

National Waste and Recycling Taskforce
Department of the Environment and Energy
GPO Box 787
CANBERRA ACT 2601

3rd December 2019

email: coagwasteexportban@environment.gov.au

Dear Kristin and Team,

The National Waste and Recycling Industry Council (NWRIC) is funded by the major national waste and recycling businesses operating in Australia. It's core purpose is to represent its members priorities to government and promote their contribution to the community, environment and the economy.

Founding members of the Council, Alex Fraser Group, Cleanaway, J. J. Richards and Sons, Solo Resource Recovery, Sims Metal Management, Suez, Remondis, ResourceCo and Veolia own and operate the majority of waste management and recycling facilities and trucks in Australia.

The Council works closely with its state and territory affiliates;

1. the Waste Recycling Industry Association of Queensland (WRIQ),
2. The Waste Contractors and Recyclers Association representing NSW & the ACT (WCRA),
3. the Victorian Waste Management Association (VWMA),
4. the Waste Recycling Industry Association of South Australia (WRISA),
5. the Waste Recycling Industry Association of WA (WRIWA), and the
6. the Waste Recycling Industry Association of the Northern Territory (WRINT).

The NWRIC and its affiliates collectively represent over 450 waste and recycling businesses.

The Council welcomes the opportunity to comment on the COAG *Banning exports of waste plastics, paper, glass and tyres discussion paper*. Please see attached submission in response to the discussion paper.

For further information please contact NWRIC Secretary Alex Serpo (secretariat@nwrlic.com.au or 0417 932 303) in the first instance.

Yours sincerely,



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**COUNCIL MEMBERSHIP INCLUDES
NINE FOUNDING MEMBERS**

Cleanaway | JJ Richards and Sons | Remondis
SUEZ | Veolia | Solo | Resource Recovery
Alex Fraser | Sims Metals and ResourceCo.

**IT ALSO COMPRISES STATE
AND TERRITORY AFFILIATES**

Waste Recycling Industry Queensland (WRIQ)
Waste Contractors and Recyclers Association
of NSW & ACT (WCRA) | Victorian Waste
Management Association (VWMA) | Waste
Recycling Industry of South Australia (WRISA)
Waste Recycling Industry of Western Australia
(WRIWA) and the Waste Recycling Industry
Northern Territory (WRINT)

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1. Tell us about your organisation

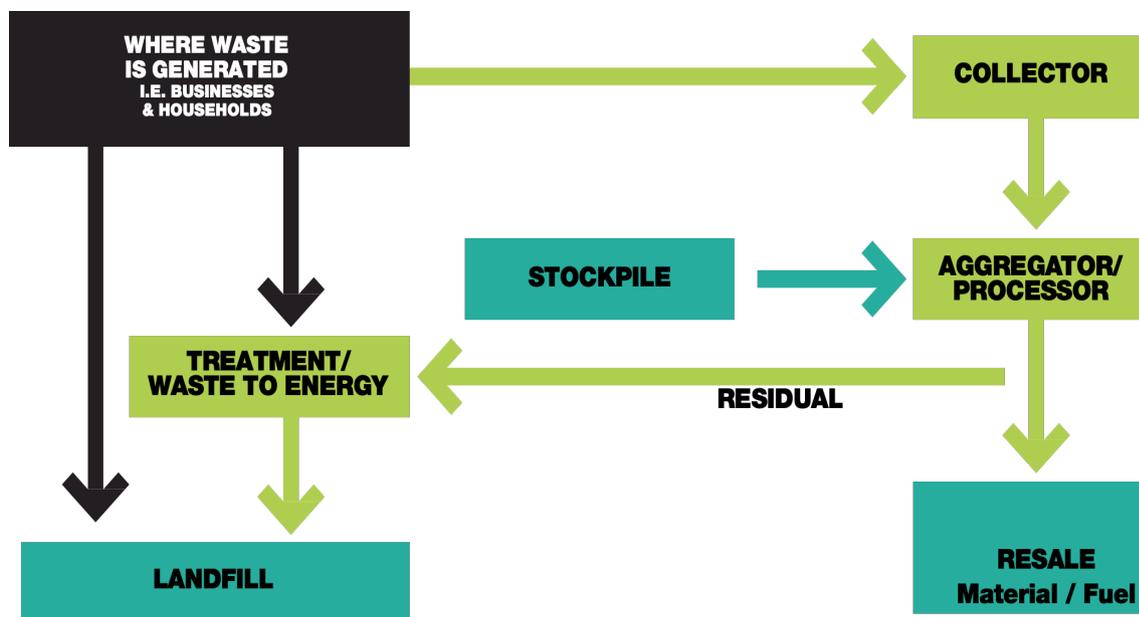
a. What does your organisation do? Which sector/material stream(s) are you involved in?

The National Waste Recycling Industry Council (NWRIC) is the national peak body representing waste and recycling businesses' priorities to government. The NWRIC members collect, handle, treat and process all waste material types collected from Municipal Solid Waste, Commercial and Industrial and Construction and Demolition streams, including those materials targeted by the export ban, paper, plastic, tyres and glass.

b. Which part(s) of the supply chain are you involved in (e.g. producer, processor, supplier, transport, exporter or local government)?

The NWRIC National members and Affiliate members are actively involved in many elements of the supply chain. From collecting and transporting materials from households and businesses to aggregating, sorting and processing them into specific material types which they then either bale, flake, shred or treat for supply to local or overseas reprocessors and manufacturers such as paper mills, plastic bottle manufacturers, glass beneficiation plants, cement kilns (fuel), clothing and a myriad of other reuse manufacturers.

The below diagram is a simple representation of the key parts of the supply chain in which our members operate collecting waste from households and businesses, transforming it into a resource for reuse or energy and ensuring the safe disposal and treatment of non-recyclable and hazardous waste.



c. Where is your organisation based and across which states/territories does it operate? What is the size of your operation? For peak organisations, please provide details about the members you represent. For businesses, please provide details about your approximate capacity (e.g. 25,000 tonnes each year).

The NWRIC has nine members that operate in at least three or more states and territories across Australia. In most cases our members operate in all states and Territories. Collectively they have more than 10,000 trucks, employee over 16,000 employees and process in excess of 10 million tonnes per year.

Facilities owned and operated by our national members range from material recycling facilities, liquid and hazardous waste treatment facilities, food and organic composting, alternate waste treatment plants, scrap metal facilities, con-

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struction and demolition facilities, processed fuel manufacture facilities, anaerobic digesters, cogeneration plants and landfills.

There is no doubt local re processing and value adding for internal and international use is the aspirational end game for NWRIC members. The journey for each is case by case and market by market some of which have not yet materialised.

Impact on your business/organisation:

a. What will the COAG export ban mean for your organisation/members and day-to-day business operations?

Glass

NWRIC members produce glass from material recovery facilities. The quality of the material processed and its downstream markets depends on the collection source i.e. kerbside recycling bins versus container deposit collection sites. Currently, the majority of glass sorted by members remains in Australia and is either being stockpiled as crushed glass (kerbside bins) or cullet (CDS collections) for further use in either construction or bottle manufacture.

The domestic market for cullet is limited and there is no market for CDS recovered glass in WA. Some members on the east coast of Australia are starting to export these processed materials offshore due to lack of local markets. With the introduction of the ban these businesses will need to ensure the glass is washed and colour sorted to standard if they are going to meet the proposed export ban requirements.

If State and Local Governments were to mandate the use of recovered glass for civil construction, including roads, there would be ample domestic market to absorb the recovered crushed glass from material recycling facilities. In the absence of these markets, unprocessed glass will continue to be stockpiled or go to landfill.

If more glass is disposed of to landfill this will have an impact on the life of landfills.

Plastic

NWRIC members produce bales of mixed plastics, PET and HDPE from material recycling facilities. Most of which has been exported for reprocessing. Changes to China and other SE Asian countries import specifications has slowed the movement of materials. While members have been upgrading facilities to meet changing export specifications, banning of single resin plastic bales will have a negative effect on their operations due to loss of revenue and increased costs to further sort and separate. However, there has been some progress in developing value adding options locally in some States as viable local outlets for the valuable resins.

There are limited local market opportunities for plastics in Australia. If no new local markets are developed much of the plastic collected will end up in landfill as there currently no waste to energy options. This will result in increased costs for local council and business customers.

A number of members currently export insulated copper and aluminium copper, a secondary metal commodity of significant financial value. This could get inadvertently caught up in the definition of plastics and prohibited from export. Insulated aluminium and copper cable is a well-established traded secondary metal export commodity.

Tyres

NWRIC members do not export whole tyres, including baled tyres. They process waste tyres into rubber crumb or shred them into tyre derived fuel (TDF). All crumbed rubber product is currently consumed domestically and TDF is sent offshore as an alternative to fossil fuels for consumption in high energy manufacturing environments like cement kilns or power generation plants.

Excess capacity already exists in Australia to process all tyres that are currently being baled and sent to poor human health and environmental outcomes in markets such as India, Pakistan, Malaysia and Bangladesh.

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Paper and Cardboard

Paper and cardboard are an important revenue stream for members which rely on export markets given the extreme oversupply situation Australia (i.e. very minimal demand for these materials in Australia).

There is no re-processing capacity in WA, the Northern Territory, Tasmania the ACT or South Australia for paper and cardboard. In other States, re-processing capacity is close to saturation.

Until sorting capability is upgraded banning mixed paper will in the short term see this material go to landfill or stockpiled. In fact banning may not be necessary as there may be no viable overseas markets for mixed paper in the long term. All volumes of mixed paper produced on the east coast has the ability to be used by a local processor. Additionally value added mixed paper will become a grade of Newsprint with an ongoing overseas market requirement shipped as a baled product.

In response to China sword a number of members have purchased equipment to upgrade their paper and cardboard sorting capacity to meet changing export specifications. Banning of baled paper and cardboard will have a negative effect on their operations and undermine their investments without local markets.

Overseas countries both with and without effective internal recycling systems require, indeed rely on the import of paper fibre including those earmarked for banning.

The paper remanufacture market in Australia is highly concentrated, at volume capacity (not mix) and for number of undeniable commercial constraints this is unlikely to change. Along the historical and extreme oversupply situation as a net importer, any ban on the current paper fibre products sold and exported will see these volumes either stockpiled or due to insurance costs, go to landfill. It will also force Australian recycling companies to use the few domestic remanufacturers. Given there are a limited number of players in the market it raises a number of competition issues. Concentration of supply to one or two players is a considerable risk.

Paper fibre is one of the world's oldest traded commodities. The industry has a myriad of grades all with national and international specifications.

b. If it results in a change to your business, what does that change look like?

Please refer to both the NWRIC's individual member submissions (Cleanaway, Remonids, ResourceCo, Suez, JJ Richards, Solo Resource Recovery, Sims Metals Management, Alex Fraser Group) and submissions from state and territory affiliates WRIWA, WRIQ, WRINT, WRISA, WCRA and VWMA for more details on specific business impacts.

With regard to banning whole baled tyres, Tyre Derived Fuel is a value-added product that can be directly exported to secure, environmentally sound, offshore markets for immediate consumption in high energy manufacturing environments such as cement kilns or power generation facilities. The only impact to Tyrecycle would be an increase in demand which can be accommodated due to current excess capacity (89,000 tonnes or 38%) that already exists within Tyrecycle facilities nationally.

c. Will these changes require your business to invest? If so what is the approximate dollar value of the investment? What would be the main focus of this investment (for example, new infrastructure or hiring new staff)? What is this investment expected to result in (for example, increased capacity from X to Y, new products being developed)?

Please refer to both the NWRIC's individual member submissions (Cleanaway, Remonids, ResourceCo, Suez, JJ Richards, Solo Resource Recovery, Sims Metals Management, Alex Fraser Group) and submissions from state and territory affiliates WRIWA, WRIQ, WRINT, WRISA, WCRA and VWMA for more details on specific business impacts.

Tyrecycle (a subsidiary of ResourceCo) has also advised they would invest in additional trucks and staff to cater for any

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increased feedstock that becomes available from the banning of whole tyre exports. Over time, as the need for increasing domestic crumb rubber production grows, Tyrecycle would need to invest in more crumbing capacity at a cost of approximately \$1 million per thousand tonnes of capacity required.

d. Are there any impediments to investment and how can these be overcome?

Please refer to both the NWRIC's individual member submissions (Cleanaway, Remonids, ResourceCo, Suez, JJ Richards, Solo Resource Recovery, Sims Metals Management, Alex Fraser Group) and submissions from state and territory affiliates WRIWA, WRIQ, WRINT, WRISA, WCRA and VWMA for more details on specific business impacts.

If state-based EPAs do not enforce tyre stockpiling regulations then operators that are currently baling will stockpile feedstock. This will not give confidence to the legitimate part of the tyre recycling industry and market and in turn will prevent investment.

e. Could these changes create jobs in your business? If so, approximately how many?

Please refer to both the NWRIC's individual member submissions (Cleanaway, Remonids, ResourceCo, Suez, JJ Richards, Solo Resource Recovery, Sims Metals Management, Alex Fraser Group) and submissions from state and territory affiliates WRIWA, WRIQ, WRINT, WRISA, WCRA and VWMA for more details on specific business impacts.

A report commissioned by ACOR suggests that if the crumbed rubber market in Australia doubled to 90,000tpa then there would be approximately 93 FTE jobs created.

f. What are the other challenges and/or opportunities for your business/industry as a result of the export ban?

The export bans are an opportunity to recover more resources for recycling that will create new jobs, contribute to decarbonising our economy, extending the life of landfills and generating new export revenue streams, especially when these resources are put to a higher order use. The bans may also help prevent pollution in other countries.

To ensure the bans achieve these positive outcomes it is vital that the bans are effectively enforced by the Commonwealth government, and local markets for glass, tyre derived products, plastics and paper are developed and grown, by ramping up procurement of recovered materials into packaging, products and civil construction.

If enforcement is strong and markets are created there is a real opportunity to grow the resource recovery industry in Australia. However, it should also be recognised that as a net importer of goods and packaging being able to meet current and future export market specifications will be also very important, as other affected countries like Europe and the US respond to market demands.

The proposed definitions and timetable for implementing the COAG export ban are at Figure 2.

a. Are there any additional waste plastic, paper, glass or tyre materials that should be included in the proposed timetable? Please detail why and in what circumstances.

The NWRIC has considers the following additional materials should be included in the waste export bans. They are, unprocessed used machine lubricating oils, whole unprocessed cars, whole unprocessed whitegoods and e-waste.

Used machine lubricating oils

Used machine lubricating oils can be recycled using vacuum distillation with a very high efficiency, more than 95% of the product can be recovered. Australia has sufficient capacity to process its existing stock of used machine lubricating oils.

When these oils are exported unprocessed, they can be burnt as a substandard fuel, causing local damage to the environment and human health. For this reason, the NWRIC believe used machine lubricating oils should be banned from export when unprocessed.

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Whole baled cars and whitegoods

Whole baled cars and whitegoods are currently being exported to harvest the valuable metals they contain. However, they can include up to 30-40% waste materials, including plastics, textiles and motor oil. These residual materials are of little economic value and are not recovered but are either burnt or dumped causing harm to human health and the environment.

In the case of whitegoods, refrigerators can contain potent greenhouse gases including HFCs and CFCs. In substandard processing facilities, these powerful pollutants may be released to the atmosphere.

E-waste

Following from the above, the illegal export of e-waste for reuse and or recycling continues to flow to low cost, non-compliant countries where outcomes are poor. This material flow depletes the volume and capacity available for the Australian recycling industry. Greater monitoring and ensuring exports comply with the Hazardous Waste Act and the Basel Convention is required.

As is broadening the scope of the National Television and Computer Recycling Scheme (NTCRS) to include all electronics and increasing enforcement of this scheme which has been severely compromised due to lack of federal government resourcing over the past three years.

b. Are there any waste plastic, paper, glass or tyre materials you consider should be excluded from the ban? Please detail why and in what circumstances.

The NWRIC considers the following materials should be excluded from the ban

Single resin plastic bales of PET or HDPE

baled paper and / or cardboard in its various forms (e.g. Old Newsprint, Old Clean Paper, Sorted Office Paper, Printer Offcuts, clean cardboard) the majority of which have been collected from businesses rather than kerbside collections.

In all cases these materials are being sorted to meet at least the Institute of Scrap Recycling Industries - Scrap Specification Circular specifications and are being exported to legitimate remanufacturers where they will use these materials as feedstock for manufacturing.

A number of members have already invested in equipment to improve the quality of baled paper and cardboard to meet overseas specifications.

Therefore, the NWRIC strongly recommends the Commonwealth re-consider its ban of single resin plastics PET and HDPE as well as baled paper and cardboard when sent to legitimate remanufacturers.

c. How ready is your business/industry/local government to meet the proposed start dates for banning the exports of different types of waste plastic, paper, glass and tyres?

The NWRIC recommends the following time frames.

Glass - July 2020, although there is limited demand for cullet, which means that a large amounts of crushed glass will be stockpiled or end up in landfills unless the uptake of crushed glass into roads or other civil construction is fast tracked.

Whole tyres - July 2020, the industry currently has the capacity to shred whole baled tyres currently being exported into a manufactured fuel for use in cement factories.

Mixed Plastics - July 2022, this will ensure sufficient time to purchase and install processing equipment to shred, pellet, flake plastic suitable for manufacturer

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Mixed Papers - July 2022 this will ensure sufficient time to purchase and install processing equipment to sort to clean streams of baled paper and cardboard that meets local and export specifications.

Industry and government actions:

a. What could industry do to help your business or sector to ensure the waste export bans are effective and adverse consequences are avoided? (Please be as specific as possible.)

Manufacturing businesses increase their use of recovered materials over virgin materials in their production processes.

Collaborate with other businesses within the supply chain to develop innovative ways to maintain the value of used materials in the collection and treatment phases to ensure quality.

b. What could government do to help your business or sector to ensure the waste export bans are effective and adverse consequences are avoided? (Please be as specific as possible.)

Require all packing placed on the markets to have minimum recycled content levels over time. Phase out the use of non recyclable materials in packaging and products.

Put in place a mandatory product stewardship scheme for packaging to ensure whole of industry participation, as well as create a level playing field, that will significantly scale up demand for recovered materials and remove problematic, unnecessary and non recyclable materials from the market. It is inequitable to place obligations on only one part of the supply chain i.e. the recyclers. All involved in the supply chain should have obligations placed on them to drive the reuse of materials.

The federal government must improve its enforcement of the current Hazardous Waste Act and implementation of the Basel Convention. Significantly more resources need to be invested in compliance to stop the illegal export of waste from Australia. This should be matched by state and local governments closing down illegal facilities within their jurisdictions who are doing these exports.

Include an export permit application process for materials covered by the ban similar to that under the Hazardous Waste Act. This will allow interested parties the opportunity to demonstrate that they have a legitimate export market which would not result in harm to human health and the environment. The applicant would need to be able to demonstrate the following;

1. Appropriate insurances;
2. Evidence of financial viability;
3. A written contract or chain of contracts, covering all movements, starting with the notifier and terminating at the disposal facility. The person specified in the contract is responsible for the management of the wastes including their return if necessary,
4. Detailed evidence that the waste will be managed in an environmentally sound manner, and
5. Not in breach of the provisions of the Basel Convention.

c. What actions can industry and governments (Commonwealth, state, territory and local) take to drive demand for the use of recycled materials?

Jointly, develop Australian plastic, paper, glass and tyre scrap specifications in collaboration with waste industry associations similar to the Institute of Scrap Recycling Industries - Scrap Specification Circular and the ACOR's specifications (currently only accessible to members).

Assist industry in developing and implementing a recycling facility accreditation program in line with these specifications to improve quality, performance and traceability of recovered materials.

Governments at all levels should preferentially procure products with recycled content (i.e. plastic, paper, glass, tyre) and

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increase the amount of recovered glass, tyres and plastics used in civil construction.

Develop crumb rubber asphalt specifications and require crumb rubber percentages in all mix designs while developing and enforcing procurement of same on major infrastructure projects.

Federal Government should fast track and lead the development of national guidelines suitable for construction of various forms of roads and pavements and that they be performance based so they suit the needs of all levels of government in their construction activities. Including, developing crumb rubber asphalt specifications and require crumb rubber percentages in all mix designs while developing and enforcing procurement of same on major infrastructure projects.

What do you consider is the largest barrier to improving waste management and recycling in Australia?

This is an extremely broad question and there is not one single barrier. The Environment Ministers have just signed off on the National Waste Policy Action Plan. This plan has a sound structure, based on circular economy principles which are focussed on waste avoidance and increased resource recovery. This plan needs to be implemented and its implementation monitored annually with the plan being adjusted when targets are not being achieved. Implementation of this policy must remain a high priority for all levels of government and collaboration is key.

In terms of improving recycling specifically, lack of priority to use recovered materials in the manufacture of products, packaging and civil construction over virgin materials. Without markets (local or overseas) and therefore a value placed on recovered materials there is insufficient value in the supply chain to invest in systems, technologies, processes and research that recover and reuse more of these materials.

To achieve this a fundamental and systemic shift in how Australia looks at waste is required i.e. that waste is not acceptable and that waste generators be it producers, brands, retailers and consumers need to play a major role in avoiding waste in the first place.

How you do make this shift through ongoing policy reforms, financial incentives and regulatory drivers.

The federal government through the Product Stewardship Act has the ability to do this by requiring producers, either individually or as a collective, to prevent waste throughout the life cycle of a product, through smarter design, material selection, product durability, repairability, recyclability.

Likewise the federal government working in collaboration with state and local governments can change consumer behaviour so that we generate less waste in the first place through community education and financial incentives.

Finally, better data collection and reporting to track the movement of materials through the economy including waste. Thanks to the digital revolution this can be done much more easily and cheaply than ever before.

Please provide any further information relevant to implementing the export bans.

The NWRIC would like to reiterate that it supports the intent of the ban, however it does not support the proposed timetable or definitions of value added materials as listed in the discussion paper.

Rather the NWRIC:

1. supports the banning of glass from July 2020,
2. calls for the banning of 'whole baled tyres' to be brought forward to July 2020,
3. calls for the banning of mixed plastics to be extended to July 2022 as a minimum to allow facility upgrades,
4. supports the banning of mixed paper from July 2022,
5. does not support the banning of baled single resin plastics or baled paper and cardboard at all, and
6. does not support the value added definitions for paper as pulp, or clean plastics sorted into a single resin type and processed for further use (e.g. flakes and pellets).