



## DRAFT RECYCLING AND WASTE REDUCTION BILL 2020

### STAKEHOLDER SUBMISSION

**Due 11:59pm - Tuesday 21 July 2020**

Name of organization	Waste Contractors & Recyclers Association of NSW ( <b>WCRA</b> )
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Expected interaction with the Recycling and Waste Reduction Bill 2020 (e.g. as an exporter of waste, as a participant in an existing voluntary or co-regulatory product stewardship arrangement, other – please specify)	<p>Waste management industry association representing 205 Members across NSW &amp; the ACT.</p> <p>Registered with the NSW Industrial Relations Commission since 7<sup>th</sup> May 1948.</p> <p>Registered under the Fair Work (Registered Organisations) Act 2009</p> <p>WCRA will represent the views of Members and lobby for better waste &amp; recycling outcomes.</p>
<p><i>Please forward your submissions by <b>11:59pm – Tuesday 21 July 2020</b> to <a href="mailto:legislative.design@awe.gov.au">legislative.design@awe.gov.au</a></i></p>	

### Stakeholder comments and feedback

1. Members have expressed concerns that Federal Government Officers will not have sufficient expertise to assess the level of contamination in a shipping container of recyclables. And how will the Officer access and view the material in the back half of the shipping container?
  - By way of example, in NSW when attempting to assess contamination in C&D recycling, the NSW EPA's guidelines state that the load has to be inspected and then a tip & spread procedure must be applied.
2. The Federal Government has made it clear that they have no intention of doing audits in the receiving country on the lawful use of recyclables. That being the case, it is highly likely that rogue exporters will be quick to take advantage of this 'loophole'.

3. There is a lack of clear definitions and specifications for recyclable material.
  - a) For example, should crushed glass be washed? Will the use of heat treatment processing be acceptable method of removing sugar contaminants?
  - b) Is the use of crushed glass as a landfill cover in the receiving country an acceptable reuse & recycling solution?
  - c) Will the Federal Government allow an exporter of recyclables to *'get away with whatever level of contamination they can get away with?'*
  - d) What is an acceptable level for contamination? Will it be plus/minus 0.5% or plus/minus 5% contamination? Will there be differing contaminant factors for different recycling products? In the best interests of fair competition, the Federal Government needs to publish this information.
  - e) If the objective is to ensure that exported materials are clean and waste free. How will this be managed and monitored on a container-by-container basis?
  - f) With the amount of funding and new projects for glass crushing, as well as the development of new beneficiation plants, the intent to deal with our glass here in Australia should not be undermined by rogue export options. If this is not suitably addressed, reputable investors will be reluctant to invest in the required infrastructure.
  
4. Will the Federal Government have sufficient regulatory resources to check the export of recyclables from all Australian ports? It is highly likely that rogue exporters will be quick to identify and use the weakest policed port.
  
5. Waste & recycling collection & processing contracts with local government are long term (7 to 10 year contracts are the norm). It is highly likely that these bans on the export of unprocessed recyclables will result in higher processing costs. It is of significant concern to the waste management industry that there's no provision in the legislation requiring local government to re-negotiate on existing contracts.
  - For many years recycling paid for itself and even generated profits, the poor commodities market in recent years including China's ban on the receipt of recycling materials has led to significant increased costs. The recent introduction of CDS has also had unintended consequences on recycling contracts. The processing of recyclable materials in Australia will also come at a higher cost (labour, WHS, environment, energy, land, insurance are all much higher costs in Australia compared with Asian recycling destinations).
  - In the absence of legislation requiring the parties to renegotiate existing contracts, there will be many contractual disputes and the likelihood of recycling failures (for example, what has been the cost of the Coolaroo recycling failures to Australian Governments & communities?)
  - Unless these regulatory changes are properly thought through, it is likely that there will be an increase in stockpiling of recyclables and/or lower resource recovery with more material going to landfill and/or costly contractual disputes.

6. The ban on the export of mixed paper/cardboard will result in a greater level of market control by the existing Australian paper/cardboard facilities. This is a serious competition issue. We need to maximize the export of compliant recyclables (as opposed to the COAG recommendations that we reduce our export of recyclables). The export bans will provide these existing Australian recycling & pulping facilities with an unfair advantage and the ACCC should investigate this matter before any decisions are made to ban the export of recyclable paper & cardboard.
7. There are no clear definitions & specifications for the exemption of paper/cardboard recyclables which should be exempt from the ban. For example, clean printers' offcuts (POC) or sorted office paper (SOP), magazines etc. are all clean, non-contaminated and or never been mixed with other waste materials or processed through a MRF, should be exempt. In our view, local recycling facilities that process these cleaner materials for export should be inspected by Federal Government officers. Inspection of this baled material can be easily assessed. This will ensure that rogue MRF operators are not mixing contaminated commercial and industrial waste materials with the export product. The processing of these white papers requires a hydro pulper with a de-inking process. There is minimal capacity demand for such materials in Australia due to the excessive costs associated with the process. Therefore, it is imperative that these materials which are arguably not waste, should be exempt from the export ban. These materials have historically attracted up to USD\$300 per tonne on the export market. Similar prices will not be achieved locally should these bans come into effect, which will subsequently lead to the demise of this part of the recycling sector.
8. One of the very important reasons for facilitating on-going glass exports, relates to the sale of Owens Illinois in Australia & New Zealand to Visy. The market power that Visy will now have as the largest supplier, beneficiator and glass manufacturer (allowed by the ACCC to become totally vertically integrated) in Australia will allow them to control the domestic pricing for cullet. It is therefore essential that glass recyclers producing clean cullet have access to overseas markets. Any failures on this front will potentially lead to the demise of recyclers, potential stockpiling issues or an increase in volumes of glass to landfill.
9. All three levels of Government need to commit to procurement policies that give preference to Australian manufactured products that include Australian recycled content. The legislation needs to address this issue (if not, then many Government contracts will continue to be awarded on price, without any commitment to recycling).
10. The Federal Government is making this legislation without any binding agreements with State Governments on the level of financial support that will be extended from the many millions of dollars of State Waste Levy collections.
11. The Federal Government is making this legislation without any binding agreements with State & Territory Governments on the timeframes that will be implemented for the planning, review and approval of the additional infrastructure required to support these bans on the export of unprocessed recyclables.

12. The Australian Government has invited state and territory governments to submit funding proposals for new paper and cardboard processing. These proposals need to be for economically viable projects that best address national pressures, utilise best-practice methodology, know-how and technology, achieve value for money and maximise industry financial contributions. The NSW Government is therefore seeking a suitable industry partner to co-develop a funding proposal to the Australian Government for new paper/cardboard processing capacity. Applications to the Commonwealth are due on 31 July 2020, with a decision on successful projects expected at the end of August 2020. This document was issued on 18 May 2020 with responses due by 14 June 2020. The potential investment could be in excess of \$100 million for a suitable regional facility in NSW to deal with a volume of in excess of 100,000 tonnes per annum for a paper mill or paper pulping facility. Members have expressed concerns that without a joint feasibility study for such projects, Government and industry could not be confident of the final scope and investment value by the end of August 2020. That is unless they are already aware of an existing project plan or plans that are already at that stage or that are far less complex.
13. A number of Members have expressed concerns about the lack of any economic modelling on the impacts of these laws and regulations on recycling products, markets and existing contracts. In the main recycling outputs are internationally traded commodities. In a world market where the supply of recyclables often exceeds the demand and/or recyclables can be sourced from a cheaper source, it is vital that Australian laws & regulations don't create an environment where our recyclables are 'over-priced'. It should be remembered by our Regulators that the reason unprocessed recyclable materials were exported, was to minimize cost. We should '*hit the pause button*' and undertake an economic assessment of these proposed changes.
14. Several Members have raised the issue of general plastic recycling, highlighting that the collection & processing of these materials will rapidly diminish, due to the strict specifications of what can be processed locally. For example, any clear LDPE film which is contaminated with coloured plastics or hard plastics will be landfilled. It should be noted that there is a high demand for clear LDPE in countries such as Vietnam & Malaysia.