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**Question 1 - What are the key issues facing the NSW waste system?**

Inconsistent approach to the development and placement of recycling infrastructure. This encompasses site and town planning, investment, transport connectivity and a supply chain approach to the management of waste across regions. In total there is a lack of recycling infrastructure across the state. Australian waste recycling markets missed a key development opportunity from reliance on waste being exported as a commodity, predominantly to Asia. This has meant that we have an agglomeration of all waste streams in Australia with immature markets for their use. PET, Aluminium cans and paper and cardboard are well developed but many other outputs are struggling to develop into consistent products that break even to the costs of production. There is a lack of markets for recyclable materials within Australia and generally the recyclable material is undervalued due to this lack of available markets. In essence no one wants the recyclable material Australia used to send overseas. Until secure local markets, processing facilities and investment in businesses that use waste for the development of innovative products exist this will continue to become a problem. Essentially there is a market failure. The introduction of the container deposit schemes around the country have provided good environmental benefits but they were not implemented in consideration of the entire ecosystem of waste. They have given some recyclable material a perceived value to the consumer but created a massive over supply to local and regional MRF's that may have already been under capitalised. The intent was that the private sector would invest in adequate processing facilities. This has not happened and in the case of our MRF it was pushed to breaking point working almost 24 x 7 to manage the increased volume. Much of this material would have previously been landfilled so Government has achieved its objective but at our cost.

**Question 2 - What are the main barriers to improving the NSW waste system?**

The NSW Government has adopted one clear strategy, punitive measures that attempt to penalise local councils for landfilling waste. It is clear that this has had no impact on anything other than the governments consolidated revenue account. It has had no impact on the volumes in landfill at all. Lismore waste production was around 15,000 tonne per annum in the 90s, 25,000 tonne in the 2000s and exceeds 35,000 tonne today. Much of the waste is superfluous packaging. Despite increasing landfill costs which then get passed on to rate payers and continuous education of residents, it is almost impossible to keep on top of the endless amount of material that travels through a household. The barriers to improving the NSW Waste system are: Lack of infrastructure funding to develop regional facilities that are sufficiently equipped or of an adequate scale to meet the demand of policy initiatives that increase throughput such as CDS, introduction and kerbside recycling and kerbside organics. Independent waste facilities at each council that have been built to deal with multiple waste stream generated within their own LGA. These are underfunded and not able to scale to meet any further regional demand. They predominantly lack adequate power, water and weighbridge infrastructure to enable them to scale to meet regional demand for one or more parts of the waste stream. Lismore City Council has undertaken infrastructure investment to enable us to be a services provider to seven other councils in the region - the Lismore MRF. This capital investment required the Lismore City Council to wear all the risk of this investment. To achieve a solid market, Lismore City Council has at times had to subsidise other councils to grow the market to adequately cover the initial investment - a loss leader approach. Where we could have increased our scale and offering we have been hamstrung by investment, individual council philosophy and a perception that we must be making money from the service and that somehow this is bad. This has

created a major barrier to expansion and/or introduction of new technologies. Lismore has a floating solar farm that supports our waste operations. This was funded via a community loan. The facility requires expansion and could benefit from a WtE plant being integrated with the existing innovations on site. Failure to overcome the perception that we are profiting from the existing facility has seen this facility be proposed for Casino. Without a whole of region strategy this may further fracture the waste market in the region and potentially reduce the throughput in our existing facility, resulting in failure to obtain a return on the asset. A way of dealing with one Council taking the risk of investment in largescale recycling infrastructure is for Councils to work together and co-contribute. The NSW Government should develop guidelines to assist the establishment of JV commercial entities such as CityWide in Victoria so that councils can remove waste management from local politics and develop mature businesses that can return dividends to councils. To date the NSW Government has had a waste strategy focused on diverting waste from landfill though the investment in new recycling infrastructure. The infrastructure should have been developed hand in hand with pre-processing infrastructure within NSW and Australia. This has been a policy failure where there has been an infrastructure over markets approach. It is very clear that waste policy and strategy differs across Australia. For communities and Councils close to state borders managing waste becomes harder as the rules are often different. A national approach to waste strategy is required and should be pushed for by the State Government. Besides Australia wide waste strategy inconsistency there is also inconsistency within NSW. This has come about due to different regions of NSW having different levels of waste levies and some areas not having levies at all. This causes significant inequity across the State where some communities are being taxed significantly for producing waste while others are not taxed at all. This again is a significant strategy and policy failure. Over regulation is a barrier. Some companies are so focused on being compliant and investing in compliance resulting from new regulation that research and development suffers. The other major barrier is the NSW Governments unwillingness to push back on the packaging industry and make them modify both the type and volume of packaging that it creates.

### **Question 3 - How can we best reduce waste?**

The Government should develop a waste reduction strategy to facilitate a change in packaging and manufacturing waste. This should be a staged approach that enables industry to adequately respond with retooling, storage and distribution. This would require an assessment of items within the waste stream to understand their contribution to landfill. The NSW Government could develop policy around extraneous duplicate waste items such as fruit in plastic buckets wrapped in cellophane. These could be banned. Plastic meat trays could be replaced with cryovac packaging. These trays could be banned. Incentives or investment could be provided for wash and reuse stations in regional locations for milk bottles and high consumption drink bottles. All milk could be packaged in paper cartons or in glass bottles All drinking water could be packaged in paper cartons, banning all plastic single use water bottles Targets could be set to reduce waste at the source and recycled content in manufacturing should be mandated. Ban certain types of materials being produced or ban them from landfill to ensure they are recycled. The Government should invest in research around linking packaging to markets and packaging alternatives. There are research facilities across the State that could be funded to find innovative answers to dealing with waste material. Education of the community and awareness raising is a fantastic way to reduce waste. Making the community aware of the issues associated with waste and what they can do to help will go a long way to reduce waste. Individual communities and Councils invest in community education but the reach is small. A State wide or nationwide education program is required. The Government could establish legislation that enables local councils to establish their own bans on packaging that they do not want. For example in Lismore our council would welcome a motion to ban plastic drinking bottles. We cannot commence this action as the State Government controls this legislation. Levies is not the answer - this just results in people trying the bend the rules and illegal dumping of waste. As outlined above

Lismore's waste production continues to grow uncontrollably even with the waste levy and low population growth

**Question 4 - How can we recycle better?**

Investment in new technology to sort waste materials. A large number of materials can be recycled if they are sorted to individual streams. To do this however the technology is very expensive and from a cost benefit evaluation may not be viable for an individual council or service council such as ours. Investment is required in this technology in order to keep waste out of landfill. Many wastes that were recyclable pre China Sword are now landfilled as they were processed into mixed bales. This is a failure in policy as Government has set an intention to reduce landfill not increase consolidated revenue. The policy has only resulted in the latter. Establish rules/ bans on materials that cause contamination. Many Countries have banned certain waste from landfill such as e-waste and fluorescent lighting. The NSW Government should be bold and ban a large list of items from landfill. Recycling programs and technologies exist for many items but are not embraced due to high cost. Lismore Council has undertaken research on the establishment of micro businesses to develop products in region from waste, but the investment stream is not available and we are again required to take all the risk. Bans would help push investment in technology and assist in making recycling programs target these items as viable. Product stewardship for hard to recycle materials especially items made from a composite of materials. Stewardship schemes should be ramped up significantly so consumers basically pay for the recycling of the material at time of purchase in the same way that they do in Ireland. The additional recycling fee should be held in trust and made accessible to the recycler upon evidence of the activity. Fund research in alternative uses of waste materials. There are research facilities across the State that could be funded to find innovative answers to dealing with waste material. We have commenced research with the UNSW into the establishment of Micro businesses here but are hamstrung by investment. Education is the key. The Government needs to substantially increase its investment in education. This should encompass in home, in street, in community and in region education programs. Once the material is in a bin then it becomes a problem to sort the material again.

**Question 5 - What are the main opportunities for improving the NSW waste system?**

Make it easy for regional groups of councils to work together by setting up management structures that allow these groups to operate effectively. Provide advice from Treasury as to how to establish and govern an enterprise, establish a board and company structure with councils as shareholders and encourage joint ventures with the Private Sector. This will allow regional groups of Council to share investment and risk. Setup frame works for making Local Government managed waste businesses easy to form. This could include fully owned Council or group of Council businesses or joint venture with the private sector. The state of NSW needs to embrace waste to energy technology. Many countries around the world have successfully implemented this technology and have stringent environmental monitoring associated. NSW has a significant loss of resources that end up being landfilled. It is important however to only make energy from waste that cannot be recycled or have a higher order use. Australia has significant base load energy shortages especially during summer and waste to energy facilities could help fill the energy shortage gap. Embrace higher order uses for waste materials. When materials are recycled the higher order use for the material should be aimed for. For example food and garden organics should be composted so the nutrients can be recycled as opposed to being used for waste to energy and cardboard should be recycled into cardboard as opposed to being composted. This needs to be policy of the NSW Government.

**Question 6 - Any other information that you would like to contribute to the waste strategy initiative?**

It is our belief that there is a major failure in policy in the NSW Government. This policy failure has resulted in a major war chest of funds that to date have delivered no tangible outcome. The EPA has

been given a more than adequate compliance role that has many failures. For example in the building of a waste cell we are required to have an EPA contracted inspector on site viewing what our already qualified contractors and degree educated environmental officers are doing. This person produces no reports, provides no advice but costs us \$1700 per day. This requires a complete overhaul. There has been no directive to industry to cease the volume of new packaging and no controls over what new sources of packaging can be introduced, there has been no directive to retailers as to how to change storage and access of say perishables so that superfluous packaging is not required, and there has been no education of consumers to help them self-select products with reduced packaging. It is our view that councils such as ours that have invested heavily in major infrastructure should be supported with increased investment in line with the growing demand so that our facilities can keep pace.