



National Sword Taskforce – Reference Group Update

The NSW Government is committed to working with local councils, regional waste groups and industry to improve and strengthen our recycling systems in NSW.

MEETING ONE UPDATE – 4 JUNE 2018

Local Councils Members: Local Government NSW, Institute of Public Works and Engineering Australasia NSW, Southern Sydney Region of Councils, Western Sydney Regional Organisation of Councils, North East Waste, RENEW NSW, Riverina and Murray Regional Organisation of Councils, NetWaste, Hunter Joint Organisation of Councils

Industry Members: Australian Council of Recyclers, Australian Packaging Covenant Organisation, Australian Sustainable Business Group, Cleanaway, Handybin Waste Service (Coffs Harbour) Pty Ltd, JR Richards Pty Ltd, National Waste and Recycling Industry Council, PAR Recycling Services Pty Ltd, Polytrade Recycling, Re-Group, Solo, Shoalhaven Recycling, Uni of NSW, Uni of Newcastle, UTS, Waste Contractors and Recyclers Association of NSW, Waste Management Association of Australia, Lismore City Council, Suez Recycling and Recovery Pty Ltd, Visy.

Introduction

China's enforcement of its National Sword policy restricts the types of recyclable material China will accept. This policy has impacted the global market for recyclable material, including the recyclable material that is currently collected in NSW. While this presents immediate challenges, it also presents opportunities to strengthen the states recycling sector, and generate a range of social, environment and economic benefits for the community.

Effectively responding to these global changes requires a collaborative approach. To this end, the NSW Government has established an inter-governmental Taskforce to progress a longer-term strategic response to National Sword, in partnership with industry and local councils.

Two stakeholder Reference Groups have been established to work with the Taskforce; the Local Councils Reference Group and Industry Reference Group. The below reports on Meeting One of both Reference Groups.

Meeting Agenda

The items discussed at the first meeting are outlined below.

- The purpose of the Reference Groups
- The NSW Government's response to China's National Sword policy
- An introduction to the inter-governmental Taskforce and a presentation on the 5 Working Groups of the inter-governmental Taskforce
- Discussion and feedback

The Reference Groups

The Reference Groups provide a conduit of information between industry, councils and the inter-governmental Taskforce and its Working Groups. It enables the Taskforce to access the expert knowledge of the members and provides a forum to share ideas, hear concerns and learn about actions being taken to respond to China's National Sword policy and strengthen local recycling.



The Groups will assist the Government to develop and implement long-term solutions to the changes in the global recycling market.

The Governments response to China's National Sword policy

The NSW Government announced a support package in March of up to \$47 million to help local government and industry to respond to these global changes.

The package includes \$4.5 million to support co-investment in infrastructure projects to improve the quality of recycled materials produced by Material Recycling Facilities (MRFs) and reduce the amount of unrecyclable material left at the end of the recycling process, and \$5 million to fund grants and programs that identify new uses for recyclable materials and increase the production and use of recycled products.

These grants are open for applications from Industry and information is available on the EPA website [here](#)

The inter-governmental Taskforce

The Taskforce's work is focused on long-term actions, including: examining the use of recycled products and scouting opportunities to increase the use of recycled products; developing a circular economy policy for NSW and supporting the development of national circular economy principles; investigating opportunities to streamline the approval and operation of new and expanded recycling facilities; developing model contract clauses and other tools and resources to support better functioning kerbside recycling markets; and examining a range of other long term initiatives to strengthen local recycling.

The Taskforce has established five Working Groups to focus on specific objectives.

Working Group 1 Government Procurement

The objective of Working Group 1 is to work towards how local and state government, through procurement, can increase the volume of recycled products purchased and consumed in NSW. This includes two different procurement streams (1) general goods and services and (2) construction and infrastructure.

The Working Group is led by NSW Procurement, within the Department of Finance Services and Innovation, and has been gathering stakeholder feedback and ideas through a website survey and a 'design sprint' workshop. The Working Group is also looking at case studies where procurement of recycled product has successfully delivered value-for-money and sustainability outcomes.

Questions put to the Reference Group:

1. How can local and state government procurement be applied to increase consumption of products made from recycled or recovered materials?
2. How can local and state government procurement be applied to divert government consumption away from virgin, single-use, or difficult to recycle products?
3. What campaigns, tools, or initiatives can local and state government procurement implement to increase consumption of recyclables and recycled content?
 - a. Internally with government employees; and
 - b. Externally with Government suppliers and sub-contractors

Working Group 2 – Circular Economy and inter-jurisdictional Engagement

The objective of Working Group 2 is to develop a circular economy policy for NSW, and support the development of national circular economy principles. A circular economy aims to increase the efficiency of resource use by seeing materials and components being reused or recycled many times over. The intention of developing and adopting a more circular economy approach is to strengthen the NSW recycling industry, and in doing so generate a range of social, environment and economic benefits for the community.

The Working Group is researching and reviewing international best practice policies and practices for a circular economy and assessing what approaches could be successfully applied in NSW.

Questions put to the Reference Group:

1. *What do you see as the long-term role of Government in the waste circular economy?*
2. *What circular economy work is already going on within NSW and in other Australian jurisdictions?*
3. *Who are the key stakeholders/leading thinkers/technical advisors that must be consulted in developing the Circular Economy Policy for NSW?*

Working Group 3 – Streamlining Approval of Recycling Facilities

The objective of Working Group 3 is to identify opportunities to streamline the approval and operation of new recycling facilities and the expansion of existing facilities, while balancing the safety of human health and the environment.

Questions put to the Reference Group:

1. *What do you consider to be the key challenges in the assessment process and in commencing operations?*
2. *Do you think engaging early with key government agencies and council would assist with your proposals and the assessment process?*
3. *Is there adequate guidance on the assessment process and agency expectations?*
4. *What are the key factors you consider in selecting a site to develop?*
5. *Do you consider there any opportunities to improve strategic planning for waste projects?*

Working Group 4 – Long Term Solutions and Business Care

The objective of Working Group 4 is to commission economic modelling to quantify the impacts of China's National Sword policy on the NSW economy, and examine the most appropriate points of Government intervention to strengthen the resilience and performance of NSW' recycling sector. This Working Group will also support the other Working Groups to evaluate the costs and benefits of proposed initiatives.

Questions put to the Reference Group:

1. *What longer term solutions should be considered to respond to China's National Sword policy and transition to a circular economy?*
2. *What initiatives could local government, state government, federal government, universities and industry introduce to strengthen local recycling outcomes?*
3. *What are the barriers to locally processing recyclable materials for reuse?*

Working Group 5 – Model Contracts and Negotiation Support

The objective of Working Group 5 is to work with industry and local councils to ensure there are arrangements in place which facilitate the effective functioning of kerbside recycling in NSW.

The Working Group is pursuing this by working with material recovery facilities and local councils to develop model contract clauses for the collection and processing of kerbside recyclables, and developing a range of other tools and resources that can assist councils and material recovery facilities to negotiate improved contractual arrangements and kerbside recycling outcomes.

Questions put to the Reference Group:

1. *What are the major areas of difficulty being experienced by councils and MRFs in negotiating recycling collection and processing contracts?*
 - *Contract clauses (e.g. how to share risks of price fluctuations in commodity markets)*
 - *Negotiation process*
2. *What tools and approaches are you aware of that are being used within NSW or other jurisdictions to address these challenges?*



Discussion

Along with discussing the questions put to the Reference Groups by the 5 Working Groups, the Reference Groups also discussed potential short-term actions that could be taken to support an immediate response to the impacts of China's National Sword policy. This included discussing education for local communities on recycling, and the need to maintain community confidence.

Next meeting

The inter-governmental Taskforce and its Working Groups are committed to working with councils, regional waste groups and industry to improve and strengthen our recycling systems in NSW.

The next meeting for both Reference Groups is scheduled for 5 July 2018.