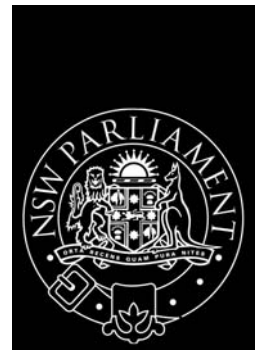


LEGISLATIVE ASSEMBLY



Standing Committee on Public Works  
INQUIRY INTO MUNICIPAL WASTE MANAGEMENT IN NSW

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## Chairman's Foreword

Australia's per capita municipal waste production is one of the largest in the world. Although the average Australian householder is putting more in recycling bins than a decade ago, Australians are still creating more waste.

Waste management is a complex, increasingly capital intensive, and environmentally concerning issue in NSW. While municipal waste is only one type of waste in the total waste stream, it is a substantial and growing budget item for councils and local communities.

Waste policy in NSW is predominantly guided and governed by State government. Most NSW local councils contract out their municipal waste collection, recycling and disposal services. The Public Works Committee's report considers whether the current municipal waste management arrangements and regulations at both local and State government levels are value for money, environmentally sound and delivering community objectives.

While considering municipal waste policy in NSW, the Committee developed the view that a broader perspective on waste is required that recognises the links between sustainability concerns, consumption activity and waste, and integrates the roles of government, consumers and the market in developing waste management solutions.

As part of this broader perspective, the Committee has examined key issues through the municipal waste cycle from production and consumption, collection and processing, and finally through to disposal.

I believe that the recommendations in this report will assist to improve our community's capacity to manage municipal waste effectively.

This inquiry was undertaken over nine months and has involved substantial contributions from various peak bodies, State and Federal departments, local councils, community members and individuals. On behalf of the Committee I would like to thank all those who made submissions to the inquiry.

I would also like to thank our hosts at site visits undertaken in April and May 2006, specifically, to Collex for the visit to the Woodlawn Bio-reactor; to Mr Peter Draper MP for the visit to Tamworth and Gunnedah; and to GRD Limited and Waste Services NSW for the visit to the Eastern Creek Waste and Recycling Centre.

I am pleased to present this report and thank my fellow Committee Members and the Committee Secretariat including Chris Carmichael from the Department Environment and Conservation for their work on this report.



Mr Kevin Greene MP  
Chair



## Functions of the Committee

The NSW Standing Committee on Public Works consists of seven members of the Legislative Assembly and was established with its current terms of reference in 1995.

The Committee's primary role is to inquire and report from time to time on existing and proposed capital works projects, or matters relating to capital works projects, in the public sector, including the environmental impacts of such works, and whether alternative management practices offer lower incremental costs, as are referred to it by the Minister for Commerce, or any Minister, or by the resolution of the Legislative Assembly, or by motion of the committee.

The NSW Parliament prescribed that the Committee may:

...inquire into the capital works plans of State-owned corporations and joint ventures with the private sector. The Committee will seek to find savings in capital works programs whilst achieving a net reduction in environmental impacts by public sector developers.

The Committee's work is expected to provide incentives to the public sector to produce more robust cost-benefit analyses within the government budgetary process and to give more emphasis to least-cost planning approaches.

The Committee will be sufficiently resourced to enable it to conduct parallel inquiries into specific projects and capital works programs generally... it will have sufficient resources to inquire into the capital works program of all government agencies whose capital works programs affect the coastal, environmental and transport sectors.

The Committee's current functions also include those absorbed from the Standing Committee on the Environmental Impact of Capital Works, which was established in the 50th Parliament (1991-1994).





# Abbreviations

ABS	Australian Bureau of Statistics
ACOR	Australian Council of Recyclers
AWD	Australian Waste Database
AWT	Alternative Waste Technologies
CDL	Container Deposit Legislation
DEC	Department of Environment and Conservation NSW
FCA	Full Cost Accounting
EPR	Extended Producer Responsibility
EPA NSW	Environment Protection Authority
EU	European Union
LATS	Landfill Allowance Trading Scheme
MBI	Market Based Instruments
MGB	Mobile Garbage Bin
MSW	Municipal Solid Waste
MRF	Material Recovery Facility
NCC	Nature Conservation Council of NSW
NPC	National Packaging Covenant
SSROC	Southern Sydney Regional Organisation of Councils
PC	Productivity Commission
PS	Product Stewardship
UR-3R	Urban Resource – Reduction Recovery and Recycling
VENM	Virgin Extracted Natural Material
WSN	Waste Services New South Wales
WSROC	Western Sydney Regional Organisation of Councils



## Executive Summary

Australia's per capita municipal waste production is one of the largest in the world. Although the average Australian householder is putting more in recycling bins than a decade ago, Australians are still creating more waste.

Waste management is a complex, increasingly capital intensive, and environmentally concerning issue in NSW. Municipal waste is only one type of waste in the total waste stream. However, the primary responsibility for management of municipal domestic waste, also known as domestic or household waste, lies with local government and is guided by State government waste policies.

Municipal waste management is a substantial and growing budget item for councils and local communities. Most NSW local councils contract out their waste collection, recycling and disposal services. In addition the NSW Government has a State owned corporation operating waste transfer and landfill sites in the Sydney basin known as Waste Services NSW (WSN). The question addressed in this Inquiry is whether the current municipal waste management arrangements and regulations at both local and State government levels are value for money, environmentally sound and delivering community objectives.

In considering the directions for municipal waste policy in NSW, the Committee examined and confirmed several fundamental premises, which it believes should shape municipal waste policy.

Firstly, the Committee examined **sustainability** and waste generation. Most governments, including the NSW Government, recognise the connection between sustainability and waste and the Committee believes that this link should inform waste policy development.

The Committee found that technical solutions proposed for energy recovery, containment and disposal of waste are important in improving waste management in the short term. However, contrary to the views of a parallel inquiry by the Commonwealth Productivity Commission, the Committee sees that technological changes alone are not sufficient to move society towards sustainable consumption and sustainable waste management (Chapter 1, FINDING 1).

The Committee looked at other factors, which drive waste creation and believes that policy makers should look towards influencing **consumption** activities. Consumer behaviour is a main contributor to the waste problem but may also provide a mechanism to create dramatic change.

The Committee suggests that community aspirations towards waste minimisation and sustainability should be harnessed more directly to influence improvements in waste management. Consumers can see the bigger picture –they are not simply price driven and their purchasing decisions can be influenced by their values and aspirations. This is an advantage to policy makers in a waste management context because we cannot at this stage use the price signals in the waste market to accurately reflect all the costs and benefits associated with waste creation.

Waste policies, which tap into community values and influence consumer activity, can be a substitute mechanism to address sustainability concerns which are not reflected in current

pricing of consumer products and waste disposal. The Committee believes that waste policies should try to separate consumption growth from waste growth by looking at smarter “or less wasteful” production and consumption activities. The Committee believes more emphasis should be given to “upstream” production and consumer strategies to affect waste outcomes. (Chapter 1, FINDING 2)

The Committee also considers it necessary to distinguish between some of the recent policy treatments of the **waste market** and industries relating to waste. An effective waste industry is vital to the State’s long-term economic performance and environmental health. However, given the community’s overriding goal for environmental sustainability and waste minimisation, simple applications of market competition principles may not be consistent with the community’s waste management goals.

In contrast to the Productivity Commission’s suggestion that some Australian jurisdictions ‘have become obsessed with waste minimisation as an end in itself’, the Committee believes that governments must also take care to avoid becoming obsessed with creating a flourishing waste industry as an end in itself. The true measure of the government’s success in waste management is ultimately less waste (Chapter 1, FINDING 3).

Chapter 2 of the Report outlines current international, national and state trends and data, along with an explanation of general systems for municipal waste management in NSW .

In Chapter 3, the Committee examines NSW and national waste policies and discusses the impact of these current regulatory arrangements.

**Greater government coordination** was seen a critical requirement for improving efficiency and effectiveness in municipal waste management. Some submissions called for the creation of a new resource recovery agency. However, the Committee believes that there is no need for the creation of a new agency at this time, as the present public sector structure incorporating the NSW Department of Environment and Conservation (DEC) and its divisions monitor the issues associated with waste management in NSW.

The Committee does support calls for increased resource recovery considerations to be incorporated into any new public sector structures, policies and strategic plans. Moreover, there does appear to be an urgent need for greater reliance upon resource recovery and waste infrastructure coordination across NSW.

While the Committee recognises the Sydney Metropolitan Strategy’s consideration of the future development of a Waste Infrastructure Strategy (WIS), it is recommended that such a strategy be accelerated and include a range of issues raised in the Inquiry. The Committee believes that waste infrastructure planning should be concurrent with residential and utility planning to maximise synergies (Chapter 3, RECOMMENDATION 1).

The Committee received various comments about the current **NSW Waste Strategy** developed and managed by the Department of Environment and Conservation. While the Waste Strategy is a high-level document that spans the three waste streams of the waste sector, the municipal waste stream is only one part of the NSW-wide waste policy.

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The Committee notes the suggestions made concerning the NSW Waste Strategy and the requirements for a clearly articulated approach to encourage a more practical application of its goals. As the Waste Strategy is based on achieving targets, a more transparent process for communicating targets should be developed. Respondents argued that the Waste Strategy should set more realistic (achievable and measurable) targets and encourage resource recovery, as opposed to its focus on waste minimisation.

Essentially, the Committee believes that the Waste Strategy needs to be updated to provide clearer guidance for stakeholders to achieve targets and meet defined milestones for municipal waste. While the Committee has no difficulties with the Waste Strategy in its current form as an overarching State waste policy, because of recent changes in waste management such as Alternative Waste Technologies and increased calls for triple bottom line measures, it needs to be revised and realigned with State Government sustainability outcomes.

Therefore, the Committee recommends that the NSW Waste Strategy either be updated, or a new municipal waste policy be developed to underpin and complement the Waste Strategy with a view to strengthening the Strategy's framework to enable targets to be more realistic, measurable and attainable. Regardless of which policy avenue the State Government adopts, the Committee argues improvements should be made in data consistency, target specification, waste infrastructure planning and resource recovery guidance principles (Chapter 3, RECOMMENDATION 2).

Further State government policy issues were raised in the Inquiry. A question of potential and perceived **Ministerial conflict** was raised in submissions about the operations of WSN, the State owned corporation for waste services in the Sydney region. The Minister for Environment is designated as both the Minister responsible for WSN's corporate performance and also the Minister responsible for the Environment Protection Authority (EPA), which is the regulatory body that scrutinises and licenses all NSW waste operators.

While the Committee cannot see any impropriety or conflict of interest in the execution of the Minister's dual roles, given the rapid changes in the waste industry and its associated markets, the separation between the regulator (DEC/ EPA) and the operator (WSN) under the Minister's portfolio is advisable.

Separation of these functions is consistent with the division of environmental regulatory compliance and management responsibility applied to other State owned corporations such as Sydney Water, which is monitored by the EPA but has the Minister for Water Utilities responsible for its corporate performance. Locating WSN under the Minister for Energy or Minister for Water Utilities within the umbrella of the supporting Department of Energy, Utilities and Sustainability may also generate common synergies for the management of State owned utility corporations and for the management of sustainability concerns in energy and water arising from waste activities.

The Committee recommends the transfer of WSN to the portfolio of the Minister for Energy (or Minister for Water Utilities) overarching the Department of Energy, Utilities and Sustainability. The transfer is consistent with other utility related State owned corporations and allows WSN to be at arms length from its principal regulator (Chapter 3, RECOMMENDATION 3).

The WSN was made a corporation in 2001. The operations of the organisation, including its ability to play on an even field under the principles of competitive neutrality, are pursuant to the provisions of the State Owned Corporations Act 1995.

It is recognised that WSN initiates various innovative waste management programs but does not have **specific legislated community obligations** like those attached to many other State owned corporations. Building upon the transfer of WSN to the umbrella of the Department of Energy, Utilities and Sustainability, as per Recommendation 3, the Committee also recommends that WSN build upon its current operations through the addition of special responsibilities to the community, which reflect its unique status. For example, given the established waste management sites owned by WSN, it may be in a better position to facilitate certain start up reuse and recycling programs than private industry. The Committee believes that these activities should be recognised as public interest programs contributing to whole of government goals.

The Committee recommends that WSN remain in public ownership at this time. The Committee further recommends the Government consider attaching special community responsibilities that focus WSN on improving delivery of community and whole of government sustainable waste management objectives (Chapter 3, RECOMMENDATION 4).

Chapter 4 of this Report considers production practices and consumer behaviour relating to waste. A significant issue raised in the Inquiry was community involvement in waste management initiatives. The uptake of reuseable shopping bags was mentioned frequently as an example of community aspirations to “make a difference” to the waste problem.

The Committee believes that community support and take up of reusable bag use is a valuable tool for government to springboard to direct and more substantial community waste avoidance action. The Committee recommends that the value of community support and the voluntary effort aspect of the current arrangements be recognised in future considerations of plastic bag prohibitions. Moreover the Committee believes that irrespective of the outcome of any further analysis of plastic bag prohibition, community participation in voluntary activity should not be discouraged (Chapter 4, RECOMMENDATION 5).

The Committee recommends that integration of waste education materials with common reference points be considered. Voluntary and council specific approaches should give way to a mandated approach to common signage and coding systems for waste. This would apply incrementally as collection contracts expire and bin and signage items are replaced. It should be a condition of new tenders that standardised community education approaches apply (Chapter 4, RECOMMENDATION 6).

The Committee recognises that efforts in educating the community extend beyond placing the right waste in the right bin and need to be directed toward a greater understanding of the full costs associated with waste disposal and recycling. Voluntary or mandated approaches to Extended Producer Responsibility (EPR) and Product Stewardship initiatives pursued by the Government, appear to be making a change. Based on the evidence considered during the course of this Inquiry, the Committee recommends that these policies should be accelerated and expanded (Chapter 4, RECOMMENDATION 7).

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Chapter 5 of this Report looks at the collection and processing practices for municipal waste. The issue of bin type standardisation (colour coding for types of waste) is important. Standard bin types can increase the level of resources recovered from the kerbside and reduce the levels of contamination at the source of disposal by the use of consistently applied colour codes.

The Committee acknowledges the work done by the Department of Environment and Conservation in regard to the development of best practice guidelines for councils to standardise waste collection systems and to promote consistency across municipal waste management collection systems. The Committee also recognises that local councils and their communities have specific needs that call for councils to make decisions on waste management collection systems that effectively reflect community requirements.

Further, the Committee believes there is merit in further considering the suggestion for differential collection charges to be applied, based on consumer waste preferences and waste volumes.

The Committee recommends that the NSW Government (Chapter 5, RECOMMENDATION 8):

- Continue the Department of Environment and Conservation's current program under the Local Council Waste Service Performance Payments to promote best practice bin configuration and standardisation bin colour codes;
- Pursue initiatives, including the associated costs and benefits, of differential collection charges with a view to reducing volumes of generated household waste and increasing the amount of recovered materials collected at the kerbside

The Committee took evidence relating to specific components of municipal waste including **recyclable waste, organic and compost materials**.

It is estimated that fifty per cent of residual waste that goes to landfill is putrescible material/food waste. Putrescible waste, as **organic biodegrading material** is a significant creator of greenhouse gas emissions when placed in landfill. Improved recyclables collection will not address this issue. This in part has prompted international jurisdictions to move toward total bans or targets of no greater than 5% on organic materials deposited to landfill. As no strict quotas or mandated bans on the quantities of food waste disposed to landfills have been prescribed in NSW, it appears that this issue requires further investigation and research. The Committee recommends that the Government undertake an analysis of the organic waste to landfill problem (Chapter 5, RECOMMENDATION 9).

The Committee heard evidence that while NSW kerbside **recycling** participation rates are very high at 80%, contamination and costs associated with the collection and processing of recyclable materials are factors often overlooked or unknown to those who pay for such services. The Committee sees that recyclable materials are a joint responsibility between producers and consumers and that a more equitable distribution of costs should be explored to capture financial and physical responsibility across the life cycle of the product (Chapter 5, RECOMMENDATION 10).

**Garden organics collection** at the kerbside is an important process that diverts biodegradable waste from landfills and creates composting materials. The Committee recognises that the

capture of this waste, via the provision of kerbside collection systems, has done much to reduce the volume of waste to landfill.

However, the Committee is also cognisant of quality issues, and the need to deliver a marketable compost product that can be used in a cost effective manner. While the NSW Department of Environment and Conservation has undertaken research to demonstrate the environmental benefits and cost savings derived from this type of material collection, it is apparent that more effort is needed to develop and encourage markets to utilise this valuable recovered resource.

The Committee recognises the efforts of stakeholders in highlighting the value of recovered garden organic materials and the benefits derived from the processing of this material. The Committee recommends that the Department of Environment and Conservation apply resources to develop and encourage markets to efficiently utilise this valuable resource (Chapter 5, RECOMMENDATION 11).

The Committee is mindful of the differentiation between metropolitan and **rural/regional areas** in providing municipal waste services. Rural and regional areas are faced with constraints that make efficient waste management practices much more difficult to achieve when contrasted against metropolitan waste management issues. Further, recognition of the difference between these areas needs to be understood and programs and initiatives implemented to assist achievable outcomes under the NSW Waste Strategy.

Many of the constraints placed upon rural and regional areas where transportation of collected waste for processing and transportation of processed waste to markets is a costly burden, is due to the rising cost of fuel, not experienced by metropolitan counterparts.

The Committee is aware of the programs employed by the NSW Department of Environment and Conservation and rural regional councils to address these issues and to assist these organisations in meeting their obligations under the NSW Waste Strategy. This approach appears to be working in a constrained environment and needs to be further supported.

The Committee recommends that the range of initiatives currently applied to assist rural regional areas be continued with additional support provided through the establishment of clearer and more realistic requirements for rural and regional councils. This will involve assistance to meet key performance indicators and to secure relevant grants and funding (Chapter 5, RECOMMENDATION 12).

The Committee heard about other issues associated with municipal waste management relating to clean-up services, public place, and illegal dumping activities.

Chapter 6 of the Report deals with disposal options for waste including **landfill and alternative waste technology (AWT)** disposal options. The Committee is aware that AWT technology does not remove the need for landfill as current technologies still produce residual waste. The Committee therefore sees landfills as a necessary element in the municipal waste stream now and for the foreseeable future.

The Committee considers that current landfill and AWT disposal methods should be seen as complementary rather than competing systems. The Committee proposes various

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recommendations to improve the evaluation of each disposal method, both independently and concurrently. A sense of reality should also be applied in the planning and policy mechanisms employed to address the presence of waste and the treatments available – this consideration must be applied to landfill.

The Committee identifies an apparent lack of consistency between State and Federal policies on landfill. Policies and strategies, aimed at assisting communities, local government and the waste industry must be consistent and coordinated between governments so that goals of municipal waste minimisation and resource recovery can be achieved. The Committee therefore recommends that a forum on waste policy, which examines the role of landfills, be established within the framework of the relevant national ministerial council- the Environmental Protection and Heritage Council - to determine a co-ordinated policy (Chapter 6, RECOMMENDATION 13).

Some further recommendations proposed by the Committee include increased standards for new landfills which reflect current technologies and the application of Full Cost Accounting (FCA) to assessments of new landfills. Full Cost Accounting takes into account the consumption and use of environmental resources in the full costs of production and market price. For example, FCA in landfill facilities would consider all costs including post closure remediation, leachate control and gas extraction (Chapter 6, RECOMMENDATIONS 14 AND 15).

The Committee recommends consideration of market based mechanisms to apply to landfill management in NSW, in particular, examination of the feasibility of a Landfill Allowance Trading Scheme (LATS) between NSW councils or between NSW Regional Group of Councils (Chapter 6, RECOMMENDATION 16).

The issue of the NSW Waste and Environment Levy, which applies a per tonnage disposal charge to waste sent to landfill, was raised in considerable detail in the Inquiry. The Committee heard about various advantages and disadvantages to the Levy and received suggestions for improvements. While the Committee understands the Levy was recently reviewed and a new incremental Levy regime has been set out for the next 5 years, the Committee also suggests that the NSW Department of Environment and Conservation articulate in greater detail the rationale behind the current price scale for the Levy increments and utilise the Full Cost Accounting method to assess appropriateness of current levy charges. (Chapter 6, RECOMMENDATION 17).

The Committee recommends the examination of the levy's application to Virgin Extracted Natural Material (VENM). VENM is the daily cover applied to landfills between waste layers and up to recently had been exempt from the levy. At an initial examination, the expansion of the levy to this material seems inconsistent with waste management goals. The Committee recommends that the Department of Environment and Conservation provide further information about the rationale and impacts of this policy (Chapter 6, RECOMMENDATION 18).

The final area of consideration in the report is **Alternative Waste Technologies (AWT)**. Councils, as autonomous authorities, maintain the right to make decisions that reflect the needs and wants of their communities. Consequently, local councils make the decision to enter into arrangements for the collection and processing of waste, and as technology has improved and

the associated costs increased, options for collaborative joint council contracts to initiate AWTs have evolved.

However it is widely recognised that, in the NSW context, AWTs are a newly emerging and relatively unproven form of waste technology that can carry a large degree of risk and responsibility that will ultimately reside with local councils (and their ratepayers), if such operations were to prove unviable. With commercial realities in mind, Councils need to protect themselves from commercial liability if such arrangements fail.

The Committee recognises that AWTs are complex. In many, if not most cases, the expertise required to understand the most appropriate AWT for a council or regional groups of councils, along with the legal expertise to assist contract development and performance monitoring, cannot be expected to exist within council operations.

At present, the Department of Environment and Conservation provides assistance to councils in the form of workshops and publications such as *Guidelines for Contract Management*. However, it appears that significant assessments of all factors associated with AWTs including the local demands of the client councils(s), and the goals of the Waste Strategy need better centralised coordination. Of key concern is sound assessment of the tradeoffs between AWT proposals and variations to existing landfills and associated systems. As recommended for landfill assessment, the Committee sees that FCA assessment of AWT proposals would help local councils get a better understanding of the opportunity costs between different disposal options

The Committee considers that councils needs additional support in developing contracts and making choices surrounding AWTs, and that increased coordination amongst stakeholders be reinforced to defray the costs, risks and burdens on ratepayers more equitably. The existing State level involvement does not necessarily provide for specialist engineering or scientific analysis of proposals which is a critical issue for AWTs. The expertise for this kind of analysis lies with the Department of Environment and Conservation. The Committee recommends that the Department of Environment and Conservation provide a unit, or access to a group of independent experts, who can assist local councils in the appraisal of AWT proposals. (Chapter 6, RECOMMENDATION 19).

# List of Recommendations

## **WASTE POLICIES IN NSW (CHAPTER 3)**

### **Recommendation 1 – Greater Government Coordination in Municipal Waste Management:**

The Committee recommends that the Waste Infrastructure Strategy be accelerated and include a range of issues raised in the Inquiry that integrates waste infrastructure planning with residential and utility planning to maximise synergies.

### **Recommendation 2 – Effectiveness of the NSW Waste Strategy:**

The Committee recommends that the NSW Waste Strategy either be updated, or a new municipal waste policy to underpin and complement the NSW Waste Strategy be developed. Regardless of which reform the government adopts, the policy should be incorporate the following:

- A standardised set of municipal waste management data (preferably consistent and developed at a national level), that can be applied to set realistic, measurable and attainable targets across the waste stream;
- A clearly stated set of yearly municipal waste stream milestones to be reported against by the NSW Department of Environment and Conservation;
- Clearer guidelines for waste and associated infrastructure (including AWTs), that will assist industry better plan, coordinate and integrate services and processes to meet municipal waste flow requirements and assist in efficient resource recovery and waste minimisation; and
- More explicit guidance for all stakeholders on the approach towards resource recovery and how this can be more efficiently fostered.

### **Recommendation 3 - Perceived Ministerial Conflict**

The Committee recommends the transferral of WSN to the portfolio of the Minister for Energy or the Minister for Water Utilities under the policy umbrella of the Department of Energy, Utilities and Sustainability. Such a transfer enables WSN operations to be consistent with other utilities that are State Owned Corporations and provides the WSN to be at arms length from the regulatory body – the Environmental Protection Authority.

### **Recommendation 4 - WSN Environmental Solutions - Operations**

The Committee recommends that WSN remain in public ownership this time. The Committee recommends the NSW Government consider attaching legislated Special Objectives that focus WSN on improving delivery of community and whole of government sustainable waste management objectives.

## **PRODUCTION AND CONSUMPTION ISSUES (CHAPTER 4)**

### **Recommendation 5 – Consumer Behaviour**

The Committee recommends that the value of community support and the voluntary effort aspect of the current arrangements be recognised in further considerations of plastic bag prohibitions. Moreover the Committee believes that irrespective of the outcome of any further analysis of prohibition, community participation in voluntary activity should not be discouraged.

### **Recommendation 6 – Waste Education**

The Committee recommends that integration of waste education materials with common reference points be considered. Voluntary and council specific approaches should give way to a mandated approach to common signage and coding systems for waste. This would apply incrementally as collection contracts expire and signage items are replaced. It should be a condition of new tenders that standardised community education approaches apply.

### **Recommendation 7 – Extended Producer Responsibility and Product Stewardship**

The Committee recognises the value of voluntary and mandated EPR and product stewardship initiatives pursued by Federal and State Governments and recommends that these initiatives should be accelerated and expanded.

## **COLLECTING AND PROCESSING (CHAPTER 5)**

### **Recommendation 8 - Domestic Collection at the Kerbside**

The Committee recommends that the NSW Government:

1. Continue the Department of Environment and Conservation's current program under the Local Council Waste Service Performance Payments to promote best practice bin configuration and standardisation bin colour codes;
2. Pursue initiatives, including the associated costs and benefits, of differential collection charges with a view to reducing volumes of generated household waste and increasing the amount of recovered materials collected at the kerbside.

### **Recommendation 9 - Processing of Collected Residual Waste**

The Committee recommends that in regard to residual household waste, the NSW Government undertake an analysis of organic waste to landfill and if deemed appropriate, develop a series of options for NSW to address the issues raised.

### **Recommendation 10 - Processing of Collected Recyclable Waste**

The Committee recommends that, in regard to recyclable household waste collected at the kerbside, a more equitable distribution of the costs associated with the generation of waste is required and that the NSW Government should pursue options for industry, in addition to the National Packaging Covenant, to accept a greater financial and physical responsibility across the life cycle of products.

### **Recommendation 11 - Processing of Collected Garden Organic Waste**

The Committee recommends that the NSW Department of Environment and Conservation apply resources to develop and encourage markets for recovered garden organics and promote the benefits derived from the processing of this material.

### **Recommendation 12 – Rural and Regional NSW**

The Committee recommends that the range of initiatives currently applied to assist rural and regional areas be continued with additional support provided through the establishment of clearer and more realistic requirements for rural and regional councils to follow to meet key performance indicators and to secure relevant grants and funding.

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## **WASTE DISPOSAL (CHAPTER 6)**

### **Recommendation 13 - Landfill Policy Forum**

The Committee recommends that the NSW Government take a leading role in establishing a forum between all tiers of government and industry, under the umbrella of the Environment Protection and Heritage (Ministerial) Council, to establish a clear and consistent message in regard to waste strategies and reaching achievable targets, preferably at a national level.

### **Recommendation 14 - Landfill Standards for NSW**

The Committee recommends that a set of standards, which include a minimum criteria be prescribed and rolled out to all NSW landfills. The minimum criteria should include appropriate siting, leachate control, appropriate management to reduce hazards and methane gas capture.

### **Recommendation 15 – Landfill Assessments**

The Committee recommends that full cost accounting be mandated in assessments of all new proposed NSW landfills to ensure the full costs associated with the life and post-closure effects of landfills are properly managed and accounted for and to encourage more efficient waste avoidance and separation practices.

### **Recommendation 16 – New Landfill Instruments**

The Committee recommends that the NSW Government work with local government and industry to explore opportunities for additional market based instruments (MBIs) (and complementary regulations), to apply to municipal waste. In particular, the Committee is supportive of the approach developed in the UK under the Landfill Allowance Trading Schemes (LATS), and suggests that the feasibility of such a tradeable scheme be explored for application in the NSW context.

### **Recommendation 17 – The Waste Levy and Analysis**

The Committee recommends that the NSW Department of Environment and Conservation (DEC) provide a more transparent process in determining Waste Levy rates to include FCA considerations. Specifically the Committee recommends that the DEC undertake some FCA analysis on sample landfills and assess these costs in relation to current levy charges.

### **Recommendation 18 – The Waste Levy and VENM**

The Committee recommends that the NSW Department of Environment and Conservation provide further explanation and justification concerning the removal of rebates associated with Virgin Extracted Natural Material (VENM) as a daily cover in landfill operations and why this change appears contrary to the goals of the Waste Strategy. Further, the Committee recommends that the DEC provide recommendations and/or guidance to assist landfill operators address their concerns associated with the use of VENM.

### **Recommendation 19 – AWT Assessment Unit**

The Committee recommends that the NSW Department of Environment and Conservation provide a unit, or access to a group of independent experts, who can assist local councils in the AWT appraisal.