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Reference:
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NSW Department of Planning, Industry and Environment
20 Year Waste Strategy for NSW

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RE: City of Newcastle submission to Department of Planning, Industry and Environment 20-year waste strategy for NSW

Motion from the City of Newcastle Council:

At its meeting on 24 September 2019, the City of Newcastle council unanimously adopted the following motion:

1. Notes that the NSW Government, through the Department of Planning, Industry and Environment, including the EPA, is currently calling for submissions regarding the development of a 20-Year Waste Strategy (20YWS) for NSW;
2. Recognises the need for a comprehensive Waste Strategy for NSW, particularly regarding the future of recycling, which is currently being impacted by the China 'Green Sword Policy', noting the Morrison Federal Government's vow to establish a plastic recycling industry in Australia;
3. Notes Newcastle Herald article 'Problems with plastic that can't be ignored', which outlines that only 12 per cent of the 103 kilograms of plastic waste generated per person in Australia each year was recycled, mostly overseas;
4. Prepares a submission for the NSW Government's 20YWS, including:
 - a. Strong support for the establishment of a plastic recycling industry in Australia;
 - b. Calls for continued government assistance to further support organics recycling strategies for local government;
 - c. Noting the need for additional resourcing requirements for Assisted Household Waste Collection Service for elderly and disabled ratepayers, particularly given our ageing population;
 - d. Noting City of Newcastle's continued commitment to weekly kerbside general waste collection.

Further comment:

Over the life of the NSW waste strategy, the City of Newcastle will spend in excess of \$1.2B managing its waste. Our communities are demanding improvements in waste avoidance and recycling outcomes, and as a leader in government, we need to lead and respond to these expectations.

By way of background, the City of Newcastle owns and operates the Summerhill Waste Management Centre. Summerhill is approved to operate at 364 thousand tonnes per year, and has a total fillable volume of 22 Million Cubic Metres. The Centre services the Newcastle local government area, and is a commercial landfill accepting waste from the broader Lower Hunter area. The Summerhill Waste Management Centre is one of the largest waste operations in NSW.

The City of Newcastle over the financial years 18/19 and 19/20 will spend a record \$50M+ on waste management projects in order to shore up our operations and improve waste recovery and recycling. Key projects include the development of a new Resource Recovery

Area, an organics processing facility, and the development of a new cell to cater for material which is not diverted at the Summerhill Waste Management Centre.

The City of Newcastle's investments ensure that residents of Newcastle can effectively manage their waste well into the future.

Right now, we believe the community is more engaged than ever in waste management issues. At the same time, the Federal and State Governments are more focused than ever given impacts of the China National Sword policy. A clear focus is moving toward the circular economy. A circular economy however, will need clusters of facilities which can manage waste materials and seek to create value from the resources we manage.

These facilities will need strategic planning and policies which protect them from urban encroachment. Without these types of facilities, the State and the community will not meet their goals, or significant cost will be pushed onto the community with no environmental benefit. Unnecessary cost, creates unneeded barriers to delivering to the community.

The City of Newcastle submits to the State the following key issues and opportunities:

Levy

City of Newcastle ratepayers will contribute at least \$23.5 million in NSW Waste Levy contributions to the NSW Government yearly, receiving a small fraction of this back in the form of grant funding to run environmental awareness campaigns.

City of Newcastle advocates that 100 per cent of the NSW Waste Levy should be hypothecated back to the industry into new resource management programs. We believe that there is significant benefit in local and social programs, alongside higher order programs to manage waste materials and unlock the value from these resources.

This view is in line with the recommendation of the NSW Legislative Council Portfolio Committee No. 6 – Planning and Environment report 'Energy from waste' technology, on matters relating to the waste disposal industry in New South Wales.

Waste requires a systems-based approach, taking a long-term view. Transport is a major cost in the system. In our experience, the typical operational costs of a waste management project over a 30-year life will often be in the order of 80% to 90% of total project costs. Yet these operational costs are often locked in at the capital decision stage. The State can assist and ensure that funding is spent in appropriate ways by doing high level cost benefit, life cycle project analysis and ensuring grants are tied to projects considering the overall life cycle cost of the project.

We are aware of recent projects in Australia, where costs have been reduced or contained, all the while almost tripling the diversion of waste from landfill. Being smarter with what we have will go a long way to assisting the community to achieve its goals without locking in unwarranted costs in the long term. This in turn makes our economy stronger and more competitive.

Circular Economy

A circular economy and a 'highest and best use' of material approach is warranted moving forward. We will not transform our operations in this regard in one cycle, and it is likely a long-term horizons approach may be required. Much of the key infrastructure will have a 25 to 30-year life so this needs to be considered in the strategic direction.

A key component to a circular economy will come from precinct planning. These precincts will require careful planning and will require co-location of some industries. The precincts will however require protection from urban encroachment. Moving the facilities further away

from the population is not the answer, and will result in much higher operational costs (due to increased transportation), again with no benefit to the community.

We believe government will need to take a more hands on approach, still partnering with industry and the community. Letting the market decide, or not putting in place a clear policy position has resulted in the impacts of the China National Sword Policy being greater than they otherwise would have, if Australia had taken a more long-term approach to recycling. Whilst government might not be in the business of picking a winner, we do bring considerable value to the table in being able to take a long-term view. There are some things that government should invest in, in order to allow the market to operate more efficiently.

There are significant opportunities in this space, however key facilities need to be protected, and we need to transform our approach from a problem focused waste business, to solution orientated resource businesses with the customer in the centre.

Waste to energy

The City of Newcastle is not necessarily advocating for waste to energy solutions. As we transition to a renewable energy focus however, the ability to generate energy from waste products will be an opportunity moving forward.

A simple mass burn approach is not perhaps best, as once burnt resources are lost to the productive economy. However, source segregation of materials, and then anaerobic digestion and other options to generate energy (in either gas or electricity form) should be on the table.

Planning matters

Any circular economy solution will require the protection of key infrastructure from urban encroachment. Planning mechanisms need to be in place to protect key waste infrastructure to ensure it is both readily accessible from a transport perspective, and not subject to urban encroachment.

These assets belong to the entire community. They should not be jeopardised to the benefit of a few. Urban encroachment onto key utility infrastructure such as water, sewer and waste infrastructure is a key issue across major centres in Australia. The relocation of these facilities is not simply a question of additional capital cost. Significant long-term operational costs are then locked into the community in perpetuity once these facilities are crowded out. We need as a community to clearly understand these costs and subsequently protect this infrastructure.

We need to clearly be able to communicate to the development community the requirements around considerations in dealing with waste management issues in the design phase of a development. Too often decisions which will have long term impacts on those living in developments are taken at the development stage with little consideration of the long term operational and cost impacts of those decisions. A smart economy recognises this and ensures the way our developments interact and operate is important from a long term perspective.

Recycling

No matter what happens, as an industry, we need to fix the yellow lidded kerbside recycling system.

For over 25 years we have been educating 5-year olds about the importance of recycling, and we now have 30 year old adults asking what's happening with their recyclables. We have built faith in the yellow lidded bin and we need to ensure this faith is maintained. Countless studies have shown recycling is beneficial environmentally and economically.

This is one area where a local and social approach will have a significant benefit in our view. Councils should be supported in taking a long-term approach to key infrastructure in this regard. As a potential solution local government with the assistance of the State and Federal Governments could build infrastructure to house Materials Recovery Facilities

locally. Councils could then partner with industry and social enterprise to operate these facilities. The benefits of this approach would be:

- Stimulate construction in many locations including regional in a period of construction downturn;
- Remove risk from the recycling industry with local governments taking a long-term view on this long-term infrastructure;
- Creating ongoing social employment, rather than a quick capital sugar hit, spreading the benefit across the community over the long term; and
- Assist in resolving the recycling issues.

Consideration would need to be given to the number and location of these facilities. Further the key issue is not necessarily the processing of these materials, it is the quality and secondary processing, along with markets which the government could then focus on. This will require demand pull policies, recycled content mandates and procurement approaches.

Hunter Joint Organisation of Councils

The City of Newcastle also supports the submission provided by the Hunter Joint Organisation of Councils.

If you have any further queries regarding this submission, please contact Troy Uren, Manager Waste Services.

Yours faithfully



Alissa Jones
INTERIM DIRECTOR CITY WIDE SERVICES

