

Notes of the Policy Working Group of the
Australian Sustainable Business Group

and

Business Network Meeting of
Sustainable Business Australia

Venue: Sinclair Knight Merz,
32 Cordelia Street, South Brisbane
Date: Thursday 6 October 2011
Time: 3:00 pm to 5:30 pm

IN ATTENDANCE

Andrew Petersen	SBA (Chair)
Greg Watkins	Transpacific
Rowan Barber	ASBG
Kerry Alan	Onesteel
Jonathon Fisher	BCD
Susan Cooper	SKM
Keith Barr	QUT
Anne Chan	SKM
Kerry Thompson	WACS
Andrew Doig	ASBG
Philip Cook	Cundall
Peter Burns	Energetics
Brian Butler	Caltex

1. INTRODUCTION

Chair welcomed those in attendance and overview of the environmental activities of SKM.

2. ISSUES REQUIRING INPUT AND ACTION

- [Waste Reduction and Recycling Bill 2011](#) and the waste reform package.

Queensland's waste levy commencing at \$35/t for C&I and C&D wastes will commence on 1 December 2011.

Table 2 Proposed levy amounts (option 2)

Waste stream	Disposal levy amount
Commercial and industrial waste	\$35 per tonne
Construction and demolition waste	\$35 per tonne
Contaminated and acid sulphate soils	\$35 per tonne
Lower hazard regulated waste	\$50 per tonne
Higher hazard regulated waste	\$150 per tonne
Municipal solid waste	\$35 per tonne

Legislation for the commencement of the bill is available for public comment and covers the following areas:

- Development of a Statewide Waste Management Strategy and its business plan to be reviewed initially every 2 years then every 3 years.
- The waste levy will be payable on all liable waste disposal sites with the following exceptions:
- Declared exempt wastes, eg emergency wastes, recycled materials at a landfill.
- Resource recovery deductions – a proposed 50% reduction for wastes from recycling facilities is being developed under regulations.
- Levies to be paid quarterly.
- Penalties for miss-classifying the wastes for the individual \$3,300
- Waste levy evasion - \$22,000 or 2 years jail.
- Establishment of the Waste and Environment Fund.
- Declarations of priority products – Queensland’s product stewardship program?
- Waste disposal bans – some wastes can be banned from being landfilled.
- State and councils to prepare Waste Reduction and Recycling plans and used at the planning level
- State, Council and planning entities to report about waste management.
- Approvals of resource for beneficial use – use of wastes for beneficial use e.g. compost, fill, soil conditioner etc.
- Discounted or exemption from levy for residue waste disposal until 30 June 2014.
- Contaminated land and acid sulfate soils will only attract a \$35/t levy despite being classed as hazardous which can attract a \$50/t or \$150/t.
- Carbon abatement interests e.g. land registration and other matters.

Members raise the following issues:

- Levy will encourage transport of wastes to NSW especially for hazardous wastes as NSW limits are more generous and levy is lower.
- The opposition has stated it will roll back the waste levy if re-elected

3. ONGOING ISSUES OR ISSUES FOR NOTE – Refer to Rowan Barber for details

- [An update on the Green Tape program:](#)

The recently-released Greentape Reduction Project discussion paper and Regulatory Assessment Statement is a response to both business and government concerns that navigating the environmental regulatory framework has become increasingly complex. The project comprises four key initiatives:

- developing a licensing model that is proportionate to the risk of the activity
- providing flexible operational approvals for environmentally relevant activities
- streamlining the process for resource approvals
- streamlining and clarifying information requirements throughout the approval process.

ASBG made a [submission](#) to the greentape program last year and supported a number of proposals.

- [New Work, Health and Safety Bill](#)

Queensland like the rest of Australian states will be adopting the National Model Workplace Health and Safety legislative package. While there are many changes on health and safety matters the more significant change is the replacement of Hazardous Substances regulations with the Globally Harmonized System for chemical classification and labelling. This is more consistent with dangerous goods and adopts the UN’s Purple Book on the issue.

- [Adaptive Management and changes to the Environment Protection Act](#)

Amendments to the *Environmental Protection Act 1994* are being developed that:

- require operators of Coal Seam Gas (CSG) activities to submit an [Environmental Management Plan](#) that includes a CSG Water Management Plan outlining how CSG water will be managed

- banned the use of evaporation dams as the primary means of CSG water disposal and required that existing evaporation dam sites be rehabilitated
- regulate the use of BTEX (benzene, toluene, ethyl-benzene and xylene) in stimulation fluids (including hydraulic fracturing fluids) by CSG operators above a maximum standard that will be set by regulation
- require notification to the department, and affected owners and occupiers of land, if:
 - an activity has or may cause environmental harm,
 - has negatively affected the water quality of an aquifer
 - has caused the connection of two or more aquifers.
- **Issues from other States**

NSW and Victoria are embarking on a clampdown on industrial sites, particularly those who hold environment licenses. NSW following a highly publicized chemical release, are to change legislation to introduce immediate reporting of hopefully certain environmental incidents. ASBG and SBA held a joint briefing on this issue on 12 October 2011 in Sydney.

4. GUEST SPEAKER

The guest speakers were **Ariane Milinovich**, Waste Reform Division, **Elisa Nichols**, Director, Environmental Regulation, Department of Environment and Resource Management.

Discussions with Ariane included:

- The WRR Bill is expected to be passed in October.
- The supporting Regulations have been drafted and are being finalised for tabling shortly after the Bill is enacted.
- A compliance and enforcement plan has also been prepared and will be released.
- Contaminated soils to pay only the \$35/t rate even if classed as hazardous, this also applies to acid sulfate soils.
- Recycling activities will receive a 50% reduction in levy payments. ASBG recommended the payment apply pro rate on the amount of product generated from the recycling process, and not the waste generated.
- To the question “Does the GST apply to the levy” the answer provided is “As it is a tax, the levy does not apply to levy amounts remitted to the State Government”.
- Queensland is not concerned over the export or import of wastes unless it involves large amounts or generates issues.

Discussions with Elisa on the Green tape review included:

- Legislation is nearing completion and follows from prior public discussion sessions.
- Businesses will be able to hold corporate licenses to manage their environmental authorities for multiple sites in an integrated way.
- The reforms simplify the relationship between environmental licenses & development permits meaning an operator will only need to pay for their annual fees once their development permit is approved.
- Environmental licenses to be in proportion to the risks of the activity.
- In the planning state the integrated system comprises standard, variation and site specific applications to provide a full coverage of application processes types likely to be presented.
- The planning approvals process comprises the following stages, information, notification, decision and post decision stages.
- New corporate licenses permit the amalgamation of environmental authorities.
- Existing operators will be automatically registered as a suitable operator and no longer need a registration certificate.
- Third party certification is beefed up.

5. NATIONAL AND INTERNATIONAL ISSUES

5.1. Other Greenhouse Issues for discussion (refer to Andrew Petersen)

- The [Carbon Energy Legislative Package](#) over view of the main bills and its impacts

Similar to the suite of bills released with the Carbon Pollution Scheme in 2009, the new Carbon Energy Legislative Package (CEPL) comprises of 18 Bills.

The issue of acceptance of international carbon credits or units where the Government has decided that the following units are not eligible:

Certified emissions reductions (CERs) or emission reduction units (ERUs) from:

- nuclear projects,
- the destruction of trifluoromethane,
- the destruction of nitrous oxide from adipic acid plants or
- from large-scale hydro-electric projects not consistent with criteria adopted by the EU.

Companies failing to pay for a carbon unit shortfall amount can be charged up to 20%, or as specified by the (to be written) regulations.

Treatment of liquid fuels, LNG and CNG is clarified under s30. These combusted fuels are only excluded if they are subject to duties under Customs or Excise Tariff Acts. So companies who can claim the fuel excise will have to pay for the carbon they emit.

Also escaping any carbon price are closed landfills and mines.

- **Grants and assistance package**

The list of grants and assistance packages includes:

- *Clean Energy Finance Corporation* – provide investment capital for innovation – largely for renewable energy
- *Australian Renewable Energy Agency (ARENA)* – administer \$3.2b largely to the renewable energy sector
- *Low Emissions Research and Development Grants Program* — broad based R&D into renewable energy and low-emissions technologies.
- *National Energy Savings Initiative* – combining States energy savings schemes into a national scheme
- *Food and Foundries Investment Program* — One for three dollar grant program
- *Clean Technology Investment Program* — One for three dollar grant program
- *Mandatory Carbon Dioxide Emissions Standards for Vehicles* — setting emissions for motor vehicles from 213 g/km to approach EU standards (to be set)

The **Clean Energy Finance Corporation** (CEFC) appears to have 100% of its funding towards renewable energy projects. This is in addition to the current RET scheme and other state based schemes solely supporting renewable energy. Additionally, the **Australian Renewable Energy Agency** will have allocation of *\$3.2 billion existing Government support for R&D, demonstration and commercialisation of renewable energy technologies*

- **Exemptions**

Under the Clean Energy Bill the following are exempt from a carbon price:

(a) emissions attributable to the combustion of certain fossil fuels

- (b) agricultural emissions
- (c) fugitive emissions from decommissioned underground mines
- (d) emissions from legacy waste
- (e) emissions from closed landfill facilities
- (f) emissions of certain synthetic greenhouse gases

Transport fuels will only pay a carbon price if they claim an excise exemption under the Customs or Excise Tariff Acts. Heavy vehicles are not part of the package and will be covered separately in a year or two.

10,000 t CO_{2-e} for landfills is the trigger compared to the standard trigger of 25,000 t CO_{2-e} per annum, shows that landfills have the lowest carbon liability trigger. Though landfill legacy emissions are excluded.

- **Treatment of synthetic greenhouse gases**

For synthetic greenhouse gases, you will pay the carbon tax/price on purchase as required under the

- Ozone Protection And Synthetic Greenhouse Gas Import Levy Bill 2011
- Ozone Protection And Synthetic Greenhouse Gas Manufacture Levy Bill 2011.

The new carbon taxed prices will apply from the start of the carbon price – 1 July 2012. Hence SF6 will increase by \$549/kg, HCFC134a will increase by \$92/kg.

Further credits for destruction of synthetic greenhouse gases on the cards, though have not appeared yet in the group of 18 bills. This is to be handled by the Department of Sustainability, Environment, Water Populations and Communities (DSEWPAC).

- **[Draft Greenhouse and Energy Minimum Standards \(GEMS\) Bill](#)**

As part of the Strategy, Australian Governments agreed to establish national legislation for Minimum Energy Performance Standards. COAG also agreed Australia's existing Equipment Energy Efficiency (E3) program should be expanded from its existing coverage of electrical goods to cover additional products that:

- consume other types of energy (e.g. gas), or
- do not consume energy but affect the energy efficiency of appliances (e.g. air conditioner ducting, building insulation, or window glass)

Australian Governments have worked together to implement this part of the Strategy and develop a comprehensive national energy efficiency scheme through the draft Greenhouse and Energy Minimum Standards Bill.

5.2. Other National Issues – EPHC

- **EPHC reformation to the Standing Council on Environment and Water and its new secretariat and outcomes of its last meeting.**

The inaugural meeting of the new Standing Council on Environment and Water (SCEW) met on 16 September 2011. The SCEW replaces the Environment Protection and Heritage Council, and is chaired by Australian Government Environment Minister Tony Burke. Being the same group of environment ministers, the meeting of the National Environment Protection Council (NEPC) was also held.

A summary of the SCEW's [communiqué](#) includes:

- **Environmental Law Reform** – endorsed major reform of environmental regulation across all levels of government aiming to cut red tape, reduce duplication and improve environmental outcomes.
- **Waste** – Welcomed the commencement of the Product Stewardship Act 2011. Ministers called on industry to comment on the draft [Product Stewardship \(television and computer\) Regulations](#). SCEW also agreed to an updated COAG **Implementation Plan for the Chemicals and Plastics** regulatory reforms to plug a gap in environmental protection.
- **Air** – A new National Plan for Clean Air is to be developed. The plan will bring together a strategy for responding to the review of National Environment Protection (Ambient Air Quality) Measure and a framework for identifying cost effective actions to reduce air pollution.

The NEPC released the [National Environment Protection \(Ambient Air Quality\) Measure review report](#), which generally calls for tightening air pollution controls around Australia. It also approved the making of the National Environment Protection (Used Packaging Materials) Measure 2011, which continues to support the Australian Packaging Covenant. Andrew Doig to discuss.

6. GENERAL BUSINESS

6.1. Breaking News and Issues to Note

Next meeting will be in 2012