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Response to consultation on NSW Government 20 Year Waste Strategy

Emailed to 20YWS@dpie.nsw.gov.au

Introduction to City of Sydney's submission

The City welcomes the opportunity to provide responses to the questions and look forward to working with NSW Government in a much greater capacity to support the development of a 20-year Waste and Resource Recovery Strategy (the Strategy) for NSW.

As local government we will be a key stakeholder in the delivery of the Strategy and we urge the NSW Government to continue to facilitate an extensive stakeholder consultation process that allows councils to be true co-designers in the development of the Strategy for which we will support you in delivering.

Response to consultation questions:

1. What are the key issues facing the NSW waste system?

i. Lack of competition in major waste and recycling service delivery resulting in reduced incentive to innovate

Since the sale of the state owned corporation WSN Environmental Solutions in 2010, the majority of waste infrastructure in the Sydney metropolitan area is now owned and operated by a small number of private sector operators, effectively creating a monopoly. The two largest operators are still invested in landfill and therefore development opportunities for new facilities are only progressed where a strong financial business case is identified, rather than on broader cost vs community benefit basis.

Similar to many local governments in the Greater Sydney Area, the City of Sydney does not own or operate recycling and sorting facilities. We rely on the availability of treatment capacity provided by the commercial sector.

ii. Residential developments encroaching on existing waste facilities

In recent years, much of the land surrounding existing landfills and waste treatment facilities have experienced encroachment by commercial and residential developments. This has resulted in challenges with the expansion of existing waste treatment facilities or development of new resource recovery facilities on land that has an existing development approval for waste management.

iii. Different requirements for metropolitan Sydney and other areas in NSW

Sydney metropolitan councils face unique challenges when compared with smaller towns and regional areas. The competition for space, the need for transfer stations, the

proximity to sensitive receivers and the existing market dominated by two waste service providers are all issues that are much less prevalent for regional councils.

iv. Product and packaging materials complexity

The products available to buy and use today in Australia are increasingly more complex and made from different composite materials or contain electronic or electrical components.

A high proportion of consumer products are also not designed to be reused, recycled or repaired and most packaging items are discarded after a short period of use.

The changes to products and packaging is not currently matched by the Australian recycling industry's ability to accept and manage these new materials. As an example, aseptic packaging is often used to store ultra-high treated (UHT) food, resulting in products suitable for shelf storage for more than six months. This method of packaging food is widely used across Australia and despite the recycling technology existing on almost every continent¹ to recycle this type of packaging there is no such facility in Australia.

2. What are the main barriers to improving the NSW waste system?

i. Risk and regulatory uncertainty providing a barrier to investment

The recent NSW EPA revocation of exemptions for applying mixed waste organic outputs to land has further exposed the industry to uncertainty around existing and future residual treatment. This leaves landfill as the only, and least environmentally preferred, solution to a growing waste problem.

Furthermore, the high cost of land and lack of social license to operate at a state level increases risk and cost for private sector investment.

The development of new waste facilities can take up to ten years to deliver and require a combination of; long term regulatory and financial certainty and clear planning pathways.

ii. Lack of waste transfer and treatment infrastructure in metropolitan Sydney

The concentrated ownership of transfer stations and treatment facilities is making it difficult for new waste management technology providers to enter the market and hence drive toward stated NSW waste objectives.

iii. Data collection, availability and transparency

There is a need for increased transparency across the industry to give confidence to the community and stakeholders that materials collected are actually being recycled.

A major restriction in accurately reporting waste data is the inability to capture waste that moves beyond its initial destination point or interstate. Currently in Australia, hazardous or controlled waste movements are captured under a national dataset but no other waste types. In other jurisdictions, a digital docket must accompany every waste movement by commercial waste carriers. This process assists with capturing waste and recycling data nationally, and reducing waste or recycling being disposed of illegally.

3. How can we best reduce waste?

¹ <https://www.tetrapak.com/au/sustainability/recycling>

i. Product stewardship and extended producer responsibility

The City supports the Government's intended circular economy policy approach however we strongly recommend following examples of other jurisdictions to stimulate better product design by levying financial contributions paid by companies on the basis of the end-of-life costs of their products. Manufacturers and retailers need to take more responsibility for the waste their products generate:

- Use legislation to prevent supermarkets and other sectors from sending edible or useable food waste to landfill as was introduced in France in 2016.
- Mandate the removal of unnecessary packaging and single use items.
- Require removal of unnecessary packaging on products e.g. single layer only or sell items singularly.
- Support charities to expand their capacity to redistribute food for social benefit outcomes.
- Encourage supermarkets and grocers to relax rules on specifications for fruit and vegetables.
- Introduce levies on industries (or products) that do not have circular economy practices to send a 'price signal' to the market and thus incentivise new green industries and technology advancement.

ii. Fund or incentivise re-use and repair

For many products, such as small kitchen appliances, it is often cheaper to replace than repair or there is not an option to repair. Many manufacturers also use product obsolescence to entice customers to purchase a new or improved product even when the existing product is still functional. The Government should support, through tax deductions or other financial incentives, those manufacturers that do produce repairable and durable products that meet a specified minimum standard.

4. How can we recycle better?

i. Develop statutory recycling targets and develop a framework within which to achieve them

Countries with the highest rates of recycling such as Germany, Austria, South Korea and Wales all have in common government policies that set statutory recycling targets, provide good funding for recycling and offer financial incentives for alternatives to landfill².

NSW needs to do more than have aspirational targets and relying on voluntary commitments from business and other levels of government. The NSW Government needs to use appropriate regulatory and financial mechanisms to ensure new targets will be achieved.

ii. Hypothecate waste levy collected to support the development of new waste regulations and infrastructure

The NSW Government expects to collect \$3.6 billion in waste levy contributions during 2017-2021, of which only \$337 million (or 9%) is planned to be reinvested through the Waste Less Recycle More initiative. Considerably greater investment is required to maintain even existing recycling and recovery rates and to move towards principles of a circular economy.

² <https://www.weforum.org/agenda/2017/12/germany-recycles-more-than-any-other-country/>

iii. Identify appropriate land for waste use and protect from encroachment from commercial and residential development.

The recently released Australian Infrastructure Audit³ highlighted a key challenge for waste in Australia being residential developments encroaching on existing waste facilities and the lack of integration with state transport and land use planning.

A 2018 report⁴ for NSW Government estimates almost 13,000 road trips per day in Sydney are transporting waste. Population and corresponding waste growth, coupled with the possible consolidation of waste transfer assets by commercial operators wishing to release equity in land they own, could result in further strain on Sydney's road infrastructure.

Waste management and its infrastructure needs to be recognised as an essential service and form part of an integrated transport and infrastructure plan for metropolitan Sydney.

iv. Expand the National Packaging Targets to include responsibility to recycle or facilitate collection and recycling.

The City encourages business and individuals to consider environmental issues when purchasing goods and services, however, the impact would be greater if manufacturers and service providers are required to source materials more responsibly, including a minimum recycled content and take on greater responsibility to fund the cost of recycling the materials they produce.

v. Restrict the types of materials that can be disposed of to landfill

In recognition of the growing e-waste streams and their impact on the environment, the Victorian Government has announced that from 1 July 2019 there will be a ban on disposal of e-waste in landfills⁵. To make this legislation more effective, it should be replicated in each state.

In other jurisdictions there are restrictions on unsorted waste being sent for disposal or incineration, therefore requiring pre-treatment for all mixed waste streams.

5. What are the main opportunities for improving the NSW waste system?

i. Metropolitan strategic planning for waste and resource recovery

There is a need for strategic planning for waste at a metropolitan level that identifies and secures land for our existing and future waste treatment capacity requirements. This requires a thorough review of existing and future waste transfer and treatment capacity need and the production of a metropolitan waste plan that details how Sydney can achieve its waste targets and identify suitable areas for waste facility development.

ii. Social license to operate

Obtaining a social license to operate is crucial to the future development of waste management and resource recovery facilities in NSW. Research conducted by the South Sydney Regional Organisation of Councils on community perceptions of residual waste

³ <https://www.infrastructureaustralia.gov.au/publications/australian-infrastructure-audit-2019>

⁴ <https://az659834.vo.msecnd.net/events/airaeueprod/production-impactenviro-public/28fa16c0bbc84eafbd1fe2a60ed3b947>

⁵ <https://www.environment.vic.gov.au/sustainability/e-waste-in-victoria>

treatment facilities highlighted the importance of making available information to the community that details health and environmental impacts of waste. The research also identified a preference for information from trusted scientific sources and regulators.

iii. Data confidence and transparency

The following actions should be considered as part of the strategy:

- All licensed waste facilities report reuse, recycling, recovery and waste disposal into a state owned database by 2020.
- Require all waste collection and transportation companies to record every waste movement or series of waste movements and submit to state government by 2020.
- Develop appropriate protocols so that municipal and commercial waste data can be made publically available.

iv. Circular economy outcomes through extended producer responsibility

NSW can pioneer circular economy in Australia by introducing appropriate regulatory and financial mechanisms to ensure the principle outcomes are achieved.

The City supports a strategy that results in changes to product design that increases a product's lifecycle. The Government should consider whether it is appropriate to develop an Australian Standard or fund the development of a certification standard that confirms the design and components of a product adhere to circular economy principles.

6. Are there any additional views or information you would like to provide about waste in NSW?

The City looks forward to continued involvement in this process and would like to discuss with NSW Government about joining the Strategy Expert Reference Group.

Should you wish to speak with a Council officer about our responses to the questions, please contact Gemma Dawson, Manager Waste Strategy on 9265 9333 or at gdawson@cityofsydney.nsw.gov.au.

Yours sincerely



Kim Woodbury
A/Chief Executive Officer