

# **Draft Submission to the draft NSW Waste and Resource Recovery Infrastructure Strategy 2017-2021**

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## Opening

Local Government NSW (LGNSW) welcomes the opportunity to respond to the draft NSW Waste and Resource Recovery Infrastructure Strategy 2017-2021 (the Strategy). LGNSW is the peak body for local government in NSW that represents the interests of NSW general and special-purpose councils. LGNSW facilitates the development of an effective community based system of local government in the State.

Local Government is the primary provider of waste services for the NSW residential community and is the sole provider for all waste streams in some regional areas. Waste infrastructure is essential for local government to provide these services. The appropriate distribution of infrastructure types and capacity across the state will help local government achieve the state target to recycle 70% of municipal solid waste by 2021. Importantly however, there are a number of other critical and linked factors requiring attention simultaneously with the infrastructure delivery outlined in the Strategy. These factors are outlined in this response.

In developing this response, LGNSW sought feedback from councils and regional waste groups across the state. Please note that to meet the consultation timeframe, this submission is provided in draft form in anticipation of LGNSW Board approval. LGNSW will advise the NSW Environment Protection Authority (EPA) of any amendments to the submission.

## Response

This response includes a general response to the Strategy up front, followed by comment on the region-by-region response.

### Needs analysis

The Strategy's introduction states that the document was developed to guide decision making to ensure NSW gets the correct mix of infrastructure, but there is no plan nor any actions provided in the Strategy detailing how the desired infrastructure mix is to be achieved by 2021. The local government sector therefore considers the Strategy is a scoping document or a needs analysis, rather than a strategy and recommends the title is adjusted accordingly.

Assuming the intent was to develop a needs analysis, there are a number of ways in which the document could be improved. These improvements are outlined below:

- Provide a clear outline of the document's purpose.
- Provide a clear definition of each waste facility type and the type of materials accepted.
- Provide a map of each of the regions covered in the 'region by region analysis', noting that both South Eastern Resource Recovery Network (SERRN) and Southern Councils are no longer waste regions as such.
- Provide an explanation of how the number of new facilities needed is arrived at.
- Include an analysis of what supporting infrastructure is needed, such as transfer stations which are critical to the overall effectiveness of the large scale infrastructure outlined in the Strategy.
- Include landfills in the region by region analysis.
- Include an analysis of existing and required small scale infrastructure such as Community Recycling Centres, organics collection infrastructure, composting facilities and business recycling. The grant funding available for these types of infrastructure is listed in the Strategy but the strategy does not otherwise address these infrastructure types.

- Include an analysis of existing and needed reuse and repair and problem waste infrastructure, which is typically less financially viable.
- Incorporate ongoing monitoring and feedback mechanisms.
- Provide an in-depth analysis for each region.

If each of these factors is addressed, the document will provide valuable support to the local government sector.

***Recommendation:***

1. Rename the document a 'needs analysis' instead of a 'strategy'.
2. Address the recommendations for inclusion in the document, as listed above.

**Timeframe**

Local government has been anticipating the Strategy for years now. There is a sense of disappointment that the document has not met the sector's expectations (as outlined above), and the sector would appreciate the revision and release of this document as soon as practically possible.

Further, the 3-4 year timeframe of the Strategy to 2021 is considered limiting and impractical especially in the context of infrastructure projects. Large-scale infrastructure requires 5-10 years to plan and build. The EPA is urged to consider a longer term strategy to at least 2030. By way of example, a draft 40 year strategy for transport has just been released allowing ample time for transport infrastructure implementation and integration into other planning frameworks.

***Recommendation:***

3. Review and release the document as soon as practicably possible.
4. Develop a waste infrastructure strategy for NSW with long-term timeframes.

**Funding and available grants**

Waste Less, Recycle More (WLRM) grant funding is the primary mechanism outlined in the Strategy aimed at addressing the state's infrastructure needs. Councils are concerned that the \$168 million of grant funding available for infrastructure over four years is inadequate. It is estimated that the cost of building one processing facility at scale is around \$100 million alone; however the strategy suggests that seventy one (71) new facilities are required. Specifically, the \$25 million portion earmarked for major resource recovery infrastructure grants is considered insufficient. Further, it is not clear how the \$14.5 million dedicated to auditing, education and support is being used.

***Recommendation:***

5. Investigate options and develop a plan to drive development of the needed waste infrastructure in addition to WLRM grants.

**Roles and responsibilities**

Following the sale of the NSW Government-owned WSN Environmental Solutions in 2010, waste infrastructure has been developed in an open market responding to financial opportunity rather than need.

The Strategy puts the responsibility for development of the state's infrastructure upon local government and industry, however neither sector is required to deliver infrastructure in NSW.

While the private sector acts out of commercial interest, drivers and constraints for the local government sector are often more complex. Generally speaking, local government is driven to effectively manage costs for the community, reduce waste in the first place, increase recovery of materials destined for landfill, enhance the local environment, process locally, enhance the local economy and create local jobs.

Throughout this consultation, we asked councils what the real barriers are in developing large-scale waste infrastructure in their local areas. These barriers are listed below:

- Land availability – vacant land is scarce, particularly in the Sydney region.
- Planning constraints – zoning often prohibits waste infrastructure close to the source.
- Willingness – infrastructure projects require a significant level of long-term political and administrative will.
- Financial viability – like the private sector, local government also seeks an acceptable level of financial viability.
- Funding – infrastructure projects require significant amounts of funding. Funding for infrastructure primarily comes from rates revenue held in reserve. This can take years to save.
- Risk – significant commercial and business risks are involved.
- Expertise – procuring major infrastructure projects requires a significant level of technical expertise and resourcing.
- Waste volumes – waste volumes may be inadequate to render new infrastructure viable, particularly in regional areas.
- Distance – transportation distances to market often render infrastructure unviable, particularly in regional areas.
- Proximity to other states - those regions located in proximity to the Australian Capital Territory, Queensland and Victorian borders have access to infrastructure and markets in neighbouring states. This makes infrastructure development in proximity to the border less viable.
- Availability of service – in smaller and remote locations the logistics of getting contractors/machinery at an affordable rate is often a problem. Costs are particularly prohibitive when small quantities are involved.

For local government to genuinely be a participant in the delivery of waste infrastructure in NSW, each of these barriers needs to be investigated and addressed.

Other than providing grants and supporting programs, the role of the EPA in developing infrastructure is unclear. For essential infrastructure of this scale, an intergovernmental approach is required. Infrastructure NSW, the NSW Department of Planning, Transport NSW and the NSW Department of Primary Industry need to be equally involved in developing and implementing a long-term waste infrastructure strategy for the state.

**Recommendation:**

6. In development of a long-term strategy, address the barriers faced by local government in developing infrastructure.
7. Provide a clear outline of the roles and responsibilities of each sector/agency in delivering waste infrastructure.
8. Ensure an intergovernmental approach to waste infrastructure planning and implementation.

**A long-term strategy**

As outlined above, a longer term waste infrastructure strategy is essential for NSW. The local government sector is pleased to hear the EPA has plans to develop a long-term strategy. In seeking feedback for this submission, we asked local government what should be included in a long-term strategy when it is developed. At a high level, local government would like to see a strategy with a vision, strategic directions and actions, stakeholder roles and responsibilities, including an explanation of the legislative and policy context. In parallel, it would be of benefit to carry out a review of current legislation and policy to ensure genuine resource recovery is being maximised and encouraged across the board.

Waste services are listed as an essential service under the *NSW Essential Services Act 1988* and local government would like to see waste infrastructure planned for and delivered in a similar way to other essential infrastructure. Importantly, as outlined above, an intergovernmental approach is necessary to plan for and deliver the scale and scope of infrastructure needed in NSW. Other state agencies could contribute significantly, ensuring that zoning allows for the growing waste infrastructure needs, that transport (road and rail) corridors marry up with planned infrastructure, that waste infrastructure projects are given state-level priority and that end markets are developed to ensure materials flows are truly circular.

End markets are critical for all waste infrastructure and should be covered in a long-term strategy. Many of the facilities identified in the Strategy are expensive to establish and the viability of these facilities is contingent on many things, including demand for product. A thorough market analysis and plan to bolster the recycling economy in NSW is desperately needed. The Strategy could be improved by articulating a vision for the NSW circular economy, with a supporting plan for industrial resource recovery sorting, recycling, preparation and engineering infrastructure. Again, a partnership with the NSW Department of Industry would be welcomed to facilitate this action. As an environmental regulator, the EPA has limited control or influence over industry and markets.

Although the EPA is not in a position to identify specific sites for waste infrastructure development, the opportunity exists to work with the NSW Department of Planning and Environment to adjust zoning to allow an adequate spread of waste infrastructure opportunities across the state. Likewise, the EPA is currently in a position to input into strategic planning by the Department, such as precinct and growth area infrastructure plans.

Climate change is and should be central to any waste infrastructure strategy. The current Strategy assumes waste will be transported into other regions, across the state and in some situations, into other states/territories. The emissions generated from heavy transport associated with waste transfer must to be addressed and minimised. Ideally waste infrastructure is to be provided locally.

A long-term strategy would ideally address how various types of waste will be managed. In particular, problem wastes such as e-waste, mattresses and tyres need to be addressed as well as the generic waste streams covered in the current Strategy.

The EPA's waste hierarchy identifies waste avoidance/reduction and then reuse, at the top of the priority list, above recycling. Reuse and repair infrastructure is essential, yet it is not mentioned in the Strategy or grant framework. Other actions, such as increasing the scope of Extended Producer Responsibility schemes and product bans, will ultimately reduce the amount of waste destined for landfill, pushing materials up the hierarchy. Councils would like to see these priorities reflected in a long-term strategy.

Councils believe the Victorian 'Statewide Waste and Resource Recovery Infrastructure Plan Victoria 2017-2046' contains much of the content needed in a NSW strategy. This Plan is comprehensive, and sits within the Victorian Waste and Resource Recovery Infrastructure Planning Framework. Importantly, this Plan establishes goals, sets directions for implementation and addresses critical issues like land use planning, transportation, climate change, market development, material flows, stream analysis and supporting infrastructure.

**Recommendation:**

9. Develop a long-term strategy with a vision, strategic directions and actions, stakeholder profiles, including an explanation of the legislative and policy context.
10. Recognise waste as an essential service, developing infrastructure with an intergovernmental and integrated approach.
11. Carry out a thorough market analysis and plan to bolster the recycling economy in NSW.
12. Work closely with the Department of Planning and Environment to ensure land is available for waste infrastructure where it is needed.
13. Address and mitigate climate impacts associated with waste transportation.
14. Address all types of waste, including problem wastes.
15. Consider actions to reduce waste, such as extended producer responsibility, product bans and include reuse and repair infrastructure.

**Web based tool**

The Strategy requests feedback on a potential web-based tool that could be developed to support it. Councils have said that the value of such a tool would depend on the data which it contained and how much information can be released to its users. A number of tools already exist. Without further detail about how the proposed tool differs from existing tools, the local government sector is unable to respond further.

**Assumptions**

A number of assumptions have been made in order to arrive at the infrastructure needs data provided in the Strategy. The following feedback has been gathered in response to the assumptions:

- It is unclear how the facility split in the Strategy was arrived at. This is a key assumption which needs to be explained.

- The Strategy omits analysis of landfill capacity under the assumption that resource recovery targets are met. Sadly landfill is part of the current and future waste infrastructure landscape and needs to be planned for in closer detail. Landfill data can also provide important insights into the flows of materials away from landfill (to other facility types) over time.
- The Strategy highlights the need for twelve (12) additional MRFs across the state. With the current climate of the materials market, there is little incentive for development of these new facilities. The assumption that markets are available is inaccurate.
- The Strategy highlights the need for four (4) Energy Recovery facilities by 2021. Councils believe that the likelihood of these facilities being established under the current energy from waste policy is low. With regard to Refuse Derived Fuel (RDF) production, domestic markets are not developed enough to take the proposed throughput.
- Land use planning is a major obstacle for development of any processing facility, but particularly for large scale facilities such as Mixed Waste Treatment facilities or Advanced Waste Treatment (AWTs)). It is inaccurate to assume planning constraints do not exist.
- Secondary infrastructure such as transfer stations and transport arrangements are critical for large-scale infrastructure. It is unrealistic to assume that this supporting infrastructure is adequate.

***Recommendation:***

16. Address each of the above assumptions or omissions.

## **Region by region analysis**

Each of the NSW waste regions is unique and their characteristics are extremely varied. The region by region analysis provided in the Strategy is very high level and does not address complexities. The Strategy could be improved greatly by providing an in-depth and targeted review of each region.

Further, the Strategy outlines how it will “aid on-going development of regional waste and resource recovery implementation plans”. While the region-by-region data provided in the Strategy is of use to the regional waste groups, the draft regional waste strategies have already been developed. Regional coordinators have not been advised that a waste and resource recovery implementation plan was to form part of their regional strategies, nor that they were to include any infrastructure actions. The implementation plan concept reflects the Victorian Regional Group model, however the legislative responsibilities and governance arrangements of Regional Groups in Victoria are significantly different from those in NSW. It is recommended that practical support is provided to enable all regions to go through an integrated planning and infrastructure development process.

### **Sydney waste regions**

The Strategy suggests that sixteen (16) new facilities are required to service the Sydney waste region, but provides no direction on how these facilities will be delivered. Land availability, property prices and planning constraints in the region make delivery of these facilities extremely challenging. There are also a number of monopolies operating in the Sydney region which make development of new facilities (or specific types of facilities) particularly challenging.

Landfill availability in the region is also limited and yet the Strategy provides no analysis of how residual waste will be managed. Energy from waste is a potential option for managing Sydney's residual waste in the future, however there are a number of factors currently limiting the development of these facilities.

The Strategy suggests nine (9) organics processing facilities are required for the Sydney region. While the Sydney region desperately needs a solution to manage organics, the use of organics products by both the commercial and industrial (C&I) and municipal sectors is limited. Behaviour change and service delivery constraints are key challenges which need to be addressed first. It is also important to acknowledge that the mix of dwelling types in the region is changing rapidly, with many more multi-unit dwellings being built, thus effecting behaviour and servicing constraints.

Critical support infrastructure, including a transfer station network and appropriate transport corridors are also necessary. Even if the sixteen (16) facilities are built, transfer of Sydney's waste to these facilities, via the thousands of additional truck movements, are likely to result in a choked road network.

Reuse and repair infrastructure capacity isn't mentioned in the Strategy, but current capacity in the Sydney region is severely limited. Small scale reuse and repair infrastructure throughout the Sydney region could mitigate the need for some large scale processing capacity.

Sydney waste infrastructure is nearing crisis point. Waste facilities servicing the region are being forced further and further away from the source. This renders transportation unsustainable and produces unnecessary carbon emissions. The Sydney region needs an intergovernmental approach to waste infrastructure planning. The metropolitan planning process, under the guidance of the Greater Sydney Commission, provides an opportunity for better government department coordination and real district level waste infrastructure to be provided (and integrated) for the Sydney community.

A number of waste regions within the 'Sydney Region' have carried out detailed analysis of their infrastructure needs. This information could be used in development of the NSW long-term strategy.

### **Hunter and Central Coast**

The data provided for the Hunter and Central Coast region is not detailed enough to be useful in decision making. Updated and detailed analysis of facilities and projections is currently being carried out in the region, accessing new data and harnessing local knowledge.

Of particular concern in the region is the need for market development for materials generated. Many Hunter and Central Coast councils are concerned and currently advocating for support for recyclables infrastructure and market development as stockpiling of some streams is already occurring.

Councils in the Hunter and Central Coast region have also highlighted the importance of processes and technology being developed to be consistent with the waste hierarchy; giving priority to waste avoidance and reuse. This fundamental waste management principle has been omitted from the Strategy entirely.

### **Southern Councils**

The Southern Councils waste region is now referred to as the Illawarra Joint Organisation (JO). The Strategy suggests that six (6) facilities are required to meet the capacity shortfall for this region, but does not identify actions or plans for establishing the infrastructure. Of

particular concern in the region is the need for a transfer station network. This region also holds significant opportunities for the establishment of reuse infrastructure.

### **MIDWASTE – Mid North Coast**

The Strategy highlights the need for increased Food Organics Green Organics (FOGO) processing in the MIDWASTE region. While increased FOGO capacity across the region would be of benefit, there is still a significant portion (44%) of organics in the residual waste bin. This highlights the need for effective education to be delivered alongside new infrastructure, particularly with new services.

The Strategy mentions that Mid-Coast Council is likely to establish at least one new FOGO facility before 2021. While this would be welcomed in the region, it is not a certainty.

Although the Strategy does not address landfill capacity on a region-by-region basis, the north of the MIDWASTE region is nearing landfill capacity. This will be a major focus area for councils in the region up to 2021.

### **NETWASTE – Central & Western NSW**

The Strategy's high level analysis of the NETWASTE region is particularly problematic as this region takes up approximately one third of the geographical area of NSW. The issue in this region is not as much about infrastructure capacity as it about transport and throughput. While it may be financially viable to develop infrastructure facilities in the eastern part of the region (near Sydney), the remainder of the region battles with distance, servicing sparse populations that generate relatively less waste.

Further, the example provided in the Strategy of comingled packaging being transported to Sydney is not an example of best practice. Transporting comingled waste across the state is incredibly inefficient, but shows the lengths councils go to to recycle when no other options are available.

In 2013 NETWASTE developed an Integrated Infrastructure Plan. This document provides further detail about the infrastructure needs of the region.

### **NEWASTE – Northern Rivers**

It is unclear if composting facilities have been included in the Strategy analysis. A number of councils in this region provide composting for their communities. Some councils compost garden organics and putrescible waste together and it is unclear if or how these composting facilities have been included in the Strategy's analysis.

Lismore Council has plans to develop a Mixed Waste Treatment facility to sort 18,000 tonnes of commercial and self-haul waste. It is planned that this facility will be then expanded to take municipal kerbside waste. It is unclear if this has been included in the Strategy's analysis.

Councils in this area have said that a key concern is commercial and industrial (C&I) and construction and demolition (C&D) waste processing, which is particularly limited in the region.

### **SERRN – South Eastern**

The SERRN – South Eastern (or Canberra JO region) straddles the ACT. The environment is diverse with coastal, alpine and tableland environs and a diverse demographic mix. While the proximity to the ACT is advantageous for those near ACT facilities, their use of the ACT facilities reduces the overall viability of establishing facilities in NSW that would service councils near the ACT and in other parts of the region.

A major FOGO processor in the region has ceased operation, further reducing current capacity. This region is now facing a serious organics processing shortage.

While the Veolia Mechanical & Biological Treatment (MBT) facility has opened at Woodlawn, the bulk of the available capacity has been allocated to Sydney councils instead of councils in the region. Mixed waste processing capacity is also limited in the region.

### **RAMROC – Riverina Western & Murray**

Distance is a key obstacle for the RAMROC region. Smaller and remote councils have said that it is usually cost prohibitive to develop new infrastructure and waste services for their communities. For example, the RAMROC region has significant potential for increased kerbside recycling, however it is currently cost prohibitive to provide these services to certain parts of the region.

#### ***Recommendation:***

17. Provide practical support to enable all regions to go through a targeted integrated planning and infrastructure development process.

### **Conclusion**

As a major waste service provider for the NSW community, local government welcomes the attention given to waste infrastructure through this Strategy. Waste infrastructure is an important element of the complex waste management framework. This submission highlights how this Strategy could be improved, and also highlights a number of important factors which will need to be considered in a long-term strategy. Key factors include treating waste infrastructure as an essential service via an intergovernmental approach, market development for materials, addressing climate change, developing a transport and transfer station network, responding to priorities established in the waste hierarchy and managing less financially viable wastes (including waste from regional/remote NSW, problem wastes and reuse opportunities).

The EPA alone cannot deliver the infrastructure NSW needs. Coordination with other NSW departments, local government and industry is vital in planning and delivering a functional and efficient waste management system for NSW. LGNSW, regional waste groups and NSW councils look forward to working with the EPA in developing a long-term waste infrastructure strategy for NSW.

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