DELIVERING A RESOURCEFUL NET-ZERO NSW

WMRR'S SEVEN (7)-POINT NSW ELECTION PLAN

WMRR CALLS ON ALL PARTIES TO COMMIT TO THE FOLLOWING SEVEN (7)-POINT PLAN AT THIS YEAR'S NSW ELECTION:

- *Develop a Strategic Infrastructure Strategy*
- *Waste and Resource Recovery State Environmental Planning*
- *Government to Reinvest 50% of levy funds raised*
- *Regulation and policy development of waste classification*
- *Sustainability procurement led by the government*
- *Development of a disaster waste management plan*
- *Creating a market development agency*

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the waste and resource recovery (WARR) industry. We have more than 2,000 members representing over 500 individual entities nationally, operating across a broad range of business organisations, the three (3) tiers of government, universities, and non-government organisations. Over a third of our membership is based in NSW, where our sector directly contributes more than $4 billion per annum to[1] the State's economy and directly employs[2] more than 8,500 workers.

Our essential industry has very much remained in the national conscience in recent years, yet despite a global move towards circularity including resource efficiency and carbon mitigation, Australia continues to focus heavily on linear behaviour and consumption. Today, we still have not developed a systemic approach to managing the material that results from this consumption in order to keep it circulating, nor do we adequately promote resource recovery, even though this is a clear expectation that the community has of both our essential sector and government.

In NSW, the lack of a systems-based approach is evident in the significant revenue that the state government derives from disposal, that is the waste levy income. More than $780 million is raised annually from disposing material to landfill, a significant contribution to NSW's consolidated revenue. Of the levy monies collected, only $136 million (17%) is reinvested in industry.

1. IBISWORLD 2017, REPORTS 2911, 2921, 2922, SOLID WASTE COLLECTION SERVICES, WASTE TREATMENT AND DISPOSAL SERVICES, WASTE REMEDIATION AND MATERIALS RECOVERY SERVICES

2. ACCESS ECONOMICS PTY LTD 2009, EMPLOYMENT IN WASTE MANAGEMENT AND RECYCLING, REPORT FOR DEPARTMENT OF ENVIRONMENT, WATER, HERITAGE AND THE ARTS, CANBERRA

The reliance by government on these funds for activities outside of the sector clearly creates a tension between resource recovery and landfilling, and the inability to date for agencies in NSW to make a shift towards circularity or achieve the government's stated resource recovery targets. In a nutshell, NSW:

- Generates more than 22 million tonnes a year, which is over 2.6 tonnes per person.
- Appears to have a stagnated resource recovery rate of ~65%.
- Has adopted targets under the *Waste and Sustainable Materials Strategy* of 80% resource recovery and 10% reduction in waste generated by 2030.

The capacity of NSW to achieve its 2030 goals as well as meet its carbon mitigation targets, is extremely unlikely without drastic policy changes, purposeful market action, and targeted strategic funding investment by government. It's imperative that the successful government demonstrates real leadership and drives policy and market settings that create investment and growth within NSW, as well as enable a level playing field.

Responsible management of the materials people discard is a shared responsibility. The NSW government needs to act urgently to introduce the changes necessary to support the delivery of infrastructure, services, and outcomes that are expected by the community. Continued inaction will only result in limited investment and growth in NSW, which will stifle innovation, hamper job creation, and diminish the state's capacity to compete nationally to attract investment to meet stated targets. The NSW government can, however, turn the tide on material management quickly and successfully transition towards a circular economy. Doing so requires a collaborative approach with industry and WMRR is calling on your party to commit to seven (7) key priorities in the forthcoming NSW election to build a strong, sustainable, and resilient NSW waste and resource recovery industry, which will future proof the state's economy, and protect our communities and the environment.

1. DEVELOP A STRATEGIC INFRASTRUCTURE STRATEGY

NSW must urgently develop a comprehensive Strategic Infrastructure Strategy to underpin the development and funding of essential WARR infrastructure, the starting point being a comprehensive fate and flows analysis of all waste materials in NSW. This strategy must cover all material streams, every step in the adopted waste management hierarchy including energy from waste must be made available to industry in a systems-based approach to material management, and current location restrictions must be reconsidered. Considering the challenge of population and property availability and cost in metropolitan Sydney, the government needs to incorporate a hub and spokes approach to this strategy, aggregating material and transferring to facilities, as well as removing policies that preference landfill over recovery.

Further, we need a consistent approach that clearly links infrastructure development with government policy and grant allocation. For example, with NSW having stated mandates for organics recovery in 2025 and 2030, we require a roadmap for delivering necessary infrastructure and a grant/investment pathway that complements the development of necessary facilities across all organics streams (not just household) in the required locations, as well as a capable and resourced delivery agency. Which cannot be NSW EPA given its current role as planner and regulator.

2. WASTE AND RESOURCE RECOVERY STATE ENVIRONMENTAL PLANNING

Waste and resource recovery infrastructure is essential for the safety and wellbeing of the entire community, as well as being a vital industry for the prosperity of NSW. The state requires a further three (3) million tonnes per annum of resource recovery infrastructure to come online over the next six (6) years to achieve its stated targets. However, the time taken to gain planning and licensing approval for WARR infrastructure is often longer than that taken to approve a mine [over five (5) years]. WMRR strongly recommends the development of a specific Waste and Resource Recovery State Environmental Planning Policy (SEPP), including recognition that this infrastructure is critical/ essential and requires certainty of both location (by way of designated precincts) and appropriate buffer zones.

3. GOVERNMENT TO REINVEST 50% OF LEVY FUNDS RAISED

The aim of NSW landfill levy is to "reduce the amount of waste being landfilled and promote recycling and resource recovery". However, only 17% of funds collected are being reinvested in industry to drive these activities. There needs to be greater accountability and transparency of the levy and WMRR is calling for the government to return and reinvest 50% of levy funds raised each year to support increased recovery, grow remanufacturing facilities, and create markets. As a matter of priority, levy funds must be channeled towards properly transitioning the remaining Municipal Waste Organic Output (MWOO) facilities and contracts to Food Organic and Garden Organic (FOGO) facilities, given the impending cessation of the landfill levy waiver later this year for impacted council contracts.

Keeping material out of landfill and back into the productive economy through industry's resource recovery infrastructure is key to both reducing reliance on virgin material and meeting NSW's carbon mitigation targets. This will take a number of actions from government including strategic re-investment of the levy in these recovery facilities, but also government prioritizing procurement of products made from these secondary raw materials in NSW.

4. REGULATION AND POLICY DEVELOPMENT OF WASTE CLASSIFICATION

One of the greatest challenges to the NSW industry is the lack of commonality in regulation and policy development across borders even though we are one (1) large common market in Australia. While all states will have their own emphasis on particular policies, there must be common, minimum standards that all jurisdictions agree to and follow to enable certainty for all industries in the supply chain. As a start, the current archaic definition of waste must be urgently addressed if NSW is to transition to a circular economy, and NSW needs to create a workable and certain resource recovery and legislative framework.

Almost all aspects of NSW legislation are overly complex and prohibitive to resource recovery or shifting towards circularity. The current recovery framework enabled sudden and ill-considered revocation of orders and exemptions, as occurred with MWOO in 2018. Consistent policies that support the waste management hierarchy should form the foundation of this framework, followed by an articulation of each aspect of an integrated system including FOGO, material recovery, and energy from waste. To become circular, there must be a common approach to managing 'waste' as it becomes a resource or an input in the next step of the supply chain, which also requires resource recovery exemptions and orders to be certain and robust in order for industry to be able to rely on them to invest and operate. In the same vein, definitions must change, including but not limited to when a waste stops being a waste.

There also must be a genuine commitment to going further faster using mandatory Extended Producer Responsibility legislation for materials that require management and funding at end of life given the clear success of the container deposit scheme. Transparent, properly funded schemes for problematic materials such as soft plastics, packaging, solar panels and other problematic streams must be developed if NSW is genuine in its pursuit of 2030 targets.

Further, NSW's approach to managing hazardous and problematic materials such as PFAS and asbestos is out of step with other Australian jurisdictions. Which is significantly impacting industry's capacity to invest and develop products for market with certainty. NSW requires urgent regulatory reform across all areas to bring it into line with contemporary Australian regulation and policy. Expedited action is required on updating the waste classification process in NSW to place greater emphasis on the generator to properly classify materials for recovery and not just for landfill. This must be aligned with strengthened and enforceable waste plans as part of the development application process, as well as the ability to track materials.

5. SUSTAINABILITY PROCUREMENT LED BY THE GOVERNMENT

Government can and must show leadership by actively committing to sustainable procurement coupled with the development of specifications that include recycled content. WMRR is calling on all parties to set real targets for the use of recycled/recovered content (dollars and tonnages) 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. Resource recovery will only occur when there is market demand for the secondary raw materials. NSW needs facilities and markets.

6. DEVELOPMENT OF A DISASTER WASTE MANAGEMENT PLAN

Regrettably, NSW has experienced significant disasters in the last three (3) years including bushfire, floods and pandemics. NSW requires a comprehensive disaster waste management plan that covers these events and contains contingency measures when we have disruptions to business as usual, in particular within the Sydney Metropolitan Area due to the over reliance on limited infrastructure.

7. CREATING A MARKET DEVELOPMENT AGENCY

Finally, WMRR is seeking the creation of a market development agency similar to Sustainability Victoria and Green Industries South Australia that will lead the implementation of a circular economy in NSW. Our essential industry requires industry policy development and support, not just regulation. This agency must have an independent Board separate from the EPA. A single agency managing all aspects of the WARR sector has resulted in the agency as a regulator being unable to develop the NSW industry.

"Implementation of these policy positions will provide enhanced environmental outcomes for NSW and additional employment in the waste, resource recovery, and remanufacturing sectors."