



PUBLISHERS NATIONAL
ENVIRONMENT BUREAU

INDUSTRY WASTE REPORT

**NEWSPRINT PRODUCER/PUBLISHER GROUP
YEAR ENDING DECEMBER 2000**

Norske Skog Australasia

Publishers National Environment Bureau

INDUSTRY WASTE REPORT

NEWSPRINT PRODUCER/PUBLISHER GROUP YEAR ENDING DECEMBER 2000

Commitment I:

To remove from the waste stream 230,000 tonnes annually of publication grade paper by the year ending December 2000.

Progress Report For Year Ending December 2000:

<u>Source</u>	<u>Tonnes Collected in 2000</u>	<u>In 1999</u>
Publisher Group Old Newspapers (ONP)	83,028	78,252
Publisher Group Old Magazines (OMG)	53,794	44,646
Norske Skog kerbside collections of ONP & OMG	67,410	93,104
Norske Skog other Magazine	<u>10,193</u>	<u>15,708</u>
Total collections by Newsprint Producer/Publisher Group	214,425	231,708

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Commitment 2:

To achieve a 60% recovery of newsprint consumed in Australia by the year ending December 2000

Progress Report For Year Ending December 2000:

A copy of the News Limited Recycling Database is attached as *Appendix 1*. In summary the following was achieved in 2000.

	<u>Tonnes in 2000</u>	<u>In 1999</u>
Australian newsprint consumption Including inserts	725,974	702,151
Recycled for use in :		
Paperboard	197,500	201,911
Newsprint at Albury and other uses in Australia	133,345	140,844
Export	<u>177,741</u>	<u>147,249</u>
Total Volume Collected by Industry	508,585	490,045

National Recycling Rate

70.1%

69.8%

Commentary

ANZECC published the agreed Industry Waste Reduction Agreement for newsprint following its signature by the parties on 15 April 1997. The objectives of that plan are stated as:

- 1. To achieve our industry's collection of 200,000 tonnes of publication paper each year; and**
- 2. Target at least 60% recovery of newsprint consumed in Australia by the year 2000 and beyond.**

The first objective was voluntarily increased by the industry side in April 1998, to 230,000 tonnes, and we have been reporting against this increased objective for the last three years.

Against the first commitment we have to report that this objective was not passed and that the collection rate by the members of the Newsprint Producer/Publisher Group was 214,425 tonnes. The main reasons for this lower rate are associated with strong market conditions for ONP during the year and with structural changes in the industry. These are examined in more detail in the Year in Review section below. Essentially the paper was collected but not by Group members. In addition a significant volume contracted to the Group was not supplied. The Albury mill still ran at capacity using both kerbside collected material and publishers waste in the form of pressroom waste (both newsprint and magazine grades) and old magazines

The second objective was passed, for the third year running, with an Australian collection rate of over 70%. It is a recycling rate that is genuinely world class. After a decade of trailing the recycling rate in the USA, itself a world leader in the field, we said last year that Australia has passed the USA in 1999. The USA in 1999 had a newsprint recycling rate of 68.9%. In 2000 the US lifted it's game and achieved a 71% recycling rate, 0.9% above Australia and the highest percentages ever recorded by both countries.

Appendix 2 shows the USA and Australian recycling rates over the last decade.

The Year in Review

ANZECC Targets

This report is for the last year of the second ANZECC Industry Waste Reduction Agreement for publication grade papers. The targets in that Agreement are reported above. The recycling rate has again increased but with only a small rise from 1999. The steady increase in recycling rates over the last decade has started to plateau. This was expected and reflects the maturity of the recycling collection industry where Australia is a world class performer and where there are a number of factors mitigating against a continued sharp rise in collection rates. The main features of this maturity are:

- The tyranny of distance, particularly in rural Australia. Many areas are remote from both paper recycling facilities and export ports. In addition individual community volumes are often small and do not justify the expenditure on a kerbside recycling service.
- Other uses, again often in rural areas. In colder parts of Australia wood burning stoves are common and old newspapers make ideal fuel for this home heating.
- Households with inadequate collection services. A PNEB funded trial during the year, conducted in urban Melbourne and supervised by EcoRecycle Victoria, gave significant increases in recycling participation rates when paper specific crates were provided to householders instead of merely placing old newspapers in a pile at the kerbside. While kerbside sorting of recyclables by householders is still regarded by the PNEB as the most cost and quality effective method of collecting, the householder has to be comfortable with and supportive of the collection method offered.

In terms of the first commitment, for the industry members of the Newsprint Producer/Publisher Group to themselves account for specified volumes, the picture is more complex. The 1996 ANZECC Industry Waste Reduction Agreement specified the collection of 200,000 tonnes annually and this was voluntarily increased by the Group in 1998 to 230,000 tonnes. The 230,000 tonne number was met or exceeded in both 1998 and 1999. In 2000 only 214,425 tonnes can be assigned to the Group. There were two main reasons for the shortfall:

- Industry Rationalisation Norske Skog had several contracts with companies that operated materials recovery facilities (MRFs). For a number of reasons some operators have exited the industry over the last few years and control has become concentrated, largely in the hands of Visy Recycling. Visy is still collecting the paper, and this is reflected in the increase in the national recycling rate, but ownership of a significant tonnage has been removed from members of the Publishing Group.

- Market forces. There was strong demand for old newspapers on world markets in 2000. This was accompanied by a significant rise in prices, and their inevitable collapse by years end. Export volumes rose sharply and are examined in more detail below. The effect was to have a number of small traders withdraw supply to the local market, including to Norske Skog, and to themselves export the tonnage.

At this stage it is unclear how these factors will affect 2001 collections but the commitment to the ANZECC process is taken very seriously by the Publishing Group and collection levels will be addressed.

New ANZECC Agreement

During the year a third ANZECC Agreement was formalised, to cover the five calendar year period, 2001 to 2005. Measurable points of that Agreement are to achieve a 74% collection rate in Australia by the end of the period and to be between 70% and 74% during the five years; and for the industry partners to the Agreement, Norske Skog Australasia and the PNEB Members, to themselves account for the collection and disposal of 250,000 tonnes per annum by 2005.

State Collection Rates and Volumes

Collection rates rose again in 2000 and as a percentage of newsprint consumed for the first time passed 70% to give a national recycling rate for old newspapers and inserts of 70.1%. This was a lift of 0.3% from 1999 for the whole of Australia but there were some disappointments in some of the collection rates at State level. In three States and the ACT the recycling rate dropped; in three States it rose. Specifically:

- Queensland. A 59.3% recycling rate and the second successive annual drop from the best performance of 61.8% in 1998. The drop is not huge but we need to understand why the three year trend is downwards. This will be addressed during 2001.
- Victoria. Again a second successive drop to 74.9% from a 1998 high of 79.4%. The 74.9% is still an outstanding collection rate and the drop in part reflects the artificiality of the 1998 rate – which was distorted by the successful reduction of a waste paper stockpile that accumulated during difficult market conditions in 1997.
- Western Australia. A drop of one year from 71.5% in 1999 to 68.7% in 2000. Still a good collection rate, particularly when there are limited markets for recycling in WA.

- ACT. A drop but still a very respectable 73.9% collection rate in 2000. Infrastructural and operational changes at the Territory's only MRF are probably the reason for the drop.
- South Australia. Increased slightly after a significant increase between 1998 and 1999. The 2000 rate is 57.4%, once again the lowest on the Australian mainland. Nevertheless the increase in 2000 is the third successive annual increase so the trend is in the right direction. A study of best practice collection of paper and cardboard was funded by the PNEB during 2000, in conjunction with the State Waste Management Committee. As a result of this study we hope to see an increase in the State collection rate in 2001.
- New South Wales. The star performer in 2000 with a 75.0% collection rate, up from an already satisfactory 72.9% rate in 1999. This is the fourth consecutive annual increase for NSW and up from 58.5% four years ago in 1996.
- Tasmania. A sixth successive annual increase to give a collection rate of 48.6%. This is a good performance for a State with a small, spread population and where much of the State is not provided with a kerbside collection service.

On volumes collected, the trend is healthier. In Queensland, New South Wales, ACT, Tasmania and South Australia the volumes collected went up from 1999 to 2000. In Victoria and Western Australia the volumes fell. New South Wales showed the biggest rise with 2000 collections up 15% on 1999 at over 172,000 tonnes.

Appendix 3 shows Australian national consumption and recycling volumes.

Appendix 4 shows State recycling rates for the last four years.

Appendix 5 shows volumes collected by State for the last four years.

Where did we recycle old newspapers?

The paperboard industry in Australia continues to consume most of the old newspaper collected at both the kerbside and at publisher printing premises. The second main outlet is the export market which was very strong in 2000. Third is the Norske Skog newsprint mill at Albury, which also consumes large volumes of magazine grades. Other uses such as kitty litter, house insulation, and egg cartons account for the remainder.

Of the total newsprint collected for recycling, 429,796 tonnes, the percentages of end use were paperboard 38.8%, export 34.9% and new newsprint in Australia 19.5%. It is important to recognise the importance of both the paper board and export sectors. It is also worth noting that for both exports and for paperboard manufacture the newsprint was often a component of mixed waste paper. Mixed waste paper is a lower valued product than old newspapers alone but strong markets during 2000 allowed this mixed waste to be exported profitably.

Paperboard manufacturers in Australia, Visy and Amcor, play an important role in the recycling of kerbside collected material, newspapers, magazines and cardboard. In the case of newspapers, it is important to note that if there was a reduction in usage then the Australian world class recycling rate for old newspapers could be at risk.

Exports are also important. In 2000 the export tonnage rose to a new high, 177,741 tonnes for the year, up from 147,249 tonnes in 1999, a 21% increase in the national figure. While exports are particularly important for Western Australia and Tasmania the volumes exported from those States were similar to volumes in 1999. In New South Wales however the increase over 1999 was more than double, 117% and 54,725 tonnes. This number is very much higher than the ten year low for the State, 7,647 tonnes in 1997, but similar to levels in 1994 and 1995 when collection systems were being put into place ahead of the expansion of recycling at the Albury newsprint mill. The important point to note is that exports provide an important safety valve for old newspapers collected in Australia. The product, particularly ONP Number 8, is an internationally traded commodity and should always find an outlet to newsprint and paperboard manufacturers in fibre hungry Asia. Currency factors also play an important part and the weakening Australian dollar in 2000, coupled to a strong market for the commodity priced in US dollars, provided additional stimulus to traders to maximise export volumes in 2000.

Appendix 6 shows export volumes by State for the last four years.

Appendix 7 shows the percentage of collected volumes exported by State for the last four years.

Avoided Landfill

One of the success stories of Australian newspaper recycling has been the volumes of newsprint diverted from landfill. This can be measured in two ways, firstly the actual volume diverted and secondly as a report against the general target for all waste defined in Government policy in where a 50% reduction in volumes going to landfill is sought between 1990 and 2000.

On the volumes, the amount of newsprint sent to landfills in 1990 is estimated at 370,755 tonnes. This assumes that the recycling volume in that year was as reported (194,355 tonnes) and that 5.5% of newsprint consumed was used for other uses around the home – lighting fires, garden mulch, home composting etc. In 2000 we estimate that only 177,470 tonnes was sent to landfill, a reduction over the decade of 193,285 tonnes. Against the 50% target reduction we actually achieved a 57% reduction for old newspapers.

On the percentage improvement, newspapers have done much better than the national average for waste disposal. 1990 is the base year so assume no credit for diversion from

landfill. Over the period to 2000 the volumes diverted have steadily increased so that the 2000 diversion rate is only 26% of the 1990 level. We estimate that the total waste stream to landfill has actually risen considerably, from 12.3 million tonnes in 1990 to about 22.5 million tonnes in 2000. Over the period newspapers have gone from 3.0% of national landfill volumes to 0.8%.

Appendix 8 shows the reducing volumes of newsprint sent to landfill.

Appendix 9 shows the reduction in volumes going to landfill using 1990 as a base.

Appendix 1

NEWS LIMITED RECYCLING DATABASE - ONP MARKET REPORT - 2000

	Standard and improved grade newsprint Consumption**	Newsprint recycled for:				Total newsprint recycled by industry	ONP post-consumer collection	ONP post-consumer recovery rate (%)	State recycling rate (%)
		Paperboard	Australian Newsprint	Other	Export				
QUEENSLAND	112,479	38,600	10,257	4,000	13,881	66,738	53,241	53.8	59.3
NEW SOUTH WALES	261,752	80,000	53,929	7,700	54,725	196,354	172,344	74.8	75.0
ACT	21,622	12,000	2,474	-	1,500	15,974	14,267	75.0	73.9
VICTORIA	183,547	62,400	25,268	12,740	37,153	137,561	115,535	71.5	74.9
SOUTH AUSTRALIA	49,768	2,400	7,138	5,832	13,200	28,570	22,598	51.6	57.4
WESTERN AUSTRALIA	83,755	2,000	-	3,560	51,942	57,502	47,451	64.4	68.7
TASMANIA	10,888	100	-	227	5,080	5,407	4,100	42.8	49.7
NORTHERN TERRITORY	2,163	-	-	220	260	480	260	13.7	22.2
NATIONAL including inserts*	725,974	197,500	99,066	34,279	177,741	508,585	429,796	67.3	70.1

* National recycling rates include newspaper inserts such as magazines and TV guides which are printed on newsprint or improved newsprint

** Only includes newsprint, or improved newsprint, used for newspaper manufacture

- Figures are expressed as tonnes per year (tpy)

- Total newsprint recycled includes publishers' waste and old newspapers (abbreviated as ONP)

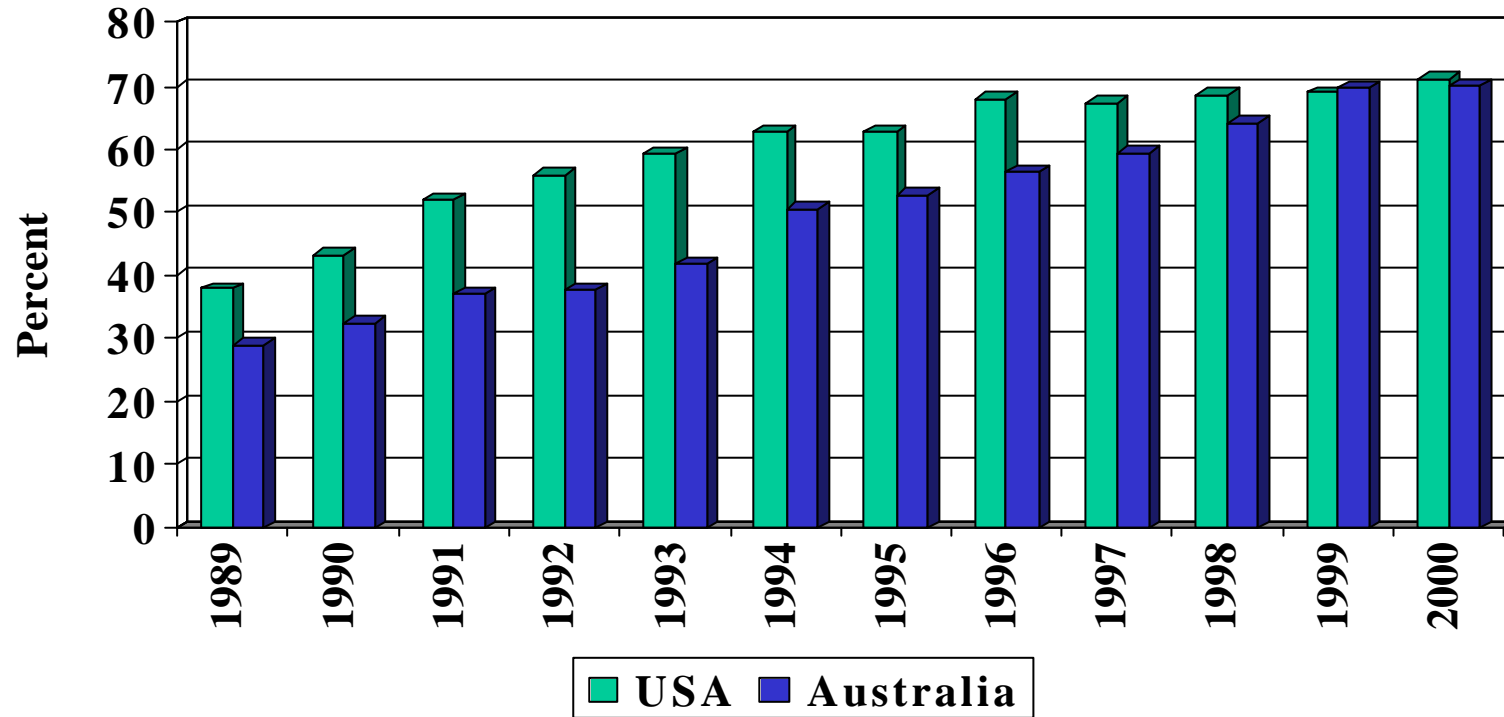
- A percentage of consumption consists of cores, end caps and wrappers

- Tonnages for post consumer recovery rate is calculated after publishers waste is deducted from consumption

- ONP tonnages for mixed wastepaper collections from households vary from 50-100% of total paper collected

- Assistance in interpreting these statistics can be obtained from News Limited's Environmental Secretariat on 02-92882234

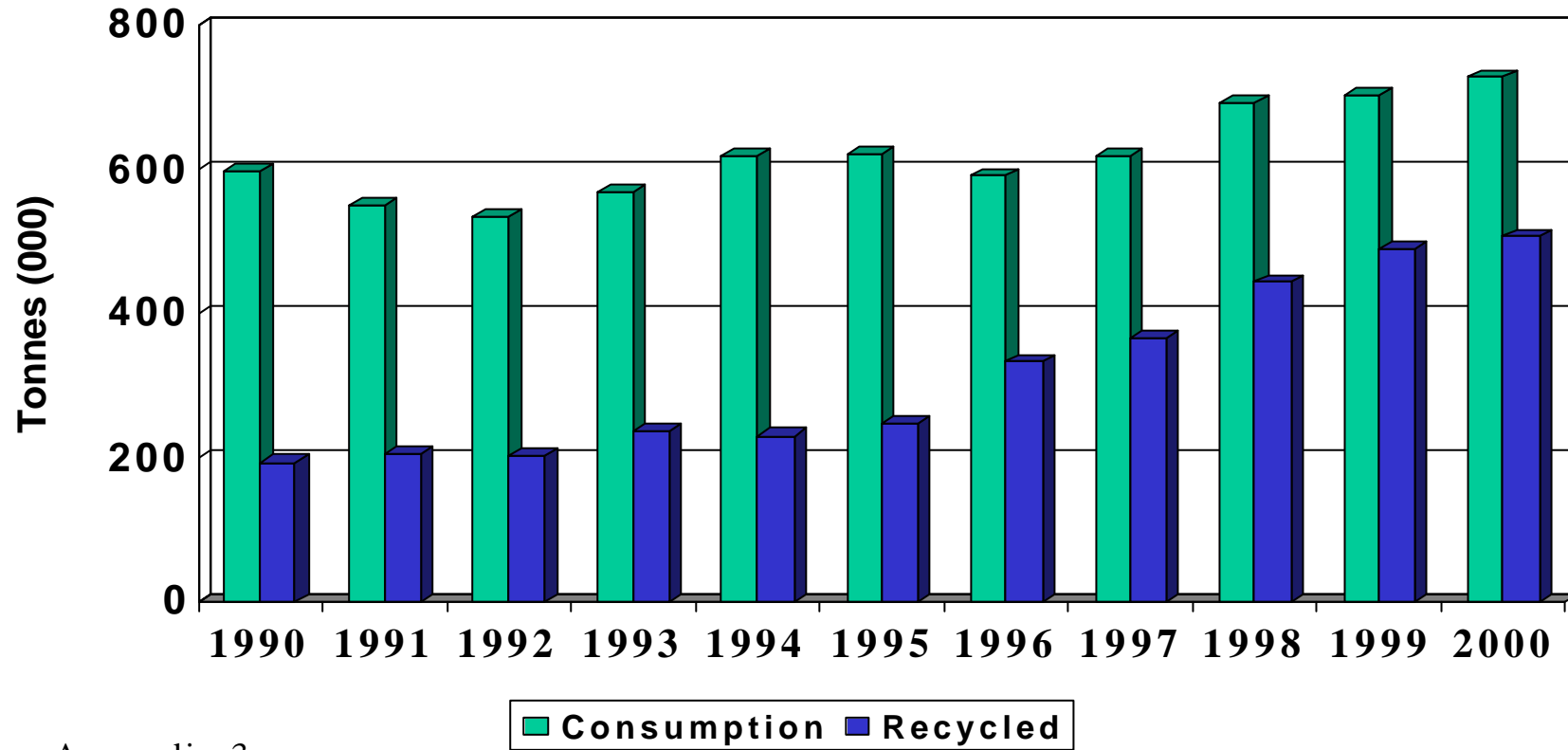
International Recycling Rates USA vs Australia



Sources : American Forest & Paper Association; PNEB

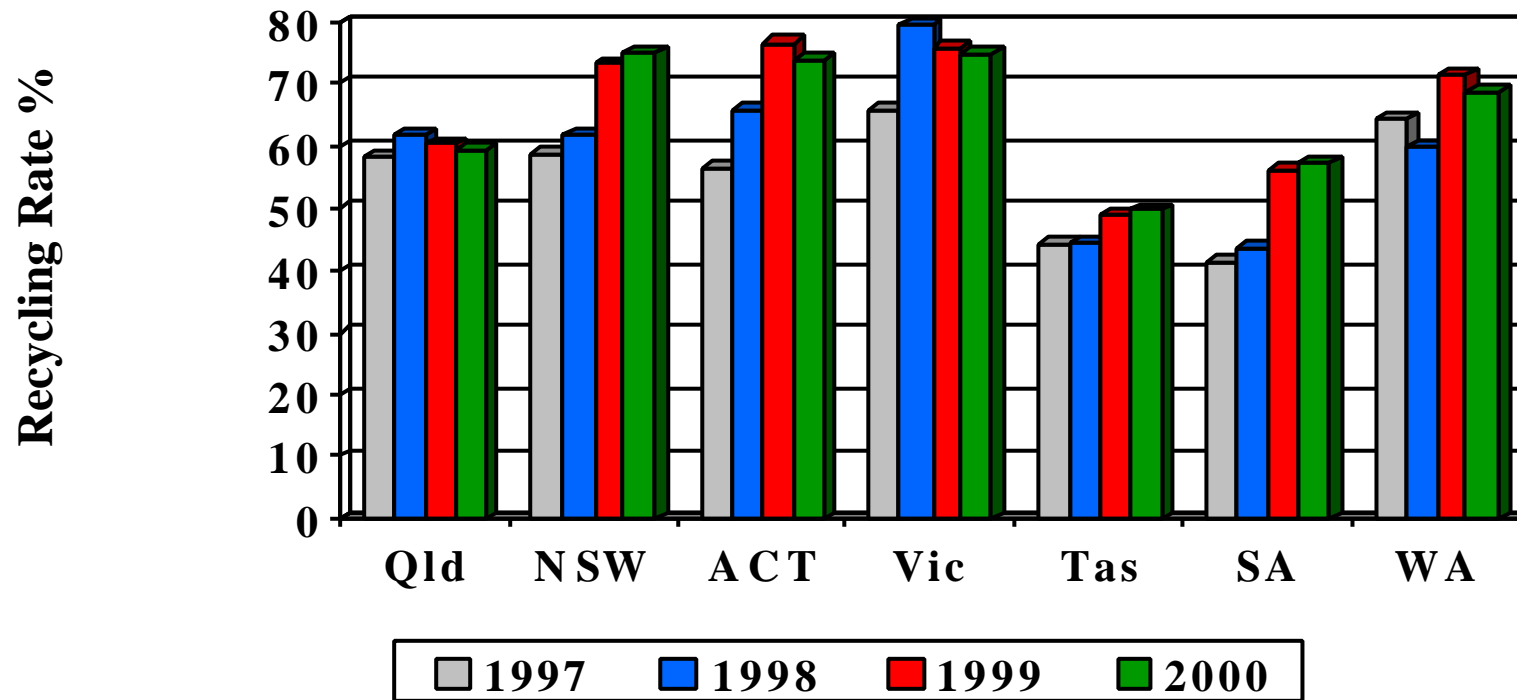
Appendix 2

Newsprint Consumption and Recycling in Australia



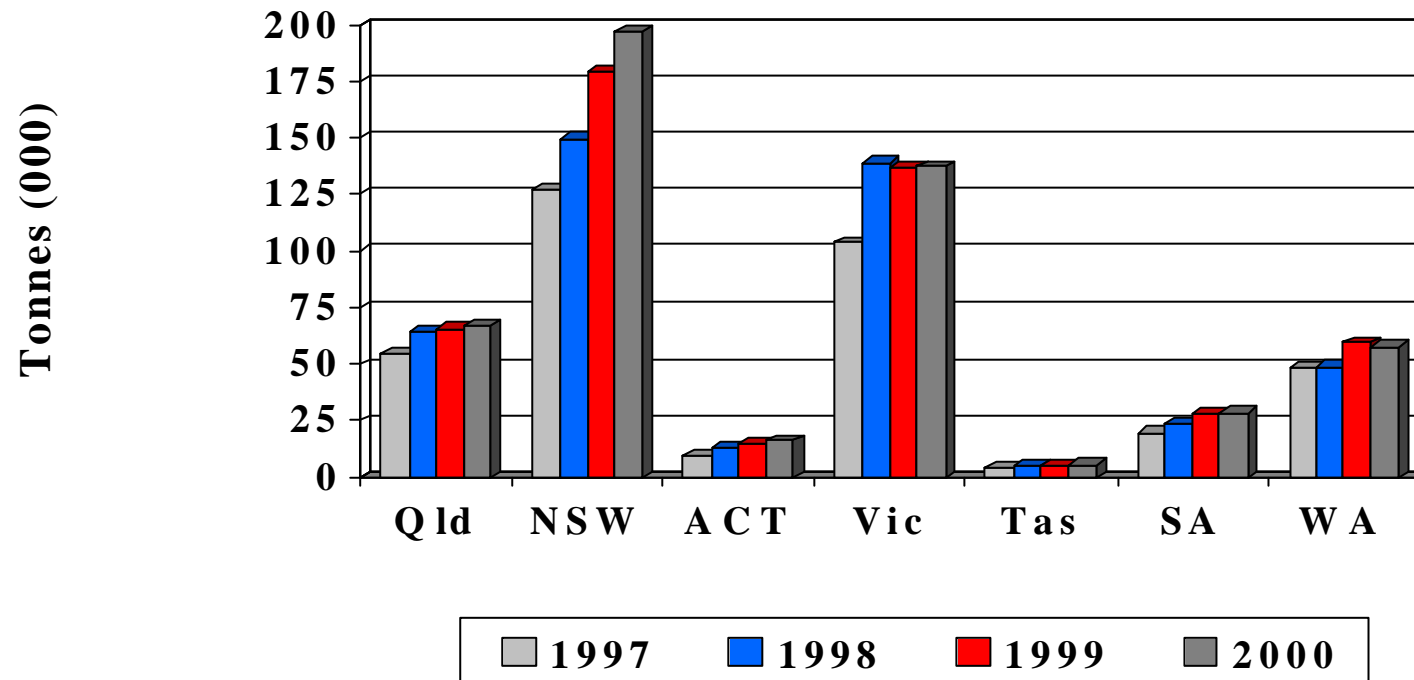
Appendix 3

ONP Recycling Rates 1997 to 2000



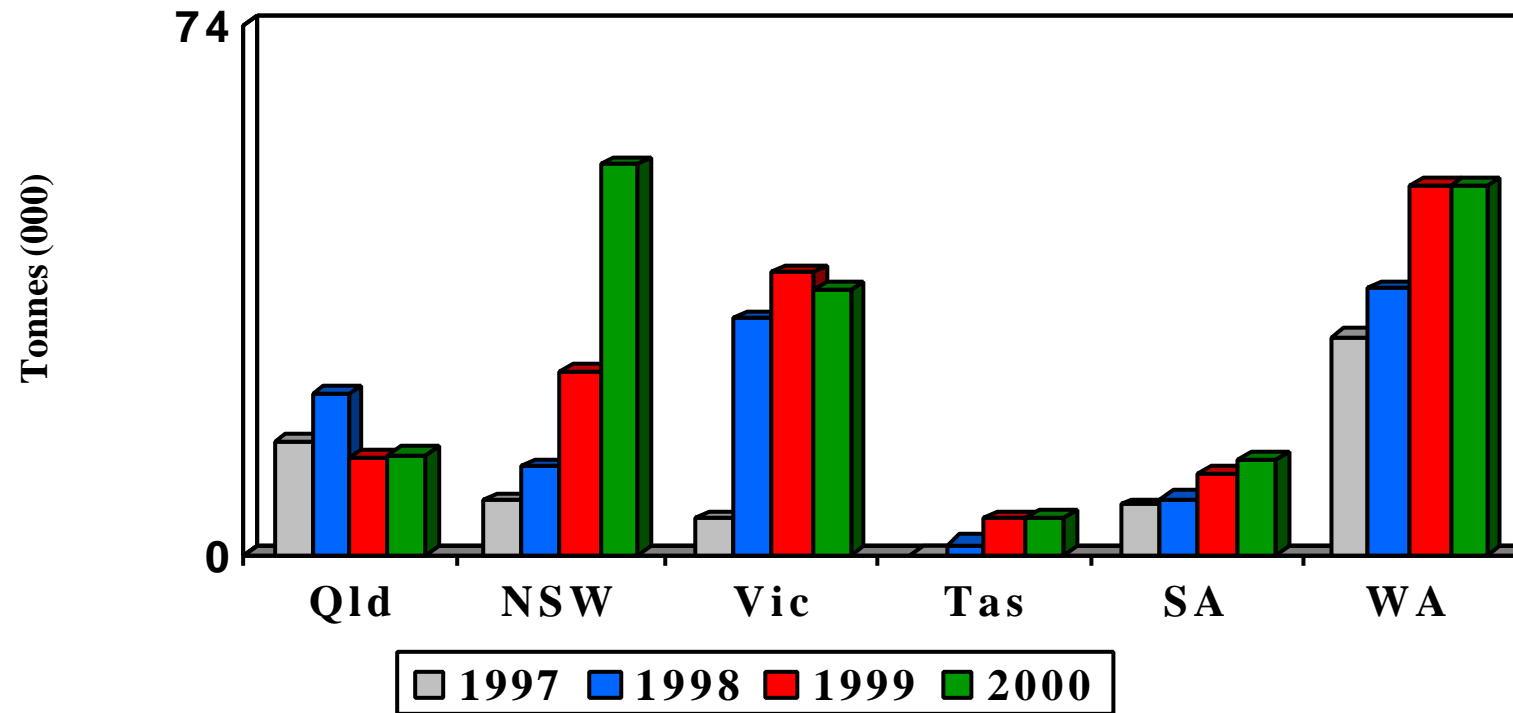
Appendix 4

ONP Collection Volumes 1997 to 2000



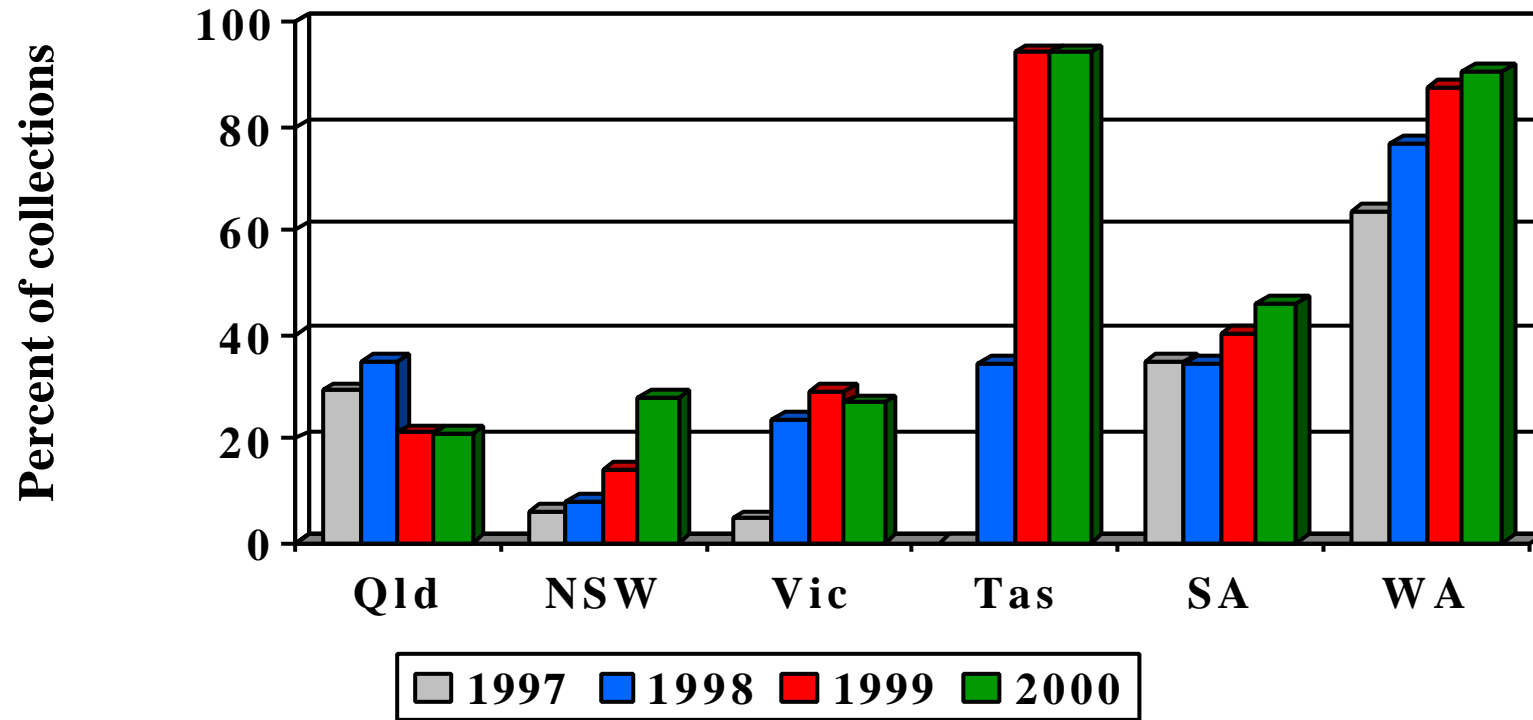
Appendix 5

ONP Exports : Volumes 1997 to 2000



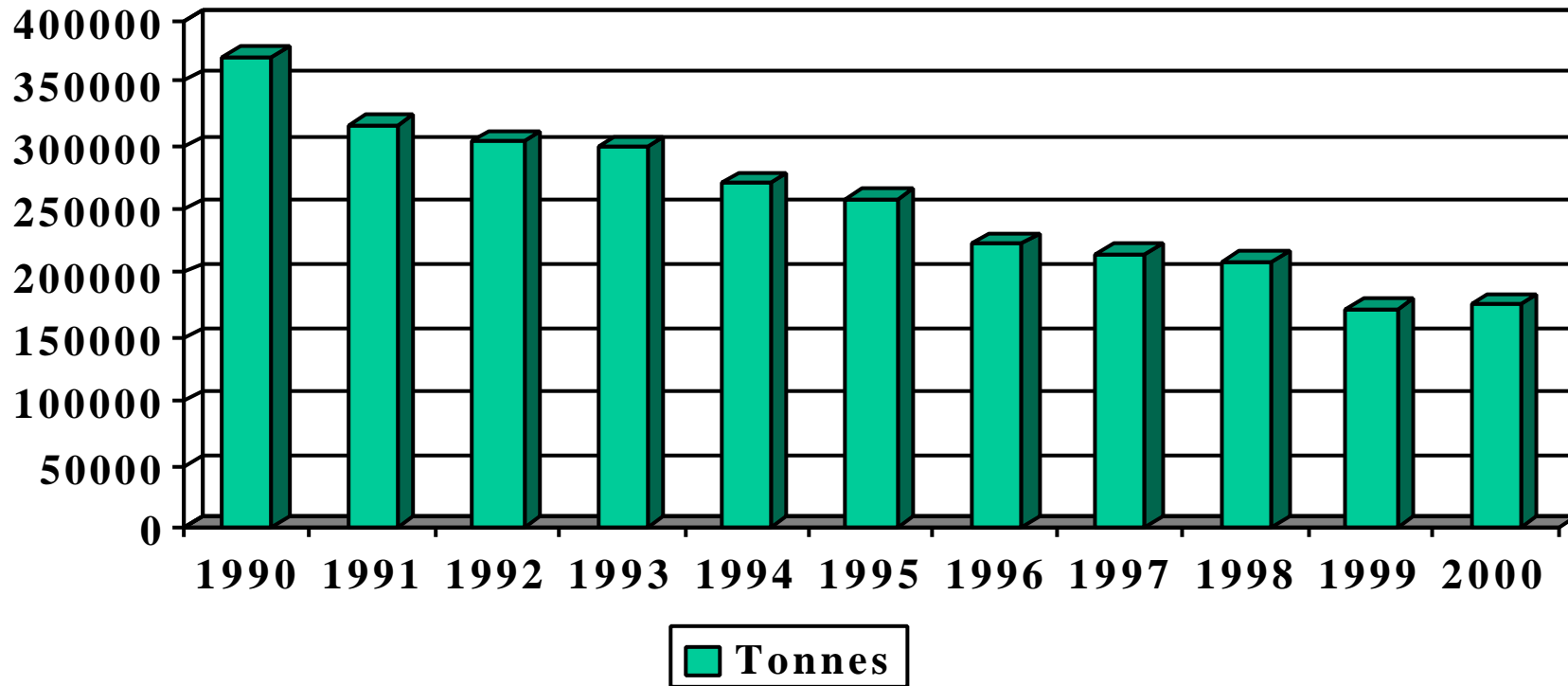
Appendix 6

ONP Export Percentages 1997 to 2000



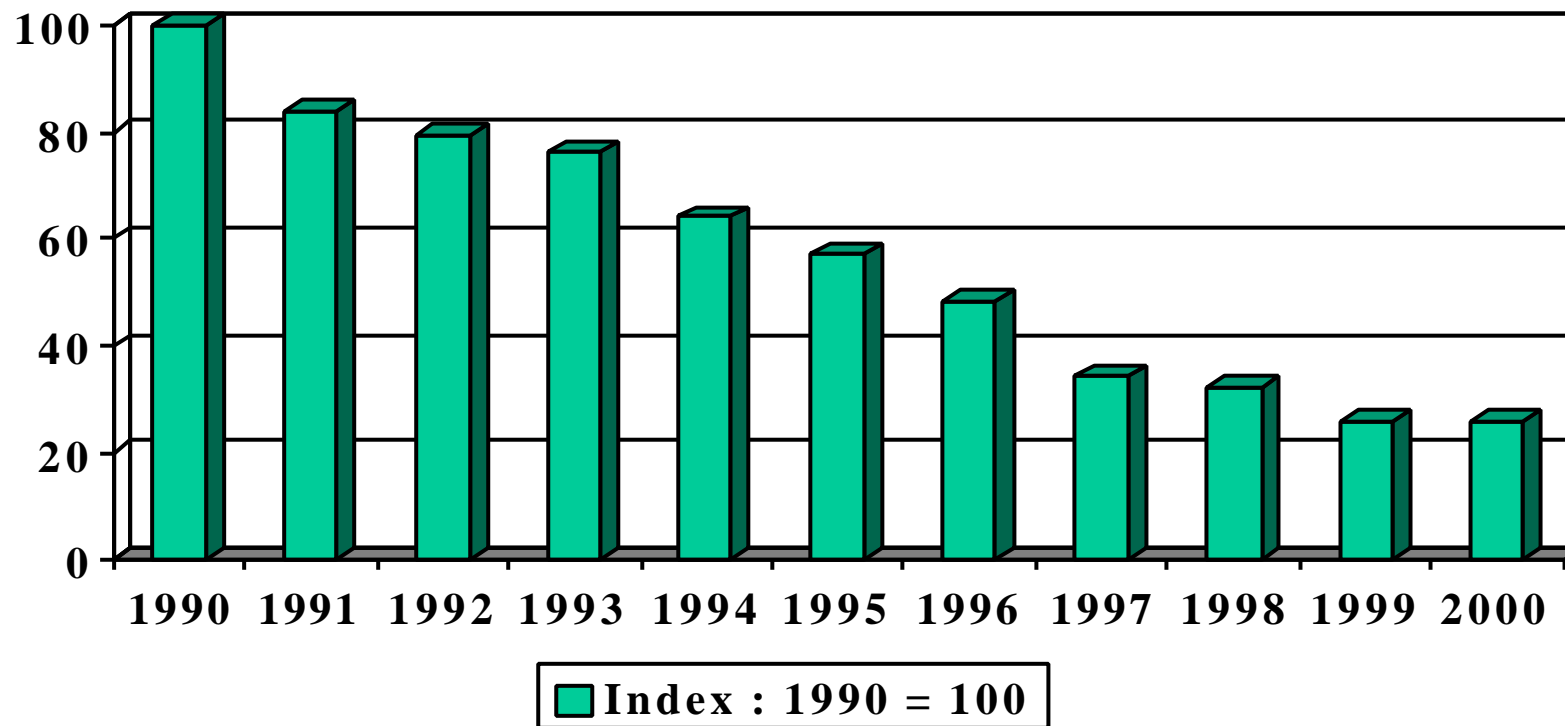
Appendix 7

Newsprint Volumes sent to Landfill



Appendix 8

Improvement in Australian Old Newspapers Disposed to Landfill since 1990



Appendix 9