

31 October 2015

By Email: info@epa-inquiry.vic.gov.au

Ms Penny Armytage
The Chairperson
Ministerial Advisory Committee
PO Box 21428, Little Lonsdale Street,
Victoria 8011

Dear Ms Armytage

INDEPENDENT INQUIRY INTO THE EPA VICTORIA

Thank you for the opportunity to make this Submission to the Inquiry.

EPA's Role:

- **Act as the unbiased environmental regulator.**

The regulator should be a disparate organisation from the State government departments responsible for policy development. Policy and holistic perspective should not drive the EPA decision making and regulatory process - the waste hierarchy for example should not be enshrined in the EPA's operational directives as the appropriate status and classification of waste recovery options is a policy decision. Policy and regulation however, need to be synergistic and consistently aligned to enable industry to invest confidently.

- **Provide investors with confidence in the approvals process**

The approvals process and timelines to progress investments at present do not incorporate the EPA response time to submission development, which are considerably drawn out and discouraging investment.

- **Whole of Government Investment Attraction**

EPA to work more closely with investors to educate and modify community perception especially regarding new technology and intensification of industry. EPA currently presents primarily as a community advocate. By better communicating the merits and review process required to secure EPA endorsement, particularly in open community briefings, project credibility will improve, expediting the uptake of new investment and processes in Victoria. A specific example is community perception (and maybe EPA's) that waste to energy plants are little changed from the backyard belching incinerator of the 60's. Similarly, the intensification of agriculture through credible operators will secure the economies of scale necessary to commercially justify more robust effluent, odour and noise management systems than typically even employed by smaller extensive operations.

- **To consistently apply measures in its assessment of investment proposals**

This particularly applies to waste and resource recovery. The concept of assessing against "best practice" presents an often inequitable commercial challenge to investors. It is common for new market entrants to be assessed against higher environmental standards and to experience a more stringent review regime, generally at

considerably higher cost, than entrenched technologies or processes against which they will need to compete.

This will typically undermine the operational and cost competitiveness of the new investments Victoria is seeking to secure. This inequity ensures less environmentally friendly processes continue to dominate the landscape. Examples of this include standards for new power stations, waste recovery technologies and processes etc. The EPA needs to find a way to balance the environmental ledger and resultant commercial constraints to encourage higher order technology in Victoria.

The singular identification of e-waste as a banned product appears inconsistent with that of other "priority materials". EPA should demonstrate more consistency in its actions and move to legislate more extensive bans on priority or other material from landfill such as tyres, wood waste and ASR which would encourage alternative investment.

Any ban must be appropriately supported by legislation and enforcement of anti-stockpiling provisions (such is the case with tyres, but interestingly not ASR or waste timber which are both substantial fire risks).

- **Not expected to be expert in all technologies**

EPA should encourage new technology investment, particularly in the waste recovery sector, by increasing latitude in the permitting process for post installation assessment and management of emissions. EPA staff should be informed but should not be expected to be expert in evolving and specialist technology nor need to be the final technical adjudicator in new submissions. The current RD&D system setup to provide flexibility to new proposals is too restrictive and only suited to incremental modifications and low cost installations, not those requiring significant capital commitments.

Improving Efficiency:

- **Increase resourcing for EPA**

EPA is unwilling or unable to consistently enforce compliance with environmental regulation. This has stimulated an attitude of complacency, especially with larger industrial company's i.e., dairy and textile discharges to rivers, stockpiling of ASR and C&D, odour management in industrial precincts in North East Victoria. As a consequence, investment in more robust environmental treatment technologies and practices has been stymied. The consequences of breaches are relatively inconsequential for instance imposing a fine of \$7,000 on Wyndham landfill after 12 months is meaningless and does not encourage compliance or changes process (and commercial enterprise is typically less likely to respond to this scale or type of penalty than Shire Councils).

- **EPA to have more responsibility and accountability**

While the landfill levy is derived from policy, EPA is responsible for its collection and should therefore have more responsibility for the determination of its effectiveness or lack thereof and its disposition.

- EPA should recognise that the differential levy applied to rural landfills is creating a situation of questionable "environmental justice". The differential rate was intended to ease the cost of waste management burden on smaller regional communities but instead greater volumes are travelling from provincial and metro

locations thereby exacerbating the cost burden on small communities and undermining investment in best practice processing. EPA should have more responsibility to ensure environmental policies practically deliver targeted objectives.

- The landfill levy is charged on waste delivered to landfill which encourages diversion from landfill, not necessarily investment in better resource recovery.

As stated in the background documents, the unintended consequences of the levy being collected on waste disposal rather than at point of origin, include the growth in illegal dumping and establishment of less than credible non-licensed and unregulated “recovery centres”. EPA has a responsibility to provide a more timely and practical perspective of the unintended consequence of a policy directions and potentially more authority to implement procedural changes to correct recognised failure.

In the case of waste, changing the liability point for the levy collection could significantly curtail issues of dumping and the establishment of questionable operators. For example, by moving the levy liability to waste carriers or initial points of receipt at full rate with re-imburement only made on substantiated evidence of recovery (similar to the application of GST).

- **Landfill levy to provide funds for new industry investment**

EPA should have more responsibility for the disposition of the accumulated waste levy. The Levy should be more readily applied to help balance the economic cost or secure the certainty of waste stream supply required to equalise the sunk cost and market strength of currently entrenched processes and disparate landfill economies. The EPA should have better practical experience with which to evaluate the cost disparities and market strength issues curtailing investment than Sustainability Victoria who currently appear to have carriage of this responsibility in the waste sector.

Application of the levy to direct investment or supply chain surety (which can be conjunctionally stimulated through effective enforcement or targeted bans to landfill) will be the most expedient way to stimulate new investment in superior environmental outcomes i.e., reputable tyre and e-waste processing and waste to energy technology could be deployed economically at or near current disposal rates today subject to facilitation of supply and EPA endorsement.

- **Be Cognizant of the Bigger Picture**

EPA looks at discrete environmental impact of facilities and to a lesser extent the entire practice of an industry. The waste industry and the movement of waste is a primary example. Waste travels considerable distances (often to NSW and SA) for small economic gains in disposal fees.

The substantial impact of traffic emissions and congestion are not typically considered in the assessment of waste management in Victoria but are within the scope of EPA to manage. The movement of waste has a significant impact on the liveability of community and longevity of infrastructure in Victoria. Implementing mechanisms to restrict these movements will also encourage the economics of more distributed waste management solutions.

Relying on the price of trucking product to equate the reduced disposal fees does not recognise that trucking industry does not measure its liability for the cost of these movements on the environment or community. Truck transport does not operate on a full

cost recovery basis, limited charges are applied to recompense their environmental cost or, arguably, equitably recover their contribution to public infrastructure depreciation (recoupment now being received from discounted fuel tax excise payment – a Commonwealth levy). No road user is currently accountable for the non-infrastructure external costs attributable to their road use such as congestion, noise, air pollution, part of accident costs or greenhouse gas emissions. Heavy trucking is well recognised as the largest contributor to these unrecoverable costs.

- **Reinstate the EREP**

EPA previously administered the EREP scheme which imposed a regular reporting regime and requirement for energy users and waste producers to plan on incremental change to activities. The cancelling of this program reduced the reporting burden on industry but has also reduced their incentive to commit investment or modify behaviour.

- **Consistent policy for waste to land disposal**

EPA approach to disposal of waste to land is inconsistent with its best practice principles and those of robust bio-security. This is particularly evident with the disposition of untreated chicken litter to land, which is controlled in most States. It is well documented that untreated chicken litter is known to contain pathogens, antibiotics and antibiotic-resistance genes, hormones and heavy metals which can pose potential risks to human and animal health.


Similarly the permitting use of:

- dairy cows as “quasi” disposal facilities for organic waste,
- unregulated on-farm composting of industrial and commercial organic wastes,
- the stockpiling of biosolids and
- the disposal of saline water from waste water treatment to pasture


Are all examples of practices that demonstrate inconsistency with the defining principles of community health and environmental protection that underpin EPA responsibility.

The EPA is clearly making allowances to secure the commerciality of industry ahead of its environmental responsibility without any defined support, timeline or pathway to more acceptable treatment options. This exacerbates the complacency of industry toward improved practices, planning and subsequent investment.

EPA must work more closely with Shire Councils, planning, investment and bio-security representatives to recognise potential environmental failures and proactively encourage more consistent application of environmental principles across all industry to more appropriately defray the cost of environmental management to the waste generator.

Thank you again for the opportunity to comment on the Inquiry. Please contact me on email if you require any further details – 

Yours faithfully



Tony Lewis-Jones