



THE WASTE AND RECYCLING INDUSTRY
ASSOCIATION OF WESTERN AUSTRALIA

Annual Report
2017 - 2018

ANNUAL REPORT – TABLE OF CONTENTS

SECTION	PAGE
1. President's Report	1
2. Treasurer's Report	2
3. Membership	3
4. Executive Committee	3
5. Year in Review	4
5.1 Working Groups	
5.2 Submissions	
6. Affiliation with National Waste and Recycling Industry Council (NWRIC)	7
7. Challenges in the year ahead	8

1. PRESIDENT'S REPORT



I am pleased to present the first Annual Report of the Waste and Recycling Industry Association of Western Australia (WRIWA).

WRIWA was formally incorporated under the *Associations Incorporation Act 2015* on **11 August 2017**.

By December 2017, the association had also established its bank accounts; GST registration; and Tax File registration.

The Association offers its sincere thanks to John Lillywhite, WRIWA's first Executive Officer, who worked tirelessly to put these essentials into place.

In early 2018, Michael Bobrowicz took over from John Lillywhite as Executive Officer. Michael brings both private sector and public sector experience to the role.

WRIWA has focused over the past year on establishing itself as the peak body representing the waste and recycling industry in WA. The aim has been to ensure that the organisation is consulted on policy matters affecting this industry, to positive effect.

I am confident that WRIWA's written submissions, and our participation in key consultation forums on waste management across Western Australia, provide solid evidence that the association is making a constructive difference to the field in this State.

It is particularly encouraging that WRIWA is helping to forge positive connections within and between all sectors with an interest in waste and recycling, including State and local government, not-for-profit organisations, and private industry. For further details please see below section 5: 'Year in review'.

WRIWA is affiliated with the National Waste and Recycling Industry Council (NWRIC) (www.nwric.com.au/) and participates in all of its forums and activities. I would like to thank the NWRIC team of Max Spedding (Convenor) and Alex Serpo (Secretariat) for all their assistance in WRIWA's establishment and first year of operation. We look forward to furthering this productive relationship over the coming year.

2. TREASURER'S REPORT

Our Finances and Administration

Having recently formed in 2017, the Waste and Recycling Industry Association of Western Australia (WRIWA) is still very much in it's infancy in terms of financial history and performance. Keen interest in the establishment of the association led to a total of 17 approved applications across the four membership categories providing a strong financial platform for the association to operate.

Revenues were primarily derived from membership fees, with a minor contribution from interest earnings. Pleasingly, the association has achieved a positive financial outcome, delivering a net surplus in the 2017-2018 financial year. As a result, WRIWA is in a sound financial position moving forward into the new fiscal period.

Our financial Auditor, *Accounting One Stop Services*, has approved the WRIWA 2017-2018 financial statements which highlight the following key data:

Net surplus of \$40,614

Balance Sheet Net Assets: \$40,614

Historical Comparison:

	2018
Net Surplus	\$ 40,614
Balance Sheet Net Assets	\$ 40,614

Key Ratios:

	2018
Current Ratio (Current assets / Current liabilities)	N/A ¹
Total Asset Turnover (Revenue / Total Assets)	2.11
Return on Assets (Net Assets x 100 / Net Surplus)	100%

3. MEMBERSHIP

WRIWA corporate members must be entities whose core business includes activities related to the collection, transfer, disposal, reprocessing or recycling of waste materials in Western Australia.

The initial membership count of 15 increased during the year, a new member has joined giving a total of 16 as at 30 June 2018.

Current WRIWA members as at 30 June 2018:

Cleanaway Waste Management Limited (WA)

Veolia Australia & New Zealand (WA)

Suez Australia & New Zealand (WA)

Sims Metal Management (WA)

JJ Richards & Sons (WA)

Solo Resource Recovery (WA)

Toxfree (WA)

GG Corp Pty Ltd

Tellus Holdings (WA)

Dodd & Dodd Group

Total Green Recycling

Waste Stream Management

Brajcovich Demolition & Salvage

Claw Environmental

Focus Demolition

Mineral Haulage & Earthmoving

4. EXECUTIVE COMMITTEE

The WRIWA Executive Committee meets on the last Monday of each month. During the year, meeting venues have rotated between members' premises, but following a generous offer from Cleanaway the Committee has now found a permanent home at Cleanaway's Boardroom in Malaga.

Executive Committee meetings during the past year have had an average attendance rate of over 90 per cent. Discussion has been robust and the diversity of business sectors represented on the committee has provided a balanced and inclusive agenda covering the whole of the waste and recycling industry.

Executive Committee meetings are open for all WRIWA members to attend, and during the past year several individual members have taken up this opportunity when issues of particular interest to them have arisen. Individual members are encouraged to attend in order to raise issues, or simply as observers.

In accordance with the Rules of Association:

- meetings are chaired by the President or Vice President;
- a Financial Report is provided by the Treasurer; and
- minutes are taken and subsequently endorsed at the next committee meeting.

In addition, all Management Committee meetings comply with the competition law protocol as per the NWRIC Charter.

As at 30 June 2018, Executive Committee members were:

Name	Company represented	Position
Michael Harper	Waste Stream Management	President
James Coghill	Total Green Recycling	Vice President
David Burrows	Sims Metal Management	Treasurer
Damian Burton	Cleanaway	
Sam Chami	Toxfree	
Chris Dodd	Dodd Group	
Joe Gangemi	GG Corp Pty Ltd	
Chas Hewson	Solo	
Nick Stewart	JJ Richards	

5. YEAR IN REVIEW

In its role as the peak body representing the waste and recycling industry in WA, WRIWA has established constructive links with key stakeholders in both State and local government.

5.1 Written Submissions

During the year WRIWA made a number of written submissions to the Minister for the Environment; to the West Australian Department of Water and Environmental Regulation (DWER); and to the WA Waste Authority. Copies of all submissions are available on the WRIWA website at: www.wriwa.com/submissions/

Container Deposit Scheme (CDS) (October 2017)

CDS is a major initiative of the state government which will reduce littering and improve recycling. It needs to be properly designed and managed as it will have a major impact on our waste and recycling industry members. WRIWA made a written submission to a Department of Water and Environmental Regulation (DWER) Discussion paper. Our major concern was that Material Recovery Facilities (MRFs) could not operate using a barcode scanning method for individual containers and that we need an estimation process as is being used in New South Wales. Our recommendation was taken up.

Waste Levy and Waste Management – proposed approaches for legislative reform (November 2017)

With Landfill Levy rates having risen from \$8 per tonne in 2014 to \$70 per tonne in 2018, WRIWA submitted that levy avoidance had increased with cartage contractors and regional landfills accepting waste from the metropolitan area. WRIWA's submission made a number of recommendations to address this issue and restore confidence in the administration of the landfill levy regime. The Minister for Environment has since publicly stated that he will not tolerate levy avoidance. The DWER response to this review has adopted one of WRIWA's major recommendations namely the introduction of a system of waste tracking from source site to end destination (see: [www.der.wa.gov.au/images/documents/community/consultation/Final Att 2 Consultation summary report.pdf](http://www.der.wa.gov.au/images/documents/community/consultation/Final_Att_2_Consultation_summary_report.pdf)).

Regulatory amendments proposed following the decision on Eclipse Resources (January 2018)

This submission related to the treatment of construction and demolition (C&D) waste, and in particular argued for greater use of such waste materials in government infrastructure projects, for instance as road-base and sub-base materials.

WA Waste Avoidance and Resource Recovery Strategy Consultation (February 2018)

The State Government has initiated a review which will have major impacts on the waste and recycling industry. WRIWA made a substantial submission to this review covering a range of issues. WRIWA's principle recommendations were as follows:

Planning: Waste processing and recycling facilities require substantial capital investment by private industry. To continue to innovate and introduce technologies that will increase resource recovery, industry need the surety that planning laws will not allow residential and other commercial development to encroach on sites suitable for waste processing.

Levy Avoidance: Our focus is improving regulatory systems to detect and stop avoidance. Avoidance is damaging honest operators who are complying with the regulations. The current level of avoidance is well known within the waste sector and there is an increasing awareness within the NGO environmental sector and the general community. Failure to bring it to an end risks undermining public confidence in our State's waste avoidance and resource recovery strategies.

Levy Anomalies: WA has resource recovery companies which operate in world markets. Consideration needs to be given to Levy exemptions for companies which can demonstrate that the Levy is damaging their ability to compete internationally.

Acceptance of C&D aggregates: There is a very low level of acceptance and take up of C&D aggregates by both the Local Government and State Government agencies. C&D waste is successfully being diverted from landfill and is being recycled into aggregates suitable for road base (etc). However market uptake is lagging far behind output, and placing the sustainability of the waste strategy at risk.

Container Deposit Scheme: WRIWA supports this proposed scheme. There needs to be strong liaison between regulators and industry particularly industry members operating Material Recovery Facilities as the details of the scheme are planned and rolled out.

China 'National Sword': The Chinese Government has altered its criteria for acceptable contaminant levels in imported post-consumer products. This has had an immediate effect on all sectors of the recycling industry. It is estimated that costs of processing recyclables will rise by up to \$100 per tonne here in Western Australia. Industry is seeking urgent assistance from the State Government to address this issue.

Review of the *Environmental Protection (Controlled Waste) Regulations 2004*

The focus of the WRIWA submission was that the review should deliver:

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

WRIWA gave detailed commentary and raised objections where we considered that the regulations:

- were anti-competitive and gave unfair commercial advantage to one sector of the Controlled Waste industry over others;
- created confusion or ambiguity;
- involved untenable work restrictions that would unnecessarily raise the costs of service delivery; and/or
- did not take into account the technologies currently being used in the industry.

5.2 Working parties

WRIWA was able to gain representation on several important State Government working parties including:

West Australian Waste Taskforce

Chaired by Mr Reece Whitby MLA, Parliamentary Secretary to the Minister for the Environment, the Taskforce has been convened to provide advice to the Minister for Environment on how best to deal with the effects of the Chinese Government's change in policy which has drastically reduced the export market for recyclables. WRIWA has three members on the Taskforce: our Executive Officer (Michael Bobrowicz) and representatives from Cleanaway and Suez. Through this forum, WRIWA is promoting:

- A new State-funded education campaign aimed at educating the public on what can and can't go in the Yellow Topped Bin with the view to reducing contamination;
- New industries in WA which can use recyclable waste produced in WA;
- Cooperation between the private and Local Government Association (LGA) sectors to solve this issue; and
- Increased uptake by WA Government departments of recycled materials.

WRIWA members have also met out of session with our LGA colleagues and are establishing strong working relationships, to good effect.

Recycled Construction Products Program Working Group

Group members include Main Roads West Australia (MRWA), the Department of Water and Environment (DWER) and the Waste Authority. This group has progressed a program which is expected to trial the use of recycled C&D products within Main Roads projects. It is estimated that this could see up to 1.4 million tonnes of C&D materials beneficially reused as high value road building products each year.

WRIWA has acted as industry representative on this Working Group and has promoted this program which directly affects our members' ability to obtain engineering acceptance for their products. On 1 June 2018, WRIWA hosted a briefing session for industry with presentations by MRWA and DWER on the aims and projected rollout of the program.

Container Deposit Scheme Logistics and Resource Recovery Technical Working Group

WRIWA is representing industry and now has three members sitting on the Working Group which is progressing the design and rollout of the system. WRIWA wants practical outcomes that will help achieve the State Government's objectives while providing a viable system for our members to operate in.

6. AFFILIATION WITH NATIONAL WASTE AND RECYCLING INDUSTRY COUNCIL (NWRIC)

WRIWA is an affiliate of the National Waste and Recycling Industry Council (NWRIC), the peak national body representing organisations operating within the waste sector. Being an affiliate of the national council is highly beneficial for WRIWA and its members, whilst some aspects of the West Australian waste industry are unique, many of the challenges we face are Australia wide. NWRIC gives us a national voice and also serves as a knowledge base to implement solutions to challenges that have been effective in other states.

Delegates from WRIWA attend quarterly NWRIC Council Meetings. The WRIWA Executive Officer attends quarterly National Executive Officer forums, and takes part in phone conferences in each of the intervening months.

Joe Gangemi (Member WRIWA Executive Committee) attended two of the three NWRIC quarterly meetings:

- 12 October 2017 at Cleanaway Offices in Melbourne located at 4/441 St Kilda Rd, Melbourne, Victoria; and
- 6 February 2018 hosted by JJ Richards in Queensland located at McGuire's Alexandra Hills Hotel - Cnr Finucane and McDonald Roads, Alexandra Hills, Queensland.

The following matters, amongst others, were discussed:

- Landfill levy portability and the use of levy funds: In particular NWRIC believes that levy funds should be made available to some extent to encourage recycling.
- Unfair local government competition and its impact on NWRIC affiliates and members: Each of the state affiliates were encouraged to address these issues with the relevant local and state governments.
- Container deposits schemes (CDS) throughout Australia, and ways in which the various state affiliates can benefit from a CDS scheme.
- Hazardous waste, including emerging hazardous waste, and opportunities for members in relation to these waste types.
- The creation of a National Roadmap for NWRIC which outlines the key aims of NWRIC for its members. The Roadmap aims are to develop a circular economy which is the key framework to develop a model for sustainable development, protecting people and the environment, developing fair markets, developing as far as possible harmonised regulation across borders, encouraging recycling, reducing emissions and developing landfill levies to encourage recycling.
- Protecting industry investment of members from illegal activities by ensuring that increased scrutiny is placed on unlicensed operators to protect the legitimate industry.
- NWRIC is working with government to procure the use of recycled materials.

James Coghil (WRIWA Vice President) attended the NWRIC conference which was held in Sydney on 15 May 2018.

The discussion focused on the Chinese Government's 'National Sword' policy that has devastated the recycled commodities markets, affecting companies both large and small - from MRF operators to scrap metal merchants. The discussion resulted in NWRIC and the Australian Local Government Association (ALGA) agreeing on a joint press release highlighting the issues facing industry, and called on State and Federal governments to assist the industry in this time of crisis.

With other State governments coming to the table we are hopeful the WA Government will follow suit. Other issues were also discussed such as: stockpiling; landfill levy introduction; and hypothecation of the levy back to industry to support local innovations.

7. CHALLENGES IN THE YEAR AHEAD

WRIWA sees six main challenges in the coming year:

- 1) **China National Sword:** The policy decision by the Chinese National Government to reduce the allowable contamination rate for recyclables from 5% to 0.5% has presented serious challenges for our industry. Individual companies are searching for new markets and upgrading their sorting facilities.
WRIWA must continue throughout the year to lobby effectively on behalf of all affected members collectively. Our membership of the Waste Taskforce and our strong relationship with the peak LGA bodies places us at the centre of negotiations.
- 2) **Container Deposit Scheme:** The pending introduction of a CDS in WA will have significant impact on the State's Material Recovery Facilities as a rebate scheme is contemplated.
WRIWA will continue through the year to closely monitor and contribute to the development of the scheme through our membership of the Container Deposit Scheme Logistics and Resource Recovery Technical Working Group.
- 3) **Recycled Construction Products Program (RCPP):** The challenge ahead is to see the RCPP program rolled out effectively and C&D derived aggregates accepted by the construction and engineering community.
WRIWA will continue with our involvement in the Working Group to lobby for this outcome.
- 4) **Levy Avoidance:** This will continue to remain an issue until effective mechanisms are put in place to track C&D material through the system.
WRIWA will continue to monitor and lobby for an effective resolution of this issue through close contact with the key decision makers and stakeholders
- 5) **Insurance:** There has been a growing issue in our industry of dramatic rises in premiums as a result of a number of fires at recycling centres on the eastern seaboard.
At this stage WRIWA is closely monitoring this situation and will continue to do so in the coming year.
- 6) **WRIWA Recognition:** WRIWA has quickly established itself as the peak body in WA representing the waste and recycling industry. The more effective our recognition the more effective our ability to lobby for our industry and to influence policy.
WRIWA will continue over the coming year to develop our relationships with our colleagues and with other key stakeholders here in WA and nationally.

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WRIWA

