



26 September 2019

By email: [20YWS@dpie.nsw.gov.au](mailto:20YWS@dpie.nsw.gov.au)

**Re: 20-Year Waste Strategy for NSW**

SUEZ welcomes the opportunity to contribute to the development of the 20-Year Waste Strategy for NSW.

The NSW waste system currently faces a broad range of issues that must be addressed, not only by industry, but also by government and SUEZ welcomes the NSW Government's commitment to this by developing the 20 Year Waste Strategy. Historically the waste system has lacked public prominence and as a consequence has not been considered in the same manner as other critical infrastructure such as water, wastewater treatment and electricity.

Right across Australia however, a significant shift in community sentiment and customer expectation has changed the way waste is perceived, placing greater scrutiny on the supply chain and providing a perfect opportunity for long term strategic policy development and investment.

SUEZ is a global resource management firm. As experts in water and waste management, our team provides solutions that supply seven million Australians with safe drinking water and divert 1.2 million tonnes of waste from landfill every year. In terms of waste and recycling, we operate more than 100 waste management facilities across the country. We have the most extensive network of resource recovery and transfer station facilities and operate more than half of the Advanced Resource Recovery Technology Facilities in Australia.

In New South Wales, SUEZ operates critical infrastructure in the Sydney metropolitan area and regional NSW that supports local government and the commercial sector with the management of their waste.

SUEZ has an appetite for investment in New South Wales. Australia is seen by SUEZ as a stable jurisdiction that supports large-scale investment. There is an expectation however that drivers exist to support this investment, including regulatory stability.

SUEZ appreciates the opportunity to provide input to the 20-Year Waste Strategy for NSW and welcomes the opportunity to be involved in future consultation initiatives as the strategy evolves. Should you require any further information, please don't hesitate to contact James Hart, Government Relations and Media Adviser, SUEZ on 0402 770 856 or [James.Hart@suez.com](mailto:James.Hart@suez.com)

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

In NSW, the key issues facing the waste system include:

### **Lack of market demand**

The resource recovery system in NSW currently operates on a push model and there is a need for investment in initiatives to stimulate and create a pull through market for secondary recycled materials. This can be addressed through the required use of recycled materials, as set in procurement policies at a state and local government level with the driver coming from state based minimum requirement targets.

### **Reinvestment of waste levy**

Waste levies should remain focused on developing and promoting initiatives driving resource recovery outcomes. While the Waste Less, Recycle More grants program has been successful, it is critical that there is investment available into the future with a larger proportion of waste levy funds available for critical infrastructure.

### **Energy from Waste**

To date, there has been extremely limited investment in energy recovery technologies in NSW. EfW facilities can support the diversion of over 95 per cent of waste from landfill, demonstrably reducing the demand for finite, natural resources, increasing energy supply certainty and prolonging the life of landfills.

SUEZ believes energy from waste should play an essential role in future efforts to invest in infrastructure that will reduce waste, increase resource recovery and reposition the sector as part of the energy portfolio. This is particularly the case for infrastructure that supports the offsetting of existing energy demand (in the form of heat, steam, cooling as part of a cogeneration solution with the generation of electricity), which emphasises the energy contribution to the 'energy from waste' debate.

### **Delayed data and infrastructure plan**

There is a lack of comprehensive, accurate and timely waste and resource recovery data available to the industry, local government and general public. Improving data capture, accuracy and prompt dissemination to the industry will assist government, industry and public to make informed decisions and accurately plan for identified infrastructure gaps. It is critical that the NSW EPA draft infrastructure needs plan 2017 which indicated significant infrastructure gaps is finalised to provide assurance and information back to industry.

The strategy must be reliant on accurate and robust data, noting that current policy has been linked to historic data that may not reflect current demographics, behaviours or social considerations. For example, the proportion of recoverable organics in kerbside collected MSW in urban centres.

### **Lack of risk sharing**

Currently local government contracts are set up to place contract risks on contractors rather than a risk sharing partnership in which each partner shares risk equal to their capability to influence or manage that risk to drive better resource recovery outcomes. In order to drive a thinking shift from a linear to a circular economy, it is key that these contracts are reimaged to deliver better practice outcomes.

The current Local Government Act leads directly to "master/servant" waste management and resource recovery contracts. A review of the Act and related legislation to allow "Alliance partnerships" with industry can deliver significantly improved outcomes and lower costs for both parties.

## **Contamination**

Improving education around how to separate different waste and recycling streams to ensure bin systems are used effectively and correctly. Given the rates of persistent contamination, there is a clear need to invest in above the line marketing campaigns to educate the community to reduce contamination at source and to change behaviour.

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

### **Government procurement**

With the decline of the manufacturing industry in NSW, the increase in competitively priced imports and therefore a decrease in demand for locally recycled products, we need to continue to promote the use of recycled products into new products, and find alternative uses for materials that cannot be recycled. This could include mandatory targets or requirements such as a percentage proportion of recycled materials as a viable, preferred alternative to virgin materials in manufacturing or packaging processes.

SUEZ would support changes to government procurement processes that would encourage greater efficiencies in resource recovery practices through Green Procurement opportunities. This position is clearly supported by Australians as a recent survey by ACOR found that 89 per cent of respondents indicated support for recycled content included in government purchasing decisions. A clear opportunity is to specify the inclusion of recycled glass and plastic in road construction materials.

At a simpler level, the requirement for procurement of recycled organics as opposed to artificial fertilisers and virgin materials in the remediation of parks, garden, sporting fields and other urban amenity applications supports the recycled organics sector and the broader recycling and circular economy message.

### **Harmonisation of landfill levy**

An appropriate higher landfill levy setting is essential along with a stable regulatory and planning environment to incentivise higher order resource recovery in the waste hierarchy. A perverse outcome of the different waste levy rates across the states in Australia is the interstate transportation of waste, in an attempt to maximise profit margins.

The ideal solution would be a national, harmonised approach to waste levies that would deter the interstate transportation of waste, in combination with enforcement of the Proximity Principle. SUEZ encourages an ongoing dialogue with other jurisdictions to achieve this to ensure that the industry can appropriately plan and prepare for a potential levy increase.

### **Planning**

There is a need for state led, strategically zoned land for waste and resource recovery facilities to address infrastructure gaps identified in the draft NSW infrastructure needs consultation paper. Increasing encroachment of existing facilities by residential or light infrastructure development requires state set buffer zones around existing sites to prevent encroachment. This can be addressed through the development of a specific Waste and Resource Recovery State Environmental Planning Policy (SEPP) which acknowledges waste and resource recovery infrastructure as critical industry which requires clear planning pathways, designated precincts and protected buffer zones.

The planning of approvals process for essential waste infrastructure is lengthy with uncertain outcomes. Cross government agency collaboration and commitment is required to support viable projects. This requires a "whole of government" approach that stretches beyond the EPA's remit. Without the required planning regulations, the long-term viability of waste infrastructure is unknown.

The introduction of a Waste and Resource Recovery State Environmental Planning Policy (SEPP) could also apply to the consideration of essential waste management collection and logistics when considering new development. There is no or little consideration for waste logistics management in multi-unit dwelling development, commercial development and precinct development that supports the efficient movement and management of waste.

### Lack of high volume, long term contracts

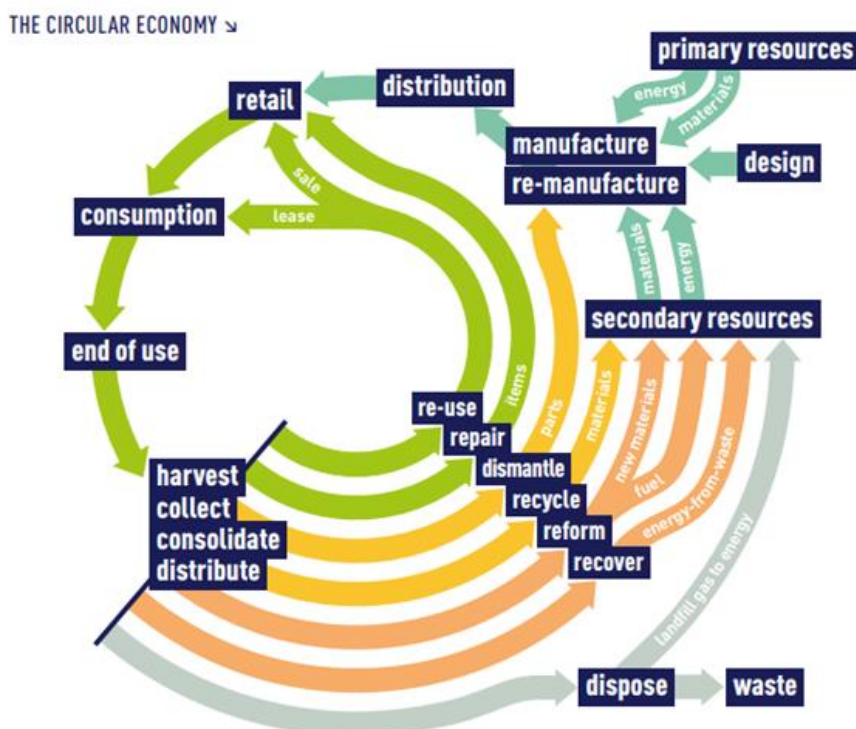
With 43 councils in the Greater Sydney area all adopting their own waste and resource recovery strategies, developing their own solutions and different resource recovery targets, the result is a highly inefficient system. Maximisation of resource recovery outcomes can be delivered based on high volume, long term contracts which the current local government structure cannot deliver. For example, even with regional organisations of councils (ROCs) the tender response frequently states all the included councils can decide not to partake after the tender response bid has been submitted.

### 3. How can we best reduce waste?

SUEZ strongly believes reducing waste should be focused around the circular economy in order to meet the growing environmental and societal demands from an increasing population.

#### Circular Economy approach

Waste management plays a central role in the circular economy it determines how the waste hierarchy is put into practice. It demonstrates what traditionally is seen as a waste into a resource. We know per capita that waste is increasing, while minimisation is an optimal outcome, repurposing materials for a further application is critical. The long-term vision for NSW should be moving towards a circular economy that would encourage the development of sustainable waste management and resource recovery solutions to deliver the best environmental and economic outcomes. The diagram below demonstrates how the correct management of certain waste types needs to be the responsibility of the entire waste process from manufacturers of the product through to business and community who purchase the product.



As the Waste Management and Resource Recovery Association of Australia have previously cited, for every 10,000 tonnes of waste recycled, 9.2 jobs are created<sup>1</sup>. In addition, for every single job involved in landfill, over four are created by resource recovery<sup>2</sup>. Investing in the expansion of the recycling industry in New South Wales will also make the state economy less dependent on offshore markets, more resilient to external shocks and enhance New South Wales' sustainability.

### **Expanded National Product Stewardship Schemes**

The expansion of national product stewardship schemes will assist in driving the circular economy and promote ownership of the end of life product by the entire supply chain through a shared responsibility model.

### **Import and manufacturing restrictions**

Restrict import and manufacture of non-recyclable packaging products through expanded roll out of the Australian Packaging Covenant 2025 National Packaging Targets, and convert them from targets to mandatory requirements.

## **4. How can we recycle better?**

Investment, infrastructure, market support, education and policy stability are essential to enabling meaningful change in New South Wales' waste and resource recovery industries.

### **Support for local markets**

Significant changes to current market conditions in Australia have brought us to a tipping point. The impact of the China National Sword policy and the resulting changes to market conditions in South East Asian destination countries has been significant.

Supporting the creation of a market to locally manufacture and re-create recyclable products within Australia is essential to divert recyclable material from landfill and encourage demand to invest in scalable infrastructure to achieve and sustain the industry. Currently, it is not economically viable to invest in large-scale recycling of materials domestically, hence Australia's historical reliance on sending recyclable material offshore. Uncertainty about the quality of secondary raw materials has resulted in the manufacturing industry hesitating to invest in the use of recycled material.

### **Infrastructure**

The recovery of critical raw materials must be addressed by developing better practices for sorting and recycling. In turn, encouraging better design for more durable and recyclable materials such as electronic devices, construction and demolition materials. To raise levels of recycling rates, improvements are required in the collection and sorting of waste streams. Some technical barriers to recycling also exist due to the nature of the materials or substances that are hard to detect or remove.

### **Education**

Reducing contamination to improve the quality of recycled materials is key to SUEZ's approach to a circular economy. SUEZ fully supports improving education amongst people around how to separate different waste and recycling streams to ensure bin systems are used effectively and correctly. This was also supported by the recent ACOR survey where 88 per cent of respondents supported national

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<sup>1</sup> Waste Management and Resource Recovery Association of Australia (formerly Waste Management Association of Australia) submission 52 to the Senate Inquiry into the waste and recycling industry in Australia, 2017 (pg 2)

<sup>2</sup> Ibid. 2017 (pg 12)

education to reduce kerbside recycling's contamination.

## **Investment**

Given this demand to improve recycling and kerbside contamination, SUEZ believes there is a clear need to invest in above the line marketing campaigns to educate the community to reduce contamination at source and to change behaviour. This should specifically address cultural nuances and interpretation of waste and recycling.

## **Regulatory and policy stability**

The industry has suffered as a result of regulatory and policy instability, particularly in relation to the revocation of resource recovery orders and exemptions. Regulatory certainty is required to drive investment in additional resource recovery processing and infrastructure capacity to meet NSW identified infrastructure gaps.

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

### **Energy Recovery**

Whilst modern and highly engineered landfills play a necessary role in managing Australia's waste and will continue to do so in the future, energy recovery is the missing link in waste management infrastructure in New South Wales.

Energy from Waste should play an essential role in future efforts to reduce waste, increase resource recovery, but also to provide energy to support the broader sector. This energy delivery preferably should be a combined heat and power source, whether this is in the form of heating or cooling as well as electricity generation to optimise efficiency of any infrastructure. As the sector develops, this may also extend to substitute fuels.

SUEZ sees that the development of energy recovery infrastructure should reflect other resource recovery initiatives and act as a pull model to deliver an energy source for use in public precincts, community neighbourhoods or industrial parks or centres as opposed to being delivered as waste disposal alternatives.

SUEZ operates more than 55 EfW plants across the world and strongly believes there is a role for a proven and reliable Energy from Waste facility in Australia at the right scale and capacity to meet the needs of the broader state. SUEZ is currently exploring opportunities to leverage its knowledge and experience to invest in facilities in various markets across New South Wales and Australia.

### **National waste definition**

In order to promote a circular economy in NSW, it is critical to provide the option for a 'waste' to have the ability to be defined as a 'product'. The current regulatory definition, which has been created to minimise harm to the environment, has the opposing effect when a waste cannot become a resource. The current "Resource Recovery Orders and Exemptions" are insufficient and do not provide the necessary certainty for long term investment in infrastructure.

### **Share waste data with industry**

Improving data capture, accuracy and prompt dissemination to the industry will assist government, industry and public to make informed decisions and accurately plan for identified infrastructure gaps. It is critical that the NSW EPA draft infrastructure needs plan 2017, which indicated significant infrastructure gaps, is finalised to provide assurance and information back to industry.

## **Consideration of commercial implications for policy changes**

Potential to have a team at the state level who can act in an advisory role between government and industry.

## **Planning reform to drive circular economy outcomes**

Increasing encroachment of existing facilities by residential or light infrastructure development requires state set buffer zones around existing sites to prevent encroachment. This can be addressed through the development of a specific Waste and Resource Recovery State Environmental Planning Policy (SEPP) which acknowledges waste and resource recovery infrastructure as critical industry which requires clear planning pathways, designated precincts and protected buffer zones.

Such a SEPP should also be introduced to ensure that precinct and smaller scale development incorporates consideration for waste collection and logistics management.

## **Mandatory interim targets**

A 20-year strategy will only be successful if mandatory interim targets are set at say 2025, 2030 and 2035 with funding available to assist businesses and local government to meet these targets. In addition, the strategy needs to document the mitigation measures and mandatory actions should the targets not be met. We cannot continue to set targets, not achieve them and then move the goal posts.

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

### **Modern landfills**

Even with a circular economy and high resource recovery targets there will remain a portion of material that requires landfilling. It is important that government acknowledge landfill as part of the waste hierarchy and that adequate ongoing putrescible, dry and restricted landfill capacity is planned as part of the 20YWS.

### **Consideration of urban and regional differences**

It is important that any strategy reflects the differences between urban and regional applications. Increasing densities and social conditions generally seen in urban centres requires different considerations and possibly a different 'waste system' to regional areas.

SUEZ supports a system where mandatory targets are established and managed, as opposed to the introduction of mandated strategies and systems that may not necessarily reflect the broader requirements of communities or aligned with the way in which communities prosper.