



The Hon. Matt Kean MP  
Minister for Energy and Environment  
Department of Planning, Industry and Environment  
NSW Government  
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23 September 2019

Dear Minister Kean

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

Thank you for the opportunity to provide early input into the development of the NSW 20-year strategy. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the essential waste and resource recovery industry. We have more than 2,000 members across the nation, representing a broad range of business organisations, the three (3) tiers of government, universities, and NGOs.

Our members are involved in a range of important waste management and resource recovery activities within the Australian economy, including community engagement and education, infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery, and responsible management of residual materials.

WMRR commends the NSW Government for embarking on a 20-year strategy for the State and believes this is an important piece of work that could safeguard and future-proof NSW's waste and resource recovery industry, which in turn, would continue to protect human and environmental health while capturing opportunities to build the local economy and grow jobs.

WMRR believes that government must take this opportunity to show leadership and drive the paradigm shift required nationally towards our industry and the important role that we play - that is, we are in fact resource managers and this future strategy must lead the way in recognising that we are managing natural capital, one of our most valuable assets. The new strategy must set out how NSW will preserve this stock of material resources by minimising waste, promoting resource efficiency and moving towards a circular economy. We must stop treating this sector as purely managers of waste (which is traditional linear thinking) and take this opportunity to take a systems-based approach to managing our natural resources to keep them circulating at their highest and best value for as long as possible. We know for example, if we recycle materials, we create four times as many jobs than if we landfill or export – therefore, this strategy must be seen for the opportunity it creates, not simply an extension of business as usual, which is not working for us now!

The strategy must be supported by an infrastructure plan for NSW including remanufacturing facilities. We know that NSW is facing significant downstream waste and resource recovery reprocessing.

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challenges, many of which have been further exacerbated by shifts in the global commodity market, in particular the closure of Asian markets for Australian recyclables. As such, pressure on the State's existing infrastructure and reprocessing capability has grown and is expected to grow due to these shifts as well as factors such as the projected increased diversion and recovery rates under the NSW Waste Less Recycle More strategy, Queensland's re-introduction of its waste levy in 2019, which could deter at least a million tonnes of waste from being transported from NSW, and continued growth in population that will lead to increased total waste generation.

An existing independent infrastructure gap analysis commissioned by the NSW EPA in 2017 highlighted where the infrastructure gaps were, noting, amongst other issues, a one million tonnes per annum shortfall in municipal solid waste (MSW) processing. The EPA then released a draft infrastructure plan for consultation, but this strategy has yet to be finalised. WMRR is urging the NSW Government to release this plan in the interim, while it is developing the 20-year strategy. This must be released as a matter of urgency to ensure that planning does not stall, and industry can continue to invest in and build the capacity NSW needs.

It is also important to understand that for the industry to continue to invest, we require certainty in both regulatory and policy frameworks, which has so far been lacking in the State. It is industry's hope that this 20-year strategy will tackle this challenge. More in WMRR's full submission below.

Finally, as waste and resource recovery is a shared responsibility, it requires a multi-pronged approach that tackles waste generation and reduction (i.e. consumer consumption behaviour), product design and use of Australian recycled materials (e.g. through mandated extended producer schemes and recycled content targets), as well as efficient processing and recycling of materials; all backed by robust regulations and policies.

WMRR believes there is an opportunity here for NSW to embed this thinking in its 20-year strategy to capture the roles and responsibilities of all stakeholders in the supply chain, including all levels of government, manufacturers, producers, and retailers, the essential waste and resource recovery sector, and of course, the community. The State Government, through this strategy, can bring all stakeholders to the table and in doing so, provides NSW a good chance at building a strong economy based on circular principles.

WMRR looks forward to continued engagement with the NSW Government as it develops this strategy and is available and keen to participate in all future stakeholder workshops. Please do not hesitate to contact the undersigned if you would like to discuss WMRR's submission.

Yours sincerely



Gayle Sloan  
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Question	WMRR's response
<p>What are the key issues facing the NSW waste system?</p>	<p><i>Infrastructure</i></p> <p>WMRR supports the waste management hierarchy, acknowledging that waste and resources in Australia must be managed in accord with this hierarchy and that each aspect of this hierarchy fulfills an important role in an effective and integrated waste and resource recovery system.</p> <p>Managing waste in accord with this hierarchy includes the disposal of residual waste to modern landfills and even at the highest level of resource recovery in a circular economy, there will continue to be a need to dispose of some residual waste to landfill to protect human health and the environment.</p> <p>As noted above, pressure is mounting on the State's existing infrastructure and reprocessing capacity, which we already have a shortfall of. WMRR acknowledges that the State has a substantial grants program - Waste Less Recycle More - which seeks in part to bridge these gaps and while the funding has certainly encouraged the industry to develop project proposals to assist with developing infrastructure and reprocessing challenges, the lack of an adopted infrastructure strategy to have reference to support the applications (and assess applications against), as well as the funding cap of \$5 million, limits the applications made. Further the lengthy, complex (and as a result, extremely costly) approval and development and licensing timeframes - some 25 months from lodgment to approval - is also a major issue. There is anecdotal evidence that points to NSW taking twice as long as Victoria and Queensland to secure approval for a waste and resource recovery infrastructure project.</p> <p>NSW's infrastructure concerns are also coupled with Sydney's current constrained landfill capacity. The NSW Government needs to urgently consider and facilitate the critical resource recovery infrastructure capacity required across a range of categories, including landfill, organics, and energy recovery. Such infrastructure will alleviate many of these pressures, develop local solutions including domestic reprocessing, secure and grow investment in NSW's waste and resource recovery and economy, as well as boost jobs.</p>

As part of infrastructure planning, the NSW Government must also deliberate the importance of energy from waste in an integrated waste and resource recovery system, aligned to the waste management hierarchy, in order to further drive landfill diversion, manage residual waste, and importantly, play a role in Australia's move towards implementing circular economy principles. The NSW EfW policy statement released in 2015 as currently written presents a barrier to progress; a review is urgently required.

*Landfill levy reinvestment*

Another issue is the reinvestment of the landfill levy. While NSW's Waste Less, Recycle More is a substantial grants program, it is not reflective of NSW's high landfill levy rate (the metropolitan levy rate is the highest in the country) and although a good landfill deterrent, without investment back into the industry, the levy's second purpose – to improve resource recovery – cannot be achieved.

WMRR advocates that at least 50% of levy recovered must be returned to industry in a meaningful way, including being linked to a statewide infrastructure plan to ensure the delivery of this essential industry in a coordinated manner.

*Government approach to sector*

WMRR supports the new Environment Energy and Science (EES) structure and the move towards a matrix-style operation with the EPA returning to a more traditional regulatory role under the EES and the latter, alongside the Department, undertaking the policy and reform work. It is hoped that this restructure will resolve key challenges faced in NSW, being the lack of collaboration between departments, a lack of integrated approach towards waste and resource recovery industry (particularly between the planning and licensing frameworks), and the lack of market development or supply chain development in NSW. The sector has also long been seen through the environmental lens and important as it is that we serve to protect environmental and human health, the industry also drives the economy and creates jobs, and should be similarly considered as a business portfolio.

WMRR hopes that the EES restructure will resolve this and that this change will bring both a fresh approach and fresh eyes, with government working *with* industry as opposed to the current model of simply regulating industry.

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	<p><i>Lack of remanufacturing pull</i></p> <p>NSW's collection system works well, and the State has the benefit of a successful container deposit scheme, the latter providing a clean stream of materials for bottle-to-bottle and food grade recycling (albeit not required under the scheme at present). However, there is still little remanufacturing pull for the materials collected for recycling across all three streams (MSW, C+I and C+D). Governments at all levels, as the largest procurers of materials, must assist in driving much of this – and WMRR continues to engage with them. However, in NSW, we already have projects that use recycled glass in civil construction and nationally, recyclers who use recycled plastics in the manufacture of furniture and more. At present there is no requirement to use recycled material and this adversely impacts the growth of domestic remanufacturing in the State. Some EPA regulations are also overly onerous (to be clear, industry supports best practice operations that do not cause harm to the environment and community, however decisions must be evidence- and science-based), therefore placing unworkable limitations on the industry. For instance, the inability of MRF operators that are currently also processing glass sand on their sites, to efficiently and safely stockpile volumes of recovered glass sand, given that users of this material require large volumes quickly and civil contractors have concerns that MRFs and producers cannot sufficiently supply glass sand to meet their demand in a short turnaround.</p> <p><i>RRO and Exemptions Scheme</i></p> <p>NSW's current RRO framework is too onerous, particularly for blended materials. The NSW EPA's policy states that specific resource recovery orders and exemptions are granted based on batch testing, which is a process that may be feasible for small-scale intermittent operations but not continuous large-scale operations as it is a cost and space prohibitive exercise. Batch testing for large-scale sites requires the latter to stockpile up to two (2) weeks' worth of materials, which would require a significant area that most operators do not have. Moreover, batch testing would add significantly to test costs in order to keep materials flowing through the site, particularly if required to be done by a third party.</p> <p>RROs in NSW also largely consider chemical thresholds. These orders and exemptions however, should also consider technical/product specifications, which would require separate testing. If materials meet these specifications, there should not be a requirement for an RRO as meeting the specification means the</p>
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	<p>material is no longer a waste but a resource and the EPA framework is no longer applicable.</p> <p>Further, the onus of ensuring a material is “fit-for-purpose” should not be placed on the waste and resource recovery industry but the user of the material.</p> <p><i>Lack of regulatory certainty</i> Consistent, clear, and transparent government processes are lacking in NSW. A good example, and one of industry’s greatest concerns about the regulatory framework, can be seen in the NSW EPA’s revocation of the order and exemption for the use of mixed waste organic output (MWOO) material on agricultural land and for mine site rehabilitation in October 2018, which was done with extremely little notice (less than four weeks) given that it impacted over 500,000 tonnes per annum of processing capacity and millions of dollars of infrastructure invested, not to mention contracts that have more than ten years to run.</p> <p>This particular revocation has proved problematic for industry and local government which had been consistently told by the NSW Government that there was a shortage of AWT processing capacity (as mentioned above this was in the draft Infrastructure Strategy in 2017), which led to industry and local government continually relying on these representations and investing in, and including, these types of infrastructure in their planning and contract discussions.</p> <p>Millions of dollars have been spent only for this value to be put at risk overnight without any prior advice. Still today, 11 months on, the government has not released the health impact findings on which the EPA based its decisions, and the industry is still in limbo.</p>
<p>What are the main barriers to improving the NSW waste system?</p>	<p>Note that the issues detailed above are also barriers to improving the system.</p> <p><i>Regulatory uncertainty</i> There is a lack of certainty and stability due to some of the State’s challenging regulatory and policy frameworks (e.g. RROs and EfW policy), and this is further exacerbated by the absence of an infrastructure or market development strategy in NSW.</p> <p>Industry wishes to invest in and build, reprocessing and infrastructure capacity and it certainly does not want to export product (interstate or overseas) as we see the many opportunities that domestic processing and remanufacturing will bring.</p>

However, regulatory certainty is needed to underpin this investment and all policies must be based on robust science and research, as well as international best practice.

As mentioned above, the NSW EPA revoked the MWOO resource recovery order and exemption in October 2018 (it is now almost a full year since this revocation yet industry has not seen the reports that led to this decision nor is there any more clarity on the future of AWT and organics in the red bin). It is disappointing that the Government can revoke resource recovery orders and exemptions in this manner without offering evidence-based information to back its decisions, or even a regulatory impact statement to understand this impact – this sends the signal to industry that NSW is not ideal for business because millions of dollars of investment can be wiped out with a stroke of a pen. WMRR supports the protection of environment and human health but strongly urges the Government to make transparent science-based decisions and to also consider the economic impacts as waste and resource recovery must also be viewed as an economic portfolio and an essential service.

NSW’s regulatory landscape is also overly onerous, penalising legitimate operators while not putting the onus on waste generators. Waste and resource recovery operators do not control the materials that they receive but are punished if these materials that arrive do not meet license conditions or stipulated legislation, for example, if asbestos is found in a load of construction material (accidental find). As operators are punished for situations that are often out of their control, it is becoming too taxing and costly to operate in NSW.

*Planning*

NSW’s planning system and process is also fragmented and onerous with long, costly approval processes. Waste and resource recovery is an essential service yet its infrastructure is often not considered a key part of the strategic planning needs of NSW, as well as all Development Application (DA) processes, which it needs to be. It is also unclear how effective the Key Agency Liaison Group has been at expediting projects related to National Sword materials.

*Leadership*

The current lack of cohesion of efforts between Government bodies and Departments is definitely a barrier to improving and growing the waste and resource recovery industry.

	<p>The Government has also failed to take a strong leadership role in driving remanufacturing in NSW, largely due to a lack of government and agency commitment to sustainable procurement and development of specifications that include recycled content.</p> <p><i>Lack of transparency</i> Despite the lengthy delay, WMRR applauds the NSW EPA for releasing the Waste Avoidance and Resource Recovery Strategy Progress Report 2017-18 in June, which represents the most accurate, robust, and informed waste generation and recycling data ever collected and analysed in NSW.</p> <p>However, there is a general lack of transparency and timeliness when it comes to the release EPA reports and data, which has made it all the more challenging for industry to develop evidence-based policy in the absence of strategic and contemporaneous data.</p>
<p>How can we best reduce waste?</p>	<p>There must be greater emphasis on avoiding the creation of waste, in particular complex and single-use materials at first instance, and therefore eliminating single-use items and designing differently - this is integral to creating a successful circular economy.</p> <p>Waste and resource recovery is a shared responsibility but the onus, including financial, currently largely lies with the WARR industry and local government, and through the latter, the community. Nationally, WMRR is advocating for waste generators and producers to take responsibility for the materials they design and to pay the cost of managing these materials. What is required is significant national action on product design and material selection and for the Federal Government to strengthen the laws and framework around extended producer responsibility, urgently moving to a mandatory scheme for packaging at first instance, that includes mandated percentages of Australian recycled content within the packaging, and designing out problematic plastics.</p> <p>State Government can play a key role however, in consumer education – particularly educating the community on how to exercise their purchasing power to buy products made of Australian recycled materials (to truly close the loop), and to create (and fund) policies and initiatives that place emphasis on re-use and re-design.</p>

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	<p>Outside of the major population hubs, there are opportunities for companies to raise waste avoidance/circular economy values. The NSW Government should contemplate a rural local government action plan (developed by local government) or consideration of smaller niche market players that can profitably increase waste/circular economy values.</p>
<p>How can we recycle better?</p>	<p>By buying products made from recycled Australian material. <i>You are not recycling unless you are buying recycled</i> should be our industry's hashtag!</p> <p>MRFs only sort yellow bin materials into single streams and these materials are only recycled when they are sent to the right end market. Thus, community should be educated on what recycling actually means - buying back products made from Australian recycled material, to truly close the loop.</p> <p>Just as the community can be educated to recycle, so too can the government play a role in improving recycling by mandating the use of recycled/recovered content in procurement policies for Local and State Government, including State Government agencies, and ensure these are applied in procurement for all building, civil, and infrastructure works.</p> <p>NSW needs consistent messaging to improve recycling habits across all sectors, not just household.</p>
<p>What are the main opportunities for improving the NSW waste system?</p>	<p><i>Planning reform</i></p> <p>The State's planning and development process for waste and resource recovery infrastructure requires an overhaul. WMRR recommends the development of a specific Waste and Resource Recovery State Environmental Planning Policy (SEPP), which must recognise that waste and resource recovery infrastructure is critical/essential and requires certainty of both location (by way of designated precincts) and appropriate buffer zones.</p> <p>The State government needs to also provide leadership and oversight to ensure that planning instruments prioritise the development of new waste and resource recovery infrastructure and prevent investment being driven out of the State, as well as ensure competitive market conditions so that value for money waste and resource recovery services can be secured for the community.</p>

	<p>As discussed above, NSW must urgently finalise the Strategic Infrastructure Strategy while the Department is developing this 20-year strategy. The former has been placed on hold by the NSW EPA since July 2017, and we need this to strategically develop and approve required infrastructure.</p> <p>Additionally, the EPA must review its EfW policy statement and consider how landfill and EfW both fit into and can be progressed within a successful integrated waste management and resource recovery system.</p> <p>The NSW Government needs to develop the expertise to not only have opinions on how to regulate the industry but on how to develop it through a variety of different resource recovery solutions, including options for recovering the value from organics including compost and energy.</p> <p>Further as part of the planning process, all DAs above single unit dwellings should submit a mandatory waste management plan that requires contamination assessment and tracking of future waste disposal, to enable monitoring of illegal dumping and certainty of material delivered to WARR facilities.</p> <p><i>Policy and regulatory reform</i></p> <p>The industry is able and willing to work with the government to invest in and build critical waste and resource recovery processing and infrastructure capacity. However, industry requires certainty in the marketplace and confidence in government policy. As such, consultation must always occur within a reasonable timeframe before regulatory changes are made. Importantly, regulatory impact statements must be developed before revoking any resource recovery orders and exemptions.</p> <p>Moving forward, WMRR believes a review of NSW’s policy and regulatory settings is vital as well as a commitment to underpinning all critical decisions by full regulatory impact assessments that consider the pros and cons of activities. Additionally, the EPA must commit to sharing the data it’s captured, along with reports and analysis in a transparent and timely fashion.</p> <p><i>Landfill levy</i></p> <p>There is an opportunity and need for greater accountability and transparency of the landfill levy, and a return and reinvestment of</p>
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	<p>50% of levy funds raised each year to support diversion from landfill, grow remanufacturing facilities, and create markets.</p> <p><i>Procurement and remanufacturing</i> WMRR is calling on the State Government to mandate the use of recycled/recovered content in procurement policies for Local and State Government, including State Government agencies, and ensure these are applied in procurement for all building, civil, and infrastructure works. Any cost impacts on the community should be balanced with funding from the landfill levy.</p> <p>WMRR is also encouraging the State Government to develop, ideally, nationally consistent specifications and standards to allow for the use of recycled and/or remanufactured goods. Standards and specifications will hopefully create greater certainty for all stakeholders.</p> <p><i>Leadership and collaboration</i> It is important however, that in developing this strategy (and all other policies), that the Department works with other government departments to ensure that policy decisions are aligned. Businesses using recycled material need to be confident they will be viable in the medium- to long-term and not adversely impacted by changing policy decisions.</p> <p>To that end, while the EES restructure is welcome by industry, WMRR also believes that an independent market development agency, much like Sustainability Victoria and Green Industries SA could benefit NSW.</p> <p>This market agency would drive remanufacturing and market demand for recycled material, both of which are lacking in the State and pose a challenge to the current system.</p> <p>A collaborative approach encourages innovation and it is not sustainable, as the last 18 months have proven, to simply view the waste and resource recovery sector as an industry that looks to opportunistically dispose of waste.</p> <p>The waste and resource recovery industry is not dealing with waste, it is dealing with resources and while industry gets it (as does a large part of community, Victoria, and South Australia), sadly, this kind of thinking continues to be lacking in the NSW Government paradigm and this has caused numerous issues that have yet to be resolved.</p>
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Are there any additional views or information you'd like to provide about waste in NSW?	
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