



THE WASTE AND RECYCLING INDUSTRY
ASSOCIATION OF WESTERN AUSTRALIA

Annual Report
2022

Our Members



THE WASTE AND RECYCLING INDUSTRY ASSOCIATION OF WESTERN AUSTRALIA

ANNUAL REPORT 2022

1. President's Report

WRIWA has two broad objectives:

- to achieve best practice environmental outcomes from collection, processing, recycling and disposal of waste; and
- to ensure markets are fair and transparent, ensuring competition occurs on a "level playing field" that drives value for customers and a fair return on investment for members.



WRIWA has continued to expand during the year with both a growth in numbers of members and diversity. We have also doubled the number of sponsors during the year.

We have had significant contact through the year with our key stakeholders:

- Hon Reece Whitby MLA Minister for Environment; Climate Action; Racing and Gaming:
- In my capacity as WRIWA Chair, I met with Mr Whitby on 14 June 2022 following his appointment as Minister, specifically to brief him on Levy Avoidance;
- We met again with Minister Whitby on 1 November 2022, to present WRIWA's views on the upcoming review of the

Government's Waste Strategy. All WRIWA members were invited to attend this session at Dumas House.

- Previous Chair of the Waste Authority, Reg Howard-Smith: meeting held on 15 March 2022 at GoOrganics in Gingin, to promote WRIWA involvement in Food Organics Garden Organics (FOGO).
- New Chair of the Waste Authority, Ms Elizabeth Carr: meeting held on 8 December to present on the Review of the Waste Strategy, again with all WRIWA members invited.
- Director General of the Department of Water and Environmental Regulation, Ms Michelle Andrews: meeting held on 9 February to discuss DWER progress with Levy Avoidance.
- WRIWA have also met with Josh Wilson MP Member for Fremantle both in his previous capacity as Shadow Minister for the Environment, and in the new Federal government as a strong advocate for WA waste and recycling issues.
- The Executive Officer (EO) also met with officers representing Hon Tanya Plibersek MP, federal Minister for the Environment and Water, and with officers from the federal Department of Climate Change, Energy, the Environment and Water (DCCEEW), as WRIWA expanded its advocacy at the national level.
- The EO also represented WRIWA at several WA State Government forums, including: the Waste Review Advisory Group (WRAG); the Food Organics Garden Organics (FOGO) Reference Group; the Recycled Sand Stakeholder Reference Group; and the Waste Review Advisory Covid Reference Group.

This has been a busy year for WRIWA and our members. We worked through first the restrictions that came with the border closures due to Covid and then the opening of the borders and the rapid rise in cases. Members affectively leveraged their national networks using experience gained from their east coast colleagues to minimise disruption. DWER stepped in and played a significant coordination role, as did the West Australian Local Government Association (WALGA). Being 'last cab off the rank' can have its advantages and there was very little disruption of services.

WRIWA shifted to an on line meeting format during Covid and continued to meet monthly.

Strategic direction was provided by our Executive team:

Joe Gangemi, Treasurer – WA Recycling

James Coghill, Vice President - Total Green Recycling

Chris Gusenzow, Secretary – Remondis Australia

Brad Gornall, Executive Member – Cleanaway

Asley Battilana, Executive Member – Tyrecycle

Slade Geenaway, Executive Member – Tellus

Chas Hewson, Executive member – Solo Resource Recovery

Chris Dodd, Executive member- CD Dodd Metal Recyclers

Tim Cusack, Executive member- WA Return Recycle Renew

Will Kirkpatrick, Executive member – Sims Metal

Andrew Tolj Executive member – JJ Richards Waste & Recycling

We are also seeing enormous changes in recycling here in WA with the banning by the McGowan government of plastic bags and now single use plastics.

The adoption of the Container Deposit Scheme (CDS) while seen initially as a litter abatement method is actually causing a rapid and seismic change in how we think about recycling in WA. Anyone who has seen the 'clean stream' that CDS produces, acknowledges that source separated recycling is going to play a big role in WA's recycling in the future. West Australian Return Recycle Renew Limited (WARRL) has become a valued member of WRIWA and we will watch with interest how the proposal to include wine and spirit bottles in CDS plays out in 2023

The WA Government's *Waste Avoidance & Resource Recovery Strategy 2030* has been the bedrock of waste policy in WA since its inception. The Strategy has wide support from WRIWA as it has provided strategic certainty for industry and industry has invested extensively in WA based on that certainty. A recent WRIWA analysis shows that our members have invested \$283m in waste and recycling infrastructure to support the Strategy. We have recently seen brand new entrants into the recycling space driven by the support of the Strategy. Write Solutions focusses on food waste collection all of which previously went to landfill and Drainflow Services which has imported European technology from Terex which uses hydro washing to return road sweepings and drain sludges back into the circular economy.

The *Strategy* is now under review with the first targets due in 2025. To date, most of the targets have not yet been delivered. Overall, the State has achieved 60% recovery, against the 2025 target of 70% and the 2030 target of 75%. Clearly time is running out.

WRIWA met with both Minister Whitby and the Waste Authority Board to explore the opportunities and challenges we see as necessary to deliver the objectives of the Strategy. The well thought out implementation by DWER of Mandatory Reporting has significantly increased the quality and diversity of data available to the State Government. One of the strongest proposals by WRIWA is that the data should be used to drill down to specific target areas. The more we know how each area is performing, the better resources can be applied to remedy underperformance and directed away from areas that are already performing well.

We have also argued for a stronger advocacy role for the Waste Authority Board. Where the Board has acted as an advocate there have been clear outcomes. The intervention and attendance at meetings of the Roads to Reuse program by Marcus Geisler as Chair of the Waste Authority overcame strong resistance to use of the product. Josh Byrne's representing the Board, giving the opening address at the online Food Organics Garden Organics (FOGO) forums, and his clarification that FOGO is about a quality product not the avoidance of landfill and levy costs, has had a significant impact.

Similarly the attendance and commentary by Minister Whitby at the on line C&D Stakeholder Reference Group Meeting has provided a confidence that industry's and government's objectives are aligned.

WRIWA has expanded its advocacy into the federal arena, as we have witnessed a dramatic downturn in the value of recyclables in WA as a result of the implementation of the national Export Bans.

WA is not part of the east coast waste and recycling network, and distance precludes WRIWA members from accessing the synergies available there. Recycling tonnages in WA are small; while WA is 33% of the total land area, we have only 10% of Australia's population with a commensurate smaller percentage of recycling volume. Historically this has meant that WA has always leveraged its natural advantages which are its proximity to Asian markets and a uniquely 'get it done here' work ethos.

A one size fits all approach to the Export Bans is not going to work in WA and there is considerable concern that the Recycling Modernization Fund (RMF) process may be producing industries that are not viable and likely to require continuous funding. WRIWA is seeking a much broader involvement by WA waste and recycling operators in any future RMF funding rounds, to ensure that operations will have long term financial viability.

WA industry is pioneering recycling advances that address recycling in different ways, not conceived of by the drafters of the Export Bans. The Cleanaway Guildford MRF's 99.5% purity for both the fiber and plastics stream and the Drainflow Terex Hydro-Wash plants 95% recycling rate for road sweepings and drain sludges are both significant advances.

WA will soon have Australia's first operational Waste to Energy (WtE) plant, with the Avertas Energy Kwinana plant due to come on line in late 2023. WRIWA advocates for WtE and sees it as a natural evolution in waste infrastructure development. WRIWA is seeking clarification from the state government on how WtE will fit into the *Waste Avoidance & Resource Recovery Strategy 2030* and measures to be taken to avoid undermining the Waste Hierarchy. WtE recovers energy from waste but is an end of the line process and should be not a substitute for higher value resource recovery particularly FOGO.

The resolution by a number of WA councils to avoid FOGO and send product directly to WtE potentially undermines the Waste Hierarchy. A report prepared for councils by Talis Consultants found a two bin system along with WtE would cost \$190 per household per annum, but adding FOGO collection would raise the cost to \$240 per household per annum. This however relies on WtE being able to offer gate prices which do not attract a levy. The Landfill Levy is the main economic instrument that governments across Australia use to drive good recycling behavior and support a Waste Hierarchy. If WtE operators are able to pitch their gate prices below that of landfill because it does not attract the levy, then this would undermine the Waste Hierarchy. Councils could affectively use WtE to avoid all recycling costs.

This is a complex issue but WRIWA's primary objectives underpin our approach of best practice environmental outcomes from collection, processing, recycling and disposal of waste and to ensure that markets are fair and transparent and on a "level playing field".

2. Executive Officer's year in review

- **Roads to Reuse (RtR)**

WRIWA has sat on the C&D Stakeholder Reference Group which represented industry. The program initiated by the WA Waste Authority (WAWA), Main Roads WA (MRWA) and the Department of Water and Environmental Regulation (DWER), with input from Department of Health (DOH), has developed a specification for the use of Crushed Recycled Concrete (CRC) in MRWA projects.

Three WRIWA members operating over four sites have completed the qualification process and achieved DWER's approval of a Material Acceptance and Sampling Plan (MASP). Together, they have supplied 157,000 tonnes of material to MRWA.

WRIWA estimates that there is up to 400,000 tonnes per annum of C&D material per annum that could be manufactured into CRC.

MRWA has fallen well behind its commitments made under the *Waste Avoidance & Resource Recovery Strategy Action Plan 2030* to use 700,000 tonnes by the end of calendar year 2022 of CRC in its projects during the reporting period.

WRIWA has made multiple efforts thorough the year to support purchases by MRWA to meet the targets however we see the project continue to fall further behind with only 157,000 tonnes used.

Our members are to be congratulated as quality testing data has shown zero exceedances notably no asbestos exceedances and the independent reviews of our members Quality Assurance programs have shown zero non compliances.

During 2022, Hon Reece Whitby MLA, Minister for Environment; Climate Action; Racing and Gaming announced a program to subsidise LGA purchases of RTR product at the rate of \$5 per tonne up to a total of \$350,000. This is a very welcome initiative and would effectively create a market for a further 70,000 tonnes of the product. However, we note this is not recurrent funding.

WRIWA is advocating for wider use of the material, such as under low to medium traffic roads. This would bring the use of CRC into line with its use in Victoria and Queensland. WRIWA has also consulted with Ecologi who work in Victoria to promote the use of recycled materials in State infrastructure projects. Victoria's Big Build, from records that are available (roughly from 2019, with some exceptions) has used approximately 1.5 million tonnes of crushed concrete to-date across at least 35 projects, with a further 400,000+ tonnes committed for use on projects currently in delivery.

WRIWA has also sought independent engineering advice which recommends:

- alignment of MRWA design documentation and product specification with national standards;
- inclusion of RtR compliant material as subbase for all pavement types (sealed) in MRWA construction contracts; and

- further consultation with Design Consultants, Contractors and Procurement Officers;
- **Recycled Sand**
WRIWA estimates that there is up to 600,000 tonnes of sand per annum currently being reclaimed as a by-product of the RtR process or from commingled C&D recycling plants. Currently this product is only finding limited acceptance in state infrastructure projects, and WRIWA is pursuing a certification process modelled on the RtR. Mr Peter Woronzow, Acting Director General of Transport, had affirmed support for the use of sand in infrastructure projects at the C&D Roundtable held in May 202. In 2022 DWER convened a Sand Working Group which has met once. WRIWA is representing industry on this group.
- **Levy Avoidance**
This is an ongoing issue, and we estimate that per annum avoidance exceeds \$100 million of C&D material that is being sent to:
 - rural landfills to avoid the levy
 - unlicensed landfills that are operating illegally and not paying the levy; and/or
 - landfills that are fraudulently not reporting leviable material.

As mentioned in the President's Report above, we have continued to meet with the Minister for the Environment and the Director General of DWER to raise this issue.

WRIWA has also been regularly briefed by Operations, Compliance and Enforcement at DWER. Amongst actions taken:

- 24 sites have been put under ongoing static covert surveillance
- A site in Wellesley has been issued with a notice of estimation for \$130,699 for unpaid levy and has paid.
- An action has been brought before the courts for the recovery of \$468,400 in unpaid levy. The total amount owing including the 20% annual penalty is \$635,604.
- DWER has identified a site on which it is believed that a significant levy avoidance has occurred. DWER has expended approximately \$250,000 in a site investigation to reveal the extent of the alleged breach

Landfill Levy, fraudulent exemption claims, metropolitan to regional waste movements, and unauthorised landfilling are now a priority of the Waste Compliance Program for 2022-2023. These are significant actions by DWER and WRIWA commend the Department accordingly.

Despite these strong compliance measures under way, WRIWA members are however not seeing any increase in C&D waste received at levy-compliant landfills or at the recycling facilities. Members report that little or no demolition waste from residential demolition has been sent to levy-paying landfills since the rise in the levy in 2016.

WRIWA continues to advocate for systemic change that will remove the incentives that are leading to levy avoidance:

- The outcomes of the Closing the Loop Consultation (2020) are expected to be announced in 2023. These may include new CEO powers to require GPS tracking of waste vehicles, increased waste data reporting from waste facilities, and new offences and penalties to address unlawful waste disposal.
- The review of the Waste Levy is also expected to be announced and may lead to:
 - the expansion of the area where the levy applies to outside Perth,
 - an examination of the relationship between the levy and waste to energy, and
 - how the levy should be set in the future.

WRIWA is strongly of the view that only a combination of these measures will stop levy avoidance.

- **Kerbside Recycling**

The impact of the Export Bans has seen a sharp drop in the value of kerbside recyclables due to a number of factors:

- increased costs of achieving the mandated standards;
- limited cost-effective processing facilities in WA to achieve those standards; and
- Competition with overseas processors who are able to achieve secondary processing at a much lower cost.

Industry has noted:

- Poor procurement practices for waste/recycling services
- A lack of buy back schemes for waste-derived resources
- Questionable assessment processes for government funding including the Recycling Modernisation Fund but also State-based funding.

WRIWA convened two industry forums during the year and has brought this issue at a State level to the attention of both Minister Whitby, and the new Chair of the Waste Authority, Ms Elizabeth Carr .

The EO has also raised the issue federally and met in Canberra with Kane O'Dea, waste policy advisor to Hon Tanya Plibersek MP, Minister for the Environment and Water; Josh Wilson MP, Member for Fremantle; Ms Kate Lynch, First Assistant Secretary, and Cameron Hutchison, Waste Director, at the Department of Climate Change, Energy, the Environment and Water.

WRIWA members are of the view that these issues are best resolved at the state level through the review of the Waste Avoidance and Resources Recovery Strategy 2030.

WRIWA has recommended:

- Raising the value of the landfill levy. The levy has not increased since 2018 and the price differential has shrunk as costs to recycle have increased.
- Extending the area of the levy, preferably State-wide.
- A Waste to Energy (WtE) levy commensurate with the landfill levy. Unless WtE is encapsulated by the levy regime, it is likely to become the default low-cost option and will undermine the Waste Hierarchy.

- **FOGO (Food Organics and Garden Organics)**

WRIWA was commissioned and funded by the Department of Environmental Regulation and Water (DWER) to conduct a Best Practice FOGO Contracting Guide. WRIWA in turn brought in MRA Consulting to carry out the substantive work and the final Guide is expected to be issued in early 2023. The Guide will apply to collectors, processors and LGAs commissioning FOGO and will include a metric that will allow all parties to determine if the process is best practice. Industry saw the need for a guide as members have experienced very different levels of expectation and contamination levels in the last period.

WRIWA members have expressed concern that regional councils may be trying to leverage their non cost reflective advantages and move into the compost industry at an unfair advantage.

The FOGO industry in WA is developing quickly and there is steadily developing capacity and markets. We believe that FOGO needs a more prominent emphasis in the Waste Strategy if the Strategies targets are to be met and we have addressed this issue as an industry with Minister Whitby and Ms Carr Chair of the Waste Authority.

- **Food Waste**

Food Waste is currently not accounted for in the Waste Strategy but is very large and WRIWA has lobbied both Minister Whitby and Ms Carr, Chair of the Waste Authority, for its inclusion.

Commercial food waste from schools, food manufacturers, cafes, restaurants and hotels is massive with less than 5% being source separated and collected. A minimum of 50% of all waste from hospitality venues is food related.

WRIWA have recommended that Food Waste::

- Should be measured through the waste strategy
- Should be banned from landfill

- **Container Deposit Scheme**

The August quarter redemption rate rose to 62.3%. Container recovery and recycling has doubled since commencement, and WA is well on our way to 85% redemption.

WRIWA has proposed to Minister Whitby and Ms Carr Chair of the Waste Authority that the Waste Strategy need to recognize that:

- Containers for change does not operate in a vacuum, but is a component of the waste management eco-system.
- Inconsistent and/or non existent messaging at the point of disposal which is critical to support separation at source (of disposal) required to avoid landfill, needs to be rectified.
- Contamination of co-mingle bins, especially in public places, is a major negative factor impacting resource recovery and needs more education resources.

WRIWA supports a number of what we see as Ecosystem opportunities:

- Maintenance of the behaviors change campaign and its access and convenience expansion activities.
- Expand separation at source through providing opportunity (ability) to avoid landfill (including where a comingle bin is present, especially in public).
- Prompting at point of disposal to widespread use of 'wastesorted' messaging collateral by local government and waste company activities.
- Ensuring the waste ecosystem integrates containers for change in every container recovery setting.

- **Tyres**

WRIWA has proposed to Minister Whitby and Ms Carr Chair of the Waste Authority that going forward, the Waste Strategy needs to recognize that:

- Currently thousands of tonnes of tyres in WA are going into landfill. This is creating legacy issues that one day will need to be dealt with at far greater cost.

- 98% of mining tyres are currently landfilled using “in-pit” methods. Conservative estimates would be 60,000 tonne per annum. There is capacity for all of this to be recycled properly and now.
- There are many uses for recycled tyres, one being crumb rubber in road applications.
- There is now sufficient recycling capacity that all tyres in WA could be recycled properly.
- Recycling instead of landfilling creates jobs and boosts the economy for WA.

WRIWA has recommended that WA ban tyres from going to landfill.

- **E-Waste**

The installed infrastructure in WA has excess capacity and the market is working effectively, with businesses operating in the space investing in bolstering infrastructure and increasing capacity.

The majority of e-waste is recycled through licenced operations in WA. Issues exist at a federal level with the National Computer and Television Recycling Scheme (NCTRS). It is likely that some of the Co Regulatory Arrangements (CRAs) aren't going to hit their volume targets this year. The scheme is heavily reliant on recycler reported volumes as opposed to transparent collection pathways. In WA this means councils have to pay a gap payment to cover the difference between the cost to recycle e-waste and the rebates being provided by the CRAs. Volumes collected through reasonable access pathways are insubstantial (less than 10%) nationwide.

A lot of e-waste is not covered by the NCTRS. When the ban comes in, this cost will be borne by the LGAs; some councils are taking a leadership role and providing this service free of charge, whilst others are resisting and are landfilling e-waste.

WRIWA supports the proposed federal expansion of the NCTRS, it is seen as a necessary step to support councils and residents to recycle E-waste as opposed to landfilling it.

- **Metal Recycling**

WRIWA has proposed to Minister Whitby and Ms Carr Chair of the Waste Authority that the Waste Strategy need to recognize that:

Scrap Metal recycling is one of the largest recycling industries in the state and is significantly contributing to recycling in WA but there is very poor recognition of this sector in the Waste Strategy

Operators who have invested > \$140m in infrastructure are reporting poor licensing and less than adequate compliance checks on operators and transport carriers and waste license holders. There is a growing exasperation at the continued illegal exports of unprocessed scrap metals. The shipping facility in Fremantle is inadequate for the export of bulk shipments of scrap metal (ferrous). A significant issue for the industry is that the facilities located in Perth are required to pay the full landfill levy on 'floc' which is the residual product. However these facilities recycle scrap from throughout the state not just the metropolitan area.

WRIWA has recommended that:

- metal recycling be given a prominent recognition in the Waste Strategy and the data collection process.
- a reduction in landfill levy to account for non metropolitan scrap processed.
- more resourcing be provided for DWER to manage compliance.

- **Intractable Waste**

WRIWA has raised a number of issues with Minister Whitby and Ms Carr, Chair of the Waste Authority:

- Concern that LGA's may be leveraging their non cost reflective advantages and moving into the hazardous and intractable waste markets;
- Inconsistent licence conditions and interpretation of legislation; and
- DWER unable to meet its 2021-2022 kpis:
 - Q1 licences & approvals finalised in 60 days – target 80 % achieved 40%
 - Q2 licences & approvals finalised in 60 days – target 80 % achieved 50%
 - Q3 licences & approvals finalised in 60 days – target 80 % achieved 30%

WRIWA has requested that:

- There be a review of how WA applies Competitive Neutrality legislation.
- Government simplify the process to amend licences, thus decreasing DWER workload.
- An increase to DWER resourcing to improve approvals & amendments process.

- **Hydro Wash Recycling**

The first Hydro Wash Recycling plant has been commissioned in WA built by Terex Corporation for Drainflow Services. The plant produces clean mulch, sand and aggregates achieving a 95% recycling rate from road sweepings and drain sludges, all of which was previously sent to landfill. This is a sophisticated technology removing hydro carbons and heavy metals and only the third of its kind in Australia.

WRIWA is seeking to have the product accepted into state infrastructure projects.

- **Levy as a support for the Waste Strategy**

WRIWA has proposed to Minister Whitby and Ms Carr Chair of the Waste Authority that the Waste Strategy needs to recognize that the Waste Strategy cannot progress unless it incorporates the resolution of the two consultations: *Closing the Loop & Review of the Waste Levy* and for the Strategy to be effective it needs to acknowledge that the levy underpins the strategy.

WRIWA supports:

- A substantial increase in the landfill levy
- A commensurate levy on Waste to Energy
- A substantial increase in the levy collection area preferably state wide
- A more robust levy management system
- More investment in compliance



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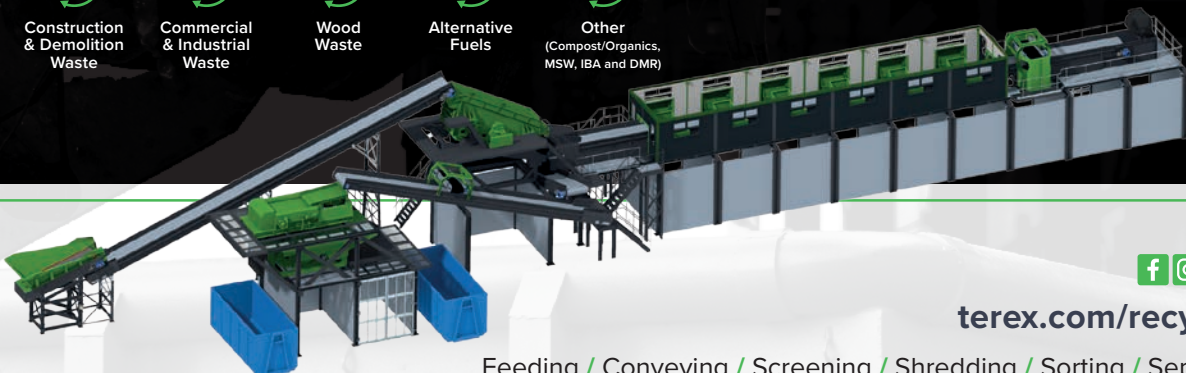
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