

**Submission
No 43**

INQUIRY INTO COSTS FOR REMEDIATION OF SITES CONTAINING COAL ASH REPOSITORIES

Organisation: Australian Energy Council

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Public Works Committee
Legislative Council, Parliament House
Macquarie Street
Sydney NSW 2000

Submitted online: <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/lodge-a-submission.aspx?pk=2556>

16 February 2020

Dear Sir/Madam

RE: Inquiry into costs for remediation of sites containing coal ash repositories

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Parliament of New South Wales' Public Works Committee *Inquiry into the costs for remediation of sites containing coal ash repositories*.

The AEC is the industry body representing 23 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The AEC views this inquiry as an opportunity to improve the regulatory framework around coal ash remediation in New South Wales in a manner that produces positive economic and environmental outcomes. Coal ash is a material with immense beneficial re-use capabilities that can reduce Australia's greenhouse gas emissions, yet is currently under-utilised. Encouraging the increased uptake of coal ash re-use should form a key pillar of any remediation strategy.

Beneficial re-use capabilities of coal ash

Coal ash can be beneficially re-used for a variety of construction activities, including the making of bricks, lightweight aggregate and concrete. The ability of coal ash to serve as a partial substitute for cement in the making of concrete deserves particular attention, as it is not only more technically sound but also better for the environment (cement manufacturing is a major source of greenhouse gas emissions globally). Despite these benefits, Australia's fly ash re-use rate hovers around 44 percent, making it among the lowest in the world and far behind other countries like Japan (97 percent), the UK (70 percent) and China (69 percent).

How Australia can improve re-usage of materials like coal ash was the subject of a 2018 Commonwealth Senate Inquiry.¹ This Inquiry recommended that Australia move towards a circular economy that 'prioritises the collection, recovery and re-use of products'.² It described the current failure to develop such an economic model as a 'significant policy error' and called for a 'suite of regulatory and policy changes aimed at influencing behaviour, as well as investments in infrastructure and technology'.³

¹ Senate Environment and Communications Reference Committee 2018, "Never waste a crisis: the waste and recycling industry in Australia," Commonwealth of Australia, p111, 142.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/WasteandRecycling/Report.

² Id at 132.

³ Ibid.

The AEC would welcome market incentives being put in place to encourage greater uptake of coal ash re-use products. With a view to driving the development of a circular economy, the AEC considers it worthwhile for government agencies to facilitate consultation between regulatory bodies, electricity generators and key stakeholders in the recycling and construction sectors. Fostering cooperation between all relevant stakeholders will help in identifying solutions that maximise the re-use value of coal ash.

Harmonising state-based regulatory frameworks

While the AEC recognises that the current inquiry is focused on New South Wales, we nonetheless view the current state-based approach to regulating coal ash as sub-optimal. It creates regulatory confusion across jurisdictions that makes industry cautious to take a proactive approach to management. The AEC would support New South Wales recommending the harmonisation of coal ash resource recovery regulation across all states. If implemented effectively and after stakeholder consultation, such an outcome would help mitigate the prospect of an actual or perceived conflict of interest emerging, as specified in the Terms of Reference.

The AEC will continue to work with its members to ensure coal ash remediation is undertaken in a way that maintains best regulatory practice.

Any questions about this submission should be addressed to _____, by email to _____ or by telephone on _____

Yours sincerely,

Ben Skinner

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Australian Energy Council