

## CHAPTER 9

### ROLE OF THE COMMONWEALTH GOVERNMENT

9.1 The Commonwealth Environment Protection Agency outlined the Commonwealth's role as one of leadership in areas which needed consistency of approach, such as contaminated sites and scheduled wastes, and broad policy leadership and coordination on waste minimisation and recycling generally.<sup>1</sup> It was suggested that this might include developing targets, guidelines, legislation and education programs for waste minimisation, which could be considered for implementation by the States and Territories.<sup>2</sup>

9.2 Part of the Commonwealth's role is to support innovative projects. The Commonwealth assisted with the funding of the sewerage system in Perth, and the infrastructure projects for water management in the Hawkesbury and Yarra River catchments.<sup>3</sup> The Department of Environment, Sport and Territories (DEST) pointed out that the success of the Commonwealth efforts relies on the willingness of States and Territories public works agencies to implement programs.<sup>4</sup> The Department of Primary Industries and Energy also pointed out that their programs were developed in consultation with State agencies, and through them local government, and are jointly funded.<sup>5</sup>

9.3 DEST also has a role in domestic waste management policy through supporting economic studies, such as establishment of the National Waste Database, the National Litter Index, funding innovative waste minimisation programs, funding waste minimisation and recycling manuals, collection of data and managing wastes in the Australian

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<sup>1</sup> Hyman, Evidence, p.72.

<sup>2</sup> Local Government Association of New South Wales and Shires Association of New South Wales *A response to the Minister for the Environment's Green Paper on waste management Executive Summary*, March 1993, p.iv.

<sup>3</sup> Department of Environment, Sport and Territories, Supplementary Submission No.69, p.5.

<sup>4</sup> Ibid, p.5.

<sup>5</sup> McDonald, Evidence, p.183.

Antarctic Territory.<sup>6</sup> The tasks currently being undertaken by the Department included a review of the progress towards the targets established in the strategies developed by ANZECC.<sup>7</sup> DEST also promoted the development of waste minimisation strategies in the Territories of Jervis Bay, Norfolk Island, Christmas Island and Cocos-Keeling Island.<sup>8</sup>

### *Collection of Information*

9.4 The role of DEST included the development of national approaches to waste minimisation through co-ordination, analysis, information gathering and dissemination.<sup>9</sup> One of CEPA's roles was to develop an accessible, centralised collection of information on wastes which could be used in decision making. This collection will included:

- a national waste classification system, incorporating a standard survey methodology, with a view of implementing it uniformly throughout Australia;
- a computerised database of waste generation and recycling statistics to enable informed decisions to be made on actions and priorities;
- technical information on waste minimisation and recycling technologies and processes; and
- a register of the types and sources of Commonwealth funds that could be used to assist the development and establishment of waste minimisation and recycling initiatives.<sup>10</sup>

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<sup>6</sup> Ibid, p.14.

<sup>7</sup> Ibid, p.13.

<sup>8</sup> Ibid, p.13.

<sup>9</sup> Ibid, p.13.

<sup>10</sup> Puplick C and Kirk A (1994) *Completely Wrapped 1994 Update packaging, Waste management and the Australian Environment*. Packaging Environment Foundation of Australia.

9.5 The Bureau of Industry Economics found that there was inadequate information available on waste, particularly industrial waste.<sup>11</sup> A more extensive project was looking at the economics relating to plastics recycling.<sup>12</sup>

9.6 Similar results were also found in the Industry Commission's report, *Environmental Waste Management Equipment Systems and Services*. This study found that there was limited information available on waste management and its markets.<sup>13</sup> CEPA considered that few countries were aware of Australia's environmental capabilities, and that this hindered the industry's development.<sup>14</sup>

9.7 The Commonwealth Environment Protection Agency has provided funds for the development of a National Solid Waste Classification System, and a National Waste Database which is being conducted by the Co-operative Research Centre for Waste Management and Pollution Control at the University of New South Wales.<sup>15</sup>

9.8 CEPA has a program which is currently monitoring progress towards the 50 per cent target for the reduction of waste going to landfill by the year 2000 set in the *National Waste Minimisation and Recycling Strategy*.<sup>16</sup>

### *Dissemination of Information*

9.9 The Commonwealth Environment Protection Agency is required to establish formal consultative mechanisms with industry, unions, the

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<sup>11</sup> Bureau of Industry Economics (1993) *Waste Management and Landfill Pricing A Scoping Study* Occasional Paper 12, AGPS, Canberra, p.50.

<sup>12</sup> Hyman, Evidence, p.73.

<sup>13</sup> Department of Environment, Sport and Territories, Supplementary Submission No.69, p.5.

<sup>14</sup> Ibid, p.5.

<sup>15</sup> Ibid, p.8.

<sup>16</sup> Hyman, Evidence, p.73.

community and environmental groups in relation to the *National Waste Minimisation and Recycling Strategy*.<sup>17</sup>

9.10 When technologies prove useful, this information should be disseminated to other governments and relevant industry groups. A seminar was conducted by CEPA in November 1993 titled *Incineration: an option for waste management*, and its proceedings have been published.<sup>18</sup> The Department also provided submissions to Parliamentary inquiries.<sup>19</sup>

9.11 A survey conducted by the Centre for Resources and Environmental Studies found that local government staff considered that Commonwealth policies were neither relevant or available.<sup>20</sup> There was, however, a strong link between Commonwealth environmental policies and local government responsibilities.<sup>21</sup>

9.12 The survey concluded that there were clearly issues to be resolved at all points of information transfer between the three levels of government.<sup>22</sup> This survey was published in 1992, and the Committee was concerned to find that these problems were still evident two years later.

9.13 During this inquiry the Committee found that the target of 50 per cent waste reduction by the year 2000 had caused a great deal of confusion, particularly among local councils, in relation to whether the reduction related to weight, volume or both, and what the quantitative goals were. There was little evidence that councils could accurately

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<sup>17</sup> Executive Summary, *National Waste Minimisation and Recycling Strategy*, 1992, p.4.

<sup>18</sup> Department of Environment, Sport and Territories, Submission No.69, p.13.

<sup>19</sup> Hyman, Evidence, p.76.

<sup>20</sup> Brown V, Orr L and Smith D (1992) *Acting Locally Meeting the environmental information needs of local government*. Centre for Resource and Environmental Studies, October 1992, p.48.

<sup>21</sup> Ibid, p.47.

<sup>22</sup> Ibid, p.48.

estimate the quantity or quality of waste currently, let alone in 1990, which would provide a base figure for the reductions.

9.14 After the survey by the Centre for Resources and Environmental Studies, the Department of Environment, Sport and Territories<sup>23</sup> funded a resource worker to provide information, contacts and answers to environmentally related queries from local governments, and supported the Environment Round Table as a forum for environmental information exchange between Commonwealth departments and local government, among others.<sup>24</sup>

9.15 The National Local Government Environmental Resource Program was established to develop long term strategies for local government in relation to Commonwealth and State initiatives and local government needs.<sup>25</sup>

### *Financial Incentives*

9.16 Potential financial incentives suggested to the Committee included the introduction and increase in tax incentives for environmental audits, and for research, development and implementation of technologies that minimised/treated scheduled wastes that were difficult to dispose of.<sup>26</sup> The Industry Research and Development Scheme provided grants and there was a tax concession scheme.<sup>27</sup> It was suggested to the Committee that tax incentives could be provided to enterprises that made significant achievements in relation to cleaner production.<sup>28</sup>

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<sup>23</sup> formerly the Department of Arts, Sport, the Environment and Territories.

<sup>24</sup> Brown V, Orr L and Smith D (1992) *Acting Locally Meeting the environmental information needs of local government*. Centre for Resource and Environmental Studies, October 1992, p.79.

<sup>25</sup> Ibid, p.82.

<sup>26</sup> Local Government Association of New South Wales and Shires Association of New South Wales, Submission No.57, p.1.

<sup>27</sup> Stuart, Evidence, p.199.

<sup>28</sup> Centre for Applied Colloid and Biocolloid Science, Submission No.51, p.2.

9.17 Other roles for the Government might include additional research and development incentives for enterprises whose technologies could be used in developing countries.<sup>29</sup> It was pointed out that the Government was prepared to give lower tariffs for their products from developing countries, which is another form of financial assistance.<sup>30</sup>

9.18 The Commonwealth grants scheme, which was administered under the government development program, provided funds to local governments for innovative waste management proposals.<sup>31</sup> The Department of Industry and Science Technology also had a role in the promotion of innovative projects, through programs such as the National Industry Extension Service, and a committee under the Industry Research and Development Board, which considered environmental applications for IR&D funding.<sup>32</sup>

9.19 The Commonwealth provided grants for research, such as the grant to the Matrix System for the disposal of hospital waste which was provided through the Department of Industry, Technology and Commerce.<sup>33</sup>

9.20 The National Procurement Development Program (NPDP) provided funding for demonstrations, but required a linkage between a government user or needer and a private sector supplier; and also required that the technology had been demonstrated at scale.<sup>34</sup> It was pointed out that the moneys for NPDP were not large compared with the number of technologies in Australia which were ready for commercialisation.<sup>35</sup>

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<sup>29</sup> Binclean Systems, Submission No.29, p.2.

<sup>30</sup> Ibid, p.2.

<sup>31</sup> Hyman, Evidence, p.73-74.

<sup>32</sup> Wells, Evidence, p.195.

<sup>33</sup> Matrix Technology Pty Ltd (1993) *Integrated Safe Disposal System For Waste Materials*, June 1993, p.1.

<sup>34</sup> Bridle, Evidence, p.122.

<sup>35</sup> Bridle, Evidence, p.123.

9.21 The CSIRO/Pacific Power process enabled the recycling of transformer oils. It was estimated that the USA, Japan and European markets were 68 million litres per annum, which was 40 times larger than the Australia market.<sup>36</sup> The CSIRO and Pacific Power received \$910 000 from the Industry Research Development Board, as well as funds from GIRD, CSIRO and Pacific Power.<sup>37</sup> This process offered significant economic gains for the electricity industry, and had potential for export.<sup>38</sup>

9.22 The Neutralysis process was designed to use the organic fraction of garbage, but never got off the ground in Australia and is now under American ownership.<sup>39</sup> This project was the recipient of a significant grant from the IR&D scheme.<sup>40</sup>

9.23 The Scheduled Wastes Working Group found that the forms of support, such as Grants for Industry Research and Development, the 150 per cent tax deduction and general investment incentives, should be sufficient to enable new technologies to develop, and did not support the introduction of further assistance to industry in relation to the treatment of scheduled waste for at least two years.<sup>41</sup>

9.24 The Scheduled Wastes Working Group pointed out that this might need to be reviewed when there were only those scheduled wastes which were in small quantities, and which could not be addressed by existing technologies, or where there were mixtures of wastes the additional assistance might be needed in these cases.<sup>42</sup>

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<sup>36</sup> CSIRO Division of Coal and Energy Technology, Submission No.23, p.3.

<sup>37</sup> Ibid, p.3.

<sup>38</sup> Ibid, p.3.

<sup>39</sup> Bridle, Evidence, p.117-118.

<sup>40</sup> Stuart, Evidence, p.204.

<sup>41</sup> Schedule Wastes Working Group (1993) *Report to Australian and New Zealand Environment and Conservation Council*, Version B, 22 May 1993, p.15.

<sup>42</sup> Ibid, p.16.

9.25 It was also suggested to the Committee that enterprises that cleaned up contaminated sites should receive financial benefit, possibly in the form of tax concessions.<sup>43</sup> The Committee is of the view that enterprises that knowingly contaminated or reasonably have known that their activities could contaminate the environment should be held responsible.

9.26 The Committee was told on a number occasions that there was excessive red tape in applying for financial assistance from the Commonwealth Government. For example:

Other assistance such as grants etc have not proven accessible to BCD Technologies (as a small privately owned company) mainly because the effort required to fulfil the requirements of the application was beyond our resources, also the time delay and the uncertainty of success would have impeded the results by imposing time constraints on the Research and Development Program.<sup>44</sup>

9.27 A number of submissions commented on the lack of support from the Commonwealth Government. Technosafe Waste Disposal Pty Ltd pointed out that the:

Taskforce on Intractable Waste and the Scheduled Wastes Working Group recommended the financial support be given to the establishment of the BCD Process, but, on the other hand, when it was applied for, there appears to be some reason found as to why financial assistance cannot be given to small companies such as ours.<sup>45</sup>

9.28 Technosafe Waste Disposal and BCD Technologies, who operate the BCD process in Melbourne and Brisbane respectively, were refused a government loan, and had to develop the process without government financial assistance.<sup>46</sup> Both are now successful commercial projects.

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<sup>43</sup> Centre for Applied Colloid and BioColloid Science, Submission No.51, p.2.

<sup>44</sup> BCD Technologies, Submission No.50, p.v.

<sup>45</sup> Technosafe Waste Disposal Pty Ltd, Submission No.21, p.2.

<sup>46</sup> Isherwood, Evidence, p.689.



9.29 The Committee was told that companies in Britain, Germany, Japan and the USA are backed by those countries' banking systems.<sup>47</sup> The Committee was told that many Australian banks were unfamiliar with venture capital investments.<sup>48</sup> The example was given of a successful contract for \$US 100 million given to Lohning Brothers Pty Ltd, and the Committee was told that a significant factor was that the company was not required to organise the finance in the USA.<sup>49</sup>

9.30 The question that arises is, to what extent are the technologies used for waste management a community service, and therefore the responsibility of the governments to provide funding?

### *Export of Toxic Waste*

9.31 The Independent Panel on Intractable Waste recommended the banning of the export of intractable waste for two years to enable the development of alternative technologies.

9.32 ICIA expressed the view that export of scheduled wastes should be permitted. Their view was that:

a level playing field should apply and that local development of alternative technologies should take place in a free market where export of wastes is a permitted alternative.<sup>50</sup>

ICIA further explained that all the technologies available in Australia were novel, and should be proven on a commercial scale for products such as the ICIA waste.<sup>51</sup>

9.33 It was argued that problems with the export of materials could be overcome if the Commonwealth could grant licenses for the export of

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<sup>47</sup> Lohning Brother Pty Ltd, Submission No.11, p.3.

<sup>48</sup> Ibid, p.3.

<sup>49</sup> Ibid, p.4.

<sup>50</sup> ICI Australia Operations Pty Ltd, Submission No.55, p.8.

<sup>51</sup> Ibid, p.9.

scheduled waste under stringent guidelines for its storage, transport and ultimate disposal.<sup>52</sup> The Scheduled Waste Working Group endorsed a ban on the export of scheduled waste, but referred it to the Commonwealth for the final decision.<sup>53</sup>

9.34 Amendments to the Commonwealth hazardous waste legislation will be presented to the Commonwealth Government in September 1994.<sup>54</sup> The amendments will suggest stricter international controls in line with the Basel Convention.<sup>55</sup>

9.35 The Committee recommends that:

**Recommendation 10**

The Committee recommends that a permanent ban on the import and export of scheduled wastes be implemented, except in cases where technologies are developed which recycle them into useful products which are not hazardous.

*Commonwealth Government Co-operation*

9.36 The Committee was told that despite the development of a nationally agreed policy, that there were still problems with Commonwealth agencies. The Committee was given the example of the destruction of PCBs in north western Australia held on Commonwealth property. Professor Rae said that the military called in a contractor to dispose of the PCBs:

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<sup>52</sup> Ibid, p.7-8.

<sup>53</sup> Ibid,p.8.

<sup>54</sup> *Environmental Management*, National Affairs, August 1994, p.2.

<sup>55</sup> Ibid, p.2.

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with no reference to the rules, no reference to Commonwealth EPA and certainly no reference to the Scheduled Waste Management group.<sup>56</sup>

9.37 It was also pointed out to the Committee that the Commonwealth were the 'only lone mavericks' as the State and Territories had agreed to cooperate.<sup>57</sup>

9.38 The Committee believes that the Commonwealth's role should be one of leadership, and that examples such as this are not conducive to a national approach. The Committee requests that Commonwealth agencies be directed to cooperate with national strategies.

### *Concluding Comments*

9.39 The Committee heard a number of examples on and off the record where competing companies, relevant industry associations and government authorities were unaware of public information relating to other technologies in various sectors of waste management technologies. This type of fragmented approach is not conducive to successful commercialisation and long term economic viability of technologies currently being developed.

9.40 The Committee believes that part of the role of the Commonwealth is to disseminate information to overcome this type of problem. There needs to be a review of the effectiveness of some current Commonwealth programs to ensure that this information is being received by the appropriate groups.

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<sup>56</sup> Rae, Evidence, p.677.

<sup>57</sup> Ibid, p.677.

