

10.2.1.5. ECDEV - 27/09/2021 - Energy From Waste Infrastructure Plan

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Authorised by Director of Economic Development & Environment

Reference

Nil

Summary

To advise Council on the recent announcement by the New South Wales Government of their Energy from Waste Infrastructure Plan. The report recommends an interim position for Council's consideration.

Commentary

As councillors are aware, on 10 September 2021 the New South Wales Government announced their new Energy from Waste Infrastructure Plan.

The Plan defines where new thermal waste to energy facilities can and cannot proceed. It identifies four specific precincts in regional New South Wales as priority locations to host these operations:

- West Lithgow Precinct
- Parkes Special Activation Precinct
- Richmond Valley Regional Jobs Precinct
- Southern Goulburn-Mulwaree Precinct

The West Lithgow precinct encompasses the Mount Piper Power Station and nearby lands extending to Blackman's Flat in the east and the outskirts of Portland to the West (see plan below).



In the briefings that have been provided since the announcement of this Plan it has been made known that there were references within the NSW Government’s earlier Waste and Sustainable Materials Strategy to the development of further policy on these facilities. This has culminated in the facilities being substantially prohibited across NSW in all but the four identified localities.

Disappointingly, no consultation was carried out with this Council or the local community prior to the government’s announcement of what is for this city a key aspect of this policy - that Lithgow is to be one of the only four localities for the facilities. Many questions arise such as the rationale, process, lack of consultation and parity. A video conference was arranged with EPA officers following the announcement where the EPA officers offered to brief the council. This briefing occurred on 20 September 2021.

Even with the benefit of a briefing, confusion remains when considering the extent of the West Lithgow precinct as it relates to the new government plan versus the individual Energy Australia/Re Group “Energy Recovery Project.” As councillors are aware, the Energy Australia/Re Group “Energy Recovery Project” is a standalone development proposal involving the construction of an energy recovery boiler and storage facility to generate steam for integration with the Mount Piper Power Station. Council considered its position on this standalone proposal at its Ordinary Meeting of 24 February 2020 and no position was taken by Council. In effect, Council elected to rely upon the merit assessment of this proposal by the NSW Government who are the consent authority. The project site for the Energy Australia/Re Group proposal is shown in the plan below.



The new State Government Energy from Waste Infrastructure Plan identifies a precinct known as West Lithgow where energy from waste facilities may be considered. The boundaries of this precinct extend beyond the Mount Piper Power Station curtilage. Therefore, it is difficult to reconcile whether the new government position simply identifies the precinct as a site where an existing proposal can be accommodated, or whether it envisages further energy from waste proposals within the precinct. Clarification is being requested as to the precise geographic footprint of the precinct.

Energy from Waste projects can cause community concern which appears to be supported by the government's decision to effectively prohibit these projects from anywhere other than in 4 locations. Whilst it is accepted there is an Energy from Waste proposal relating to Mt Piper Power Station this new State Government position, at face value, appears to open up further lands in the vicinity for such uses. If clarification could be obtained that this is not the case, then this may influence the Council's position in its views on the new State Government plan.

While Council's officers are still attempting to understand the background to this Plan, it would seem to be a response a challenge of reducing waste generation in the first instance and, later, beneficially recycling waste. This creates a demand for landfill or other disposal options. The challenges are compounded by the large populations within major cities (and their significant waste generation). This policy recognises the incineration of residual waste as an alternative to landfill. But significantly, what it does is concentrate the activities in four locations, servicing the whole of NSW's residual wastes. Metropolitan Sydney is the overwhelming source of these residual wastes. This Plan makes way for Sydney's wastes to be exported to the four locations. This Plan represents a win for metropolitan Sydney, perhaps at the expense of the regions.

This Council is committed to positioning its economy for the future. New industries and employment activities are being pursued. Council's pursuit of jobs does cause us to keep an open mind about the form of those jobs in the future. Being optimistic, perhaps there could be an ecosystem of jobs established as a spin-off from energy to waste. Certainly, the statements which accompanied the release of the Plan spoke of these projects stimulating economic development across the regions. But at this point there is no insight as to how that would be assured. There are no accompanying economic strategies. In the absence of any such clarity it is difficult to keep an open mind that these energy to waste facilities will bring material benefits.

A final important consideration is the equity of these activities being imposed without any material upside on Lithgow, for the benefit of communities that do not want them in their "backyard". It is anticipated that, because of proximity, Lithgow and Goulburn will likely be the principal recipients of Sydney's residual wastes. In other words, Lithgow stands to be the host for these activities on behalf of metropolitan Sydney.

It seems apparent that there is the case for financial compensation being payable to local councils, and so their communities, where such facilities are hosted. It is clear from discussions with other affected councils that this is also a matter of common interest and at least in one local government area, where significant amounts of Sydney waste are being landfilled, a contribution is already being made which the Council can then utilise in its normal operations and projects. It is our view however that these offset or legacy type funds should be more substantial - funded perhaps by a small levy on those metropolitan communities that have been spared from the presence of these activities in their neighbourhoods. In our case, such a fund could be used to deliver much needed local infrastructure or to accelerate job creation.

At this stage it is difficult for Council to adopt a final position on the Energy from Waste Infrastructure Plan without much more clarification from the State Government in terms of the potential impacts, the safeguards and the actual benefits. The council may also find it difficult to formulate its views given the views of the community have not been sought. However, any such consultation should have been undertaken by the government and it would be difficult for council to carry out its own consultation process where it is not the authority responsible for the policy position.

Following the briefing of Councillors by the EPA it is understood that the next phase of putting the plan into action will be the creation of a new regulation. This regulation will be put out for a consultation period of 28 days. The timing of exhibition of the draft regulation is being clarified. In

the briefings it was said that this would occur prior to the end of this year. This timing is not appropriate for a number of reasons -

1. Neither Council or the community has received forewarning about what is, on face value, likely to be a matter of gravity for this city and its communities. A regulation is a brief technical and legal type document. It will not give the necessary information as to the overall consequences of this Plan for the host communities. Much more understanding overall will be required ahead of exhibition of a regulation so people can make an informed decision on the proposal.
2. The timing clashes with the impending local government elections and the caretaker period –both of which fetter Council's abilities to properly deal with this proposal.
3. The community will either continue to be in lockdown or just emerged from it and seeking to catch up on backlog needs. It is less likely that they will be able to effectively engage in consideration of this proposal.

Given the lack of notice or consultation with both Council and the community, the Mayor has written to the Deputy Premier and Minister for Energy and Environment asking that any further action as it relates to Lithgow be deferred until such time as consultation occurs.

Policy Implications

Metropolitan Sydney is challenged to meet its own waste management responsibilities in terms of waste reduction and recycling. This creates a demand for landfill and the incineration of residue wastes. The landfills are not readily able to be provided in the Sydney basin. As a result, wastes for landfill and incineration are exported.

Whilst not enshrined as a formal Council Policy, it has been a long-standing position of Lithgow City Council to oppose the importation of Sydney waste to the Lithgow Local Government Area.

Financial Implications

- Budget approved - Nil
- Cost centre - Nil
- Expended to date - Nil
- Future potential impact - Indeterminate

Legal and Risk Management Implications

This is difficult to determine given the information available at this stage.

Attachments

1. energy-from-waste-infrastructure-plan [2.1.5.1 - 11 pages]
2. John Barilaro Matt Kean med rel - CERTAINTY FOR COMMUNITY AND INDUSTRY ON ENERGY FROM WASTE [2.1.5.2 - 2 pages]

Conclusion

The NSW Government intends to move quickly by a Regulation to identify four locations across regional NSW as the only sites where in reality Energy from Waste facilities can be established. One of these is Lithgow.

On the information available, and it is acknowledged that the facts may be different, it would seem that -

- The more than 5 million person metropolis of Sydney, and regions also, are not able to sufficiently reduce waste generation to a manageable level (either through minimisation or recycling). Non-beneficial disposal is then necessary. Landfills, especially in Sydney, are costly and have long term environmental consequences.

- There are opinions that incineration of residue wastes is better because in a subordinate waysome energy can be created.
- Historically, communities oppose waste incineration in their areas because of perceived and actual risks to human and environmental health, as well as other impacts.
- The New South Wales Government's proposed Energy from Waste Infrastructure Plan directs all of NSW residue wastes eligible for incineration/ energy generation to four locations across NSW. One of these is Lithgow.
- This Plan, on its own, offers no apparent material benefit to Lithgow.
- There is the need for, at least, -
 1. Effective community consultation ahead of the Plan being enacted by regulation.
 2. Ongoing community engagement to properly manage all of the actual and perceived concerns.
 3. A broad suite of initiatives with long term commitment and substantial funding to ensure that the communities that are being asked to host these facilities on behalf of the State are supported to be the best they can - economically, socially and environmentally ie., benefits are optimised and certainly these are well in exceedance of the impacts

At this stage it is difficult for Council to adopt a final position on the Energy from Waste Infrastructure Plan without much more clarification from the State Government in terms of the potential impacts, the safeguards and the actual benefits. The recommendations below suggest a slowing of the process, consultation and the pursuit of a suite of measures to guarantee substantial and enduring benefits for the city. As to this last point, it is our view that the NSW government and the 4 councils should co-design such measures. None of this however should be interpreted as Council now or later supporting the Plan.

Recommendation

THAT

1. Council endorse the position taken by the Mayor asking that no further action occur on implementing the Energy from Waste Infrastructure Plan for the Lithgow Local Government area until effective local consultation occurs.
2. Council request that the draft Regulation not be exhibited in 2021.
3. Council request, in addition to the normal regulatory consultation process, that the draft regulation be advertised in the local media to provide an opportunity for the local community to participate.
4. The administration continue to engage with the NSW Government on concepts such as:
 - Effective community consultation ahead of the Plan being enacted by regulation.
 - Ongoing community engagement to properly manage all of the actual and perceived concerns.
 - A broad suite of initiatives with long term commitment and substantial funding to ensure that the communities that are being asked to host these facilities on behalf of the State are supported to be the best they can - economically, socially and environmentally ie., benefits are optimised and these are well in exceedance of the impacts
5. At the appropriate time and after endorsement by Council a submission be made on the draft regulation relating to the Energy from Waste Infrastructure Plan.