Advocating for the people of Western Sydney

SUBMISSION: Inquiry into Australia's Waste Management and Recycling Industries

Standing Committee on Industry, Innovation, Science and Resources

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Introduction

In 2014, the NSW Environment Protection Authority (EPA) funded WSROC to develop and deliver the Western Sydney Regional Waste Avoidance and Resource Recovery Strategy (Strategy) on behalf of nine councils: Blacktown City Council, Blue Mountains City Council, Cumberland Council, Fairfield City Council, Hawkesbury City Council, Liverpool City Council, Parramatta City Council, Penrith City Council and The Hills Shire Council.

The Strategy (now in its second iteration) was developed to outline future directions for resource recovery practices across Western Sydney, and to explore options for addressing common waste management challenges faced by councils in the region.

The WSROC Waste Strategy team has been working with public sector agencies, private sector organisations and the councils of the Western Sydney Waste Managers Group[1] to develop and implement a number of waste initiatives that will collectively:

- facilitate the shaping of waste and resource recovery policy,
- contribute to the NSW Government 20 Year Waste Strategy,
- provide a sound basis for waste infrastructure planning, and
- deliver progress towards a circular economy.

During this time, there have been significant challenges affecting local government waste service delivery, from the China National Sword Policy, the NSW EPA Mixed Waste Organic Material (MWOO) Exemption revocation, along with the introduction of a state wide Container Deposit Scheme. We submit for your attention some learnings from these experiences for consideration in enabling innovation in the waste and recycling sector.

Impediments to Innovation

Waste Growth and (Lack of) Infrastructure Capacity

Western Sydney is the 3rd largest economy in Australia, contributing $104 billion annually to the economy[2], and as a region produces 739, 600 tonnes (7.5kg/capita/week) of domestic waste annually.

It is well-understood that waste generation rates are closely related to economic growth, and in the European Union (EU) waste prevention programs commonly include actions to decouple waste generation from economic growth. Leading jurisdictions in the EU are solidly progressing towards more aggressive targets of zero waste to landfill, in line with the resource recovery order set by the waste hierarchy (waste avoidance, reuse, recycling, recovery, then landfill as least desirable). However, our efforts seem to be contradictory,

[1] Comprised of WSROC councils: Blacktown, Blue Mountains, Cumberland, Fairfield, Hawkesbury, Lithgow, Liverpool, Parramatta and; non-member councils: Camden, Campbelltown, Penrith, The Hills and Wollondilly.
[2] NSW Parliamentary Research Service (2015), *Western Sydney: an economic profile*. <https://www.parliament.nsw.gov.au/researchpapers/Pages/western-sydney-an-economic-profile_1.aspx.>, accessed 28/01/20.

with minimal efforts directed to waste avoidance, and the practice of landfilling being preferable to energy recovery. Unless industry efforts are prioritised according to the waste hierarchy, we will be unable to value our natural resources appropriately or realise a circular economy, let alone achieve jurisdictional recycling targets.

WSROC has modelled waste and resource recovery growth for the region and found that:

- Waste generation is currently increasing at a rate outstripping population growth - over the past years it has increased from 7.3kg/capita/week (2011/12) to 7.5 kg/capita/week (2015/16).
- 739, 600 tonnes of domestic waste and recycling was collected from Western Sydney households in 2015/2016 and is set to double in 30 years.
- An overall domestic recycling rate of 54 per cent for the region was achieved in 2015/16, however, due to recent changes to NSW regulation, this currently sits around 25 per cent.

The majority of waste and recycling facilities (landfills, Alternative Waste Treatment (AWT) facilities, Materials Recovery Facilities (MRFs) and organics processing facilities) servicing metropolitan Sydney are privately owned and located within the Western Sydney region. However, as waste flows to where there is available processing capacity, the capacity and infrastructure required for our region cannot be understood in isolation from that of Greater Sydney.

Therefore, by 2021 it is estimated[3] that Sydney will need an additional 16 waste processing facilities to cope with an additional 1.4 million tonnes of waste. This includes two energy recovery facilities to service metropolitan Sydney, (to a total of four facilities for the state) and three additional AWT facilities for mixed waste treatment, prior to the NSW EPA October 2018 regulatory decision affecting AWT MWOO output.

Once an innovative solution, the future of AWT is bleak and the current regulatory uncertainty surrounding the decision needs to be addressed to stimulate investment in new technologies, or even existing technologies that are new to Australia.

Currently there are no new putrescible waste facilities with funding or planning approval for the Sydney basin and it has been ten years since a waste processing facility in Sydney has been commissioned.[4] Without additional waste processing and resource recovery capacity, even more landfill space will be required.

[3] NSW EPA (2017), *Waste and Resource Recovery Infrastructure Strategy 2017-2021 Draft for Consultation*, <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/wastestrategy/epa-waste-and-resource-recovery-infrastructure-strategy-epa2017p0169.pdf?la=en&hash=58087743D18F89DD199C4CD62EF2373A46436F7C>, accessed 18/08/19.

[4] WSROC (2015), *Western Sydney Regional Waste and Recycling Infrastructure Needs Assessment,* <https://wsroc.com.au/projects/project-regional-waste/project-infrastructure-needs-assessment>, accessed 28/01/20.

Added to this issue are the challenges arising from the lack of suitable lands available for waste processing infrastructure, due to encroaching urban development and strict planning requirements for such sensitive infrastructure.

Whilst secure supply of waste through contracts with local government are essential to infrastructure investment, it goes beyond the role of councils and even regional groupings of councils, to plan for and procure infrastructure to service the needs of the region. In cases where this is pursued for community benefit, councils must be prudent in ensuring their probity and principles of sound financial management under relevant legislation (for example in NSW, the Local Government Act 1993) are met. This primary duty often necessitates a risk-averse approach or contracting framework, which can be in direct contrast to the calls of private industry for higher-risk sharing in local government contracts.

Investment in new technologies would require leadership from federal and state governments to ensure the risk to local communities is minimised, whilst attracting investment in innovation and infrastructure. To support recycling for instance, federal and state governments should be promoting the use of recycled content in procurement and lead by example.

For example, crushed glass (problematic to kerbside recycling systems) can be used as a substitute for virgin sand in civil works construction, however, in NSW there is limited supply and demand for its use resulting in a current “chicken and egg” situation in the market.

WSROC believes that there is an important role for the federal and state governments to work together in planning for and delivering essential waste and resource recovery infrastructure to meet the needs of our growing population, and to drive innovation and resource recovery outcomes. The ability for councils to contribute to waste diversion targets is highly dependent on the availability of the processing infrastructure.

Cost to Community

In the absence of a well-planned essential infrastructure network, communities are often left to bear the additional costs arising from market fluctuations, lack of competition, regulatory changes, and even innovation.

For example, the China National Sword Policy affected councils all over Australia, and together with the introduction of the Container Deposit Scheme (CDS), put NSW councils in a difficult situation being required to negotiate CDS refund sharing arrangements, whilst recycling companies sought to mitigate impacts resulting from the import restrictions. Councils were consequently subjected to aggressive negotiation strategies by private industry to keep recycling profitable. This resulted in a large windfall profit of container deposits to MRF operators, at the expense of the community who paid the increase in beverage costs, as well as for the increasing cost of waste services (which includes the waste levy).

Whilst China gave early warning of the impending National Sword Policy implications, the response by the Australian industry was simply to seek cost increases from customers (councils) and find other international markets. This resulted in an increase of 12% to the value of waste exported in the year following the ban, and negligible activity to safeguard our communities from further risks in the future and wean ourselves from this unsustainable market and practice of exporting our waste to lesser developed nations.

Investment in our local recycling system also creates an opportunity to capture $328 million worth of recyclable material per year for manufacturing and construction, plus the benefit of associated jobs, compared to the mere $4.2 million captured through our current systems.[5]

Meanwhile, councils were also left to bear costs related to the implementation of a new CDS, with increased incidences of dumping of ineligible or damaged containers, and increased litter arising from unsolicited scavenging of public and kerbside bins. With the declining value of materials left in the kerbside recycling bin and the cost of collection exceeding the value of the commodities being collected, the traditional yellow recycling bin may no longer be the best solution. However, we have new opportunities to build on such as expansion of CDS to other items, which facilitates further source separation and higher value in the materials collected.

The waste levy has a role to play in ending the cost-shifting of state and federal responsibilities for waste management to local government ratepayers. It should exist to drive market incentives for recycling, remove the attractiveness of cross-border transport of waste, and to lay the foundations for sustainable waste management to support our current and future populations.

Innovation towards Sustainable Waste Management

Recognition of waste as an essential service

WSROC has long advocated for waste to be recognised as an essential service by all levels of government despite being a function of local government under the *Local Government Act 1993*. Until waste is recognised as an essential service, innovation and enhancements to waste technologies will not be used to their full capacity.

As an essential service, waste would be appropriately recognised within the planning system, which would assist with land being zoned appropriately for waste infrastructure. Waste infrastructure facilities would also be adequately defined or described and planned for, unlike in the current NSW planning system.

Lack of recognition at the strategic planning level often translates into short-term thinking and on the ground service difficulties. For example, WSROC previously raised concern about the NSW State Environmental Planning Policy (Exempt and Comply Code), expanded to

[5] EY Oceania (2019), *How we can find the treasure in our trash,* < https://www.ey.com/en_au/climate-change-sustainability-services/how-we-can-find-the-treasure-in-our-trash>, accessed 24/01/20.

simplify the approval process for low-rise medium density developments, without any consideration of design requirements and guidelines that understood waste management issues currently being faced by local councils.

There is great opportunity for innovation in good design for new developments to provide appropriate facilities to support safe and functional waste storage and collection, however, waste is often overlooked as an essential service. There are many resulting implications such as diminished resource recovery, increased litter on streets (ending up in waterways) due to uncontained waste, increased illegal dumping and reduced amenity, and increased collection hazards with examples of waste collection vehicles (and therefore emergency vehicles) being unable to enter and exit a street in a forward motion or complete a 3-point turn.

To the last point, it is incredulous that whilst there are Australian standards for truck sizes and specifications, there are no requirements for local roads to ensure that heavy rigid emergency vehicles such as fire engines, can easily access properties via these roads. Historically, emergency services have relied on council roads being able to accommodate waste collection vehicles as a means of ensuring emergency vehicle access. With greater push towards narrower or private roads to maximise residential development, there needs to be a strong recognition and national standard for the importance of minimum road widths to enable essential service access such as waste collection and emergency management.

Beyond these basic requirements, the unprecedented growth in western Sydney and other regions also gives way to opportunities to look at precinct-based solutions and use leading design in waste management technologies such underground vacuum systems for smaller precincts or co-location of waste processing with industry.

Current, reliable and transparent data

The value of reliable and up to date data cannot be underestimated and is crucial to good policy and investment decisions. Consistent data that is accessible and supported by each jurisdiction will increase its usefulness and avoid duplication of efforts.

The federal government is best placed to facilitate a centrally coordinated and consistent approach (for example, the former National Waste Account compiled by the Australian Bureau of Statistics) that captures data from the public as well as private sector to understand baseline waste and recycling infrastructure capacity constraints, improve planning for increased population growth and resource recovery, and accelerate necessary infrastructure to support recycling and resource recovery markets.

Meaningful targets for the various stakeholders and jurisdictions can then be established, unlike the current method of setting arbitrary targets for recycling and resource recovery which for domestic waste, are difficult to influence as they are largely predetermined by the availability of the correct infrastructure to meet these processing needs.

Timely and reliable data is essential for fostering community trust and social licence in progressive waste and recycling technologies. For example, Nuremberg, Germany is a city with a waste to energy facility that publishes real-time air quality data.

Data also provides important context necessary for collaboration – as we found in our Parramatta River Litter (2018) project, data collection identified eight key local and state government agencies with responsibility for litter and pollution management for a relatively small investigation area (the upper reaches of the Parramatta River catchment area) before meaningful change could be discussed.

Community engagement

Local government is a valuable source of information for understanding community challenges in domestic waste management, and best placed to facilitate education programs regarding new initiatives alongside their current waste education activities. Councils dutifully support waste and recycling initiatives; however, councils can add immense value to these programs if consulted early on and adequately funded.

For new and existing initiatives, there is a need for high-level consistent messages to be communicated by federal and state authorities, and for localised messages to be delivered by councils for their respective communities. Councils are the most trusted source of information for waste management and recycling programs and inevitably bear the responsibility for educating their ratepayers on best practice for waste management and recycling. This should be reflected in community engagement strategies and coordinated with local government.

Even for federal and state initiatives such as Product Stewardship and Container Deposit Schemes, there is high community expectation for local government to provide education on and facilitate these. It is imperative that local government is consulted and appropriately funded to support these to ensure uptake and equitable access of these schemes.

For example, western Sydney councils have supported the National Television and Computer Recycling Scheme as demand for electronic waste collections is high in the community. However, residents do not differentiate out of scope products and there is an expectation that council should accept them regardless. This has come at significant out of pocket costs to councils, which are vital to success of the Scheme and include advertising and promotion, product storage, transport and council staff time as well as significant disposal costs for out of scope items which should have been covered by the Scheme.

Community engagement is key to community uptake of any waste and recycling initiatives and providing funding and resources to councils to support federal programs is vital to community awareness and participation.

Conclusion and Recommendations

WSROC thanks the Standing Committee on Industry, Innovation, Science and Resources for the undertaking this Inquiry into our essential waste and recycling industry.

Whilst domestic waste and recycling services are a function of local government, as an essential service, it is imperative that all levels of government work together with private industry to ensure the environmental, financial and social sustainability of this critical sector.

Finally, as informed by the valuable experience of western Sydney councils, we submit the below recommendations for your consideration in enabling innovation in Australia's waste and recycling industries.

Recommendations

1. Circular economy requires the decoupling of waste generation and economic growth and our limited resources to be valued appropriately, so efforts and investment should be prioritised according to the waste hierarchy.
2. Waste must be recognised as an essential service in respective planning systems, thereby enabling: strategic planning of essential waste infrastructure and; provision for essential domestic waste and recycling services that are reliable and affordable for the community.
3. Federal and state governments must work together in the strategic planning of waste and resource recovery infrastructure that meets the current and projected needs of our growing population. This involves identification and protection of suitable lands for sensitive infrastructure.
4. There needs to be significant investment in our domestic processing capability.
5. There is a need for coordinated and consistent data in the waste and recycling industry to facilitate good decision making and investment. This data should be centrally coordinated by the federal government and made relevant to each jurisdiction, to ensure currency of data and avoid duplication of efforts.
6. Collaboration with local government will improve the success of national waste and recycling initiatives and should be financially supported in facilitating on the ground implementation.
7. Community engagement is a key to the success of waste and recycling initiatives. Local government is the most trusted source of waste and recycling information and should be considered a key stakeholder and appropriately funded to support community engagement for waste and recycling initiatives. This should be reinforced by key consistent messages at all levels of government.