

6 May 2020

Department of Planning, Industry and Environment,
Locked Bag 5022,
PARRAMATTA NSW 2124

Business NSW response to Redirecting the Future of Plastic and The Future for Waste and Resource Recovery

Business NSW welcomes the opportunity to respond to the *Cleaning Up Our Act* papers [Redirecting the Future of Plastic in NSW](#) and [The Future for Waste and Resource Recovery in NSW](#).

Major changes to the international waste trade and the move towards a National Waste Action Plan mean that reviewing NSW's waste management policy is essential. However, with the effects of the Covid-19 crisis hanging over NSW businesses, we encourage the Department to avoid early actions which might impede businesses' ability to recover from the crisis.

Business NSW also notes that the timing of the consultation may have made it more difficult for businesses to participate and provide evidence. We encourage the Department to consider whether the responses to this consultation will provide sufficient evidence to move to the next stage in the policy development process.

A more detailed response to the papers is outlined below.

Implementation and timing

Recommendation 1

Any measures involving upfront costs to businesses should be delayed until the recovery from the Covid-19 crisis is well underway.

China's ban on importing many classes of waste products precipitated a rethink of many countries' approach to waste management, including Australia. The development of the impending national ban on the exports of all waste paper, plastic, glass and tyres is a consequence of that disruption.

The [National Waste Policy Action Plan](#) informs policy deadlines identified in the discussion papers – a ban of mixed plastic exports from 1 July 2021, and other types of waste plastics no later than 30 June 2022. The timetable of the NSW waste strategy, therefore, is driven by a mixture of externally imposed constraints, national political timetables, and those deadlines NSW is imposing on itself. Considering recent events, some of these self-imposed deadlines may need revising.

About Business NSW

Formerly NSW Business Chamber, Business NSW is the peak policy and advocacy body which has been representing businesses in NSW since 1826. Business NSW is one of Australia's largest business support groups with a direct membership of 20,000 businesses. Business NSW works with government, industry groups, as well as business and community leaders to provide a voice for our members. Operating throughout a network in metropolitan and regional NSW, Business NSW represents the needs of business at a local, state and federal level.

Businesses in NSW are trying to manage through and eventually recover from the effects of the Covid-19 crisis, on top of other pressures on businesses from drought and fire in recent months. Alongside other measures from Government, the waste strategy should emphasise solutions which avoid putting additional burdens on business at this time. The strategy is for the next 20 years. It should avoid costs in year one that will put pressures on businesses at the point when they are at their most vulnerable.

Business NSW supports many of the measures under consideration in the review, but those with the most direct impacts on businesses' costs, supply chains or equipment needs can be phased in less aggressively.

Recommendation 2

The Department should extend or revisit consultation on these proposals to ensure affected businesses are fully able to participate.

Business NSW is concerned the timing of this initial consultation may have made it difficult for some businesses or industry groups to respond. The consultation period (from publication in March to 8 May) overlapped with the Covid-19 crisis. Given the overwhelming pressures on businesses and other organisations during this period, many will have missed this consultation, be unaware of its potential consequences for their business, or simply not have the time and resources to respond.

Business NSW strongly encourages the Department to review whether the submissions it receives are in line with normal expectations of stakeholder consultation responses, and to not proceed with policymaking in this area until it is confident it has had full input from those affected. Where proposals include the possible outlawing of categories of products or materials, there is a significant risk of unintended consequences and the consultation process should aim to draw out as many of those as possible before legislation is written.

This feedback is going to be particularly important given the lack of cost or benefit data available in the initial discussion papers. Assessing the proportionality of proposed interventions requires information about the identified problem and the options under consideration.

Identifying policy linkages

Recommendation 3

While the discussion paper makes preliminary efforts to identify linkages with other areas of policy, these connections should be more fully explored and costed before final decisions about policy (including setting specific targets) are made.

One of the opportunities from carrying out strategic thinking is to identify linkages between the waste system and other parts of the economy. The issues paper lacks any meaningful detail on the opportunities for energy from waste. This is not just in the form of incineration, but through capturing landfill gases for power generation and capturing methane from food and agricultural wastes to supplement natural gas in the gas network (see for example the work [Jemena Gas Network](#) is doing on biomethane in NSW).

In the absence of a price on greenhouse gas emissions, it relies on direct regulation and occasional grant awards to motivate investments in better waste technologies. Extensive experience in Europe has shown that landfill gas capture microgeneration can be done cheaply, and that more sophisticated approaches such as anaerobic digestion of waste or waste-to-gas grid technologies can be implemented at relatively low carbon prices. However, those markets are also characterised by mature and well-developed markets in those

technologies, with multiple experienced participants. NSW is at an earlier stage on that curve, and so as the issues paper recognises, the capacity here is some way behind.

Bringing together responsibilities for planning, environmental policy, energy and waste in the reconstituted DPIE should place government in a better position to make these links and develop policy accordingly. These papers do not indicate extensive input from those other fields of practice. Treating waste as a discrete problem, rather than one fundamentally interlinked planning, energy and transport, will not deliver lasting solutions from a 20-year strategy.

Businesses are willing to accept reasonable constraints if evidence-based and likely to contribute to reducing the scale of the problem. Businesses want to be part of the solution, as recipients of our past Excellence in Sustainability Awards have demonstrated (see the examples of [Stone & Wood](#) and [De Bortoli Wines](#)).

At the most basic level of engagement, businesses experience of waste comes in two main forms: costs and convenience. Whether businesses pay rates through local councils (for smaller businesses) or pay for commercial waste contracts, waste can be a cost to manage. Compared to other areas of business expenditure, it tends to be a low priority, not appearing in our regular survey of businesses' cost concerns. Convenience not only affects business perceptions towards the policy, it also affects its likely success rate. The easier it is to comply with any revised waste collection and separation practices, the more likely they are to be accomplished.

Concerns with the issues paper

Business NSW is a strong advocate for best practice policy development. This requires a clear articulation of policy objectives, consideration of alternative options, and a proper assessment of impacts costs and benefits informed by stakeholder consultation.

While the 20-year strategy offers a more balanced exploration of the issues it addresses, the plastics paper is much more weighted towards a particular outcome. Good consultation should be aimed at exploring the advantages and disadvantages of different policy options. Disappointingly for an issue of this importance to business and wider society, the plastics paper appears to select a preferred option and then only offer the arguments in its favour.

The importance of good policy appraisal was emphasised in the [NSW Regulatory Policy Framework Independent Review](#) (Greiner Review). The principles that the Greiner Review endorsed are not properly followed by this consultation, particularly recommendation 12 that a policy proposal evaluation should...

“c) be focused on outcomes when comparing policy options, d) assess the impact of policy options, including the incremental burden of regulatory options on stakeholders e) actively consider industry-led solutions ... g) provide decision-makers with a clear analysis of the risks of each option, including to the regulated and the end-user h) consider how the options will connect with and affect the existing regulatory environment”.

Global figures are presented without contextualising how Australia or NSW compare. For example, the paper states “microplastics have been found...in our drinking water” (p. 8), with reference to a collection of studies covering Asia, Australia, Europe and North America. The referenced link does not say if Australia performs better or worse than these other locations.

The paper cites a World Economic Forum study that “8 million tonnes of plastic leak into our oceans every year – equal to a dump truck a minute”. In this case, “our oceans” mean all oceans on the planet, and the leakage is the total from all countries and not, as one might otherwise infer, from Australia or NSW alone.

Careful language from scientific publications is removed to make statements that are potentially exaggerated or misleading. For example, from *Redirecting the Future of Plastic in NSW* a science journal meta-study conclusion that humans *may* ingest *up to* a credit card's weight in plastic becomes "humans are estimated to be ingesting a credit card's weight" in the issues paper (p.8 and repeated on p.10). Business NSW's response is not focussed on debating the scientific grounding of the proposals but is concerned that the poor use of language is reflecting poorly on the process.

Redirecting the Future of Plastic in NSW repeatedly refers to plastic ending up "in litter or in landfill" (or similar phrasing) as if these two states were equivalent. This understates the rigorous environmental controls present at NSW landfill facilities. Put simply, plastic ending up in litter has a high risk of environmentally damaging impact; plastic in landfill poses very low risk. NSW and the rest of Australia are fortunate to have well-managed and well-regulated landfill sites.

As a result, while Business NSW supports measures which further limit illegal dumping and accidental loss during transport, reducing the flow of plastics (and other materials) to landfill should not, by itself, be the objective of policy in this area. Policy should focus on intercepting those materials with the highest re-use and recycle value, or the highest risk of environmental harm from conventional waste management. Targeting single-use plastics, while making for a media-friendly story, does not necessarily fulfil this focus.

For certain classes of products eliminating single-use plastic products (generally of low mass and material content), available substitutes are far more material intensive. Substitutes (e.g. metal drinking straws or canvas bags) don't just need to be re-used, they need to be used enough times to compensate for the extra materials which went into their production. Life cycle impacts of products are exceptionally complex, dependent on usage context, available substitutes, production methods and more. These interactions should be fully assessed. Boiling that down to a media friendly slogan ('end single use plastics') and then making that slogan policy exposes myriad unintended consequences, including potentially environmentally damaging ones.

If you have any questions about this submission or would like to discuss in more detail, please feel free to contact me at Simon.Moore@businessnsw.com.

Yours sincerely

Simon Moore
Policy Manager, Infrastructure