



SSROC submission on the NSW Government's 20-year Waste and Resource Recovery Strategy

Submitted by email to:
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Introduction

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of eleven councils. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member councils cover a population of over 1.7 million, or one third of the population of Sydney. Our residents produce around 20% of all NSW household waste.

SSROC provides a forum through which our member councils can interact, exchange ideas and work collaboratively to solve regional issues and contribute to the future sustainability of the region.

We advocate on behalf of our region to ensure that the major issues are addressed by all levels of government. Our current focus includes the environment, transport, procurement, waste, and planning.

SSROC strongly supports the development of a 20-year Waste and Resource Recovery Strategy (the Strategy) **for NSW that includes vision, commitment and investment by the NSW Government.**

As local governments will be key players in the delivery of the Strategy, SSROC encourages the NSW Government to provide an **extensive stakeholder consultation process** that encourages councils to be **co-designers in the development of the Strategy**. We see these survey responses as only an initial first step in a broader consultation process, including direct consultations with SSROC councils to determine priorities, barriers, targets, and the resources required to deliver the Strategy across metropolitan Sydney and NSW. We strongly encourage the NSW EPA to release details of the consultation process to key stakeholders as soon as possible to reassure councils that there will be opportunities to discuss the Strategy in more detail and engender trust in the stakeholder consultation process.

While this submission closely reflects the strategic approach developed over years of regular consultation with member councils, to prepare this submission by the deadline there has not been sufficient time for explicit approval nor endorsement by member councils. We will contact you should any issues arise as a result.

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

Lack of investment in and strategic planning for waste and resource recovery infrastructure:

There has been little investment in new waste infrastructure in NSW, especially in providing financial incentives for the onshore reprocessing of materials collected in the yellow bin recycling stream. This has left Australia's recycling industry in an extremely vulnerable position to manage the volatility in global markets triggered by China's National Sword policy.

- I. Currently there is not enough accessible waste infrastructure in NSW for establishing a competitive and sustainable resource recovery industry. Past collection and processing contracts with councils offered little transparency regarding the movement of materials from kerbside collections. Changes in the waste and resource recovery

industry have exposed councils to greater risks, which needs to be balanced with more transparent reporting.

- II. The Sydney metropolitan area is losing transfer facilities and processing facilities are being moved further away with residential encroachment. Waste and resource recovery infrastructure and services continues to be given a lower priority than other essential services in the NSW planning system. The outcome has been inadequate planning and protection for this essential service that has contributed to a reliance on offshore waste processing that is no longer viable.
- III. Current business models for new facilities require a strong financial business case. This needs to be balanced by the community and environment which points to the importance of government action and facilitation of projects.

Inadequate data to inform waste planning and investment decisions:

- I. A lack of central coordination and management of waste sector data has created significant gaps in the data required to enable all levels of government, consumers and industry to make informed procurement choices and appropriate long-term waste planning decisions.
- II. SSROC councils have identified *being able to transparently manage and be accountable for waste throughout its lifecycle* as a high priority in SSROC's Regional Waste Policy (attached to this submission). To do this we need reliable, consistent data for all waste streams managed by Councils. This has become critically urgent in the wake of the China Sword Policy because councils are not currently able to track where and how materials are being recycled after they leave Material Recovery Facilities (MRFs). This in turn affects consumer confidence in the recycling system and councils' accountability to their residents.

Risk and regulatory uncertainty with respect to organic materials:

- I. Revocation of the Mixed Waste Organics Outputs (MWOO) exemption has decreased recovery of organic materials from municipal solid waste; stymied investment and innovation in new technology and infrastructure to recover organics, particularly with respect to Advanced Waste Treatment (AWT) facilities. It has suppressed the development of the organics outputs market; and decreased the recovery market value of municipal solid waste.
- II. Uncertainty about future MWOO regulations has curtailed councils' ability to implement contracts, make investment and policy decisions, and create consistent public messaging with respect to organics collection and processing.
- III. Regulatory uncertainty has also slowed progress towards the 2025 National Packaging Targets by disincentivising food services stakeholders from exploring new approaches to reduce single-use plastic and recover food-contaminated packaging; for example, by using certified compostable alternatives in appropriate environments where separation, collection, and processing are reasonably controlled. With less than six years remaining to achieve these targets, current infrastructure and regulatory guidance on the use of processed compostable packaging streams in NSW is insufficient to meet the targets and to cope with the range of unregulated biodegradable, degradable, and non-certified compostable packaging.

Need for greater investment in behaviour change education programs:

- I. Greater investment is required in state and regional education programs that focus on changing behaviour to refuse and reduce before reusing, recycling and recovering; and disposing only as a last option.
- II. Statewide education programs are also needed on:
 - Recycling with consistent messaging on what can be recycled and how materials are recycled to increase consumer compliance and confidence in the ability of government at all levels to deliver on waste and resource recovery.
 - The social and environmental benefit of advanced technologies such as Energy Recovery from residual waste, including addressing safety concerns. This may require government at all levels to become experts on how these technologies exist safely in Europe and other countries in metropolitan areas.

Coordinated commitment and investment is needed to transition to a circular economy:

- I. Australia is behind other countries, particularly in the European Union, which have established policies and made investments in infrastructure and technology to support circular economies to ensure secondary materials are used onshore, creating jobs and wealth.
- II. Coordinated commitment and substantial investment from all Australian government departments are needed to transition to a circular economy and develop a resilient waste management and resource recovery sector.
- III. Increased hypothecation of the waste levy is required to enable councils to expand programs for waste avoidance and behaviour change and explore innovative solutions to increase resource recovery.
- IV. Councils and other businesses should be able to purchase the materials collected through the NSW container deposit scheme (CDS) if they have an approved specification, exemption, resource recovery order and/or compliant use. For example, CDS materials could be reformed into insulation, pipe bedding, street furniture or roadworks.
- V. State and federal governments must commit to expanding product stewardship schemes (more detail is provided under question 4, page 6).
- VI. The NSW Government must commit to a strategy and timeline for identifying alternatives and phasing out problematic and unnecessary single-use plastic packaging, as identified by the Australian Packaging Covenant Organisation (APCO), which have a severe impact on our environment and create an expensive burden on waste management and resource recovery.

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

- I. Lack of investment in and planning for waste infrastructure facilities to meet the needs of NSW residents and businesses, particularly in the Sydney Metro Area.
- II. Lack of transfer stations and high value food processing facilities in Sydney metropolitan area.

- III. Inadequate data and central coordination of waste sector data. Data and research recently commissioned by the NSW Government related to the waste and resource recovery industry should be shared with local government to enable local governments to make informed decisions on waste and resource recovery, and not duplicate efforts already undertaken by state government.
- IV. The current instability in Australia's waste system, particularly in end markets; and the lack of transparent data on materials throughout the value chain.
- V. Risk and regulatory uncertainty with respect to organic materials (MWOO exemption).
- VI. Reduced transparency and consumer confidence in the recycling system.

3. *How can we best reduce waste?*

- I. Prioritise investing in and developing the waste infrastructure needed in Sydney metropolitan area to meet the needs of NSW waste and resource recovery targets. Identify potential sites that could be allocated for waste infrastructure or appropriate zoning so that much needed infrastructure can be progressed.
- II. Urgently invest in onshore reprocessing and recovery of materials collected in the yellow-lidded bin recycling stream.
- III. Invest in state-wide behaviour change programs and campaigns that include consistent messaging (aligned to what facilities commit to being able to process) and that have been reviewed and approved by local government.
- IV. Re-invest NSW waste levy revenue into the waste industry to fund a transition to a circular economy.
- V. Engage all relevant sectors in planning for a transition to a circular economy such as manufacturing, building, agriculture, textiles, food production, retail, finance, healthcare, energy, water, education, tourism, publishing, media and entertainment, and the waste sector.
- VI. Evaluate and implement the most appropriate economic and regulatory instruments that support Australia's transition to a circular economy. The measures and recommendations listed below from the European Union aim to encourage environmental improvement and resource efficiency, while also provide job creation and retention:¹
 - 0% value-add tax (VAT) rates applied on the cost of labour for repair, maintenance, refurbishment and upgrade services on products such as furniture, electrical equipment, construction materials, bicycles, garments and other textiles.
 - Tax rebates could be offered to citizens who have their goods repaired (for example, rebates on the costs of repairs are offered to individuals in the city of Gaza (Austria) and Sweden (for over 65-year old's).
 - 0% VAT rates on the sale of second-hand goods, since VAT was already paid once during the purchase of a new product.

¹Reduced taxation to support re-use and repair, RREUSE (Reuse and Recycling EU Social Enterprises) network, http://www.rreuse.org/wp-content/uploads/RREUSE-position-on-VAT-2017-Final-website_1.pdf, 2017

- Allow retailers to recoup VAT through donation of products requiring refurbishment to social enterprise and re-use operators.
 - 0% VAT rate for waste collection services provided by social enterprises that carry out activities in a manner that preserves whole-item reuse potential.
 - 0% VAT rate for sales of recycled materials, in order to promote a market for quality recycled materials.
 - Other tax deductions to encourage donations of used goods to social enterprise re-use operators.
 - Tax relief (e.g. GST) for individual purchase of certified (tagged) recycled or refurbished goods.
 - Increased cost on consumer goods with packaging that is made from non-recycled plastic (e.g. France from 2019 will increase the cost of products sold in unrecyclable plastic packaging by 10%).
 - Enabling unique infrastructure opportunities for re-sale of recycled and repurposed items, to inspire or accommodate more ‘takers, buyers’ of second-hand goods. (e.g. [ReTuna](#) Recycling Mall in Sweden).
- VII. Provide the resources needed to meet the 2025 National Packaging Targets based on the recommendations of the Australian Packaging Covenant Organisation (APCO), including investment, regulatory certainty, mandated inclusion of recycled content, investment and development of composting facilities for compostable packaging; and stimulation of end-market demand for recycled materials.
- VIII. Consider the introduction of a disposable coffee cups levy at the point of sale to cover the cost of recycling.
- IX. Invest in the professionalisation and expansion of the reuse sector. To meet the growing supply of reusable items and to increase demand for ‘reuse takers’, the government should emphasise capacity-building initiatives for the reuse sector and address some of the barriers to consumers and businesses with respect to buying second-hand items.
- X. Identify facility and opportunity gaps in NSW that would benefit from reuse or repair centres or online marketplaces and provide funding opportunities. Consumers need easy access to affordable repair centres, and attractive places to donate and purchase used goods. Social research by SSROC into attitudes towards unwanted items showed that more than half of residents surveyed were unwilling to travel more than 5km from their home or office to drop off unwanted goods.
- XI. Putting responsibility back on the producers and consumers of materials in a circular economy, rather than leaving the management of resources to local government (end-of-pipe solutions) whereby it’s often too late in a linear economy.

4. How can we recycle better?

Improve the quality of both the inputs to processing (reducing contamination of kerbside recycling) and the outputs of processing (e.g. recyclate). Higher quality will enable a wider range of markets/uses for recyclate and enable remanufacture of better quality products; for example, Japan mandated that single use plastics could only be clear (not coloured plastic) to improve the quality of recyclate.

- I. Consider regulatory measures to reduce the use of PVC labels which contaminate the stream; and composites and non-recyclable/compostable packaging.
- II. Finance and upskill the secondary processing sector in order to 'clean the recycling streams'.
- III. Invest in infrastructure and technology to separate products and items to component materials types, distribution/triage centres, repair and refurbishment facilities and services.
- IV. Provide economic and regulatory incentives for waste processors to track, report and be accountable for materials they claim to recycle; provide incentives for the highest possible resource recovery.
- V. Fund a federal or state body that tracks markets for materials collected through the waste system – this is not something councils have the capacity for.
- VI. Improved regulation, data transparency and other guidance from the NSW Government on the Container Deposit Scheme to build trust and transparency between generators, processors and the community.
- VII. Provide more certainty to stakeholders investing in recycling projects by providing open, transparent processes and consultation. The handling of China Sword and the AWT outputs (MWOO) exemption are key examples of the ramifications of stakeholders not being consulted early enough without detailed forward planning.
- VIII. Greater investment in waste education programs that help individuals, organisations and businesses follow the waste hierarchy and reduce the contamination of separate waste streams.
- ~~IX.~~ Ensure coordinated commitment from all relevant government departments to procure items with recycled content to help drive demand for recycled materials.
- X. Continue to invest in and adopt pilot projects generated by the recently formed NSW Circular Innovation Network.
- XI. Identify ways to support the manufacturing sector to reform/remanufacture recyclate.
- XII. Include in the Strategy definite Product Stewardship (PS) targets and regulatory approaches to ensure uptake and compliance. An effective PS framework should ensure that there is shared responsibility between producers, retailers and consumers. Councils are often expected to collect and organise processing for products at the end of their life, as well as educating the public on the correct recycling and disposal of these products. Councils currently carry most of the financial burden of dealing with the waste from products rather than the producers and manufacturers. The existing model of council financial liability is unreasonable.
- XIII. Expand and resource the National Television and Computer Recycling Scheme (NTCRS) to include every electronic item (any item with a plug). This is a priority issue with the NTCRS for SSROC councils as collecting out-of-scope items from residents has significantly increased costs. It is also difficult and resource-intensive

to refuse items from residents who go to the effort of collecting, storing and transporting electronic items for recycling.

- XIV. Other priority products that require product stewardship schemes include expanded polystyrene, refrigerators, freezers, air conditioners, medical sharps, solar panels, textiles such as clothing and carpet, milk and bread crates, takeaway coffee cups and disposable nappies.

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

- I. A comprehensive review of the Waste Avoidance and Resource Recovery (WARR) Act, Protection of the Environment Operations (POEO) Act, and clarification of Council of Australian Governments (COAG) agreements on waste is needed to recognise waste management as an essential service, and efficient resource recovery as an economic driver to increase demand for high-value recycled materials. Current and future reviews should include:
 - Clarification of the COAG agreement to ban exports of waste, including the definition of waste and timeframes to guide infrastructure investment and planning. It is important that the waste industry in Australia is given sufficient time to adapt and that bona fide markets for recycling and energy recovery are not excluded until markets with equivalent capacity, quality and value for money are available in Australia.
 - Consistent and transparent regulation of MWOO to create a market for red-bin waste and drive solutions using compostable materials.
 - A forward-thinking Energy-from-Waste policy to enable solutions for difficult to recycle waste streams after all other viable recovery options have been exhausted. This should include a full review regarding the barriers to the current Energy-from-Waste policy in consultation with the waste industry and local & international experts.
 - Definitions of Refuse-Derived Fuel (RDF), Processed Engineered Fuel (PEF), and waste under the POEO Act.
 - Provide economic incentives for the procurement of recycled content by local governments, and use of recycled content by industry, to support the 2025 National Packaging Targets.
 - Waste management licensing to mandate the transparent provision of data to enable government and industry stakeholders to monitor movement of waste streams.
 - Phase-out of problematic and unnecessary materials.
- II. Co-design the Strategy with key stakeholders, including councils.
- III. Identify gaps in the data required to underpin the Strategy, and prioritise addressing these data gaps and organising centrally-coordinated waste sector data. A Sydney Metropolitan Data Plan is urgently needed to enable centrally-coordinated waste sector data. International examples of waste data management at both the metropolitan and national level such as the [UK waste data flow database](#), and the Waste and Resources Action programme (WRAP)'s [Local Authority Waste and Recycling Information Portal](#) should be reviewed for application of a similar system in [Australia](#).

- IV. Commit to funding implementation of the Strategy with the necessary resources to support a transition towards a circular economy. SSROC recommends that financing should come from the NSW waste levy and that new funding sources are also identified and committed to in the finalised Strategy.
- V. Develop a road map for waste infrastructure for NSW that addresses the facility gaps in the Sydney metropolitan area and includes commitment and funding for accessible local and regional facilities.
- VI. Leverage the waste and recycling crisis to galvanise all key stakeholders to collaborate together to redesign and re-establish the NSW waste system. Instead of being behind European countries in this space, Australia has the potential to be an example of how to successfully transition to a circular economy. This means deriving circular economy goals and initiatives that are supported by regulatory, trade, design, tax code and education measures.

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

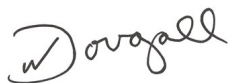
Please see SSROC's Regional Waste Policy (recently drafted in September 2019) and our previous submissions, including:

- Too Good to Waste – Discussion Paper on a Circular Economy for NSW
- NSW EPA Waste and Resource Recovery Infrastructure Strategy
- Updating the 2009 National Waste Policy – Less waste, more resources.

SSROC councils aim to work with all stakeholders to make the 20-year Waste and Resource Recovery Strategy a success. We look forward to participating in the next consultation phase for the development of the Strategy.

For any enquiries regarding this submission, please contact Helen Sloan, Program Manager, on helen.sloan@ssroc.nsw.gov.au or 02-8396-3801.

Yours sincerely



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