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TRANSCRIPT OF PROCEEDINGS

PRODUCTIVITY COMMISSION

DRAFT REPORT ON WASTE GENERATION AND RESOURCE EFFICIENCY

MR P. WEICKHARDT, Presiding Commissioner

TRANSCRIPT OF PROCEEDINGS

AT BRISBANE ON THURSDAY, 27 JULY 2006, AT 9.06 AM

Continued from 26/7/06 in Sydney

MR WEICKHARDT: Good morning and welcome to the public hearings for the Productivity Commission inquiry into waste generation and resource efficiency. My name is Philip Weickhardt and I am the presiding commissioner on this inquiry. The inquiry started with a reference from the Australian Government on 20 October 2005. The inquiry will examine ways in which waste management policies can be improved to achieve better economic, environmental and social outcomes. The inquiry covers solid waste and more specifically the issues associated with municipal, commercial, industrial, construction and demolition waste.

We are grateful to the many organisations and individuals who have already participated in this inquiry. The purpose of these hearings is to provide an opportunity for interested parties to record their submissions and their views on the public record. We released a draft report on 23 May 2006 and have received a number of submissions on the draft report. We have already held hearings in Sydney and Perth and by the end of the week hearings will have also been held in Canberra and Melbourne.

After considering all the evidence presented at the hearings and in submissions as well as other relevant information a final report will be forwarded to the government in October 2006. Participants in this inquiry will automatically receive a copy of the final report. We like to conduct all hearings in a reasonably informal manner but I remind participants that a full transcript is being taken. For this reason comments from the floor cannot be taken but at the end of the proceedings for the day I will provide an opportunity for anyone wishing to do so to make a brief presentation.

Participants are not required to take an oath but are required under the Productivity Commission Act to be truthful in their remarks. Participants are welcome to comment on the issues raised in other submissions or by other speakers here today. The transcript will be made available to participants and will be available from the commission's web site following the hearings; copies may also be purchased using an order form available from staff here today. Submissions are also available on the web site or by order form.

To comply with the requirements in the commonwealth occupational health and safety legislation I draw your attention to the fire exits, evacuation procedures and assembly points. The principal fire exit is straight out this door and straight out the glass doors. The assembly point is around the front of the hotel. The alarms: there is a two-tone warning sound and a siren that indicates evacuation. Now can I please ask people to turn off their mobile phones or to turn them to silent.

I would now like to welcome our first participant from the Ipswich City Council. Thank you for coming along and if for the transcript you can just give your names and your positions and the capacity in which you're appearing here today,

please.

MR EGGLETON: Bob Eggleton. I'm the business development manager of Ipswich Waste Services which is a wholly-owned business unit of Ipswich City Council.

MS CLARKE: Kaye Clarke. I'm the business support services manager for Ipswich Waste Services which is also part of the commercial business unit.

MR WEICKHARDT: Thank you very much indeed. Assume that we have read your submission, but if you'd like to make some brief introductory comments that's fine and I've got a number of questions and you may want to raise some issues you want to discuss.

MR EGGLETON: Okay, fine. We thank you the commission for the opportunity to appear. We believe our submission clearly outlines our opinions of the report, that in our view has given little regard to the social and environmental portions of the triple bottom line and almost total disregard to the depletion of finite resources; that comment is based on your draft findings in 5.1 and 5.2. It appears to conclude that the market will find an alternative resource to deplete once they're consumed what is currently available. What if there isn't another resource for them to consume? One of the biggest ones for south-east Queensland currently - is water. We're basically in a water crisis and we're consuming that at a rate that certainly can't be sustained. What is the impact on this type of consumerism as far as inter-generational debt? We have some concerns about that.

Of the other things you talked about in your report was about regionalisation. There's been bodies formed in south-east Queensland for over 10 years and one of them primarily was SEQROC which was the South-East Queensland Region of Organised Councils and that's now called the Council of Mayors.

MR WEICKHARDT: Today it's called the council - - -

MR EGGLETON: Council of Mayors now. They've changed their name. It's been - - -

MR WEICKHARDT: How's that spelt?

MR EGGLETON: The Council of Mayors, as in all the mayors formed a - - -

MR WEICKHARDT: Of mayors, sorry, right. Yes?

MR EGGLETON: So this working body has been pushing the state government in all sorts of regional, not only land use but water and waste in particular, is one of

their other drivers. It was part of those submissions from the then SEQROC that helped the forming of the office of urban management which was the state government body which wrote the south-east Queensland regional plan for land use. That's about all that we have as a general comment.

MR WEICKHARDT: Thank you very much indeed. Let me make a few comments on your submission and then I'd like to turn to some of the questions that I have. You're not alone in expressing concern and disappointment in a view that we have disregarded upstream externalities or disregarded issues such as resource depletion. That certainly is not and was not our intention. What we have tried to set out in the draft report and we will try to make a better job of it in the final report is a view that upstream and downstream externalities is certainly important, but that policy action as a first-best approach should always be taken as closely as possible to the point of the problem.

We have a view, that some may claim is idealistic and naive, but we have a view that were all the externalities throughout a products' lifecycle properly priced and taken into account then there would be no need to have a special form of intervention at the end of life, because then all the product throughout the lifecycle would be appropriately valued and the signal to recycle or to find alternate forms of waste disposal would be clear there for the people operating in the marketplace to see.

Now, there is a concern that people have expressed about resource depletion and we did make a few comments about resource depletion in the draft report. I think a lot of people have said, well, you know, there is an instinctive and understandable concern as to whether or not the resources in this planet which are finite are being used in a profligate manner. The issue is that you have to grapple with not just inter-generational equity; you have to grapple with intra-generational equity and clearly most definitions of sustainability talk about serving the needs of the current generation without compromising the ability of future generations to be able to provide for their needs.

To say that any of us know with great certainty how you do that would be overly simplistic. But we have certainly in our research to date seen no better method of anticipating or being far-sighted about resource depletion issues than using the signals that come from the marketplace. If you have views as to how this would be done by, you know, sort of people who have a fantastic crystal ball and can second guess the marketplace's collectively view and signal, then we'd certainly like to hear of them, but the world is replete of forecasts of either resources that are going to run out. The Club of Rome in 1970 forecast that oil was going to run out within 10 years and we're still using it, perhaps at an alarming rate but we are getting some signals that needs to be looked at again.

So we haven't certainly disregarded resource depletion as an issue and we certainly do not want to in any sense give an impression that upstream externalities should certainly be ignored. What we're saying is they should be tackled at the point of the problem. So if a mine is causing contamination of a waterway, either it should stop that contamination of the waterway or it should be charged. If a mine is at the end of its lifecycle it should be appropriately remediated and again those costs should be embedded in the material costs.

Our concern is that tackling these issues at the end of pipe is an extraordinarily indirect method of tackling the, particularly in an economy that exports as much as we do. I mean trying to send a signal about conserving iron or steel in a society that exports as much iron ore as we do just seems to be naive in the extreme to think it's going to sort of effect the rate at which we are digging up iron ore. One of my colleagues said in a rather perhaps facetious and colourful manner that using waste disposal policy to try to tackle some of these issues is a bit like putting a tax on toilet paper to try to overcome obesity problems. You're much better off to try to tackle all these issues at their source.

So we're certainly not wanting to disregard these issues: they're important issues, but we're really trying to focus on what are the policies around waste management that government should really have their attention on and if there are unpriced externalities upstream they should be tackled directly too and greenhouse gas abatement is certainly one of those that we've drawn attention to. I don't know whether that helps explain where we're coming from, but if you've got any comments on that I'd be interested in.

MR EGGLETON: We talked about the holistic view of - about the whole planet where you're heading to as far as we're exporting all this material offshore. So we still have to act locally in what we do and how we consume regardless of what we do as a country exporting these raw consumable materials offshore. If we go back to a local example of what we do as a city, we signed a contract with Coca Cola Amatil and we got that contract purely based on their obligation under the NEPM. They decided as an organisation, as a signatory to NEPM, that they would reduce their waste to landfill. Now, that organisation in 12 months has reduced their waste to landfill by 79 per cent and as part of that we have sourced other like materials from other beverage manufacturing and reduced the waste of those manufacturers in south-east Queensland to the tune of two and a half thousand tonnes of material going to landfill.

The liquid that was consumed would have just gone to landfill. We've extracted that and that's gone on to other uses and we've extracted all the plastic, all the glass, all the aluminium, all the packaging and it's gone back into the system. That was done on a commercial basis, but they also did it because of what they thought was the correct obligation to do because they are a signatory to that external

driver which was the packaging covenant. If that wasn't around they wouldn't have done it. My view is that those sort of enforcement things help do those sort of things on a scale and it didn't cost them a lot of money at the end of the day.

One of the things that could have made it fall over - purely the landfill pricing in Queensland. If it was in New South Wales they would have saved 50 per cent of their cost because New South Wales is over $100 a tonne. So there needs to be some thought on those things that these things can be recovered; it's just a matter of they need some external stimuli to do that; that has to happen.

MR WEICKHARDT: I mean we're not sort of trying to say that all recycling is bad by any means. Clearly a lot of recycling makes good sense and as you were saying earlier before we had our formal hearing starting, that a lot of the recycling has taken place for a long while. If you went to any abattoir 100 years ago you would have found probably that every bit of fat and tallow and leather and bone was reused in some way. So the context of recycling has been around for a long while. What we're concerned about is some people have become sort of almost obsessed with the fact that if some is good, more is better. Governments we fell have got to be careful about sending signals that either through regulation or through levies actually cause perverse things to happen.

The problem with recycling in some cases is that it can consume more resources than it save. You know, in the extreme case picking up a glass bottle at the tip of Cape York and transporting that single glass bottle all the way down to Brisbane to recycle it might end up consuming much more fuel and giving more greenhouse gas omission than it possibly saved and the degree of damage that singular glass bottle might do in a landfill in Cape York is probably pretty limited.

So all we're saying is governments have got to be cautious about causing a distortion that might end up with resources being used to the disadvantage of the community.

MR EGGLETON: I don't disagree with what you're saying. In Queensland, I think, over at least the last 10 years with these regional working groups that's exactly what's been happening. They've look at what is the most cost-effective way, but keeping in focus the environmental outcomes that we need - to go. I mean an environmental benefit for Ipswich - there's many mining holes over there that need to be filled up. So there is some merit to say just fill them up with waste, but we should do that in a timely manner. If there is an efficient way to recover that material it should be done so.

I've seen in the last 10 years that I've been here, the prices have dropped 50 per cent in landfill charges for putrescible waste. You can get rid of C and D waste for $5 a tonne. Now, people will bury it instead of recovering it because you

know that it's going to cost around $20 a tonne to recover it, but there's all those other drivers about the royalties of extracting grey whacky for instance. The state government recovers so little for the value of that material that it's cheaper for them just to keep extracting it out of the ground.

The glass industry now that it's owned by an American it's not locally owned, have been driving the price down because they don't see any benefit, because the royalty they pay for virgin glass is cheaper. So they're getting the sand out of North Stradbroke Island and then they just keep producing bottles because it's cheaper for them to do that than pay for glass to be recycled and yet the energy that it takes to convert that sand to glass is not considered when they take the bottle to bring it back to remake it into a bottle again. The energy that they've save to do that is not being considered at all.

MR WEICKHARDT: Why isn't there a price signal there? I accept the fact there's no - - -

MR EGGLETON: Because it's controlled by the marketplace. They used to pay. The pay that owned it when it was a little old Australian business, they paid $110 a tonne. They knew what it would cost to recover. There used to be 20 glass recyclers in Brisbane alone; there's now two. They've lightweighted the packaging. It used to be 1000 bottles to a tonne. Now, it's 2000 bottles to the tonne. So the guy that was picking up who was getting paid $110 a tonne has now got to do twice the amount of work; by the way, it's now $74 a tonne. So there's no commercial incentive for them to do it. It's not viable for them to do it so they got out of the business. So all that material has gone to waste and that's purely because of a commercial outcome.

MR WEICKHARDT: So what are you suggesting the policy should be, of the government, in that case?

MR EGGLETON: The EPA have just finished a report and we're yet to see what recommendations will come out of that, but I think there needs to be some stimuli put into the marketplace to encourage the recovery of that material. Now, that local company claims it only needs a certain amount of glass; well, that's fine. That can probably be recovered in south-east Queensland. You don't need to source it out of Cairns because, as you correctly said, to drag that glass down here is just cost prohibitive, but there are other ways to convert that material instead of sticking it into landfill. It could be used as a filler in road construction or as an abrasive material and all those sort of things.

Instead of getting abrasive material from Brisbane and sending it to Cairns it could be locally converted and we save all that energy from being on the highway. So there are ways of looking at it and that again is a commercial driver, but there needs to be some other assistant put in the marketplace to say, "Look,

environmentally and as far as the energy we consume, it may be a better thing to support an industry in Cairns or Townsville or wherever that converts that material to other uses and it saves the raw material. It saves the extraction of the sand for concrete construction. It saves fillers for road base - all those sort of things. So there are a multitude of uses for it and we just need to consider those more fully.

MR WEICKHARDT: But how do governments decide how big that signal should be and where that signal should be applied to ensure that they're not causing a reaction that is actually to the detriment of the community?

MR EGGLETON: We were discussing this for 10 years and I think we may discuss it for a further 10 years, but I think there needs to be a portion - this state government and the local governments their purchasing policies don't allow for recycled material and that needs to be considered. New South Wales certainly has - that there certainly needs to be a certain amount of recycled material in their road construction for instance. So their Department of Main Roads uses a lot of recycled material, but it's cost effective there. Because their landfill space is running out they've put in drivers that said, "Okay, you can't bury this material." They've converted it and businesses have built up around that and they're doing that quite effectively because they've also changed their royalty structures on their raw material to make it work. At the end of the day if you look at their analysis I don't think it's cost the community any more to do it that way and yet they've done the right thing.

MR WEICKHARDT: Can I just pursue the issue you mentioned about the specifications and standards. Certainly we had the initial round of hearings a number of people suggest that there were impediments to using some of these recycled materials because of specifications or standards or the material was classified as waste and therefore couldn't be reused.

MR EGGLETON: That's right.

MR WEICKHARDT: Are you aware of any specific things that are preventing, say, in your scenario, the Ipswich City Council, appropriately recycle or reuse or sell recovered materials?

MR EGGLETON: We're a bit unique in that we've - I think our latest numbers are we've recovered about 81 per cent of our material that goes into our transfer station. You see what we do is fairly small compared to other local government agencies. I mean you've got Gold Coast City Council, for instance; it's the second-largest local authority in Queensland and they're doing quite a lot of things. You've got Brisbane City Council; it's the largest one in Australia. So they've got all those other things that happen in their areas.

But with us we've got inbound. We've got all the garbage coming out of New

South Wales. We've got it coming from the Gold Coast. We've got it coming from Brisbane. We've got it coming from the Sunshine Coast, and they're all going to privately-owned landfills. So when the city puts a waste strategy together so that they're going to minimise waste, you know, it's not going to happen, because we're the depository for waste in south-east Queensland and probably that's not a bad outcome.

MR WEICKHARDT: So, what, you have a major landfill - - -

MR EGGLETON: No, we don't. We've got our own. We operate our own landfill. Because up until about, I think it was 10 years ago, when they changed the National Competition Policy, councils in south-east Queensland controlled all the landfills. So they controlled everything and it wasn't a bad way of doing it because at least they controlled what went in the landfill. They controlled recycling to some degree. But when it was opened up to the marketplace, garbage like in Brisbane like I said earlier went from $65 a tonne to $25 a tonne over a few years.

When one private landfill opened up, he just dropped his price by about $5 a tonne under the council rate and then when the second operator came along he halved the rate and these are world-class, world-standard landfills. They're tertiary-line landfills; you've got bioreactor type landfills. They're bringing their garbage in at a price that can't be sustained because it costs more than that to construct the liner. But that's about marketplace; they're trying to get market share, I guess, and ultimately that will balance out, but when that may be who knows?

I mean one of them is owned by the second-largest waste company in the world, so they've obviously taken a long-term view. But ultimately if councils get out of that part of the market who knows what the cost of landfill is going to be in Queensland. It will certainly approach New South Wales I would think. So it's something to be considered, I mean.

MR WEICKHARDT: Can I just pursue a few of those points, because they're particularly relevant and interesting. I mean one of the comments that we made in the draft report that some people have challenged is an issue that was raised with us by many participants in the first round of hearings and that is that there are a lot of landfills operating that do not comply with either their licence conditions or with best practice regulation. Now, of course there is an issue around smaller landfills; particularly we heard in New South Wales there's an issue where the government actually indicated their thinking about reducing the threshold of exemption. At the moment, I think any landfill taking less than 30,000 tonnes a year in New South Wales is exempt from being licensed by the EPA and their control by the local council and many don't have weighbridges or liners or other facilities of that sort.

But certainly in New South Wales - and I think nationally we've seen some

surveys that were conducted by the EPAs that suggested that a fairly large number of landfills - in fact yesterday in New South Wales I think the Waste Management Association claimed that something like 70 per cent of the landfills operating in New South Wales were not fully in compliance with their licences. I guess we were expressing considerable concern about that because we said clearly there can be externalities associated with landfills. Theoretically you could tackle that in two ways: one is you could charge some form of levy to try to get the externality internalised.

We felt that fundamentally it was a much better principle to say, "Contamination of the neighbourhood either amenity lost by material blowing around the place or noise or dust or by leachate coming out or foul odours coming out, they're all undesirable. Licences should be put in place and enforcement should be put in place that just actually stop that." In your experience in the area you operate in do you think the landfills are actually complying to their licence conditions and operating to best practice?

MS CLARKE: One thing that I think state governments have a problem with grappling with is actually tailoring licence conditions to suite the environmental values of the specific region. There's a very vast difference between what's acceptable in a sensitive area with environmental values to another area and I think a lot of the problems with the licence conditions are that they're a bit too generic, I suppose. It may not be really appropriate for the local government area to actually be complying with the licences. I know that's an issue that should be dealt with when you're setting up the licence, but I think when the EPA first came into being we were pretty well just hit with generic licences across the board and now the EPA is working on sort of tailoring them up a bit.

One of our examples is one of our old landfills. When we do the testing on the leachate well it actually has a better water quality than the ground water in the area because of the mining in the district. So, you know, what's required for that landfill is probably a lot different to if you're up in Cairns near the beach.

MR WEICKHARDT: But do you accept the general principle that it's desirable to avoid - - -

MS CLARKE: Absolutely, yes.

MR WEICKHARDT: - - - polluting rather than discharging somebody and saying, "Well, we don't mind you polluting, but we're going to tax you."

MS CLARKE: Yes. A lot of the landfilling issues are sort of legacy issues too. The landfills have been around for a long time and people are working on building them up to scratch.

MR EGGLETON: Exactly right. I mean you've got landfills that have at least a 30-year life and the EPAs of Australia haven't been around that long. So when they start putting in licence requirements on landfill that's already been operating for probably 20 years and they're saying, "You're not complying with these licence conditions," you've got legacy issues. That's what they had, and to say, "You can't do this, this and this any more," is I think probably too hard a task for them to do. They need to modify what they're doing, I guess.

MR WEICKHARDT: They probably need to give people time to adjust.

MR EGGLETON: That's exactly right.

MR WEICKHARDT: But nonetheless coming from an industry background I think over time the EPAs made it very clear to industry that standards have changed and they had to comply and if that cost money, well, so be it. But, you know, the standard the community expect now are different from those that were expected 50 years ago.

MR EGGLETON: It would be interesting to know what the noncompliances were. I mean they'd be some really ridiculous things but there'd be some issues that certainly need to be addressed, but that can be handled, some of it, in the post-closure. I mean Brisbane City Council for instance - I forget how many millions they've spent on remediation of old landfills, but it's been quite extensive. But that was never factored into the pricing of the landfill at the time and I still think that's going on today in lots of environments. Now that we have lots of commercial holes and some of these companies, as big as they are, are still dollar-shelf companies and they're based in places that have no legislation that we could tackle them with if they decided to pull the pin. So if something really nasty happened they would leave and the community would be stuck with it anyway.

MR WEICKHARDT: Is that true, because I understood that some state governments - - -

MR EGGLETON: They'd still have bonds, but bonds to my mind are insignificant. I mean even if was a $5 million bond, I mean you could have ongoing issues for remediation that could strip that in no time at all; that's potentially - that's one end. I mean the other end is that they could be well managed and they are to a general extent, but who knows? I mean if you talk to any engineer a lined landfill has got a design - the liner has got a design life for 25 years. The landfill will last for 20 years before you close it. The liner is probably failing and you and I are not going to be around to know what really happened. The lined landfill as we know hasn't been - I think 15 years it the oldest in the world, so we're yet to see what the real outcome of - of that engineered outcome is, because if you talk to any engineer - "Just give me

enough money I can fix anything."

Again, like going back to Kaye's point, it depends on where that landfill was situated. Why would you put a liner for dry waste out in the middle of Nullarbor, for instance. I mean it's not going to have any water penetration anyway, so it's going to be a dry tomb. If you had one on the Gold Coast where it does rain you have to put in different conditions to capture all the water and all those sort of things which they do.

MR WEICKHARDT: Okay. Notwithstanding whatever happened in the past that we regret now, is it your perception that the EPA both in terms of issuing licences and also in terms of enforcement of the licences are being appropriately tough on the way this area is regulated?

MR EGGLETON: They certainly are in our regard. I suppose any local authority that has one is probably an easy target. I assume we're treated as fairly or a unfairly as the private landfills are, but we are - - -

MR WEICKHARDT: Because the private landfills always say that the council landfills are, you know, sort of given a soft time, but you probably think the opposite?

MR EGGLETON: Well, like I said before, I've only been in local government four years. I've been in the waste industry 30 years, so one can assume that I've been in the private most of my life. Most decisions are made on a commercial basis and if you don't have conditions that constrain you - and I use the word "constrain" - you will take the economic view before you'll take the environmental view and if legislation isn't strong enough over time, we will have issues. But that should be less and less because there are now few operators. I mean 20 years ago there was 15 operators at any given time; now there's probably four nationally. That could be a good thing; it may be proven over time to be a bad thing, but only time will tell.

But they are businesses based on making money and if we put in enforcement regulations to make them comply with certain legislations they might see that as not economically viable.

MR WEICKHARDT: Well, so be it, I think, yes.

MR EGGLETON: But they have a lot of political clout, so I would not like to see things watered down just so it becomes more economic to throw stuff away that shouldn't be.

MR WEICKHARDT: Certainly, I wouldn't either. As a citizen of this country, I think those regulations need to be appropriately tough to provide safeguards that

we're not, you know, just spoiling the environment and if that means the cost of landfill goes up, which I almost certainly will, then that's the right signal. Out point is it's a better signal that you have those protections, the environment is safeguarded that way, and the cost is what the cost is. That's a better signal that somebody in government trying to guess that a levy of sort of $50 a tonne is an appropriate sort of signal.

MS CLARKE: Yes, I think it is important though for the government to show the leadership. The cleaner production is a classic example; we've been all talking about it for years and years now, but because like what Bob was talking about, in a lot of respects the market looks at a very short time - operating statement bottom line - "What's going to happen for your revenue this year" - stuff. They're not putting in measures to even do things that we would think as a community as sensible that are going to save them money in the long term. A lot of cleaner production stuff, if you cost it over five or 10 years, the company will actually, bottom line make a profit out of that, but because the business a so short-term focussed cleaner production isn't as sort of strong as I think it needs to be in business and governments can give it a little bit of a kick along, I think.

MR WEICKHARDT: You're not unique in having that point of view. I have to say that as somebody who spent most of their life in private enterprise, I think governments trying to second guess what's best for business has proved over time to be a folly in most cases. Businesses are far from perfect; they make all sort of suboptimal decisions but those that do eventually fail and go out of business. Clearly businesses have to be regulated so they don't do things that cause damage to the environment or to the people, but competition in business eventually over time does provide incentives and, yes, of course you can look at businesses doing stupid things.

But, you know, why we should focus on the fact that maybe they could something in terms of recycling or cleaner production and we don't say to them, "Well, we've got a view that you could leverage your balance sheet more than this," or that, "Your treasury operations could be organised in a better way or you could hedge your foreign exchange in a different way." I mean governments really have got to decide where their centre of expertise is and I don't think their centre of expertise is generally in running businesses, but anyway we - - -

MS CLARKE: It depends what your environmental objectives are as the government, I suppose.

MR WEICKHARDT: If your environmental objectives are to ensure you've got regulation in place that sends signals that are appropriate, that's fine, but I guess I have a view that governments should set the rules and make sure the signals are right and then get out of the field of play. Now can I turn to the issue that you've raised around the recommendation made on regionalisation. This was a recommendation

that arose from a large number of comments made to us during the first round of hearings, particularly by people in the waste management industry, that it was very difficult, particularly for large investments and people talking about things like AWTs or maybe a major investment in a new landfill or recycling depot. It was very difficult to deal with a multitude of small councils which they needed to do to get sufficient volume to justify a major investment and facility.

MR EGGLETON: Yes.

MR WEICKHARDT: The point that you make and the Brisbane City Council make in their submission, and we'll talk to them in a moment, is that perhaps Brisbane and south-east Queensland is different in that their councils are generally larger but certainly as perhaps might be expected we have had a number of councils submit to us saying that, "This recommendation is not supported," and that they would be prefer to be left as is, but we have had a large number of people from the waste management industry come forward and say they thoroughly support the recommendation and that it's a nightmare dealing with the fragmentation of the councils and that councils don't have the critical mass to deal with complex and large tenders, they don't have the volumes in some cases, and that planning issues are a real problem and certainly in the Sydney area one of the regional groupings of councils made a point to us during the first round of hearings that they could agree on a lot of things.

They could agree to contracts with a provider and, you know, sort of get better terms and conditions that way but when it came to where a landfill might be installed none of the councils wanted it in their particular area and they therefore went to the state government to ask to act as an umpire, so that was the background of our recommendation. I'm particularly interested as to whether or not there is in your view a sort of a particular critical mass where you think perhaps some regionalisation makes sense or a particular size where you think a council has the critical mass and resources to be able to cope without any aggregation.

MR EGGLETON: Our comments about regionalisation harp back to the waste boards that were set up by New South Wales. They have all been folded. I don't think they - there was not enough political will to make that work. It makes some sense where you have got urban communities like Sydney and Melbourne where you have small councils where you can cluster those waste collection contracts together and get some economies of scale. I don't have any argument about that. You talk about Queensland. I mean, we can go to Cairns by plane and if we went the other way we have crossed two states, so what works in Brisbane is not necessarily going to work for Cairns.

MR WEICKHARDT: I totally understand that.

MR EGGLETON: When you're talking about regionalisation if you said that we were going to make a regional waste board for south-east Queensland, for example, where there are 23 local authorities you have got the Gold Coast which has garbage contracts now, I think, and something like about 70 garbage trucks are involved in that domestic contract. You have got - in Brisbane there must be about 90 now. It doesn't make any economic sense to cluster those along with Logan and Redlands and Pine and Ipswich which is a city in itself on the periphery, there would be no economies of scale to do anything with the domestic kerbside collection.

MR WEICKHARDT: Yes.

MR EGGLETON: There is already a regionalisation as far as recycling goes. There is basically now, with the sale of the Cleanaway contracts to JJ Richards. There are only two MRF operators in south-east Queensland and I think to some extent their commodity is going to the Visy plants anyway and there's a talk of enlarging their recycling plant. All our material that's currently collected in Ipswich goes to Visy Recycling. All the stuff from Pine is done by JJs but other than that, even the stuff that goes up in the Sunshine Coast is dragged back to Brisbane.

MR WEICKHARDT: Given that, if you like, you have got a multitude of - well, not a multitude - you have got a number of councils in that south-eastern Queensland area and they're dealing with just two suppliers or recycling services would you gain any benefit of jointly dealing with those people to get sort of more negotiating clout?

MR EGGLETON: Because you have different - our city's (indistinct) we do our own collection, we do our own garbage services. The rest have contractors and that market is shrinking evermore. I think the last tender that went out there were only two people that tendered. Not many years ago you could have added up to 14 or 15, and not surprising the prices went up so councils have got a view of what they're going to do in the long term. I think some are factoring in certainly large increases in their collection costs because if the marketplace shrinks, obviously competition sort of goes out the window a little bit as well, but when you talk about places like Townsville, you know, these councils have huge areas. I mean, if you tried to cobble them together - - -

MR WEICKHARDT: No, no.

MR EGGLETON: Even in south-east Queensland, I mean, you have got, just in Ipswich to bring it into Brisbane, you're talking 50 kilometres so - - -

MR WEICKHARDT: I understand that the regional areas are quite different and we were focused on the large sort of urban centres and just wondering albeit I take your point that collection might be different but the management of disposal and recycling and the planning for it does seem to be one where you need scale these

days and the question is whether any one council has got enough scale to be able to handle those issues by themselves or enough expertise to be able to evaluate tenders, for example, for a large AWT investment that in some cases might be $100 million or so.

We have representation from one of the Melbourne councils who said they were trying to grapple with a contract like that and it's just way above their capability. I think in fact in Melbourne now there's a proposal by the state government to provide a centre of expertise to allow councils advice and input on trying to manage contracts of that sort. So it's those sorts of issues that we were trying to tackle.

MR EGGLETON: Again, you know, what's happening the southern states does have some merit because they are small councils. I mean, as I said earlier, Brisbane and Gold Coast for example are so large and we have a regional organisation of all the councils anyway and we talk as a collective, as a waste working group, so there are always discussions about those sort of issues.

MR WEICKHARDT: Can you just amplify how that works and is that something that is a recent development?

MR EGGLETON: No, that came out of SEQROC as I said earlier and then with the council and mayors they have got working groups on all sorts of infrastructure and then there's one working group on waste and we all discuss issues and we'll take those concerns or issues or however we think things have got to be done. We send that up to the council and mayors and they will talk about it as a group and then decisions will be made from that point but I don't see that trying to cobble all the councils - make a regional waste board - would make any sense. I don't think there's going to be any financial benefit in doing what has currently been happening.

MR WEICKHARDT: Yes. The other issue that - particularly this is the people who are trying to provide AWT facilities, say, is that they are of such a scale and size that they need to contract with a number of councils over a long period of time to make those sort of contracts workable and they have found a lot of difficulty trying to write contracts with individual councils and in some cases the councils have formed entities that are collectively owned, if you like, by those councils but there has been a problem in terms of the financial sort of backing and guarantee, so there are some administrative issues that those who are trying to provide big facilities have found in experience of working with councils.

MR EGGLETON: AWT is the financial viability, those sort of things. I can't see it happening in south-east Queensland purely because there are better environmental outcomes if we landfill financially and environmentally in my view.

MR WEICKHARDT: Yes.

MR EGGLETON: In the southern states where you have got landfills are now hundreds of kilometres away from the point of generation there is some need to do that so that may be the only way it could happen, is that they need to do that, but again you're talking about not having external stimuli to make certain other activities work. I mean, AWTs should stand up on its own legs and if it can't compete with a landfilling option that still has an environmental benefit it should proceed going on what you have said in your report.

MR WEICKHARDT: No, I understand that, but if somebody is investing $100 million I can understand them wanting some sort of contract with a range of providers and their point to us was, "This is difficult with a fragmentation of councils."

MR EGGLETON: Again we go back to New South Wales where they set up those regional boards. Like, there was Northern Waste Board and all those things. They were only in place about four or five years and they were disbanded because they couldn't make a decision and yet they were entities that were paid for by the state government and reported to the state government so to say that to set up a regional body is going to work it was - - -

MR WEICKHARDT: What went wrong with that model?

MR EGGLETON: The bureaucrats couldn't make up their mind, basically, and they had some experience there. They had all sorts of - they didn't have industry in it, but they had lots of waste experience as far as the HOs and all those sort of people that ran North Sydney Council and Ryde and all those sort of things. So they put those sort of people in and they worked directly for the state government, but again it came down to where the garbage was going to go and it was just incorrectly put. It was where that garbage was ultimately going to end up became the political point because people didn't want that garbage crossing their boundaries, but that was the state government not saying, "This is what's going to happen." There wasn't enough strength in their legislation. They didn't say, "This is what we're going to do," and just driven on with it.

MR WEICKHARDT: So how do those planning issues get dealt with in Queensland in terms of planning for where a new landfill or a new MRF or a transfer station might go? Do the councils, you know, sort of get involved in that - - -

MR EGGLETON: Yes.

MR WEICKHARDT: - - - or does the state government provide a template?

MR EGGLETON: Well, landfills, the state government, the EPA, has taken controlled of that so they license all the landfills. As far as MRF-ing goes - - -

MR WEICKHARDT: And future sites?

MR EGGLETON: The EPA. Most of them are in our area now and they have to apply to us, but at the end of the day the EPA takes the overarching authority and they'll approve it and we would challenge it if we feel that there needs to be some challenge about the operation of the licence, but other than that once the EPA approves it they're up and running.

MS CLARKE: I guess the location of the landfills, all of the ones that are recently opened up are private landfills, so it's market-driven.

MR EGGLETON: Yes.

MS CLARKE: They're putting them where they - yes.

MR WEICKHARDT: But in terms of a sort of process of that interaction between the private operators and the councils and the government, the process you feel works reasonably well in Queensland?

MR EGGLETON: Well, that's what it appears to be at this point in time, but there was certainly some arguments earlier in the piece, but I think that's all been settled now.

MR WEICKHARDT: That's helpful input because certainly in New South Wales apparently there are very significant stresses in that process. So I think the state government agreed it didn't work very easily and the private operators feel that it doesn't work easily either.

MR EGGLETON: That's about political will though. I mean the state government didn't have the strength of their own conviction and that's their problem. I mean they have a landfilling issue. They've still got holes in Newcastle and all those sort of areas that would be better off being remediated by - use them as a landfill, but they're afraid of losing seats and that's all it comes down to.

MR WEICKHARDT: Okay. You referred to our recommendation of variable charging systems for collection and disposal and this was a desire to try to sort of provide some sort of price signal to people throwing away waste that there was an impact on how much they threw away. Now, you've raised the point that in places like Ipswich there are significant proportions of households that are not owner occupied and therefore variable charging would only impact the property owner and not the tenant. But I mean in things like water, for example, surely a lot of rental

agreements would pass those sort of charges through to the tenant, wouldn't they?

MR EGGLETON: Not that I'm aware of.

MR WEICKHARDT: No?

MR EGGLETON: That's one of the problems that a landowner has. As far as a collector goes, there's very little cost differential between picking up one bin to the other. There's certainly a weight variation, but if the city is already paying for the garbage if they control as most of those contracts do - they pay for the disposal of the material, the actual physical collection of the bin - there's very little cost variation; it's the same vehicle going past the same door and it's the same motion. So he's not going to charge less to pick up a smaller bin to a larger container other than he may, say, have some variable, but it's not going to be a big price variation, because of the simple fact of the time and motion to pick up the bins.

MR WEICKHARDT: Sure, I can understand the collection charge may not be different, but presumably in aggregate the disposal point is different.

MR EGGLETON: It would be but one of the things that we think may happen is that people will go for the smaller bin and then start getting rid of their garbage in other ways, you know, they'll illegally dump or go to a public park and put the bin in, because you've got a bin there in the park. "Fly tip" they call it; they just go around and stick garbage in wherever they can and I've seen that happen in New South Wales and it happened in North Sydney quite a lot.

MR WEICKHARDT: Is that an issue in Ipswich at the moment?

MR EGGLETON: No, we don't have - because disposal or to go to a transfer station is so cheap, and it is really. I mean they pay $3 and they can take half a tonne of garbage. So it's not a really cost disincentive to go there. They don't see it as a major issue.

MR WEICKHARDT: This is one of the issues, isn't it, of trying to wrestle with the best sort of balance of policy instruments. If you make the landfill more expensive or waste disposal more expensive which may have some attributes in terms of minimising the amount people dispose of, you run the risk of littering and then illegal disposal on the other hand.

MR EGGLETON: We've seen when it used to be free there was - the same proportion of illegal dumping goes on now when we didn't charge anybody to go to the transfer station. It just comes down to people's laziness I guess. It was easier to go to the bush and throw it in than drive down and park and wait to go into the transfer station.

MR WEICKHARDT: So do you have a big program on enforcement and littering:?

MR EGGLETON: Yes, the Health Department chases all that stuff up all the time. You see it's by complaint. When we find out there's some illegally dumping we go and clean it up. I mean there were some articles in the local paper of Brisbane - who actually had cameras up in trees trying to catch people for illegal dumping. It's about the quantum. I mean it's just - - -

MR WEICKHARDT: Do you feel you're making progress in terms of minimising that or is it a sort of - - -

MR EGGLETON: It'd be an ongoing campaign, I think. It's about changing attitude really and that's an exercise that will take some time and we've been doing that through the schools' program as other cities have been doing. So as the kids grow up hopefully they'll learn the rule, but it still comes down to money with some people; it's cheaper to go and dump it in the scrub.

MR WEICKHARDT: Yes. Well, hopefully a whole range of instruments can be brought to bear on that because it's people not part of society that's very pleasant or possible to condone.

MR EGGLETON: No. I agree.

MR WEICKHARDT: Okay. Thank you very much indeed for your submission. Thanks for appearing and we'll take into consideration the points you've raised.

MR EGGLETON: We'll wait to see what the final report looks like.

MR WEICKHARDT: Thank you.

MR EGGLETON: Thank you.

MR WEICKHARDT: We'll adjourn briefly and then we have our next participant, the Brisbane City Council.

MR WEICKHARDT: If I could just get you to give your name and the capacity in which you're appearing, please?

MR COPELAND: My name is Harry Copeland. I'm senior program officer, waste minimisation for Brisbane City Council. I'm involved in waste policy development for Brisbane.

MR WEICKHARDT: Thank you very much indeed. We have your submission which you should assume we've read and I have a number of questions about it, but if you want to make some general points to start with, please do so.

MR COPELAND: Just in starting, thank you for the opportunity to speak at this inquiry. With the initial report some of the findings as recorded in our submission, we support to a degree, but we'd just like to point out that waste just doesn't happen - it's caused and it can be prevented. Within the Productivity Commission report we didn't see that that was in issue, the prevention aspect. The report also suggests that engineered landfills minimise environmental externalities and therefore it's okay to keep filling them up; that's a wrong assumption. Yes, the engineered landfills do minimise environment externalities in that the waste that is put into those landfills are - the capacity to generate pollution from those landfills is minimised. I mean it still can happen if there's a whole in the liner, for instance, but this is still end-of-pipe solution. It's nothing about prevention.

The Productivity Commission report doesn't appear to place a value on environment or the value of upstream minimisation. Waste occurs along the whole of the product life cycle not just at the end of the product's life and therefore waste can be minimised in a myriad of ways along that life cycle and a product's life cycle, the usual consideration is a linear scale from inception to waste. A product life cycle can be cyclic and it is dependent on how the product developed and how it's designed and this is an upstream issue.

Waste is everybody's responsibility, not just the local governments. Local governments are charged with ensuring that waste is disposed and contained to prevent harm to human life and environmental issues but we shouldn't have to. I mean, waste should be everybody's responsibility. People actually purchase their waste and waste generation is dependent on what we buy, what we use, and how efficiently we use a product and the community needs to understand this. They need to be educated in this criteria. We should be concentrating our efforts more in managing waste upstream and that's at the design and the manufacturer side of things. The extended producer responsibility of product stewardship processes really need to be formalised for this to happen.

Some manufacturers, some organisations, actually pride themselves in product stewardship but the ones that think they can get away with it will do so. We need to

build in user pays and to assist in two things. It will assist in meeting the costs of recycling and disposal. It would also send a clear message to the consumer that they need to really think about what they will buy. If the price is built in or waste issues are built into the cost of the product it may change some procurement habits, some purchasing habits. There is a significantly high incidence of cheap imports.

There is also a significantly high level of disposable income where people can purchase those cheap imports and the type of products that are purchased cheaply are disposed of very soon after they're purchased. They don't last long and because they're so cheap it's nothing for a consumer to go and buy something else because it breaks rather than go and try and have it repaired. A higher product that has a higher cost has the capacity to be repaired or has module replacements or something like that; that disposable product is rife in our society. For this to happen we really need federal and state government leadership in this issue. It's looking at waste from where we get our products, where we actually purchase our products, who brings the products into the country, and considering waste on a larger scale rather than just end of pipe.

MR WEICKHARDT: Thank you very much indeed. There are a fairly broad of issues you have raised there. Let me say, as I did to the previous participants, I think you may have misunderstood our point about upstream interventions and externalities. Our endeavour in the draft report was certainly not that any upstream externality should be ignored. It was simply that trying to tackle those sort of issues by indirect action in the waste management area was at best a second-best approach. It may have no effect at all. The signal may never get through to the upstream operator but if there are externalities, pollution caused by manufacturers or by mining operators, we're very strongly of the view that they ought to be tackled upstream where they occur. That's the most direct and likely to be the most effective way of handling those sort of issues. They certainly shouldn't be disregarded.

In regard to the issue of sort of excess consumerism, that really is an issue that probably many people have different views on. The fact that the government have made some products cheap would be seen to be a blessing to those people that don't have a lot of disposal income and are struggling to make ends meet and the government deliberately lowered tariffs and tried to make businesses more efficient and remove costs from imports so that products are cheaper and generally I think most consumers would say that has been to their advantage.

MR COPELAND: We have a bulk kerbside collection for large items. If you look at the volume of products that are put, quantity products that are put out for disposal, television sets, computers, stereos, all have probably been a few years old and people will go and buy another one. If there was some process that they could purchase a better product they would have that product for a longer time. I really haven't studied, and it's probably worth a study, to look at how much somebody actually

pays for buying three television sets or three computers compared to buying one at a reasonable price.

MR WEICKHARDT: That's sort of getting into the government trying to tell individuals what's best for them and I think the society we live in, generally individuals are left to make their own decisions.

MR COPELAND: Surely.

MR WEICKHARDT: Some make wise decisions and some make poor decisions but generally speaking in our sort of democracy governments don't try and come along and tell you - - -

MR COPELAND: Yes, I realise that.

MR WEICKHARDT: - - - that television set is not good for you. They will certainly act if they think it's unsafe but generally speaking they let you trade off costs and benefits and life time and screen size and things of that sort.

MR COPELAND: Yes.

MR WEICKHARDT: So I think it would be outside our terms of reference to get into that issue.

MR COPELAND: I understand that but I think the public need to be aware of the longer issues; maybe an education process somehow that way.

MR WEICKHARDT: Yes, all right.

MR COPELAND: This is part of the waste management role and waste management from our perspective is not just worrying about the product at the end of its life cycle. If we did that then all we would be doing is filling up holes, filling up holes, and our town planning, we don't have that many holes to fill up. Yes, there are a lot of holes around in Ipswich and whatever but there really aren't that many to use. We have really got to look at how we can minimise the product coming into the landfill to start with. I mean, that is for us - the issue is if we need to keep landfilling it's going to add to the cost of doing it by transport. The consumer ends up paying for it in the long run.

MR WEICKHARDT: Certainly consumers end up paying and that's our real point. I hope you would agree that our overall policy recommendation to government, and indeed, the act under which the Productivity Commission operates, draws attention to the fact that we should be recommending policies that are in the best interests of the community and governments need to think very carefully about the environmental,

the social and the economic aspects of all the things that they recommend to weigh up what they're trying to do and to try to make sure that the actions they take are in the best interests of the community.

Our concern is that in some cases policies in the waste management area have not been subjected to that sort of rigorous analysis and there is a risk that therefore albeit well meaning policies are put in place that actually may end up not to the advantage of the community, they may end up consuming more resources than they actually save so that's the thrust of the sort of issue we're trying to tackle and we were in the draft report trying to make a point that some recycling some of the initiatives in the waste management area are good but carried too far they may end up consuming more resources than they save.

MR COPELAND: Certainly but - yes.

MR WEICKHARDT: It's trying to get that balance right that we're at pains to examine.

MR COPELAND: Okay. The federal government - from our perspective and it's not just Brisbane City Council, as we've mentioned before we have the South-East Queensland Council waste and recycling networking group.

MR WEICKHARDT: Does that work well do you believe?

MR COPELAND: Yes. It started as separate operating recycling working group and it has now been reformed - I'm the chair of that group - it has been reformed to carry on under the new Council of Mayors. We look at issues regionally, using economies of scale. Brisbane City Council could probably do most of it by ourselves but we have regional partners that we need to consider and we use our size for the benefit of the group. As was mentioned before, the smaller the local government is probably the easier it is to get things done because - Victoria is a good example, lots of little local councils around and they seem to have wins all over the place but they can do that because of their size, they don't have a lot of things to worry about. When you get to the size of south-east Queensland some of the councils in south-east Queensland struggle and really it's joining forces that makes it easier for those smaller councils. We get some good economies of scale, some good outcomes.

MR WEICKHARDT: Right.

MR COPELAND: You mention in the report construction and demolition waste, this is a significant issue that we've had for years and over the last couple of years now through the efforts of the group we've managed to improve the process using normal supply chain principles, setting networks from recyclers, landfill operators, designers, architects, developers, demolishers all coming together for the benefit of -

and looking at construction and demolition waste as a resource, not as a waste and rather than measuring it as a waste we're measuring it as a commodity and similar things need to happen across Australia.

MR WEICKHARDT: Our early visits, we visited a construction and demolition recycler up here in Brisbane.

MR COPELAND: Queensland recyclers? Concrete? Alex Fraser Group?

MR WEICKHARDT: The Alex Fraser Group and they made the point that there is a sort of perversity about the fact that to - because transport is so expensive for CND products that sometimes planning issues force them well out of the, sort of, central areas where a lot of the demolition is being done and by the time they've transported product there to be reprocessed and back again it ends up costing more than virgin materials so they were making a plea that those involved in planning understand that the location is critical and sending them to the back blocks don't work.

MR COPELAND: No, and that's what we are - - -

MR WEICKHARDT: Is that issue, you think, well understood and - - -

MR COPELAND: Yes, and one of the good things about our network is we have a lot of private - they don't call themselves landfill operators any more, they're resource recovery - for want of - I can't - they recover resources more than landfill. Our goal for the region is to have appropriately sited resource recovery parks, not landfills. We've got one that's being developed at Narangba just north of Brisbane now that is totally under cover and this is part of a timber recycling company who has said, "Well, I can extract timber but I can also assist with the bigger picture so as part of his timber - he's got ten hectares or something of that - Michael Kennedy who - I think he spoke at the initial commission - - -

MR WEICKHARDT: Yes, he did.

MR COPELAND: Yes. He's got about 10 hectares of land that is allocated for developing timber recycling classifications, a whole range of products that he can develop there but at the same time he's got a resource recovery centre there. There's also another one at Riverview in Ipswich, we're looking at a site on a major arterial road at Eagle farm, at the old airport redevelopment, we need about seven or eight around the regions and Redland City Council are coming on board as well to provide us with another facility so all of that's taken into account, so it's reducing the cost of transport plus it's easy access for markets to come. One of the good things about the total project is we're reducing or recovering about 85 per cent of product.

MR WEICKHARDT: That sounds like that's working extremely well. Do the

state government get involved in that process?

MR COPELAND: No.

MR WEICKHARDT: No?

MR COPELAND: We facilitated it and said to the players, "If this is going to work it's going to work on normal business principles and supply chain channels. We advised them the best way to go about doing it and how this happened and it's just a spirit of cooperation and there's the foresight on a lot of people that it's creating business opportunities, jobs, increasing the potential for the construction and demolition industry.

MR WEICKHARDT: How do you overcome this difficulty that people in New South Wales alluded to that the councils can agree on lots of things but when it comes to siting one of these facilities nobody wants it in their backyard? Are the Brisbane councils or the south-eastern Queensland councils simply more far sighted and mature about this?

MR COPELAND: I think so. They look at the bigger picture and we have a good repour where we've worked together for some time and - yes, it just happens and there's cooperation. Part of the old SEQROC waste and recycling working group was the development of a solid waste management study which is a 30-year plan.

MR WEICKHARDT: Right.

MR COPELAND: 66 actions all up and it's now been broken down and prioritised and we're working on that now.

MR WEICKHARDT: That's very useful. Thank you.

MR COPELAND: But, again, we're looking at it - it needs to be markets and you're quite correct in what you said in the report, I mean, it needs to pay for itself but - - -

MR WEICKHARDT: Is there a long-term, sort of, plan? A master plan for the, sort of - I mean, I think the previous participant mentioned to me before the hearing started that, you know, population in this part of the world is growing rapidly and waste is growing rapidly - - -

MR COPELAND: (indistinct)

MR WEICKHARDT: --- so therefore future infrastructure I guess needs to be planned for. Is there a master plan of - - -

MR COPELAND: There's a south-east Queensland plan.

MR WEICKHARDT: Right.

MR COPELAND: That's put together by the state government but with input from local governments and the local government planning areas have significant input into that master plan.

MR WEICKHARDT: Right.

MR COPELAND: It's a south-east Queensland development.

MR WEICKHARDT: Okay.

MR COPELAND: There's actually a separate department that has been put together to oversee that process.

MR WEICKHARDT: All right. Thank you very much indeed.

MR COPELAND: But from our opinion the issue of product stewardship still raises - all councils are still of the opinion that product stewardship is needed. Everybody is responsible for waste and if it can start from the design phase, they think about what is going to happen at the end of the life of a product and consider cyclic rather than linear.

MR WEICKHARDT: I mean, do you see good examples of where that happens and where you have got, I guess, good signals going around that entire cycle?

MR COPELAND: The oil industry agreement that seems to be working.

MR WEICKHARDT: This is the product stewardship agreement.

MR COPELAND: Yes, and that's the memorandum of understanding. That seems to be working okay. If the process was looked at on similar to what we have done with the construction and demolition process, and there was a requirement for products to be designed for recycling or for end of life then that whole supply chain consideration given to extended producer responsibility. That is similar to what we have done with our C and D process; looking at the markets for the products so rather than just saying, "Okay, if the federal government for instance said all electrical companies will take back their product for recycling," I mean, if the federal government gave assistance for those companies to the - like we have done with the construction demolition to assist with educating on the supply chain issues and looking at market development for the products that they're developing when there's

a whole range of things that needs to be put into place with the EPR so it's just a case of saying that doesn't do it but there would need to be a whole string of considerations flowed.

MR WEICKHARDT: In the area of EPRs as you have seen in the report we have said we think the government has got to be very clear about what the problem is that it's seeking to tackle. Is it because inappropriate disposal of these products will cause some nasty externality, leachate in a landfill of heavy metals for example, or is it because there's a resource recovery issue and often these issues seem to get sort of lumped together but they are two quite separate issues and again it's important I think that the government work together with the industry and clarify exactly what it is that they're trying to tackle and then make sure that the action they're taking is the right action because a broad shotgun approach is not going to give the best outcome.

MR COPELAND: No, that's right. EPR will have provide significant assistance and if you apply the advance disposal fee as part of that process where the price of the recycling or disposal of the product is built into the cost of the product, cities like the Gold Coast whose population doubles and triples at various times of the year and the Gold Coast plans on their waste management on their population and probably some - like the tourist side of things; when you have a large influx of tourists the Gold Coast has still got to pick up the bill for the cost of that waste management. If the price of disposal was built into the product then the local government actually disposing of it would have some funds available through that ADF to assist with the disposal.

MR WEICKHARDT: Yes. I understand what you're saying. I guess that - - -

MR COPELAND: This happens all the way up Queensland's seaboard, particularly the smaller local governments.

MR WEICKHARDT: I guess you don't put an equivalent tax on food to take account of the fact that the sewage treatment facility presumably receives more product in those peak times.

MR COPELAND: That's true, but - yes.

MR WEICKHARDT: I understand there's an issue. Hopefully, however, you extract money from those people who arrive in different sorts of ways and the economy locally gets some benefit as well as some problems.

MR COPELAND: Well, yes, it does.

MR WEICKHARDT: Look, I think that has covered the majority of issues that I wanted to raise. In terms of the sort of - the issue of sort of size and critical scale

economies in waste collection Brisbane City Council probably or certainly is the largest council that exists. Is there any issue in terms of responding to the different needs or requirements of the ratepayers throughout the area? I mean, some people from local councils much smaller than Brisbane have sort of said, "This idea of regionalisation would be terrible because local councils get their benefit from understanding intimately the requirements of the local citizens and tailoring their services to meet their needs." In your more aggregated environment do you have any problem with tailoring the services you offer, particularly, say, in the waste disposal area, to meet the needs of the local people?

MR COPELAND: I would just like to say that if we tried to regionalise contracts within south-east Queensland I think it would be unmanageable - the size of south-east Queensland and you would have to do it in south-east Queensland.

MR WEICKHARDT: But within the Brisbane City Council, do you have a problem?

MR COPELAND: No, we don't.

MR WEICKHARDT: Right.

MR COPELAND: Brisbane is termed as the state of Brisbane. Our size is - we would manage probably as much as anybody else in the total state except for the Gold Coast maybe.

MR WEICKHARDT: Yes. So a regional group as big as Brisbane City Council is quite manageable, you're saying.

MR COPELAND: Yes, it would be manageable but you're getting to the upper limits.

MR WEICKHARDT: Yes.

MR COPELAND: But still you need - having said that, have a look at what the smaller local governments are able to achieve in Victoria. They have much better outcomes than what we can possibly do and I don't know why - - -

MR WEICKHARDT: Better outcomes in what areas?

MR COPELAND: They're recycling - their yield is a lot better than ours than many of the Victorian ones, Victorian local governments.

MR WEICKHARDT: Is that because of their size?

MR COPELAND: Yes, the smaller the region the easier it is to get things done and I don't know whether it's that community feel. Bigger is not necessarily better. It's definitely much harder to manage. Even if you look at their education processes, because it's easier to get the message out to people and people feel part of the community, that's probably why it happens better.

MR WEICKHARDT: So from your perspective are you suggesting that - - -

MR COPELAND: Brisbane could be smaller.

MR WEICKHARDT: You would prefer Brisbane to be smaller.

MR COPELAND: Yes. If we could divided Brisbane up into, say, quarter of it, it would be easier to manage.

MR WEICKHARDT: Yes. And the disadvantage of doing that in terms of scale and efficiency or - - -

MR COPELAND: Depending what you're trying to do. You look at your economies of scale for purchasing. That would be an advantage but to do other things and try to get the culture happening. That is, I think, where the smaller governments had the edge over us is their culture; the feeling of belonging to a type of nice type of close-knit group. I have another residence up on the Fraser Coast and we have about 100 people there and we get together on Friday night and have a barbecue and the local councillor comes and we talk about waste issues there. We have waste issues with the tourists and stuff that come through. You couldn't do that in Brisbane.

MR WEICKHARDT: Yes. That's an interesting perhaps counterintuitive view. Thank you for that. All right. We're going to adjourn briefly for a few minutes. Thank you.

MR WEICKHARDT: Our next participant is Adrian Smith. Adrian, thank you for coming along. Perhaps you would just clarify the capacity in which you're appearing for the transcript, please.

MR SMITH: Yes. I'm appearing as an individual but I have 27 years' local government experience, 10 years with Gold Coast City Council, is my current employer, the second-biggest council in Queensland, but also I have spent 15 years up north in North Queensland and I have worked for probably several of the smallest councils in Queensland as well so I have a pretty wide range of knowledge from North Queensland right down to the second-biggest city in Queensland.

MR WEICKHARDT: Thank you very much indeed. Please go ahead and make your comments.

MR SMITH: I just want to say that, look, I see local government historically as always being involved in waste management in Queensland. I can't comment on other states because I have only ever worked in Queensland but the reason we're in waste is, just from a public health perspective and also from an environmental protection perspective. I think that's very important. One of the things I see is that you had a lot of submissions from private industry and so on and at the end of the day what a lot of private industry is all about is profit. I am not accusing them of anything but the point that was raised by some of my colleagues earlier was that if something goes wrong with one of our landfills in the long run or something like that in a local government we can't run away and hide. We're still there. The problem, we will have to fix.

Now, private companies can fall over. We have seen recently some of the biggest companies in the world go broke so it can happen. With local government I believe we have got the philosophy behind us. We're here in this game for public health and environment. Yes, it has changed a bit in the last 10 years. We also want to make a profit and put money aside for future capacity for things like AWT and so on, which I'll talk about shortly. Some of the questions I heard you ask before, you asked if you thought the EPA was tough enough. I think the answer to that is yes and no. You also made a comment that in New South Wales someone had said that 70 per cent of the landfills were noncompliant and 30 per cent were okay.

Now, I don't know if that infers that that might be the same case in Queensland but just from my experiences I would hypothesise that if it was the 30 per cent that were good I'm sure would be all the big councils and the large landfills. In Queensland I think there are a large number of - I remember I did a paper on this a number of years ago and I think there were a couple of hundred landfills or something in Queensland but there were only about 20 significant landfills, large ones, and most of them were council and there were three or four private ones in that boat as well and these were the large ones. Most of them had liners and

weighbridges and so on.

The vast majority of the landfills in Queensland I believe are small rural ones. I mean, I worked for council for Mareeba for instance and they had 15 townships in Mareeba. Mareeba is the size of Tasmania and they had 15 landfills, one in each town. I have worked in Burke Shire which is far north-west Queensland. The only significant township is Burketown. It's a million miles from everywhere and they had their own landfill. The same with Boulia, Julia Creek, Carpenteria Shire and so on. This is the problem with Queensland. I believe that the large councils, the urban councils in Queensland, especially the south east can afford to run waste management infrastructure. They have got the rate base. They can spread the cost across a large number of properties and they have got the resources to do it, and I believe they are doing it quite well.

We have got five landfills. I think we can do some of ours better. Some of our locations aren't good and we're going to close a couple but generally speaking I think we have complied pretty well without requirements from the EPA. The trouble is, and I had this discussion with the EPA 10 years ago, is it is difficult for the rural councils to comply. You asked the question about, "We should set a standard and everyone should comply." I argued at the EPA many years ago this is very difficult for rural councils to do. The urban councils, as I said, have got the rating base, the money. We can do it and we are doing it. But the rural councils really don't have that luxury. They have a very small number of ratepayers, all rural. I think Burketown from memory had about 250 ratepayers for the whole shire.

Trying to set up a million dollar landfill for a town like Burketown is impossible. I actually told the EPA I thought there should be a double standard. In other words for the smaller rural councils there is a need because of economic and isolation factors. Yes, there's a need for a landfill of a certain standard but you have got to be reasonable with them. Also you look at the type of waste. All they're getting is the household waste and a very small amount of commercial waste from there; the shop in the town, that's it, so the type of waste they're receiving isn't that harmful, whereas in the cities we're getting asbestos from housing and, you know, household chemicals in large quantities.

Now, we can afford to put the liners in and run our landfills differently to rural areas and I think the problem you alluded to in New South Wales could be the same. There are large portions of New South Wales that are very urban round Sydney but then you have got the back of New South Wales where the same problem they have is Queensland and the same in Western Australia, Northern Territory. All the rural areas will struggle. If we try and enforce exactly the same landfill standards on those remote rural communities they couldn't afford it.

MR WEICKHARDT: I understand the difficulties associated with that and I guess

there are some disadvantages of remoteness and some advantages of remoteness. The disadvantages, you have alluded to. I guess the advantages are that the pressure caused by encroachment of population growth around landfills which means that people are very sensitive in urban areas to things like odour and things of that sort don't occur in rural areas but I can't really accept that if a rural landfill were operating in a sensitive sort of ecosystem next to a national park we should just turn a blind eye at them sort of just spoiling an area like that. So I accept the fact that it has to be tailored to the situation but we have to be - I mean, we talk about intergenerational equity. We have to be careful we don't leave the next few generations with a nightmare even if it was a remote nightmare.

MR SMITH: Yes, I agree. You can't let them get away with anything. There has to be some rules. I'm just saying that if they expect them to put in a landfill line and run it the same way we do I don't think that's possible. You have got to be cognisant - as you say, environmentally sensitive areas and the location of these is quite important, yes, I agree, but I think there needs to be a double standard depending on circumstances standards.

MR WEICKHARDT: A situational specific standard.

MR SMITH: Yes. Look, on regionalisation, I agree with the comments from my colleagues that forced regionalisation, I know that local governments in Queensland are definitely opposed to that. Cooperative regionalisation has been happening for a long time. I have been with the SEQROC group for at least 10 years where we have been meeting regularly to discuss regional issues and, look, I find that necessity is the mother of invention. I mean, they say it's difficult for these alternate waste facilities down in Sydney but it has happened.

What has happened is the councils there have found that they have to cooperate because they need to do something and they're forced into a situation where they do cooperate. I think that's a perfect demonstration and they argue that, "It's a difficult process." Well, you're right. It can take one or two years for a planning process to get through. It can be difficult, and finding sites is difficult because you have got take in all those externalities now that people don't want it in their backyard and the NIMBY effect, so finding sites is difficult but it can happen and I don't really understand what their concern is. Yes, it's a difficult process but you just work at it.

MR WEICKHARDT: Why do you think it works better in Queensland than it does in New South Wales?

MR SMITH: Look, one of the differences here is that Sydney for instance is made up of, what, 30-odd councils.

MR WEICKHARDT: 40, I think.

MR SMITH: 40, I think, yes. In Queensland it's quite different. South-east Queensland we have got the biggest local government in Australia, the second biggest which is Gold Coast, but then in the SEQROC group we have probably got two of the smallest councils as well, Kilcoy and Boonah. They're extremely small councils and they had the same difficulties that the western councils would have, you know, with critical mass in their rate base and so on but, look, in the Gold Coast we have already looked at alternative waste technologies. We have done a couple of detailed studies on it.

We talked to all our neighbouring councils. There are four councils around us; Tweed, Beaudesert, Logan and Redlands. They all sat in one process. At the end of the day we decided not to proceed and it was mainly dollar based but we're still reviewing it. We review the alternate waste technologies every two years now on the Gold Coast and we'll go to it one day but we're just not ready yet. One of the reasons is that we set up five landfills. We have enough capacity there for probably 20 years of burial. Like Harry said, we believe there are other areas that we can address better to reduce our waste going to landfill; areas like the C and D waste. We have got a site hopefully we will bring on line within 12 months.

Our green waste, we hope within about 12 months' time to introduce a green waste service for households to target more green waste and divert more and more waste away from the landfills. That will extend our life on our existing landfills. But will come the day that we will run out of landfill space and that might be 15, 20, however many years away and we'll have to do something else and then by then fuel is probably about $50 a gallon and transport costs will be very crucial. But in Bob's area of the world there are some very cheap, private landfills up at Ipswich. One of our alternative is just to truck it to Ipswich.

But, you know, we can look at ways of doing it. As I said, cost was the main factor at this stage and I've done a couple of brief presentations to my councillors. Our garbage rates at the moment are $176 a year which works out with discount about $2.75 a week and I point out to people that's less than a cup of cappuccino at most restaurants. When you think about that, you get your rubbish picked up at the front gate, you get your recycling picked up once a fortnight, it's all taken to - recycled to a MRF and sorted out - your rubbish to a landfill and buried in accordance with EPA guidelines. All of that for 2.75: that is a bargain and I don't think it can get any better than that. If we went to a - - -

MR WEICKHARDT: Does that recover the full costs of the council?

MR SMITH: Yes, it does. Since 1999, we were forced to go through a public benefits' assessment as were most of the large councils in Queensland and Brisbane and ourselves have set up commercialised business units for our waste management

sections and we run them as such. So we make a profit, but we use that profit for our future infrastructure and our current infrastructure. Our capital works program over the next five years is $32 million and that will all be paid for from profits that we make with these collection services.

MR WEICKHARDT: The recycling component of it, we've heard during this inquiry various comments made that some councils are still paying at the gate of the recycle depot to get the recyclers to take the recycle stream and others are receiving a positive remuneration to the value of those recyclates, but what's your situation?

MR SMITH: I don't know of anyone in Queensland making a profit on recycling costs. It costs money. Our rates for the moment, our contract is very, very cheap. We've probably got the cheapest one in Queensland bar Logan or Maroochy, I suppose. But we've got a very cheap price for our recycles. It won't last forever; it will run out in 2009 when we call our new contracts and we'll pay a lot more. But at the moment it's still costing in the vicinity of at least $20 per household per year in that sort of - but, you know, that's a bargain-basement cost. No-one in Queensland comes near that. I think the more realistic price is about $40 a year, just as a ballpark figure.

MR WEICKHARDT: People have put to us that even if recycling does cost money that the community wants to do this.

MR SMITH: Yes.

MR WEICKHARDT: Do you think it's clear to members of the community how much it does cost to recycle and even if it were clear, do you think they'd say, "Well, yeah, we want to keep doing more and more of it"?

MR SMITH: It's not clear in our rates because it's just one lump sum, but in our garbage rate there's a collection cost, a disposal cost, an administration cost, a recycling cost and a cost of the bin of course, so there's a whole heap of different components and we don't show them all individually. They just see the one lump sum figure. So, no, it's not advertised that well, but I don't think people would care. They know they're paying $157 a year and if they said, "Well, do you realise that the recycling component in that" - and I quote this to people over the phone, because they say, "But you make a profit," and I say, "No, we don't. It costs this much" - "Okay," but they're not saying, "Well, take it off. I don't want to pay for it then." I think people have accepted - - -

MR WEICKHARDT: Do you think there's a threshold where, you know, if you said, "Well, it costs $100 in your rates to - - -"

MR SMITH: It will be interesting in the coming years with the cost of fuel and

other things how much it does go up and if there is a lack of competition we get to a stage where there's virtually only one supplier of recycling services and there's a monopoly, well, that would be a real worry. We're not there yet and indications are for our future contracts we'll have at least two or three bidders for the different services that we offer. As long as that's the case, as long as there's good competition, the prices should stay reasonable, but everything seems to be going up.

We've talked about glass recycling, for instance. They do make a payment for that, but if the costs for that go up overall, well, it might be easier for us to dump it than recycle it and that's argie-bargie between us and the industry - "Now, don't you guys start, you know, screwing us for money. We want to get a fair return on the glass being recycled." But if they drop the prices right down it might get to the stage where it becomes non-viable and we might decide that, "Well, we can't do this any more. This is not really sustainable. We're going to put it in the landfill because it's cheaper."

But, you know, that's one of the mechanisms we use in our contract. To force the recyclers to recycle, we make them dispose of the waste at the full price at our landfill if they're going to put waste from their recycling facility, therefore, that's a cost impost of $55 per tonne if they're going to dump it. If they had a cheap hole in the ground where they're paying 5 or 6 dollars per tonne, which I believe is rumoured to have happened in the past in certain places, where's the incentive? There is no incentive.

But our contracts carry a specific clause that says, "You will recycle to the maximum extent," and you know, there's a penalty clause there then. If they do dump it they'll have to pay the full disposal fee for that dumping; in other words, no cheap dumping. Because the emphasis is then, "We're getting paid by the council anyway. Let's dump all this stuff at a cheap rate. We won't have to do it. We'll save money." But you've got to set up your contracts so you've got mechanisms in them to make sure they can't cut corners and that's a case of having good contracts.

Look, one of the alternative ways - the point I was making was that looking at that the very minimum our garbage rate would go up is $100 a year at the very minimum and it's probably more in the vicinity of $150 per year if we go to an alternative waste technology. So that's one of the reasons, one of the main drivers, for us not going there at this stage. We still have the landfill capacity and there's the cost factor. I mean when I told that to my elected people they were horrified, because they quibble about putting the rates up a few dollars. When I told them it could go up a minimum of $100 or to $150 extra on top of what they're paying now, they just turned pale.

MR WEICKHARDT: This is an issue that has been raised with us elsewhere because our point in the draft report was, well, landfills ought to be regulated so they

charge the full cost and the full cost ought to be then charged and passed on to the consumer and some people, particularly in New South Wales raised an issue which I think the New South Wales government disagree with, but they said there is an issue where if the council wishes to raise the charge for waste recovery or waste disposal they have to get the minister's approval. I'm told the minister has never not approved this, but the assertion made to us in the first round of hearings was that there was a sort of constraint put on councils over and above, you know, the political constraint of the wrath of the ratepayers, but that the state government had some sort of cap on the degree to which they could recover the costs. Is there any issue in Queensland that you're aware of?

MR SMITH: Not really. There is a Queensland competition authority. Local governments, the bigger ones, are supposed to look at their costs as a full-cost pricing exercise and look at all the costs and set a fair price, but there's no limit, there's no ceiling, but all they ask for is that to be fair. If the councils put on a cost that was - they were getting greedy and just wanted lots of extra revenue, there is mechanisms there for people to appeal against that and there could be a judicial review of their prices and the councils could be in trouble if they're overcharging. But all we do at the Gold Coast, and I'm sure they do in Brisbane, is look at al our costs and you come up with the full-cost pricing exercise to arrive at a fair rate that you're charging the ratepayer in their rates bill.

MR WEICKHARDT: Okay.

MR SMITH: You mentioned variable charges and that, we already do that on the Gold Coast. We actually looked at the - back in 98-99, we introduced different size waste containers. 140 litre, 240 litres - 240 litre is the standard bin in Australia and a 360 litre bin and we did a full-cost pricing exercise on that, called the tenders and all that sort of thing and unfortunately there is a differentiation in the price. The differentiation in the price between the 140 and 240 ended up being $1, which, you know, it wasn't good.

As you say the volume of waste is less, but the cost - they actually charge us more to pick up those bins because the mechanics of picking the bins up, the three different sizes is difficult; it creates problems for the truck and they do have some difficulties especially with the 360s because they're a very big bin with a big square mouth and it does create some problems for the collectors in doing that. But we're going to continue with that. We're gong to try and persist with that. We also on the Gold Coast - - -

MR WEICKHARDT: The cost difference is $1, but what do you actually charge people in terms of differential - - -

MR SMITH: Because of difficulties we've been having we actually ended up

equating it in the end. So in the last 12 months, we've actually made the 140 and the 240 bin the same price, because we were having difficulties with minimum garbage charges and other issues, so in the end we equated it. But the 360 I think - now, what is it? I'm not sure whether it's $30 or $50 a year more for that 360 litre bin.

MR WEICKHARDT: Right.

MR SMITH: We do have a range in sizes of bulks bins, the front lift bins, the large bins because we have a huge number of high rise domestic buildings on the coast so we have from one metre up to four metres, we then offer compacted bins, roll-on/roll-off skips so we probably have the largest variety of bin sizes of any council in Australia so, you know, it can be done. A lot of councils just have the one size standard bin and that's it but we offer the three sizes in wheelie bin for waste and recycling, we offer about a dozen different sizes of bulk bin for different waste needs, for the high rise buildings, the commerce industry, whoever wants them and also we're starting to do the same now in bulk recycle bins, I believe we're the first ones in Australia doing a bulk front lift recycling service.

So we're just starting that up and that seems to be going well and I'm pretty sure Brisbane will probably be into that, their next contract that they elect. But it's working out reasonably well and I think that could be a way of the future although there are problems with getting - the material you pick up, how it arrives at the recycling facility and how they can sort it so there are issues there but it's something that councils can look at. A lot of the smaller councils don't need to, they offer just a standard service but the bigger councils - we've already done it, we had variable charges. Because we do it on the full cost pricing basis we can get variable prices for it, yes, so we've got pages and pages of different services and costs down there already, so it can be done.

MR WEICKHARDT: Well, that's extremely interesting.

MR SMITH: Yes. It can be done. You talked about with regionalisation and claims that councils can't handle tender processes, I think that's wrong, we can. I don't do it myself, we had to assemble a team of people to do it, we have consultant lawyers, probative auditors, we engage professional people to help us with evaluating the technical sides of contracts and that sort of thing - as long as they're not involved in any of the tenders of course. It can be done.

MR WEICKHARDT: But is there a sharing of expertise between councils?

MR SMITH: I've had more councils - most of the councils in Queensland have rung me for copies of my contract or hints and I'm happy to share that.

MR WEICKHARDT: Okay. So - - -

MR SMITH: We often provide advice to them because I know a lot of smaller councils don't have the capacity we do. I mean, our contracts that we have didn't come cheaply, it cost us a lot of money using lawyers but they're quite simple. I remember in the old days we used to have two documents this thick and now ours is about 50 or 60 pages but it works very well and we have really no problems, no contractual issues. The 10 years I've been there I think there's been two one-day stoppages on the recycling side and that's it, no industrial problems, bins are delivered, new bins two days notice. So generally speaking it runs very smoothly. Our customer satisfaction survey we do every year has been 95.7 and 95.6 per cent the last two years, I think that's very high.

We're always looking at ways of improving our service. You know, we're looking at ways and I think we've led the way in a few areas where we've provided services. Like, all our bulk bin services, when I first came there they stank, you know, we get 10 million visitors a year on the Gold Coast and the bins are out for service and you used to walk past, you would almost faint from the smell but we now provide galvanised bins, plastic lids for noise, nylon wheels for manoeuvrability and we clean them once a month internally. No-one else in Australia does that and it's worked a treat, I haven't had a complaint for about five or six years about a smelly bin.

So there can be things you can do but we can do it because we're big and we've got the critical mass, I don't expect Burke Shire to do anything like that but, you know, there are things that you can do and I just can't seen any benefits of regionalisation that we can't achieve by meeting as a regional group. You know, we've already been meeting on glass and trying to get things - you know, with industry, trying to get industry to do something about a regional glass facility because the whole of south-east Queensland would only be big enough for one big glass recycling facility and we're not going to pay for that but we're hoping we've cajoled private industry into doing something about that over the next few years.

MR WEICKHARDT: It sounds like you're getting a lot of the benefits that people, I guess, were suggesting were there by this cooperative regional, you know, sort of approach rather than necessarily a formal approach.

MR SMITH: Yes. Because councils realise they've got a problem and, "How are we going to fix this?" and so they talk to other councils and then they can form - under the Local Government Act I think there are already - central Queensland have got a waste group called and they're already raising money on a regional basis for a few regional waste issues.

MR WEICKHARDT: Okay.

MR SMITH: North Queensland has got a regional waste group called LAWMAC, it's been around for at least 20 years, I think. They, I believe, also act - you know, very spread out, north Queensland goes from Mackay right up to the tip of the cape, a huge area, but there are certain parts there where they can work cooperatively to help each other.

MR WEICKHARDT: Okay.

MR SMITH: Not always but they compare, they talk, "What do you do?" "We might do that." "What are they doing down on the Gold Coast?" "What is Brisbane doing?" It's a network of getting information in, sharing it. We also look at what they do down south in New South Wales, there are national conferences where we compare notes and, you know, hear about all alternate waste technologies and that. But alternate waste is expensive, it's not for everyone and the companies that are flogging that have got to just be patient, it will come with time but, you know, they've got an agenda, they want to sell a - business, you know, make a profit out of it but, you know, we'll come to it in good time but the time is just not right for us on the Gold Coast yet.

MR WEICKHARDT: Okay. Well, look, thank you very much indeed for those comments, it was very good of you to appear and I appreciate your input.

MR SMITH: Thank you very much for the opportunity.

MR WEICKHARDT: Thank you. Okay, we're going to adjourn for about five minutes now, thank you.

MR WEICKHARDT: Okay. We're going to resume hearings now and our next participant is METTS Pty Ltd and if you could introduce yourself for the transcript please and the capacity in which you're appearing here.

DR CLARKE: Thank you. I'm Dr Michael Clarke and I'm the CEO of METTS Pty Ltd. We are infrastructure and resource management engineers and we have an interest in waste management.

MR WEICKHARDT: Okay. Now, thank you for your submission which I've read and you might want to make some other remarks or draw attention - - -

DR CLARKE: I would like to perhaps just expand on some of the points that I've put into the submission of 7 July and also perhaps just comment on some of the things that I discussed the first time I was here a little while ago.

MR WEICKHARDT: Okay.

DR CLARKE: On my first presentation I think I discussed essentially three major points. The first one was that zero waste is not really possible although people would like to get towards it. We have to think of it as being an asymptote that we can sort of perhaps push the boundaries of but never quite until we get rid of our waste with reuse and recycling.

My next point was that mass landfills are not the answer - or not a good answer. To me a mass landfill is where not a lot of recycling is done and essentially the waste goes to landfill en masse. The third point that I made in my last presentation that incineration or energy recovery is a far better answer. I think today I'd like to emphasise that modern incineration is a better waste management practice than mass landfilling.

In my presentation to you, which is only two pages this time, so I cut down the reading, I addressed my points under four headings. The first thing was the Public Health and Safety of Landfills or Landfills Fires and Other Emissions. The second one was Public Safety and Unnecessary Haulage; thus being the unnecessary haulage of waste. The third point being the Challenge of Licensing New Landfills, which is to me is very much a corporate risk and also it's a stakeholder risk. The fourth point that I made was that the environmental cost of long distance waste haulage has a great amount of fuel and embodied energy in it.

I don't think I discussed in detail the situation of landfill fires. I'm sorry perhaps to give a fairly negative report. I think the last time I was far more positive in terms of talking about incineration as being the answer. This perhaps is answering some of the points saying that other options are not so good.

Landfill Fires. On 11 January 2006, there was a major fire at the Woodlawn landfill. It's just south-west of Sydney. Woodlawn of course is Sydney's great hope for landfill. It was a big fire, although people are not actually saying that. It started, it wasn't observed immediately. The fire burnt for some considerable time. The first fire brigades that went in there were the New South Wales Rural Fire Services and I've been discussions with the commissioner, Mr Copenberg. His people couldn't go into the landfill because they did not carry breathing apparatus. The fumes in the landfill were dangerous. They had to wait for the New South Wales Fire Brigade to come along and put it out. It took some time and there was always some doubt whether it was fully extinguished. So we had to have a very professional group of people taking a fair amount of risk to go down there an fight that fire.

Winfield in South Australia had another one in 2005. There has been various landfill fires right across the country. Often they occur in rural tips. I'm sorry to use the word "tip" instead of "landfill", but perhaps there would be better described as being "tips". These can occur under many situations.

Now, where do these fires come from? Unfortunately arson has been one problem. It's always awkward to stop, although I don't think the Woodlawn fire could have been arson because it was too far down in the pit. People were dropping off hot loads. You might remember barbecue fuel can burn for a long time and smoulder. Put that into a landfill and off she goes. Spon com - spontaneous combustion - a major difficulty from the breakdown of organic material. Batteries are another one, and smoking of course can be a major hazard.

So landfill fires are here. In New Zealand they've been accused - and I think fairly - of producing dioxins and furanes, and this was in the Auckland area a few years ago. What happens is you get either a fast-burning fire that turns into a slow-burning fire, and the result is that we end up having a distillation process going on and a reaction process where chlorinated carbon, or hydrocarbons, plastics, are gradually transformed into some rather nasty gasses, dioxins, et cetera.

In my report to you, in my second report, I mentioned that the Lucas Heights operation in Sydney, which is one of Sydney's major landfills, requires many, many truck haulages to get the garbage through Sydney to that. At one time you might be aware that there was an incinerator in the Waterloo area of Sydney that handled much of Sydney's waste. That incinerator still needed a landfill. I think some of it did go to Lucas Heights, but the volume was greatly reduced and the number of haulage activities was greatly reduced. You get about an 80 per cent reduction - probably greater than that - in terms of how much material has to be hauled to a landfill from incineration.

I'm thinking of a situation now in North Queensland where there is - a new landfill has been built. Because of the politics of the situation, this landfill exists on

the other side of the Great Dividing Range. It services a coastal city in Queensland and because the people have decided that they didn't want to have three small landfills in or around that city - it's Cairns actually - that they would actually have their landfill on the other side of the range so that the watershed would go towards the western rivers. What does this mean? It's 70 kilometres from the city up to the top of the mountain, and you might remember Jack and Jill went up the hill to fetch a pail of water, but you don't normally find a pail of water on top of the hill, that was great foolishness, but hauling garbage up a hill, many truckloads of garbage up a hill, seems to me also to be great foolishness.

You can work out that over so many kilometres of truck haulage would get a certain number of deaths and injuries over a certain number of years, and particularly if you're going to be hauling it up mountains. So there's one example I think that things are not good in terms of public safety and long haulage of waste. If there was, for instance, in that city an incinerator that reduced that amount of waste, perhaps they would still decide to haul it up to the top of the mountain. Perhaps this is actually supposed to be to protect the Great Barrier Reef, I don't know, but if they only had a limited amount of ash, that ash could be stabilised with cement, properly buried in small landfills and secured even within the watershed of the Great Barrier Reef. That would be safe.

Another problem with landfills - and I know there's been statements in the major reports saying that there are lots of opportunities in Australia for landfill, there's lots of holes around the place that can be filled - one of these challenges is from the stakeholder and corporate risk that comes up. Although councils obviously need landfills, they will have pressures on them from the local people, the residents, to say "not in our backyard". There's a corporate risk with these things if they don't work.

To me I think the corporate risk and the stakeholder pressure will increasingly put up the cost of landfilling and I think that might become very, very awkward to the community. Imagine if we go back to Lucas Heights where there's 12 million tonnes of capacity or remaining capacity. How far could that go if that was dedicated to ash from incinerators? I would suggest to you a long way. It's not going to go a long way with just mass dumping or mass waste.

Another point about distance from waste source to landfill. People have not really considered the amount of energy that's involved in hauling this stuff. Large trucks going up a mountain - as is the case in north Queensland - use a lot of fuel. There are many trucks with much embodied energy in those trucks. Trucks don't last all that long. So the other thing I think we have to look at in looking at landfills and where they are is to look at the life-cycle analysis, the total analysis of how much energy is going to be used in these haulages.

People want a nice clean and green Great Barrier Reef. But here they are with trucks trundling up the hills in some quite beautiful country with their pollution. That pollution I think has to be balanced with any possible pollution that could come from an incinerator ash landfill. In conclusion, I would recommend that modern incineration again be looked at. I believe that it produces an acceptable final waste and I think that incineration where we have energy recovery will help towards those energy balances that I mentioned to you a little while ago.

I think the limitation of haulage, both in terms of safety and energy, is important, and I know it will be awkward perhaps to recreate another Waterloo incinerator, but perhaps in some of our cities, as has happened in Japan and in Germany, incineration inside the city with limited haulage of the residual ash out is a far better and safer option in all cases. Thank you, Mr Commissioner.

MR WEICKHARDT: Thank you very much indeed for that submission. Specifically in the area of waste from energy, or energy from waste, we made a number of comments about that in our draft report.

DR CLARKE: Yes.

MR WEICKHARDT: Are you comfortable with the way we handled that in the draft report?

DR CLARKE: I am reasonably comfortable, yes.

MR WEICKHARDT: Okay.

DR CLARKE: I'm very cognisant of the point that the energy from waste will probably never fully cover the energy that has to go into handling waste and disposing of waste, but the recovery is important.

MR WEICKHARDT: Okay. Good. Thank you. You will have seen in our draft report that we also share your view that zero waste is not possible.

DR CLARKE: Yes.

MR WEICKHARDT: It's at best aspirational and at worst potentially a damaging ideal.

DR CLARKE: I believe it is a damaging ideal and I think realism is the first thing that we should have in terms of waste management. People that want to have zero waste perhaps consider that we should all go back to living in caves where every piece of meat, et cetera, that we eat and every bone that we eat eventually can find itself into a small compost heap at the back of the cave.

MR WEICKHARDT: Yes.

DR CLARKE: Well, I think unless we have some massive reductions in human population - which I hope don't occur too quickly - that's not going to work.

MR WEICKHARDT: In regard to the transport issue, I understand the point you're making that transport itself does cause it's own externalities and there's a question as to whether or not they're being correctly priced at the moment.

DR CLARKE: Yes.

MR WEICKHARDT: But given the fact that modern incineration is quite capital intensive and quite expensive, I would assume that it's likely in the future that if you've got incineration or energy from waste facilities that meet all the environmental standards, that they may be quite large facilities and therefore require still a fair degree of haulage of waste to those facilities.

DR CLARKE: It would depend on where they can be placed. I think in the Japanese and German examples where they can be placed quite towards the inner parts of the cities, the haulage is a lot less. If we have to go and put the incinerator out at Woodlawn or Lucas Heights, there is not much advantage. But I think for instance in Brisbane there would be places in Brisbane where you could put such a unit and then you would be looking at hauling only the ash out to Swanbank or one of those landfills.

MR WEICKHARDT: Okay.

DR CLARKE: By the way, one of the good things about Woodlawn, it's not a total disaster, at least they use rail to haul the majority of the material out from the actual centre of Sydney. To me rail is a much better option because you get a lot more haulage per unit of energy that is actually used.

MR WEICKHARDT: You make a comment in conclusion that community expectations and community standards are important here. You're no doubt aware of the sorts of instinctive reaction that the Australian community seem to have when the word "incineration of waste" is mentioned. We don't believe, based on what we have seen from overseas experiences where this is done correctly that those views are necessarily rational views but nonetheless they exist. How do you believe the community could be better informed about the pros and the cons of energy from waste facilities?

DR CLARKE: I think perhaps telling people about overseas examples and how they do meet national standards, how they are clean (2) discussing the economics of

the situation. As we have seen in our cities the cost of hauling waste and actually disposing of it has gone up, has gone through the roof. Incineration with energy recovery won't be necessarily very cheap but it will be, I believe, over time, right, economically advantageous. Fewer new landfills, fewer new licensing requirements for landfills. The extension of present landfills, more security in those landfills will all add up to a better cost in terms of the overall waste management that we have now.

MR WEICKHARDT: Yes.

DR CLARKE: So (1) education (2) emphasise the benefits in terms of the hip pocket, and particularly our local governments. They're the ones who will often be faced with telling their ratepayers, their stakeholders, "Well, I'm sorry, we're going to have to put up the cost of haulage of waste or the management of waste." Those people will be the ones that will probably be most affected politically and they will be the ones will put out the word, I would hope, that, "We need another solution and let's look at the solution and let's have, I think, a reasonable debate." Of course there will be certain NGOs that will say no because I suppose it's part of their political agenda. Well, all we can do is counter them with good signs and good logic.

MR WEICKHARDT: All right, thank you very much indeed for appearing again and thank you for your comments.

DR CLARKE: Commissioner, thank you very much.

MR WEICKHARDT: Thank you for persevering despite the background music here. Sorry, I don't know what we can do about that.

MR WEICKHARDT: We will resume now. Our next participant, Energy Networks Association and Powerlink Queensland. Please, for the transcript, if you can give your names and your capacities in which you're appearing here today.

MR KILGARIFF: I'm Michael Kilgariff, the director of industry and technical policy with Energy Networks Association.

MR MARTIN: Stephen Martin, manager of environmental compliance, Powerlink Queensland.

MR WEICKHARDT: Thank you. We have received the submission from you. Thank you for that. If you would like to make some introductory remarks please go ahead.

MR KILGARIFF: Sure, thank you. I might just paraphrase those comments and Stephen and I will speak on different parts. So again thank you for the opportunity to appear before this public hearing. Before we go any further I thought it might be useful if I gave you some information on the Energy Networks Association and why we felt it was necessary to come in at this juncture of the draft report. ENA is the peak national body representing gas and electricity, distribution, businesses, throughout Australia. Electricity transmission network owners such as Powerlink Queensland are associate members an as such are full and active participants in our asset management policy agenda which includes environment issues.

Commencing operation in January 2004 we're one of the industry bodies that emerged from the former Australian Gas Association and the Electricity Supply Association of Australia. One of the reasons that we are coming in at the juncture of the draft report rather than a submission before the draft report is that a number of functions have been transferred from the Energy Supply Association of Australia only this current year and environment is one of those, but however, we still felt that it was quite important that we came in to talk about some of our more industry-specific issues.

For the information of the Productivity Commission I have a policy committee structure here that you might find useful that gives some background on the Energy Networks Association. It describes who our members are and what our policy focus is and I would just like to table that.

MR WEICKHARDT: Thank you.

MR KILGARIFF: At this point I might just hand over to Stephen to talk about Powerlink.

MR MARTIN: Powerlink Queensland is a government-owned corporation and an

associate member of ENA. We develop, operate and maintain the high voltage network here in Queensland. Our assets are valued at over $3 billion and it extends from the Queensland border to north of Cairns running for over 1700 kilometres. As a transmission network service provider in the national electricity market Powerlink's primary role is to provide a secure and reliable network to our high voltage customers which includes companies like Energex, Ergon and Country Energy. Powerlink transports electricity directly to other large customers such as aluminium smelters and the New South Wales energy network via the Queensland, New South Wales interconnecter and we are recognised as being benchmarked as a world leader for cost effectiveness and reliability.

MR KILGARIFF: So again just in terms of background on our membership, our distribution and transmission members deliver electricity and gas to over 12 million customer connections across Australia, 800,000 kilometres of electricity lines and 75,000 kilometres of gas distribution pipelines. Of interest to the Productivity Commission would be that our networks are valued at more than 35 billion and each year our businesses invest around 5 billion in network operation, reinforcement and greenfields extension. So just moving on to our focus on environment policy, ENA has a policy focus on responsible and sustainable environmental management and to achieve this aim we have a number of objectives which include achieving a nationally consistent approach and common framework to environment codes, guidelines, standards and performance measures and of course maintaining an effective engagement with regulators and other stakeholders such as the Productivity Commission.

I would like to reinforce if I could the principle that I just talked about there in terms of national consistency. It's one that applies to a number of our policy issues. ENA members not only deal between governments at a state jurisdictional level but in terms of one particular jurisdiction, and let's use Queensland, given that's where we are. We have an active engagement with Commonwealth Queensland government, also the local governments that control much of the sort of development, I suppose, in various areas and we find that not only are the regulations that applied between those jurisdictions to be inconsistent but we even find that the relationship or the regulations that applied between local, state and federal governments even within one jurisdiction tend to be inconsistent and sometimes bear little in common so in terms of national consistency that's an agenda we're driving.

MR WEICKHARDT: Can I ask you if - I'm sorry to be sort of single minded but I'm very focused on the terms of reference here. Are your remarks about national consistency specific to solid waste management?

MR KILGARIFF: It's basically in terms of development applications which don't sort of come in under the terms of reference per se but perhaps I might throw this one to you, Stephen. Have you got a good example on that one?

MR MARTIN: Yes, there certainly are inconsistencies sort of within Powerlink's experience at a local and a state level and based on some research that we've conducted through our submission to the commission or the public inquiry. Certainly some associate members have the ability to recycle some waste streams, say, insulators for example. There are waste streams for insulators in Victoria but not in Queensland. There are waste streams for poles in certain parts of Queensland but not in others and some - - -

MR WEICKHARDT: Is that something that you feel the state or federal government ought to be intervening in? Is there a policy issue here?

MR MARTIN: I think there could be some leadership taken on a policy directive to, I guess, provide some sort of incentives. Certainly wherever there's a cost incentive to reuse or recycle a product we don't have any problems with re-utilising or reusing those products. Cables, for an example, there's a dollar value against those and we readily recycle and reuse those products because there are markets established for them. So if there were markets establish with some encouragement from the federal government taking a policy leadership role then I think ENA members such as Powerlink would be able to better recycle, reuse, those products.

MR WEICKHARDT: Okay, but one man's subsidy is another man's cost and the question is why should the government be subsidising the recycling of some of these products if it's not in the community's overall interest to do so. I mean it may be, I don't think, but I'm asking you the question, in the case of the wires you're talking about, presumably they're recovered because there's a value in them being recovered and that works reasonably effectively. In the case of the insulators you're talking about is there a net community benefit in them being recycled and a reason why the government should use taxpayers money to intervene in that area?

MR MARTIN: If there's avenues available for ENA members in Victoria I guess it would be worthwhile perhaps establishing the same sort of technologies or looking at a transportation network that enabled other members to utilise that same service. So it's a high-value product certainly when we purchased the insulators. When they come to the end of their useful life they tend - corroded. Their insulating properties have been rendered no use for high-voltage networks but the components I would say within those products would be a benefit to the community to reuse because they are limited.

MR WEICKHARDT: So why don't the private players in that field make that happen already?

MR MARTIN: We've certainly made contact with the suppliers about taking back their products and they've been resistant to date, so whether transportation costs are

the limiting factors. SF6 cylinders are another interesting one for Powerlink in particular. We have 50 kg cylinders that are imported from Europe with SF6 which we use in our circuit-breaker and other electrical equipment throughout Powerlink and the nation and simply because the cylinder size isn't registered in Australia we have to just scrap these gas cylinders rather than reusing them.

So maybe using that as an example maybe there's an opportunity for the federal government and the commission to get involved in recognising that 50 kilo gas cylinder size has been registered in Australia so it could be refilled by suppliers in Australia rather than just scrapping these useful - they still have a use these cylinders, but we're currently having to, yes, render them as scrap metal.

MR WEICKHARDT: I must say I baulk at the idea of the federal government getting involved in the minutiae of trying to indicate to the private sector that 50 kilogram cylinders exist and they should do something about it. I would have thought that if they have a potential value, as long as there's not a regulatory impediment that's stupid to their reuse then the private sector should either work out they've got a value or they should be recycled as scrap metal or something, but that's the nanny state in, you know, steroids, if you were going to get some bureaucrat in Canberra to try and run around and find you markets for every sort of product that might be surplus to requirements, surely.

MR KILGARIFF: Could I say that that probably is an issue that's probably one of standards, a Standards Australia issue. So to some degree, yes, it is up to industry to push for some sort of a change to the standards that would allow the use of those sorts of products. But generally from a policy point of view ENA would not be seeking active government intervention or subsidies to assist in the creation of these markets, but what we would be looking for is some sort of consistency in regulation and also a lower cost of entry into the market that would assist in the development of the market. As a policy principle that's the sort of thing that ENA would be suggesting and again it gets back to the point I was making before about national consistency which enables those relative low costs of entry to be established.

Can I suggest at this point that we have a number of specific products that have different markets in terms of their recycling that we perhaps go through those and bounce off those?

MR WEICKHARDT: I guess if you can focus on what it is you're suggesting that government whether it's federal or state or local, need to do that is in the overall community interest. So if you can focus on the terms of reference that are relevant to this inquiry and the policy implications thereof that would be fine, but I don't really think that we need to understand the minutiae of how you recycle a cable drum; that's beyond our terms of reference. But if there's something in legislative form that impedes a sensible reuse of those materials then I'd certainly like to hear about it.

MR MARTIN: I'll go through poles as a potential example, certainly the CCA-treated poles. In some local authority areas they're regarded as a hazardous substance; in some areas they're not. So some consistency with that would be useful.

MR WEICKHARDT: From an O H and S and environmental point of view what do you think the right treatment of a CCA-treated pole should be?

MR MARTIN: If they're being used in other building products, if there's another use for them, and they're being permitted through other uses, then they - either they're hazardous or they're not. At the moment I'm aware of some ENA members having to do tests on the products, provide them to local authorities and then each one's coming up with different rulings based on those results.

MR WEICKHARDT: Just to reuse the wood?

MR MARTIN: To decide whether it's landfill or whether it can be reused.

MR WEICKHARDT: I mean I understand that there are some concerns in certain areas about landfilling CCA-treated timber. So if it's for ultimate disposal I do know and certainly at the first round of hearings we had a number of people express concern about the way these products are disposed of; but if it's in terms of reuse, I'd find it sort of difficult to understand why, given the fact that CCA-treated timber, is sold new to people why there'd be an impediment to its reuse. Is that what you're experiencing?

MR MARTIN: It's probably to do with other safety issues as far as its reuse, whether it's structurally sound, like, we've condemned the pole so - - -

MR WEICKHARDT: Right, okay.

MR MARTIN: There are other liquid waste issues. I know that the terms of reference for your commission is solid waste. Did you want me to touch on our liquid waste issues?

MR WEICKHARDT: I've read your comments and I think they really are outside. I mean they're outside the terms of reference in two regards: (1) they're liquid and, secondly, PCBs are hazardous waste. So I think that's probably something that's not within our scope to talk about.

MR KILGARIFF: The main reason they were put into the submission is because the level of PCBs in the actual hardware does create I guess a special situation for say the disposal of transformers, which was why I included it in the submission, to make the point that sometimes it is a little difficult to separate them.

MR WEICKHARDT: Yes. So how do you suggest that that issue be handled so that if a transformer were being dispatched for ultimate scrap metal purposes and recycling, that the recycler is sort of satisfied that there are not going to be OH and S issues for their staff or in terms of the ultimate reuse of the product?

MR MARTIN: I think the issue is maybe recognising some standard testing across the nation for the hardware, so the casing or the windings. We have various techniques depending on the members as to how we try and reduce the PCB levels in the casing and the windings, and if we can get it down to a non-hazardous level then there are recycling options for those high-value products.

MR WEICKHARDT: Yes. I mean, I would have assumed that you and your members and your group would have the technical expertise to be able to give some comfort to a recycler as to whether or not this product was safe or not safe, and if you gave them some certification that it had been decontaminated I would have thought they'd be happy to accept that, unless again there's some legislative issue around that.

MR MARTIN: Fair point.

MR WEICKHARDT: Okay.

MR MARTIN: As far as other technical - like we have a large volume of construction waste and packaging waste that because of our network generally is in remote areas. So I guess we're taking up landfill space in regional or rural landfills as a result, but I don't know whether there's any influence that the commission can have on improving those waste streams for us or whether that's - again if there's any dollar value against the waste streams, then we take advantage of it. But because they're in remote areas, generally it's cost prohibitive for us to investigate that.

MR WEICKHARDT: I don't think government has got any magic wand to overcome the tyranny of distance.

MR MARTIN: No. And batteries, any plans to - are they treated as a hazardous waste? Are they part of your terms of reference?

MR WEICKHARDT: Well, batteries are in that sort of grey zone, I guess, in that some batteries do contain heavy metals which could move them into the category of being classed as hazardous. Yet a lot of batteries, certainly domestic batteries, end up in the normal waste stream and in landfill. In Europe we understand that there was a concerted effort over time to try to remove nickel-cadmium batteries from landfill because of concerns about cadmium leaching into landfill, and we've been advised by a submission that after 10 years the investigation work that went on indicated that this rather expensive scheme and intervention had resulted in 1 per

cent of cadmium being removed from the environment as a result.

So I think that was an example being drawn to our attention where government intervention really hadn't been very cost effective at all. The key question I guess is the degree to which these products, if they do arrive in landfill, are problematic and give rise to issues that are environmentally undesirable. The issues as to whether or not there's a resource recovery from the product is a completely separate issue. You know, lots of lead batteries, for example - lead acid batteries - are recovered, quite a high percentage; both because of concerns about I guess potential leaching, but mostly, as I understand it, because there's a significant resource recovery issue and the marketplace works as you'd expect. There are people that want to get those batteries and are prepared to pay for them.

MR MARTIN: Yes, certainly the Ni-cad batteries are a waste - like you say, the lead acid batteries there's a market there that we tap into, but the Ni-cad battery recycling or reuse issue is something that - if the commission were aware of some avenues that we could undertake then it would be beneficial.

MR WEICKHARDT: Not especially and yes, particularly if you're up at the sort of industrial scale of nickel-cadmium battery, I'm really technically not qualified to say what the appropriate disposal method is there. Again there I'm sure must be expertise inside your organisation and international contacts that would suggest how they should be handled, or the battery supplier probably has some advice on that. Okay. Any other issues you want to draw to your attention?

MR MARTIN: One of the other things that we did attach to our submission was a waste audit conducted by Powerlink at our Virginia site as an example of the types of waste streams that we do generate.

MR WEICKHARDT: Right.

MR MARTIN: Were you interested in any of the details there?

MR WEICKHARDT: Look, interested in the fact that you're doing that sort of work, and that's exactly how we would hope and expect responsible companies should be operating in this area, and clearly there's some good stories about resource recovery that are happening and it's gratifying to see that companies are doing this sort of thing without necessarily requiring governments to intervene in this process. There are quite a few people who have submitted to this inquiry suggesting that governments ought to be obliging companies to do this sort of work, and that companies are completely blind to the opportunities that might exist for efficiencies by cleaner production and recovering and recycling.

I must say I think that generally companies are quite capable of doing this sort

of work themselves. It's in their self interest and as good corporate citizens and as companies seeking to maximise their economic value they'll get on and do this work themselves.

MR MARTIN: Okay. Well, we endorse those - certainly from a (indistinct) perspective.

MR WEICKHARDT: Good. Okay. Well, thank you very much indeed.

MR MARTIN: Sorry, do we include that in our submission? Otherwise - - -

MR WEICKHARDT: You can do, yes.

MR MARTIN: Yes, okay, I'll include that.

MR WEICKHARDT: Okay. Thank you. Thanks very much for coming along.

MR KILGARIFF: Thank you very much for that.

MR WEICKHARDT: Okay. Now, ladies and gentlemen that concludes today's schedule proceedings. For the record, is there anyone else who wants to appear before the commission? Thank you. I therefore adjourn these proceedings and the hearings will resume in Canberra next Monday. Thank you.

AT 11.58 AM THE INQUIRY WAS ADJOURNED UNTIL
MONDAY, 31 JULY 2006

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