

Environment Protection Authority

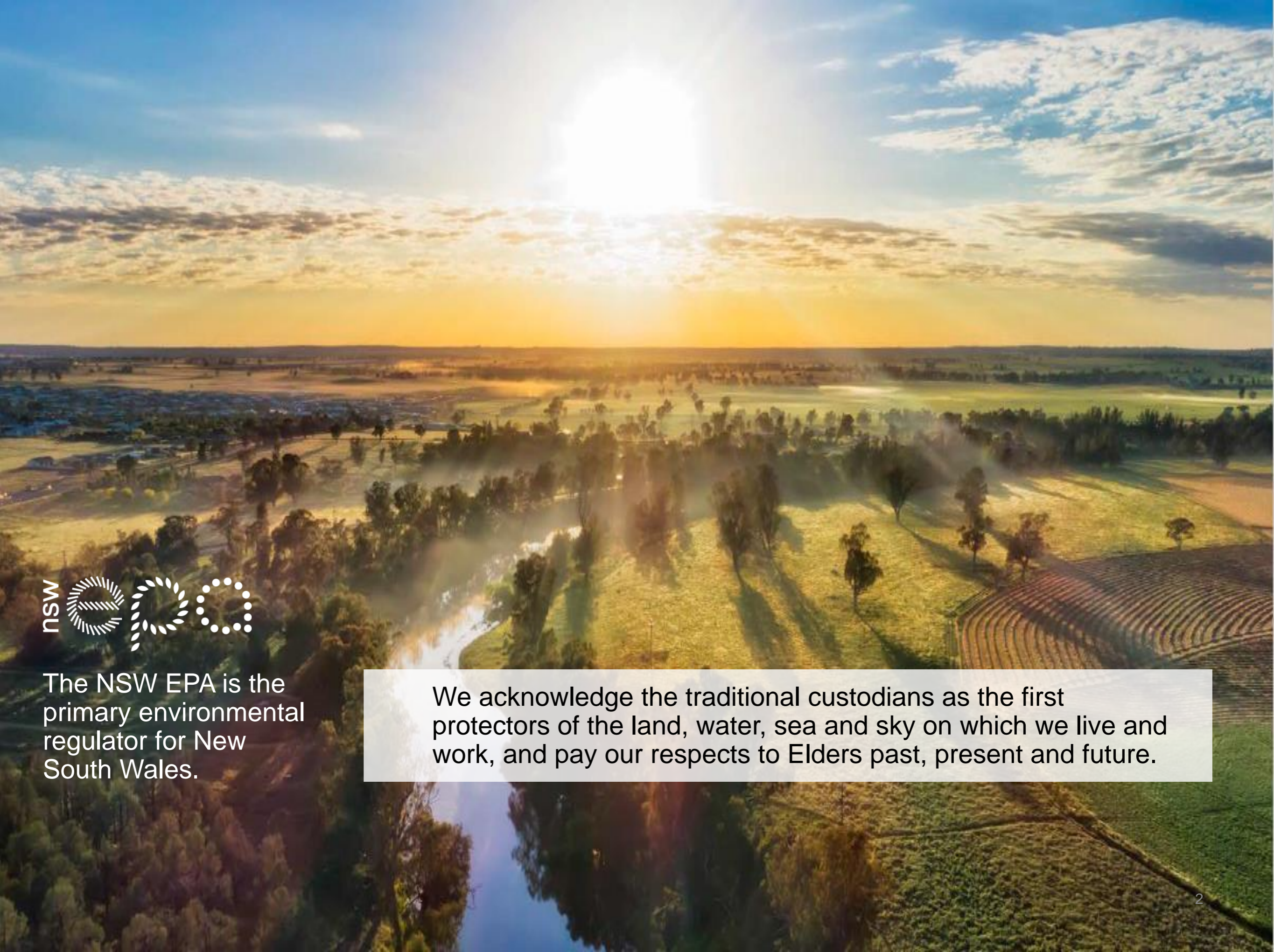
Environmental compliance and initiatives for businesses in NSW

AEBN National Environmental Compliance Conference 2023

Asela Atapattu, Director, Major Projects & Initiatives, NSW EPA

March 2023





The NSW EPA is the primary environmental regulator for New South Wales.

We acknowledge the traditional custodians as the first protectors of the land, water, sea and sky on which we live and work, and pay our respects to Elders past, present and future.

Overview

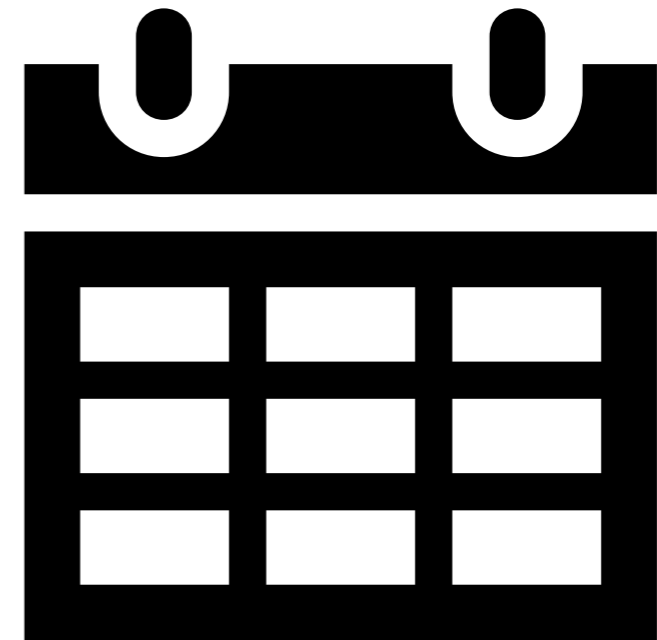


1. Positioning the EPA for the future
2. EPA's Climate Change Policy and Action Plan
3. Supporting industry transition to circular economy
4. Current priority areas: *plastics, resource recovery framework review, and carbon abatement*
5. Potential future priority areas: *waste levy, regulatory and compliance focus, and product stewardship*

Caretaker period in NSW



- The NSW State Election will occur on 25 March 2023
- The NSW Government has now entered the caretaker period, meaning no new decisions, initiatives or commitments can be made by the government
- Today's presentation is on behalf of the NSW EPA only
- Future government priorities and programs will be a matter for the incoming government



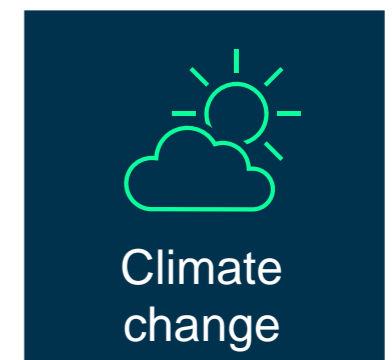
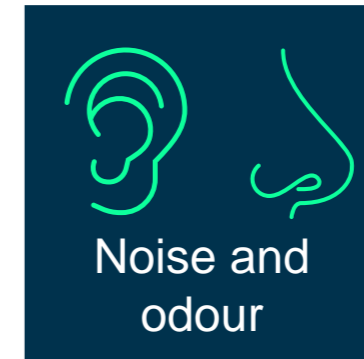
Positioning the NSW EPA for the future



Traditional regulatory approaches



- **Command-and-control** regulatory approach, focusing on **discrete issues** like air and water quality, contaminated land, or waste management
- Emphasis on **specific environmental harms** and how to minimize, mitigate, or limit those harms
- Prescriptive regulation and offences for exceeding limits



Opportunities for the NSW EPA



- Fighting tree by tree is no longer adequate for the environment
- How to **systematically respond** to complex issues like climate change and natural disasters
- Opportunity to think about the roles of government, industry and the community as **stewards of the environment** for future generations
- Setting long term, tangible outcomes to guide efforts
- Ensuring we're **listening to diverse voices** across community and industry, including perspectives from First Nations

Environmental stewardship outcomes

The environment is protected, restored, and enhanced

The environment is understood, valued, and sustainably managed

People are empowered to protect the health and wellbeing of themselves, those around them, and their environment

Government protects people and the environment from harm while ensuring standards are met

Economic activity increases while environmental impacts decline

EPA Climate Change Policy and Action Plan 2023-26

Implementation – Year 1



The EPA Climate Change Policy and Climate Change Action Plan 2023 - 2026

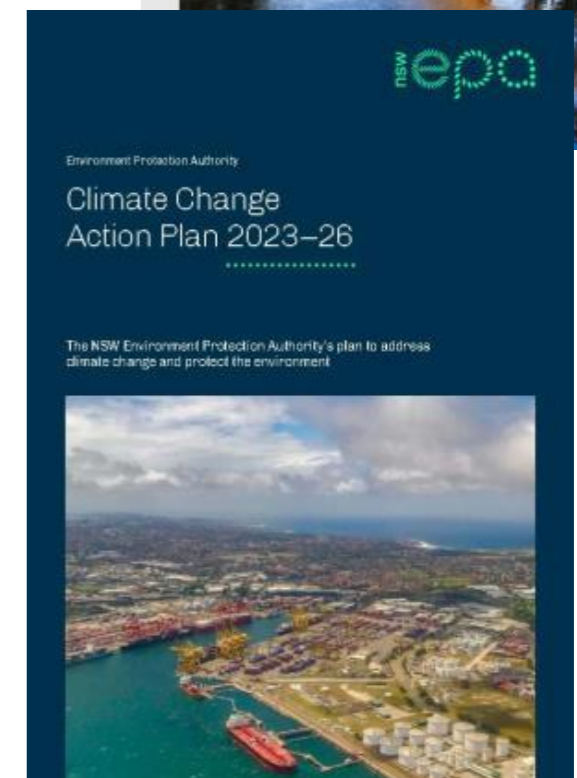
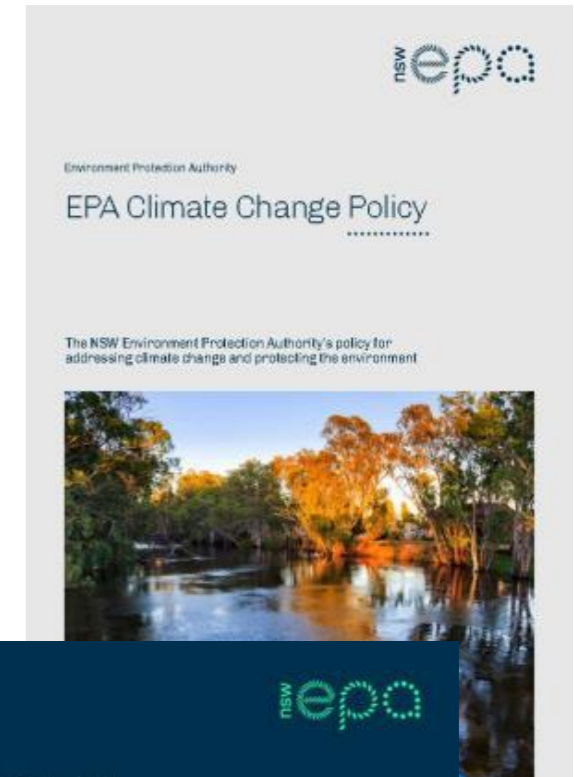


Our policy

- Describes the causes and consequences of climate change in NSW.
- Gives stakeholders certainty on our regulatory approach.




Our action plan

- Describes how we'll deliver on the objectives of the policy.
- Outlines the specific actions we'll take over the next three years, as part of our evolving regulatory response to climate change.
- We are taking a **staged, informed and collaborative approach** to implementing these actions.
- Signals the stronger regulatory action we intend to take over the medium to longer-term, if required.



Our climate change actions



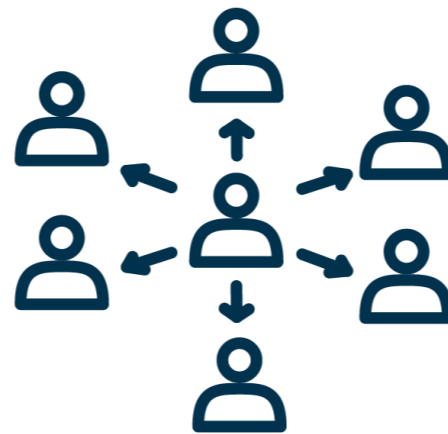
 <p>Inform & plan Working with industry, government and experts to improve the evidence base, decision making and regulatory response to climate change</p>	<p>Embed climate change in decision making</p> <p>Listen and learn</p> <p>Climate Change Mitigation and Adaptation Plans</p>	<p>Update Pollution Incident Response Management Plans</p> <p>CC adequately considered in planning approvals</p> <p>Reporting; EPA TCFD Statement</p>
 <p>Mitigate Establishing cost-effective approaches to support further emissions reductions in key industry sectors, or part sectors</p>	<p>GHG targets for key industry sectors</p> <p>Best practice guidance; performance outcomes</p>	<p>GHG emission limits / requirements on licences</p> <p>Encourage and support innovation</p>
 <p>Adapt Developing and implementing programs and regulatory approaches to ensure EPA and its regulated industries are more prepared for, and resilient to climate change impacts</p>	<p>EPA Adaptation & Resilience Delivery Plan</p> <p>Best practice guidance; performance outcomes</p>	<p>Environmental resilience programs & initiatives</p> <p>CC citizen science & community education program</p>

More detail at: <https://www.epa.nsw.gov.au/your-environment/climate-change/policy-and-action-plan>

Year 1 - What to expect



- Establish **Industry Sector Advisory Groups** (e.g. Agriculture, Mining)
- Licensee survey
- Consultation on new and updated **guidelines**, e.g:
 - **Updated** PIRMP Guidelines
 - **New** CCMAP Guidelines
 - **New** planning guidance and policies (working with DPE)
- **Prioritisation of industry sectors** for emissions targets (where to focus)
- Coal mines – working with the sector to improve the management of non-road diesel emissions



WaSM initiatives and grants to support industry in the transition to a circular economy



CPManufacturing webpage

\$69 million Net Zero Organics program



- WaSM introduced three new requirements for organics waste:
 - Councils to provide food and garden waste collection services to all **NSW households by 2030**
 - **Large food waste generating businesses** must source separate food waste from 2025 (hospitality, retail and institution sectors only)
 - **Large supermarkets** to report on food donation
- **\$69 million** allocated to support these mandates
- **\$13 million program for business** to ensure they know what to do, why and have skills to do it well
- Expected to include funding for partnerships, training, expert advice and onsite infrastructure like dehydrators



\$15 million circular business programs



WaSM supports small to medium business transition to a circular economy.

Bin Trim Network grants – open for applications till 24 March

- Focus on high level circular economy actions to design out and avoid waste
- Work with networks of businesses by precinct, supply chain, sector or key material type
- Encourage development of networks, partnerships and efficiencies in approach to extend the reach of funded activities

Builds on the Bin Trim program that provided free waste assessments to more than 38,000 businesses across NSW, achieved an average recycling increase of 15%, diverted more than 260,000 tonne of waste from landfill

Target materials include plastics and organic waste

Contributing to WaSM and Plastics Action Plan targets to halve food waste to landfill and increase the overall resource recovery rate to 80%.



The NSW Plastics Action Plan

Plastic packaging and so-called single-use plastic items make up 60% of all litter in NSW. These items take thousands of years to decompose and in the process, they are causing great harm to our natural environment and wildlife.

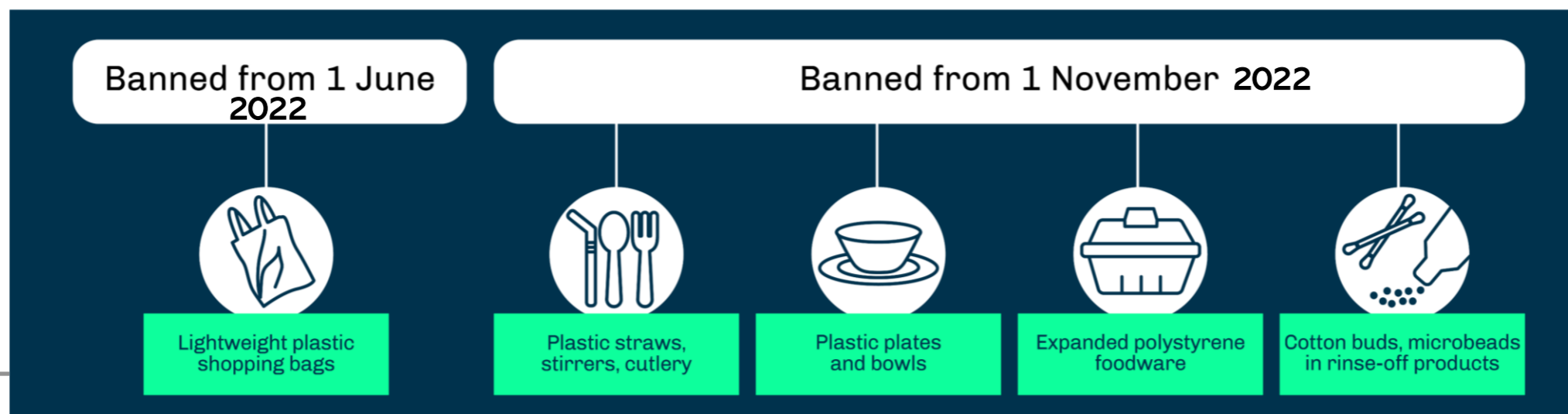


Phasing out problematic and unnecessary plastic items



- The NSW Plastics Action Plan was launched in June 2021 to manage plastic throughout its lifecycle – from generation through to production, supply and reducing plastic waste.
- These outcomes will be achieved through:
 - ✓ the phase out of certain problematic or unnecessary plastic products,
 - ✓ accelerating the transition to more sustainable and less harmful plastic products by funding innovation and research, and
 - ✓ better managing the leakage of problem plastic litter.

The *Plastic Reduction and Circular Economy Act 2021* gives effect to the government's commitment to phase out the supply of certain problematic single-use plastic items through bans, the setting of design standards (e.g. to prevent the supply of plastic microbeads in some rinse off personal care products), and product stewardship schemes.



Plastics Action Plan 2023+



While the phase outs of single-use plastic items now in place will help prevent an estimated 2.7 billion items of plastic litter from entering our natural environment and waterways over the next 20 years, the Plastics Action Plan notes other items remain of concern.

It details that these items and alternatives will be reviewed to determine whether a phase out is appropriate. This review, including the need to harmonise approaches across Australia as far as possible, has now commenced and is in the research phase. Consultation will occur to help inform future regulatory action.



Independent review of the NSW resource recovery framework



Independent review of the resource recovery framework



- The EPA commissioned a comprehensive, impartial, and transparent independent review to capture a broad range of perspectives.
- The review was undertaken by **Dr Cathy Wilkinson**, former head of the Victorian EPA.
- The framework is the EPA's policy, regulatory and compliance framework that facilitates beneficial resource recovery and circular economy outcomes.
- The framework supports a circular economy and contributes to achieving NSW's targets, such as an **80% recovery rate** from all waste streams by 2030.



Independent review of the resource recovery framework



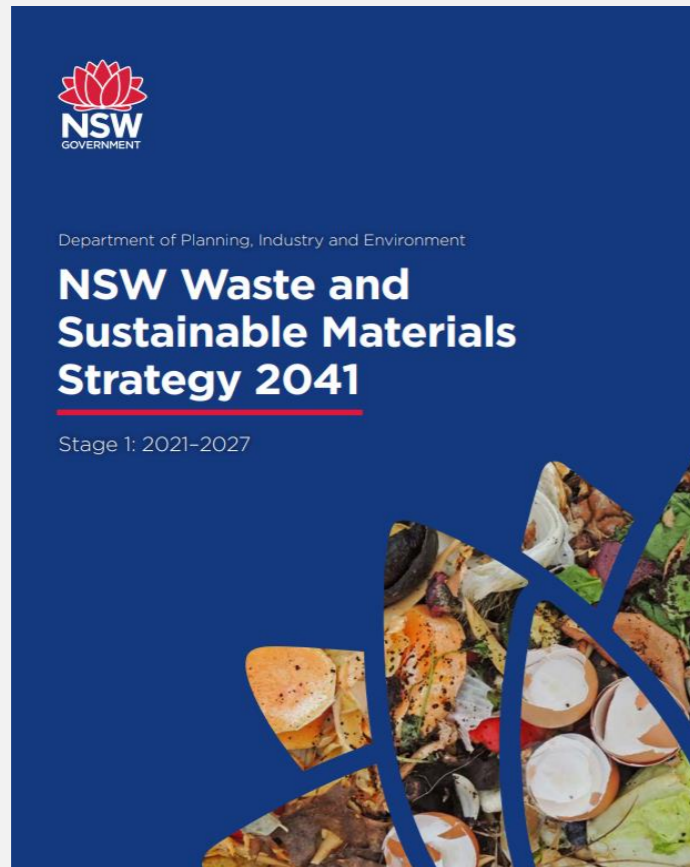
- Innovation in the recycling and reuse sector will be enhanced with the **EPA supporting all 22 recommendations** made in the review report.
- The review highlighted new initiatives to stimulate the circular economy, such as the investigation of new innovation pathways and options for ‘end of waste’ opportunities in NSW.
- **The EPA has committed to undertake further** consultation with key stakeholders to understand their perspectives as it implements recommendations.
- A work program is being finalised, in consultation with key stakeholders, to implement commitments made in response to the review.



Carbon recycling and abatement in material use



NSW is pivoting toward remanufacturing to boost resource recovery and abate carbon emissions



The Strategy promotes new infrastructure – combined with the Waste Levy and Resource Recovery Framework settings – to encourage resource recovery and diversion from landfill

However:

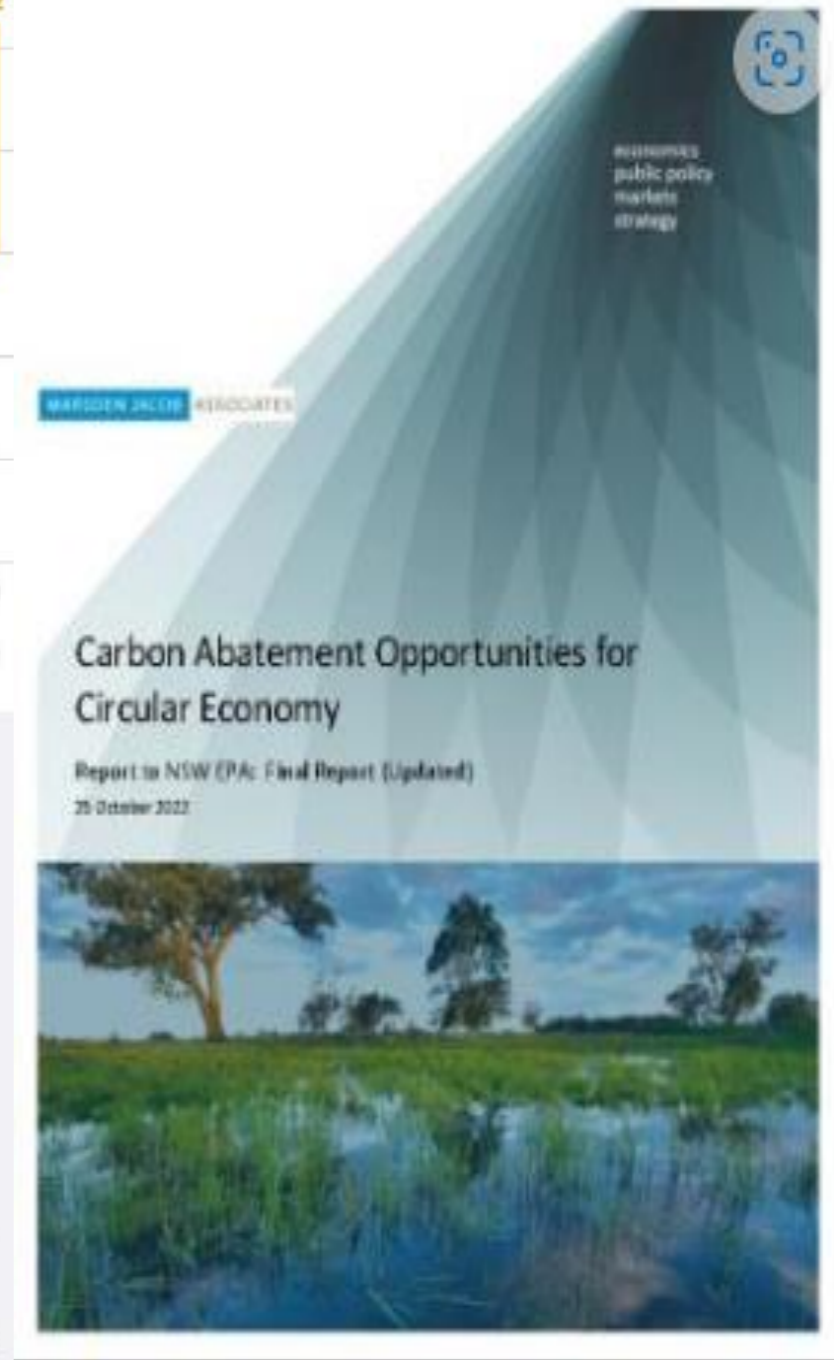
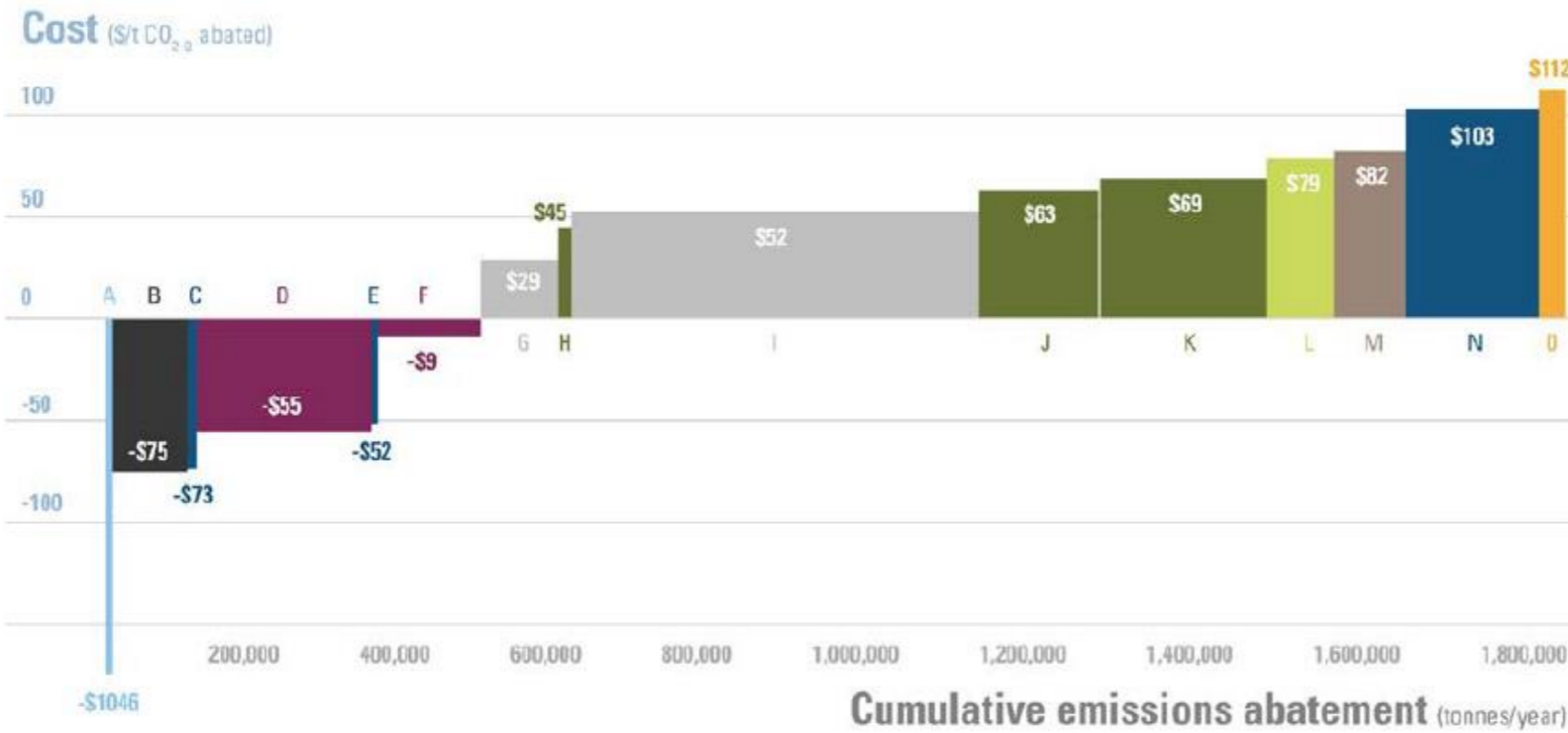
- rates of recycling in NSW have stabilised
- demand continues to grow for landfill space
- Commonwealth export ban is resulting in growing stockpiles

NSW is providing support to industry to **re-engineer and remanufacture recovered resources into low-emissions recycled substitute materials** for construction and manufacturing



\$37 million Carbon Recycling and Abatement Fund

Initial carbon abatement priorities



Asphalt	Cement	Glass	Organics	Paper	Plastics	Steel	Textiles	Tyres
B Recycled asphalt in road construction	G Increase use of SCMs in Portland cement I Geopolymer cement	D Recycling of kerbside glass for containers	H Composting of household FOGO J Composting of C&I FOGO K Chicken feed from commercial FO	D Recycling of mixed paper, MSW F Recycling of mixed paper, C&I	L Recycling of LDPE	A Replacing imported scrap with local scrap	M Composting of cotton textiles	C Use of crumbd tyres in EAF steel production E Tyre derived fuel in cement N Use of crumb tyres in asphalt

Identified priorities for the Carbon Recycling and Abatement Fund (CRAF)



Coal ash in cement

Address data gaps, support industry to map and characterise NSW ash repositories

Work with other NSW agencies to publish supply chain information

Fund feasibility trials for infrastructure and technology

Updated coal ash content requirements in NSW project specifications



Tyres in road making

Reduce barriers to remanufacturing, research the logistics and economics of their reprocessing

Test and scale innovative reprocessing proposals

Updated recycled tyre content requirements in NSW project specifications



Recycled asphalt

Increase transparency of supply chains, by publishing information on supply and stockpile locations, and locations for future demand

Updated recycled asphalt content requirements in NSW project specifications

A new Protection of the Environment Policy for sustainable construction



PEP objectives

1. Reduce **embodied emissions** through design and construction of infrastructure in NSW
2. **Maximise the use of recycled and remanufactured** substitute materials derived from NSW priority waste streams

Draft policy intent

PEP to be considered prior to approving (or otherwise authorising) **public infrastructure projects in NSW, including State Significant Infrastructure**

Public authorities – as proponent or approver of infrastructure – to consider how individual proposals have:

- quantified the embodied carbon to be captured
- demonstrated that an assessment of emission reduction options in design and construction was considered
- prioritised use of low-carbon recycled or remanufactured substitute materials derived from waste streams generated within NSW in design and construction

Next steps for the PEP



Timeframes and milestones

Inviting agency and industry inputs during design and consultation phases

Establish high-level policy intent , notify Minister for the Environment	Jan 2023
Publish Notice of Intention to prepare a draft PEP in NSW Government Gazette	Feb 2023
Prepare scope, draft PEP and impact statement <ul style="list-style-type: none"> - Analysis of alternative methods of achieving desired outcomes - Economic and social impact assessment - Targeted NSW agency and industry testing, including pilots 	Mar-Jun 2023
Public and targeted consultation <ul style="list-style-type: none"> - Publish draft PEP, invite submissions over at least three months - Further targeted consultation – agencies, councils, industry 	Jun-Aug 2023
Consider impact statement and submissions	Sep-Oct 2023
Submit final draft PEP to Minister for noting and recommendation to be made	End 2023
Minister recommends making of PEP to Governor, PEP published	Early 2024
PEP commences	Mid-2024

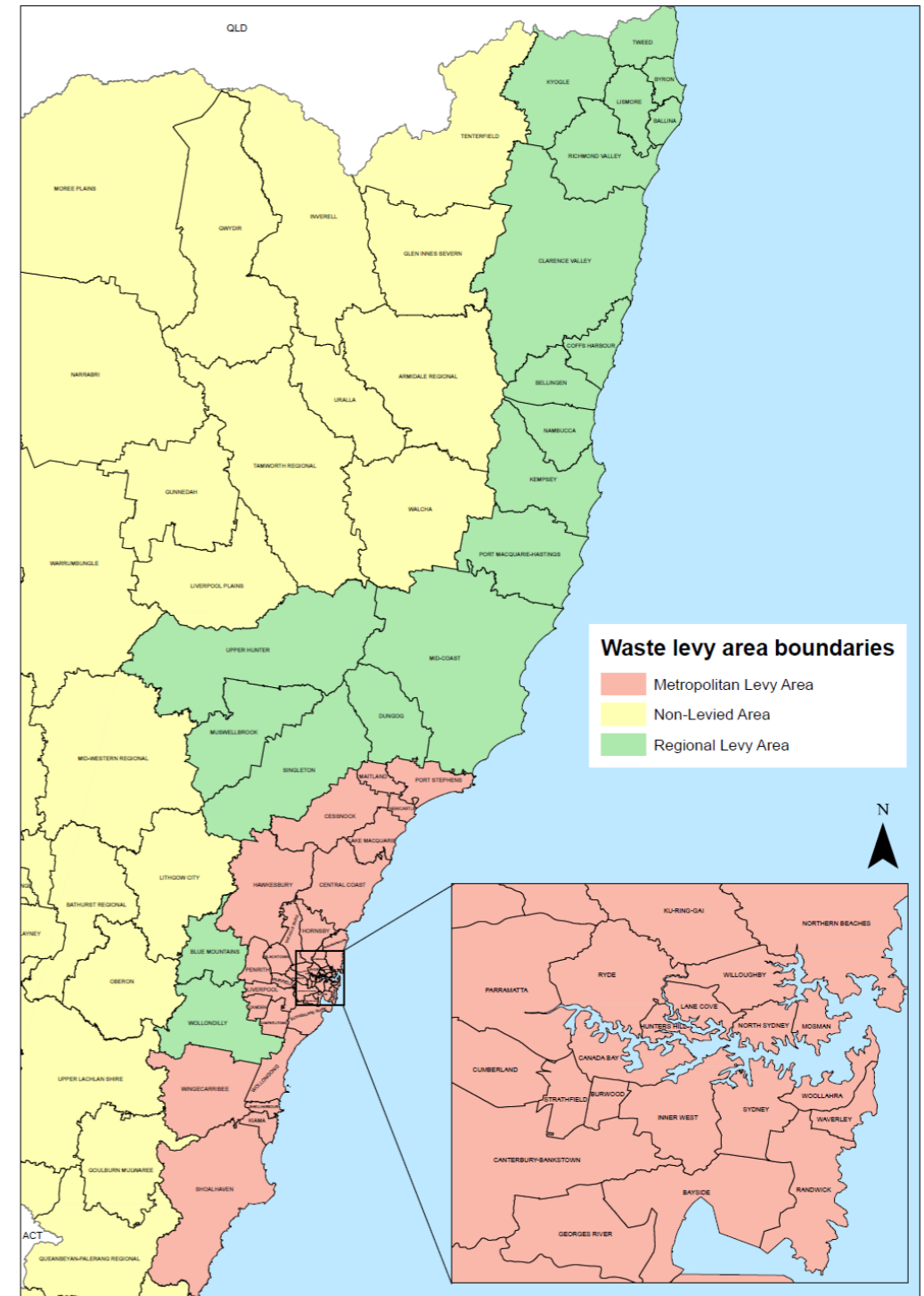
The Waste Levy in NSW



The waste levy



- Levy introduced in 1971 and applies in the regulated area of NSW
- Payable on waste received from, and at facilities located in, the regulated area
- Legislated under the *Protection of the Environment Operations Act 1997*
- Waste levies are common across Australian states and territories, with a shift towards increased consistency across jurisdictions in recent years.



The WaSM committed to five-yearly reviews of the levy



- Under the WaSM Strategy, there was a commitment to undertaking formal, five-yearly reviews of the operation of the levy
- The next steps and timing for any reviews will be determined by the incoming government
- The EPA will continue to engage closely with all interested stakeholders about the levy



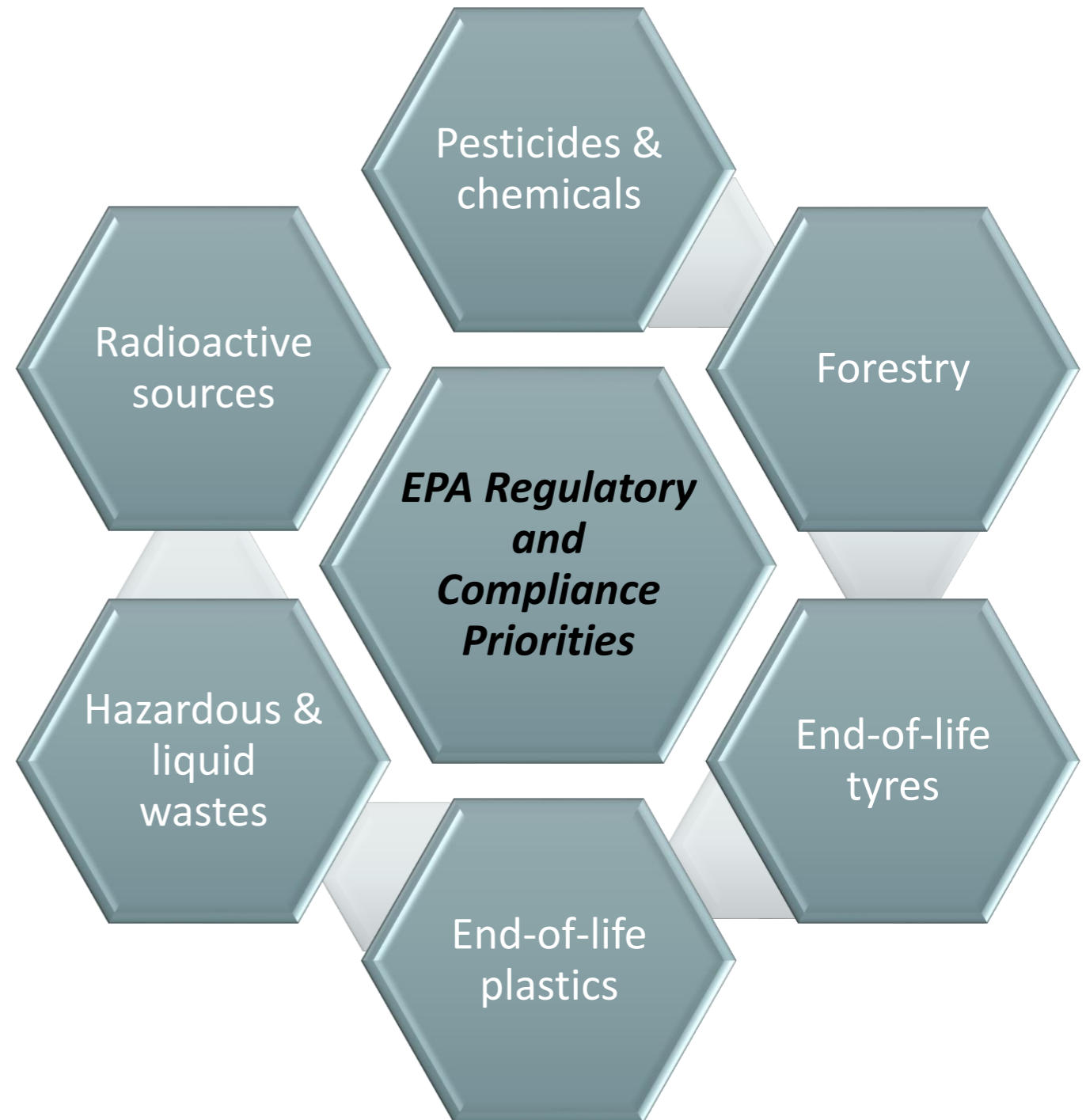
Regulatory and Compliance priorities 2022/23



Regulatory and Compliance Priorities 2022/23

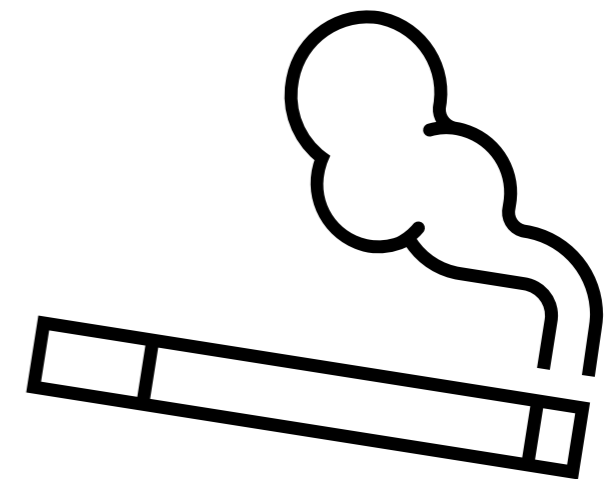
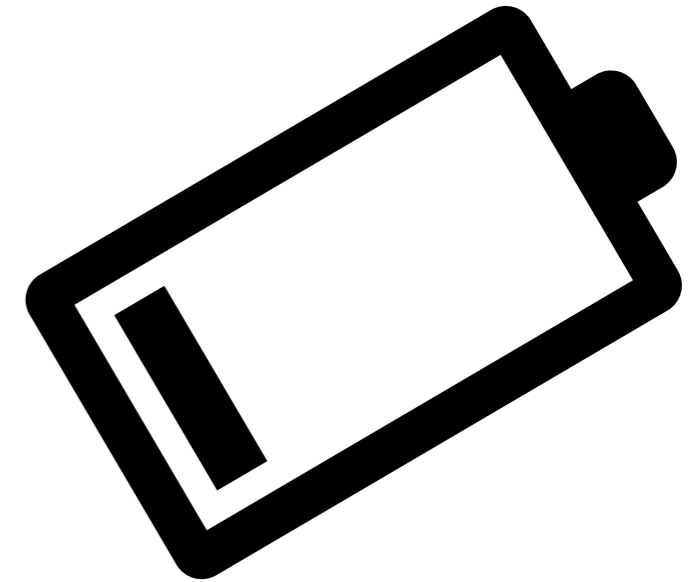


- Focused audits on individual sites
- Audit programs on industry sectors and activities
- Strategic environmental compliance and performance reviews
- Joint audit programs or campaigns with other government agencies and local government.



Problem waste areas

- Acknowledge several areas of problem waste that are priorities for industry and the EPA
- Problem waste being considered includes flammable solvents, tyres, lithium-ion batteries, soft plastics, and cigarettes
- The EPA is looking at immediate actions to address risks and longer-term preventative initiatives
- Considering opportunities from a product stewardship approach, noting existing industry-led initiatives in various sectors



Questions & Answers

