and jobs such as digital marketing, business operations and product photography. The pathway process is as follows:

1. Induction: Roles and responsibilities outlined and the undertaking of a physical site visit and induction.
2. Recognised Accredited Training: Participation in training courses if participants do not already hold required certificates.
3. Activity Requirements: For example, OH&S Training; Housekeeping & Inventory Control; Working Effectively with Others; Pick & Pack Operations; Load & Unload Goods/Cargo; Apply Customer Service Skills; Carryout Workplace Calculations; and Use of Basic Computer Technology.
4. Mentoring: Participating in Personal and Professional Development; Job & Career Coaching; and Interviewing Skills & Resume Development.
5. Selection of Commercial Based Activity to be Undertaken: Physical hands on experience within an actual commercial site; and specific task performance & skills development.
6. Evaluation of individuals as job ready: Development of references and resume; Support and encouragement of individuals to apply for employment positions, supporting employers and referrals through Job Service Providers; Support of individuals to develop cottage industries and self-employment.
7. Actual Employment: Follow up and support of participants.

OUTCOMES

Kids Off The Kerb believes that it has achieved increased employment, training, earnings and employability capacity for the disadvantaged young people who have so far participated in its projects, together with making a positive impact on the local communities where it operates. The KPIs that have been determined by KOTK at this stage include: For Young People (participants): increased
employment, training, earnings and employability capacity; together with improved health & wellbeing; and For Local Communities: economic development; reduced landfill; energy savings; reuse and recycling of material.

GOVERNANCE

Kids Off The Kerb was founded by Nathan Stirling who has over 30 years of experience in the not-for-profit sector. Nathan is a recognised expert on street children issues and has presented at a wide range of forums including the World Bank and United Nations. Nathan was the CEO of the Open Family organisation from 1992 to 2004. Nathan holds a Juris Doctor in Law and a Masters Degree in Management. He was a Churchill Fellow in 1993 and is a graduate of Harvard University’s executive leadership program conducted by the John F. Kennedy School of Government. In 1999, Nathan was made a Member of the Order of Australia, in recognition of his management and contribution to youth welfare programs in Australia. Kids Off The Kerb’s board comprises a diverse and widely experienced group of people:

- Nathan Stirling AM, Chairperson (as above);
- George Andreola, who specialises in corporate advisory matters and is a former audit partner of PKF;
- Daniel Haile-Michael, Community Project Engineer at Hindmarsh Shire Council, founder of the Flemington Youth Committee and awardee of the Australian Human Rights Commission’s 2014 Young Peoples Human Rights Medal granted “for challenging racism and racial profiling”;
- Chris Spathis, principal of a public accountancy practice specialising in taxation;
- Cecilia Riebl, a lawyer who has practiced as an environmental and planning lawyer in the private sector and the not for profit sector and as a community lawyer for under-privileged youth;
- Troy Rosenlis, a financial advisor with the ANZ Bank who is particularly interested in engaging the corporate sector in supporting disadvantaged young people;
- Gordon Hope, partner of real estate agency, Nelson Alexander;
- Danny Bearzatto, business consultant and former director of Deloitte; and
- Natalie Troung, Head of B2B Marketing at Mercer.
SELECTION OF PHOTOS
OLD washing machines and clothes dryers are spinning vulnerable young people toward job opportunities.

Youth charity Kids off the Kerb (KOTK) has been running for about six years, working alongside job service providers to deliver hands-on experience for those aged 16-25.

Through its whitegoods recycling program, unwanted fridges, freezers, washing machines, microwaves and air conditioners are being collected free of charge from streets across Hume.

The idea is to refurbish the items, use them for spare parts or recycle them with scrap metals, leaving less for landfill.

Proceeds from their resale goes back into training opportunities and youth support services.

- NATALIE SAVINO, HUME LEADER
Support for Kids Off The Kerb Fridge Program

The City of Yarra has had a strong working relationship with Kids Off The Kerb (KOTK) for over five years. Council collects white goods as part of our booked hard waste collections including fridges, freezers, washing machines, dryers and microwave ovens. KOTK collects these items for refurbishment and recycling.

It has been difficult for KOTK to claim VEEC Certificates for the pre 1996 fridges/freezers since the ESC has required a name, address and a sign off from the owners of the fridge/freezer. We cannot accommodate this requirement for KOTK to allow the VEEC to be claimed. The City of Yarra has supported the program by paying KOTK a degassing fee per unit to compensate for the VEEC and to ensure that our fridges/freezers are correctly degassed in accordance with the required legislation.

Council still collects a significant number of pre 1996 fridges/freezers and we would urge that the VEET program continues for this category of fridges/freezers to ensure the sustainability of appropriate degassing as there appears to be a discrepancy in the way that these units are being treated by various sectors of the market.

There are social, environmental and financial benefits generated by the KOTK white goods programs including:

- Correct degassing of fridges/freezers
- Training & Employment programs
- Refurbishment of white goods to create affordable second hand goods for the community
- Distribution of spare parts to reduce the disposal of white goods
- Diversion from the landfill stream
- Recycling programs for units that are not suitable for refurbishment

The City of Yarra highly values the services provided by KOTK and will continue to support the program. Please feel free to contact me if you have any queries.

Joe Agostino
Project Officer
03 9205 5565, 0438 568 676
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*Annual running cost
**Annual GHG emissions

**ANNEXURE C**