

Banning exports of waste plastic, paper, glass and tyres

November 2019



Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate.

This Submission therefore represents the consolidated view of 138 Western Australian Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

This Submission was endorsed by the Municipal Waste Advisory Council on 11 December 2019.

Introduction

The Western Australian Local Government Association (Association) welcomes the opportunity to comment on the Discussion Paper on Banning exports of waste plastic, paper, glass and tyres. The Association would also like to note that there is a considerable amount of activity at a National level currently. The National Waste Policy Action Plan was recently released, there are two Senate Inquiries as well as this Discussion Paper, currently out for comment. Local Government considers it imperative that any changes need to be progressed in a cohesive way to avoid fragmentation and duplication of effort. Clear leadership from the Federal Government, working with States and Territories and Local Government will be essential.

Waste Management is a significant activity for Local Government. Local Government provides for waste, recycling, Garden Organic (GO) and Food Organic Garden Organic (FOGO) kerbside collection, vergeside collections, operates landfills, processing facilities and transfer stations, provides community education and behaviour change programmes and recycling drop off facilities, undertakes litter and illegal dumping collections and administers enforcement. Local Government also provides some services to the commercial sector.

In developing or supporting policy, Local Government has three roles, as a representative of the community, service provider and regulator. Local Government must represent community values since these are the fundamental basis for undertaking new challenges and continuing past work. Local Government must also apply its service provider expertise when considering means by which to achieve community benefits. Local Government also undertakes regulation in a large range of areas.

In this Submission the likely impacts of the proposed bans are discussed in the context of Local Government collections of plastic, paper, glass and tyres. This Submission then outlines the necessary conditions for a successful implementation of the bans.

Current WA context

WALGA, through the Australian Local Government Association, has been providing feedback to the Department of Environment and Energy who worked with other jurisdictions to develop the National Waste Policy Action Plan. Through this process, WALGA repeatedly highlighted the challenge for Western Australia is the reliance on export for the majority of the recyclable materials listed and the lead time that would be required to develop alternative environmentally and economically sustainable markets.

The most recently [Waste Authority Recycling Activity Report](#) (summary provided in Table 1) provides a snapshot of the current situation, including the disproportionate impact on Local Government of banning the export of paper and cardboard. If current markets continue, there would be no impact on Local Government of banning the export of glass, as currently all of this material is used in Australia.

Material	Tonnage recycled	Percentage Exported	Percentage collected as MSW (by Local Government)
Cardboard and Paper Packaging, old newsprint and white office paper	231,200 tonnes	99.6%	75%
Tyres	18,100	85%	1.1%
Plastics	17,100	71.9%	53.2%
Glass	45,800	0%	99.3%

Table 1: Summary of information from 2017/18 Waste Authority Recycling Activity Report

The Association is gravely concerned that the timelines and approach taken for the export bans – for paper and cardboard, tyres and plastic are likely to result in either recycling not being possible and material being landfilled, or that the costs to recycle material within Australia would be so significant for Western Australia that it would undermine the viability of the current kerbside collection system.

Local Governments in Western Australia, are paying for recycling to be collected and processed, as there is not enough material value in the recyclate to underwrite the system. The soon to be implemented container deposit scheme is anticipated to have a positive economic (and environmental) impact on kerbside recycling, as although the amount of material collected will reduce, the value of what remains will increase substantially. However, this increase in value of products will not affect approximately 66% of the material in Kerbside, which is paper and cardboard. Consequently, Local Government would also need to consider changes to contractual arrangements.

Conditions for successful implementation of the Export Bans

The Association considers there are some key actions that are essential for the bans to be successfully progressed:

- Immediate action to determine destination of recyclable materials
- Clear definition of when a recyclable material becomes a product
- Effective product stewardship schemes in place
- Assessment of current and future infrastructure needs
- Investigation of economics of recycling, market development and contingency planning
- Development of incentives and funding Programs.

Immediate action to determine destination of recyclable materials

Recyclers in Western Australia are likely to continue to export recyclable materials, as there are still active markets in the Asia-Pacific region. To give greater certainty to the community, and Government, regarding the eventual destination of material collected in Western Australia it is requested that immediate action be taken to determine and track some of the material collected. This action was highlighted as part of the Waste Authority Draft Waste Data Strategy (Action 2.7). The Association would strongly support this action being undertaken, recognising that the collection and reporting of more detailed data applicable to downstream processing of any waste stream would be costly and complex, particularly once waste materials have left highly regulated jurisdictions. There are also opportunities nationally for the Federal Government to work with other nations to ensure that end market uses of material are appropriate. The Association recommends that the *Action 1.8 Explore opportunities to improve environmentally responsible trade in high value commodities in the Asia Pacific Region* be expedited by the Australia Government prior to 2022 (the date included in the Action Plan).

Clear definition of when a recyclable material becomes a product

Currently the material collected through kerbside recycling is sorted into different material streams, compacted and exported. No further processing is undertaken. However there is a strong argument that if the material is further processed, and there is a value add for the product, for example PET plastic bottles into a plastic flake, then it should be considered a new product (rather than a waste). Therefore there is support for the definition of plastic value added material in the discussion paper.

In considering the definitions, the added value for the product and the understanding of environmental impacts at the end destination is vital. For example, the Recycling Activity Report identifies that export of whole baled tyres is one of the ways that tyres are diverted from landfill. The Association understands it is likely these materials are used as a fuel in developing countries. If, as proposed, the ban was introduced on export of whole baled tyres, but shredded tyres are still exported to the same destination and for the same use, this would not represent a more positive environmental outcome or a value added product.

In relation to paper and cardboard, the proposed approach is for only pulp to be exported. This is likely to be highly problematic for Western Australia as there is not any facilities here which could process the material. The Amcor paper pulp plant closed prior to 2006/2007 ([Waste Authority Recycling Activity Report](#)). For Western Australia, a different definition is needed for the material exported – clean paper and cardboard should not be included in the ban – unless cost effective and environmentally sound options are available.

For Western Australia, markets in Asia are frequently more economically and environmentally efficient to trade with than other areas of Australia. The necessary condition for this to continue is that appropriate safeguards are in place to ensure the material is being used in an environmentally sound manner following export.

Effective product stewardship schemes in place

In numerous Submissions, the Association has raised concerns regarding the effectiveness of both the [Australian Packaging Covenant Organisation \(APCO\)](#) and [Tyre Stewardship Australia \(TSA\)](#). APCO will need significant regulatory backing to ensure that packaging is redesigned to be recyclable, reusable or compostable by 2025 or before. The Association suggested that bringing APCO under the *Product Stewardship Act 2011*, would be one way to assist in implementing the Ministers' requirements. TSA has been operating for over 5 years and in WA there has been no marked improvement in market conditions or increase in the resource recovery and recycling rate. Both of these organisations will need to be operating effectively to assist in supporting export bans for the material types they cover. Effective product stewardship schemes need to be ensure that the cost of recycling the product is included in the purchase price of the product, rather than being a cost at the end of the products life.

Assessment of current and future infrastructure needs

An assessment of current recycling generation and infrastructure capacity and investigation of future infrastructure needs will assist in informing investment decisions for both Government and industry. The information needed includes the current market capacity to process additional material and the potential types of infrastructure needed to address any shortfalls – on a State/Territory basis. In this assessment it is vital that the location of the infrastructure is considered as this will have an impact on whether the potential capacity can be utilised in an economically and environmentally sound manner. This assessment will also need to be cognisant of the implementation of Container Deposit Schemes in various jurisdictions which has the potential to impact the market for recyclables and potentially the destination for products, as there are requirements in some of the legislation to ensure materials are recycled.

Investigation of economics of recycling, market development and contingency planning

Both international (for processed recyclables) and national markets need to be considered. While there is a strong preference by Local Government for recycling to occur in Australia, this will not always be environmentally or economically preferable for all locations. The economics for different States and Territories need to be considered. For example, based on the infrastructure assessment there may be capacity for material from Western Australia to transport material to the Eastern States for processing

– however the cost impact of that on Western Australian recycling should be modelled. Currently export of paper for recycling generates a financial return, if this material had to be recycled in Australia, paper could go from being an income to being a financial loss (due to transport costs).

In developing markets, contingency planning should also be considered. There is a risk if Australia becomes reliant on one dominant market player for a particular type of material, that if the recycler experience difficulty (e.g. through natural disaster, financial troubles etc), a particular material type would then not be recyclable. In addition, in the absence of appropriate levels of competition or regulation, prices for recyclable products would be inefficiently set. For some material types, for example liquid paper board, there may only be enough material in Australia for one dedicated recycling facility. If this is the case, Government and industry will need to ensure that there are sufficient contingency plans in place.

Development of incentives and funding Programs

Funding programs from Government will be needed to incentivise investment in reprocessing and manufacturing infrastructure. In the WALGA Budget Submission more detail has been included on the approaches which could be used and the quantum of funding required.

There are a range of ways that incentives can be put in place to encourage the use of material/products derived from recycled material. Market pull for products made from recycled materials is a key element. For this market to be developed, sufficient testing regimes and leadership from Government is essential – for example the Roads to Reuse Program currently underway with Main Roads. WALGA's Sustainable Procurement approach rates different suppliers based on a range of specific sustainability criteria. Local Government has purchasing power which could be used to influence the use of recycled materials, however each Local Government currently undertakes their own assessments relating to material purchased.

Approaches which support a circular economy should be explored and encouraged. Platforms and systems that enable a network of waste providers and re-users to connect should be supported and implemented. Local and State Governments have a role to play in this, both in the production and re-use of their own waste as well as supporting local businesses and the commercial sector to deliver better outcomes on waste. By aligning Local and State Governments suppliers, there is an opportunity to leverage the spending power of both tiers of Government and support the sustainable procurement framework. In future this could facilitate State agencies and Local Governments only engaging with, or at least giving preference to, suppliers that meet minimum standards regarding reduction of waste and use of recyclable material/products.

Conclusion

Reliance on export of recyclables is an issue which is more acute in Western Australia, than other jurisdictions, and therefore to achieve equitable, environmentally sound and economically viable outcomes will require a greater degree of attention. Due to the materials included in the ban, Local Government kerbside collection services are of particular concern – especially ensuring that these services continue to be economically viable. Therefore it essential that effective product stewardship is in place for all the materials covered by the ban.