

Item 3.1

Uncertainty in the Waste Infrastructure and Processing Sector

File No: S051491

Minute by the Lord Mayor

To Council:

Reducing waste and environmental impact is one of the key actions Governments at all levels can take to lower our emissions.

Over the past 20 years, significant progress has been made. Recycling has been introduced for glass, hard plastics, paper and cardboard. There are separate collections for mattresses, electronics tyres, clothing, mobile phones, batteries, chemicals, blister packs, soft plastics, unwearable textiles and more. And landfills capture methane to generate energy.

The waste crisis

In June 2023, Council unanimously supported my Lord Mayoral Minute calling on the NSW Government to work with councils and the waste industry to address the looming waste crisis.

After years of sustained advocacy by the Greater Sydney Waste Leadership, including Resilient Sydney and regional organisations of councils across Sydney, the NSW Government released Chapter 1 of its Waste Infrastructure Plan in October 2025.

The NSW Government finally acknowledged that Greater Sydney is on track to run out of landfill space by 2030, with an estimated annual shortfall of 1.1 million tonnes of processing capacity. Without intervention, waste may be shipped interstate, increasing household waste management costs by up to 20% and delaying critical infrastructure.

While Chapter 1 commits to streamlined planning processes and a new advisory committee for waste infrastructure, it fails to provide a clear, coordinated pathway for infrastructure delivery. This lack of direction and certainty continues to fragment investment and delay much-needed projects.

Without a clear coordinated infrastructure roadmap and an enabling planning framework, investment is fragmented and the delivery of much needed waste infrastructure is uncertain.

Long term infrastructure road map needed

The waste crisis has been 50 years in the making. Chapter 1 says “Waste infrastructure in NSW is owned and operated by the private sector or local government. It is these parties’ role to design and deliver waste infrastructure and waste services for the people of NSW.” However, the waste industry has no obligation under law to design and deliver waste infrastructure.

In 1971, responsibility shifted away from councils with the creation of the Metropolitan Waste Disposal Authority (later Waste Service NSW), leaving local government reliant on external providers. In reality, the NSW Government retains responsibility for long-term planning and coordination. Expecting the private sector and individual councils to independently assess statewide needs is unrealistic.

A comprehensive, long-term infrastructure roadmap is essential to guide investment and delivery. It should clearly outline current and projected waste volumes, existing processing capacity, future infrastructure requirements, and optimal locations for new facilities. This would provide the confidence needed for industry to invest and scale solutions.

Such planning must do more than extend the capacity of existing landfill. It is about all the different types of recycling facilities we need for what is collected through our yellow bins, the 1.7 million tonnes of food waste generated in NSW each year, and complex waste streams such as soft plastics, e-waste, textiles, batteries, lightbulbs, blister packs and more.

Strategically located transfer stations across Greater Sydney are also critical to reduce transport distances, costs to ratepayers, congestion and harmful emissions.

NSW urgently needs a 20-year Waste Infrastructure Roadmap that identifies priority infrastructure needs and locations, aligns with waste generation forecasts and circular economy targets, and coordinates joint public and private investment.

Although the NSW Government has committed to beginning this work, no clear timeline has been set.

Only when a long-term roadmap is publicly available, will innovative businesses, the broader waste industry and their investors have the certainty they need to develop new circular solutions, scale up their operations and build the extra waste processing infrastructure and waste transfer stations where we need them.

As a Council we must also look at what we can do locally to support the circular economy and greater recycling. Community feedback on our Waste Reduction and Circular Materials Strategy 2026-2035 called for more convenient recycling and reuse infrastructure to make it easier to recycle and reuse every day, so it is important we play our part and investigate what we can do locally using our Domestic Waste Reserve.

At the same time, we must reduce the amount of waste being generated. The Federal Government must accelerate packaging reforms to ensure materials are recyclable, contain recycled content, and mandate stronger product stewardship schemes that embed reuse into product design.

Planning reform

Waste and circular economy infrastructure should be recognised as State Significant Infrastructure.

Currently, such projects are typically assessed as State Significant Development, resulting in slower and more complex approvals. In contrast, sectors such as transport, energy and water benefit from streamlined pathways under the Transport and Infrastructure State Environmental Planning Policy 2021.

Given its economic, environmental and social importance, waste infrastructure should have access to the same pathway. This would enable faster approvals, clearer processes and more flexible delivery which is critical to building the capacity needed before 2030.

Without reform, NSW risks higher costs, missed environmental targets and lost economic opportunities in the circular economy. A coordinated legislative framework, supported by long-term planning, is essential to unlock investment and improve outcomes.

Supporting innovative food waste solutions

Food waste represents 40% of household red bin contents and 12.8% of emissions in our area, so it's pleasing the NSW Government has mandated all Councils to provide food and garden organics collection services (either in a combined bin or separate bins) to all households by 1 July 2030. Certain businesses are also required to have separate commercial food waste collections starting from 1 July 2026.

The City of Sydney has operated a residential food organics service since 2019. What began as a trial now operates as a limited opt-in service for more than 24,000 households - around 20% of the local area.

Between 2019 and 2025, we've recycled 2,440 tonnes of food waste in our food scraps recycling trial creating 64,500 kwh of energy, 7.9 tonnes of fertiliser and 1,029 tonnes of compost, while saving 2,063 metres cubed landfill space and preventing 3,588 tonnes of greenhouse gas. The waste was processed using anaerobic digestion and later composting.

Following my 2023 Lord Mayoral Minute, the City entered into a contract with Goterra to trial the feasibility and scalability of insect farming to process food waste from January 2025.

The insect farming process uses black soldier fly larvae (or maggots) to consume food waste, turning it into fertiliser, and the larvae are then processed into a protein-rich animal feed. This processing technique not only reduces emissions from food waste, but the byproducts create a sustainable low-carbon animal feed and fertiliser. A truly circular solution.

The trial has delivered strong results. Between January 2025 and June 2026, 721 tonnes of food waste were processed locally in Alexandria, producing about 8,200 kilograms of protein-rich animal feed and 150,400 kilograms of fertiliser while avoiding a daily 50km round trip to the next closest facility. I am very proud of this trial and these results.

It took over 12 months to set up the trial, with Goterra getting waste processing licences for NSW and leasing space from Bingo in Alexandria, as they can only operate on land approved as a waste processing site.

Sadly, Goterra entered into voluntary administration on 3 June 2026 as it could not secure the investment needed to increase the scale of its operations. Media reports indicated that the business is expected to be offered for sale. This outcome highlights the challenges innovative businesses face in the absence of clear long-term infrastructure planning.

As local government, we don't have industry expertise and capacity needed to get the licences or regulatory approvals to process this food ourselves, so the City is now sending our food scraps to Veolia's EarthPower anaerobic digestion facility in Camellia where food scraps are converted to energy and fertiliser.

I have asked City staff to investigate opportunities to use black soldier fly larvae technology to process food waste in the future, including with Goterra should the company be sold and secure the investment it needs.

It is deeply disappointing that a technology so well suited to managing the growing volume of food waste could not secure the backing needed to expand, particularly as new regulatory requirements take effect. I wonder if a clear infrastructure roadmap would have helped provide the certainty required for Goterra to attract that investment.

Recommendation

It is resolved that:

(A) Council note:

- (i) Goterra entered into voluntary administration on 3 June 2026 as it could not secure the investment needed to scale its operations. Food scraps collected through the City's limited food scraps recycling service are now being processed using anaerobic digestion at Veolia's EarthPower facility in Camellia;
- (ii) the City will investigate opportunities to use black soldier fly larvae technology to process of food waste in the future, including with Goterra should the company be sold and secures the investment it needs; and
- (iii) that despite our advocacy, and the NSW Government's recognition of the impending waste crisis, there is still uncertainty in the waste processing sector;

(B) the Chief Executive Officer be requested to review the City's recycling infrastructure requirements including Food Organics, to ensure future services have the capacity to grow and meet the needs of our growing communities; and

(C) the Lord Mayor be requested to write to:

- (i) the NSW Minister for Climate Change, for Energy and for the Environment, the Minister for Planning and Public Spaces, and the Minister for Crown Lands, requesting that the NSW Government:
 - (a) urgently develop a 20-year NSW Waste and Circularity Infrastructure Roadmap; and
 - (b) reform Planning Pathways by:
 - amending the Transport and Infrastructure State Environmental Planning Policy to include waste infrastructure as permissible development for public authorities or other appropriate entities;
 - expanding eligibility for waste facilities to be classified as State Significant Infrastructure; and
 - enabling the declaration of critical waste infrastructure where it is essential for state outcomes;

- (ii) the Resilient Sydney Steering Committee and Mayors of the 33 member councils to strongly encourage collective advocacy to the NSW and Federal Governments on the issues raised in this Minute; and
- (iii) the Federal Minister for the Environment calling on the Federal Government to urgently expedite packaging regulatory reforms and mandate more effective product stewardship schemes to ensure that the largest waste generating consumables build in reuse as part of their product lifecycle.

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Lord Mayor of Sydney