

ACOR Recycling Sector and COVID-19 Assessment Survey

April 1st 2020

Summary

The Australian Council of Recycling devised this survey to assess the effects, impact and needs of ACOR members in response to COVID-19.

A total of **16 members completed the survey**, providing their insights and feedback. These responses are essential to informing our strategy to support the resource recovery industry as a whole, and helps to ensure government support will be timely and effective.

The results of this survey demonstrate that the sector is under the same strain as many other businesses in Australia due to COVID-19 lockdowns and the consequential economic slowdown. A total of **75% of members said that their business had been somewhat to very impacted** by COVID-19.

Financial stress is anticipated to be strongest effect of the COVID-19 in the next few months, with **cash flow issues**, and uncertainty around **employment and job losses** featuring heavily.

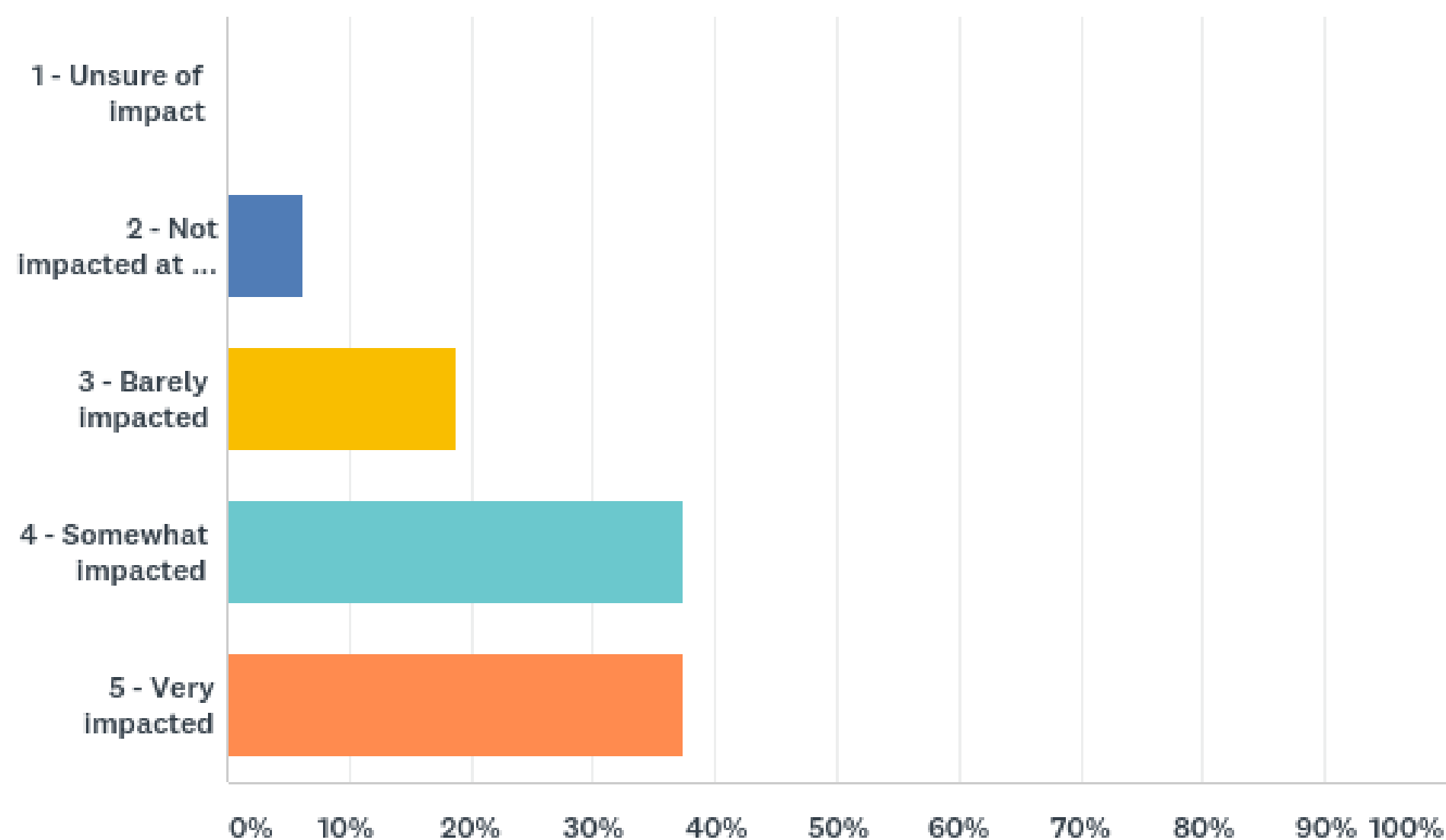
Members felt strongly that **waiving landfill levies on contaminated residuals from legitimate recycling** and **payroll tax reductions** would be the two most beneficial potential government policies to support the recycling industry through this period.

Summary

The effects of recent border closures was also cited by members as having effects on the exportation and marketing of materials due to the closure of countries processing materials such as aluminum & plastics. The Indian, Pakistani, Malaysian and Indonesian border and port closures were specifically cited as materially affecting sales into those countries on top of the already announced difficulties in Europe.

There is a **growing concern over state government changes to waste levies**. The potential for landfill levy exceptions is of high concern, with the belief that this will undermine the recycling policy of the governments and investments made in the recycling sector. It was viewed that only large waste transport and disposal businesses will benefit from this approach.

Q3 How affected has your company/organisation been by the COVID-19 virus and the government responses?



Q4: If you answered 3 or above to the previous question, please detail below how your business/organisation has been affected, both broadly or operationally.

- **Employment uncertainty and job losses**

“Demand for recycled resins has reduced significantly over the past 2-3 weeks. This has led to shift reductions, o/t & casuals labour reductions & adhoc plant closures.”

“Changed work practices. Worker concern and general uncertainty.”

- **International market and border closures**

“We have seen a difficulty in marketing of materials due to the closure of countries processing materials such as Aluminium & Plastics.”

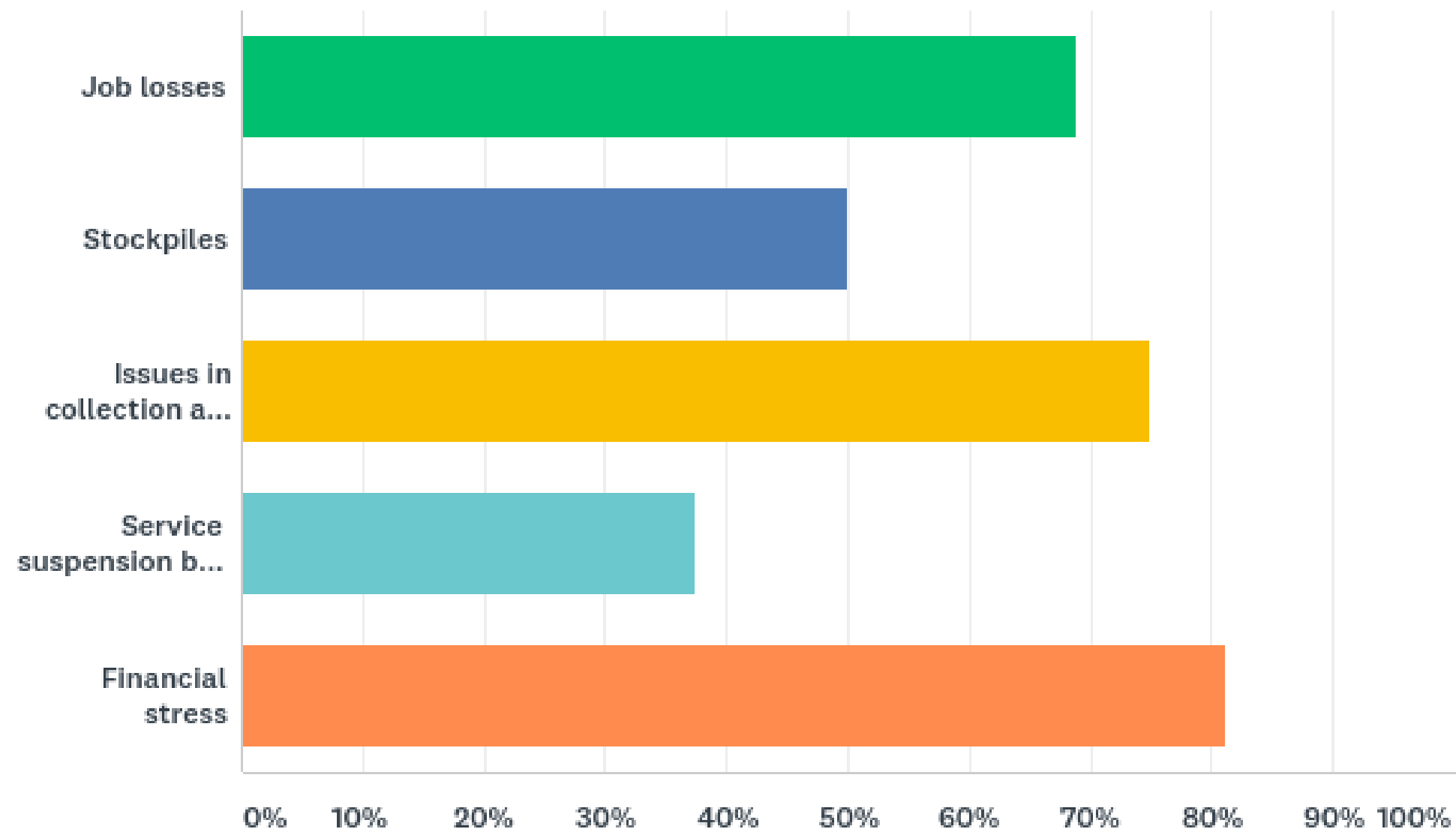
“Subsequent Indian, Pakistani, Malaysian and Indonesian border and port closures have materially affected sales into those countries on top of the already announced difficulties in Europe. “

- **Cash flow issues**

“Slow/no payments from customers. Strained cash flow - leading to requirement to cut pays and/or stand staff down on zero pay.”

“Significant reduction in business from recycling of food packaging and composting of food waste from hospitality and the venue and event industries.”

Q5 In the coming months, what do you anticipate will be the main impacts of COVID-19 on your business?



Q6: Are there any other impacts you believe will arise from COVID-19 that will affect the recycling sector that are not listed above?

- **General decrease in recycling / a view recycling is unsanitary during COVID-19**

“Increase in disposable packaging to reduce germ spread while abandoning recycling protocols. We are noticing this in the health care (hospitals) and Quick Service Restaurant sectors.”

“Recycling rates are likely to diminish and contamination rates are likely to increase as the community and businesses prioritise essentials over sustainability.”

“The risk of recycling bins being used for garbage and the fragile belief in recycling being irreparably destroyed.”

- **Exacerbating the impact of export bans**

“A more severe impact of the proposed export bans because of the financial stress already on the industry due to COVID-19”

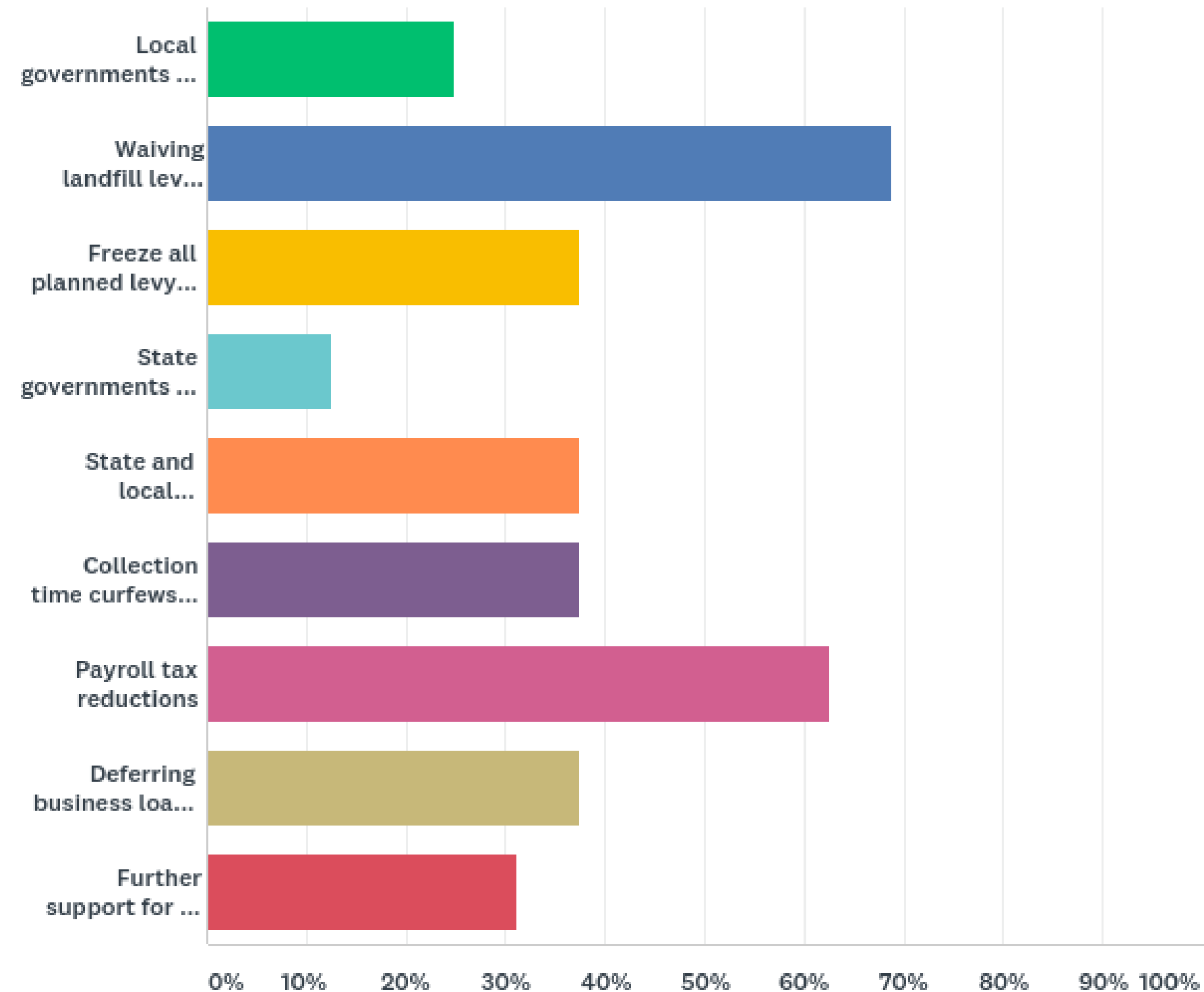
“Trading barriers/controls globally will be extremely challenging”

- **Workforce participation**

“If we lose large amounts of workforce participation, both collections and post collections will suffer. We are a largely labour intensive industry.”

“Close proximity of the people who are required to separate the contamination of the Co-Mingled recyclable in room will be an issue moving forward.”

Q7 Which potential government policies do you think maybe needed to support the recycling industry through this period?



Q8: Are there any other potential government policies you would like to see enacted to support the recycling industry?

- **Increased representation and classification as an essential service**

“It would be good for our industry to be represented on each State/Territory industry/stimulus response task force (or equivalent), to guide funding into our sector where possible. Also it is timely that we are considered a legitimate 'essential service' as long as we are clear about what it is we are asking for.”

“More clarity on what an essential services means and the companies involved.”

- **Enact procurement policies**

“All levels of government to enact procurement policies to ensure products contain maximum level of locally processed post consumer recycle. Match infrastructure spending 1:1:1 with Federal State and Industry as announced at the Plastics Summit.”

- **Pro-recycled content policies**

“Strong encouragement (threat of virgin resin tax) to brand owners & retailers to demand/ensure recycled content in their packaging This is what will stimulate demand & investment and ongoing viability of the plastic recycling industry.”

Q8: Are there any other potential government policies you would like to see enacted to support the recycling industry?

Conversely, there are also growing concerns that any state governments policy that will alter or scrap waste and landfill levies will have negative effect on the resource recovery industry.

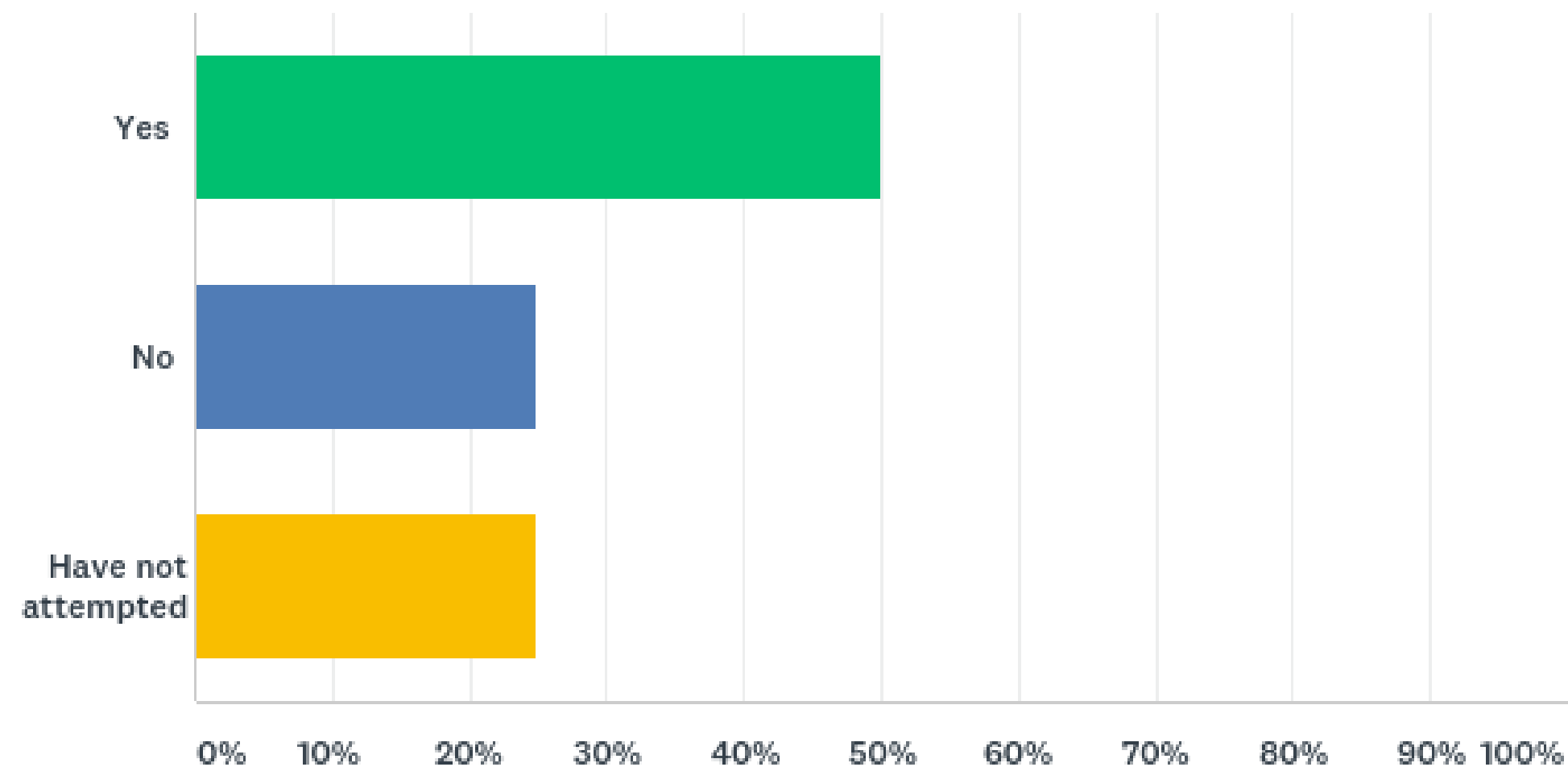
“As a recycling business the potential for landfill levy exceptions is fraught with danger as this will undermine the recycling policy of the Vic Gov and investments made in the recycling sector. Only large waste transport and disposal businesses will benefit from this approach.”

“Keep the landfill levies as this supports the viability of the recycling industry. To waive the landfill levy is counter productive.”

“Removing the levy would be a disaster as it would incentivise Councils to landfill recyclables.”

“We recycle waste timber. If EPA levies and tip fees were to be suspended it would destroy our business. We are one of the few genuine recyclers that operate with a minimum gate fee. Most of our income is derived from selling the recycled product.”

Q9 Have you been able to access information on government assistance initiatives and packages that have been recently announced to support our sector?



Q8: Are there any particular federal, state or local government assistance initiatives or packages that you would like more information or clarity on?

“Federal wage subsidies and timing.”

“Further grant funding.”

“Anything that assists with product market certainty, it's the right time to drive recycling and not abandon it!!”

“Organics and MRF operations.”

“Need to find more information on low or zero interest loans.”

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