

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into recycling and waste management

Melbourne—Tuesday, 25 June 2019

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WITNESS

Mr Michael Strickland, project manager, WM Waste Management Services.

The CHAIR: I welcome Mr Strickland, project manager with WM Waste Management services. Thank you for making yourself available.

All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside this hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript in the next few days. I will give you about 5 minutes. We have got your submission, so we will have 5 minutes or thereabouts and then we can go to some questions from the committee members. All yours.

Mr STRICKLAND: Sure. Look, I will just give you a bit of background about myself and WM Waste Management Services. We are a family-owned Victorian company. WM Waste Management Services do a lot of hard waste collections. We do about maybe 40 per cent of all Melbourne's councils for hard waste collections. We run skip bin operations, and our sister business, KTS Recycling, operates four transfer stations around Melbourne at Coldstream, Knox, Frankston and Wesburn. We have also got a large mattress recycling facility at Knox as well. I have been in the industry for about 30 years myself and about 20 years at WM Waste Management.

Thank you for inviting me to talk to you today. As you have said, you have already got my submission, so I will not read through it. But I would say that I agree with pretty much most of what the Cleanaway people said. I just sat through it, and I am in agreement with a lot of what they said as well.

The CHAIR: Look, we might as well go to questions. Can you just tell us a bit more—and I have read the submission—about what your company does and give us some examples? You deal with hard waste and what other waste? Just if you can take us through what waste you receive, what you do with it and where it finishes up.

Mr STRICKLAND: Yes. We do the hard waste collections for councils, so it is really bulky waste that people put on their kerbside and includes items such as fridges, mattresses, e-waste, old furniture, clothing and all sorts. But it is not organic waste. I mean, sometimes there will be a bundled green waste collection as well. A lot of councils are going towards a booked service now. Our favoured method of recycling is basically to have two vehicles, one to collect up stuff that cannot be crushed and one where we can crush everything else. We take it back to our recycling facility at Knox and then we sort through. When I say stuff that can be crushed, it could be a mattress or it could be a washing machine or something like that, and we can pull it out again afterwards.

At Knox we shred the material and we make what is called process engineered fuel. We have got an agreement with a company called ResourceCo. The process engineered fuel that we make, after extracting the metal and stuff out of the hard waste, is basically a fuel specifically made for cement kilns. ResourceCo provide this sort of fuel to a cement kiln in Adelaide and a cement kiln in Sydney. Unfortunately there are no cement kilns in Victoria—they have all gone—so our material has been getting exported to Malaysia and the Philippines. Unfortunately it has just been recently caught up in the whole bans on material going overseas, although ResourceCo assure us that it will not be very long before it is back in operation because there are a lot of cement kilns in that area and they rely on a lot of this fuel. In Malaysia there are probably like 200 cement kilns. In the whole of Australia there might be, say, four or five. The process engineered fuel is basically made to replace black coal, so they just use it the same way. They feed it in for fuel for the cement kiln. A cement kiln is like a big furnace, so you have to burn stuff. You cannot use solar panels to make cement. It is a big furnace. You need to be burning either gas or coal or oil or like a process engineered fuel. So from a cement-making point of view it is best practice to use this sort of fuel.

The CHAIR: So I suppose there is a difference between, let us say, this China policy and the ban on recycled plastic and paper and so forth, because they are now turning to—and I just came back recently from there—using their own product and recycling the materials instead of recycling the world's problems. But the example you have given for the product you are specialising in doing is something different altogether because there is need for it. There is not enough local product in these countries that you talked about. That is why there is need for it.

Mr STRICKLAND: That is right, and it just competes with coal. So it is basically you either ship coal there or you ship the process engineered fuel there. And it goes as a complete product. Part of the agreement with Malaysia and the Philippines is that it goes there as a finished product. They do not do anything. All they do when they get it there is use it as a fuel. There is none of this sort of extra processing or recycling when it gets there. It has to go as a fuel.

Mr LIMBRICK: What do you think are the major barriers to using this type of fuel? We have heard in some other submissions that class 3 hazardous waste was used in a cement kiln in Victoria. But like you say, there are not many cement kilns around that can take this sort of fuel. Are there other applications that this fuel could be used for, or are cement kilns the primary use?

Mr STRICKLAND: Cement kilns lend themselves very well to it because of the way that the furnace works and the fact that you use lime to make the cement. With the lime itself, the atmosphere in the furnace is really good at scrubbing out any metals or whatever that are in it, whereas if you use it for a different application, you would probably have to put on more air pollution-type systems. Particularly the regulations for using this sort of fuel as compared to coal, you would have to put a lot more—because it is waste-to-energy—air pollution-type systems in place, whereas the cement kilns, they are very well suited to it.

Mr LIMBRICK: Is that because it is a very high temperature and destroys dioxins and stuff?

Mr STRICKLAND: It is the high temperature and it is also just the nature of the material in it—the lime in it—and the amount of time it is in there. The other beauty about even the whole cement thing is that there is no ash either. Anything that is left over just becomes part of the cement, so there is nothing that goes to landfill afterwards or anything like that. It is just completely used. Although, talking about hazardous types of materials, in our agreement with ResourceCo we have actually got a couple of pages of specification. Every container we do gets tested, and there is a lot of criteria for things like chloride or organics or wood. There is lots of particle size, different hazards—we cannot have that sort of stuff in it basically.

Mr LIMBRICK: One other quick question.

Mr STRICKLAND: Yes, sure.

Mr LIMBRICK: A lot of what you deal with is collection of hard waste.

Mr STRICKLAND: Yes, and a lot of mattresses too.

Mr LIMBRICK: Okay. I do not know about other people's area, but in my area every time there is a hard waste collection day there are a bunch of people that go around and collect it first, before you get there presumably.

Mr DAVIS: Exchange operations.

Mr LIMBRICK: There is a bit of trade going on before you get there. Does that affect your business a lot?

Mr STRICKLAND: It can have a bit of an impact. We are not so concerned if someone says, 'There's a nice skateboard there. I will just grab it for my kid'. No-one is worried about that. You do get the sort of professional scavengers who drive past. Obviously they are taking the metal, which is income to us, but they also can make quite a mess. We have had times where they have gone past and all the TVs are smashed because they have grabbed the copper out of the TVs, so there is broken glass on the ground and then we have to be there cleaning it up. Some people are not very scrupulous, I suppose, who are taking some of this stuff. But as far as just taking a neighbour's skateboard or something, that is not a problem at all.

Mr LIMBRICK: Because my council have said they are giving a vote to residents to opt on whether to continue with the current system, which is to have a special day and then everyone comes around and picks it up, or they do it on demand. Is doing it on demand something that is even possible with your type of business model?

Mr STRICKLAND: A lot of councils do on demand. In the company that I work for we do both sorts of systems, so the area wide-type system or the booked-on-demand system. It is probably fair to say that the trend is towards on-demand services.

Mr LIMBRICK: To discourage scavengers and stuff like that.

Mr STRICKLAND: That is part of the reason, yes.

Mr LIMBRICK: Okay. Thank you.

Ms TERPSTRA: In your submission you talked about how perhaps government could consider an idea about introducing a new processing permit.

Mr STRICKLAND: Yes.

Ms TERPSTRA: Can you expand on that and just tell the committee a bit more about that proposal and your idea there?

Mr STRICKLAND: I was just thinking that perhaps there could be a permit which would go with the company rather than with the particular site because you get some companies that have got multiple small sites and sort of can get around having a larger licensed site. I think it would just be good to have a permit so there would be like a bit of a character test, I suppose, of the company, but also I think there should be a lot more reporting requirements. I know that with the hazardous waste and the prescribed waste there is reporting, but I am thinking even more just your solid inert waste. For instance, if you look at what happened in Lara, where a company just stockpiled a huge amount of building construction material, I think if there was a lot more reporting going on as to what was coming and what was going out, the EPA might have been onto it a lot sooner. I just think it would give the EPA a lot more information and a lot more of what is going on because there are a lot of people stockpiling, as Cleanaway said as well. It is not just prescribed waste; it could be anything. Our competitors in the mattress industry started up mattress recycling because there were a couple of warehouses in Moorabbin that another company just filled full of mattresses and then the owner was just left with them going, 'What are we going to do with these mattresses?'. So they got into mattress recycling. It was going to cost them millions of dollars to landfill these mattresses that someone just dumped in their warehouses. So it is not just prescribed waste; it is all sorts of waste. It is just getting stockpiled all over the place.

Ms TAYLOR: I am sorry, I do not mean to be repetitive. Were you saying it is mainly the recycled mattresses that are used as the fuel for the cement kilns, or is it—

Mr STRICKLAND: No, that probably only makes up about 10 per cent of the weight. It is more the hard waste-type material we get in. And in fact it is interesting because we have to have the mattresses separate and then just blend them together, so it is actually like a recipe. We have to have a consistent product, and if you just have one bale full of mattress fluff and another bale full of furniture or something like that, then it is going to have quite a different property, so we have to have a fairly consistent product. So we actually have a recipe that we have to follow.

Ms TAYLOR: I think you were saying there were quite tight restrictions around the emissions from burning these substances.

Mr STRICKLAND: The cement kiln works really well. There is not really a problem with the emissions. But just say you wanted to have a power station using it, then you would probably have to put a lot more air pollution-type scrubbing systems in place. So you could not just burn it anywhere without some sort of controls.

Ms TAYLOR: No, absolutely. That would make sense. How would it compare to burning coal and so forth? I am just intrigued because I have not heard of this particular—

Mr STRICKLAND: In terms of what?

Ms TAYLOR: How would it compare in its emission profile to, say, burning coal? You could take that on notice if you do not know or we could find out.

Mr STRICKLAND: It would probably be best to take it on notice. As I said, we do have a specification we have to meet. We cannot have too much PVC or something like that in it because there is chlorine in it and that is a problem. There are things we have to keep out of it to make sure that the emissions will be down.

Mr DAVIS: Grants. Have you received support from Sustainability Victoria or the EPA and its fund for any of the waste streams that you have got, and if not, are there opportunities?

Mr STRICKLAND: Look, we have received a couple of grants. I can think of probably three or four grants that we have received over the years.

Mr DAVIS: It would be nice to get some detail on those.

Mr STRICKLAND: We did have a grant towards this whole PEF process from Sustainability Victoria. I could not tell you off the top of my head how much it was for, but it was maybe several hundred thousand dollars. There have been some small grants to do with infrastructure for e-waste, like for roofs and sheds and stuff like that for e-waste. We have had a couple of grants from Sustainability Victoria for them, but they are quite small grants. We did have one quite a while ago now, again at the Knox transfer station, for mattress recycling from Sustainability Victoria. We used that money to put in fire hydrants and stuff like that as well, so we did get some money for that. So we have had some grants.

Mr DAVIS: And are there other opportunities that could be supported to—

Mr STRICKLAND: Well, we always—

Mr DAVIS: pick up other streams of waste?

Mr STRICKLAND: Yes. Look, we would love to expand the Coldstream transfer station to be taking putrescible waste in there for transferring, and that would be infrastructure money that we think would be great. The facilities that we operate are all actually council-owned facilities. So I suppose the beauty is, when we have got grants for infrastructure on these sites, ultimately it will end up owned by the council because the council owns the land, and on these sites we either have leases or contracts.

Mr DAVIS: Well, we are obviously interested in useful streams of waste that can be managed.

Mr MEDDICK: Thank you, Mr Strickland. I notice in your submission that you are quite supportive of a container deposit scheme.

Mr STRICKLAND: Yes.

Mr MEDDICK: I want to get a feel. Are you a member of the waste management associations of Victoria and Australia.

Mr STRICKLAND: Yes.

Mr MEDDICK: Yes, okay. So what sort of support do you feel there is in broader terms than within the industry and through those associations for a CDS?

Mr STRICKLAND: I think it varies. And I have to be honest: it is not really a conversation I have with other people in the waste management industry that often. It is probably a little bit peripheral to the sort of operation that we run, because we are not in that space of collecting kerbside recycling, for instance. But I just

see that it is a way to value-add at council transfer stations and stuff like that. People can bring their recyclables in and there can be this container deposit scheme in place.

Mr MEDDICK: And it leads me into basically the second half of that question then, because I am trying to get a feel for what industry support there is versus what public support there is. So in your opinion, is there a broader community support for a CDS? Because you are in the industry, do you feel that the broader community would be happy to pay more for products because there is a CDS on them because they see a benefit passed on to the environment and to charities and other community organisations?

Mr STRICKLAND: I definitely believe so. I think there is a lot of support in Victoria. Obviously now Tasmania is going down that path as well, Victoria will be the only state not having it, and so if Victoria does go that way, there will be opportunity for more of a national approach. But I think that even though people pay an extra 10 cents or 20 cents, you hardly even know that you are paying that when you buy a bottle of something but you do notice it when you go and cash them in. And so you have just had a big party and your teenage kids have collected all this stuff and they go down and get \$20, they reckon it is fantastic, and you do not realise you have spent an extra \$20 buying all that stuff in the first place.

Mr MEDDICK: And finally in that, I notice in your submission there that you talk about that, but then the propensity is for cleaner recyclables to be going to the stations because there is an incentive, if you like, to make sure that the right type of recycling is coming through so it is not just going to landfill. Is that the experience in the other states?

Mr STRICKLAND: The thing is: you have got the opportunity as you receive it, you are not receiving it all in one big bin. You receive these bottles and you can just sort it as you go. So you can put that green glass there; you can put that PET bottle there. Just as you are receiving and paying for the material you have got that opportunity. Or you can use one of those sorts of machines that Cleanaway were referring to, where you put it in the machine and it will reject it if it is no good. Otherwise it will go in. So it is all separated when you get it. All these glass issues and stuff like that—if you have got pure each-colour glass, you can get more value if you have only got green glass or only got brown. When it is just a mix of everything and it has got other contamination in it as well because of all the other stuff that is in your wheelie bin, that is when it is more of a problem. And it just means that all your PET bottles are together, so you can get a much better price and you can export that sort of stuff because it is a clean product.

Mr MEDDICK: Yes. It is outside the China Sword policy.

Mr STRICKLAND: Yes.

Mr MEDDICK: Yes, great. Thanks.

Dr RATNAM: Thank you so much for your submission and for appearing here today as well.

Mr STRICKLAND: That is all right.

Dr RATNAM: You talked in your submission about the issues of stockpiling and container deposit schemes, which you have just touched on. I just wanted to talk about the issue of stockpiling, so in terms of what has happened in the system with the China Sword policy. I know you are not collecting kerbside recycling, but have you been impacted by the stockpiling issue or is it a broader industry thing? Can you talk us through what kind of impacts.

Mr STRICKLAND: It has impacted us a lot, but I think in a good way to be honest. We do get a lot of material coming through our facilities. In the Knox transfer station we would get, say, over 100 000 tonnes of stuff coming in every year, so there is a lot. And we process probably 140 000 mattresses a year, so it is easy to stockpile if you do not keep it under control. We have really had to work hard to make sure we are complying with these stockpile guidelines. We completely support them, but it has really meant that we have had to change some of our methodologies and procedures to really keep our stockpiling—distances between piles, size of piles—right down. Really, you just have to keep stuff moving out all the time.

Dr RATNAM: So it sounds like you are operating well under the guidelines. You are heeding some of the guidelines to ensure that you prevent fire and all those sorts of risks, but we are hearing that there are operators who are stockpiling and causing great concern to different authorities as well. Why are those issues, do you think, arising? Why are some people getting into trouble with stockpiling and not able to do the right thing?

Mr STRICKLAND: To be honest, because we do operate on the council sites we are probably under a lot more scrutiny. We have got council contracts. So councils—they are worried about stuff as well, so they will be coming out and checking that we have got our procedures and our insurance and everything in place, whereas if it is just a privately owned site, the EPA do not—I mean, with the stockpiling guidelines they can come and look at that, but there are no licensing provisions. Just say you are private waste transfer station, no-one is going to come and visit you. The council will not do anything. The EPA will not do anything. It is just—

Dr RATNAM: It is the oversight and the governance around it. It makes a difference.

Mr STRICKLAND: Yes, so if it is just a private operation, then there is not really much scrutiny. And that is why this whole stockpiling business has come up in the first place—like that Lara facility, where it has got so much material there because there is just no scrutiny.

Dr RATNAM: Okay. So governance, oversight and scrutiny have an impact, and who owns the property. We have heard a little bit about building regulations and those sorts of things being potential levers to improve it. In terms of the types of waste that you collect and process in terms of hard waste, is there more that we could be doing to ensure that we are recovering more and recycling more of it?

Mr STRICKLAND: Well, there is always more you can do. There is always another machine you can bolt on to improve that. I suppose the big challenge we have got at the moment is to see how the e-waste ban plays out, because that has a big impact on it. We pick up a lot of e-waste. I suppose our challenge at the moment is to see how that all goes. Then perhaps we will be looking at ways we can improve. We have got real issues with things like solar panels, because they cannot go to landfill but it is very hard to find anyone to recycle them.

Dr RATNAM: So what are you going to do with that e-waste?

Mr STRICKLAND: Well, we will have to try and do something ourselves with them, really. There are opportunities for materials like that that people are looking at, I know, but it is going to be a problem for a lot of transfer stations and councils come 1 July with things like solar panels, because there are not many people that can do anything with them.

Dr RATNAM: Does the industry need more support or intervention to be able to resolve it, or do you think the industry can rise to the challenge with more pressure?

Mr STRICKLAND: It seems to me that an extended producer responsibility-type scheme for solar panels would be a really obvious thing to do with solar panels, so that when you buy a new solar panel you pay an extra 20 bucks that goes towards recycling the old one, just like with TVs and computers. A scheme like that for solar panels would be really timely. Then when they construct them they will make them so they can recycle them better too, if they know they have to take them back.

Mr MEDDICK: Force an industry shift.

Mr STRICKLAND: Yes.

Dr RATNAM: Given the mass rollout of solar that we are starting to see in the state, which is really welcome, it potentially is a time for us to start thinking about that. So thank you for that feedback; it was great.

The CHAIR: On that note, Mr Strickland, thank you very much for your time and valuable information today and evidence. I do apologise for calling you from Cleanaway. I did not mean to insult you.

Mr STRICKLAND: Oh, it has got the wrong name on it somehow. I do not know how that happened.

The CHAIR: I got confused. A list of questions which you have taken on notice will be sent to you by the committee and we would appreciate it if you are able to respond to those. Also a copy of the transcript will be

sent to you. If any corrections need to be made, please feel free to do so. Again, thank you for your time and evidence today. It was much appreciated by the committee. And good luck with your business.

Mr STRICKLAND: Thank you for having me.

Committee adjourned.