

## Submission on Queensland's Waste Strategy 2010-2020

This submission is made by Ergon Energy Corporation Limited (**Ergon Energy**) in relation to:

- Queensland's Waste Strategy 2010-2020: Waste Avoidance and Recycling Consultation Draft; and
- Queensland's Waste Strategy 2010-2020: Proposed Industry Waste Levy Consultation Draft.

This submission collectively refers to these documents as the **Waste Strategy**.

### **1. ERGON ENERGY - BACKGROUND**

Ergon Energy is a Queensland Government Owned Corporation that owns, develops, operates and maintains the electricity distribution network throughout remote, rural and regional Queensland, including the Torres Strait and many of the offshore islands.

Ergon Energy is the largest electrical distribution entity within Queensland, its \$7.7 billion network extending across 97% of Queensland. Ergon Energy's electricity network consists of around 150 000 kilometres of powerlines and one million power poles, along with the associated infrastructure such as major substations and power transformers. Ergon Energy also owns and operates 33 stand-alone power stations that provide supply to isolated communities across Queensland not connected to the main electricity grid.

Queensland's peak electricity demand has grown at a rate of 24% over the past 5 years and is forecast to increase by a further 24% over the next 5 years. Ergon Energy is undertaking vital capital investment of approximately \$5.6 billion over the next 5 years regulatory period to meet this increase in demand.

The installation and maintenance of infrastructure for the supply of electricity is essential to community development and overall wellbeing. The continually increasing demand for electricity means electricity entities, such as Ergon Energy, are required to provide electrical infrastructure which has an overriding public interest while minimising environmental and social impacts.

Ergon Energy is mindful of the importance of waste management within its own operations and has a number of avoidance, reuse and recycling practices in place.

Ergon Energy manages a range of waste streams generated from its office, depot, workshop, generation facilities, electricity network construction and maintenance and vegetation clearing and maintenance activities:

- Commercial and industrial wastes (office, timber poles, distribution line hardware, metals, transformers);
- Construction and demolition;
- Regulated wastes (oil & fuels, PCB contaminated materials);
- Vegetation clearing and maintenance waste.

## **2. INDUSTRY WASTE LEVY**

Ergon Energy understands and supports the proposed waste levy as a "user pays" principle. However, there are concerns regarding the application of the levy, and indeed the broader Waste Strategy, in regional and remote areas of the State.

Queensland's size and population distribution is recognised as a key challenge in the Waste Strategy. The waste levy could have a disproportionate impact on rural and regional industry. There are already increased costs faced by industry in rural and regional Queensland for transport to waste disposal facilities. This is coupled with fewer options of waste avoidance and recycling, due to less access to recycling stations and markets.

While the levy is to act as a price signal to encourage behaviour change, there should be an acknowledgement that rural and regional Queensland does face unique challenges and structural deficiencies that inhibit this behaviour change. In this regard, rural and regional Queensland should not be disproportionately affected by the levy.

Ergon Energy would also submit that consideration should be given to an exemption or reduced levy for disposal at a facility that is engineered for methane recovery for energy generation compared to a facility with no such facilities. This could be administered in the same way as the proposed levy exemption for materials which are segregated for recovery, not disposal, at the waste disposal facility.

## **3. WEIGHT CONVERSION FACTORS:**

Ergon Energy operates in many regional and remote areas and disposes to some facilities without weighbridges. Where a facility does not have a weighbridge (or it is inoperable), the Waste Strategy indicates deeming provisions will be enshrined in legislation for a vehicle weight conversion factor.

Ergon Energy has concerns in relation to the application of vehicle weight conversion factors. There is potential for waste service providers to incorrectly charge for waste quantities disposed of. This potential is particularly applicable for mixed loads collected from more than one waste generator.

Ergon Energy also has concerns about different weight conversion factors being used in different legislation and policies. The Waste Strategy references the New South Wales Department of Environment, Climate Change and Water's Waste and Environmental Levy Operational Guidance Notes whereas, the Department of Public Works' *Recycling Policy for Buildings and Civil Infrastructure* (2009) selected conversion factors based on Victorian and United States Environmental Protection Agency information.

Differences in approaches can lead to data quality issues. Ergon Energy supports a consistent basis for vehicle weight conversion factors together with an accounting framework in place to minimise or prevent exploitation by waste service providers.

## **4. LEGISLATIVE CHANGES**

Ergon Energy acknowledges that the implementation of the Waste Strategy is likely to require a new act and supporting regulations. However, more detail is required as to the proposed legislative framework to enable more informed comment on proposed changes.

The *Environmental Protection Act 1994* does contain waste management provisions. Ergon Energy supports a holistic review of the legislation if the Waste Strategy is implemented so as to avoid inconsistencies between existing and any new waste specific legislation.

Ergon Energy also requests that any legislative change, especially to apply the resource management hierarchy, include acknowledgement of the unique circumstances in regional and rural Queensland. Ergon Energy would welcome the opportunity to provide input to the proposed legislative changes.

#### **4.1. Reuse/ recycling options**

The Waste Strategy acknowledges that the provision of cost effective and efficient waste management and recycling services, and the distance to recycling markets in Regional Queensland is a key challenge to achieving the Waste Strategy targets.

Any new legislation should incorporate an exemption to reuse/recycling obligations where the reuse/recycling potential is limited by extenuating circumstances of a geographic, ecological or financial nature. This would be in line with the approach taken in the Department of Public Works' *Recycling Policy for Buildings and Civil Infrastructure* (2009), which recognises these difficulties. The Waste Strategy aims to improve availability and viability of reuse / recycling options in regional Queensland, however this may not be achieved or will take some time to achieve in regional and remote areas of the state.

#### **4.2. Definitions**

As a producer of some regulated waste Ergon Energy seeks clarification of what constitutes Lower and Higher Hazard Regulated Waste. Ergon acknowledges the Waste Strategy is a high level document; however waste classification is an important issue.

The Waste Strategy indicates the classification will be based on Victorian prescribed industrial waste classifications which uses a three tier classification (Category A, B and C wastes).

#### **4.3. Landfill disposal bans / priority products or materials**

The Waste Strategy indicates there will be landfill disposal bans in relation to certain products as well as the identification of priority products or materials not to be disposed of in landfill.

Ergon Energy requests that the lack of options for reuse / recycling of some wastes in some areas be recognised by legislation and that an appropriate phased approach be implemented so as to avoid placing businesses at risk of non-compliance or facing significant increases in disposal costs.

### **5. FINANCIAL IMPACT**

The Proposed Industry Waste Levy Consultation Draft provides estimated potential financial impact for businesses. Due to the scale and geographic spread of Ergon Energy's operations, including the generation of some regulated wastes, the figures quoted appear very low. It is considered to grossly underestimate the potential impact of the levy on Ergon Energy, particularly in areas where reuse/recycling potential is limited.

### **6. ACTION PROGRAM**

In relation to Action 25- Timber and wood waste product stewardship- Ergon Energy wishes to submit that it is supportive of this action. Ergon Energy does have a timber and wood waste stream and this has been problematic to deal with in the past. Ergon Energy is currently investigating reuse and recycling options, however limited availability of facilities add significant logistic costs, while the environmental cost of transport from regional areas may well negate the reuse and recycling benefits.