

16th May 2025

The NSW Environment Protection Authority (EPA)
6 Parramatta Square, 10 Darcy Street,
Parramatta NSW 2150
energyfromwaste@epa.nsw.gov.au

Dear Committee,

RE: NSW energy from waste framework review

Business NSW welcomes the opportunity to provide a submission on the NSW energy from waste framework review.

Business NSW is NSW's peak business organisation with close to 50,000 member businesses. Business NSW works with businesses spanning all industry sectors, the majority of which are small or medium enterprises. Operating throughout a network in metropolitan and regional NSW, Business NSW represents the needs of business at a local, state, and federal level.

The management of waste and the generation of sustainable energy are critical in steps towards Net Zero targets and components of a circular economy for NSW. Generating energy from waste (EfW) in New South Wales offers a practical solution for managing residual waste while contributing to local energy supply and reducing landfill dependency. By converting non-recyclable waste into electricity or heat, EfW facilities help reduce methane emissions from landfills and recover energy from materials that would otherwise go to waste.

When integrated within a broader circular economy framework, EfW can support the state's sustainability goals, improve energy resilience, drive economic growth, and create regional jobs. However, to ensure economic and environmental benefits are fully realised, it is crucial that the EfW policy framework in NSW balances energy recovery, environmental protection, public health, community engagement and economic potential.

The Energy from Waste Options Paper sets out the current framework and then outlines the proposals for change as follows:

1. Changes to precincts
2. Changes to the definition of 'thermal treatment'
3. Changes to exceptions for powering onsite industrial or manufacturing processes.

This submission provides feedback and recommendations on the EPA's proposed changes and makes recommendations on the broader framework.

Recommendations

1. Changes to the precincts and associated risks

The paper outlines some changes to the locations where energy from waste facilities can be proposed and developed. This includes adding Tomago, located near Newcastle, as a new priority infrastructure area and adding the former Wallerawang Power Station to the already established West Lithgow Precinct. It is proposed that the Richmond Valley Jobs Precinct is no longer identified as a priority infrastructure area.

While the Energy from Waste Options Paper considers changing locations of precincts, Business NSW believes EfW should be allowed anywhere in NSW where it complies with strict environmental and planning laws, including the EfW Policy Statement.

EfW can contribute to NSW's climate goals, improve energy resilience, drive economic growth and create regional jobs. By allowing EfW to be located anywhere within NSW, this sends a positive message about EfW, potentially stimulating the market and informing the community that well designed EfW plants can be safely developed in any location.

Additionally, the EfW framework should provide and exemplify competitive neutrality. By regulating the location of EfW facilities to specific precincts, this may give a commercial advantage to specific commercial operators in the waste arena who own the allocated land. This would skew market competition, stifle business's ability to grow and innovate, increase costs and not deliver the best quality EfW technology and plants.

Lastly the prescribed precincts are very limited in number, and most are distant from Sydney, which is the main source of feedstock. This requires significant transport infrastructure to move the waste to the permitted EfW location, increasing cost.

***Recommendation 1:** Remove precincts from the framework and allow EfW plants to be safely developed in any location.*

2. Changes to the definition of thermal treatment

The NSW Energy from Waste Options Paper proposes changes to the definition of 'thermal treatment' under the *Protection of the Environment Operations (General) Regulation 2022* (the Regulation) to better accommodate innovative recycling processes. There needs to be an expansion on exclusions to allow certain types of waste to be thermally treated to produce new products or inputs to those products, not just for plastic.

Also, under consideration is expanding the exclusions to include processes that produce a clear environmental benefit, as defined by the criteria in the Regulation or guidelines.

Business NSW supports the changes to the definition of thermal treatment but believes the EfW framework needs to go one step further in terms of defining acceptable feedstock.

The framework is not clear on what feedstock is acceptable for an EfW plant in NSW. Whilst the EfW Policy Statement allows “red bin” waste from source separated systems to be used as feedstock, it notes to exclude ‘contaminants’ such as batteries, light globes and electronics or other electrical waste. EfW technology is capable of processing small quantities of these wastes successfully and can be seen in many examples in the EU following best practice¹. By declaring these items as unacceptable feedstock, this indicates that an EfW plant requires extensive and expensive sorting and pretreatment, potentially rendering EfW plants economically unviable.

The EfW Policy Statement needs to be clearer on what constitutes acceptable feedstock and recognise that it is impractical and unnecessary to exclude small quantities of items such as batteries, light globes and electronics.

***Recommendation 2:** Redefine acceptable feed stock to include more waste that EfW technology can process such as batteries, light globes and electronics.*

3. Changes to the exception relating to powering industrial or manufacturing processes on site

Adjusting the exception under clause 144(4) of the Regulation to enable the EPA to consider and allow proposals to replace liquefied petroleum gas, natural gas, and liquefied natural gas with energy recovery from waste, on a case-by-case basis. This is to maximise the value of waste where it can be demonstrated that it is safe and environmentally sound.

Business NSW supports this change.

4. What other changes should be made to the EfW Framework

a) Emission standards

In its 2021 revision of the EfW Policy Statement, the NSW Government implemented a set of in-stack air emission limits it claimed were the most stringent globally. While the intent may have been to demonstrate strong environmental leadership, these limits diverge significantly from international benchmarks and may inadvertently hinder the development of innovative waste-to-energy industries. Standards that

¹ Transforming Waste into Affordable Energy: The WASTE BATTERIES Project. 2025.

<https://www.clustercollaboration.eu/content/transforming-waste-affordable-energy-waste-batteries-project>

have been successfully adopted across the European Union and are currently in place in states like Victoria and Western Australia appear to be dismissed in NSW without a clear rationale. As a result, the overly restrictive approach has created a barrier for technology providers, limiting their ability to operate within the state and stalling progress in a sector critical to sustainable waste management.

Business NSW encourages the NSW Government to align its emission standards with those set out in the European Union's Industrial Emissions Directive (IED) and Best Available Techniques (BAT) guidelines. Adopting these well-established benchmarks would bring NSW in line with European regulations—the global hub for Energy from Waste (EfW) technologies—and allow proven, EU-compliant systems to be implemented locally. This harmonisation would remove a key barrier for international technology providers and support the growth of EfW infrastructure in the state.

***Recommendation 3:** Align NSW emission standards with the European emission standards, documented in the EU's Industrial Emissions Directive (IED) and Best Available Technology (BAT) guidance.*

b) Over regulation in the EfW Framework

The "Good Neighbour Principle" in the context of the EfW Policy Statement refers to the idea that EfW facilities should operate in a way that minimizes their impact on surrounding communities and the environment. It emphasizes the responsibility of EfW plants to maintain positive relationships with local residents, ensuring that their operations do not cause harm or nuisance.

Under this principle, operators are expected to adopt practices that address potential issues such as air quality, noise, traffic, and waste management, thereby ensuring that the facility's presence does not negatively affect the quality of life for nearby communities. It encourages the development of EfW plants with due consideration for public health and safety and includes mechanisms to manage and mitigate any adverse effects.

However, as some critiques highlight, while the Good Neighbour Principle focuses on local community impacts, it should also be balanced with the broader public interest, including the need for regional waste management solutions and the benefits these plants can bring in terms of energy generation and waste reduction. Any application for an EfW plant will be determined under the *Environment Planning & Assessment Act 1979 (EP&A Act)*, which provides for a rigorous assessment of major developments like an EfW plant and provides for public exhibition of the application. It is unnecessary to have extra regulations in the guideline that only stifle development of the industry.

***Recommendation 4:** Remove any unnecessary regulation or guidelines from the framework that further hinder the EfW project achieving planning approvals and operations.*

Business NSW appreciates the opportunity to provide a submission on the NSW energy from waste framework review. We believe that considering our recommendations will allow the EfW industry to grow and in turn support the state's climate change goals, improve energy resilience, support business by driving economic growth and creating regional jobs.

We welcome further engagement on this matter and are available for discussions at your convenience. Should you require additional information, please contact Leah Tucker, Senior Policy Manager, Energy and Infrastructure (leah.tucker@businessnsw.com).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mustafa Agha', with a stylized, flowing script.

Mustafa Agha
Head of Policy
Business NSW