

# Impacts of China's 'Green Sword' Policy on Australia's waste disposal

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Worthwhile read for: Environment Professional, Policy Officer, Local Government Professional

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China has been a market leader in the importation and processing of recyclable waste, importing over 30 million metric tonnes of waste from around the world. Coined the 'Green Sword', China introduced significant restrictions on the importation of waste through its National Sword Policy on 1 January 2018. China's aim to improve its national environmental standards has come at a significant cost to many countries across the world, including Australia. In Australia, the new restrictions affect an annual average of 619,000 tonnes of waste worth \$523 million.

The impacts of the 'Green Sword' Policy are doing more than raising the eyebrows of local councils as uncertainty looms about how and where additional recyclable waste will be disposed of.

China's 'Green Sword' Policy strictly prohibits the importation of recyclable waste with contamination levels exceeding 0.5 per cent. When considering household wastes, the contamination threshold has been described as a 'virtual ban' by Mr Garth Lamb, business development manager for 'Re. Group'. Plastic bottles with lids or labels will now be rejected under the 'Green Sword' Policy as contaminated goods.

The economic effects of the 'Green Sword' Policy have been felt around the world. In Australia, the average price paid per tonne for recyclable waste has effectively been rendered worthless, plummeting from \$350 to between \$0 and \$50. China's Policy is also causing problems for Australia's waste industry, with one Victorian recycling company, Visy, suspending its kerbside recycling contracts, leaving several local councils to find places to dump its recyclable waste. Other effects include the closure of mixed recycling facilities unable to profit from new commodity prices, increased gate fees charged by mixed recycling facility operators to waste generators and local council rate increases to absorb additional recyclable waste costs.

Recycling facilities are fast reaching capacity and calls have been made for waste to be burned or buried in landfill. Although Australia's recycling industry is feeling the economic pinch of the 'Green Sword' Policy, unwelcomed change is also an opportunity for the country to reform its system of recycling.

The NSW government has introduced a \$47.25 million support package to assist local governments and industry operators. The package will assist local councils to off-set gate fee increases as well as provide capital outlay grants for secondary processing infrastructure. The SA government also announced it will provide \$300,000 in grants to fund the development of secondary processing infrastructure. There is support by the Council of Australian Governments environment ministers for a move to a circular economy where waste is recycled into new products. This approach has been successful in other countries and will assist in lifting the price point for recyclable waste back up to profitable levels.

On 27 April 2018, Commonwealth, State and Territory Ministers and the President of the Australian Local Government Association met to discuss the way forward for Australia's recyclable waste. The ministers agreed to update the 2009 Waste Strategy by the end of 2018. At a time of significant change for Australia's recyclable waste industry, the updated 2009 Waste Strategy will be highly

anticipated by all parties affected by China's 'Green Sword' Policy.

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