



The Hon. Matt Kean MP
Minister for Environment
GPO Box 5341
SYDNEY NSW 2001

By email as PDF file to christian.dunk@minister.nsw.gov.au

Copy to Ms Tracy Mackey, CEO, NSW EPA

23rd February 2021

Dear Minister

Thank-you for meeting with us on Wednesday 3rd February 2021.

As discussed, and agreed, we all want a productive way forward for the 20-year strategy (20YWS), and the NSW Waste Levy, including consideration of alternative ways to meet the levy's legislated objectives and your own Government's stated strategic priorities. As stated at our meeting, it is the clear and united view of our industry that the NSW Waste Levy only be applied to residual materials that are disposed to landfill.

We appreciate and accept your offer for a further series of meetings to jointly meet with you, where we can assist to better shape the 20YWS for NSW. To this extent, attached (Annexure A), are the top priorities, as requested, that industry would expect to see in the 20YWS, to better position NSW to achieve sustainable, reliable and affordable resource recovery outcomes.

On behalf of our Members and the waste management sector, we are also seeking genuine opportunities to participate in the development of the 20 Year Waste Strategy (20YWS) for NSW. To this end, and as part of an ongoing process of open consultation, we also propose your consideration for a Stakeholder Committee comprising eight (8) individuals from each of the Office of the Minister for the Environment, the CEO of WMRR, the CEO of ACOR, the Executive Director of WCRA, National EO of AORA, CEO of the EPA, Executive Director Circular Economy & Resource Management (DPIE) and the President of LGNSW.

We will await your advice on a date and time for the next meeting.

Yours sincerely
signed

Gayle Sloan
WMRR

Tony Khoury
WCRA

Rose Read
NWRIC

Peter Olah
AORA

Cameron O'Reilly
ACOR

Attached

Annexure A

The Waste and Resource Recovery (WARR) sector in NSW manages approximately 19 million tonnes of material and employs 13,140 **people**; in 2017-18, the sector's value was estimated to be about \$3.3 billion across the collection, transport, processing, disposal and recovery (including energy) of MSW (\$1.65 billion), C&I (\$1.54 billion), and C&D (\$1.1 billion), with the approximate value of recovered materials for the period being about \$1 **billion**. The industry is committed to growth and investment in resource recovery activities as these have the potential to create almost four (4) times as many jobs compared to disposal.

Industry has determined the following top priorities that should be included in the strategy below but highlights that 20 years is a very long time. Recent events that have affected our essential industry such as the Global Financial Crisis (GFC), China's National Sword policy, long distance transport of waste to Queensland, the COAG Export Bans and Covid-19, have demonstrated the challenge in planning for industry over such a long period, given that very few events were foreseeable. We therefore recommend that the vision is delivered over a 20-year horizon while the key actions and milestones that contribute to this vision are progressed over shorter, measurable timeframes. In this way, we can measure and report all progress in a timely fashion and undertake corrective action if necessary and with agility. Consideration could also be given to shorter action plans [for example, broken up into five (5) x four (4)-year periods] with milestones, projects and funding attached to each of these periods. We also submit that there needs to be a provision for review of the plan.

With the above in mind, we would also appreciate that the following (at a minimum) would be captured in the 20-year strategy (20YWS) for NSW:

1. Stronger and supported markets for recovered materials in NSW.

Greater development of markets for recovered materials including reuse in products, packaging and construction materials must be driven in NSW across the entire supply chain. This involves action from all within this chain including -

- a. **Sustainable design standards** adopted by those using and generating products from raw materials (this can be through voluntary codes or mandated requirements when this fails). Further consideration of Extended Producer Responsibility Schemes in NSW should be given with clear responsibility on the generator to fund these schemes, similar to the state's successful Container Deposit Scheme.
- b. **Sustainable product standards** - this could include removing hazardous substances (such as unnecessary plastics, asbestos, PFAS) from products, packaging and construction materials, as well as designing out hazardous, non-recyclable and non-compostable materials and substances from these materials. It could also apply to clear and agreed output standards for products made from recycled/reused material, such as FOGO, aggregates, etc., to facilitate clear acceptance in the market as well as an ability to invest with certainty into the required infrastructure.
- c. **A resource recovery regulatory framework** that gives certainty to the industry which accepts 'waste' materials in NSW and wishes to create a resource/input into another process within the supply chain. A regulatory process is required that is not unduly onerous (cost and time) while ensuring environmental harm is managed in accord with the precautionary principle (similar to the Victorian and/or South Australian General Environmental Duties framework).
- d. **Requiring the adoption of green/sustainable public procurement** across all levels of government. The 20YWS should also provide added impetus to the NSW Government's Waste Reduction and Purchasing Policy (WRAPP), including training for procurement agencies and officials in how to maximise the use of recycled and recovered product.

2. Support for the landfill levy as an economic tool on the price of materials to incentivise resource recovery in NSW, and an independent review of its current operations and effectiveness.

- a. The levy plays a vital role in ensuring that the value of material disposed is recognised, and it is a clear incentive to resource recover. Ideally, income raised from the levy should be spent on creating investment in NSW resource recovery infrastructure at a rate higher than the current rate in NSW.

Further, given what we know in relation to the costs associated with recovering and remanufacturing materials in order to close the loop, a review of the levy application in NSW remanufacturing is suggested to ensure that it is not a barrier to industry growth as this is an area that represents a higher order recovery of materials (this is currently occurring in Queensland).

3. Strategic planning for securing sites for necessary WARR infrastructure for all of NSW (levy and non-levy areas).

- a. Improved planning regulations and instruments that provide for WARR facilities at local and state levels are required to identify appropriate WARR precincts for development, and to manage competing priorities of land growth including urban encroachment. Ideally, this would take the form of an integrated WARR SEPP; such a document should also enable for trial sites to be readily identified with appropriate regulatory underpinnings and certainty.
- b. These landholdings should be underpinned by a clear, evidence-based infrastructure strategy for NSW that identifies appropriate hubs and spokes to manage the economic challenges of distance and transportation costs, with the ability to create and sustain remanufacturing infrastructure and markets.

4. Systems-based approach to material management underpinned by a state-wide education campaign.

The NSW government must make evidence-based decisions about best practice models for managing material in accord with the waste management hierarchy, in order to achieve established resource recovery targets. These decisions must then be supported by state-wide funding and education aligned to agreed standards. For example, state-wide campaigns on food should first focus on waste avoidance (and have funded state-wide behavioural campaigns) alongside the development and adoption of an agreed kerbside standard (that is consistent and funded) for materials that are disposed of across the state.

This consistent approach must be followed for all priority material streams, focusing at first instance on those that represent the largest proportion by volume (weight) and have the greatest emissions impact. It is vital that the Waste Strategy maximise our essential sectors contribution to the Net Zero Plan, stage 1. Experience internationally shows that this goes beyond NSW's commitment to organics (which we wholly support including all the actions at page 23 of the Plan), to also material streams from construction, transportation, plastics, metals, and textiles, across all sectors being, municipal, construction, and commercial.

In preparing the 20-year strategy, the NSW government has an opportunity to address the most challenging resource management issues of today, which it must, by promoting the sustainable use of raw materials to reduce their negative environmental impacts and encouraging resource efficiency and the transition towards a circular economy.

The NSW government must develop a strategy for the state's WARR industry that creates a roadmap for a genuine circular economy in NSW, one that supports the 2030 Agenda for Sustainable Development and addresses the significant global threats that Australia is also facing. The government can do these by transitioning to low carbon industries, reducing carbon emissions, and ensuring the sustainable management of raw material (including through standards for product design and consumption). Doing so will lead to the creation of new industries and jobs in NSW that will further support and drive the government's circular vision and Net Zero Strategy.

While future-proofing NSW is a vital exercise, an eye must be kept on the present, with continued actions and policies that support and grow the WARR industry by enforcing the waste management hierarchy and introducing important policies such as extended producer responsibility (an adjunct to the NSW EPA's current polluter-pays approach), having a systems-based approach to material management, introducing green public procurement across all levels of government, prioritising strategies based on both material weight and carbon impacts, and ensuring that the waste levy continues to create an economic disincentive for disposal while supporting resource recovery in NSW.