

## National Sword Joint Reference Groups Update

### Reference Groups

The NSW Government established the Local Government and Industry Reference Groups to work with the Intergovernmental Taskforce responding to China's National Sword policy. The Groups met separately twice and together four times between June and October 2018 to provide feedback on the work of the Taskforce. Further information on the Government's response and the Taskforce is available on the EPA's website [here](#).

Key areas of discussion, including agreements and achievements are outlined below.

### Circular Economy

The EPA developed a circular economy policy to assist in strengthening recycling and creating both markets and demand for these materials. A circular economy aims to keep products and material at their highest use and value, minimise the amount of waste generated and minimise reliance on virgin materials. Products, components and materials should remain at their highest utility for as long as possible. The EPA released the NSW Circular Economy Policy and Discussion Paper for public consultation in October 2018.

### Recycling contracts

Changes in the recycling market as a result of China's National Sword Policy have put increased pressure on industry and in turn local government. Local government and industry discussed how future recycling contracts can help to ensure the long-term viability of this essential service, including possibly some form of risk and reward sharing and focus on both financial and environmental outcomes. The NSW Government has provided initial support for industry and local government, with the aim of improving trust and transparency, however the final negotiated positions will need to be commercial decisions between individual Material Recovery Facilities (MRFs) and Councils.

Actions in response to this included:

- A contract negotiation financial support package offered by the Office of Local Government to assist councils negotiating with industry because of China National Sword.
- A review by Impact Environmental Consultants (IEC) of current and international contracts. IEC presented their findings to the Reference Groups in September.
- A broader project by NSW Treasury and the EPA that will look at improving the functioning of the market and using commercial frameworks to incentivise better recycling outcomes.

### Refund sharing under the Container Deposit Scheme (CDS)

The NSW CDS, '*Return and Earn*', although primarily an anti-littering initiative, provided some assistance with the impact of China's National Sword policy given additional revenue available through the scheme. MRFs must negotiate refund sharing arrangements with councils that they contract with, and councils notified the EPA of any agreements before 1 December 2018.

Actions in response to this included:

- Communication from the EPA to councils and Materials Recovery Facility operators regarding options for Refund Sharing Arrangements, such as temporary agreements.
- Maddocks Lawyers and a number of the Regional Organisations of Councils prepared a 'Guidance Document – Refund Sharing Agreement'. This document was provided to local councils across NSW, in September 2018, for use in negotiations with their MRF providers.

### Contamination, quality and classification of recyclables

There was broad agreement that contamination is a key issue for the long-term sustainability of the recycling industry across all stages of the supply chain, from residential, through collection and processing. It is a responsibility of everyone in the community, manufacturers, industry and Government (Local, State and Commonwealth).

Actions in response to this included:

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- 'Project Yellow Sail', a contamination education campaign being developed by the EPA and the Australian Council of Recyclers, targets the residential market to reduce contamination at the kerbside and is broadly supported across industry and local government. Project development and launch is scheduled for 2019.
- The Taskforce and Reference Groups agreed to continue to work together to develop best practice guides and specifications for collection and processing to reduce contamination across all parts of the supply chain.
- All parties agreed there is a need for ongoing education to inform behaviour change.

### Streamlining Approvals for Recycling Facilities

The Department of Planning and Environment (DPE) has been leading work for the Taskforce on streamlining approvals for recycling facilities, including exploring opportunities to speed-up the approval of new recycling facilities and the expansion of existing facilities, while balancing human health and the environment. Both Industry and Local Government were positive about the options and recommendations presented. DPE and EPA held the first Key Agency Liaison Group meeting in December 2018.

### Stockpiling of Recyclable Materials

During the early stages of engagement, the Reference Groups highlighted concern over the potential need for stockpiling of recyclable materials and the potential safety risks this presents.

Actions in response to this included:

- The EPA agreed to consider applications for temporary increases to stockpiling limits on a case-by-case basis, where the environment and human health impacts could still be managed.
- The EPA investigated and found that stockpiling above licenced limits was only occurring at one facility in NSW.
- A compliance campaign was conducted by the EPA and Fire and Rescue NSW (FRNSW), involving 30 joint inspections at MRFs.
- FRNSW released draft fire safety guidelines in late 2018 for consultation.

### Processing and Procurement

The Taskforce reviewed ways to stimulate the recycling and secondary processing market through government procurement, including goods and services, construction and local government procurement. This included using glass sand in civil and larger infrastructure projects to help increase the demand for recycled glass.

Actions in response to this included:

- Grants are being delivered through the NSW Government's \$47 million package to support local government and industry to respond to China's National Sword policy, which includes the Recycling Relief Fund, Product Improvement Program, Civil Construction Market and Circulate grant programs.
- It was acknowledged that 'rebranding' of recycled glass would assist in improving public perception, and encourage greater use of this resource. The EPA will work with other NSW Government agencies, industry and councils on this issue.
- Procurement NSW are investigating options for improving procurement policies and processes, including developing minimum mandatory environmental & social tender evaluation criteria, and enhancing Whole of Government goods and services contracts in 2019, with a view to building on these initiatives from 2020 onwards.

### Other cross-cutting actions

In addition to the actions listed above, the EPA is undertaking a number of other activities that cut across multiple workstreams, including:

- Development of a 20 Year Waste Strategy for NSW.

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- Working with the Commonwealth and other States and Territories to develop a national waste action plan following the adoption of the updated National Waste Policy in late 2018.