



Recycling Community Awareness Session

**Wednesday, 10 October 2018
Council Chambers**

Local Government Recycling Update

In July 2017, the People's Republic of China informed the World Trade Organisation that it would ban imports of scrap plastic, mixed paper, textiles, certain metal recycling residues and all unsorted waste by the end of 2017. This Program, called National Sword, is designed to protect the environment and improve public health and follows on from Operation Green Fence, launched in 2013.

On 1 January 2018, China banned the import of 24 waste grades of plastic scrap and recovered paper. Post-consumer plastic and mixed paper grades, which have contamination levels of greater than 0.5%, are banned from import into China.

This has impacted on the other South East Asian markets (Vietnam, Malaysia and Thailand) for these products as abundant supply has decreased the commodity price. The restrictions in China have impacted the recycling supply chain in the USA, Europe and Japan as well as Australia.

Market

Domestic commodity prices for OCC (Old Corrugated Cardboard) and ONP (Old News Print) have significantly reduced and mixed paper and plastic prices have collapsed due to oversupply and contamination. The markets that WA is currently selling into are at increased sovereign risk (risk of change of Government policy).

Major import problems have surfaced over the past few weeks in the principal markets in Southeast Asia including Thailand, Vietnam and Malaysia. The significant inflow of plastic scrap shipments to these countries, after the market shift from China, has far exceeded the permitted import volumes and the operation capacities of their main ports. On 24 June, an order was issued by the Department of Industrial Works (DIW) prohibiting imports of e-waste and plastic waste into Thailand, which became effective immediately.

In Kuala Lumpur, the Housing and Local Government Ministry has revoked the approved permits for the importation of the HS Code 3915 plastic waste (mixed plastic) for three months, of 114 companies and factories nationwide. This was announced 24 July 2018 with no warning. The Indonesian Government halted all plastic imports from 2 August 2018, with no warning.

The market uncertainty and changing dynamics has had an impact in WA. It has led to higher processing cost to quality sort at all Material Recovery Facilities (MRF). The MRF's have slowed down production, to allow those sorting the recycling more time to pull out contamination, such as flexible plastic.

This increases labour costs and reduces the amount of recycling that can be processed every hour. This is essential to ensure low contamination levels so there is still a market for the product. There are also additional costs associated with disposal of contamination and unrecyclable products. Disposal costs include the State Government's increased Landfill Levy charge.

Australian Packaging Covenant Organisation / Meeting of Environment Ministers

At the Meeting of Environment Ministers in April 2018, where there was a strong focus on packaging waste and the impact that China's National Sword initiative was having on recycling in Australia. One of the actions the Ministers agreed was to:

Reduce the amount of waste generated and make it easier for products to be recycled. Ministers endorsed a target of 100 percent of Australian packaging being recyclable, compostable or reusable by 2025 or earlier. Governments will work with the Australian Packaging Covenant Organisation (APCO), representing over 900 leading companies, to deliver this target. Ministers endorsed the development of targets for the use of recycled content in packaging, and this will be closely monitored.

Where To From Here

In the short term

There are immediate, medium and long term actions needed by a range of stakeholders to address this issue. In the short term:

- 1) This matter has been referred to the Municipal Waste Advisory Council to determine how WALGA can further assist Local Government – it was strongly suggested that WALGA, working with Local and State Government and MRF Operators, should coordinate a collective launch for the change of messaging.
- 2) MRF Operators will continue to update their resources
- 3) Waste Taskforce, workshop on support measures used in other states and priority materials, and communication
- 4) WALGA continue advocacy on changing packaging to be recyclable and clearly labelled, via the Australian Packaging Covenant Organisation
- 5) Local Governments, to discuss further with their MRF operators and update communication materials as soon as practicable
- 6) Local Governments put in Expression of Interest for WALGA Bin Tagging Program
- 7) MRF Operators and WALGA, keep Local Government up to date on market issues.

In the medium to longer term

- 1) Manufacturers need to take responsibility for their products throughout the whole life cycle and not just leave it to Local Government and industry to clean up the mess
- 2) State Government has a leadership role to play as it requires a long term view and investment in market and infrastructure development to create sustainable local manufacturing using recycled materials. Government also needs to embed sustainable procurement in its own departments.
- 3) Local Government need to educate the community and encourage correct separation of waste at the household.
- 4) MRF Operators continue to work with Local Government and other stakeholder to reduce contamination and ensure markets for materials collected.
- 5) The community need to play their part and put the right thing in the right bin.

Recycling News

6th of October 2018

Auckland Council is bailing out one of the world's largest private recycling companies to the tune of \$29 million after China stopped buying foreign waste. Councillors voted, behind closed doors, to increase the contracted fee to Visy from \$2 million a year to \$9.2m a year for potentially up to four years.

Mayor Phil Goff and council executives would not comment on the contract variation, leaving environment and community committee chairwoman Penny Hulse to front the issue.

She said the council was negotiating a higher fee to Visy, but would not comment on the numbers. She believed the Town Hall figures were an informed guess and not accurate.

Nick Baker, the New Zealand general manager of Visy, could not be reached for comment. Visy handles all of Auckland's kerbside recyclables - about 140,000 tonnes a year - at a large processing plant in Onehunga. Glass and metal products are recycled locally, but paper and plastics are sold offshore.

The Australian-based multinational is one of the largest privately-owned paper, packaging and recycling companies in the world with sales exceeding more than \$5 billion. The bailout follows a ban by China on waste recyclables, causing a collapse in prices, councils struggling to cope and, in some cases, huge stockpiles of unsold plastics and paper. Auckland does not hold any stockpiles.

26th of September 2018

Australia would divert 80 per cent of its waste from landfill by 2030 under an ambitious national target to be announced in the wake of the China crackdown on recycled waste imports.

A "working draft" of the 2018 National Waste Policy, obtained by Fairfax Media, also sets out a target to reduce the total waste generated by every Australian by 10 per cent by 2030.

The policy, which will be released by the end of the year, includes six national targets to tackle Australia's waste crisis and provide greater certainty for business over the next 12 years.

These also include phasing out unnecessary plastic and halving the amount of organic matter sent to landfill.

Meanwhile on Wednesday Federal Environment Minister Melissa Price will launch new national packaging targets, including 70 per cent of plastic packaging to be recycled or composted by 2025 and that all packaging will have 30 per cent average recycled content by 2025.

Ms Price will also launch the [Australasian Recycling Label](#), which provides easy to understand recycling information for each piece of packaging. This announcement is part of the overall ambitious plan to sort out our waste problem.

Australia's environment ministers agreed to update the 2009 national waste policy in April after the global heartburn caused by China's decision to restrict imports of foreign waste for reprocessing.

China has signalled it will no longer be the world's rubbish dump, banning 24 types of waste - including some plastics and paper - and setting a tougher standard for contamination levels as of January 1, 2018.

"Changing international markets have ... helped to focus attention on Australia's domestic management of waste and the capacity of our manufacturing sector to utilise recycled materials," the draft says.

As you can see by the latest news, the issue isn't going to be solved in the short term. Australia is only predicting to use 70% of its own recycling by 2025.

Dowerin Recycling Shed

Dowerin recycling shed was established at a cost of \$15,032, this doesn't include the associated infrastructure costs of the land. The recycling project was initially set up as a community project and was provided for the community to operate.

With the lack of community participation, the shire has provided works staff to operate the premises. The primary concern to council is the lack of community input and the increasing costs to council to operate.

Combine the overall costs associated and the lack of overseas markets makes it hard for council to continue with the service. The cost breakdown is approximating

Costs associated;

1 x Staff (sorting recycling and bailing cardboard, milk bottles ect) @ 5 hours per week including overheads = \$200 (this was insufficient to complete all tasks)

$\$200 \times 48 \text{ weeks per year} = \mathbf{\$9,600 \text{ per year}}$

3 x Staff @ 2 hours (2 truck drivers 1 loader operator) + overheads and machinery hire every 8 weeks load recycling to go to Perth.

$\$400 \times 6 \text{ (every 8 weeks)} = \mathbf{\$2,400 \text{ per year}}$

Trucks to Perth every 8 weeks @ \$700 per round trip x 2 trucks = \$1,400 per trip.

$\$1400 \text{ per trip to Perth (2 trucks) every 8 weeks} = \mathbf{\$8,400 \text{ per year}}$

Extra costs include staff collecting recycling from some businesses and transporting materials to the recycling shed. Staff taking bottles and other contaminated recycling to the tip most months. Workcamp have provided many hours of support for this project.

Total cost of recycling shed per year is approximately **\$20,000 plus**

Total return for recycling 17/18 is approximately \$4,500 (including steel retrieved from the tip) and prices are continually falling with unstable markets.

Operating Options

- 1) Shire would continue with Avon Waste to pick up domestic recycling bins.
- 2) Shire can provide skip bins for rural residents for recycling.
- 3) Businesses could hire their own skip bins and pay for recycling to be removed.
- 4) Shire could provide bins at the recycling shed for Avon Waste to service.

Avon Waste pricing

- Travel charge for truck \$350.00 per run (if needed before normal schedule)

Prices below are for per bin and prices include rental of bin, handling of bin, removal of recycling, based on a monthly cycle.

- 4.5m3 Comingle Bin \$88.00 per bin
- 6.0m3 Carboard Cage \$44.00 per cage (pic attached)

Avon Waste can organise this service as once per month or at call when you believe a run to be necessary. With a travel charge, the preferred option would be extra bins rather than extra runs out to service but this depends on needs and space available to place the bins.

Avon Waste would be happy to contact businesses in town to discuss the cardboard cages as the more that they can get placed around town the better the price they can offer.



6 x Comingle bins @ \$88 per month = \$528

6 x Cardboard bin @ \$44 per month = \$264

12 months x \$792 = \$9,504