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Tuesday, 6th April, 2021

Sophie Dunstone
Inquiry Secretary
ENVIRONMENT AND COMMUNICATIONS LEGISLATION COMMITTEE

Sent via email: ec.sen@aph.gov.au

Dear Sophie,

Re: Submission - Inquiry into the Hazardous Waste (Regulation of Exports and Imports) Amendment Bill 2021

Thank you for the invitation dated 24th March 2021 to provide a submission to the Inquiry into the Hazardous Waste (Regulation of Exports and Imports) Amendment Bill 2021

The following is our submission relevant to the Export Ban of Plastics from 1st July 2021 and how this relates to the current process of exporting of recycled plastics generated through the National TV & Computer Recycling Scheme (NCRS)

Background

Ecycle Solutions Pty Ltd is a Co-Regulator of the National TV & Computer Recycling Scheme (NCRS) since its inception in 2012/2013. Over the past 8 years, we have annually achieved a recycling outcome whereby re-useable materials generated from our recycling efforts has exceeded 90% and the average over the journey is closer to 95%. The contamination of approx. 5% includes both domestic and downstream (overseas) recycling, up until the commodity is utilised to manufacture a finished product. The recycled plastics (re-useable material) is mostly exported overseas and none of it is used for waste to energy.

The plastics mainly comprise 'ABS' plastic and more accurately a hybrid of various percentages of ABS/PC/PS which are polymer compounds inherent in the plastic panels recovered from TV's, computers, printers and computer peripherals, during the recycling process.



Our business, last year 2019/2020, recycled 16,100 tonnes of NTCRS products and this year 2020/2021 will be close to 17,000 tonnes. Next year 2021/2022 we will recycle approx. 25,000 tonnes. This is the result of a competing Co-Regulator (EPSA) leaving the Scheme at 30th June 2021. The plastics generated from our recycling effort last year 2019/2020 were approx. 2,500 tonnes and expect this to increase to 4,000 tonnes next year 2021/2022. The ABS/PC/PS product is typically exported in bulker bags as a 'shred/flake'. This attracts a commodity (raw material) value, although it is only a nominal amount (approx. \$100 per tonne) but the price can vary relative to 'demand & supply' principles. It is a sort after commodity by overseas manufacturers, with the supply from Australia being a minimal input to a much larger volume requirement for their manufacturing/production .

Ecycle Solutions has third party subcontract recycling agreements with 10 small to medium recyclers Australia wide generating various quantities of recycled/re-useable plastics in each of the Australian Capitals. These recyclers as an aggregate employ hundreds of employees and work nearly exclusively on recycling NTCRS products. As individual businesses it is not possible for them to arrive at a domestic solution for their individual small volumes of recovered plastics. Accordingly, it will require a solution whereby as a group we arrive at an aggregate solution and achieve a critical mass. Accordingly, we are seeking a moratorium of 12 months to continue our export process and providing the critical amount of time to implement a long term solution.

NTCRS fees/rates charged by Co-Regulators and fees/rates received by recyclers for recycling NTCRS products are all fixed typically for one to two years in advance and are fixed rates, enabling all parties to have clarity of the financial arrangement. It enables importers to understand costs relevant to the sell price for their goods and recyclers have certainty of NTCRS volumes and revenues and gear their business accordingly. The hard ban on plastics from 1st July 2021 will incur significant additional cost through cost of transport to landfill and landfill fees. If this is the case, the additional cost to Liable Parties will be approx. 20%.

THE CHALLENGE – OUR CONTENTION

A CHANGE TO THE CURRENT BUSINESS DYNAMIC TO BAN THE EXPORT OF NTCRS PLASTICS FROM 1st JULY 2021 WILL LEAD TO A SIGNIFICANT COST & ENVIRONMENTAL IMPOST

Why & how will the above happen?

- A hard ban from 1st July 2021 will see the majority of the recycled plastics going to landfill as there is no current alternative use for such a small volume of unique plastics.
- Australia does not have a current process enabling the hybrid plastic ABS/PC/PS to be broken down to single polymers. The overseas specialists do this cost effectively and utilise it to manufacture finished goods.
- Ideally, Australia and we as Co-Regulator will develop domestic uses and that may involve local domestic processing. What we need is time and at least 12 months post the proposed Export Ban – 1st July 2021
- Why doesn't Australia build a granulating plant for single polymers for NTCRS plastics?
 - Time – we are unable to mobilise a solution for NTCRS plastics pre 1st July 2021. It is not possible to achieve an outcome that can be implemented or built within the next 3 months. Most likely, it will lead to a significant cost downside and impost to be worn by the General Public through on-charging to liable Parties
 - Logistically we will require 100% of the NTCRS plastics to be delivered to a central plant in Australia, preferably Melbourne. This will require an aggregation of the disparate volumes to be transported from all over the country to a central facility. Very EXPENSIVE!
 - Capex - to build the requisite plant without the critical mass of 100% NTCRS plastics creates an expensive end product. It will then be sold and export overseas and be commercially non competitive against the local overseas operators.



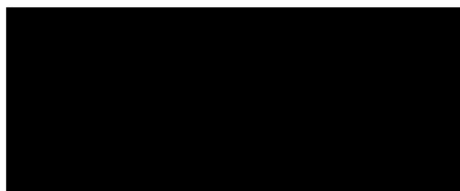
- Why should NTCRS plastics be approved for export for the next 12 months to 30th June 2022?
 - Finished Goods – the ABS/PC/PS shred/flakes are used as raw material to manufacture finished goods and less than 5% downstream landfill
 - Domestically there no use for this material, as it is such a small segment of the recycled plastics market
 - Hard ban will see this product go to landfill. Costly, both economically and environmentally.
 - Time – the NTCRS stakeholders require 12 months to come up with an optimal solution as this will require time for due diligence, installation and implementation.

Encouragingly, we are in receipt of alternative uses for the NTCRS plastics and this bodes well for the overarching objective to arriving at an optimal long term solution, however the evaluation, implementation and escalation to commercial scale will require a moratorium.....TIME and the ability to obtain export licences for at least the next 12 months post 1st July 2021.

We understand there will be a process for the application and approval of export licences and submit that NTCRS Plastics as a recycled commodity, will be duly granted licences for the period 1st July 2021 through to 30th June 2022?

Thank you for allowing us the opportunity to make submission to the Inquiry.

Yours Faithfully,



Chris Tangey

General Manager – Ecycle Solutions Pty Ltd

