



WASTE CONTRACTORS &
RECYCLERS ASSOCIATION
OF N.S.W

ABN 72 805 135 472

Suite 2, First Floor
12-16 Daniel Street
Wetherill Park NSW 2164

PO Box 6643
Wetherill Park BC NSW 2164

Phone: (02) 9604 7206
Fax: (02) 9604 7256
memberservices@wcra.com.au

8th May 2020

Cleaning Up Our Act: The Future for Waste and Resource Recovery in NSW

Issues Paper March 2020 Submissions

By e mail as a pdf file to 20yws@dpie.nsw.gov.au

Copies by e mail to:-

Christian.dunk@minister.nsw.gov.au

Christine.Chalker@minister.nsw.gov.au

Tracy.Mackey@epa.nsw.gov.au

Sanjay.Sridher@dpie.nsw.gov.au

WCRA response to a request for feedback on a 20-Year Waste & Resource Recovery Strategy for NSW

Dear Minister Kean

We extend our thanks to the NSW Government and your staff along with all at the EPA and DPIE for the opportunity of participating in the development of a 20-year waste strategy for NSW.

In September 2019, the Association submitted:-

- A response dated 20 September 2019 with views on the NSW waste system.
- A response dated 20 September 2019 with views from C&D waste & recycling group members.

- A report prepared for WCRA NSW by APC Waste Consultants entitled '**Recent waste industry changes and developments.**' This report included the key issues facing the NSW recycling sector with a pathway forward.
- A policy paper prepared for WCRA by Fishburn Watson O'Brien on the issues associated with **NSW's Resource Recovery Orders & Exemptions framework** and recommendations on a pathway forward.
- All of the above are attached to this current response.

Since September 2019

- The Association and our 203 Members invested considerable time, effort and resources in developing the above and we have had little or no response to these submissions & reports.
- **The Federal Government's proposed export bans on recyclable materials.** Central to our collection efforts is the dry recyclable materials collected in the bin with the yellow lid. The vast majority of householders across NSW & the ACT have access to this type of recycling service. We need to ensure that the proposed COAG export ban of recyclable materials does not lead to the demise of this wonderfully successful environmental initiative (there is talk amongst some Members that this could be the case, especially if these changes result in the closure of MRFs). In nearly all cases, Australia is a net importer of manufactured goods. Consequently, it is extremely difficult to consume all, or even the majority, of many recycled materials within Australia because there simply isn't sufficient demand for this material. Therefore, whilst there is support for the intent of COAG's decision, it will be impossible to recycle and reuse this material onshore unless governments assist in establishing policy settings, supporting new infrastructure and creating demand for recycled products. If the ban proceeds in its current form and the Federal Government doesn't act to address these issues, then we will potentially lose valuable resources and consume diminishing landfill space. In the context of this 20 Year Waste & Resource Recovery Strategy, the NSW Government needs to press the point that good clean recyclables are commodities traded on the world stage and these export bans will potentially undermine our current recycling efforts.
- **The proposed changes to financial assurances** currently being considered by the EPA are likely to significantly increase the cost of operating a recycling facility in NSW. This will deter new investment in the sector and harm the prospect of NSW meeting the emerging objectives of its 20-year Waste Strategy. The impact of COVID-19 pandemic means that the draft Financial Assurance Policy and Guideline on Calculating Financial Assurances will have a significant financial impact on the already weak financial position of many waste facilities. We request that any further consultation and reform be deferred until the extent of the economic impacts of the pandemic are known.
- **COVID-19** has decimated the Australian economy and it has had a widespread impact on the waste management industry in NSW. It is our recommendation that the NSW Government commissions an immediate study of the NSW waste management industry. By undertaking such a study, we will understand the issues and be better placed to launch

a waste strategy for the next 20 years. WCRA is well placed to assist the NSW Government with this work.

- WCRA understood from presentations and statements made by Minister Kean that he is committed to a **full review of the waste levy** as part of this 20 Year Waste Strategy. This commitment does not seem to be adequately reflected in the Issues Paper or the Key Findings. The waste levy is briefly mentioned in the Issues Paper (pp 24-27), although the paper is silent on the negative impacts of the waste levy on recycling in NSW. It is WCRA's strong view that industry must be considered a partner in the 20YWS and consulted with on waste levy policy and settings.
- **The matter of equity and resultant competitiveness** has always been prominent in discussions between WCRA and the NSW EPA. For a very long time the industry has complained that the combination of high waste levies and narrowly focused compliance regulations have added significant cost to facilities licensed by the EPA. On the other hand, the operators of unlicensed facilities and/or rogue operators are faced with much less scrutiny and operate on a lower cost base.
- We note that the advisors (**Price Waterhouse Coopers and Sphere Infrastructure Partners**) engaged to produce the Key Findings and Situational Analysis purport to have consulted with 'representatives from stakeholders involved in the NSW waste industry' (Volume 1 Key Findings 1.3 page 3). Despite WCRA's role as the major NSW body representing the waste & recycling sector, we were not party to the consultation, nor were the Members that we have spoken to consulted.
- **20 years is a very long time** and it will be difficult to make meaningful plans for the waste industry over such a long period of time. If we were undertaking this exercise 15 or 20 years ago, we would not have reasonably foreseen major matters affecting our industry such as the GFC, China Sword, long distance transport of waste to QLD, a CDS, the proposed COAG Export Bans & Covid-19. WCRA recommends that the 20-year waste plan be broken up into 5 x 4-year periods, with milestones, projects and funding attached to each of these periods. There also needs to be a provision for review of the plan. WCRA recommends a Committee of Management comprised of seven individuals from each of the Office of the Minister for the Environment, the CEO of WMRR, the CEO of ACOR, the Executive Director of WCRA, CEO of the EPA, Executive Director Circular Economy & Resource Management (DPIE) and the President of LGNSW.

WCRA believes that by resolving the issues that we have raised, it will assist in providing NSW with the stated goals of the 20 Year Waste Strategy, namely -:

- Sustainability
- Reliability and
- Affordability

We look forward to your review and advice and thank you again for the opportunity to participate and make these submissions.

Yours faithfully
Tony Khoury
Executive Director

Attach.