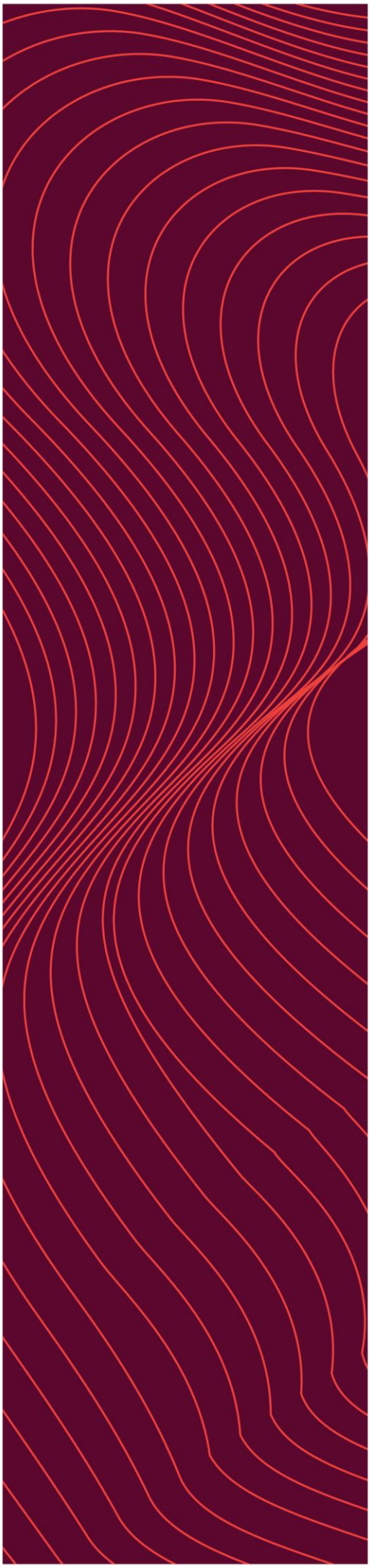
LATROBE CITY COUNCIL

Latrobe City Council's Submission to:

The Development and Expansion of Waste-to-Energy Infrastructure in Victoria

April 2026



Introduction

Latrobe City Council (Council) welcomes the opportunity to provide a submission to the Legislative Council Economy and Infrastructure Committee's inquiry into the development and expansion of Waste-to-Energy (WtE) infrastructure in Victoria. The consultative approach being undertaken to inform statewide waste management, circular economy outcomes and industry development opportunities is commendable.

WtE represents a complementary waste management method that can reduce reliance on landfill while contributing to energy recovery, in Council's view. However, its role must be clearly defined within Victoria's waste hierarchy and carefully implemented to ensure it does not undermine higher-value resource recovery methods such as recycling and reuse.

Latrobe City is Gippsland's major economic and employment centre, supporting more than 35,000 jobs and generating approximately $18.113 billion in annual output. With a population of over 79,000 residents, the region is undergoing significant economic change following the closure of coal-fired power generation assets, including the closure of Hazelwood Power Station in 2017 and the planned closure of Yallourn W Power Station in 2028. These significant disruptions require reshaping the region's industrial base and creates an imperative to leverage existing infrastructure, workforce capability and energy expertise to support new and emerging industries.

Latrobe City is also uniquely positioned in the context of WtE due to the presence of an industrial user with significant and consistent energy demand. Council supports the Opal Australian Paper Maryvale Mill currently progressing WtE initiatives to support its operations, demonstrating the potential for WtE to be integrated into industrial processes to improve energy efficiency and reduce reliance on external energy sources. This highlights both the opportunities and challenges of WtE development, especially in regions where existing industrial infrastructure can be repurposed to address emerging issues.

At the same time, Latrobe City faces practical challenges associated with waste management, including the finite availability of existing landfill capacity and increasing costs associated with waste transport and disposal. These factors reinforce the need for a coordinated and well-designed policy framework that provides certainty for local government, supports appropriate investment, and ensures WtE is deployed in a way that complements, rather than competes with, broader circular economy objectives.

Accordingly, careful policy design by the Victorian Government is critical to ensure WtE supports circular economy outcomes, maintains public confidence, protects recycling markets and delivers equitable outcomes for communities. Council is participating in this inquiry to provide a regional and industrial perspective on these issues, informed by local experience, emerging industry activity and the practical realities facing councils as they mitigate landfill dependency.

Councillors have an opportunity to consider and request changes to this submission. Should any changes be requested, Officers may seek to provide an addendum to this submission. Subject to Councillor feedback, endorsement of the submission will be sought at the 25 May 2026 Council Meeting.

Summary of Recommendations:

1. Clarify the role of WtE within Victoria's waste hierarchy, limiting it to residual waste only.
2. Develop clear, consistent procurement, contracting, and risk allocation frameworks for local government and industry participation in WtE.
3. Require early, transparent, and ongoing community consultation processes to strengthen WtE's social licence.
4. Avoid unintended detrimental impacts, including excessive transport of metropolitan waste to regional areas by using available rail network.
5. Introduce a mandated WtE cap annual review that enables adjustment without constraining approved capacity or feedstock certainty.
6. Strengthen WtE environmental regulation, including real-time emissions monitoring and public reporting.
7. Support alternative waste reduction pathways for food organics and soft plastics.

8. Ensure policy settings protect recycling and resource recovery industries from feedstock competition with WtE or any other lesser value resource recovery process.
9. Provide guidance on waste management quality standards including contamination management.
10. Support integrated planning to manage landfill dependency and residual waste pathways.

Submission

1. The Suitability of Existing WtE Infrastructure Plans and Policies

WtE should be clearly positioned within the recovery tier of Victoria's waste hierarchy and limited to residual waste streams remaining after best-practice recycling, composting and reuse options have been exhausted (Recommendation 1). Residual waste streams typically include household and commercial residual materials, including non-recyclable plastics such as food wrappings, soiled or low-grade paper and cardboard like pizza boxes, worn or soiled clothing and accessories, multi-layered packaging such as juice boxes, contaminated or treated wood, and rubber components. Without this clarity, there is a risk that WtE may inadvertently compete with higher-value circular economy priorities, such as avoidance, reuse and recycling ahead of energy recovery and disposal. Figure 1 illustrates the Victorian Waste Hierarchy.

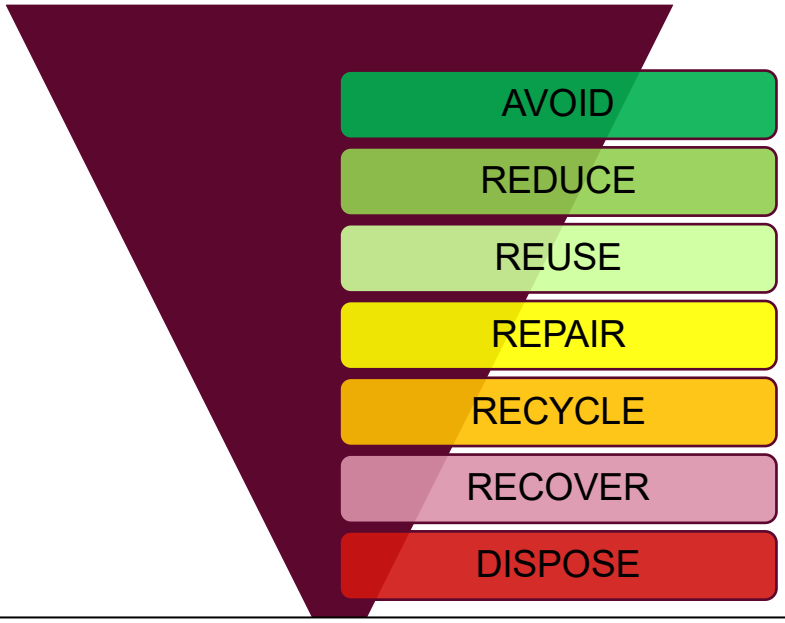


Figure 1: Victorian Waste Hierarchy
Source: Sustainability Victoria (adapted by Latrobe City Council)

WtE is positioned within the "Recover" tier and should only apply to residual waste.

There is currently limited guidance available to local government regarding procurement models, contracting arrangements, risk allocation and appropriate raw waste material commonly referred to as feedstock for WtE projects. This creates uncertainty and inconsistency in decision-making and may expose councils or industry to long-term financial and operational risks. Clear, consistent frameworks would support more informed and aligned participation across the sector (Recommendation 2).

1a. Impact of WtE Projects on Residential Communities and Transport Infrastructure

Community perception remains a critical factor in the success of WtE projects. Concerns regarding emissions and potential health impacts, often informed by historical examples, contribute to a level of community scepticism that must be actively addressed.

Building and maintaining public confidence requires transparent, accessible and ongoing engagement throughout all stages of project development and operation with community and

stakeholders (Recommendation 3). Engagement should be supported by clear information and education regarding emissions, health safeguards and comparable facilities. A good example of involving, educating and listening to the local community is Opal Australian Paper Maryvale Mill's WtE project. This community engagement and consultative approach that has generated strong sustained social licence of WtE infrastructure in Latrobe City.

Consideration must also be given to the broader impacts of WtE infrastructure, particularly in regional areas. The transport of large volumes of metropolitan waste into regional communities may create unintended social and infrastructure impacts and should be carefully managed to ensure alignment with community expectations and regional planning objectives. In this context, the Victorian Government should use rail freight where available to reduce pressure on regional road networks and improve the efficiency and safety of waste transport (Recommendation 4).

1b. Annual Caps on Waste that can be used in thermal WtE processing

In 2023-24 financial year reporting period, Victoria recovered or recycled close to 70 percent of the approximate 14.23 million tonnes of the State's waste generated in that year. The 30 percent of remaining residual waste estimated disposed in Victoria's landfills for that period was estimated to be 4.5 million tonnes. The Victorian Governments statewide cap on thermal WtE processing is set at 2.5 million tonnes. While there are pressures associated with landfill capacity, there is also uncertainty in waste supply markets and challenges for operators in securing long-term consistent volumes of feedstock.

Rather than increasing the cap in the short term, a more appropriate approach in Council's view, would be to introduce a mandated annual review to the statewide WtE cap. This should allow for adjustments in response to changes in waste generation, recycling performance and market conditions, but must not retrospectively reduce or constrain capacity already allocated through approved projects (Recommendation 5). Maintaining certainty of feedstock supply is critical to the commercial viability of WtE infrastructure, particularly given the long-term contractual and capital investment requirements associated with these facilities.

1c. Regulatory Framework to Establish and Manage WtE Facilities

A robust and consistent regulatory framework is essential to support the responsible development of WtE infrastructure. This includes clear approval pathways, strong environmental standards and effective compliance mechanisms.

In particular, continuous emissions monitoring and transparent public reporting are critical to maintaining community and stakeholder trust, and ensuring accountability (Recommendation 6). Establishing consistent regulatory expectations across jurisdictions would also support industry certainty and investment.

2. The Impact of WtE

2a. Separating Recycling and Organic Material from WtE Streams

Waste reduction and diversion should remain the priority within Victoria's waste system. Initiatives such as Food Organics and Garden Organics (FOGO), product stewardship schemes such as private electronics collection and recycling, and improvements in soft plastics recycling all play a critical role in reducing residual waste volumes (Recommendation 7).

Continued investment in these areas is essential to achieving circular economy outcomes. There is a risk that demand for feedstock from WtE facilities could undermine these higher-value recovery pathways, and policy settings should be designed to prevent this (Recommendation 8).

2b. Nature and Management of Emissions, Waste and Ash Byproducts

WtE has the potential to deliver environmental benefits compared to landfill, particularly through the reduction of methane emissions associated with decomposing waste. However, these benefits are contingent on the effective management of emissions and by-products such as Bottom and Fly Ash.

Robust environmental safeguards, including real-time emissions monitoring and publicly accessible reporting, are essential to maintaining community and industry confidence (Recommendation 6). In addition, clear strategies for the management of residual outputs, such as ash, must be established at the outset of each project to ensure safe and appropriate handling.

2c. Cost-Benefit of WtE Generation to Consumers and Businesses

WtE offers economic benefits such as local job creation and reliable industrial energy, but introduces financial considerations for councils, particularly where long-term contracts and future waste volumes are uncertain. While pricing outcomes may vary depending on procurement and market conditions, there is a risk of WtE costs may become less competitive overtime relative to landfill or alternative waste pathways.

This is particularly relevant in a context where future waste volumes and composition may change over time as recycling, waste avoidance and diversion initiatives continue to evolve. Providing clear guidance on procurement and risk allocation would support councils in navigating these uncertainties, enter into appropriate long-term arrangements, and make informed decisions aligned to local circumstances (Recommendation 2).

3. Alternative Waste Management Approaches and Emerging Technologies that align with Circular Economy Principals

Community acceptance is fundamental to the successful delivery of WtE infrastructure. Early, transparent and ongoing engagement is essential to building trust and ensuring community and stakeholder concerns are appropriately addressed (Recommendation 3).

At the same time, alternative waste processing technologies should continue to be supported. Approaches such as mechanical biological treatment, advanced sorting technologies and anaerobic digestion may offer complementary or, in some cases, preferable outcomes in line with circular economy principles. Policy settings should ensure that the development of WtE does not undermine these emerging and potentially higher-value recovery waste options (Recommendation 8).

4. Adequacy of Community Consultation

Community consultation should commence at the earliest stages of project development and continue throughout the lifecycle of the facility. Providing clear, accessible and accurate information is essential to enabling meaningful participation and informed community input.

This includes information on facility design, feedstock, emissions, health considerations and comparable operating facilities. Communicating the potential benefits of WtE, including energy generation, job creation and reduced reliance on landfill while being transparent in communicating WtE's limitations, is also important in providing a balanced understanding of projects in the community (Recommendation 3). Effective consultation requires a respectful and measured approach that prioritises listening and responsiveness, particularly in communities where concern or apprehension may be high. Opal Australian Paper Maryvale Mill's WtE project serves as a positive example of community engagement and consultative practices that have fostered strong and sustained social acceptance of WtE infrastructure in Latrobe City.

5. Other Matters Related to WtE

Local Government Perspective

Latrobe City Council provides a practical example of the challenges associated with transitioning away from landfill dependency. The Hyland Highway Landfill is expected to reach the end of its operational life in 7 years by 2033, and current policy settings make the development of new landfill capacity within the municipality unlikely.

As a result, Council will increasingly rely on external waste disposal solutions, including transport to other landfills or potential use of WtE facilities. This is expected to result in increased costs

associated with transport, gate fees and landfill levies, reinforcing the need for coordinated and forward-looking policy settings (Recommendation 8).

The introduction of FOGO services is expected to reduce overall waste volumes while improving the quality of residual waste streams. However, this may also impact the viability of WtE facilities, which typically rely on consistent feedstock.

Feedstock quality is a critical factor in the operation of WtE infrastructure. Contamination from materials such as batteries, tyres and hazardous waste can result in operational inefficiencies and increased environmental risks. Clear standards and strong contamination management practices are required to support effective and environmentally responsible operation (Recommendation 9).

Strategic use of remaining landfill capacity will also be important to ensure that waste unsuitable for recycling or WtE processing can continue to be managed effectively (Recommendation 10).

Conclusion

WtE has a role to play in Victoria's waste and resource recovery system, provided it is carefully integrated within the waste hierarchy and supported by strong policy, careful monitoring and responsive regulatory settings. Its development must complement, rather than compete with, higher-value circular economy outcomes and must be underpinned by robust environmental safeguards, and meaningful community and stakeholder engagement.

Latrobe City Council recognises the importance of getting this policy balance right, particularly in regional areas experiencing economic transition and infrastructure change. The local context demonstrates both the potential opportunities associated with WtE, including industrial integration and energy recovery, and the practical, growing challenges associated with waste management, cost pressures and community expectations.

Council looks forward to continued engagement with the Victorian Government and industry as this work progresses and remains committed to supporting approaches that deliver sustainable environmental outcomes, economic resilience and long-term benefits for regional communities.

Please contact Latrobe City Council's Senior Strategy and Advocacy Advisor Kate Cumming, at Advocacy@latrobe.vic.gov.au or 0409 327 314, should you wish to discuss any of the content outlined in this submission in further detail.

Yours sincerely



Steven Piasente
Chief Executive Officer