

Ref: R24/0025

11 February 2026

The Hon. Nichole Overall, MLC
Chair
Portfolio Committee - Inquiry into Energy from Waste Facilities

By email: WasteEnergy@parliament.nsw.gov.au

Dear Chair

Responses to supplementary questions: Energy from Waste (EfW) facilities

Thank you for inviting Local Government NSW (LGNSW) to appear before the Inquiry into the Energy from Waste (EfW) facilities on 15 December 2025.

Local Government NSW's position is that EfW should only be considered for non-recyclable residuals after exhaustive resource recovery, and only where:

- technology is proven,
- emissions are tightly controlled,
- locations are supported by the local community,
- the hosting community is financially compensated, and
- social and community trust is secured.

LGNSW continues to advocate for other means to manage Sydney's growing waste challenge – such as improved avoidance, recycling, and organics recovery – rather than exporting the burden to rural and regional NSW.

However, where EfW facilities are accepted by the host community and approved, local government's clear position is that this must be limited to one large-scale facility per Local Government Area to prevent cumulative impacts.

This position was resolved at LGNSW's 2025 Annual Conference held in November last year, as follows.

2025 Resolution 90 - Goulburn Mulwaree Council - Energy from waste

That Local Government NSW:

1. advocates for recognition that proposed large scale (including household waste) waste to energy projects will have an impact on the regional centres where they are proposed and continues to advocate for other means to manage the increasing quantities of waste from Sydney.
2. seeks that should a facility be approved in a Local Government Area (LGA), that this be limited to one large scale facility per LGA and that the community be financially compensated for hosting this facility.

LGNSW's responses to questions taken on notice and supplementary questions issued to LGNSW are set out below.

QUESTIONS ON NOTICE

Question 1) Hon. ROD ROBERTS: *It has become obvious that e-waste, being batteries and even down to as small as vapes, are becoming an issue in compactor trucks and catching fire and toxic emissions and that sort of stuff. Has anybody done any studies on what would happen if they were thrown into an incinerator?*

In general, batteries are considered a hazardous waste contaminant not suitable for standard incineration due to their capacity to produce toxic residues and gasses and hard to control thermal runaways. However, the type of energy from waste (EfW) technology influences this as some facilities are designed to cope with these specific issues, such as pyrometallurgical (thermal processing) plants which collect the cobalt, nickel and copper (although the lithium is lost)¹ or pyrolysis².

Studies exist that mention or include the impact of batteries, mostly lithium-ion, on EfW facilities. This includes:

- A comparative study mentioning thermal runaway and toxic gas/fly ash production, noting that these materials are more easily contained at EfW sites than at non EfW sites³.

¹ Liliu, Q. and Liu, C (2023) [Current status of battery recycling and technology](#), J. Phys.: Conf. Ser. 2608 012011

² Traven, L (2023) [Sustainable energy generation from municipal solid waste: A brief overview of existing technologies](#), Case Studies in Chemical and Environmental Engineering, Volume 8, 100491

³ Record (2024) [Hazardous nature of lithium batteries in household and similar waste management – analysis and recommendations](#)

- The increase in fires is increasingly noted anecdotally⁴ and academically⁵ as are the toxins resulting from incorrect disposal of batteries (e.g. dioxins and heavy metals)⁶
- the Kwinana Energy Recovery Facility in Western Australia, operated by Acciona, has experienced issues with lithium batteries and items containing embedded lithium batteries. During commissioning, some batteries melted and fused to the grate, blocking the airflow holes that regulate air to the feedstock. This resulted in increased maintenance requirements to remove the embedded material and was noted as one of the more interesting operational learnings from the commissioning phase.
- Zero Waste Scotland's response to issues with batteries in the EfW stream has been the "Stop, Sort, Burn, Bury" strategy⁷.

Question 2) The Hon. NATASHA MACLAREN-JONES: *I want to explore a little bit more about the circular economy and, in particular, the diversion strategy around waste. Could you outline how that currently operates - I understand that in your submission there is a target of 80 per cent of waste to be part of that - and elaborate a little bit more in detail on that? How is that target being met at the moment across New South Wales?*

As noted in LGNSW's evidence provided during the hearing, NSW's recycling record is improving and the food organics/garden organics (FOGO) mandate is assisting with increasing diversion rates and supporting the transition to circular economy whereby materials are retained and reused for longer. However, councils recognise that meeting the NSW diversion targets remains challenging. In reality, diversion rates currently sit at 60% for recycling, with 1.7 million additional tonnes required to be diverted to achieve the municipal solid waste 2030 targets⁸.

In relation to municipal solid waste, the current system of kerbside collection (using a variety of bin configurations) followed by sorting of materials at transfer stations is reliant on system capacity, infrastructure, and market existence, all of which have recognised gaps⁹. In their submissions to this Inquiry, councils expressed that a

⁴ Baker, E. (2024) [Lithium-ion batteries are causing more than 10,000 fires a year in Australia.](#)

⁵ Chowdhury, C., Biswas, A., Kibria, G. & Mourshed, M (2026) [Battery waste management: Tackling environmental, health, and resource challenges from growing waste.](#)

⁶ Kaviul, I., Khatun, S. & Moushed, M (2024) [An in-depth analysis and review of management strategies for E-waste in the south Asian region: A way forward towards waste to energy conversion and sustainability](#)

⁷ Scottish Government (2022) [Stop, Sort, Burn, Bury - incineration in the waste hierarchy: independent review](#)

⁸ MRA Consulting Group (2025) [Hitting the NSW Waste Targets is Good for the Planet and Good Politics](#)

⁹ DPIE (2021) [NSW Waste and Sustainable Materials Strategy: A guide to future infrastructure needs](#)

number of options and factors are urgently needed to improve progress towards circularity. Councils are seeking continued infrastructure development, market development, waste reduction strategies, and alternative waste management options, and agree with waste associations and industry that a far higher level of State-led community engagement is essential if the changes to the NSW waste systems are to be supported and the targets are to be achieved (e.g. Hornsby Shire Council submission p. 9¹⁰; LGNSW submission p.11¹¹; Hunter Joint Organisation submission p.10¹²).

It is worth noting that targets have generated different responses across NSW councils. For example, the MidCoast Council submission states that 'EfW provides a treatment pathway for residual materials until circular economy solutions become commercially viable'¹³ while Hornsby Shire Council argues that 'EfW could lock councils into long-distance, costly long-term contracts, potentially undermining future recycling or circular economy initiatives'¹⁴.

As per the LGNSW submission to the Inquiry¹⁵, councils have highlighted that NSW's waste, energy, and planning frameworks operate in silos, creating uncertainty and inefficiency in waste management decision-making, including for EfW. The current fragmentation across ministerial portfolios limits the state's ability to deliver an integrated, circular resource recovery system. EfW should not be treated as an isolated technology but as one element within a coherent waste hierarchy that prioritises avoidance, reuse, and recycling before thermal treatment.

Transitioning to a circular economy, keeping materials in use for a longer period of time, and achieving the NSW diversion and recycling targets remain as priorities that local government shares with the State and Federal governments. This requires that waste and recyclables are managed in accordance with the waste hierarchy, noting that lower order options, which include EfW, can have an adverse impact on human and environmental health if not properly implemented and managed.

Question 3) The Hon. NATASHA MACLAREN-JONES: *Has any modelling been done on what the current cost of transporting waste from some councils to landfill sites is now, on what it could be if we had to take it further to regional and on what impact that*

¹⁰ Hornsby Shire Council (2025) [Submission to the Inquiry on Proposed Energy from Waste Facilities](#)

¹¹ LGNSW (2025) [Submission to the Inquiry on Proposed Energy from Waste Facilities](#)

¹² Hunter Joint Organisation (2025) [Submission to the Inquiry on Proposed Energy from Waste Infrastructure](#)

¹³ Mid Coast Council (2025) [Submission to the Inquiry into Proposed Energy from Waste Facilities](#)

¹⁴ Hornsby Shire Council (2025) [Submission to the Inquiry on Proposed Energy from Waste Facilities](#)

¹⁵ LGNSW (2025) [Submission to the Inquiry on Proposed Energy from Waste Facilities](#)

would have on councils? Do you know if any of the individual councils might have done some work about their costs or the current cost of transport?

Please see the response to Supplementary Question 1 below.

Question 4) The Hon. EMILY SUVAAL: ‘... which councils have expressed some of those concerns in terms of having the current ring-fenced approach? We heard certainly earlier from some witnesses about having councils that were interested in exploring those available options. Your recommendation 16 states: That the NSW Government commit to transparent, criteria-based site selection processes that balance urban and regional impacts. Is it the position of LGNSW that the current framework, whereby we can only build energy from waste in these isolated number of regional areas, is something that should be revisited?’

LGNSW supports the revisiting of the framework and the criteria for the locations. Crucially, locations should be supported by the local community. As an example, Wagga Wagga City Council’s submission to this Inquiry advocates for flexibility for projects outside of the identified precincts based on rigorous merit-based assessment, so that special infrastructure areas like the Wagga Wagga Special Activation precinct do not lose out on projects that are key to driving environmental sustainability, economy and help the growth of industry and jobs in regional areas.¹⁶

Hand in hand with this would need to be higher emphasis on stakeholder and community engagement as exemplified in the Hunter Joint Organisation submission which states that ‘...more work must be done to develop social licence in these metropolitan locations for the infrastructure necessary to ensure an effective and efficient waste management system.’¹⁷

Associated with this question is the need for consideration of alternative technologies, systems, and EfW variants. In common with others (e.g. NSROC’s submission¹⁸) The Parks (Sydney’s Parkland Councils) submission argues that ‘other alternative EfW technologies should be supported to supplement the larger scale EfW that has been proposed. These alternative technologies use pyrolysis and gasification to capture carbon from organic waste to create biochar, syn-gas and bio-oil. Biochar is a valuable

¹⁶ Wagga Wagga City Council (2025) [Submission to the Inquiry on Proposed Energy from Waste Infrastructure](#)

¹⁷ Hunter Joint Organisation (2025) [Submission to the Inquiry on Proposed Energy from Waste Infrastructure](#)

¹⁸ NSROC (2025) [Submission to the Inquiry on Proposed Energy from Waste Facilities](#)

commodity with several uses, and syn-gas can be used to make aircraft fuel. Multiple smaller EfW facilities could supplement or replace larger facilities and could be preferable to meet objectives of the NSW EPA Waste and Sustainable Materials Strategy2041 and Net Zero targets, and to provide redundancy and resilience in waste infrastructure¹⁹.

SUPPLEMENTARY QUESTIONS

Supplementary Question 1) Councils gave evidence that waste should, where possible, be managed close to its source. What cost, operational and system impacts arise when residual waste is transported long distances from metropolitan areas to regional facilities?

When residual waste is transported long distances from metropolitan areas to regional facilities, a range of cost, operational and system impacts arise. From a cost perspective, long-haul transport significantly increases collection and disposal costs through higher fuel use, vehicle maintenance, labour, and contracting expenses. These costs are ultimately borne by councils and ratepayers, and they reduce the funds available for local waste avoidance, recycling and recovery initiatives²⁰. Price volatility in fuel and freight markets also introduces ongoing financial risk and uncertainty for councils.

Operationally, reliance on distant facilities increases system complexity and vulnerability. Long transport distances place pressure on heavy vehicle fleets, accelerate asset wear, and increase exposure to disruptions such as road closures, weather events, fires, industrial action or facility outages. One regional organisation of councils has commented that councils will potentially need more trucks and drivers and that they will need facilities to remain open later so trucks can arrive before close due to the increasing transport component of collection runs. Alternatively, they will need more capacity in the system for transfer through transfer stations (which currently do not exist and are not being planned for). This introduces additional set up and contract costs (e.g. feedback from one waste company suggests that taking waste through a transfer station rather than direct to facility adds \$30/tonne to the price). Councils reported reduced flexibility to respond to service changes or emergencies, and a greater dependence on a small number of large regional disposal sites, limiting contingency options and impacting costs.

¹⁹ The Parks – Sydney’s Parkland Councils (2025) [Inquiry into Proposed Energy from Waste Facilities](#)

²⁰ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan: Chapter 1: Meeting our residual waste and food and garden organic waste needs](#)

At a system level, transporting waste away from its source can undermine efficient and sustainable waste management outcomes. Increased transport contributes to higher greenhouse gas emissions and conflicts with waste hierarchy principles that prioritise local management where feasible. Exporting metropolitan residual waste to regional areas can also constrain regional landfill capacity, shorten site lifespans, and create long-term planning and social impacts for host communities, including increased truck movements, road degradation and community amenity concerns. Collectively, these impacts indicate that managing residual waste closer to its point of generation supports cost efficiency, system resilience, emissions reduction and more equitable outcomes across metropolitan, regional and rural councils.

The following is a synopsis of current costings provided by a regional organisation of councils. There is little research available in this area and although these numbers appear reasonable, they would benefit from further investigation and verification.

Component	Estimated Cost (per tonne)	Source/Logic
Sydney Transfer Station Fee	\$15.00 - \$22.00	Handling, compaction, and loading into rail containers.
Rail Freight (Line-haul)	\$22.00 - \$30.00	Based on ARTC access fees and locomotive fuel/labour.
Regional Unloading/Drayage	\$5.00 - \$10.00	Moving containers from rail siding to the final site.
TOTAL TRANSPORT ESTIMATE	\$42.00 - \$62.00	For transport of waste Sydney to Parkes.

Transport costs to regional areas such as Parkes would clearly be significantly greater than processing the waste in an EfW plant located closer to the source. For example, freight costs via train are around 4.1c/net tonne km²¹ (lower range) giving a cost for transport to Parkes excluding handling etc, of around \$18/t, based on a distance to Parkes via rail of 445km. Using trucks to transport waste within Sydney region would be

²¹ Net tonne km is a freight transport unit measuring moving one tonne of cargo over one km, excluding the weight of e.g. the containers or the transport vehicle.

around 9.1c/net tonne km and assuming a EfW was built within 40km of the waste source, the transport cost is around \$3.6/t²².

Supplementary Question 2) How does increased heavy vehicle waste transport affect councils' obligations and costs in relation to local road infrastructure, including maintenance standards and liability exposure?

Increased heavy-vehicle waste transport places 'significant and documented pressures on local councils' obligations, costs, and liability related to road infrastructure'²³. Heavy vehicles accelerate pavement deterioration because road surfaces and substructures are generally designed for lighter traffic; repeated heavy loads lead to phenomena such as cracking, rutting and reduced structural life, which in turn increase the frequency and extent of maintenance and repair needs beyond what councils have budgeted for standard traffic volumes. International engineering research shows that heavy vehicles contribute disproportionately to pavement damage, often necessitating earlier rehabilitation or reconstruction of road segments not originally designed for such loads²⁴.

In the Australian context, parliamentary and sector reports note that local councils are responsible for the first and last mile of freight movement where heavy vehicles from waste, agricultural and freight sectors traverse roads that may not be engineered for such intensity, accelerating deterioration and making assets more vulnerable to other stressors like weather events²⁵. Councils must therefore allocate increased funding to more frequent inspections, reactive repairs and upgraded pavement standards to maintain serviceability and meet statutory road-maintenance standards, which strains limited budgets (councils manage a disproportionate share of infrastructure with constrained revenue)^{26, 27}.

Councils have commented that they expect transporting waste to rural/regional sites will result in significantly higher impacts on council roads. While rail is efficient for the long-haul "middle", it necessitates heavy truck movements at both the start and the end

²² DIRD (2017) [Bureau of Infrastructure and Transport Research Economics \(BITRE\), Information Sheet 90: Freight Rates in Australia](#)

²³ PIARC (2022) [Overweight Vehicles: Impact on road infrastructure and safety: A PIARC special project \(2022\)](#)

²⁴ Ibid

²⁵ Parliament of Australia (2023) [Chapter 3 - A national approach to road infrastructure resilience](#) ,

²⁶ IPWEA NSW & ACT (2025) [Road Asset Benchmarking Project: Road Management Report](#)

²⁷ Audit Office of NSW (2024) [Road asset management in local government: performance audit](#)

of the journey. If an EfW plant were located closer to the source of waste, then typically two road-based truck movements would be required i.e. the first from the kerbside collected garbage truck to a transfer station and the second from the transfer station via a B-Double truck to the EfW facility. Where waste is transported to a regional facility, this would require three separate road-based truck movements i.e. firstly from the kerbside collected garbage truck to a transfer station, then from the transfer station via a B-Double truck to the road / train intermodal facility in Sydney and finally from the regional train/road intermodal facility via B-Double to the EfW plant. The regional rail option requires twice as many B-Double movements on the road network (shuttling to the rail head in Sydney and shuttling from the regional rail head) resulting in greater wear and tear on council-maintained road networks.

Additionally, the regulatory environment imposes legal obligations and liability exposures on local governments regarding heavy vehicle operations. Under the Heavy Vehicle National Law²⁸, councils can be considered parties in the Chain of Responsibility for safety and risk management associated with heavy vehicle use, requiring due diligence in planning, contracting and oversight of transport activities²⁹. Failure to meet maintenance and inspection standards can expose councils to liability claims for road defects and civil claims, increasing litigation risk and contingent costs³⁰. As heavy vehicles accelerate wear and councils bear responsibility for maintaining roads to functional and safe standards, increased waste-transport activity thus elevates both direct maintenance expenditures and indirect risk and compliance costs for local governments.

Supplementary Question 3) How does reliance on long-distance transport of residual waste constrain councils' ability to plan, justify or invest in local waste, recycling or landfill infrastructure over the life of existing and proposed EfW facilities?

Recent policy analysis highlights that extended transport arrangements are often underpinned by long-term contractual commitments designed to secure feedstock for centralised facilities, which can reduce councils' flexibility to respond to evolving waste avoidance targets, improved source separation, or emerging local infrastructure opportunities^{31, 32}. Comments received from some Sydney metropolitan councils referred to a lack of current waste management certainty that constrains their ability

²⁸ NSW Government (2013) [Heavy Vehicle National Law](#) (NSW) No 42a of 2013

²⁹ NHVR (2025) [Chain of Responsibility](#)

³⁰ NHVR (2025) [Regulatory Advice – Local government as a CoR Party](#)

³¹ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan](#)

³² DCCEEW (2024) [National Waste Policy Action Plan](#)

to plan contracts. They commented that there are very few councils looking to invest in facilities, that looking at building regional infrastructure is beyond the capacity of most councils, but that the ability to construct local infrastructure is also challenging. Certainty on EfW could help councils in contract planning and tender review, as risk is priced into contracts and may be pushing up prices.

LGNSW and its member councils have consistently raised concerns around systemic weaknesses in waste infrastructure planning and uncertainty around residual waste pathways. This lack of system options can undermine councils' capacity to make sound, evidence-based investment decisions and expose them to financial and service delivery risks, including lock-in to less than optimal long-term disposal arrangements³³.

Infrastructure Australia similarly cautions that over-reliance on centralised waste facilities and long-distance transport can distort local infrastructure markets, discourage place-based solutions, and create path dependency that constrains future investment in recycling, organics processing or appropriately scaled landfill capacity³⁴. IPART has further observed that increasing transport distances and disposal costs, driven in part by landfill scarcity and contractual lock-in, place disproportionate pressure on local governments, particularly regional and outer-metropolitan councils, reducing their ability to justify new local infrastructure even where it may deliver lower whole-of-life costs and better community outcomes³⁵.

In practice, councils have reported that committing residual waste to distant EfW facilities may weaken their business cases for local transfer stations, alternative residual treatment, or landfill extensions, effectively shifting planning decisions away from local optimisation toward servicing centralised assets over multiple decades³⁶. Over the life of EfW facilities, this dynamic can limit adaptive planning, increase exposure to cost escalation, and erode councils' long-term resilience in managing waste and resource recovery systems.

Supplementary Question 4) How does the current level and structure of funding available to councils compare with the costs and responsibilities involved in managing residual waste, particularly where waste is transported long distances to regional facilities rather than managed locally?

³³ MidWaste (2019) [Regional Waste Forum Submission to the Minister](#)

³⁴ Infrastructure Australia (2021) [Reforms to meet Australia's future infrastructure needs](#)

³⁵ IPART (2022) [Review of domestic waste management charges, final report](#)

³⁶ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan](#)

The current level and structure of funding available to councils often does not align with the true costs and responsibilities of managing residual waste, especially where waste must be transported long distances to regional processing or disposal facilities. In Australia, national and state funding programs (such as the National Waste Policy Action Plan and NSW's Waste and Circular Infrastructure Plan) recognise that councils face increasing financial pressure from rising transport distances, landfill scarcity and complexity of service delivery, but the scale of support is yet to match emerging cost structures^{37,38}. Councils have reported that they are bearing significant unfunded liabilities related to waste management, in part due to escalating haulage costs and the need to secure long-term disposal pathways, which are not fully recognised in revenue arrangements or grant programs.

Importantly, councils have raised that there is no funding available to them to meet this need except through domestic waste management charges. These costs are recoverable from residents, meaning councils only charge residents what it costs to provide the service, and the amount charged to residents matches the council's actual expense. As a result, councils simply pass these costs directly on to residents. Infrastructure Australia similarly identifies a mismatch between existing funding settings and the lifecycle costs of waste infrastructure, noting that reliance on distant facilities increases operating costs and diminishes councils' capacity to invest in local solutions such as transfer stations, advanced sorting or organics recovery³⁹. Waste transport and disposal costs have increased disproportionately compared with historical levels of per-tonne funding support available to local government.

These funding pressures are evident in practice. For example, some outer-metropolitan Sydney councils have had to defer investment in local organics processing infrastructure because funding is tied to short-term grant cycles and does not accommodate the multi-decade contractual liabilities associated with long-distance residual waste contracts⁴⁰. The result is a funding structure that inadequately reflects the real cost drivers of residual waste management, placing councils in a position where they must subsidise essential services or delay strategic investments to remain financially sustainable.

Supplementary Question 5) Based on council experience with long-term waste contracts, how does reliance on a small number of regional EfW facilities affect

³⁷ DCCEEW (2024) [National Waste Policy Action Plan](#)

³⁸ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan](#)

³⁹ Infrastructure Australia (2021) [Reforms to meet Australia's future infrastructure needs](#)

⁴⁰ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan](#)

councils' exposure to contractual, financial or service risks if those facilities are disrupted or constrained?

Councils that rely on a small number of regional EfW facilities under long-term contracts could face heightened exposure to contractual, financial and service risks if those facilities are disrupted, constrained or unable to meet performance expectations.

EfW facilities typically require long-term waste supply agreements to underpin their substantial capital and operational investments, meaning councils would need to commit significant quantities of residual waste over decades to secure capacity and favourable pricing. This creates "lock-in" risk if waste volumes decline due to successful diversion and recycling programs, potentially exposing councils to penalties or unbalanced contracts with limited flexibility. Councils have commented that contract timing and duration can entrench technology choices and limit options to respond to evolving policy priorities or technological change, and that the lack of contractual mechanisms to deal with facility unavailability can create continuity risk⁴¹.

Smaller rural and regional councils, for example, commonly identify supply scale and feedstock consistency as barriers to participating in EfW, reflecting the risk that if a contracted EfW facility cannot operate due to technical, regulatory or financial issues, councils may struggle to secure alternative processing capacity at short notice and at competitive cost. These dynamics are mirrored internationally; UK evidence shows that long-term waste contracts with EfW providers have influenced councils' decision-making and can become a barrier to policy changes mid-contract, with implications for recycling targets and service continuity if facilities are disrupted⁴². Contractual exposure to a sole or limited number of regional facilities thus creates service risks (reduced resilience if a facility is offline), financial risks (penalties, higher contingency costs) and strategic rigidity, where councils' ability to adapt service models or pursue alternative solutions is constrained over the contract life.

Supplementary Question 6) How does long-term reliance on regional residual waste facilities affect councils' ability to respond to future changes in waste policy, recycling targets or emerging waste technologies?

⁴¹ IPART (2022) [Review of domestic waste management charges, final report](#)

⁴² Minhas, N., Gerassimidou, S. & Iacovidou, E. (2023) [Residual waste management in London, England: a reality check](#), 195(11):1283. doi: 10.1007/s10661-023-11760-2

Long-term dependence on regional residual waste infrastructure, whether that is landfills or dedicated residual treatment plants, can significantly constrain councils' strategic flexibility when responding to evolving waste policy, recycling targets and emerging technologies. As noted in Question 5, a key issue raised by local government is contractual and technological lock-in. Facilities contracted over long periods are often designed around a specific waste stream and technology profile, making it costly or impractical to pivot when policy settings or best-practice technologies change. For example, long-duration contracts tied to EfW or landfill operations can restrict councils' ability to increase recycling or organics diversion, as reconfiguring specialised infrastructure mid-contract may be prohibitively expensive.

There appears to be no research comparing likely EfW gate fees with landfill gate fees in NSW. However, EfW gate fees need to be competitive with local landfill gate fees to enable them to secure long term contracts with councils. Councils request that any EfW facility should include consideration of full life-cycle costs including long-haul transport, processing and residuals management, which may result in significant costs for ratepayers and increases to carbon emissions from transport. Where local government faces increased costs from transport and processing, greater support should be made available via hypothecation of the waste levy.

In practical terms, councils participating in multi-council procurement initiatives have faced challenges when state-level waste policies shifted during the procurement process. In one NSW joint tender, mid-process changes to FOGO mandates and EfW policy required councils to shorten contract terms to retain future flexibility for processing emerging streams. Indeed, greater flexibility is available through more localised treatment of waste, as is the increased capacity with more facilities.

Reliance on large regional facilities can also limit the uptake of localised emerging recycling technologies and circular economy approaches. Both metropolitan and rural/regional councils report barriers specific to their situations regarding investing in advanced processing (e.g. anaerobic digestion, EfW variants, biochar, valorisation systems such as black soldier fly). Councils note financial, technical, logistical, locational, and contractual constraints, with regional and remote areas commenting on their smaller rates bases and infrastructure access challenges. This uneven capacity to adopt innovation undermines broader state and federal recycling targets and circular economy ambitions.

Furthermore, changing national waste targets (such as ambitious 2030 diversion goals) require councils to expand source separation and resource recovery infrastructure. Long-standing residual waste commitments can hamper timely investment in

community education, new collection systems (e.g., FOGO), and next generation recycling facilities, delaying progress toward both environmental outcomes and regulatory compliance.

In summary, while regional residual facilities provide necessary disposal certainty, long-term reliance on them without flexible contractual and planning arrangements can reduce councils' adaptive capacity, slowing progress on recycling targets and uptake of emerging waste technologies. This underscores the importance of strategic planning, flexible contracts and collaborative procurement that allow adaptation as policy and technology evolve⁴³. Contracts based on a 'waste arising' type model should be supported, as this gives councils flexibility to implement waste avoidance and recycling initiatives, as only residual waste is committed to the EfW facility.

Supplementary Question 7) Councils gave evidence that landfill will remain unavoidable for managing residual waste, and that current waste reduction and recycling targets are not being met. Given the current waste strategy does not provide a clear pathway for maintaining or expanding landfill capacity, what elements would need to be addressed for the strategy to function as a complete and workable system rather than relying primarily on regional EfW facilities?

A holistic approach embracing a wide range of resource recovery approaches provides an opportunity to embed circular economy principles into the heart of waste management in Australia. Even at the end of a robust recovery process, there will be some waste that needs to be disposed of.

To address councils' evidence that landfill remains unavoidable and that recycling and waste reduction targets are not being met, a workable waste strategy must extend beyond reliance on regional EfW and landfill infrastructure. Current state and national frameworks have started this shift, for example, the Australian Government's commitment to halve organic waste to landfill by 2030 and expand FOGO collections reflects an effort to build diversion pathways, but practical implementation still depends on councils and resourcing support⁴⁴.

⁴³ Don, K., Chakraborty, A., Harrison, T. & Sandhu, H. (2025). [Uneven Progress in Circular Economy Practices: Local Government Approaches to Waste Management in Australia](https://doi.org/10.3390/su172210177), Sustainability 2025, 17, 10177. <https://doi.org/10.3390/su172210177>

⁴⁴ DCCEEW (2023). [Recovering organic waste: National food waste strategy](#).

The existing National Waste Policy Action Plan⁴⁵ recognises this challenge by setting ambitious national targets such as an average 80 per cent resource recovery rate, but also signals that systemic interventions across policy, investment and markets are still required to meet them. To function as a complete and workable waste management system, rather than one that continues to depend primarily on regional EfW facilities or landfill capacity, several key elements need to be embedded into current and future waste strategies:

1. Clear and measurable pathways for landfill capacity planning and regulation

As state-level infrastructure planning in New South Wales shows, without strategic planning for landfill capacity, Greater Sydney's landfill capacity could be exhausted by 2030, driving councils into costly transport and disposal arrangements if no interim or long-term solutions are enacted. The NSW Waste and Circular Infrastructure Plan⁴⁶ emphasises streamlining planning processes to unlock extensions or expansions of existing landfills only where necessary, while maintaining community and environmental protections.

2. Integrated infrastructure planning that prioritises avoidance, reuse and recovery

A comprehensive strategy must go beyond a reactive approach focused on managing waste rather than reducing/diverting it, such as EfW or landfill, to invest meaningfully in recycling facilities, organics processing, and secondary markets for recovered materials. Stronger planning across jurisdictions can help councils collaborate on regional infrastructure, rather than leaving them constrained by unilateral reliance on residual disposal contracts.

Councils also call for better and more collaborative strategic planning for waste infrastructure that includes network mapping of needs around each waste and resource recovery stream, its location, land dedication, zoning, and facilitation of delivery of infrastructure. Without this, the private sector will only deliver what is profitable, not what is needed or where it is needed. This impacts diversion potential and market competition.

Many councils already see benefits from collaborative planning. For example, Hawkesbury City Council's Waste and Resource Recovery Strategy 2032⁴⁷ embeds regional priorities such as implementing FOGO services, transitioning to

⁴⁵ DCCEEW (2024) [National Waste Policy Action Plan](#)

⁴⁶ NSW Government (2025) [NSW Waste and Circular Infrastructure Plan](#)

⁴⁷ Hawkesbury City Council (2023) [Waste and Resource Recovery Strategy 2032](#)

circular economy principles, and exploring joint procurement of infrastructure. This demonstrates that coordinated planning helps balance infrastructure investment, avoid duplication, and unlock regional processing opportunities.

3. Stronger regulatory and economic levers to drive diversion

A workable system should align economic signals, like waste levies or product stewardship mechanisms, with diversion targets, incentivising reduction at the source, improved kerbside sorting, and reuse. The National Waste Policy's emphasis on market development and investment support underscores the need for regulatory frameworks that shift material flows up the waste hierarchy⁴⁸. In addition, councils are also calling for clear action on illegal dumping of waste and on packaging at a national level to increase recycling.

4. Data, monitoring and adaptive governance

Reliable data and performance monitoring are essential for councils and governments to evaluate progress toward targets and adapt strategy in response to emerging waste trends. Councils have noted that inconsistent or incomplete data undermines accurate assessment of recycling and diversion performance, which in turn affects strategy effectiveness.

5. Community and industry engagement to change behaviours and markets

Achieving higher recycling and reuse rates requires engaging communities and businesses in reducing waste generation and contamination of recycling streams. Complementary education, commercial partnerships, and extended producer responsibility schemes are critical to building a circular economy ethos that underpins a mature waste strategy.

6. Investment of Waste Levy revenue in circular economy infrastructure and solutions

The NSW Government now collects around \$1 billion annually from the Waste Levy, most of which goes to consolidated revenue.

The NSW Government should use the Waste Levy to:

- ensure adequate processing infrastructure and capacity is available;
- promote waste avoidance and reuse;

⁴⁸ DCCEEW (2024) [National Waste Policy Action Plan](#)

- fund further research, development and delivery of recycling technologies and products generated from recyclables, particularly by councils.
- increase local and state government procurement of recycled goods made with domestic content.
- ban per- and poly-fluoroalkyl substances (PFAS) and other chemicals in products, especially all food packaging and products including compostable packaging to allow the latter to be processed through FOGO services.
- work with the Federal Government to introduce producer responsibility schemes for soft plastics and other emerging problem wastes such as paints, batteries, chemicals, mattresses, electronic waste and sharps.

Together, these elements (mandatory separation and diversion infrastructure, integrated planning for all parts of the system, coordinated regional approaches, aligned economic and regulatory incentives, data-driven governance and reinvestment of the Waste Levy) form a more complete and resilient approach to waste management that reduces dependence on limited infrastructure, including regional EfW and landfill as default endpoints, and supports meaningful progress toward recycling and circular economy targets. Given that some councils are open to considering EfW while others are strongly opposed, engagement with the local government sector and the communities they represent is clearly an essential part of achieving a balanced and effective waste management system for NSW and Australia.

Thank you again for the opportunity to provide evidence to this inquiry. For further information, the committee secretariat is welcome to contact Damian Thomas, LGNSW Director Advocacy on _____ or at _____.

Yours sincerely

David Reynolds
Chief Executive