

Draft submission on the future use of mixed waste organic outputs

December 2019

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Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community based system of local government in the State.

LGNSW welcomes the opportunity to provide feedback on the Mixed Waste Organic Output (MWO) position and on the design and operation of the Phase 2 AWT Transition Package to help the industry transition to sustainable resource recovery practices.

This submission has been developed with considerable input from councils in NSW. It is a draft submission awaiting review by LGNSW's Board, and any amendments will be forwarded in due course.

Background

In October 2018 the EPA announced it was stopping the restricted use of MWO (material that is produced from processing household waste) on agricultural land and ceasing use on plantation forests and mining rehabilitation land until further controls could be considered. This was 19 years after restrictions were placed on MWO processing and land application through resource recovery orders and exemptions. The October 2018 decision (phase 1) affected 28 councils' household waste as these councils had entered into long term household waste processing contracts with alternative waste treatment facilities (AWTs) to produce MWO.

After reviewing further research and new assessments, twelve months later, on 16 October 2019, the EPA announced that it will not grant any general exemptions or issue any related orders allowing MWO to be used as a soil amendment on agricultural, mining rehabilitation or forestry land. It will, however, assess applications for new or alternate uses on a case-by-case basis. The EPA found there was no technology available to reduce small physical or chemical contaminants that are of concern.

In October 2019 the EPA also announced a Phase 2 transition package for the alternative waste treatment industry to "transition to sustainable resource recovery practices that will provide solutions for household waste while protecting the environment and human health". The package includes funding for R&D into alternative products and markets as well as funding for infrastructure changes including introducing a processing line for food and garden organics (FOGO) collections.

From October 2018 to October 2019 those councils that were already looking to the market for an AWT solution chose to extend their existing landfill contract or enter into a short term landfill contract until the policy environment was more stable.

Response

Councils across NSW have voluntarily supported the NSW Government's Waste and Resource Recovery Strategy's targets for landfill diversion and resource recovery from household waste through their waste and resources recovery services. Councils with MWOO processing contracts went even further and recovered resources from their household waste at a cost premium to their ratepayers.

Communities are experiencing shock that their decision was harming the environment and is likely to cost even more to resolve, whilst their resource recovery targets fall out of reach. Councils have already absorbed significant expenses and continue to seek to resolve the difficult issues that have resulted from the NSW Government's decision.

This submission is general in nature and recognises that councils are engaging directly with their contractor and the NSW EPA. Councils do not all operate under the same circumstances with individual contract provisions applying. Responses on various matters are sometimes interdependent with other responses. Many issues raised in this submission were brought to the attention of the EPA in the MWOO Regulatory Action Phase 2 Support Package consultation undertaken in May 2019.

This submission is not intended as local government feedback on any potential aspect of the 20-year Waste Strategy.

Response to EPA's position and key findings of the research

While not all councils accept the way the science and research was undertaken, there is general acceptance that the decision will not be changed.

The way the decision was communicated and its timing was disappointing and opaque. It is unclear why this research took seven years to complete, and why, given the drawn out timing, the EPA did not provide interim information to councils that were more recently, but prior to October 2018, tendering for or extending AWT processing contracts. Some of these councils have significant remaining contract terms (up to nine years).

The way the decision has been implemented, with no arrangement for a planned transition is not acceptable to councils, considering historic land application was shown in the Human Health and Ecological Risk Assessment to have no long term health risks and no special land use conditions have been required for land historically applied with MWOO that has been left in situ.

The implementation of the decision is not consistent with national and international best practice. The European Union identified AWT as an inferior waste processing option, but permitted its use until 2027, giving the industry the transition period needed to migrate to more sustainable outcomes.

The decision was also made with no regulatory or environmental impact assessment process that would have ensured detailed consultation with the industry and councils as well as environmental impact comparisons to other solutions, such as landfilling.

EPA policy position on AWT technology for residual household waste

Councils and their communities have worked tirelessly to contribute to the objectives of the NSW Government's Waste and Resource Recovery Strategy. Ironically, those that have worked the hardest to achieve high levels of recovery from household waste in line with the strategy, at considerable cost to ratepayers, will now have significantly lower landfill diversion rates (ie more waste will be going to landfill).

The level of support **that will be** provided to councils and their ratepayers by the NSW Government to transition away from MWOO to more sustainable solutions should:

- a) reflect the strong role NSW Government agencies have played (until October 2018) in encouraging this technology and
- b) result in no financial burden being passed onto ratepayers due to the MWOO exemption revocation.

Proposed Phase 2 AWT Transition Package feedback

Councils note that the EPA had committed during Phase 1 AWT support package that Phase 2 support would be provided for councils. The Phase 2 Transition Package provides no such support. Nor does it safeguard councils from additional costs the AWT operator may pass on. No explanation has been given for the EPA's approach.

The consultation material gives no indication that any support will be given to affected councils leaving councils and their communities exposed to a range of contract issues and costs. Given this, it is essential that Phase 1 support and the waste levy exemption remain in place as outlined in the following section.

Local Government is not best placed to comment on the adequacy and suitability of a stand-alone AWT transition package that does not include support for councils, however we have received some feedback:

- AWTs are highly unlikely to be able to transition to sustainable resource recovery outcomes without their contracted councils also transitioning due to their nearly symbiotic relationship. Contracted councils are highly unlikely to transition without the policy certainty of the 20-year Waste Strategy, expected at earliest at the end of 2020.
- Options under the Phase 2 package should remain open until the policy direction for household waste under the 20-year Waste Strategy is clear.
- A total of \$6.5M is insufficient support for when AWT operators are ready to modify/expand infrastructure to enable a transition to more sustainable uses as it is likely that the whole facility will need to be upgraded rather than just one processing line.
- Given the small funding pool it is inappropriate to comment on the weighting of funds per stream.
- Support should be available to modify AWTs to alternate facilities such as MRFs.

- The timing of the support package and grant rounds is premature given the early stages of discussions between AWTs and their councils.
- The identification of new markets and development of markets is a key economic driver in the transition to sustainable solutions, yet the AWT Research and Development Grant Stream for this purpose closes on 28 February 2020.
- Support should be available to research other areas of MWOO use such as in waste water treatment plants recovering the biomethane.
- Complementary to any package to support the transition to sustainable resource recovery outcomes, the EPA needs to expedite the processing of any specific resource recovery order and exemption and associated environment protection licence.
- The EPA should make any funding given to AWTs conditional on transparency from the AWT operators regarding their increased cost claims to councils
- Any funding to AWTs under this package should protect councils from these cost claims.
- Any package should support the contractual barriers faced by the AWT industry and councils.
- The package should run concurrently with Phase 1 Support and the waste levy exemption.

Councils may need to provide further feedback on contract and financial matters depending on the final Phase 2 response package and the EPA's next steps.

Immediate support for councils

Extend Phase 1 Support Package post 28 February 2020

Councils are in the very early stages of discussions with their contractors about future options having been briefed by the EPA in late October. Some long term solutions will require communities to change behaviour and adapt to changed kerbside systems, at considerable cost beyond the initial infrastructure changes acknowledged in the Phase 2 support package. These are fundamental components of the transition and should be considered in parallel to facility infrastructure changes. Extending Phase 1 Support Package past 28 February gives councils time to transition their contracts and their communities to long term solutions.

Communities have already been impacted by China's National Sword policy and the Container Deposit Scheme and, coupled with the adverse media on recycling, their willingness to pay for environmental outcomes is flagging. These communities paid a premium to ensure higher levels of diversion and are unlikely to foot a higher bill for processing mixed waste only to have that material landfilled for little real recovery.

Without the extension of Phase 1 support until sustainable solutions can be implemented, councils that can, under their contract, are highly likely to directly landfill until they can implement a more sustainable solution. Other councils, where possible, are likely to terminate their AWT contracts at significant legal cost. They will enter the market to procure landfill contracts with associated tender costs. This will add pressure to putrescible landfills that have little lifespan, push up prices and increase environmental impacts of landfills. Councils need to be fiscally responsible to their communities.

Councils have no visibility of the costs of Phase 1 support to AWT operators, however **it is estimated that a \$100 per household per year increase to the Domestic Waste Management Charge (DWMC) is possible for some if support and the waste levy exemption is withdrawn.** These costs have not been budgeted in councils' DWMC and cannot be absorbed. **In Western Sydney alone, the waste levy on landfilled MWOO will be \$30 million per annum that will be passed onto ratepayers from 28 February, on top of processing and transport costs unless direct landfilling is possible under contracts. This will be additional unbudgeted waste levy revenue made by the NSW Government.**

LGNSW calls on the EPA to extend the Phase 1 Package and waste levy exemption in line with the NSW Government's focus on affordable waste services that are delivered at reasonable cost and with the customer in mind. An extension would take Phase 1 support beyond the Local Government elections in September 2020 where cost pressures will be experienced by councils. The EPA should consider paying Phase 1 support direct to councils to mitigate the risk of councils paying AWT operators for additional costs that may have already been reimbursed by the EPA. Alternatively, the cost details of Phase 1 Support Package and waste levy exemption should be released so councils and their communities have transparency of the financial impact.

Job and capital investment losses will occur if the AWT industry is forced to close down before a future policy pathway for household waste is developed by the NSW Government. If this happens substantial new investment of capital and feedstock, as well as approvals and licences, will be needed to rebuild an industry that could have adapted if given appropriate transition arrangements.

We request the EPA:

- *Extend the Phase 1 Support Package, including the waste levy exemption, for the life of existing contracts or until affected communities transition to long term sustainable solutions for household waste.*
- *Set in place appropriate governance arrangements including external audits of AWT processing and waste levy claims to ensure public monies are spent for the purpose intended.*
- *Release the cost details of the Phase 1 Support Package and waste levy exemption so councils and their communities have transparency of the financial impact of the EPA's position.*
- *Ensure that the value of any carbon credits for CO2 abatement from landfilling of MWOO be used to offset the cost of the Phase 1 Support Package.*

Direct funding to councils

The EPA should consider providing support directly to councils to protect them from contract claims for increased costs whilst continuing to waive the levy exemption.

The impact of the MWOO exemption revocation will depend on individual contract provisions. The majority of councils as yet do not know what the increased costs will be nor what their immediate support needs are. Contractors are expected to rely on the provisions of their existing contracts – such as 'force majeure' or 'change of law' clauses to claim for increased

costs or seek other solutions. A claim for increased costs will be difficult to assess without transparency of AWT costs and levy exemption costs. However all contract options need to be understood to inform any possible re-negotiation. Councils need time to consider – and report on - contract options.

Without support from EPA, councils will be forced to pay claims from waste budget reserves, where available, placing the council at risk of improperly raising this money in a manner that is contrary to their powers under the *Local Government Act 1993*.

If councils do re-negotiate their contracts, the contract negotiations may impose unknown costs on councils as the 20-year Waste Strategy has not been released and contracts could need to be varied once the strategy is implemented. They may also need to make changes to their collection contracts if variations are required.

We request the EPA:

- *Work with councils in early 2020 to provide direct funds for councils' immediate use, at their discretion, for MWOO associated activities such as:*
 - *Funding for contracts options analysis*
 - *Financial support to offset any contract claims for increased costs in the absence of Phase 1 support and waste levy exemption, so that no increased cost is passed on to ratepayers*
 - *Contract negotiation support*
 - *Funding to enable service continuity in the case of legal action*
 - *Coordination of the re-negotiation of contracts (or other options)*
 - *Education campaigns on waste avoidance, recycling right and problem wastes*
 - *Support for infrastructure upgrades for those regional councils already delivering FOGO*
- *Release the estimates provided by EY consulting in agreeing the individual deeds with AWT operators to assist councils verify the scope of claims for increased costs.*

Short to medium term solutions

Whilst the future for general household waste is seen as a matter for the 20-year Waste Strategy, affected councils have been discussing what are the possible solutions in the short to medium term (2-5 years) and what support may be required.

Regardless of what solutions are put in place, waste avoidance and better source separation are pivotal to reducing the amount of residual household waste produced. In line with the NSW Circular Economy Policy, the National Waste Policy Action Plan and the NSW Waste and Resource Recovery Strategy, there needs to be a stronger government focus on:

- reduction in household waste generation
- extended producer responsibility for plastics and problem wastes that cause physical and chemical contamination in residual household waste
- removal of recyclables from residual household waste

To our knowledge there has been little Australian research or investigation undertaken on the role source separation either at the kerbside or through take back schemes plays in reducing

chemical contamination by removing physical contaminants that result in chemical contamination in MWOO.

We request the EPA:

- *Deliver state wide waste avoidance and smart shopping campaigns to reduce household waste generation*
- *Work with the Australian Government on extended producer responsibility for plastics and problem wastes*
- *Deliver state wide recycling campaigns to reduce the amount of plastic and other recyclables in household waste*

Landfill

Councils that were looking to the market for an AWT solution have extended existing landfill contracts or entered into short term landfill contracts until the policy environment is more stable. Councils that can landfill under their existing contracts and councils that can terminate their AWT contracts and send material to landfill are likely to do so if Phase 1 support and waste levy exemption are removed.

Site specific MWOO exemptions

According to the EPA MWOO is being stockpiled at 14 mine sites and has not been removed for landfilling, unlike stockpiles for agricultural use. This signals that site specific MWOO exemptions may be accepted by EPA for current mine sites. Highly contaminated mine sites may also be suitable for MWOO application where no further land use will be permitted until long term sustainable solutions can be found.

Site specific exemptions are also being sought for the use of MWOO as alternate daily cover, however it is unclear if the waste levy will be waived on the MWOO.

Completing site specific exemptions can take over two years to complete and are confidential. However this approach in the current crisis may limit investment in solutions. There are also concerns that reintroducing MWOO to end users after the brand has been tarnished will be challenging.

We request the EPA:

- *Work with DPIE to investigate the use of MWOO on contaminated/derelict mine sites as an immediate solution*
- *Provide upfront guidance on the criteria required to be met for specific exemptions, for example, acceptable physical and chemical contaminant levels.*
- *Deliver streamlined pathways for assessing site specific exemptions*
- *Deliver streamlined pathways for any regulatory change or licence change required to assist in implementing site specific solutions*
- *Provide practical communications that make it clear how the decision to continue MWOO use on these sites has been reached.*

Refuse Derived Fuel (RDF)

Whilst the Jacobs study commissioned by the EPA found no known barriers to producing RDF as an output of existing AWT facilities with some higher capital investment and longer implementation timeframes, the key barrier that was identified is the lack of domestic and offshore demand for RDF from processed household waste (that typically has high levels of chlorine contamination). In comparison markets for this type of RDF are well established in other countries where chlorine contamination is managed.

Significant investment is required to develop domestic markets for RDF from processed household waste given the immaturity of the EfW industry in Australia.

We request the EPA:

- *Provide upfront guidance on the criteria required to be met for a specific exemption for RDF and accelerate processing of any RDF application.*
- *Work with the Australian Government to ensure that RDF is not included in the waste export ban.*
- *Work with DPIE to develop the domestic and international markets for RDF in partnership with industry.*
- *Undertake research into the environmental impact of RDF to ensure its viability.*

The future use of household waste

Metropolitan councils do not want to pre-empt the policy direction for household waste in the 20-year Waste Strategy. Once the direction is clear, councils and their contractors will be able to work towards long term sustainable solutions for household waste. However councils have raised some issues that should be considered by the EPA in analysing policy options for household waste. The issues outlined below are not local government feedback on any potential aspect of the 20-year Waste Strategy.

Food and garden organics/food organics (FOGO/FO)

Councils note the EPA's preference for FOGO/FO systems as a solution, in part demonstrated by the Phase 2 AWT Transition Package. This is also in line with the National Waste Policy Action Plan target of halving the amount of organic waste sent to landfill for disposal by 2030.

While FOGO is working well for the three affected councils on the north coast, metropolitan councils affected by the MWOO decision should not be forced to pre-empt the State's strategic direction for household waste. FOGO is not considered a realistic option for many for at least 5-10 years as operational and contamination constraints become better understood and managed.

Councils are concerned that the research relied on by the EPA to set this direction is not well aligned to the household operating environment experienced in metropolitan Sydney.

While some overseas cities have successfully introduced FOGO/FO, their residents have been primed over many years to use a much greater range of source separation collection systems, both in and out of the home, that capture many products (textiles, electrical equipment and

plastics) that might cause concern (eg PBDEs) in FOGO/FO. These broader collection systems are mainly lacking or very underdeveloped in metropolitan Sydney.

The research and science behind the MWOO decision took seven years. The equivalent rigour has not been applied to FOGO/GO and there are concerns that the FOGO RRO/E may be revoked in the lifespan of any future metropolitan council FOGO/GO contracts. Recent NSW research has largely been conducted on rural or regional council FOGO collection systems and the Penrith SUD FOGO collection which in parts is semi-rural. The Rawtec report that analysed NSW food and garden bin audits found an average contamination rate of 2.6% based on weight, however the report did not report on volume, given one of the most common contaminants was plastic (the contaminant of lightest weight).

Metropolitan councils have over the last 10 years trialled FOGO/FO for multi unit dwellings (MUDs) and found many barriers – bin space, existing chute systems, contamination, truck access, movements etc. While the recent EPA MUD trials of 100,000 units underway in Waverley and the City of Sydney LGAs are welcomed, these trials may not represent residents in the majority of metropolitan Sydney, where recycling contamination can be up to 40%. While FOGO collections from single unit dwellings (SUDs) are likely to be more promising, many councils are reticent to introduce a separate service for a housing type that does not dominate their LGA and is declining. However there may be opportunity for bespoke user pays services in SUDs.

Metro councils recognise there are 40 councils doing successful FOGO in regional NSW however their operating environment is very different. These regional councils are successful, in part, because they have fewer MUDs, FOGO processing facilities and end markets are available at short distance from source collection; and residents are generally more environmentally aware and have more time. Similar operating environments exist in metropolitan Perth. Much higher levels of contamination is expected in MUD FOGO/FO than in regional LGAs.

Several councils have robust kerbside garden organics (GO) systems with very low contamination with mature, reliable markets for this output. There are concerns that these will be contaminated for very little increase in organic yield. A different processing system may also be required for FOGO than GO.

Further work on packaging would help address FOGO/FO contamination. According to APCO, 40% of packaging is now soft plastics, a major contaminant in kerbside recycling bins with similar contamination expected in metro FOGO/GO bins. Even most alternate compostable packaging is not accepted by composting facilities and any system introduced should complement the home composter.

If source separated organics collection is the policy direction, research and analysis is needed to underpin a strategy for its introduction in metropolitan Sydney. Should FOGO/FO collection from high producing premises over a certain threshold such as hotels, RSLs and food manufacturers be introduced first to build the processing and markets, for example. There are also concerns that the volume of FOGO collected will outstrip infrastructure – transfer stations and processing capacity as facilities come on line; and that the product could flood the

compost market. The mechanism for governments procuring FOGO compost for their own use also needs to be considered.

Councils will be reluctant to enter into waste 'processing' contracts if they have already been burnt. Any new tenders for long term AWT contracts that involve new and costly infrastructure will involve substantial transfer of risk allocation to councils. The contracting risk profiles in new contracts will need to be better developed as certain risks will no longer be accepted by councils.

Dependant on the strategic approach taken in the 20-year Waste Strategy, the NSW Government could better support or 'underwrite' some of this risk, for example by legislating exemptions and standards, legislating energy from waste permitted uses, prescribing facility output standards or even developing waste reduction and resource recovery infrastructure technologies and systems as per Section 6 of the Waste Avoidance and Resource Recovery Act.

We request the EPA:

- *Undertake further research into metropolitan Sydney FOGO, including longitudinal research into FOGO output products. (This research should be published in an accessible and timely fashion)*
- *Undertake a detailed analysis of all waste management options for household waste (for metropolitan Sydney and regional NSW) including a robust analysis of all the costs and environmental impacts of options and solutions.*
- *Consider prescribing standards for FOGO output that can be relied on (not just general orders that can be revoked)*
- *Strengthen product stewardship for food packaging waste to streamline its compatibility with any legislated FOGO/FO input.*

Energy from Waste

Regardless of the future policy direction for household organics there will still be residual household waste, and energy recovery from this residual currently represents the most efficient use of this resource. This is recognised by the NSW Energy from Waste (EfW) Policy Statement.

There is mixed interest in EfW across affected metropolitan councils with most waiting for further policy clarity and improved market certainty before viewing this technology as an alternative to landfilling. Councils are looking to the 20 year Waste Strategy for policy clarity around the role EfW will play in a future integrated, sustainable solution for kerbside waste.

The social licence for EfW as a viable option for residual waste is changing with NSW landfill capacity decreasing, DWMC increasing, waste generation increasing per capita and with population increase, and with the first social licence gained in Western Australia for an EfW plant to take household waste.

The NSW Government has a role in educating the community about EfW options that can contribute to building a social licence for this technology. The Government also has a role to undertake feasibility studies of EfW technologies suitable for various NSW regions to guide

decision making by local government. The location of EfW and other waste management facilities present real barriers for councils and communities accepting this service option. The NSW Government needs to provide greater direction on land allocations for these facilities.

We request the EPA:

- *Educate the community about EfW options and other residual waste options to contribute to the social licence for the technology*
- *Undertake feasibility studies of EfW technologies suitable for various NSW regions*
- *Provide greater leadership and direction on land allocation for EfW facilities*

Need for clear policy direction

Councils need leadership and policy certainty from the NSW Government through the 20-year Waste Strategy, including the NSW Plastics Plan, based on strong research and science, before we can start to identify a sustainable solution, work out what support we need, and transition our communities, in partnership with the industry, to more sustainable solutions.

We request the EPA

- *Research, trial and model long term sustainable solutions for household waste to contribute to the evidence base for decision making.*
- *Undertake comparative analysis, including cost benefit analysis, of the alternative solutions to inform the EPA's policy direction.*

Reinvestment of the waste levy

The 20 year Waste Strategy and its implementation plan will be accompanied by new/revised regional and council level waste strategies.

We request the NSW Government to reinvest the waste levy to:

- *Fund regions of councils to develop regional waste plans for the future of waste and resource recovery in their regions, which include infrastructure and circular economy solutions to address the needs of our cities and regions.*
- *Fund the delivery of priority infrastructure and other projects, procured by local government, that are needed to deliver the regional scale plans, particularly where there is market failure identified in the regional plans.*

Conclusion

LGNSW seeks an ongoing cooperative dialogue with the EPA to minimise the impacts on affected councils and their communities, arising from the EPA's sudden MWOO exemption revocation. Councils are in the early stages of formal discussions with their contractors about possible future options for their household waste and have a number of requests of the EPA to assist them:

Immediate support for councils

Extend Phase 1 Support Package post 28 February 2020

We request the EPA:

- *Extend the Phase 1 Support Package, including the waste levy exemption, for the life of existing contracts or until affected communities transition to long term sustainable solutions for household waste.*
- *Set in place appropriate governance arrangements including external audits of AWT processing and waste levy claims to ensure public monies are spent for the purpose intended.*
- *Release the cost details of the Phase 1 Support Package and waste levy exemption so councils and their communities have transparency of the financial impact of the EPA's position.*
- *Ensure that the value of any carbon credits for CO2 abatement from landfilling of MWOO be used to offset the cost of the Phase 1 Support Package.*

Direct funding to councils

We request the EPA:

- *Work with councils in early 2020 to provide direct funds for councils' immediate use, at their discretion, for MWOO associated activities such as:*
 - *Funding for contracts options analysis*
 - *Financial support to offset any contract claims for increased costs in the absence of Phase 1 support and waste levy exemption, so that no increased cost is passed on to ratepayers*
 - *Contract negotiation support*
 - *Funding to enable service continuity in the case of legal action*
 - *Coordination of the re-negotiation of contracts (or other options)*
 - *Education campaigns on waste avoidance, recycling right and problem wastes*
 - *Support for infrastructure upgrades for those regional councils already delivering FOGO*
- *Release the estimates provided by EY consulting in agreeing the individual deeds with AWT operators to assist councils verify the scope of claims for increased costs.*

Short to medium term solutions

We request the EPA:

- *Deliver state wide waste avoidance and smart shopping campaigns to reduce household waste generation*
- *Work with the Australian Government on extended producer responsibility for plastics and problem wastes*
- *Deliver state wide recycling campaigns to reduce the amount of plastic and other recyclables in household waste*

Site specific MWOO exemptions

We request the EPA:

- *Work with DPIE to investigate the use of MWOO on contaminated/derelict mine sites as an immediate solution*
- *Provide upfront guidance on the criteria required to be met for specific exemptions, for example, acceptable physical and chemical contaminant levels.*
- *Deliver streamlined pathways for assessing site specific exemptions*
- *Deliver streamlined pathways for any regulatory change or licence change required to assist in implementing site specific solutions*
- *Provide practical communications that make it clear how the decision to continue MWOO use on these sites has been reached.*

RDF

We request the EPA:

- *Provide upfront guidance on the criteria required to be met for a specific exemption for RDF and accelerate processing of any RDF application.*
- *Work with the Australian Government to ensure that RDF is not included in the waste export ban.*
- *Work with DPIE to develop the domestic and international markets for RDF in partnership with industry.*
- *Undertake research into the environmental impact of RDF to ensure its viability.*

The future use of household waste

FOGO/FO

We request the EPA:

- *Undertake further research into metropolitan Sydney FOGO, including longitudinal research into FOGO output products. (This research should be published in an accessible and timely fashion)*
- *Undertake a detailed analysis of all waste management options for household waste (for metropolitan Sydney and regional NSW) including a robust analysis of all the costs and environmental impacts of options and solutions.*
- *Consider prescribing standards for FOGO output that can be relied on (not just general orders that can be revoked)*
- *Strengthen product stewardship for food packaging waste to streamline its compatibility with any legislated FOGO/FO input.*

Energy from Waste

We request the EPA:

- *Educate the community about EfW options and other residual waste options to contribute to the social licence for the technology*

- *Undertake feasibility studies of EfW technologies suitable for various NSW regions*
- *Provide greater leadership and direction on land allocation for EfW facilities*

Need for clear policy direction

We request the EPA

- *Research, trial and model long term sustainable solutions for household waste to contribute to the evidence base for decision making.*
- *Undertake comparative analysis, including cost benefit analysis, of the alternative solutions to inform the EPA's policy direction.*

Reinvestment of the waste levy

We request the NSW Government to reinvest the waste levy to:

- *Fund regions of councils to develop regional waste plans for the future of waste and resource recovery in their regions, which include infrastructure and circular economy solutions to address the needs of our cities and regions.*
- *Fund the delivery of priority infrastructure and other projects, procured by local government, that are needed to deliver the regional scale plans, particularly where there is market failure identified in the regional plans.*

Depending on the next steps from the EPA, councils may have further reactions to what is put forward that might influence these requests or raise other requests, as all options need to be considered by councils.

The most pressing request is for Phase 1 Support Package, including the waste levy exemption, to continue for the life of existing contracts or until affected communities transition to long term sustainable solutions for household waste. Whether this request is granted will have significant bearing on what support councils need between now and when we have certainty about the strategic direction for household waste through the 20-year Waste Strategy.

Once EPA advises whether Phase 1 support and the waste levy exemption will continue, or if either of these will continue, LGNSW and councils would be keen to work together with the EPA to identify in more detail the short to medium support needs.

For further information, please contact Liz Quinlan, Senior Policy Officer – Waste, on Liz.Quinlan@lgnsw.org.au or 02 9242 4095.