

# **Draft Submission to the ‘Proposal for minimum environmental standards in the scrap metal industry’ consultation paper**

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## Opening

Local Government NSW (LGNSW) welcomes the opportunity to respond to the 'Proposal for minimum standards in the scrap metal industry' consultation paper (the Proposed Standards). LGNSW is the peak body for local government in NSW, representing NSW general and special-purpose councils. LGNSW facilitates the development of an effective community based system of local government in the State.

In developing this response, LGNSW sought feedback from NSW councils and regional waste groups in both metropolitan and regional areas. Councils are likely to be impacted by the proposed standards, both as the appropriate regulatory authority (ARA) and as operators of sites containing scrap metals.

## Response

The potential environmental and human health impacts outlined in the Proposed Standards are cause for concern. NSW councils applaud the EPA for taking action to address these impacts and are supportive of improved environmental standards for the scrap metal industry.

NSW councils are likely to be impacted by the Proposed Standards in two key ways:

### 1. As the appropriate regulatory authority (ARA)

As the ARA for many scrap metal facilities across the state, councils welcome improved environmental standards for the scrap metal industry. The clear regulatory guidance provided is welcomed.

Some councils have warned that it is important to get the balance right to ensure good environmental outcomes are achieved, without sending the industry out of business, underground or to widespread illegal dumping. This industry is already facing volatile economic markets, and costly infrastructure might push them to their limits. It is recommended that the NSW government considers financial support or other incentives for the scrap metal industry to help achieve the standards if they come into practice.

### 2. As operators of sites containing scrap metals

It is understood that the Proposed Standards have come about largely due to issues relating to the small scale auto or wrecker industry. The Proposed Standards currently would apply to "any site which stores, stockpiles, collects, dismantles, or processes scrap metal from end-of-life vehicles, white goods or other sources". This definition is far too broad and captures landfills, transfer stations, materials recycling facilities, depots and CDS collection points, as well as the actual scrap metal industry. A clear distinction needs to be made between the scrap metal industry and the general waste and recycling industry, of which scrap metal storage is a subordinate activity.

Scrap metal is only a small proportion of the material accepted at general waste and recycling facilities, including council facilities. Most councils accept metals as part of their service delivery and in many regional areas, the council facility is the only metal recycling option available to the community.

These types of facilities, especially licensed facilities, already have strong environmental standards and practices in place and are specifically engineered for the types and range of materials they receive. Further, councils consider that these types of facilities already have adequate regulation in place, both through development consents and State and Federal environmental protection legislation.

**It is recommended that a clear definition of the scrap metal industry is included in the Proposed Standards so that it does not include general waste and recycling facilities.**

As a guide for the definition, refer to the NSW *Scrap Metal Industry Act 2016*. Importantly, the definition needs to distinguish between facilities that store scrap metal as part of their business and scrap metal processing facilities.

## Proposed Standards

This submission responds to the eight proposed standards, answering the consultation question about whether each standard is appropriate or not. This response focuses on councils' role as site operator of waste and recycling facilities containing scrap metal, rather than their role as ARA.

### 1. Storage and dismantling of end-of-life vehicles, white goods and other scrap metal

**Proposed standard:**

*All end-of-life vehicles, white goods, and other scrap metal must be stored and dismantled/processed on hardstands under covered areas with appropriate drainage infrastructure.*

Councils have consistently said that this standard is completely **inappropriate** for the types of waste and recycling facilities they operate. A number of councils have said that the construction of hardstands, cover and drainage specifically for the scrap metals stored on site would render the recycling of metals too costly and unviable. Some councils have said that if this standard were put into practice, they would likely result in council refusal or landfilling these metal resources. Refusal of these materials may also increase incidence of illegal dumping across the state.

Councils have also highlighted how impractical it would be to build hardstands and cover over existing waste facilities, particularly landfill sites where it is difficult to build anything not already planned for. Additionally, the clearance heights for the types of machinery operated on these sites would often be unachievable.

While some councils have said they would happily reject all vehicles from site, some councils impound abandoned vehicles from public places and store them as per the NSW *Impounding Act 1993*. It would be difficult to achieve the Proposed Standards for these councils.

Other council facilities store white goods or small scrap metal piles for periods of time until suitable loads are achieved (up to 1 year). To store these products on hardstands, under covered areas with drainage (other than existing leachate systems) is considered inappropriate.

## 2. Clean and dirty water systems

**Proposed standard:**

*Clean and dirty water systems and areas must be separated (including bunding to separate them), and all dirty water is to be contained and treated on site.*

The installation of new drainage systems on an existing waste or recycling facility is considered **inappropriate**. Landfills have existing approved leachate management systems which capture liquids onsite. It is unclear if the Proposed Standards allow for this type of system or not.

A number of more remote sites have no power at all, which would render the drainage systems proposed, unviable.

## 3. Liquid and chemical controls

**Proposed standard:**

*Liquids, spills and chemicals must be handled, stored and disposed of appropriately.*

The removal of liquids from end-of-life vehicles while stored at a waste or recycling facility is **inappropriate**. This type of activity would require an on-site mechanic, which is impractical, costly and unnecessary for all other operations. This is likely to make storage of end-of-life vehicles unviable for councils.

Note however that it is standard practice for councils waste and recycling facilities to hold easily accessible spill kits, as well as documented procedures outlining how to manage and prevent spills. This part of the standard is considered **appropriate**.

## 4. Battery handling and storage areas

**Proposed standard:**

*Battery handling and storage areas are to be bunded, covered and on a hardstand.*

Councils agree that this standard is **appropriate**. Appropriate storage of batteries is standard practice for councils, both at waste facilities or Community Recycling Centres (CRCs).

## 5. End-of-life vehicles, white goods, and other scrap metal to be free of other waste

**Proposed standard:**

*End-of-life vehicles, white goods, and other scrap metal sent to a hammermill and/or shredder or for other processing either on site or off site must be free of other waste (including waste tyres).*

The intent of this standard is **appropriate**; vehicles, white goods and other metal products should not be stuffed with other waste material when sent for processing.

There are however a number of **inappropriate** elements of this standard when applied to waste and recycling facilities. These elements are detailed below:

- It is impractical for councils or other general waste facility operators to remove capacitors in fluorescent lights of vehicles on site. Vehicles are commonly stored and collected whole for recycling. Capacitor removal would require an on-site mechanic, which is impractical and unnecessary for all other operations.
- The removal of ozone depleting substances from refrigerators and conditioners is not always carried out onsite. These types of gases are required to be removed prior to processing, a matter which is already legislated for by the Australian Government.
- It is assumed that the tyres which were part of the original vehicle are acceptable and not considered 'waste' in this context. The removal of tyres on-site would be impractical.

## 6. No burning of waste

### **Proposed standard:**

*No burning of waste.*

Councils agree that this standard is **appropriate**. Burning of waste is already a prohibited activity. The example given in the Proposed Standard, i.e. burning of mattresses to access metals, is considered unacceptable practice.

## 7. Noise vibration and controls

### **Proposed standard:**

*Transporting, tipping, handling, processing and storing scrap metal at facilities must be carried out in a controlled and competent manner so noise and vibrations are minimised.*

Councils agree that this standard is **appropriate**. Councils agree that noise and vibration should be managed on all scrap metal sites. Council operated facilities already have noise/vibration management controls in place where applicable.

## 8. Construction of bunds

It is considered **appropriate** that the ARA is consulted in relation to construction of anything to meet the Proposed Standards (not just bunds).

It is however considered **inappropriate** that all facilities that contain scrap metal require bunds. Bunds are costly and likely to make acceptance of scrap metals at general waste and recycling facilities unviable.

### **What would be considered a reasonable implementation period for industry to adopt the proposed minimum environmental standards?**

Council waste staff could not conceive how the major 'inappropriate' standards discussed above could be implemented on their sites – ever. A timeframe was not discussed.

For the actual scrap metal industry however, the standards should be phased in over time to lessen the impact. A phased introduction of the requirements, in order of priority, would also assist businesses to transition. As cost impacts are likely to be significant, the NSW Government is urged to consider financial support or other incentives for the scrap metal industry, recognising the scale and size of the operator.

## Conclusion

This submission provides feedback to the EPA's Proposed Standards for the scrap metal industry. Improved regulatory control of rogue and dirty operators in the industry is welcomed, particularly as councils are often the ARA for this industry. It is a major concern however that the definition of the scrap metal industry contained in the Proposed Standards is so broad that it captures a range of general waste and recycling facilities, including council operated facilities which already have strong and effective environmental controls in place. To impose the Proposed Standards on these types of facilities, at which scrap metals are only a small proportion of the material they accept, may make them unviable. In particular, standards 1, 2, 3, 5 and 8 are considered inappropriate for the types of facilities which are operated by many councils. LGNSW strongly recommends that the scrap metal industry is defined so as to exclude general waste and recycling facilities. A clear distinction needs to be made between the types of facilities which process scrap metal and those which store scrap metal as part of their processing of other general waste and recycling material.

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