



Report for WCRA NSW

Recent waste industry changes and developments *Impacts on WCRA members and pathway forward*



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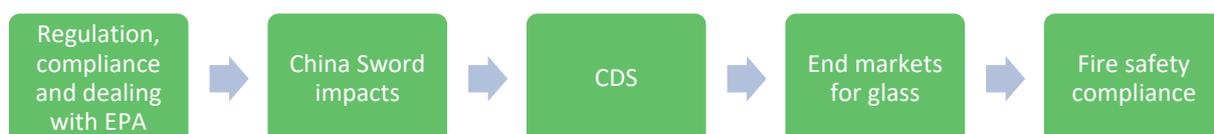
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Executive summary

The waste management and resource recovery sector has weathered a significant and unprecedented number of issues and challenges in recent years. These include increased regulation, higher compliance costs, increasing insurance premiums, tightening of end product quality specifications, decreasing end markets, loss of kerbside materials to container deposit schemes (CDS), decreasing revenues for commodities, a ban on the use of mixed waste organics outputs as soil conditioners, and most recently mixed plastics placed on the hazardous material list on the Basel convention.

WCRA members were consulted on the issues that are most affecting their businesses. The top five issues of WCRA members, in order of priority, are:

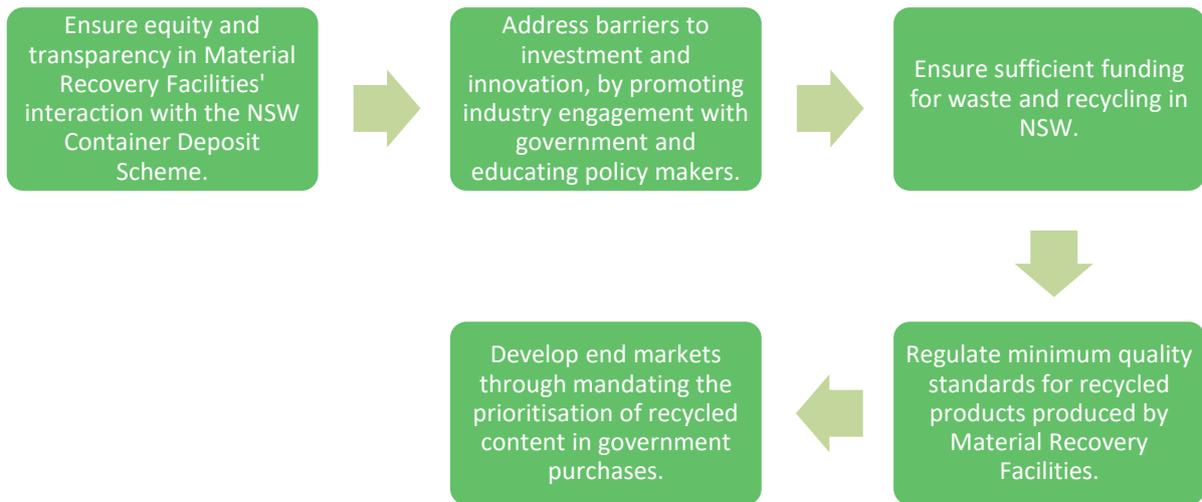


When members were consulted on how best WCRA can assist them, they stated the following:

-  Be the voice of industry
-  Lobby new environment minister; get past the bureaucrats and raise issues with active and engaged politicians
-  Seek commitment from leaders in state government that they will work collaboratively with industry
-  Get a coalition of stakeholders to plan and take action to address the issues faced by the industry
-  Harmonise the messages of key industry groups through common members

Forty-one actions are proposed for WCRA in order to assist members with their concerns. The proposed actions, shown in Table 1 below, have been developed with consideration of the input from members.

The actions can be distilled into a ‘five-point plan’ to take to government and stakeholders, comprising the following:



WCRA's members represent a large proportion of the industry and, with WCRA's support, are uniquely placed to respond to current market challenges and ensure a sustainable future for the waste and recycling industry in Australia.



Table 1 Proposed actions to support members

Theme	WCRA member issue	Summary of issue	Proposed WCRA actions	Action number
CDS	Revenue sharing agreements between MRFs and Councils	<ul style="list-style-type: none"> • Significant number of Councils do not have revenue sharing agreements with MRF. Concerned re risk of negative revenue. • Lack of transparency on which Councils have and have not signed a revenue sharing agreement 	Establish the number of Councils who have not signed a revenue-sharing agreement (contact EPA as a first point).	1
			Estimate the annual value of CDS rebate available to MRFs (i.e. the amount available for sharing with Councils per year).	2
			Discuss with Local Government NSW (Susy Cenedese And Liz Quinlan) how Councils can be encouraged to sign revenue sharing agreements, and any insights into how to approach Councils regarding this issue. Use this opportunity to reiterate with LGNSW that councils purchasing recycled products will stimulate end markets and ensure kerbside recycling remains viable	3
			Prepare a template Council resolution to assist Councils in expediting the signing of revenue-sharing agreements. Use the guidance document prepared by lawyer Ross Fox.	4
CDS	Transport between MRFs	<ul style="list-style-type: none"> • If kerbside recycling is unloaded at a MRF, MRF can claim CDS refund if it has revenue agreement with council. If product re-loaded to another MRF, second MRF is unable to claim refund under MRF protocol. • Exchange for Change commented that if nothing is processed at the first MRF and the first MRF doesn't claim, and if the second MRF has revenue sharing agreements with Councils, then MRF protocol could possibly be changed to make second MRF able to claim. • The MRF protocol states that "The Protocol will be reviewed, at a minimum, within 5 years of its publication, but may be reviewed more frequently when considered appropriate by the EPA" 	Form a mini working group of MRF operators to determine strategy (done).	5
			Once strategy is determined, approach EFC and Ministerial Advisory Committee (MAC) Chair (Tony Wilkins) regarding updating the MRF Protocol, ensuring that their concerns about double dipping are addressed.	6
			Encourage MAC and EFC to jointly approach EPA regarding updating the MRF protocol.	7
			Continue to educate the NSW Minister for Energy and Environment regarding CDS issues affecting the waste and recycling industry.	8
CDS	Transparency in CDS data	<ul style="list-style-type: none"> • MRFs, similarly to Councils, feel that data is not shared. 	Approach EFC regarding data sharing. Consider subsequent joint representation to EPA with LGNSW and EFC.	9

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		<ul style="list-style-type: none"> Exchange for Change expressed willingness to share data on trends in beverage container redemption with industry. 	Approach EFC regarding setting up a quarterly meeting with EFC and WCRA members at which EFC can explain data trends to members.	10
			Advertise these quarterly sessions to make sure members attend; could include this in existing member forums for efficiency.	11
			Seek release of individual MRF audit data to the MRFs that were sampled. Approach EFC as a first step.	12
CDS	Transparency in CDS data	<ul style="list-style-type: none"> MRFs don't understand rationale for which MRFs/Council are audited each quarter and how the sampling plan is developed. APC and EFC explained that the sampling plan is done by EPA's statistician and approved by Ministers Advisory Committee. Lack of understanding of the method of determining the eligible container factor 	Anne Prince to send sampling plan (already in public domain) to WCRA (done).	13
			WCRA to distribute the sampling plan to members (done).	14
			The first quarterly data-sharing meeting could include an introductory session explaining the sampling regime.	15
			Request from EPA the list of which MRFs and Councils were sampled each quarter (e.g. could be released at the same time as the factor is released).	16
Regulation /compliance /EPA	EPA not commercially focussed	<ul style="list-style-type: none"> EPA does not understand what is important to the waste and recycling industry Members feel that EPA stifles innovation Members feel that EPA has entrenched mentality and culture No practical waste knowledge on the EPA board. EPA primarily concerned with compliance and licence conditions rather than industry development. Concern that level playing field not applied in the waste sector 	Find out when the next intake of EPA Board members is.	17
			Determine a shortlist of candidates with industry experience (for example, Dr Tony Wilkins) who WCRA thinks would represent industry's industries on the EPA board, approach them to discuss.	18
			Lobby the NSW Minister for Energy and the Environment to diversify the EPA board to include waste industry experience.	19
			Keep abreast of permanent appointment of CEO or CEO/Chair of EPA (Mark Gifford currently acting in the role), as well as other key appointments and any re-structure.	20
Regulation /compliance /EPA	Resource Recovery Orders and Exemptions	<ul style="list-style-type: none"> The ability for EPA to change Resource Recovery Orders and Exemptions with no notice undermines investor confidence 	Write to the NSW Minister for Energy and Environment to bring members' concerns regarding Resource Recovery Orders and Exemptions to his attention. Refer to Ross Fox position paper on this issue if applicable.	21

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Regulation /compliance /EPA19	Delays in approvals for waste and recycling facilities	<ul style="list-style-type: none"> Member frustration at dealing with multiple agencies Member frustration in timeframes for approvals Member dissatisfaction with the new Key Agency Liaison Group, in that applications end up back to individual department with the same barriers Planning assessors have limited waste knowledge, need educating; competing demands. 	Establish an initial meeting with EPA and Planning (the Key Agency Liaison Group), on behalf of all the waste industry groups, to discuss the length of time that waste facility approvals take. Provide examples.	22
			<p>Arrange site tours of waste facilities to educate and inform planners on the facilities, operations, impacts. Felicity Greenway in the Planning function of the department has a good understanding of waste and recycling approvals and could be approached as a starting point.</p>  <p>Felicity Greenway - 2nd Executive Director at NSW Department of Planning and Environment</p>	23
Regulation /compliance /EPA	20-year strategy	<ul style="list-style-type: none"> Lack of consultation with industry regarding the 20-year strategy 	Develop a 'hit list' of the 5 top ideas that all members can support and take them to EPA (Molly Tregoning) directly as well as via upcoming EPA organised consultation sessions. Keep WCRA input simple and specific. Give EPA direct actions rather than vague guidance.	24
Regulation /compliance /EPA	Inability to effectively influence state government	<ul style="list-style-type: none"> EPA is difficult to engage and consult with Multiple industry associations lobbying the same stakeholders creates confusion and dilutes the messages of each group. Groups include WCRA, WMRR, ACOR and NWRIC There is a new environment minister, and everyone will be lobbying him independently. Previously served as the Minister for Innovation and Better Regulation from January 2017 until March 2019. Accounting background. Likes cricket. 	Maintain regular fortnightly communication between WCRA, ACOR, WMRR and EPA's Chair/CEO. Establish a formal agenda for these meetings and document minutes and actions (with associated timelines).	25
			Lobby for re-establishment of quarterly meetings between EPA CEO/Chair, EPA board representative and industry peak bodies (NSW representatives).	26
			Anissa Levy, formerly acting head of the EPA, is now Co-ordinator General for Environment, Energy and Science in the Department of Planning, Industry and Environment; her understanding of waste and EPA makes her a good target for promoting WCRA's message within this new 'mega-agency'.	

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			<p>Also target the new Minister for Energy and Environment, Matt Kean. Focus on job creation. He is engaged on waste issues, and his Chief of Staff Christian Dunk is also accessible. The Minister has brought three of his former innovation team across from the former Innovation and Better Regulation portfolio.</p> 	28
			Co-ordinate lobbying efforts with other industry groups where interests are aligned, to avoid overloading recipients with multiple messages. Recommend to NWRIC that they regularly engage the NSW representatives of the other industry groups.	29
China Sword	Contamination in incoming kerbside recycling hinders product quality	<ul style="list-style-type: none"> • Need to lower contamination in incoming recycling • Householders need to know what can and can't be placed in the kerbside recycling bin • Contamination in recycling bins is costly to remove 	Support Project Yellow Sail (EPA, ACOR and Federal Government) by encouraging council customers to sign up/participate.	30
			Send a press release and letter to EPA, ACOR and Federal Government congratulating them on funding Project Yellow Sail and their leadership on this project.	31
China Sword	Many products aren't recyclable	<ul style="list-style-type: none"> • A product that is made from 2 or more different materials will be difficult to recycle. For example, a plastic water bottle is made from PET, the plastic lid and neck are made from a different plastic and there is a stick-on label made from plastic film. Small items such as plastic lids will get caught in recycling screens or end up in mixed paper • All products should be designed and manufactured so that at the point of disposal all of the raw material in the product can be recovered and recycled. 	Engage with APCO and offer to educate their members on the practical recycling implementation of packaging design. This project has been undertaken previously aimed at packaging designers, by touring MRFs and explaining the constraints in recycling certain packaging types.	32
China Sword	Improving product quality at MRFs is expensive	<ul style="list-style-type: none"> • Need to lower contamination in outgoing products • Better quality recovered materials will ensure that recycled materials can be better marketed 	Lobby for sufficient funding for waste and recycling, through levy hypothecation, re-allocation of WLRM funding, or other means.	33

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		<p>on both the national and international commodity markets</p> <ul style="list-style-type: none"> Improving product quality in expensive The NSW Government receives an estimated ~\$750 million pa. via the waste levy; Approx. 15% of this waste levy is hypothecated back to the waste management industry whilst the balance (~\$630 million pa) stays with NSW Treasury 	<p>Encourage members to apply for Waste Less Recycle More funding in equipment to achieve better sorting and recovery quality (funding goes until 2021)</p>	34
			<p>Lobby for regulated minimum quality standards for recycled products produced by MRFs, to be included as a condition of EPA licence.</p>	35
China Sword	Issues are changing and evolving	<ul style="list-style-type: none"> International markets continue to restrict imports of recyclables 	<p>WCRA to form a reference group of MRF operators to monitor issues and re-assess actions and strategy as issues evolve.</p>	36
End markets for glass	Need to create market pull for recycled products	<ul style="list-style-type: none"> Govt wants industry to make markets, not government In promoting recycled glass use in roads, EPA has no authority/influence over RMS. Local Govt already has a specification for recycled product use, but engineers are reluctant to use it due to risk and pre-existing arrangements with suppliers. Local government in NSW has an estimated expenditure of \$10 billion.¹ 	<p>Attend the NSW EPA Opportunities and Barriers for Recycled Crushed Glass on Monday 24 June 2019 to determine current status of end uses for recycled glass.</p>	37
			<p>Lobby government at all levels (including Anissa Levy and NSW Premier) to mandate the prioritisation of recycled content in all government purchases. Focus on glass as a first priority. Co-ordinate with other industry groups to ensure consistency of message.</p>	38
Fire safety regulation of waste facilities	Current draft <i>NSW Fire Safety in Waste Facilities Guidelines</i> are too onerous	<ul style="list-style-type: none"> Current draft Guidelines will have high cost of compliance Stockpile size, shape, testing and movement restrictions, and areas required for quarantine, will have high operational burden Good operators will be penalised, unlicensed operators will benefit 	<p>Make a submission of behalf of members to draft guidelines (done).</p>	39
			<p>Provide training for members on the final guidelines. Review the training material already developed by WCRA Victoria to determine if some of this can be re-used for NSW.</p>	40
			<p>Approach Fire and Rescue NSW for clarification on finalised guidelines if required.</p>	41

¹ Local Government NSW <https://www.lgnsw.org.au/policy/response-china%E2%80%99s-national-sword>