



# Protection of the Environment Operations Amendment (Waste) Bill 2007

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Extract from NSW Legislative Assembly Hansard and Papers Tuesday 19 June 2007.

### Agreement in Principle

**Ms VERITY FIRTH** (Balmain—Minister for Women, Minister for Science and Medical Research, Minister Assisting the Minister for Health (Cancer), Minister Assisting the Minister for Climate Change, Environment and Water (Environment)) [9.39 p.m.]: I move:

That this bill be now agreed to in principle.

The bill continues the Government's substantial track record of environment protection through the use of effective market-based instruments to deliver environmental improvement in New South Wales. The bill delivers one of the Government's election commitments, announced in March 2007, by extending the existing waste and environment levy to liquid waste disposal. When Labor introduced the Protection of the Environment Operations Act in 1997, it revolutionised pollution control legislation in New South Wales. It has delivered environmental improvements across New South Wales by using economic instruments such as load-based licensing, tradable credits and financial assurances to complement conventional environment protection regulation. The Government also has a very strong record in driving improvements in the field of waste management, helping to deliver the sustainable solutions to waste and recycling that the community wants.

The waste and environment levy is the Government's key economic tool to drive waste avoidance, and promote resource recovery and recycling. In an environment where the State's economy is growing strongly, waste being disposed to landfill has actually reduced on a per capita basis since 2000. In 2000 it was 1,201 kilograms per person and in 2006 it was 1,131 kilograms per person. The levy has provided the incentive to return resources to the productive economy of New South Wales. For example, the levy has driven a significant increase in the processing of construction and demolition waste. Timber and metals are being recovered from demolition waste, and used bricks and concrete are being used in road making. These materials are no longer being lost to landfill.

New South Wales is also leading Australia in investment in alternative waste treatment technologies. Put simply, the levy makes disposal to landfill more expensive. By putting resource recovery on an equal footing, the levy is encouraging innovation and helping business think about alternatives to landfill. The alternate waste technology plant at Eastern Creek would not have been built without the economic framework that the levy provides. The waste and environment levy is also a key element in providing major funding for the Government's City and Country Environment Restoration Program. The program was announced by the Premier in November 2005, and is investing \$439 million over five years to tackle our most significant environmental challenges in New South Wales.

Some of the initiatives include the RiverBank Project, an Urban Sustainability Fund, environmental trust funding for environmental community projects, and funding for waste compliance and enforcement programs. Under the current regulatory scheme, the waste and environment levy is only paid on the disposal of solid waste to landfill. Waste facilities that transport waste to another place for legitimate reuse may claim a deduction from the levy. In this way the levy provides the financial incentive for industry to make resource recovery options possible. There is currently no equivalent incentive for recovering resources from liquid waste.

The bill amends the Protection of the Environment and Operations Act and associated waste regulation to extend the waste and environment levy to liquid waste. These changes build on the success of the current levy framework and provide consistency in waste regulation by applying the levy to the more hazardous liquid wastes across New South Wales from 1 August 2007. Extending the waste and environment levy to liquid waste provides an incentive for generators of liquid waste to reassess their environmental performance. Many industries are already being proactive and moving in this direction as sustainable business practices are becoming more common. By using this economic instrument, businesses that improve their environmental practices will effectively reduce their costs.

The levy will commence at \$38.60 per tonne and increase annually until 2010-11. The liquid waste levy will only be paid on liquid wastes that are required to be tracked in New South Wales, as agreed under the National Environment Protection Measure. These are the most hazardous of the range of liquid wastes in New South Wales. The bill introduces deductions from the levy where liquid waste is transported to another place for legitimate reuse. These deductions are a direct incentive for industry to recover any reusable components of this liquid waste. For example, it will encourage the recovery of grey water for industrial and agricultural use, and the recovery of other valuable resources such as acids, oils and solvents.

Importantly, the bill will ensure that dangerous liquid wastes are not being excessively stockpiled or stored across New South Wales. By encouraging industry to recognise the inherent value in liquid waste, operators and generators will have a greater incentive to move these wastes off site for treatment. Whilst the levy is paid on receipt of wastes, deductions are provided when that waste is sent off site for legitimate recovery, recycling, processing or disposal. The levy will discourage unscrupulous operators from accepting hazardous liquid waste and creating large, dangerous stockpiles. This will help reduce the risk to the community and the environment. The extension of the levy is also expected to return a modest level of revenue—up to \$16 million over four years to fund important environmental initiatives.

In summary, there are three key aims of a levy on liquid waste disposal: to provide a financial incentive for industry to reduce the generation of these liquid wastes in their businesses; to provide a financial incentive to push hazardous liquid wastes that are being stockpiled on site, out of storage and to an appropriate facility for treatment; and to provide a financial incentive for the development of treatment technologies, and create markets that can facilitate reuse and recycling opportunities for liquid wastes in New South Wales.

The levy has evolved since its introduction in the 1970s to reflect the community's changing expectations for greater resource efficiency through waste avoidance and resource recovery. Aligning these principles across all wastes sends a clear message that resource recovery is a key priority in all waste management practices. By using economic tools effectively and consistently, the Government will continue to demonstrate its commitment to environment protection, and will help deliver on the community's desire for improved sustainability outcomes in New South Wales. I commend the bill to the House.