



DIRECTOR SHIRE SERVICES REPORT

8th February 2005

**DSS5 LOCAL GOVERNMENT BUY RECYCLED
ALLIANCE
FILE: G1-15 WJL**

SUMMARY:

Reporting on the opportunity for Council to become a member of the Local Government Buy Recycled (LGBR) Alliance.



In October 2004 Kempsey Shire Council was invited to become a member of the Local Government Buy Recycled Alliance. This report will outline the benefits of membership and the commitment required from Council to implement the program.

The Local Government Buy Recycled Alliance (LGBRA) is a joint undertaking of the Local Government Association of NSW and Shires Association of NSW, together with the Department of Environment and Conservation (NSW). The Alliance aims to encourage and assist local government with the purchase of products containing recycled material.

Local government, with its combined purchasing power, is in a prime position to 'close the loop' and contribute to the development of markets for recyclable materials. From this basis the objectives of the LGBR Alliance are to:

- Support sustainable long-term markets for recyclable materials collected from kerbside and collection facilities;
- Increase awareness in local government about the range and quality of recycled products available; and
- Create a partnership of local governments committed to increasing the use of recycled products in their operations and services thereby 'closing the loop'.

The LGBRA was initiated in June 2003 based on the successful Victorian ECO-BUY program. The LGBRA has, to date, established a

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Reference Group that meets every three months, established a database of products and suppliers to give to Alliance members and developed a Resource Kit.

To become a member of the Alliance, Council is required to make a formal commitment to developing and implementing a "Buy Recycled" purchasing program. There is no cost to join. This formal commitment is made by:

- a) General Manager signing a Memorandum of Understanding
- b) Council passing a resolution to commit to the program

The LGBR Alliance has a six-step process to implement the "Buy Recycled" purchasing program within Council. The steps are outlined below:

1. **Membership** - council makes a commitment to the program.
2. **Establish a Buy Recycled Team** - members of the team will represent all the different areas that purchase and use materials in Council.
3. **Review any Existing Policies** – review and amend any existing Purchasing Policies to reflect Council's commitment to promoting the purchase of recycled content products.
4. **Develop an Action Plan** – development of a program plan for purchasing recycled content products, along with targets for achievement.
5. **Measure Outcomes** – through establishing a tracking system to monitor the level of purchasing of recycled content products.
6. **Report** – provide a written report back to the LGBRA annually.

As an Alliance member, Council will:

- Have access to the LGBRA logo which provides a common branding to unite NSW local government members;
- Become a part of an active network of councils, who share their knowledge, experiences and achievements;
- Receive a membership certificate and be publicly recognised for their membership achievements;

- Have access to a monthly newsletter and the web-site containing a database of recycled content products and their suppliers;
- Participate in forums with suppliers of recycled products.

Purchasing Policy

Attached, to this report at [\(Appendix C\)](#) is a draft policy that will reflect Councils involvement in the LGBRA.

Staged Approach

It is advised that Council approach its involvement with the LGBRA in a staged manner, the first stage being an introduction across Council of the aims of the LGBRA and working with each section to establish areas where recycled products may already be available and that might be suitable for use. It is at this stage that Council could make it known to the local supplier community that Council are embarking on this program over the next several years and, perhaps, give them the opportunity to submit information on recycled products that they may manufacture or distribute.

In all future tenders and requests for quotation, Council will adopt the Buy-Recycled clauses as per the attached Purchasing policy document.

▪ ***Environmental***

The community as a whole has an expectation that all levels of government be leading the way with the purchase and use of products that are "friendly" to the environment. One method of achieving this is the increased use of products that contain a percentage of recyclable material that would otherwise end up in landfill.

The majority of NSW Councils provide facilities for recyclable materials. This material is sorted and re-manufactured into a variety of Recycled Content Products. However, if these recycled content products do not find a market then the process becomes ineffective. For the process to be complete it is necessary to "Close the Loop".

The benefits of closing the loop are obvious with:

- ***less material going to landfill***
- ***less virgin product being required, which helps preserve our natural resources***
- ***in a lot of cases, remanufacture into a 'new' product requires less energy input and***
- ***less pollution to the environment.***

- **Social**

Council will need to be mindful of the fact that there are already in place many contracts for the supply of various goods and materials, recycled or otherwise. These contracts can extend anywhere between 12 months to 36 months depending on the terms of the original tender etc.

Council will work with existing Preferred Suppliers to highlight any products within their current range of goods and materials that are recycled or have some recycled component to them and then, in consultation with relevant sections of Council, develop an implementation plan for those products if suitable for the particular job requirements. All current suppliers will be given this opportunity, as there are certain obligations to them under existing supply agreements. Other benefits of buying Recycled Content Products are job creation and new market development. Studies have shown that recycling creates more jobs than waste disposal does.

- **Economic**

The LGBRA have been and will continue to negotiate some pricing and service level agreements with selected suppliers of recycled products to take advantage of bulk purchasing power - as a means to help offset the price differential between virgin material products and recycled content ones.

The issue with this is that these suppliers can and are based all over NSW, so the freight component of the final price may well be a deterrent at this stage from buying from these particular suppliers.

In some cases, recycled content products (RCPs) are more costly than virgin material products because there is currently lower demand for them and less established manufacturing and distribution bases. Sometimes RCPs do not compete on a level playing field because of subsidies provided to extractive industries.

However in many other cases, recycled content products are cheaper than virgin material products because of access to lower cost manufacturing feedstock. The trend towards RCPs representing the cheaper alternative will become more widespread and entrenched as economies of scale improve and public policy frameworks become more supportive.

Other contributing factors include:

- *Price variations generally exist across all products regardless of whether they are recycled content or not.*
 - *Recycled products are often less expensive because long-term replacement costs can be reduced through improved designs in durability, maintenance and reuse.*
 - *Occupational health and safety benefits are available through performance improvements in recycled products, such as reductions in product weight.*
 - *Pro-active waste minimisation will save money by reducing wasteful practices and disposal charges.*
 - *Efficient management and monitoring of buy recycled purchasing will improve Councils' resources use.*
 - *Buying power can be enhanced through cooperative purchasing arrangements with other Councils.*
- *Policy or Statutory*

There are no implications from this report.

- *Director's Comment*

By supporting the recommendation Council would be putting into practice the principles of ESD.

RECOMMENDATION:

1. That Council commit to the Local Government Buy Recycled Alliance program, and
2. That the General Manager be authorised to sign the Memorandum of Understanding on Council's behalf.

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K J Finnie
DIRECTOR SHIRE SERVICES