

**Waste Contractors
& Recyclers Association
of NSW**

ANNUAL REPORT

2018

13 November 2018

Waste Contractors and Recyclers Association of NSW

Suite 2, 12-16 Daniel St., Wetherill Park

From the President

To say that 2018 was yet another momentous year for WCRA would be somewhat of an understatement. The industry has continued to face all the major issues that confronted us in 2017 – and in most cases their impact on business has become more marked. In addition, 2018 brought along a couple of new issues completely out of left field.

In spite of assurances from Government that it would be stopped, road and rail transport of waste and recyclable materials from Sydney, the Illawarra and the Hunter to landfills in South East Queensland (to avoid payment of the NSW Waste Levy) has increased. Credible sources estimate the current volumes at over one million tonnes per annum. This equates to an annual avoidance of more than \$140 million in NSW Levy payments.

Glass recycling throughout Australia continues to be financially unviable. Recyclers who are required to continue receiving kerbside collected glass as a component of household collections are forced to cross-subsidise the activity, while comments from some sectors of Government express doubt that the glass recycling issue is serious.

The publication of a methodology for the management of unexpected small quantities of asbestos found in construction and demolition (the Asbestos Protocol) has for most of the year seemed no closer now than it was in November 2011 when the first draft consultation document was circulated.

The NSW Upper House Inquiry Report into Energy-from-Waste (with expanded terms of reference) was released in March. The Inquiry opposed approval of the \$700 million waste-to-energy project proposed for Eastern Creek in Western Sydney. However, the Report went on to make thirty-six recommendations regarding the operation and regulation of the industry. Disappointingly, the Government's response indicates outright support for only nine of the thirty-six recommendations.

The Report from the 2017 Federal Senate Standing Committees on Environment and Communication *Inquiry into the Waste and Recycling Industry in Australia* was released in June – recommending mandatory product stewardship schemes, bans on single-use plastics, hypothecation of landfill levies and a commitment to prioritise recycling of waste above waste to energy.

In September the Eastern Creek waste-to-energy proposal was refused by the Independent Planning Commission.

The unprecedented media interest in waste initiated by the 2017 ABC Four Corners investigation into the industry has continued unabated in electronic and print media and the production of the popular mainstream *War on Waste* series has no doubt fuelled this interest.

The NSW Container Deposit System commenced in December 2017 and claimed the return of more than 850 million containers by October 2018. However, many aspects of the operation of the CDS (particularly how it impacts on commercial recycling) have still not been clarified by the Government. As at the date of this report only 6 of the 120 NSW Councils have agreed to refund sharing of eligible containers with their MRF.

All of this has occurred in the context of the development of the most significant issue for recycling in the last 25 years. From late 2017, the Chinese Government announced the National Sword Policy, designed to eliminate imported recyclable materials which contain contamination. How industry and Government in Australia deals with materials streams which cannot reach the new standards of contamination is still unclear.

At the time of finalisation of this Annual Report, in October 2018, NSW EPA stunned the industry with a sudden announcement that the processed outputs from mixed waste organic material is no longer able to be used on agricultural land and its use on forestry and mining land will also cease until further notice. This decision has enormous implications for the future of AWTs and resource recovery generally.

WCRA continues to play a pivotal role in highlighting the issues which impact our Members' businesses, in making sure the position of the industry is understood by other stakeholders and in bringing parties together to find solutions.

Once again, I thank the WCRA staff and Executive Members for their dedicated service and commend the 2018 WCRA Annual Report to you. I look forward optimistically to a year of solutions, partnerships and progress in 2019.

Harry Wilson – President and Life Member of WCRA

Our Finances and Administration

WCRA exists to provide information, advice and support to its Members on a broad range of technical, regulatory, employment and industrial matters. Its membership represents the majority of the waste and recycling transport and processing operators in NSW and the ACT.

WCRA funds the services it provides to Members via the annual membership fees they pay, charges for the provision of training services, profits from the presentation of industry events and the commercial arrangements with corporate partners and sponsors.

As in previous years, WCRA continues to be a well-managed industry association in a secure financial position.

Sterling International provides financial auditing services to WCRA and has approved the WCRA 2017/18 financial statements. A summary of key data compared to recent years follows:

Net surplus of \$77,865

Balance Sheet Net Assets \$1,494,436

Historical Comparison:

	2014	2015	2016	2017	2018
Net Surplus	\$130,909	\$99,914	\$84,289	\$44,685	\$77,865
Balance Sheet Net Assets	\$1,147,656	\$1,287,597	\$1,371,886	\$1,416,571	\$1,494,436

Key Ratios:

	2014	2015	2016	2017	2018
Current Ratio Current assets / Current liabilities	2.05	2.32	2.35	2.13	2.55
Total Asset Turnover Revenue / Total Assets	0.45	0.41	0.37	0.32	0.39
Return on Assets Net Surplus / Net Assets x 100	11.41	7.76	6.14	3.15	5.21

WCRA is the oldest waste industry association in Australia and one of the oldest in the world. Since 1948, WCRA has represented the NSW waste and recycling transporters and processing facility operators. WCRA is an independent association registered with both the Industrial Relations Commission of NSW and under the Fair Work (Registered Organisations) Act 2009.

Our People

Members, Partners & Sponsors

The trend of consolidation of the waste and recycling industry noted in the 2017 Annual Report has continued through 2018 to reduce the number of companies operating in the sector. Balanced against this however, is the steady flow of new applications for membership as operators recognise the need for support in the constantly changing business and regulatory environment. As in previous years, WCRA continues to represent the majority of waste and recycling operators in NSW and the ACT.

	2014	2015	2016	2017	2018
Members with > 41 revenue earning vehicles	9	9	7	7	6
Members with between 7 & 40 revenue earning vehicles	38	44	39	40	40
Members with 6 or fewer revenue earning vehicles	87	95	104	104	100
Associate Members	37	36	43	39	36
Total Number of Members	171	184	191	190	182
Annual Change in Membership Numbers	+3.0%	+6.4%	+3.8%	-0.5%	-4.2%

Staff and Support Services

WCRA's offices and its services are available to members by phone contact or in person Monday to Friday during business hours. The Executive Director Mr Tony Khoury is assisted & supported with the following staff and specialist advisors.

- Mrs Juliette Quagliata has ably assisted the Executive Director for many years with administration and book-keeping in a part-time capacity. Following her resignation in May 2018, Ms Ann Maree Kopos was engaged to fill this role.
- Mrs Jamal Alameddine replaced Mrs Nada Ruiz Diaz in August 2018 and assists with reception, marketing, events and office management.
- Martin Dunne, Special Counsel Hunt & Hunt, has for many years provided invaluable Industrial Relations advice to WCRA and Members until his resignation from Hunt & Hunt in August 2018.
- Ross Fox - Fisher Watson O'Brien agreed in June 2018 to provide advice to WCRA on environmental planning and regulatory matters. Fisher Watson O'Brien also agreed to provide Industrial Relations advice on a trial basis from September 2018.

- Lee Smith - Möbius Environmental provides advice and support to WCRA on technical, government & public relations matters.
- Mark Mawad contracted to WCRA on a permanent part-time basis from October 2017 until May 2018 to provide assistance to the Executive Director on a range of projects including training.
- Jason Blackmore was engaged by WCRA from May 2018 until October 2018 to further develop and deliver training projects and to assist the Executive Director in the operation of the Association. Jason has accepted a fulltime role with a Member, but will continue to assist WCRA on a part-time basis in the delivery of weekend training workshops.
- Peter Cochrane continues to provide IT support and maintenance services to WCRA.

WCRA Executive

Following the pattern of previous years, Executive Meetings are held on the second Tuesday of each month, with the exception of January.

All Members and Sponsors are welcome to attend Executive Meetings, however only Members of the Executive may vote. Ordinary Members, Associate Members and Sponsors of WCRA are invited to speak on issues of interest. Non-members are sometimes also invited to attend and address the Executive on matters of interest. In spite of the pressures of business experienced in 2018, all meetings this year were well-supported by Executive Members and a wide range of issues was discussed.

The four-year term of Executive Members expired on 31 October 2018. The period for submission of nominations for members of the new Executive opened 28 August 2018 and closed 18 September 2018. The Australian Electoral Commission ('AEC') confirmed that, as only 11 nominations had been received for the 12 Executive positions, an election process would not be required.

The Members of the Executive at 15th October 2018 were:

Harry Wilson	SMS	President
Scott Bayliss	Suez	Vice-President
Greg Turner	JR Richards	Treasurer
Jeff Brandstater	Brandster Services	Secretary
Mark Falanga	Wastefree	Executive Member
Glenn Gauslaa	G & S Waste	Executive Member
David Harrison	Viscount Plastics	Executive Member
David Johnston	URM	Executive Member
Susie McBurney	Remondis	Executive Member
Nathan Ung	Polytrade Recycling	Executive Member

- Jesse Brown resigned his membership in July 2018 following the acquisition of Toxfree by Cleanaway.
- Mark Taylor resigned his membership in August 2018 following a transfer within Veolia to SA.
- Paul Tengdahl has been nominated by Veolia as its representative on the WCRA Executive.
- Mick Nicholson has been nominated by JJ Richards as its representative on the WCRA Executive.
- The AEC will attend the November 2018 Executive Meeting to finalise the election process.

The function of the WCRA Executive is governed by the Registered Rules of WCRA which define the membership and election process of the Executive.

Attendance at Monthly Executive Meetings by all Executive Members averaged almost 70%. As per the Rules of WCRA, Executive Members are required to personally attend a minimum of 50% of the Executive Meetings which are held in a financial membership year.

Sponsors

WCRA is honoured and grateful to have been associated with the following organisations during 2017/2018:

- **Wastedge.com –waste operations & management software**
- **TWUSUPER–industry superannuation**
- **Tyres4U–heavy vehicle and passenger tyres**
- **CJD/Volvo/SDLG–construction and waste management equipment**
- **Daimler Trucks Huntingwood – Mercedes Benz/Freightliner/Fuso heavy vehicles**
- **Work Options –injury management specialists**
- **Arthur J Gallagher –insurance brokers**
- **Green Goanna -Shell industrial oils & lubricants**
- **Bucher Municipal–equipment manufacturer& supplier**
- **Allianz – workers compensation advisors**

Our corporate Sponsors provide specialist expertise and options to our members as well as essential funding for the services offered by WCRA.

Life Membership

Life membership is the highest honour that can be given to a member of the waste and recycling industry who is associated with WCRA. Life membership may be awarded to a member in recognition of outstanding service given to WCRA over a long period of time.

In awarding this honour, the Executive takes into account the Guidelines for Nomination for Life Membership of WCRA - which state that the prospective Life Member:

- **Must never have brought the Association or the industry into disrepute;**
- **Must have consistently put the interests of the Association and the industry ahead of his or her personal and business interests in the discharge of WCRA duties and responsibilities; and**
- **Must have, through his or her involvement with WCRA, enhanced the operation and reputation of the Association & the industry.**

The following former and present members are Life Members of WCRA (unchanged from 2017):

- **Ron Horsewell (deceased)**
- **Mike Creswell (deceased)**
- **Arthur Baker**
- **Bernadette Byrnes**
- **Terry Dene**
- **Mike Noble**
- **Barry Thomas**
- **Harry Wilson**

Our Services

Industrial and Employment Relations

After many years of providing expert Industrial Relations assistance to WCRA and its members, Martin Dunne advised in August 2018 of his resignation from Hunt & Hunt in order to take up a position with the Australian Hotels Association. The Hunt & Hunt agreement terminated with Martin's departure.

The service provided by Martin Dunne and Hunt & Hunt has been invaluable in clarifying for Members matters relating to pay rates, leave entitlements, worker injuries, HR responsibilities, unfair dismissal, industrial action – and much more.

As noted above, Fisher Watson O'Brien has agreed to provide Industrial Relations advice to WCRA on a trial basis from September 2018.

Some highlights for WCRA of the Industrial Relations landscape in 2018 were:

- The 4-Yearly Review of the Waste Management Award 2010, matter AM2014/216 has been noted to be approved by First Quarter 2019. To ensure the effects of the changes are well understood a circular will be prepared for Members and a familiarisation workshop will be held.
- An annual wage increase of 3.5% to all rates under the Award became effective 1 July 2018.
- An Employment Law Ready Reckoner 2018-2019 was sent to Members in July 2018.

Insurance and Workers Compensation

Key sponsor Arthur J Gallagher has provided WCRA with clarification and timely advice on all aspects relating to insurance and workers compensation in the current, rapidly-changing industrial environment. As noted in the 2017 Annual Report, the introduction of *icare* (*Insurance and Care NSW*) since its formation in 2015, has been a hugely important change to the operation of insurance and workers compensation.

- The new Workers Compensation Claims Policy with *icare* and *EML* commenced 1st January 2018
- WCRA Executive Director Tony Khoury has met regularly with *icare* throughout 2018
- *icare* presented a Workers Compensation update to WCRA Members in May 2018.
- WCRA representatives met with WMAA and ACOR in August 2018 to jointly review the 2017 Industry Fire Report. Of particular concern is the risk of explosion and fire caused by aerosol cans in kerbside recycling streams – and in MRFs where they are eventually compressed into bales with other steel cans. WCRA has contacted Fire and Rescue NSW, Safe Work NSW and NSW EPA with regard to this matter. Despite the hazards, several parties are adamant that materials such as aerosol cans must continue to be accepted in household recycling - however the foremost concern of WCRA and the waste and recycling industry continues to be the safety of workers and the community.

Training Services

Employee training is one of the key services offered by WCRA. The safe and efficient performance of waste collection and recycling services is a critical component of the modern waste industry. WCRA provides high quality specific training for the employees of its members in collaboration with its training partners.

As noted in the 2017 Annual Report, WCRA was awarded \$200,000 by NSW Department of Industry ('DOI') to fund 3 projects for industry-driven training:

- A Pathway from Training to Employment
- The CDS, creating jobs across rural NSW
- Mentoring & Support

These projects were developed and delivered by the Executive Director with assistance from Luke Tabone, Mark Mawad and Jason Blackmore.

- The final *Mentoring & Support* workshop was completed in December 2017
- The *Pathway from Training to Employment* program was completed in May 2018
- The *CDS creating Jobs across, Rural NSW* project was developed and delivered jointly between WCRA, TOMRA/Cleanaway, Exchange for Change and Anne Prince Consulting during April and May 2018. Workshops were conducted at Wetherill Park, Nowra, Wagga, Dubbo, Coffs Harbour and Kirribilli. Approximately 100 candidates attended. NSW EPA was invited to all sessions however no response was received to the invitation. Immediately prior to the commencement of this project, disappointingly, DOI requested a return of \$40,000 from this grant, as the parties could not agree on the objectives for this training. The WCRA Executive discussed and decided to fund this training from accumulated funds.



Chain of Responsibility training session led by Jason Blackmore at WCRA's Wetherill Park premises

After some years of jointly providing training in a number of programs focused on resource recovery, NSW EPA has made the choice to exclude WCRA from participating in its ongoing training programs. This has been difficult to understand given that every review of the programs designed and delivered by WCRA has rated the performance very highly. The popularity and success of the WCRA training program has led to the decision by WCRA to develop and deliver a new series of programs in waste and resource recovery training on its own. WCRA's extensive industry network will give us a significant advantage in attracting candidates for training.

In recent years, WCRA has also presented accredited training courses developed in conjunction with TAFE NSW:

- *Heavy vehicles and Chain of Responsibility* training
- *Fatigue Management* training
- *Work safely near Overhead Wires* training

These courses remain in demand and a new agreement has been offered by TAFE NSW.

WCRA is planning to increase our training offer throughout 2019 with ICAM (Incident Management), First Aid and Certificate IV all under consideration.

Functions and Events

The calendar of WCRA functions and events provides a popular and effective way for Members & Sponsors to meet socially with associates, colleagues and competitors, to learn more about developments within the industry and to celebrate the valuable role they play in helping keep Australia, clean, safe and healthy.

WCRA presented the following functions and events for Members & Guests in 2018 (and late 2017):

- *Breakfast Briefing 14 November 2017*

A Breakfast Briefing session preceded the WCRA 2017 AGM. Presentations were delivered on the National Heavy Vehicle Regulator and Chain of Responsibility and an overview of the CDS network, reverse vending machine technology and the Tomra/Cleanaway JV.

- *Annual Dinner 1 December 2017*

Due to a great amount of behind the scenes preparation by WCRA office staff, the Annual Dinner is always a popular and well attended event. A change of venue to Rosehill Gardens and a well-known live band (The Enormous Horns) made this night an outstanding success. It was also the occasion of the presentation of the inaugural WCRA Industry Awards. Over 190 Members, Sponsors & invited Guests were in attendance to congratulate the winners:



Tony Khoury presenting the President's Award to Doyle Bros.

- **The President's Award (*Sponsored by Arthur J Gallagher*):**
Presented to Doyle Bros for the production of Processed Engineered Fuel (PEF) at their Fairfield Materials Recovery Facility. Doyle Bros received \$1.05 million in funding under the Waste Less Recycle More initiative to process up to 29,000 t of commercial & industrial waste per annum into Processed Engineered Fuel. This project has resulted in a diversion from landfill of over 90%, as previously this residual material was sent to landfill as non-recyclable waste. The use of PEF provides a benefit in the reduction of fossil fuel use and also reduces landfill gas emissions.
- **Safety Award (*Sponsored by Work Options*):**
Presented to Darell Wilson, a SUEZ driver whose response at high speed, in heavy peak-hour traffic, averted a potentially catastrophic accident which could have resulted in many deaths. Darell was travelling on the M5 when a school bus carrying 20 children suddenly pulled out in front of him. His quick thinking response to stop the vehicle and turn the truck towards the concrete wall averted the collision. Darell's intention was to avoid the bus at all costs, even at his own well-being. Darell's driver professionalism & attention to detail, ensured that his response in this emergency situation was quick, appropriate & very highly skilled. Darell demonstrated what all heavy vehicle drivers should be doing and that is to be alert & attentive at all times.



*Darell Wilson (Suez) Winner of the WCRA Safety Award 2017
with Scott Bayliss (Suez Sydney C&I Mgr)
and Karen Castledine (Work Options)*

- ***Breakfast Briefing 13 March 2018***
The first Breakfast Briefing session of 2018 was held at Dooleys Lidcombe. In the weeks leading up this session it became apparent that the recycling crisis brought on by China's National Sword Policy was the obvious topic for discussion, with a well-researched presentation from Tony Khoury.
- ***Annual Retirees Lunch 13 March 2018***
Retired members were invited to a lunch hosted by WCRA at Dooleys Lidcombe following the Breakfast Briefing. This annual event is always well-attended.

- ***Penrith Harness Night 8 March 2018***

More than 100 Members, Sponsors and Guests attended an evening of harness racing, networking and dinner at Penrith Harness Racing Club. Sponsors are allocated a race name that provides them with valuable national exposure.

- ***Industry Update Conference & Dinner 14 June 2018***

The Annual WCRA half-day conference was held at the Kirribilli Club. The event was also a celebration of the 70th Anniversary of the founding of WCRA.

Presentations were delivered by:

- Dr Mark Jackson – a summary of the 2018 NSW Upper House Inquiry
- Malcolm Bartlett (National Measurement Institute) – a update on charging by weight
- Paul Endycott (Zenergy) – Chain of Responsibility and the regulatory changes (October 2018)
- Courtney Bertram (NSW EPA) – Impacts of China’s bans on the Australian Recycling Industry
- A panel discussion on NSW Waste Management issues was facilitated by Mike Ritchie (MRA) with panel members Max Spedding (NWRIC), Anne Prince (A.Prince Consulting) and Susy Cenedese (LGNSW)

During and after dinner, Tony Khoury delivered an entertaining presentation on how the industry and the association have progressed since 1948. Greg Freeman (Impact Environmental) then interviewed three popular and well known industry identities (Ron Smith, Val Southam & Geoff Gerard) about their time and experiences in the waste and recycling industry.

All those attending agreed the Conference and Dinner event was an outstanding success.

- ***WCRA Golf Day 17 August 2018***

80 members participated in the WCRA Annual Golf Day held at Cabramatta Golf Club. The winner of the Ron Horsewell Memorial Shield for 2018 was the team from Sulo-Viscount Plastics captained by Executive Member David Harrison.

- ***WCRA Annual Dinner 30 November 2018***

The Annual Dinner will be held in 2018 again at a venue associated with horse racing – The William Inglis Hotel at Warwick Farm Racecourse. This is a very impressive & much needed new corporate venue in south-western Sydney. It is anticipated to be a very popular choice. The second annual WCRA Industry Awards will be presented at the Dinner.

WCRA Premises

Suite 2, 12-16 Daniel St., Wetherill Park

The WCRA-owned premises in Wetherill Park have again provided the Association with an excellent location for meetings, training and administration at no added cost - and with plenty of convenient parking. This highlights the wisdom of the decision by the Executive to purchase its own premises some years ago. WCRA is the only waste and recycling industry association in Australia to be in this fortunate position.

Our Groups

Within WCRA there are a number of single-sector, industry or regional discussion sub-groups. Specific interest workshops and meetings are facilitated for these groups when required. The activities of the groups are noted in the monthly meetings of the WCRA Executive.

WCRA ACT

WCRA NSW continues to provide administrative support and guidance to WCRA ACT. Meetings are held every few months. Matters discussed included:

- Fees for bins on Government land. WCRA has represented the Group's position to Government re historical amounts that can't be collected.
- Introduction of the ACT Container Deposit Scheme commenced on 30 June 2018.
- The proposed ACT Energy from Waste Policy.
- The ACT Government's new Draft Waste Management Development Control Code to underpin its strategy to maximise resource recovery and minimise waste disposal.

The goals of the DCC are to ensure:

- Waste infrastructure is designed to provide the effective storage and collection of waste and recyclable material for all residential, commercial and industrial premises
- Developments are constructed to accommodate the appropriate levels of waste and recyclable material and meet standardised servicing requirements
- Construction and demolition activities result in the maximum recycling of recyclable material
- Minimum possible waste to landfill, and maximum possible recovery of recyclable materials.

Feedback on the Draft Code will be received until 26 November 2018. Implementation is scheduled for January 2019.

Liquid Waste Group

Most of the issues nominated in the 2017 Annual Report remain a concern for members of the Liquid Waste Group in 2018. To some extent this highlights the inertia of the (necessarily) conservative state-owned service provider and regulator. However WCRA members are uneasy about the apparent reduction of resources directed by Sydney Water towards compliance.

The WCRA/Sydney Water Code of Practice for grease trap operators continues to operate and is currently under review by Sydney Water.

WCRA continues to present to Sydney Water the concerns of its members around non-compliance with regulations.

Liquid Waste Group members continue to express concern about the growing difficulty of safely undertaking collections/pump-outs in areas where Councils mandate unsafe time & signage restrictions.

C&D Waste Group

The WCRA C&D Waste Group (Skip, Dino & Hook Group) continues to work closely with the WMAA C&D Group and meets jointly from time to time presenting a united voice in response to (often ill-considered) Government regulatory proposals. The combined group met twice during the 2018/2018 year.

On 25 July 2018, the combined group met to discuss the development of the Load-restraint Compliance Guideline, the proposed Queensland Waste Levy, the C&D Recycling Guidelines and the status of the Asbestos Protocol. Ross Fox (Fishburn Watson O'Brien) provided a short overview of implications for the Skip Fines Resource Recovery Exemption and recent EPA legal action which may represent precedents.

On 24 October, the combined group met with Greg Sheehy (EPA Director Waste Compliance) to discuss current EPA organisational structure, recent fines for temporary holding of waste bins being deemed to constitute illegal storage of waste, prosecutions relating to covering of asbestos containing materials in landfill and potential improvements in regulatory enforcement by the EPA.

The publication of a methodology for the management of unexpected small quantities of asbestos found in construction and demolition (known in the industry as the *Asbestos Protocol*) seems no closer now than it was in November 2011 when the first draft consultation document was circulated. Neither the reprocessing of C&D waste or the use of glass aggregates and fines in reprocessed construction materials can progress with certainty unless the EPA commits to workable procedures which the industry can follow.

EPA released a Draft version of the proposed *Standards for Managing Construction Waste in NSW* for public comment in October 2017. A final document still has not been released as of 1st November 2018. As with so many other issues WCRA confronts, it is difficult to make progress without some commitment or even consideration by the Government.

Scrap Metal Group

The main issues of concern for members of the Scrap Metal Group are:

NSW Cashless System

- WCRA met with all relevant arms of government and submitted comments on the system when it was first proposed. Based on feedback from Members that it is poorly enforced, WCRA expressed concerns regarding the operation of the system once it had commenced;
- Despite our concerns, Police no longer have a dedicated unit for the proper enforcement of this system.

NSW EPA Proposed Minimum Standards for Scrap Metal Yards

- After having meetings with EPA cancelled without notice, WCRA eventually submitted comments to the *EPA Proposed Minimum Standards* in late 2017.
- A meeting was held in January 2018 where WCRA explained to EPA that the cost to the NSW scrap metal industry of implementing the requirements of the *Proposed Minimum Standards* would be \$2.3 billion.
- WCRA has continued to attempt to follow up with the EPA on the status of the *Proposed Minimum Standards*, however the matter has now been nominated as a low priority by the EPA.

Working with Government

Work Health & Safety - *SafeWork NSW*

- The WCRA & SafeWork NSW partnership arrangement is in its third term (the original agreement was signed on 8/12/2009).
- Regular partnership meetings are scheduled to ensure both parties are achieving the aims proposed.
- SafeWork NSW provides Safety Alerts for distribution to Members regularly. Issues addressed included - *Working with Conveyors* and *Uncontrolled Movement of Vehicles*.
- Unreasonable operating time restrictions imposed on the waste sector by local government remains the highest priority safety issue for most Members. SafeWork and WCRA will continue to explore avenues to review these restrictions wherever they impact adversely on the safety of the industry workers and members of the public. To this extent a joint review of the *Domestic Waste Code of Practice* is proposed to be undertaken.



*WCRA and Safe Work NSW signing the renewal of the
Partnership Agreement for safer waste industry outcomes*

Local Government

Although WCRA continues to highlight the concerns of Members with regard to unreasonable or unsafe clauses included in Local Government tenders – particularly collection time restrictions - discussions with Local Government in 2018 have been dominated by the impacts of the Chinese Government’s National Sword Policy. All commodity marketing contracts have been brought under immense pressure or have simply become unworkable as the revenue earned from the sale of the recovered materials has significantly diminished or become instead a disposal fee.

After almost thirty years of promoting a kerbside recycling system which is amongst the best in the world, neither Councils nor collection contractors are comfortable scaling it back or delivering the material to landfill. An announcement by Ipswich Council in April that it had no option but to send recyclable to landfill was reversed within a couple of days due to an extraordinary public and media backlash. Clearly a consistent national approach needs to be agreed on types of materials accepted and level of contamination reduction to be achieved.

Another significant matter which NSW Councils, collection contractors and MRF operators have yet to resolve is the issue of how the deposit on containers redeemed via household recycling collections is to be shared. To assist the parties, in September 2018 WCRA developed and circulated a Heads of Agreement addressing all issues that need to be agreed. If the parties don’t agree by 30th November, there will no transfer of funds.

The question of weighting of tender assessment factors and their transparent calculation continues to be a concern of Members contracting to Local Government.

NSW EPA has appointed Impact Environmental consultants to undertake a review of the Model Contract.

NSW Environment Protection Authority

The relationship between WCRA and NSW EPA is potentially of critical importance to the effective operation of both organisations however it continues to be challenging. A healthy dynamic waste management and resource recovery industry needs a strong, well-resourced, well-informed, politically independent and operationally transparent regulator to provide a level playing field for all stakeholders.

WCRA remains confident that the previous good working relationship with the EPA can be rebuilt and we view the structural and personnel changes which have occurred in 2018 very positively.

As mentioned elsewhere in this Report, the status of many of the issues being managed and initiatives being delivered by the EPA are unchanged from 2017.

These initiatives and issues include:

- Reduced licensing thresholds for waste depots
- The application of *Authorised Amounts* (stockpile limits) for licensed facilities
- Revised financial assurances for waste facilities
- Revised standards for the operation of C&D waste processing facilities
- Development of the *Asbestos Protocol*

The introduction of the NSW Container Deposit Scheme and the impact of the Chinese Government’s National Sword Policy in a sometimes-hostile media environment have (perhaps predictably) taken priority.

A meeting to explore the rebuilding of the relationship between members of the WCRA Executive, the (then current) EPA CEO & Chair and the (then current) EPA Waste & Resource Recovery Director took place on 15 November 2017. It was apparent at the meeting that the EPA representatives did not share WCRA's view of the value of the relationship.

On 8 January 2018, EPA Chairman and Chief Executive Barry Buffier left the NSW EPA. He had occupied both roles since 2012. A 2015 Parliamentary Inquiry had recommended the EPA improve its governance by ensuring one person did not occupy the Chairman and CEO roles simultaneously.

WCRA Executive Director Tony Khoury and Industry Advisor Lee Smith (Möbius Environmental) met with the new EPA Acting CEO & Chair Anissa Levy and Acting Waste & Resource Recovery Director Carmen Dwyer on 15 May 2018. The rebuilding of the WCRA & EPA relationship was discussed positively as were a range of current issues including: the methodology for financial assurances at facilities, requirement to cover transported loads of baled cardboard, the Asbestos Protocol and the C&D waste minimum standards.

A commitment was given by Ms Levy to meet regularly with WCRA to ensure issues of importance are understood. It was also agreed that regular frequent phone hook-ups would be arranged to review the status of matters of concern. This model of communication has been adhered to throughout the latter half of 2018 and we are extremely optimistic about the future of the renewed relationship between the EPA and the waste and resource recovery sector.

Representatives from WCRA, ACOR & WMAA have participated as members of the National Sword Response industry reference group which meets in person approximately once per month. The CEOs of the three industry organisations - Tony Khoury, Pete Schmigel and Gayle Sloan – also participate in a weekly teleconference with Ms Levy.

The sudden announcement by the EPA in October 2018 that the processed outputs of mixed waste organic material is no longer able to be used on agricultural land and its use on forestry and mining land will also cease until further notice has caused unease in the entire industry. The fear is that we may be returning to an era of regulatory surprises rather than the more transparent and predictable relationship we have been seeking.

Transport for NSW

WCRA has continued to try to interest NSW RMS and Transport for NSW in seeking an exemption for waste collection from areas marked “No Standing” or “No Stopping”. We have so far been unsuccessful in engaging either Transport & Infrastructure Minister Andrew Constance or Roads Maritime & Freight Minister Melinda Pavey. RMS has indicated a preference for the matter to be dealt with by Councils on a case-by-case basis.

WCRA is also still seeking to draw the attention of the Ministers and the RMS to the risk posed by non-compliant vehicles sometimes used for interstate waste transport.

WCRA made a submission to the NSW Parliament Staysafe (Joint Standing Committee on Road Safety) Inquiry into Heavy Vehicle Safety & Use of Technology to Improve Road Safety. Issues raised by WCRA were:

- Council mandating of start times.
- Exemption required for waste trucks collecting from “No Standing” and “No Stopping” signed areas.
- EPA transport licences for general waste collection.
- Long-haul waste transport

Revised Chain of Responsibility laws came into effect in October 2018. The new laws require all parties in the Chain of Responsibility to accept a duty to take all reasonable and practical steps to guarantee that their transport operations are conducted safely. The duty is pre-emptive, cannot simply be assigned to others and applies to all executives to show due diligence in the compliance of their businesses. WCRA has updated its training material to account for these new laws.

WCRA has been successful in an application to the National Heavy Vehicle Regulator for funding to deliver a series of training workshops in the 1st quarter of 2019.



WCRA works tirelessly to try to persuade authorities such as

Local Governments not to impose restrictions which hinder safety.

Federal Senate Inquiry

The Federal Senate Inquiry into the waste and recycling industry (prompted by the ABC Four Corners expose on the waste industry and mentioned in the 2017 Annual Report) was expected to report by the end of November 2017, however it was granted an extension of time until June 2018.

WCRA's submission to the Inquiry was focused on:

- Obstacles to the performance of environmental regulators & regulations
- The growth of interstate transport of waste to avoid levy payment
- Glass recycling, other recycling & commodity markets and stockpiling

The Report (*Never waste a crisis: the waste and recycling industry in Australia*) is structured in six sections in addition to the Introduction and Recommendations sections:

- The waste and recycling sectors, the generation and fate of waste, regulation of waste and deficiencies in data.
- Landfill management issues
- Landfill levies

- Australia’s recycling industry, market volatility and demand and recent changes in international markets
- Collection, sorting and processing of recyclables
- National leadership in waste and recycling

The actions called for in the Report include:

- Urgent implementation of the 16 strategies established under the 2009 National Waste Policy
- Prioritisation of waste reduction and recycling above waste-to-energy
- A phase-out of petroleum-based single-use plastics by 2023
- Research efforts into reducing plastic waste, cleaning up our oceans and finding end-markets for recovered plastic.
- Assist for recyclers to increase the diversion of material from landfill, improve the quality of materials recovered through collection programs, improve the sorting of materials at recycling facilities - and assistance for manufacturers to increase the amount of recycled material used in production.
- Mandatory targets for all government departments in relation to the recycled content of materials
- Sustainable procurement policies to ensure strong domestic markets for recycled material.
- Implementation of the 65 agreed improvements to the National Waste Report
- Availability of effective education programs to assist the public in understanding how best to undertake recycling.
- Implementation of a national Container Deposit Scheme.
- Making mandatory the product stewardship schemes established under the *Product Stewardship Act 2011*.
- Establishing mandatory schemes for tyres, mattresses, e-waste, and photovoltaic panels.
- Adjust Waste Levies so there is no incentive to transport waste for levy avoidance purposes.
- Full hypothecation of landfill levies to reduce the creation of consumption and waste, and increase the recycling of waste materials.
- Implementation and harmonisation of best-practice landfill standards.

During the production of the Report and following its publication, WCRA was invited to discuss the key issues with the Hon. Kristina Keneally (29/8/2018).

NSW Government

AS mentioned in the 2017 Annual Report, WCRA has sought to meet directly with key NSW Ministers and their staff to increase their understanding of the potential impacts of regulatory and legislative changes and the needs of the industry. Disappointingly, this did not materialise. We are hopeful that the situation will improve in 2019 and lines of communication between Government and the industry can become more effective and transparent.

NSW Upper House Inquiry

The Report from NSW Upper House Inquiry into *“Matters relating to the waste disposal industry in New South Wales, with particular reference to ‘energy from waste’ technology”* was released in March. The Inquiry opposed approval of the \$700 million Next Generation waste-to-energy project proposed by Dial-A-Dump Industries at a site at Eastern Creek. However, less than half the Report deals with EfW and it goes on to make thirty-six recommendations regarding the operation and regulation of the industry. These include reform of the EPA, better enforcement of regulations, re-thinking the operation of the Waste Levy and reforming the planning of waste management infrastructure in NSW. Disappointingly, the Government’s response indicates outright support for only nine of the thirty-six recommendations.

Our Relationships

WMAA

Waste Management Association of Australia

WMAA and WCRA have historically enjoyed a productive working relationship. The joint meetings with WMAA C&D group highlight the significant positive industry benefits of this relationship. WCRA is committed to pursue the continuation of a constructive liaison in such challenging times for our industry.

NWRIC

National Waste & Recycling Industry Council

The new national waste industry association NWRIC (National Waste & Recycling Industry Council) commenced meeting in November 2017. Membership of the Council is restricted to companies with national operations. Foundation Council members are: Cleanaway, Suez, Veolia, JJ Richards, ToxFree (acquired by Cleanaway in April 2018), Remondis, Resourceco, Sims, Solo and Alex Fraser Group (acquired by Hanson Australia in February 2018).

State Associations represented at Council meetings as observers are: WRIQ, WRINT, WRIWA, WRISA, VWMA and WCRA.

Council meetings are held approximately every three months with venues alternating to different state capitals. WCRA NSW & ACT has been represented by Harry Wilson and Lee Smith.

Executive Officers meetings are held each month – either by teleconference or face-to-face meetings where Tony Khoury provides a short update on relevant NSW and ACT matters.



*WCRA President Harry Wilson with NWRIC CEO Max Spedding and
WCRA Executive Director Tony Khoury at the 2017 WCRA Annual Dinner*

AORA

Australian Organics Recycling Association

WCRA collaborates with AORA on matters of joint interest. Interestingly, AORA has focused recently on the need for an improved relationship with the EPA.

The NSW EPA's sudden announcement that the processed outputs from mixed waste organic material is no longer able to be used on agricultural land and its use on forestry and mining land will also cease until further notice has enormous implications for the future of AWTs and resource recovery generally. WCRA, WMAA, NWRIC & AORA are working together to present a united face for the resource recovery industry in favour of a more transparent and predictable regulatory environment.

VWMA

Victorian Waste Management Association

WCRA and VMWA have continued to enjoy a close relationship and have worked together on a number of matters. The impacts of the National Sword Policy announcement on the viability of Local Government collection contracts has been a shared interest of particular concern in 2018.

The close relationship was highlighted when members of both associations attended a joint dinner at Darling Harbour sponsored by TWU Super during the AWRE 2018 event in August. Guest speakers representing both Associations delivered interesting presentations to those attending the dinner.

WRIQ

Waste Recycling Industry Queensland

WCRA and WRIQ maintain a good working relationship particularly in the context of their representation on the National Waste & Recycling Industry Council.

ALOA

Australian Landfill Owners Association

WCRA enjoys a good working relationship with ALOA and the two associations collaborate on matters of joint interest from time to time.

ACOR

Australian Council of Recycling

ACOR is a peak national industry association representing some 70 businesses in the recycling and resource recovery industry of Australia. WCRA has worked closely with ACOR on a number of issues in 2018, notably on the National Sword Taskforce.

WCRA is supportive of many of ACOR's innovative plans and has been invited to be on the NSW steering committee of Project Yellow – a joint initiative with partners and supporters from governments, industry, and environmental groups – to use education to reduce contamination and costs in kerbside recycling.

Boomerang Alliance

Boomerang Alliance (BA) is Australia's largest alliance of environment and government organisations focused on packaging plastics and waste. WCRA collaborates with BA on a number of issues of common interest and representatives of Boomerang Alliance attend and present at WCRA events from time to time.

WCRA has worked closely with Boomerang Alliance issues related to the Container Deposit Scheme.

Other Organisations

WCRA collaborates and cooperates from time to time with a large number of organisations whose interests coincide with its own. In the past year these have included:

- **Civil Contractors Federation**
- **Asbestos Diseases Foundation**
- **Clean Up Australia**
- **Keep NSW Beautiful**
- **Australian Packaging Covenant Organisation**
- **Society of Plastics Engineers**

AWRE

Australian Waste & Recycling Expo

WCRA & AWRE enjoy mutual support and promotion via an ongoing agreement.

- **Tony Khoury presented at Total Facilities 2018 on commercial waste matters.**
- **AWRE 2018 was held at Darling Harbour 29th & 30th August.**
- **Tony Khoury chaired a panel discussing “The future of recycling in Australia”**

AWRE 2019 will be held in Darling Harbour in August 2019.

The Issues We Address

NSW Container Deposit System

The NSW Government Container Deposit System commenced operating on 1st December 2017.

- The scheme is intended to address beverage containers for away-from-home consumption.
- The CDS targets most beverage containers from 150ml to 3litres excluding wine & spirit bottles.
- The CDS (known as Return and Earn) is based on a network of collection points established by the Network Operator Tomra-Cleanaway.
- Collection points include reverse vending machines, selected shops, automated processing sites and recycling centres.
- A Scheme Coordinator (Exchange for Change) is responsible for financial management, ensuring that the Scheme meets its state-wide access and recovery targets and community education.

WCRA and other industry associations and operators have persuaded the EPA and NSW Government to allow an estimation methodology using regular audits to be the basis for MRFs to claim deposits for containers recovered and recycled through kerbside collections. For the most part, Local councils have not yet been prepared to agree on the split of deposits reclaimed between the processor of the material and the Council whose kerbside recycling is being processed.

A protocol for calculating the Container Deposits claimable from crushed glass (mostly from on-site bottle crushing devices) has also been agreed.

The Container Deposit Scheme has been characterised by the lack of detail available to explain how its unintended consequences are to be resolved. Various interested parties have managed to attract the attention of the media seeking to publish or broadcast a sensational account of mismanagement and perverse outcomes.

- Purchase prices for beverages rose across NSW in December 2017 – even in those regions without access to any convenient means of deposit redemption.
- Reverse Vending Machines operate much more slowly than consumers had anticipated – resulting in lengthy queues in some installations.
- Consumers typically bring containers to RVM sites in boxes and bags and sometimes mixed with other containers which are not included in the Scheme – RVM sites from time to time have become unsightly locations of piles of discarded boxes bags and non-CDS bottles.
- Containers recovered as litter from locations such as parks and creeks are usually in less than pristine condition - and are not accepted by RVMs in a Scheme promoted as solely a litter reduction initiative.
- Kerbside recycling bins are raided for their CDS contents in some areas.
- Although the Government continues to insist that deposit revenue from Council recycling collections must be shared with the Council, it has refused to make any comment on the sharing of deposit revenue from commercial recycling collections (between the waste generator, the collection contractor and the processing facility). As reported earlier in this report, in September 2018 WCRA developed and circulated a Heads of Agreement addressing all issues that need to be agreed. If the parties don't agree by 30th November, there will no transfer of funds.

In the meantime, the ACT CDS commenced operation in July 2018 and Queensland has committed to start its own scheme “Containers for Change” commencing 1st November 2018 with more than 230 refund sites.

Australian Standard for MGBs

Following WCRA's success in persuading Standards Australia to reinstate the Australian Standard for MGBs AS 4123.7, the Association is pursuing the development of an Australian Standard for mobile bin lifters.

A request was lodged with Standards Australia in September 2017 and a response asking for more detail received. WCRA Members, Bucher, Superior Pak, Viscount and Mastec have been asked to participate, whilst WCRA is seeking letters of support from NWRIC Affiliates.

Glass Recycling Forum

As detailed in the 2017 Annual Report:

- *On behalf of WCRA, Lee Smith (Mobius Environmental) presented to a February 2016 Breakfast Briefing on "Issues in NSW Glass Recycling". These issues include:*
 - *Reduced demand for recovered glass in past two years*
 - *Alternative uses for glass becoming less cost-effective*
 - *Globally depressed commodity values*
 - *Stockpile Limits likely to reduce viability of glass recovery operations*
- *Anne Prince (APC) was appointed in September 2016 to report on the issues in more detail and to develop a draft strategy to suggest potential resolutions the crisis.*
- *The APC NSW Glass Recovery Strategy was presented by Anne Prince at a meeting of the Glass Recovery Forum (which became known as the EPA Glass Industry Working Group) in April 2017.*
- *NSW EPA funded a financial analysis of glass recycling issues and options undertaken by Centre for International Economics in September 2017*

Since last year, the issue of the failed glass recycling market has not retained the attention of the EPA.

Meetings scheduled to discuss the next steps following the CIE analysis failed to eventuate.

EPA appointed MELD Studios in early 2018 to undertake a customer experience survey on the use of recycled glass. Industry attendees at an initial presentation by MELD of the findings agreed that it was difficult to understand what if any new information had been uncovered by the survey.

In June, NSW EPA responded to requests for an update on progress of the Glass Recovery revival project with a notification that progress has stalled as "the Project is tied up with the National Sword Project". This is a confusing concept since glass is not exported to any great extent and therefore not impacted in any way by the National Sword Policy.

Load Restraint Guide

for Bin Delivery Crane Trucks

Draft Load Restraint Guide compliance documents were circulated to Members for comment during the First Quarter 2018. An acknowledgment from RMS was received in April and the document was finalised printed and distributed in August 2018 (including a copy to WRIQ whose Members have encountered similar difficulties in Queensland).

Long Distance Transport of Waste

In spite of repeated reassurances from the NSW EPA and Government that the interstate transport of waste would only be a short-lived phenomenon - four years on from the introduction of the so-called Proximity Principle (which was supposed to prevent the road transport of waste more than 150km from the place of generation):

- More than 1 million tonnes of waste was transported from the Metropolitan Levy Area in 2018 to avoid payment of the Levy (equates to more than \$140 million in Waste Levy payments forgone by NSW).
- There have been probably more than a dozen serious heavy vehicle accidents involving interstate waste transport.
- Operators who supported the EPA, described as “the Law” have suffered commercially, while those who challenged that “Law” have prospered.
- Although its introduction is imminent (early 2019), there is still no Levy on waste disposed of in Queensland landfills – regardless of where it comes from.

On 2nd February 2018, key industry leaders along with representatives from NSW Police, EPA, SafeWork NSW and the Stay Safe Committee attended a forum convened by the Association to discuss the significant safety and environmental concerns associated with the long-distance transport of waste from NSW to low-cost south east Queensland landfills. The Forum was facilitated by Dr Tony Wilkins and concluded with a number of resolutions including a commitment to ask the EPA to take charge of the issue by convening a second forum by March 2018. No formal response to WCRA’s request was ever received from the EPA.



*Chief Inspector Phil Brooks (NSW Police) & Paul Endycott (Zynergy)
with WCRA Executive Director Tony Houry at the
WCRA Long Distance Transport of Waste Forum in February 2018.*

Weight-based Charging

WCRA has continued to follow the trialling of weighing technology funded by NSW EPA.

Representatives of the National Measurement Institute presented on 10th October 2017 to WCRA Members on the current status of test and accreditation of on-board weighing technology.

- An NMI Fact Sheet summarising the matter was sent to Members in late 2017.
- NMI announced in December 2017 it was undertaking a campaign reviewing the waste industry including its regulators.
- In February 2018, NMI admitted the review of the waste industry was a far bigger and more complex task than had been anticipated.

Media

WCRA loosely monitors and reports to the Executive on both industry and general media articles of particular relevance to members and waste-related issues. In the 2017 Annual Report WCRA noted that on average approximately 5 media articles per month had been brought to the attention of the WCRA Executive.

In 2018, using the same criteria, approximately 18 media articles per month were brought to the attention of the Executive. This increase of more than 150% is probably an under-estimate of the intensified amount of media attention which the sector has attracted.

Certain issues have been raised again and again in 2018:

- The supposed unfairness of the Container Deposit Scheme.
- Interstate transport of waste.
- The western Sydney Energy from Waste proposal.
- China's ban on foreign recyclables.
- Waste vehicle fatalities.
- Household recycling on the brink of collapse.

Perhaps the most telling measure of the rise in media interest in the subject of waste is the production of a main stream television series entitled 'The War on Waste'. Now into its third season, many of the engaging topics have been covered already - and then discussed around every water cooler in NSW!

Food waste/Plastic waste/Coffee cups/Fast fashion/Plastic straws/Bottled water/Fast furniture/Electrical waste/China's ban on waste imports

In Conclusion...

Again we thank our generous Sponsors who assist us in providing services to our members and the industry:

