

Submission to Review of the NSW Waste Levy: Issues Paper



**CENTRAL NSW
JOINT ORGANISATION**

- Bathurst
- Blayney
- Cabonne
- Cowra
- Forbes
- Lachlan
- Lithgow
- Oberon
- Orange
- Parkes
- Weddin

18 July 2024

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[24p-4519-nsw-waste-levy-review-issues-paper.pdf \(hdp-au-prod-app-nswepa-yoursay-files.s3.ap-southeast-2.amazonaws.com\)](https://hdp-au-prod-app-nswepa-yoursay-files.s3.ap-southeast-2.amazonaws.com/24p-4519-nsw-waste-levy-review-issues-paper.pdf)

To whom it may concern,

Re: Submission to provide input to inform the development of the final Transport and Infrastructure Net Zero Roadmap and Action Plan

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 177,000 people covering an area of more than 51,000sq kms comprising the eleven Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes and Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: [Strategic Plan & Regional Priorities - Central Joint Organisation \(nsw.gov.au\)](https://www.cnswjoo.org.au/strategic-plan)

Thank you for the opportunity to provide input on the NSW Waste Levy Review Issues Paper. Feedback is provided on areas where CNSWJO has policy and members may have alternative views.

In the first instance, this region asks what problem are we trying to solve? From CNSWJO's perspective the problem is as follows:

- waste emissions are not effectively considered in the waste management framework;
- insufficient spend on waste management where the current levies collected by the NSW Government are not returned to solving the problem;
- planning barriers to the development of waste infrastructure, for example there are no waste to energy facilities in NSW, even in places like the Parkes Special Activation Precinct purposefully design for circularity;
- disaster waste management;
- poor coordination and support of circularity; and
- insufficient effort on building community capacity.

The last Waste Levy Review was in 2009 and so much has changed since that time including greater effort on net zero and biodiversity.

What are your views on the current levy rates and levy area boundaries? Should they be changed?

Regarding boundaries, CNSWJO members are in the non-levied area. Members of CNSWJO seek not to be levied, especially when the funds do not return to solve the problem. Member Councils have various challenges depending on remoteness for example access to recycling and managing waste from disasters.

Regarding the concept of levies, these are a blunt instrument at best that as devolved into a cash grab for consolidated revenue. Thought should be given to what outcomes NSW needs informed by its

strategy, the resourcing this requires and then a fair and equitable approach to any levying based on robust data.

Regarding change to the current levies, the CNSWJO policy position is that any levy should be codesigned with those impacted. It is CNSWJO's experience that consultant led processes typically make assumptions about regional NSW that are not right. For example, the Marsden's work on cost benefit for interventions in the NSW Regional Water Strategies makes the assumption that no community will run out of water. To avoid this type of outcome, time should be taken for site visits to better understand local impacts and careful thought based on codesign and consultation with regional stakeholders should be integral to the process from initiation of proposed change.

Over what time should a schedule set out future levy rates to provide certainty for decision-making?

While a ten-year outlook might seem reasonable to review levels from a forward planning perspective; there must also be mechanisms in them for managing significant events like China Sword or supply chain impacts as a result of COVID.

How can we ensure any changes to waste levy rates increase recycling rather than creating perverse incentives for illegal dumping or interstate landfilling?

Changes to the waste levy will not be enough. A systemic review to ensure that the NSW waste management system is fit for purpose could include:

- returning funding from the levy to industry would improve the affect in the overall system while allowing for better resourcing;
- waste tracking;
- improved classification and monitoring with greater enforceability of obligations on generators to classify correctly for recovery;
- community education about consumption and waste management behaviours "before the bin" not "in which bin";
- innovation in waste management such as waste to energy enabled by less red tape;
- better support for circularity; and
- consideration of emissions.

Consideration may also be given in time to greater regulatory intervention, such as the proposed mandates for organics in NSW and 'landfill bans' for example unprocessed organics- however there must be sufficient infrastructure built as a precursor to these to ensure that there are genuine resource recovery alternatives in place.

Is remoteness an appropriate measure to consider in examining levy area boundaries? Are there other factors we should consider?

Yes, remoteness should be considered and investment should be made in enabling transport to larger facilities. Having said that, managing waste as close as possible to source has greenhouse gas and other benefits.

If levy boundaries are expanded, how should we support new levy paying areas?

As consistently advised throughout this submission, returning the levy to industry is critical in any waste levy change considerations. Before that happens any change of boundaries or increase in levies will be poorly tolerated by industry.

Any change should be codesigned with those impacted and timeframes be provided to allow for resourcing and rating reviews in each Local Government Area (LGA). Ideally, this process would happen concurrently with the Community Strategic Planning processes.

What is your experience with waste operators avoiding lawful disposal costs in NSW? How does activity such as illegal dumping, stockpiling and waste fraud impact your waste and resource recovery business and operations?

While these are issues in this region the emerging issue not being considered is the waste management pre and post natural disasters.

How can we best prevent opportunities for rogue operators to avoid lawful disposal costs in NSW through illegal or unsustainable activity?

In relation to improved management of the levy, as mentioned above- increased waste tracking. This in combination with better enforcement will be helpful.

What are the key barriers in the planning system preventing new waste and resource recovery infrastructure being developed in NSW? How can they be overcome?

The planning system is equally problematic for all development. Having said that the potential impacts from waste management can be significant and communities are often not enthused about them being "in their backyard." This is why precincts like the Parkes Special Activation Precinct have been created.

It is notable that not one waste to energy plant has been developed in NSW and feedback from members is that the EPA and planning requirements are the significant barrier. Some improvements are being made but the shovels are still not in the soil.

Leveraging the Parkes Special Activation Precinct which has been purposefully designed to manage waste and deliver circularity should be happening now.

A codesigned approach is recommended. Ideally, this would form part of a strategic infrastructure strategy and should also be supported in NSW with clear strategic planning support that assists with identifying where facilities should be located (due to transportation and land use requirement) as well as where necessary, in a bid to reduce the time taken to gain approval for essential infrastructure for both the community and business.

What factors would we need to consider when investigating standardisation of kerbside recycling bins and upgrades to material recovery facilities? What other approaches should we take to reduce contamination in recycling feedstock? What other actions should the Government take to improve investment in waste and resource recovery infrastructure and technology?

In order to harmonise kerbside bins, it will be necessary to standardise the products that are currently placed on the market. The 'yellow' kerbside bin has traditionally been used to recycle (non-hazardous) packaging from the home. In theory all yellow bins in NSW all accept paper, cardboard, glass, steel, aluminium and plastics 1-7 and all material recovery facilities sort to single bales of these materials with the exception of glass, and some do mix grades of plastics. Bales of material must meet a quality (purity) threshold in order to be sold to a remanufacturer. However, the after 26 years of a packaging covenant the vast majority of packaging is made of more than one material, sometimes these can be separated for example steel lid/ glass bottle, aluminium foil lid/ Polypropylene tub, however in many instances the packaging is multilayered or composite and cannot be separated into one bale.

Strong design rules that are enforced for packaging including designing out hazardous chemicals such as PFAS and requiring single stream packaging will enable harmonised collections and processing. The enforceability of design rules would assist in removing contamination as it would assist in eliminating confusion at the bin as education could be clearer and given that in many cases the different materials contribute to contamination levels.

Industry requires a mandated packaging product stewardship scheme that includes enforceable design rules (including recycled content minimum requirements) and financial penalties for not complying as well as requiring the use and buy back of local recycled materials in the making of packaging in Australia.

Regarding stewardship, the NSW government needs to take stronger action especially for more problematic items like lithium-ion batteries and mattresses. Lithium-ion batteries continue to remain a huge hazard for the resource recovery industry. There is currently no disposal system in place for lithium-ion batteries.

To meet the 80% recovery targets by 2030, NSW should also look to require businesses to implement a recycling service as households do. The world abounds with exemplar reuse of bottles, better sorting and improved waste management culture at the community level.

When investigating kerbside recycling, focus should be put first on the items that take up the most space in residual bins, such as textiles and soft plastics that have no alternative other than landfilling. This needs to be paired with broad waste education, because while landfill alternatives for co-mingled recycling and FOGO exist, contamination remains an issue.

Additionally, we should not be promoting end-of-life product management practices. Sustainable end-of-life for a product should be a requirement at the design phase of a product to reduce the volumes of non-reuseable and unrecyclable waste sent to landfill.

What other actions should the Government take to improve investment in waste and resource recovery infrastructure and technology?

Besides the items raised above, government should also commit to whole of government public procurement of recycled material to stimulate market demand for materials. Councils should be incentivised to use recycled products, in for example road building.

What products and materials should we prioritise for reuse and repair? What role can the NSW Government play in supporting the reuse and repair of these materials?

In the absence of granular data looking at product types and volumes in NSW it is important to focus on the materials/ products that have the greatest impact (both via tonnes to divert from landfill and amount of carbon avoided). However, before diving into materials NSW should establish a clear framework utilising both the product and the design rules that includes design obligations (for re-use and repair and recycling). While working with Fair Trading to require right to repair in NSW in order that all these interventions become commonplace across all products placed on market in NSW.

We would encourage 'buy back' contracts for all recycling contracts undertaken by state and local government, to purchase back the compost, glass and water bottles, street furniture, etc. products made from material collected from the entities recycling contract.

Government procurements should incorporate 'avoidance' options, such as service as a model (as opposed to buy and own), opportunities to share (rather than cars in contracts we can carpool for example), and opportunities to reuse rather than refurbish buildings.

In the meantime, products to prioritise for re-use and repair are small household appliances, white goods, and textiles. In terms of reuse and repair, the government can support implementing community-based repair cafes as a novel, innovative pathway to minimise waste production. Significant amounts of household appliances are thrown away within 12 months of purchase because they fail, or are returned to point of sale, where are they thrown out anyway. This can be ameliorated by stronger design principles, stronger warranty and repair laws, and community repair cafes.

What characteristics of a product or material make it difficult to recycle? What interventions could we take upstream to improve product recyclability?

In the first instance poor design and material selection. Australia needs to rapidly adopt EU Sustainable Design Obligations and generator responsibility obligations like we see under the EU waste directives to address this. This would also incorporate clear safety standards, like within the battery directives, and create financial support for infrastructure to recover and recycle. Australia needs to move away from treating waste as a negative externality that someone else down the supply chain will pick up, and rather see the value in material at the start of life and work to maintain and prolong this value.

What other actions do you think the NSW Government could do to support the circular economy objectives of the waste levy?

There is very little if any support for circularity in regional NSW. There is an opportunity to leverage Joint Organisations of Councils, that have been designed to work with State agencies, to build the frameworks needed to support circularity. However, this will only be successful where the regulatory and funding settings are enabling. There will be no improvement in circularity by focusing on waste alone, in the absence of a clear framework for using less for longer.

Any other related matters

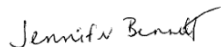
More effort on waste from natural disasters and waste emissions is critical. Currently these are “falling through the gaps.”

Conclusion

This region hopes the work undertaken in this review will lead to genuine change and commends the NSW Government for its efforts.

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Yours sincerely



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