



AUSTRALIAN COUNCIL OF RECYCLERS INC

THE VOICE OF THE RECYCLING INDUSTRY

30th June, 2006

Executive Director
Sustainability Programs Division
Department of Environment and Conservation
PO Box 644
Parramatta NSW 2124

Dear Sir,

The Australian Council of Recyclers (ACOR) welcomes the opportunity to review the Extended Producer Responsibility Priority Statement 2005-6 and offer the following response for your consideration.

ACOR member currently receive and process over 11 million tones of material nationally and are directly impacted by any proposed EPR scheme as it has the capacity to directly influence whether recycling and resource recovery of a product is viable or not. The projected quantities of material to be returned for recycling, quality of that product and the pathways that this material will take must be considered. Investment decisions to build, expand or invest in emerging technology are directly and fundamentally linked to a sound and stable political and legislative framework.

ACOR has developed a number of core principles which are central to any Extended Producer Responsibility Program. These are:

- All programs must be national in approach. ACOR does not support individual state based approaches for materials which clearly are distributed and consumed nationally.
- All programs must be underpinned by clear and unambiguous legislation, ensure that participants are protected from "freeloaders" and are rigidly enforced.
- The producer, brand owner or importer must be clearly identified and held accountable.
- Programs must be capable of identifying freeloaders, isolate these and protect the valid rights of participants.
- Appropriate bans on land filling of product, or clear economic disincentives of environmentally undesirable disposal must be introduced in parallel with Extended Producer Responsibility.
- Programs must be sustainable, economically, socially and environmentally.
- Timetables, lead times and staged rollout of programs must be set in conjunction with both producers and the resource recovery sector to ensure that realistic and viable recovery services can be provided
- Each material category must have measurable targets and quantifiable outcomes which are clearly articulated and can be monitored by government and participants
- Programs must be designed to stimulate improvements in product design to reduce toxicity, enable greater disassembly, resource or component recovery and ultimately facilitate recycling as opposed to disposal.
- Product selection criteria must be logical, transparent and consistent with the above principles

Products to be added

ACOR members believe there is a need for Extended Producer Responsibility on items that are hazardous to the resource recovery sector and to the community generally. These views have been expressed through our membership of the EPR Expert Reference group. However, we are disappointed to see the continued focus on cigarette butts and plastic bags which are unsightly and may cause some minor environmental problems when the real issues which cause death, disability, damage to plant and equipment, fines for non compliance with license conditions and contamination of final products are allowed to go unchecked and unlisted.

We have reviewed the criteria for consideration of new products to be added to the priority list as provided in Appendix 2 and believe that there are serious omissions from the current list. Specifically we believe that gas bottles, lead acid batteries, smoke detectors and fluorescent tubes should be included in the revised priority list of wastes of concern and that end-of-life vehicle residuals (flock) should be renamed as the product category motor vehicles not the outcome of the recycling process

Gas bottles

Gas bottles are products in need of coverage under an Extended Producer Responsibility scheme as they pose considerable OH&S risk in the recycling industry due to potential residual explosive and flammable gases.

These and other closed vessel metallic items typically end up in metal recycling industries where their processing poses a very significant and demonstrable risk of causing an explosion, with potential significant damage to equipment, injury to the recycler's personnel and significant noise emission within a 5 kilometre radius. One member company has even had to relocate its metal shredder at a cost of \$20million to overcome complaints regarding such explosions resulting from gas bottles.

The inclusion of gas bottles in an EPR scheme, preferably one with an attractive 'bounty' on end-of-life cylinders is in our view of paramount importance.

ACOR members – SimsGroup and Smorgon Steel Recycling have made repeated and strong requests to the NSW EPA over the past 10 years, to take action on this issue. The key contacts in relation to this issue were Ms Roz Hall and Gregory Cooper. However, EPA formed the view that this was not important, or affected only one company badly at the time.

ACOR members believe the problem has far reaching implications for the community, particularly when expensive recycling infrastructure is forced to relocate away from the areas it services, with resulting drops in recycling efficiency and increases in cost

An exploding gas bottle caused a major injury to one of Sell and Parkers employees and the NSW EPA are taking legal action for an explosion which may have been caused by a rogue gas bottle. As a result all metal shredders have banned suppliers from delivering any gas bottles. However, bottles get hidden in wreckage and scrap sometimes intentionally and also unintentionally. There is no outlet for this product as a result people dispose of them any way they can. Landfill, scrap yards, kerbside waste collection and illegal dumping are all avenues used.

In April 2006 two separate major incidents occurred in Queensland with exploding gas bottles. One incident occurred to a plant operator at a landfill who inadvertently ran over a bottle which exploded, causing severe burns. In a separate incident on April 10th, a 55-year-old Brisbane man was in a critical condition with extensive burns when his tractor was cutting grass in a vacant paddock caught fire after it ran over a gas bottle which exploded and ignited the tractor.

ACOR's metal sector members have actively sought to exclude gas bottles from being delivered in loads for processing by communicating with regular customers and the general public who deliver loads for reprocessing. Some members pay staff bonuses based on number of bottles recovered from delivered loads in an effort to prevent explosions, damage to expensive equipment and unnecessary down time.

Shredder explosions are a complex issue that over eight hundred operators worldwide are yet to solve. However, a number of shredder explosions can be attributed to hidden gas bottles. The introduction of an EPR program could lead to a potential reduction in the number of cylinders potentially being delivered and entering shredders thus reducing the number of potential explosives.

Lead Acid Batteries

ACOR supports the nomination of lead acid batteries on this Priority Statement as while the advertised recycling rate for lead acid batteries stands at 95% a significant number of batteries have been found in the feedstock of the Global Renewables Eastern Creek UR-3R Facility leading to unnecessary contamination of the final organic product.

The facility has the capacity to process 175,000 tonnes of municipal solid waste with feedstock mainly sourced from Fairfield and Blacktown City Councils. The UR-3R facility recovers a range of recyclables, and manufactures an organic growth medium (OGM), a high quality compost certified to the Australian Compost Standard AS4454.

A major impediment to operational safety and compost quality is the very high level of 12 volt car batteries being received at the facility. Audits reveal that it is estimated at 1 x 12 volt car battery is delivered in every 12.5 tonnes (0.08 batteries / tonne). This equates to 15,000 batteries per year or up to 80 batteries per day.

In addition to the quantity of batteries a number of other issues and challenges are faced including:

- Up to 50% of the batteries are crushed before arriving at UR-3R
- Spillage of lead and lead salts – creates significant heavy metal problem
- The contents of 2 batteries per day has the capacity to contaminate an entire OGM output

A forum of key stakeholders from local government, the Department of Environment and Conservation, the battery industry, environmental groups and the metals recycling industry was held to review the situation and develop effective ways of removing lead acid batteries from the domestic waste stream. Although we understand the battery industry representatives have been asked to submit a proposal for action, no outcomes were achieved.

Smoke detectors

The Building Legislation Amendment (Smoke Alarms Act) 2005 requires that landlords ensure smoke alarms are fitted and maintained to all residential premises. Fire alarms have been proven to save lives and are widely encouraged by fire brigades, councils and state government departments to be installed in all residential premises.

The detectors contain a low level radio active isotope. These detectors when having failed are typically disposed on in the domestic waste bin. The detectors may present a risk to waste processors as the radio active isotope (e.g. americium 241) has a much longer half life than typical compost processing duration.. Sustainability Victoria's advice is "Smoke detectors are required to be returned to the supplier for disposal" and given that this is recognised by government, these items should be covered by a robust EPR program.

If AWT facilities are to achieve their stated performance indicators then it is essential to develop an EPR program so that responsibility for the correct and safe disposal and recycling of these items can be encouraged and not undermine the outputs from AWT facilities. The domestic waste stream is not considered the appropriate disposal route for batteries and smoke detectors.

Fluorescent light bulbs and tubes

Like the smoke detectors a significant change in consumer purchasing and disposal patterns has resulted from promotions by government departments in relation to long life energy saving fluorescent tubes. Traditionally, fluorescent tubes were predominately used in commercial offices and industrial factories however a strong growth has occurred in their application and use in the domestic sector.

Increasingly these bulbs and tubes are being placed for disposal in either the domestic waste bin potentially being delivered to AWT plants for processing and in the commingled recycling bins being delivered to MRF's for processing and potentially being incorporated into cullet for remanufacture of new glass containers'.

The tubes and bulbs contain mercury and as such ACOR members believe warrant consideration of EPR program given their toxicity and potential to contaminate both recycle and end products from AWT plants.

Products to be renamed

End of life vehicle residuals

ACOR membership embraces the three current metal shredding operators in NSW who share the following view in respect to end of life vehicle residuals. The members do not accept the assessment criteria used to identify end-of-life vehicle residuals as a waste of concern suitable for management by EPR schemes.

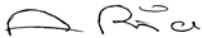
It is important to recognize that metal recyclers all around the world have significant incentive in recovering the maximum amount of valuable material from their residual stream and invest significant amount of capital in doing so as well as sponsoring ongoing R&D into new and improved technologies to achieve better recoveries. This notwithstanding, is not technically nor economically feasible to recover all resources found in the residuals. If such technology was available then shredding businesses operating overseas with much higher disposal costs, landfill shortages and raw material shortages, countries such as Europe and Japan would be recovering these materials, which they are not.. With Australia's lower population density and current restrictions on waste to energy conversion, the economics of residual volume and resource recovery are even worse. Residuals are currently landfilled in an approved licenced facility in a dedicated location for ongoing monitoring in an engineered landfills with no evidence of leaching or other detrimental environmental impacts. Countries such as Sweden, have dedicated landfills for flock disposal alone.

Motor vehicles represent about 20 % of the total shredder feedstock. ACOR members agree that approximately 80% of each motor vehicle is recovered through the recycling process. However, the issues associated with lighter material selection of components to improve fuel consumption, while decreasing the value of recoverable materials are not addressed by placing end of life vehicle residuals on the list of wastes of concern. Recyclers are at the end of the supply chain and have limited influence on upstream manufacturers and smash repair industry. In our view the category should reflect the product stewardship chain like all other products on the list and therefore end of life vehicle residuals should be replaced with motor vehicles.

Government must show leadership to protect the waste management industry, resource recovery sector, customers and the general public from the real and proven dangers that gas bottles represent.

If the State waste strategy targets are to be met support for AWT providers and the recycling sector is required to remove hazardous, toxic and dangerous products from the domestic waste and recycling stream. In order to achieve improved resource management outcomes for NSW, ACOR supports the separate identification of lead acid batteries and recommends that gas bottles, smoke detectors and florescent tubes be included in the revised priority list of wastes of concern. We further believe that end of life vehicle residuals should be replaced by the product category of motor vehicles.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne Prince'.

Anne Prince
Chief Executive Officer