



# Better Practice Reuse Shops Background Paper

May 2016

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through the Waste Avoidance and Resource Recovery Account

## 1.0 Introduction

WALGA has received funding from the Waste Authority, through the Waste Avoidance and Resource Recovery Account, to undertake research to assist Local Governments in diverting reusable materials from landfill.

This project involves a review of current reuse shops practices and developing *Better Practice Guidelines: Reuse Shops*. This Background Paper outlines the research that has been conducted to inform the development of the Guidelines.

## 2.0 Method

Desktop research was conducted as a means of clearly identifying the range of reuse shop operations currently undertaken by Local Governments in Western Australia. Information was also sought from Local Governments directly. In February 2016 WALGA sent an online survey (Appendix A) to Local Governments asking them to identify their current resource recovery practices at waste collection sites.

The aim of the research was to establish if Local Governments managing waste collection sites are currently diverting reusable items from landfill by making them available to the public, second-hand dealers or industry. If Local Governments are diverting reusable materials, details of their practices and their success were requested to guide the development of the recommendations.

## 3.0 Survey results

### 3.1 Waste collection sites & reuse shops

32 Local Governments that currently manage waste collection facilities responded to the survey, 23 responses from non-metropolitan Local Governments and 9 responses from metropolitan Local Governments.

Each Local Government manages one or more waste collection facilities, including landfills, transfer stations and waste collection drop off days. As shown in Table 1, 24 of the 32 Local Governments run landfills (75%), and the majority of these are in the non-metropolitan area. 18 Local Governments run transfer stations (56.3%) while only 5 Local Governments provide community waste collection drop off days (15.6%).

Location	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Landfill	4	20	24
Transfer stations	6	12	18
Drop off days	1	4	5

Table 1: Waste collection locations run by Local Governments

Local Governments were asked if a reuse shop or space is operated on their waste collection site and if they sell or give away reusable items. Of the 32 Local Government, 20 respondents operate a reuse shop of some kind and 10 respondents do not operate any reuse shop. 1 Local Government has a reuse shop under construction and 1 Local Government provides an informal scavenging area where community can come and take items for free.

Table 2 presents the range of reuse practices at Local Government. Of the 20 Local Governments that run a reuse shop, 16 sell reusable items and 6 give reusable items away.

Reuse practices	Metropolitan LGs	Non-metropolitan LGs	Total LGs
Yes- we sell reusable items	4	12	16 (50%)
Yes – we give away reusable items	1	5	6 (18.75%)
No	3	7	10 (31.25%)

Table 2: Reuse shop practices

We asked Local Governments if they operated their reuse shops or if they were managed externally. Of the 22 Local Governments currently or planning to provide a reuse shop or space, 12 manage these sites internally (54%). 5 Local Governments outsource the management of their reuse shop to private contractors and 2 Local Governments have sites that are run by charities. Other Local Governments do not staff their reuse shop space, providing an area where reusable items are laid out for the community.

Local Governments use multiple methods to advertise their reuse shops to their communities. Of the 22 Local Governments currently or planning to provide a reuse shop or space, 9 advertised on the Local Government’s website, 4 published in Local Government communications and 18 relied on word of mouth. Tables 3 and 4 present the variety of sources Local Governments use to promote their reuse shop.

Promotion method	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Local Government website	5	4	9 (41%)
Local Government publications	3	1	4 (18%)
Local word of mouth	5	13	18 (82%)

Table 3: Reuse shop promotion

Reuse shop promotion: other comments from survey respondents
Community Notifications and the Attendants at the weighbridge will usually send public back to the tip shop, if they identify anything that could be sold/ re-homed
Facebook
Local paper and signage
Media
No advertisement conducted
Not installed yet but will be social media and on site.

Table 4: Reuse shop promotion: other comments

### 3.2 Site Accessibility

Local Governments were asked to identify when their sites were open for the community to drop off waste items and buy reusable items. There is significant variation between Local Governments with a general pattern of more days available each week for the community to deliver items to the site and fewer days to buys items.

Tables 5 and 6 present the opening times Local Governments provide for their communities to drop off unwanted items. Of the 32 survey responses, 13 Local Governments facilities are open every day.

Frequency	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Everyday	3	10	13 (40%)
Monday – Friday	1	2	3 (9%)
Saturday	0	3	3 (9%)
Sunday	1	2	3 (9%)

Table 5: Site accessibility for delivery

Site Accessibility for Delivery: other comments from survey respondents
Closed Christmas Day and Good Friday
Drop'n'Shop open Thurs to Sunday.
Every day except Wednesday
Friday to Monday (Inclusive - 8am to 5pm)
Friday, Saturday, Sunday, Monday & Tuesday
Monday - Saturday
At the Op shop Thursday – Saturday
At the tip shop Sundays only
At the landfill itself – Wednesday, Friday, Sunday
Selected dates in our recycle guide
Sunday and Monday
Thursday Friday Sat Sun
Thursday morning

Table 6: Site accessibility for delivery: other comments

Of the 22 Local Governments currently or planning to offer a reuse shop or space, 7 (32%) are open every day for communities to buy reusable items. The remaining 15 Local Governments open their reuse shop for communities to buy items on a variety of days. Table 7 presents the different responses.

Site Accessibility for Buying Reusable Items: Other comments from survey respondents
Drop'n'Shop open Thurs to Sunday. Items scavenged from the landfill 7 days per week
Friday, Saturday, Sunday and public holiday's
Currently every day but we are looking to have 1-2 days a week with the shop closed so that better sorting can occur.
Friday, Saturday, Sunday, Monday & Tuesday
At the Op shop Thursday – Saturday
At the tip shop Sundays only
At the landfill every day– Wednesday, Friday, Sunday
Wed, Thurs., Fri, Sat, Sun
Friday, Saturday, Sunday, Monday, Wednesday

Table 7: Site accessibility for buying reusable items: other comments

### 3.3 Selling reusable items

Local Governments selling reusable items were asked to describe how they priced items for sale. Based on the survey responses, Local Governments are most likely to leave the pricing of items to the discretion of the operator. Tables 8 and 9 present the range of methods Local Governments running reuse shop use to price items for sale.

Pricing methods	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Fixed price displayed for general items	0	0	0 (0%)
Fixed price displayed for each item	1	0	1 (4.5%)
Up to operator on the day	2	7	9 (41%)
Items given away	1	3	4 (18%)

Table 8: Pricing items for sale

Pricing Items for Sale: Other comments
Generally fixed price, however the operator has some authority to vary prices dependent on how long the item has been in the shop. Also items are so unusual that the operator will need to determine a price at the point of sale
Operators have a guideline sheet of pricing. Any unknowns are referred to the landfill coordinator for pricing.
On site Supervisor prices items
Make an offer
Some have a price depends on condition
Op Shop and Tip Shop prices marked but will allow barter.
Gold coin donation

Table 9: Pricing items for sale: other comments

Local Governments selling reusable items use multiple methods to record sales. Tables 10 and 11 present the range of methods Local Governments use to record sales of reusable items.

Inventory records	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Hard copy list	1	6	7 (31.8%)
Digital record	0	2	2 (9.1%)
Don't record	2	7	9 (41%)

Table 10: Recording sales

Recording sales: Other comments
Due to the scavenging rights awarded to the operator, it's impossible to record the products being recycled
New system needs to be established
No record of Inventory, digital record of sales
Receipt book only
Sales are recorded through the cash register with monthly summary.
Sales are recorded, inventory is not recorded
the contractor keeps their own records (not Shire business)

Table 11: Recording sales: other comments

Some Local Governments were able to provide an approximate annual profit for sales at their reuse shop. The range of profits from sales varied significantly between Local Governments, with some not earning any revenue, others earning a few thousand dollars and one large landfill earning roughly \$200,000 in revenue from their reuse shop.

### 3.4 Selling electronic waste

Local Governments were asked if they recover electronic waste and sell it through the reuse shops. As shown in Table 12, of the 20 Local Governments currently running a dedicated reuse shop, half are selling electronic waste. Of these 10 Local Governments, only half again are testing and tagging electronic waste before selling (Table 13).

Sell electronics	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Yes	5	5	10 (31.25%)
No	0	10	10 (31.25%)
N/A	4	8	12 (37.5)

Table 12: Selling electronic waste

Test/tag before sell electronics	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Yes	2	3	5 (50%)
No	2	3	5 (50%)

Table 13: testing and tagging electronic waste

### 3.5 Infrastructure Needed

Local Governments surveyed identified a variety of infrastructure needed to set up or improve reuse shops at waste collection facilities. The main infrastructure identified is presented in Table 14 and other infrastructure identified as needed is presented in Table 15.

Infrastructure	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Signage	6	17	23 (71.8%)
Shelving	3	20	23 (71.8%)
Shed/ separate area to store items	3	16	19 (59.4%)
Test and tag equipment	3	9	12 (37.5%)

Table 14: Infrastructure needed for reuse shops.

Infrastructure needed for reuse shops: other comments from survey respondents
A new premises as current Operation Centre is not suitable
concrete floor
degassing equipment – fridges
Fencing to segregate the recycle shop from the recycling area, signage to better identify locations of various types of recycle items.
Find out what the critical mass is to make a reuse shop worthwhile.
Guidance notes and best practice to help us establish procedures for an unmanned facility. We have test and tag equipment and two staff currently trained.
More community awareness, promotion
Outside Awning and CCTV - The sun in Geraldton is severe and takes a toll on residents walking through the area. At night time the premises are vulnerable to anti-social behaviour and crime.
Resources to man the shop

Table 15: Infrastructure needed for reuse shops: other comments

A majority of Local Governments indicated they were interested in attending training to test and tag electronic equipment for sale (Table 16).

Interested in test/tag training	Metropolitan LGs	Non-metropolitan LGs	Total Local Governments
Yes	5	12	17 (53%)
No	4	10	14 (43.7%)
No response	0	1	1 (3%)

Table 16: Interest in electrical test and tag training

#### 4.0 Case study: City of Cockburn recycle shop

The Cockburn Recycle Shop is part of the Henderson Waste Recovery Park in the City of Cockburn. The Recycle Shop aims to divert reusable items away from landfill and to provide an inexpensive source of household items and materials for the community, especially those facing financial hardship. While the Recycle Shop does generate an income stream for the City, profit is not the foremost consideration in providing this service.

The Recycle Shop receives reusable items from both staff salvage from, and community visitors to, the onsite transfer station. The weighbridge operator directs patrons to the shops' receiving area if the load appears to contain suitable items.

The Recycle Shop is owned and operated by City of Cockburn, rather than contracted out. This is to ensure operational practices are in line with the City's standards and inappropriate items are not sold. Inappropriate items include products that do not meet Australian Safety Standards or are clearly not fit for purpose.



Pictures: City of Cockburn

A charge applies for disposal of all items to the Henderson Waste Recovery Park, including items delivered to the Recycle Shop. All items that enter the Recovery Park are treated as waste and so are charged for entry. This policy is to deter attempts to deliver items to the Recycle Shop that are unsuitable for reuse in an attempt to avoid the gate entry fee. Payment for the waste ensures the Recycle Shop operators have control at all times as to what will or will not be sold in the shop. City of Cockburn residents receive a trailer pass with six vouchers each year and these can be used to deliver items to the Recycle Shop. Alternatively, visitors can pay the standard entry fee.

The Recycle Shop itself is a large shed (approximately 40m x 12m) and outdoor area, with an undercover section for receiving goods. The site has good security with an electric fence and security system. The Shop includes a sea container for storage of surplus stock and seasonal items. Keeping items out of view during off-seasons gives the Recycle Shop the opportunity to introduce them when they're sellable, such as storing fans during winter and



bringing them out in the summer. The Recycle Shop occasionally receives stock from closing businesses and excess volumes are stored and slowly shelved in the store as items sell.



Good stock presentation is a key aspect of the Recycle Shop. The shop uses shelves, racks and containers for items, with large items arranged in groups. There are clear walkways and designated areas for specific item categories. Small items are stocked near the cashier counter to deter theft. A charity clothing bin is also kept in the Shop to encourage diversion of textiles.

To maximise diversion of reusable material, the transfer station is open daily, as is the receival area at the Recycle Shop. However, the shop itself is only open Friday – Sunday and some public holidays. This strategy is used to attract turnover when customers are likely to visit rather than stretch the sales over seven days. The opening hours are structured to accommodate community visitors who usually visit on the weekends. Commercial visitors are more likely to drop material off at the site during the business week and have little interest in the Recycle Shop. The Recycle Shop is open on Fridays to ensure that local second hand dealers have an opportunity to buy items.

The decision to limit the number of days the Recycle Shop is open also reduces staffing costs. The Shop receival area is operated by 1 staff member daily to assess items, make repairs, and tidy the stock in the shop. Staff are also trained to test electronic equipment and tag these as suitable for sale. During the 3 days the Shop is open, 2 more staff members operate the shop itself, with 1 dedicated cashier and another assisting customers and tidying the shop. The shop does not provide a telephone number for customer enquiries.

The same staff are usually rostered at the Recycle Shop as they gain experience on what is a fair and achievable price for items. The Recycle Shop started with a price guide but with the huge variety of items it became less useful. The Shop now relies on staff experience. The number of staff who can determine item prices is limited to ensure pricing is more consistent.

Staff have ability to negotiate price with customers to ensure stock turnover. If stock doesn't sell the price is reduced. If items still can't sell then they are removed from the shop and recycled if possible. Many customers visit the Shop regularly and are deterred if they see the same items week after week.

The Recycle Shop obtained legal advice regarding liability and warranty of products for sale. The shop advertises with signage that items are sold "as is" and that the items have been

recovered from waste and may not be fit for purpose. If it is economically viable to do so, the staff will value add items, such as cleaning spark plugs and filters to revitalise a previously nonworking lawn mower. Staff do not make any claims that items are in good condition. Warranty claims have not been an issue previously, although on rare occasions low value items have been returned and exchanged to minimise fuss.

All items in the shop are priced with individual stickers or in containers with a marked price. The Shop is cash only and a cash register prints a receipt with a general category description (such as furniture) and the price. A record of the approximate weight of items sold is also recorded for Landfill Levy recovery purposes. Landfill diversion rates are also a positive way to engage the community.



The Shop also has a written policy for a 25% staff discount on marked prices. This is to provide staff with a good deal, but also makes it clear that all items received at the Recovery Park belong to the City of Cockburn. Staff cannot determine a price for an item for themselves, this decision is made by a supervisor. Staff purchase trends are also monitored to ensure that they aren't reselling the items as a side business.

The Cockburn Recycle Shop has a family friendly focus on shop items but does exclude baby and small child items, like cots. Without significant research, the Shop staff cannot be certain the items would meet Australian Safety Standards but the cost of the research time would likely be greater than the value of the item.

The Cockburn Recycle Shop provides a straightforward, practical reuse shop system and sets a high standard for Local Governments looking to start or improve their own reuse shops.

## 5.0 Case Study: Shire of Exmouth Trash or Treasure

Shire of Exmouth provides a Trash or Treasure picking area at the Qualing Scarp Landfill where reusable household items can be taken for free.

The Landfill is open Monday – Saturday and some public holidays. The Landfill staff inspect incoming loads and direct patrons to drop off reusable items to the picking area. The Trash or Treasure picking area is well established and many visitors will drop items off without direction from the landfill staff.



The staff will allow an item to stay in the picking area for 3-4 weeks. If it hasn't been taken by then it is disposed of at the main face.

In addition to the Trash or Treasure picking area the staff also ask customers with timber pallets that are in good condition to be deposited in the pallet area. Lots of customers come in wanting pallets and the landfill

staff use them to stack recyclables on such as Pb Acid batteries, electric motors, and baled aluminium. Any damaged pallets are disposed in the green waste area for burning.

Diverting reusable items to the picking area and overseeing the collection of pallets is a small part of the day to day operations at the landfill but provides a useful example of an effective, basic setup to encourage waste diversion and reuse.



The waste disposal fee structure at the landfill further reinforces waste diversion by encouraging source separation. Customers are charged more for 'mixed waste' than waste that has been appropriately separated and dropped off at the different designated areas. 'Mixed waste' loads include material that could have been separated for reuse and recycling.

If customers haven't separated their waste they pay the 'mixed waste' fee which is higher than the 'general waste' fee.

The outdoor layout of the picking area means that reusable materials are very susceptible to weather damage, particularly dust. The Shire plans to redevelop the recycling centre at the landfill in the coming months, including a lean-to veranda to hold the picking area and resolve the issue of weather damage.

## 6.0 Case study: Eaglehawk recycle shop

WALGA undertook a desktop review of reuse shop practices nationally. One example found was the Eaglehawk Recycle Shop in City of Greater Bendigo. Eaglehawk Recycle Shop is a social enterprise started by Future Employment Opportunities Inc in 1994. The Eaglehawk community was experiencing high unemployment and there was an increasing level of municipal waste going to landfill. The Recycle Shop was established to serve the dual purpose of recovering waste from landfill for reuse and recycling while creating permanent full-time work for long-term unemployed people.

The business case for the Recycle Shop included a feasibility study in 1993, which took place over 6 months and involved Revolve, another community recycler based in Canberra. A senior staff member at Revolve came to Eaglehawk for 5 days and worked with 5 job seekers to search and retrieve items as they were delivered to the Eaglehawk tip. Having a partnership with Revolve to undertake this study was critical to providing accurate assessment of what items were sellable and at what price.

Data collected over the study concluded there would be enough items of value recovered from the tip to pay the wages of 5 employers and this proposal was presented to the City of Greater Bendigo. The Eaglehawk Recycle Shop was provided a licence from the City to recover recyclable materials from the Eaglehawk tip face and an area of vacant land adjacent to the tip.

The Eaglehawk Recycle Shop was designed to be a self-sustaining enterprise, with all income generated through trade instead of grants and donations. The shop diverts all recyclable material from the landfill, including cardboard, metals, plastics, as well as reusable items like construction material, electrical equipment and household items. Recycled scrap materials are sold to commodities buyers, and products that can be re-used or up-cycled are sold to the community. In 2012 the Recycle Shop had an annual turnover of \$1.2 million with a profit of \$10,000 and 40 part time and full time staff. The Shop diverted approximately 13,000 tonnes of waste from landfill.

Although the scope of the Recycle Shop is much broader than the reuse shop concept proposed in the Better Practice Guidelines, the enterprise provides a detailed model of a successful recycling venture, which has been replicated 6 times in regional Victoria.

The Eaglehawk model includes a 10 step process to starting a recycling shop under the 4 overarching principles of governance, partnerships, supervision and ownership. The 10 steps in the Eaglehawk Recycle Shop model are:

### Establish Governance

1. Board of management support
2. Form a steering committee
3. Develop an Operation Plan

### Establish Key Partnerships

4. Build Partnerships
5. Seek funding

Establish Supervision

6. Recruit staff

Establish Ownership

7. Involve staff
8. Provide on the job training
9. Hold weekly team business meetings
10. Prepare reports

## Appendix A

### Reuse Shops Survey: Local Government Practices

WALGA is working on a Better Practice Guide for the development and operation of Reuse shops (tip shops), and seeking to establish what additional support Local Governments need in running these operations.

This short survey aims to gather information from Local Government on current reuse shop operations and practices. This includes reuse shops run at landfills, transfer stations and Local Government drop off days.

The survey should take about 5 minutes to complete and closes **COB Tuesday 1 March 2016**.

1. **Name:**
2. **Name of Local Government:**
3. **Does your Local Government run a landfill, transfer station or community drop off days?**
  - Landfill
  - Transfer station
  - Drop off days
4. **Do you run a reuse shop on site?**
  - Yes – we sell reusable items
  - Yes – we give away reusable items (to charities, to community, etc.)
  - No
  - Other (short answer)
5. **Do you run the reuse shop or outsource it?**
  - Local Government run
  - Private contractor
  - Charity group
  - Other (please specify)
6. **What infrastructure would you need to improve or set up a recycle shop?**
  - Signage
  - Shelving
  - Shed/ separate area to store items
  - Test and tag equipment
  - Other (please specify)
7. **Do you sell/ give away electronic items (e.g.: TVs, computers, appliances)**  
Y/N
8. **Do you tag and test electronic items before resale (e.g. TVs, computers, appliances)?**  
Y/N/Not applicable

**9. Would you be interested in attending electronics testing training?**

Y/N

**10. Which days can people deliver items to your site?**

- Everyday
- Monday - Friday
- Saturday
- Sunday
- Other

**11. Which days can people buy items from your site?**

- Everyday
- Monday - Friday
- Saturday
- Sunday
- Other

**12. How do you price items for sale?**

- Fixed price displayed for general items
- Fixed price displayed for each item
- Up to operator on the day
- Other (please specify)

**13. How do you record inventory and sales?**

- Hard copy list
- Digital record
- Don't record
- Other (please specify)

**14. What is your approximate annual profit (\$)?**

**15. How do you advertise your reuse shop?**

- Local Government website
- Local Government publications (e.g.: newsletters)
- Local word of mouth
- Other (please specify)

**16. Have you got any other comments on running a reuse shop? What additional support would assist your Local Government in setting one up?**