

## 14.2 WASTE AND RESOURCE RECOVERY UPDATE

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### EXECUTIVE SUMMARY

Council has been progressing its search for better waste management solutions over the past five years, with regular updates on progress being provided. A number of key milestones have now been reached to help clarify timeframes, options and costs.

These milestones include:

- A final decision on IPART's proposed changes to waste regulation;
- A better understanding of what may be available to the Richmond Valley in terms of technologies and proponents for alternative waste treatment, through the recent EOI process;
- Significant movement towards establishing an Energy from Waste facility in Parkes, one of the other nominated precincts in the NSW Government's Energy from Waste Infrastructure Plan.

IPART's recent decision to step away from active regulation of waste charges provides some welcome "breathing space" for NSW councils in planning their future waste management strategies. Council's policy position on waste management has always been an "all options are on the table" approach and the IPART decision allows more time to investigate and negotiate the best possible solution for the community because the risk of a 'waste peg' has been removed for the foreseeable future.

Richmond Valley is also in a stronger position than other North Coast councils, as there is capacity at the Nammoona landfill site, and the option to continue to transport residual waste to Queensland remains available, at least in the short term. Although this may not be the most cost-effective or environmentally desirable solution, it allows Council to maintain the level of service the community expects while it searches for better alternatives.

### RECOMMENDATION

That Council:

1. Notes that IPART has decided to NOT use its powers to 'peg' Councils' waste management charges following its review of waste regulation;
2. Notes Council's responses to the Draft Thermal Energy Regulation consultation processes, both individually and with Parkes and Lithgow Councils;
3. Pauses its active investigation into an Energy from Waste facility for the Richmond Valley while the Parkes Special Activation Precinct EfW proposal proceeds and monitors progress, community reactions and outcomes;
4. Continues to consider other options in the Alternative Waste Treatment Solutions Expression of Interest responses and keep North Coast Councils updated on any progress and opportunities for collaboration.
5. Consults the community on the Draft Richmond Valley Regional Jobs Precinct Master Plan when it is finalised in 2023 and as part of that process provides the opportunity for the community to express opinions on Energy from Waste facilities as a solution to Council's residual waste management challenges.

### DELIVERY PROGRAM LINKS

Sustain - Objective 11: Manage community resources and provide great service

11D Deliver quality services for the community

11D1 Deliver efficient & affordable waste management services

## **BUDGET IMPLICATIONS**

Council's Waste and Resource Recovery operations are continuing in line with Council's adopted budget for 2022/23.

Clr Hayes asked the following question at the August meeting of Council:

*When Council receives and evaluates expressions of interest for regional waste solutions, can information be included in a future business paper based around the financial impacts that any solution would have on the ratepayers and industries, who will utilise any changes to the way that we will dispose of our waste into the future.*

Council is not in a position to provide a financial analysis of all the options, as it was an Expression of Interest process which didn't require detailed financial responses for each of the proposals put forward. As Council progresses any discussions on waste management solutions an assessment of the financial, environmental and social impacts will be considered against our current Waste and Resource Recovery annual program revenues and expenses, and advice will be provided to Council.

## **REPORT**

### **DISCUSSION**

#### **Regulation of Waste Management Charges – IPART review**

Under the *Local Government Act 1993*, IPART has powers to regulate the price that councils charge for their domestic waste collection services each year. The "waste peg" has never been applied to date, but over the past two years, IPART has been considering whether it should use these powers to control what it saw as "escalating costs" for domestic waste management. The local government sector strongly opposed this move and RVC wrote a comprehensive submission (Attachment 1) explaining how most of the "escalating costs" were beyond councils' control – and largely due to increases in the NSW Waste Levy. Councils argued that if a waste peg was imposed they would have to cut services.

After two years of deliberation, IPART announced last month that it would not apply the waste peg – nor would it consider doing so in the foreseeable future. Instead, it recommended that the Office of Local Government provide updated guidance and carry out targeted investigation of councils whose DWM charges seemed unjustifiably high. While this is a positive outcome for local government, it highlights that the NSW Government will continue to monitor our waste charges which have increased significantly in recent years due to the escalating cost of managing the community's waste. This means we must continue to search for more cost-effective measures that are sustainable over the longer term.

Further details on this review can be found at [Domestic waste management annual charges | IPART \(nsw.gov.au\)](https://www.ipart.nsw.gov.au/domestic-waste-management-annual-charges)

#### **Alternate Waste Treatment Solutions – Expression of Interest Final Summary**

In mid-2022, Richmond Valley Council (on behalf of nine Councils on the North Coast) sought Expressions of Interest (EoI) from the waste management industry to provide long term alternative waste treatment infrastructure. The EoI sought solutions for processing residual waste, recyclates and organics (food and garden). Sixteen submissions were received, which clearly demonstrates there is interest from the market in developing infrastructure on the North Coast.

Submissions covered all waste streams and included a diverse range of technologies - some well-established and internationally commercialised, and others that are newer to the market. Technologies included:

- thermal treatment of residual waste
  - moving grate

- fluidised bed
- gasification
- pyrolysis
- autoclaving
- processing organic waste
  - in vessel composting
  - anaerobic digestion
- separation of co-mingled recyclates
  - material recovery facilities

Proponents included:

- publicly listed international waste management businesses
- Australian recycling leaders
- Domestic developers with international technology licences
- technology providers
- global and domestic infrastructure investors

Proposed volumes ranged from:

- in the range of 10,000 – 50,000 tonnes per year for recyclate and organics streams
- in the order of 50,000 tonnes per year for novel modular thermal processes for residual waste, with the capacity to scale up
- above 50,000 tonnes per year for commercialised thermal processes for residual waste

The range of solutions proposed, the quality of the proponents and the potential capacities demonstrates that the Northern Rivers has a robust suite of options available. The EOI has shown that there is interest in establishing material recovery facilities and organics treatment options in the region and these possibilities will be pursued. While it is unlikely, based on current performance that our community will ever achieve “zero waste”, it can reduce the amount of residual waste it ultimately generates by increasing resource recovery rates. This is in line with the key directions set by Council’s Waste Management and Resource Recovery Strategy, adopted in 2020.

The EOI process has also shown that, with the volume of residual waste expected to be generated by the North Coast (approx. 100,000 tonnes), the region is more likely to attract Energy from Waste proposals that are based around newer technologies, rather than the more proven processes that are designed for volumes in excess of 300,000 tonnes. This may create some challenges in progressing a proposal to approval. New technology needs to be proven for a period of at least two years to satisfy the EPA as the regulator, so it is unlikely that a small-scale facility would be able to satisfy the new policy requirements established for NSW in 2021.

### **Impacts of the Energy from Waste Regulation**

While Council has been investigating thermal treatment options including Energy from Waste facilities for over four years, the decision to limit these facilities to four areas - flagged in the EfW Infrastructure Plan, and later consolidated through Regulation – has shifted the course of the investigations.

Council had been working on the assumption - based on the NSW Sustainable Materials Strategy – that EfW facilities would form part of the government’s new vision for a circular economy and would be largely permissible in most areas, if they met the regulatory requirements.

The NSW EfW Infrastructure Plan 2021, which was designed to encourage investment in regional NSW, was the first document that specified EfW facilities could only be established in four LGAs in NSW (with some minor exemptions where a facility provided power for facilities within the same allotment). The Plan was written by the EPA, which included commentary that inferred that these

facilities should not be built in metropolitan areas, despite the fact there are hundreds of them built in densely populated areas across the world.

This was a departure from the NSW Government's circular economy policy position and ultimately served to stigmatise EfW facilities, rather than encourage an informed exploration of the options. From this point on, the four identified areas Goulburn, Lithgow, Parkes & Richmond Valley have had to deal with the consequences of this prohibition approach, which has been embedded in the Thermal Energy from Waste Regulation early in 2022. Council made a submission to this draft regulation (Attachment 2) pointing out these challenges, however our concerns were largely ignored and the Regulation has now been made.

Council has been liaising with Parkes and Lithgow Councils, given our common interests, to advocate for more support from the NSW Government to assist with consultation and education of the community and to identify opportunities that could be achieved for communities that host an EfW facility. A detailed submission was prepared and signed by the Mayors of the three Councils back in March 2022 and is attached for information. In summary it outlines the challenges these LGAs face in handling concerns within communities and sought:

1. A State-initiated education/communication campaign on EfW
2. Community Impact/Economic Innovation Fund
3. Voluntary Planning Agreement Framework.

There have been discussions with Regional NSW, however, to date there has been no commitment to a specific Energy from Waste support.

### **Progress on the Parkes proposal**

A procurement process is underway in Parkes for the establishment of an EfW facility in its Special Activation Precinct, with this process being led by the NSW Government's Regional Development Corporation. The process should provide a clear indication as to whether regional communities and State regulators are ready to embrace EfW technologies as part of the future of waste management. Given the progress already made with the Parkes proposal, it may be prudent to adopt a watching brief on this issue before actively pursuing any further interest in a local proposal. With a State election next March, it may also be prudent to pause investigations on this issue in case there is a change of Government, which would enable Council to confirm the position of the elected Government post-March 2023.

Should Council choose to wait for the Parkes outcome to be resolved, work could still continue on progressing investigation into solutions for recycling and composting. More detailed costings could also be prepared on all future options for residual waste including the option for Petersons Quarry in Coraki being used as a regional landfill facility once its quarry material resource is fully utilised. This work would help to inform the scheduled review of Council's Waste Management and Resource Recovery Strategy, which will be completed in early 2023. Consultation on the revised strategy is scheduled for March-April 2023.

### **CONSULTATION**

Future consultation on the community's willingness to accept an Energy from Waste facility will be included as part of the consultation process for the Richmond Valley Regional Jobs Precinct Master Plan.

### **CONCLUSION**

Council's journey towards finding a better waste management solution has been progressing, with many new developments along the way. The latest milestones provide an opportunity to pause and reflect on future strategic direction. It is recommended that Council resolve a position that it will not progress any active investigations until such time as the Parkes EfW assessment process has further progressed. This approach will enable Council to monitor the process and learn from it before making any decisions to actively pursue an EfW facility in the Richmond Valley as a solution to our waste management challenges.

**ATTACHMENT(S)**

- 1. Submission to IPART Waste Review October 2020 (under separate cover)**
- 2. RVC EfW Regulation consultation response (under separate cover)**
- 3. EfW Regulation - Joint submission PSC, LCC, RVC (under separate cover)**