

27 November 2019

Mr Peter Achterstraat
NSW Productivity Commissioner
GPO Box 5469
Sydney NSW 2001
Web: <http://productivity.nsw.gov.au/your-submission>

Dear Commissioner

RE: Submission on the Discussion Paper – *Kickstarting the Productivity Conversation*

NSROC appreciates the opportunity to provide feedback and comments on the discussion paper *Kickstarting the Productivity Conversation*.

Due to the timing of the submission's closing date, the attached submission is provided as a draft document subject to its endorsement by the General Managers Advisory Committee (GMAC) when it meets on 5 December 2019.

NSROC sees the omission of waste from the productivity reform priorities as a significant oversight which could be addressed by its inclusion in the proposed Green Paper.

In 2017, the waste management sector in NSW was worth approximately \$4 billion.¹ Effective waste management is critical to the productivity of virtually all industry and every business in NSW. Waste also plays a predominant role in the state's Circular Economy policy statement and sustainability agenda.

I urge the Productivity Commission to give serious consideration to the NSROC response and comments in the attached submission to the discussion paper for the productivity reform agenda and the development of the proposed Green Paper.

If you need further information, please contact [REDACTED]

Yours sincerely,

[REDACTED]

¹ IBISWorld 2017, Reports 2911, 2921, 2922, Solid Waste Collection Services, Waste Treatment and Disposal Services, Waste Remediation and Materials Recovery Services

Draft Submission:
Office of the NSW Productivity
Commissioner

*Discussion Paper - Kickstarting the
conversation*

1. Executive Summary

The Northern Sydney Regional Organisation of Councils (NSROC) is comprised of eight councils (Hunter's Hill, North Sydney, Willoughby City, Ku-ring-gai, City of Ryde, Hornsby Shire, Mosman and Lane Cove) in the northern part of Sydney. All of these councils have come together to address regional issues and work co-operatively for the benefit of the region.

Individually and collectively these councils advocate on agreed regional positions and priorities, as well as working closely with their communities to ensure that planning for growth within the region is sustainable and responds to the social, economic and environmental needs of the community.

NSROC welcomes the opportunity to provide a submission in response to the **Discussion Paper** titled ***Kickstarting the productivity conversation*** released by the NSW Productivity Commissioner. The Discussion Paper is a timely and welcomed opportunity to provide reform and actions to improve the liveability and productivity of all communities across NSW.

Currently the Discussion Paper does not include waste and waste service planning as part of the proposed reform agenda, even though other essential services in water and energy are there. This is considered to be a shortcoming of the Discussion Paper and a missed opportunity which NSROC would like to see addressed.

NSROC contends that waste service and waste infrastructure outcomes need to be incorporated within the productivity priorities that will inform the future reform agenda. Waste management has significant operational requirements that impact on the health, safety and amenity of the whole community. Inefficient logistical solutions in waste transport or the inappropriate siting of waste infrastructure have a flow on effect across the whole metropolitan area in terms of congestion, air quality, noise, safety and greenhouse gas emissions.

It is critical that the current piecemeal approach to waste service planning and resource recovery is replaced by a more strategic and planned approach. The proposed Green Paper could be a platform to implement reform and much needed long-term planning for waste and waste related infrastructure across Sydney and New South Wales which in turn would support greater sustainability and more efficient resource usage.

This submission highlights the need to identify waste infrastructure as a priority. In addition, there needs to be clear actions on how sites for waste management infrastructure are secured and buffered from competing land use and development pressures.

Across all tiers of government there has been limited consideration of waste as both a valuable resource and as an essential service. There is a need through both policy and practice for the NSW State government to play a key leadership role in escalating the importance of waste. The current almost entirely regulatory approach fails to address the complexity of a multi-dimensional industry with local, national and international players. This is evident from the over reliance on a single blunt instrument (the waste levy) to influence the commercial sector which delivers most waste services

2. Introduction

Planning for the future waste management needs of New South Wales and the Northern Sydney region is a complex task and requires a multidisciplinary approach

“Kickstarting the conversation” provides a platform for discussion of priority and focus areas that are essential in achieving productivity and liveability objectives across all communities of New South Wales. NSROC advocates that waste management considerations should be included in these discussions.

The Discussion Paper presents an ideal opportunity for a more holistic and integrated consideration of waste management issues at a State level. This is a central theme that will be canvassed throughout the submission.

2.1 Waste: A National Snapshot

The value of waste to the economy must be understood and not underestimated. The *2018 National Waste Policy* estimated that in 2014–15, waste management services in Australia were valued at \$12.6 billion, and sale of recovered materials was valued at \$2.9 billion. Waste-related activities added a total value of \$6.9 billion to the economy, accounting for 0.43 per cent of GDP¹.

Any reform agenda needs to capture the value of waste and recyclable materials and incorporate measures to move towards more sustainable outcomes and waste as a resource.

Supporting the 2018 National Waste Policy is the *2018 National Action Plan*. Environment ministers agreed to a new National Waste Policy Action Plan that will drive the implementation of Australia’s National Waste Policy.

It includes ambitious targets to make Australia a world leader in waste management and recycling, including:

- *An 80 per cent ‘recovery’ rate of material across all waste streams.*
- *Significant increases to government procurement of recycled materials.*
- *Halving the amount of organic waste sent to landfill.*

This Plan contains and incorporates the following five circular economy principals for waste:

- *Avoid waste*
- *Improve resource recovery*
- *Increase use of recycled material and build demand and markets for recycled products*
- *Better manage material flows to benefit human health, the environment and the economy*
- *Improve information to support innovation, guide investment and enable informed consumer decisions.*

Including waste as productivity priority would enable the circular economy for waste be included and embedded in any productivity reform. Materials that are lost to landfill are not only unsustainable

¹ Department of Energy and Environment National Waste Policy 2018

but resources that are going to waste. Productivity reform for NSW needs to reflect the value that waste is to the economy as illustrated in Figure 1 (below).



Figure 1: Value of waste management

Source: Department of Environment and Energy: The 2018 National Waste Policy

<https://www.environment.gov.au/protection/waste-resource-recovery/publications/national-waste-policy-2018>

2.2 Waste: State considerations

The state-wide **NSW Waste Avoidance and Resource Recovery (WARR) Strategy 2014-21** was released in December 2014 and sets clear directions for a range of priority areas.

The WARR Strategy provides a clear framework for waste management and aligns with NSW 2021 to encourage resource recovery and prevent unnecessary waste. Targets are provided within the WARR Strategy that each Council is required to achieve and include:

- *Avoiding and reducing the amount of waste generated per person in NSW*
- *Increasing recycling rates to:*
 - *70% for municipal solid waste*
 - *70% for commercial and industrial waste*
 - *80% for construction and demolition waste.*
- *Increasing waste diverted from landfill to 75%*
- *Managing problem wastes better*
- *Reducing litter with 40% fewer items by 2017 (compared to 2012)*
- *Combatting illegal dumping with 30% fewer incidents by 2017 (compared to 2012).*

The State targets aim to drive the efficient use of resources, reduce the environmental impact of waste and improve the well-being of the NSW environment, community and economy. The Vision of the Strategy identifies the value of using waste resources efficiently and keeping materials circulated.

The Strategy outlines the importance of understanding waste as a resource in the productive economy and that it can help create economic growth and boost productive. Waste management is a significant part of the NSW economy². The value of waste management to the NSW economy can be estimated at \$2.9 billion - \$1.3 billion of this coming from resource recovery³. Given the value of waste to the economy it is paramount that as part of any productive reform agenda, that the value of waste is reflected in any future reforms.

2.3 Northern Sydney Regional Organisation of Councils (NSROC)

One of the regional priorities is escalating the consideration of waste as an essential service and supporting the recognition of waste infrastructure planning and investment at a strategic policy level.

Increasing residential population across the Northern Sydney Region will continue to place additional pressure on local councils to meet the WARR targets. This issue is compounded due to the lack of regional waste infrastructure and current landfill facilities nearing capacity. The issue of the lack of waste infrastructure is not isolated to just this region.

NSROC submits that the productivity priorities within the Discussion paper should be expanded to include consideration of waste and waste infrastructure. NSROC would welcome the Commission assisting local councils, state government agencies as well as the waste sector to deliver outcomes that respond to the challenges currently facing the waste industry.

² Environmental Protection Authority NSW Waste Avoidance and Resource Recovery Strategy 2014-2021

³ Environmental Protection Authority NSW Waste Avoidance and Resource Recovery Strategy 2014-2021

Leadership and collaboration is needed and it is vital for the liveability and productivity of the Region that consideration be given to securing waste management infrastructure.

NSROC Population Snapshot

The 2016 Australian Bureau of Statistics Census showed the population of the NSROC region as approximately 600,000. The Northern Sydney Waste Profile Report 2018 further notes that the region's population is expected to grow to approximately 740,000 by 2036.

NSROC Regional Priorities identifies the region's growing population as a key driver of future infrastructure planning⁴ and this must include addressing the issue of securing the availability of waste and resource recovery facilities for the region.

NSROC Waste and Resource Recovery

Landfill is the current method of disposal for approximately 49% of the region's waste⁵. This illustrates a reliance on the use of landfill facilities for the management of residual waste and that the region as a whole falls short of the diversion targets set by the WARR Strategy 2014-2021.

In considering the projected population growth across the region and the potential increase in waste generation per capita, there will be an increase in the demand for waste and resource recovery facilities and infrastructure for the region. Securing waste facilities and infrastructure is not just a pressing issue for this region; it is an issue that should be given priority across Sydney and NSW.

The current reliance on landfill for the disposal of residual waste is unsustainable and a significant missed opportunity. For every 10,000 tonnes of waste that is recycled, it is estimated that 9.2 jobs are created, compared with only 2.8 jobs if the same quantity ends in landfill⁶.

Furthermore, the long term capacity and availability of current landfills is not guaranteed. Given these pressures and that the NSW State targets for resource recovery are increasing, there is a need for strategic planning and priority being given to waste services and resource recovery for NSW.

Too often waste services and waste infrastructure planning is considered as an afterthought and not given enough weighting as a significant issue affecting our communities in terms of both economy and environment. There has been some welcomed recognition of waste within the Greater Sydney Commission's North District Plan as a planning priority. However, to date this has not been supported by actions and clear pathways showing how these objectives and priorities will be achieved.

The Discussion Paper with its premise of a future reform agenda, provides a valuable opportunity for the NSW state government to take a leadership role and escalate the significance of waste services and resource recovery for NSW.

⁴ **NSROC** Northern Sydney Regional Waste Profile Report 2018

⁵ **NSROC** Northern Sydney Regional Waste Strategy Directions Report 2018

⁶ Department of Environment and Energy National Waste Action Plan 2018

3. Prioritising Waste in Productivity Reforms

The Discussion Paper identifies six initial draft productivity priorities. It is understood that these will be further refined into a recommended reform agenda following stakeholder consultation.

NSROC commends the Productivity Commission in preparing a Discussion Paper to guide future productivity reform across NSW. In principle, NSROC supports a reform agenda aimed at securing the best future for NSW and improve liveability for all communities across NSW.

However, it is disappointing that waste management (including waste services and waste infrastructure) was not captured within the reform priorities. This is considered to be a missed opportunity that it is hoped can be addressed.

In broad terms NSROC recommends:

- Waste management to be included as an element of the productivity priorities that will guide future reform.
- Identification of waste as an essential service.
- Waste is seen and valued as a resource.

While it is expected that waste would be specifically identified in the priority considering water and energy, it is also a relevant consideration in the following priorities:

- Infrastructure;
- Taxation;
- Planning and
- Regulation;

where it could contribute towards the productivity benefits for the NSW economy

Prioritising waste within the productivity priorities would provide a platform to implement reform and much needed long-term planning for waste and waste related infrastructure across Northern Sydney and New South Wales.

It would also assist local councils within NSW achieving targets and goals set nationally by the *National Waste Action Plan 2018*, *WARR 2014-2021* and the *Northern Sydney Region Waste Strategy*.

There are significant benefits and opportunities in what waste materials can provide to NSW as well as economic value retained in these resources. Capturing waste management, as a priority is essential in ensuring the broad state objectives of productive, liveable and sustainable communities across NSW are met.

It is vital that consideration of waste is captured as part of the priority areas for productivity reform to ensure waste services can be provided at a reasonable cost to the broader community. The lack of capacity of waste processing infrastructure and the reliance on landfill facilities will result in high costs to the community if waste is not given a higher level of priority.

3.1 Additional issues to be explored in reform agenda

The Discussion Paper through the inclusion of waste as a productivity priority would be driver for higher-level attention to issues that are currently surround waste management. This includes waste services and waste infrastructure.

Reflection of waste management priorities and issues as part of the productivity reform considerations would provide an opportunity to align with the focus highlighted by the Minister for the Environment for the proposed *NSW 20 Year Waste Strategy*. These include:

- *Sustainability – the NSW waste industry is self-sustaining, delivers improved environmental outcomes and avoids the human health impacts associated with poorly managed waste*
- *Reliability – the bins are always collected, and our waste is managed in accordance with community expectations where our recycling is recycled for example*
- *Affordability – waste services are delivered at a reasonable cost and with the customer in mind⁷*

NSROC recommends:

Expansion of the focus areas within the Discussion Paper to give consideration of the following issues would support waste management priorities being implemented at a state, regional and local level:

- Planning for land use and waste infrastructure
- Role of Government – accountability and responsibility
- Improving the planning system for waste
- Prioritising waste avoidance and reuse and improving resource recovery
- Reforming waste levy funding

The above issues have been linked to the relevant priority areas and key issues identified within the Discussion Paper as detailed in the later sections of this submission.

4. Reliable, sustainable and productive use of our water and energy

Water and energy are essential to all sectors of the economy, underpinning business operations and household living standards. Population growth and climate variability, however, pose challenges to the reliable, sustainable, and productive use of these resources.

NSROC agrees that water and energy are both essential considerations in guaranteeing both productive and liveability of our community. However, waste management also needs to form part of these considerations. This would be consistent with current state strategic planning policies such as the *North District Plan* and the broader *Region Plan* for metropolitan Sydney.

A key challenge that needs urgent attention is that current waste infrastructure capacity across NSW is not sufficient to process the projected amounts of waste generated and meet the waste diversion targets established within the WARR.

By 2021, the metropolitan region will have a capacity shortfall of 560,000 tonnes per annum to process mixed waste (equivalent to three facilities) and 540,000 tonnes per annum to process organic waste (equivalent to nine facilities).

⁷ ENVIRONMENTAL PROTECTION AUTHORITY (2019) 20 Year Waste Strategy for NSW

This will place pressure on existing waste infrastructure and facilities to cater for the increase in waste generation as well as create a need for additional waste infrastructure to be provided to meet the future needs of the community.

Waste trends in the Northern Sydney region are influenced by its demography and socio-economic character; including such factors as:

- strong population growth, predicted to be between 1.5 and 2.4% per annum in the 2016-2021 period, across the region;
- increasing population density resulting from the increase in the number of multi-unit dwellings, now constituting half of all dwellings in the region;
- above-average incomes, resulting in higher levels of spending on consumer items.

The Greater Sydney Commission's North District Plan includes a planning priority (PPN21) to *reduce carbon emissions and manage energy, water and waste efficiently*. This planning priority gives effect to the planning objective in the region plan *A Metropolis of Three Cities* that *more waste is re-used and recycled to support the development of a circular economy*

NSROC recommends:

- Expansion of this priority to include waste management.
- Improving governance of waste management issues across NSW.
- Prioritising recycling and resource recovery.

4.1 Improving governance

The Discussion Paper identifies that the *"governance of the rural and urban water sectors is complex. Functions are spread across government departments, independent regulators, and state-owned corporations"*.

Similar parallels can be made to the issue and complexity of governance of waste management within NSW. Adding to the complexity of issues surrounding waste is that the private sector is a key stakeholder in waste management and resource recovery. Virtually all the waste infrastructure that the Northern Sydney Region relies upon is in private ownership.

Role of Government – accountability and responsibility

Local government is the provider of municipal solid waste services. This responsibility is legislated under the provisions of the *Local Government Act 1993*. In addition, Councils are also faced with pressures to satisfy WARR Strategy targets for waste reduction and recovery.

The *Northern Sydney Regional Waste Directions Report 2017-2021* estimates that approximately 49% of the Regions waste is disposed at landfill facilities. This is well short of the diversion targets set by the WARR Strategy.

While member councils have been working diligently across our community to meet these targets, their ability to meet them is significantly influenced by the availability of and access to suitable waste infrastructure.

While the WARR Strategy has set resource recovery targets that local councils are working hard to achieve, there has been limited leadership given from a State level to provide local councils with sustainable opportunities for achieving these targets. Approval and regulatory risks have also so far

prevented the private sector from investing in new facilities serving the region and all of metropolitan Sydney

The NSW Government has a key leadership role to play and any reform agenda should mandate that the NSW Government taking ownership of this issue. Leadership actions could include providing direction on how waste avoidance and reuse as well as improving resource recovery systems will and can be prioritised.

This can include:

- Infrastructure survey (including a needs assessment) of what waste infrastructure is required to support the needs of a growing population;
- Investment in the development of new technologies within the waste sector;
- Increased and improved community engagement to support new technologies within the waste sector; and
- Regulatory reform to manage problem waste and the buying back of recycled content.

Changes to planning for waste

This submission has highlighted that there is a growing need to undertake an assessment of what waste infrastructure is required to support the growing and changing needs of our population. In addition to a waste infrastructure survey being undertaken as a priority, consideration needs to be given to whether the current process has the effect of securing waste infrastructure sites.

An option that could be explored as part of the reform considerations and integrated with any planning system reforms is whether land for waste infrastructure facilities (and other urban services) should be secured and reserved for this purpose.

There is currently no state government led coordination of the siting of waste infrastructure across the Sydney Metropolitan Area. Identifying viable and long-term sites for waste infrastructure and facilities is left to private industry and with limited guidance under the current planning system on identifying or securing suitable sites.

4.2 Prioritising recycling and resource recovery

The Discussion Paper notes that *"water recycling and greater water-use efficiently can play a significant role in achieving sustainable growth"*. NSROC advocates that prioritising waste avoidance and prioritising recycling is also vital in achieving sustainable growth.

NSROC recommends that the productivity reforms support current state, regional and local waste strategies and policies that prioritise recycling and resource recovery.

The NSW economy depends on the environment to provide raw materials and manage the waste and emissions we produce⁸. While avoiding waste is the best environmental option, supporting the reuse, recovery and recycling of resources retains them in the economy for a greater length of time.

⁸ ENVIRONMENTAL PROTECTION AUTHORITY (2008): Too good to waste: Circular Economy Discussion Paper

The Waste Hierarchy is seen as the best approach to deliver the best overall environmental option for our community and is embedded throughout national, state and regional waste strategies. The Waste Hierarchy prioritises waste avoidance, however this priority for waste action often receives the least attention and commitment at a State government level.

NSROC advocates greater leadership from State Government and greater collaboration across all levels of government and with the private sector to prioritise avoiding and reducing waste. Avoiding waste and reducing the quantities of waste generated will be of significant environmental and economic benefit to our community.

This leadership should provide clear and sustainable pathways for business and the community to avoid waste and actions to implement the principals of a circular economy.

NSROC recommends that the State government take the lead in shifting behavioral change for businesses. It is essential that businesses be encouraged to maximise the value of all materials across the product lifecycle.

There is an opportunity and significant benefits to be obtained in the buying of products containing recycled materials. This would require State government to take a key role as part of this action for change and would be key in addressing waste avoidance and reuse.

There is also a role for all tiers of government to play in supporting businesses implementing and developing products that avoid waste and conserve our valuable resources.

Innovation is needed within the business sector to develop and provide products and services that increase the lifecycle of products as well as maximising recycling opportunities. However, it is critical that businesses have government support.

It is also essential as part of any commitment to improving resource recovery that State government play a key leadership role to facilitate economically efficient recycling. There needs to be a clear mandate for the State government to support the expansion of the recycling sector.

NSROC recommends that future productivity reforms align and support the State government's current commitment to develop a Circular Economy Implementation Plan by 2020.

5. Smart ways to get more out of our infrastructure

NSROC supports the inclusion of infrastructure planning, coordination and delivery within the Discussion Paper. It is essential for productive, sustainable and liveable communities across NSW that infrastructure is planned and delivered to align with projected population and housing growth.

NSROC concurs with the Discussion Paper that improved coordination of land use planning is essential in delivering and securing infrastructure that is responsive to the populations changing needs.

It is essential in moving forward with agenda reforms that strategies and actions be linked to providing adequate waste infrastructure that is strategically planned and located to meet the expected waste generation of the Northern Region.

NSROC recommends:

- Improved waste infrastructure planning across NSW
- Commitment to undertake waste infrastructure capacity and needs assessment for NSW.

5.1 Planning for land use and waste infrastructure

NSROC recognises the importance of infrastructure projects and essential services (including utility networks). These are vital to the success of the NSW economy. NSROC sees waste services and planning for waste infrastructure as important as planning for water and energy because the provision of waste and resource recovery processing and disposal infrastructure is a key component to providing an efficient and effective waste service. Waste infrastructure planning is another key element for a productive NSW economy.

NSROC has routinely advocated for action surrounding the delivery of waste infrastructure for the Northern Sydney Region. The NSROC *Regional Waste Strategy 2017-2021 – Direction Report* highlights that the region is significantly lacking in waste infrastructure. Failure to deliver and ensure access to a sustainable and efficient waste service will significantly impact on the productivity and liveability of the Northern Sydney Region.

Adding to the above challenges is the planned population growth and development for member councils. Increases in the housing and residential population will continue to place increasing pressures on the availability and accessibility of waste infrastructure for not only Northern Sydney councils but also greater Sydney.

Unless changes are made, these issues will significantly impact the productivity and liveability of communities across NSW. Failure to have access to waste services can result in significant environmental and economic costs to the community.

Both commitment and action is needed to address the lack of waste infrastructure available to the Northern Sydney region to ensure the community has access to appropriate waste services. A priority for action that should be embedded within the Discussion Paper is the identification of suitable land for waste infrastructure and the completion of a waste infrastructure needs assessment as mentioned earlier under governance.

Securing sites for waste infrastructure facilities is essential in ensuring the growing population needs within the Northern Sydney region are met and is to be included as a key issue as part of any productivity reform.

There is also a need for the protection of existing waste infrastructure facilities and any potential waste infrastructure sites from urban encroachment. In order to secure existing sites and protect future waste infrastructure sites, priority should be given to strategic planning that ensures the availability and protection of appropriately zoned land for waste and resource recovery.

One option that could be explored as part of reform considerations which is consistent with the District Plans, is the retention and development of urban services land in precincts. Such precincts would allow for the grouping of compatible industrial land uses. The broader benefits to the economy and the community would include improved land use efficiency, appropriate land use buffers, transport and logistic efficiency as well as business and employment opportunities.

5.2 Congestion and Infrastructure

The Discussion Paper identifies that a key issue in infrastructure planning and delivery is consideration of congestion impacts. The Paper identifies that *“better use of roads and managing peak demand can reduce congestion costs”*.

NSROC supports consideration of mitigating the impacts of transport and traffic congestion. It is important for these considerations to be expanded to include considerations of waste transport in planning to respond to issues of congestion. A high-level financial analysis was undertaken for NSROC earlier this year on the potential transport savings of a centrally located waste transfer station (with bulk haul to landfill or processing facilities) compared to waste collection vehicles delivering to the landfill or processing facilities. Savings of approximately \$1.8 M pa could be realised from a single facility without even allowing for reductions in greenhouse gas emissions, road congestion and road accident costs.

6. Modernising our tax system to help our economy grow

Key issues within this priority within the Discussion Paper recognises that the *“role of local government is changing, with widening community expectations for service provision.”*

The Discussion Paper outlines that *“the NSW Government needs to consider expectations on local government and how reform could improve efficiency.”* A key issue identified in the Discussion Paper is enabling local councils to deliver better services.

As mentioned previously within the submission, local councils hold the key responsibility for providing the domestic waste service for the local community. Councils are also provided with the heavy task of achieving the increasing waste diversion and recycling targets set by the State government.

NSROC recommends:

- Review of funding to local government such as the application of the Waste Levy.

6.1 Review of the Waste Levy

An opportunity exists as part of the productivity agenda to reform current funding mechanisms that surround the waste levy. Exploration of how the waste levy can be better used to achieve the waste avoidance and landfill avoidance objectives prescribed by the *Protection of the Environment Operations Act* should be undertaken. This would improve local councils' ability to provide sustainable and efficient waste services to the local community but also assist in achieving recycling targets.

The waste levy was introduced to reduce the amount of waste being sent to landfill as well as increasing recycling across NSW. The waste levy is seen as the key economic instrument for greater waste avoidance and resource recovery by the State government⁹.

NSROC recommends that the funds raised by the waste levy be targeted to support waste management including infrastructure projects that would benefit the communities paying the levy. For example, increasing the capacity and expansion of the recycling sector will have broader benefits

⁹ Environmental Protection Authority www.epa.nsw.gov.au 2019

of increasing recycling and landfill diversion rates as well as economic benefits of seeing a return of resources to the economy. This satisfies the liveability and productivity objectives of the Discussion Paper.

Future reforms in this area also have the potential to explore options for future funding of research and future investment in new and innovative waste processing technologies. There is also an opportunity for the State government to capitalise on the growing momentum surrounding waste-to energy technologies.

7. Planning for the housing we want and the jobs we need

Highlighted throughout this submission is the significant challenge of access to and availability of waste infrastructure for member councils. These pressures are only increased as a consequence of the forecast population growth that will consequently rise domestic waste generation.

The Discussion Paper correctly recognizes that a planning system needs to be responsive and meet the needs of a growing population. The Discussion Paper also outlines, *“planning influences investment and productivity because it regulates what we can build and where we can build it”*. NSROC supports the intention of improving strategic land use planning to increase the coherency of zoning and provide more certainty for future development. In the case of waste infrastructure for example, local councils need to ensure that they have access to waste infrastructure to ensure effective and efficient waste servicing. This is paramount to a healthy and sustainable community. It is also essential that waste infrastructure is located within a reasonable distance of their LGA to reduce operating and transport costs

At the statutory planning level, local councils are also currently experiencing significant challenges in providing efficient and effective waste services to their community. A key issue for local councils is that the waste servicing for individual developments is often overlooked at the design development stage. This issue is further magnified as the density of developments increase and lot sizes are becoming smaller.

Consideration to any planning reforms that streamline the development and planning approval process need to ensure that new developments will provide a high level of urban design and protect local residential amenity. This includes ensuring new developments and land release subdivisions are integrated with Councils waste service.

Poor development outcomes have potential to result in developments that are unable to be integrated with councils' waste service once the developments are operational. This is likely to result in increasing financial and service delivery pressures for local councils and significant resident frustration.

One of the issues highlighted in the discussion paper is *minimising red tape and complexity*. NSROC supports this intention, provided that the measures of efficiency consider the whole of life costs of a development rather than just the up front development costs. Too often requirements are relaxed which only benefit the developer and leave the community suffering reduced amenity and additional cost burdens. In the case of waste for example, reducing the required basement height of a residential flat building because of perceived construction costs prevents waste collection vehicles entering the property. This can result in potentially hundreds of bins lining the footpaths several days each week creating safety, access, parking, environmental and amenity risks for surrounding

residents. These impacts remain for the 50 to 100 year life of the building but could have been solved by maintaining the building requirement at the construction stage.

NSROC recommends:

- Supporting strategic planning processes that recognise waste as essential infrastructure and dedicate specific land use zoning for waste infrastructure and facilities.
- Identify existing waste infrastructure and provide land use zones and planning controls to provide buffers around existing waste infrastructure to reduce potential land use conflict and development pressures.
- Improving the development application process for waste infrastructure to provide greater certainty of requirements and approval pathway for the waste sector.

A major challenge for waste infrastructure facilities across the Sydney metropolitan area is the lack of land as a consequence of land and development pressures as well as increasing land costs. There is also a challenge with the planning process for getting land zoned and licenced for waste infrastructure facilities and the uncertainty of the development approval process.

7.1 Improving the development application process for waste infrastructure

Streamlining the development application process would assist in providing greater certainty for the waste sector in securing sites and gaining the regulatory approvals for waste facilities.

There is currently a lack of guidance through the development application in the development of new waste facilities. The development approval process is often viewed as “high risk” and provides a high level of uncertainty for the waste sector in securing sites for much needed waste infrastructure.

It is concerning that the current planning system does not support the required waste management outcomes needed for the Northern Sydney region and NSW. On this basis, NSROC would welcome any planning and regulatory reform to improve the development application process for waste facilities.

8 Summary

NSROC welcomes the opportunity to comment on and provide a submission in response to the Discussion Paper – Kickstarting the productivity conversation released by the NSW Productivity Commissioner. The Discussion Paper is a timely opportunity to provide reform and actions to ensure the liveability and productivity of all communities across NSW.

NSROC supports the preparation and establishment of priorities that will ensure communities across the Northern Sydney Region are liveable, sustainable and productive. NSROC concurs with the Productivity Commission that productivity growth is critical for business and job creation and the success of the broader economy.

Establishing a reform agenda that prioritised productivity is welcomed but it also must be balanced against liveability and sustainability objectives. NSROC supports the inclusion of productivity priorities that value reliable, sustainable and productive use of our natural resources and utilities such as water and energy.

However our review of the priorities identified has raised concern that the importance of waste planning and waste infrastructure has not been included as part of the reform agenda. It is our view that waste is an important consideration for not just the Northern Sydney region but for NSW.

The lack of recognition of waste as an essential service and a valuable resource is a missed opportunity of the Discussion Paper.

NSROC considers that waste needs to be seen as an essential service within the identified priorities. It is essential for the success of the economy and ensuring truly liveable and sustainable communities that waste planning and waste infrastructure is incorporated into any future reform agenda and policy.

NSROC strongly recommends that the productivity agenda be expanded to consider waste management driven priorities that support local councils in delivering waste services across the community.