

TRANSCRIPT

LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Recycling and Waste Management

Melbourne—Thursday, 3 October 2019

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Mr Tim Quilty

Dr Catherine Cumming

WITNESS

Mr Nathaniel Bryant, State General Manager, Victoria, Suez Recycling and Recovery.

The CHAIR: We are just going to go through some formal stuff you have probably heard before. The Committee is hearing evidence in relation to the Inquiry into Recycling and Waste Management and the evidence is being recorded.

I would like to welcome Mr Nat Bryant, the State General Manager, Victoria, of Suez. Thank you for making yourself available and even starting 10 minutes ahead of schedule. All evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comments repeated outside this hearing may not be protected. Any deliberately false or misleading evidence to the Committee may be considered a contempt of Parliament. You will be provided with a proof version of the transcript in the next few days, and if you have got any changes, please make them and send it back to the secretariat so it will be a true reflection of the record.

We have got a submission from you I believe, and even supplementary documentation from your company. We will give you five to 10 minutes to basically give us a broad outline about Suez and what you guys are doing in that space and then we will go to questions.

Mr BRYANT: Fantastic. Firstly, thank you very much for having me here today. Suez is definitely pleased to see the State Government exploring the waste and recycling opportunities. For those that do not know, Suez is a global service company specialising in water and waste management. In Australia our team provides solutions that supply 7 million Australians with safe drinking water and also divert 1.2 million tonnes of waste from landfill every year. In terms of waste and recycling, we operate over 100 facilities throughout the country. In Victoria our operations are very extensive and well placed to provide insight to Victoria's recycling challenges. We currently own and operate two engineered smart cell landfills in Victoria—one is a prescribed industrial waste landfill—as well as operating an organics facility in Epping and a construction and demolition resource recovery facility in Hampton Park in partnership with Resource Co., and we are currently commissioning a soil processing facility in Dandenong in partnership with Ventia, so treatment of prescribed industrial waste soils.

We are also in the process of commissioning a glassless MRF in Geelong, pending volumes, and you may be aware of the energy-from-waste facility that Suez is proposing alongside Australian Paper to develop a \$600 million waste energy facility in the Latrobe Valley. The proposal has received \$7.5 million for a feasibility study that has been co-funded by the Australian and Victorian governments, with the capacity to process 650 000 tonnes of residual waste from Melbourne, Gippsland and Hampton Park as three distinct catchment points for the Latrobe Valley and offers suitable and appropriate alternatives to landfill when we do look at the waste hierarchy. Given the increasing population in the states and the solutions, we see these as very timely obviously. That essentially is the overview that I would like to give on Suez.

The CHAIR: Thank you. I will maybe start off with the last item you mentioned in relation to the APM joint venture. Where is that at at the moment? Is that getting close to construction?

Mr BRYANT: We cannot construct the facility until we have a financial closure. We are awaiting the MWRRG tender. What that does require is long-term security for the construction. Obviously there is a \$600 million investment just in the facility alone, and over \$200 million worth of investment in ancillary construction with transfer stations, vehicles et cetera. It is a substantial investment, and that is why we need that longer term security and longer term contracts.

The CHAIR: The work approval process, that is completed? No outstanding challenges in VCAT and all of that?

Mr BRYANT: That is all complete.

The CHAIR: So you are only awaiting the contract and you are basically ready to roll after that.

Mr BRYANT: Correct.

The CHAIR: And your timetable? You are looking at 2025 is my understanding.

Mr BRYANT: The current timetable is 2025. However, with the MWRRG contracts not being proposed to come out for an EOI until next year, that is going to see the placement of the contract award in mid-2021 is our understanding. With that in mind, there is going to be a significant overlap on construction when Suez's Hampton Park facility, the smart cell landfill, closes. That is going to have a great impost on the Victorian—

The CHAIR: What is your understanding, because I am hearing the understanding is the current landfill contracts are being negotiated at the moment, or tenders are out. Is that something you would like to comment on because the contract is locked in or maybe locked in for a period of time?

Mr BRYANT: So landfill contracts are currently locked. We are contracted until 2021. They are looking at short-term contracts for landfill, and that is our two plus two plus one plus one, I understand. I can confirm that however.

The CHAIR: You can or you cannot?

Mr BRYANT: I can confirm that. Not at the moment. So I can take that away—

The CHAIR: If you can take that on notice. I purposely asked that question because there are all sorts of rumours floating around the place, and as Suez you are wearing two hats—as a landfill operator and also as a proponent of waste to energy. There has been a lot of contention in recent days, so I would appreciate it if you were able to confirm it or take on notice that particular issue in relation to the landfill contract extension—whether that may or may not jeopardise the prospect of waste to energy viability. There has been all sorts of talk about that, so if you are able to take it on notice and confirm what has been proposed in relation to that, that would be great. I have got a lot of questions, but I will move to other members of the Committee, and I might come back later.

Mr LIMBRICK: Thanks, Mr Bryant. With regard to the proposed waste-to-energy facility, what are the risks of this not going ahead? You mentioned the overlap, and certainly that is a big concern. It is actually in my region, this landfill, and I want to make sure that it does not end up with a big problem. Is that the biggest risk? My understanding is that you need to guarantee certain supply in order to get the 24/7 thermal energy that the paper mill needs and without that you cannot get long-term financial investment. So these contracts that are coming up for renewal—who is setting the time lines on them? Is that State Government? Is it possible for the State Government to bring it forward somehow?

Mr BRYANT: It is definitely something that we have been lobbying for.

Mr LIMBRICK: Right.

Mr BRYANT: Both Suez and AP have been around to local government, MWRRG and the Minister and lobbying for bringing those time lines forward. So if I was to look at this in a two-part response: one, the construction time line and the energy-from-waste facility itself is looking at around 42 months, and that is a very, very tight time frame for something this size and scale. That is with no overrun. If we were to look at overrun and commissioning, that is another six months, so we are essentially saying four years of construction from financial close. That is six months after the tender award, which is another six months you would suggest, so four and a half years. At present, on current volume, we are looking to close in January 2025 or the end of 2024, so that is four years away. You are then going to have at least six months on current terms, on our current licensing, that the waste cannot be disposed of in the south-eastern corridor.

The CHAIR: Unless you send it to Ravenhall.

Mr BRYANT: Unless we send it across town to Ravenhall, Wyndham or Wollert.

Mr LIMBRICK: So is that the only piece that is missing for this to go ahead, because it sounds like you have got the investors, you have got the designs, you have got the site? Is it just the contracts for the source material—that is it?

Mr BRYANT: The contract for source material is a supply contract that provides consistency and a minimum quantity for our financial close. That is the only thing that we are waiting on. The biggest constraint that we have is from what we have been advised that contracts will not be awarded until mid-2021. Now to look at the construction time line and everything that I have just mentioned, that is going to see us proceed into 2026.

Mr LIMBRICK: And that means we will be diverting waste to other landfills.

Mr MEDDICK: Thank you, Mr Bryant. I note one of the points you have here is that the transportation of waste from Victoria to South Australia undermines the investment in recycling and recovery infrastructure. My region is Western Victoria, so a lot of my councils border South Australia. The argument they are using is the transportation costs. There are no facilities close enough for them to use for what they need so the transportation costs are so excessive to get their waste to recycling or to other management facilities that the contracts that they have with South Australia are far more effective. Your point here is saying that it undermines the investment in the area, but they are saying, 'Bring it here first and we will use it'. How do we marry that up? They are regional councils. They do not have the money to co-invest. Their argument is what I am putting here. They need businesses like yours to be the ones that take the risk and actually put your facilities in these areas so that they can then make use of them, and then they are happy not to send their stuff over the border.

Mr BRYANT: Absolutely. That is a great point you raise. When we do look at that, it is predominantly around prescribed industrial waste. We have heavily invested in soil processing facilities—that is one—and we also have significant investment within the Taylors Road prescribed industrial waste landfill. With that said, we have got higher levies within Victoria: we have got a municipal waste levy, we have got a metro levy, we have got a commercial industrial levy and then we have got a regional levy. In addition to that, we have the highest prescribed industrial waste levy within the country.

That itself is the rationale as to why people are diverting interstate to South Australia, to South Australian facilities, and it is across borders that we are concerned with. It is not dissimilar from what we have seen in New South Wales, with municipal solid waste levies in excess of \$140, previously shipping them through to Queensland where they did not have a levy. It is exactly the same premise, but in terms of scale and scope it is the prescribed industrial waste concern that we do have. Obviously when we are moving transport of that nature, we see that is something that should go to the closest facility.

The CHAIR: Maybe I will go back to my question. Can you take us through the environmental and health risk and how that can be mitigated in relation to going back to waste to energy? There have been a lot of discussions as part of the Committee's work in relation to what technology is used. I believe you are using thermal technology for burning waste, and there is the issue about the environment and health risk. Are you able to take us through that scenario and the impact?

Mr BRYANT: In terms of a very high level, we operate over 55 energy-from-waste facilities around the globe. The foreseeable risk is not what it is made out to be and what has been publicised in recent weeks. When we do talk about some of the impost and ash disposal afterwards, we do have facilities within Europe that Suez operate. Also we do have strategic partners such as Ballast Phoenix that do operate in the UK. They treat and re-use the ash that comes from that, so the residual waste after we have incinerated the material is used in cement and road base—not dissimilar to the leading countries that we do look at: Sweden, France and the UK.

The CHAIR: Is there a reason why you have gone for a large volume—650 000 tonnes? Because there is always a debate about whether you go smaller operation versus larger operation, and some of the concerns that a number of witnesses have raised with the Committee, even members of the Committee, about opening a plant of 650 000 tonnes—a huge monster—where you are going to take all sorts of rubbish and all sorts of recyclables maybe. There is a bit of a question mark there. You talked about feedstock. I think one of our

members raised the issue of a case in the US where a particular waste-to-energy company sued a local county for not providing them with enough waste. Do you envisage that could be a problem in your situation?

Mr BRYANT: Certainly not.

The CHAIR: Why not?

Mr BRYANT: Our intent is very much around municipal solid waste, so your red bin collection. It is the general waste component that is going to landfill. This is not an initiative to burn recyclables, and it is not our aim. 'We will not be burning recyclables' is our intent. With that said, when we talk around the size and the scope of the facility itself, 650 000, people look from afar and say it is a large quantity. The reason for that is around economies of scale for us. The more throughput we have, the cheaper that we can have our pricing. The lower the throughput, the higher the pricing, and with the Victorian levies one the lowest in the country, we need that to increase to offset the rationale for moving up the waste hierarchy at such significant investment.

With that said, when we do look at the energy from waste facility, in answer to your question, the feedstock that does go into there is 650 000 tonnes as a catchment. That is from three catchment points. As I detailed earlier, we have a rail network from the CBD, we have the transfer station that is outlined in Hampton Park—our current landfill facility—and also in the Gippsland region. It is our intent that we will be processing 450 000—447 000, to be precise—from Hampton Park. Currently at Hampton Park we receive over 550 000 tonnes, so it is less than what we are currently receiving. What that is going to provide is further scope for other facilities. So when we are talking around catchment, it is not a large catchment when we are talking around three different catchment points.

The CHAIR: You are talking about 4 million tonnes of municipal waste ending up in landfill from homes?

Dr CUMMING: Four hundred thousand.

The CHAIR: No, no. I am talking about the whole state. How much municipal waste, red bin, is finishing up in landfill in Victoria, in the whole state?

Mr BRYANT: I can confirm for you; I have got that information. Off the top of my head, I will have to refer to my notes.

The CHAIR: Because I think it is in the millions anyway if we cover the whole state.

Mr BRYANT: Municipal solid waste?

The CHAIR: Yes, the red bin.

Mr BRYANT: In 2019 it is just under 1.4 million tonnes.

The CHAIR: And add commercial waste—I am talking about restaurants, hotels and similar things. Obviously we are looking at somewhere between 1.5 million and 2 million tonnes of waste that you are targeting.

Mr BRYANT: No, no, 650 000.

The CHAIR: I know, but that is the market.

Mr BRYANT: Yes, correct.

The CHAIR: Sorry, that is the market. With your 650 000 tonnes, how many streams? What are the issues? I have had raised with me, for example, if the plant goes down, where does the rubbish go? Do you have multiple units where if one unit goes down you have got other units? What is your holding capacity? If you have got a major industrial action, for example, or equipment goes down, where would the waste go? How do you tackle that?

Mr BRYANT: We have got redundancy in terms of the holding capacity. So the bunker itself is in excess of 5000 tonnes. In addition to that we have also got the transfer station network in terms of the CBD and at Hampton Park. In addition to that we have got two lines. So we are not solely reliant on one line to process this; it is going through two separate lines, two separate feeds. It is not essentially one, and if that shuts down we cannot do anything else. We have got another one for redundancy as well.

Mr HAYES: Just on that overall market of over a million tonnes—and part of what we are trying to do I suppose as a Committee is maximise the recycling stream—if you see that volume of red bin material go down, could you still operate within that if that that million tonnes starts shrinking? If we are taking plastics and food out of what is going into the red bin, we are probably taking the more calorific material out of the waste stream.

Mr BRYANT: Absolutely. When we do look at the overall volume, the tonnage extracted, we have currently got food organics and green organics, so FOGO, that is in the current marketplace. We have done studies at four different points throughout the year, and our calorific value essentially is not going to fundamentally change. We have based that on lower amounts than what have been outlined in Europe, so we feel quite confident in regard to that. In addition to that, what we do have is a flexibility of ramp-up, ramp-down for the incoming feedstock. What I do mean by that is very much around it is not one source of supply, so south-east Melbourne—those three catchment points. We do not have three facilities. I heard earlier you mention the Adelaide scenario, the tyranny of distance of bringing it over. That also comes into play as well.

Mr LIMBRICK: Just a couple of questions on feedstock and recycling. One of the concerns that was brought up in an earlier hearing was if FOGO is implemented statewide, that is going to result in a stepwise reduction in overall feedstock volumes.

Do you see that as a realistic risk to your business model?

Mr BRYANT: No, and the rationale behind that is: the population growth within Victoria is by far going to offset the recycling growth that we do have. We have got clear studies that we can send through and detail that for you, if you like.

Mr LIMBRICK: And another thing that was brought up—and I have read a bit about this plant, the design and how it is intended to work. One of the things that I found interesting was—correct me if I am wrong—my understanding is you are actually planning to recover recyclable materials that are currently going to landfill, so obviously not plastics because they will get consumed in the incineration process. But glass, metals and concrete, I think, are going to come out of the process as well. What sort of volumes are you expecting to produce from this waste-to-energy plan in terms of recycling, and where is that going to go?

Mr BRYANT: The re-use capability—and that is the point that I raised before—from bottom ash. Ourselves, Suez, and other strategic partners such as Ballast Phoenix have plants that extract metals, glass and concrete post-processing. That is then put back into—

Mr LIMBRICK: So that is all mixed in with the ash initially?

Mr BRYANT: Correct. So it goes through essentially a recycling facility, not dissimilar to a materials recovery facility. It straps through magnets and is then segregated. That is then distributed through as re-use material in concrete, cements et cetera. They have got standards that have been outlined in the UK and in Paris that are really underpinning that. At the moment, because we do not have any standards or have any bottom ash, it is not something that we have a standard around.

Mr LIMBRICK: Is it similar to coal power station ash, or is that quite different?

Mr BRYANT: Quite different.

Dr CUMMING: I guess I want to make some points around the contracts and the problems that you are currently facing with the time line that is not conducive to getting your construction underway. So what does seem to be the problem? Is it the current contracts in place with those member councils and how they are waiting for those contracts to expire? Is it the concerns from those member councils around being locked in and possibly financially having some difficulty if they do not actually produce the volumes that you require? Are

those two factors the concerns that you have in the way of the contracting? And is there any way of having flexibility in the way of your contracting that you could possibly have other councils opt in or opt out to guarantee the volumes you require?

Mr BRYANT: Absolutely. We have looked at different models. If I could answer that first in terms of the overall models and scope, 447 000 tonnes of material is not dissimilar to what we are currently getting from south-eastern Melbourne councils at the moment. We can have a cap and collar, which can see that overall movement, and it can come in from different councils. So from an overall modelling scheme and what that looks like, we are very open to that. With that said, we want to be flexible and really try to get this through. In terms of the tendered time lines, that is something that is really run by Metropolitan Waste and Resource Recovery Group. The time lines on that have been pushed back. From our understanding it was going to be the start of this year. Obviously they have had a change in CEO and there have been some changes within the staff there. I am not sure if that has contributed to the delays. I would have to revert to MWRRG on that.

Dr CUMMING: Is there any way of your company making those possible member councils comfortable if there are other ways that you are sourcing in the way of industrial or commercial so they do not feel like they are heavily reliant on their materials?

Mr BRYANT: If there is a minimum order quantity as such from a materials perspective, and we can build up to this. We talk around collaboratively sharing procurement strategies and combining councils together. We are open to any of that.

Dr CUMMING: I guess from what I hear around member councils it is the concerns around futureproofing such a facility, being that we do not know what the future holds in the way of the possibility of recycling plants and certain waste streams being removed from the current landfill stream. So I guess it is the futureproofing and the flexibility around the possibility that waste streams might change in the future and for those member councils to feel that they have a certain amount of—

Mr BRYANT: Flexibility.

Dr CUMMING: flexibility, certainty and they are not feeling the stress. I think most member councils do not want to be left holding the bag or the problem.

Mr BRYANT: Understandably, who knows what is going to happen in 20 or 25 years? We cannot predict that. We are though putting in substantial investments for the way forward, and if we do not do anything, we are still going to be in the same position as what we were 10 years ago where landfill is the only disposal. When we look at the waste hierarchy—and I have just got it in front of me here—we are moving from disposal, past containment and treatment to recovery of energy. The next point above that is recycling, and we are also doing that, and re-using the products is our proposal. In conjunction with Monash University we are completing studies on the bottom ash to really push that forward for re-use at end of market, so really trying to get away from the disposal in landfill.

Ms TERPSTRA: Thanks for your presentation. I just want to go back and ask some questions around when you were talking about the bottom ash. In the submission you talk about that that can be further processed and used as road construction material. It is common practice, and we have heard a lot about that. Do you anticipate any other uses for that bottom ash product? Have you anticipated other markets other than road base-type solutions?

Mr BRYANT: I think one of the big items is moving away from virgin material and what we as an industry must go through in terms of loopholes to have that accredited. Something that we have seen earlier in the presentation was some of the plastics and virgin material—they have got a high quality. For us when I do look at road aggregates, which we do deal in at present, it is cheaper to dig it out of the ground than what it is to recycle it and recrush it. However, we have to go through many EPA boxes that we have to tick to ensure that that makes a quality standard, which we are comfortable with, but for moving up the waste hierarchy and re-using product or recycling product we really need to look at some procurement strategies in there that offset that cost.

Ms TERPSTRA: Market-led, yes, okay.

Dr CUMMING: And bureaucratic red tape I am guessing too.

Ms TERPSTRA: And just a question on the emissions from the plant, because we did have earlier evidence about some of these emissions and that seemed to suggest they were quite low. Are you able to give some comparisons about emissions that might be made by the plant and what local people might experience? Would it be comparable to some other sort of emissions or higher or lower? Can you give us an idea about that?

The CHAIR: Or even landfill.

Mr BRYANT: Landfill gas are you referring to? In terms of emission—and I am more than happy to provide the data from some of our European facilities; that is clearly displayed and easily accessible, so more than happy to display that—for the facility that we have proposed, and that has been over three years of work. It is very much commercial-in-confidence material and we would not want to be providing that for our competitors to see.

The CHAIR: Maybe we can make it simple. You are putting in a landfill today, that is where the red bin goes, and that has some environmental impacts—CO₂, methane, all these sorts of things. That red bin instead of going to a landfill operation today is going to go to waste to energy.

Mr BRYANT: What is the difference?

The CHAIR: What is the difference, why is it better? Without going through some of your sensitive sort of things, apples with apples.

Ms TERPSTRA: Yes, perhaps you could say is it higher or lower, is it better or worse?

Mr BRYANT: It is definitely something we can provide through to you. I do not have it on me unfortunately.

The CHAIR: You can take that on notice if you are able to provide that, and a supplementary question to that is do you see a situation where we can be in a position where we are able to ban the red bin going to landfill and have no reliance on landfill in relation to that? Can Suez see that thing could happen?

Mr BRYANT: Absolutely.

The CHAIR: Okay, then as a result of that, should the circular economy model be underpinned by regulatory or legislative action, or should it be just a long-term natural progression? What are your thoughts on that?

Mr BRYANT: Can you repeat the question? Sorry.

The CHAIR: The circular economy model—should that be underpinned by regulation/legislation, or just be left to the long-term natural progression?

Mr BRYANT: It is my strongest belief that it should be underpinned. If we are heading in that direction, everyone should be getting on board and we should all go on that journey rather than opt in/opt out. If we are looking for that progression up the waste hierarchy, I think from the leaders within the country we need to be facilitating that and leading what best practice looks like.

The CHAIR: But that is where the state then needs to actually back that up, whatever the circular economy we are stuck with, by regulation and legislation to make sure we give direction to everyone so we do not have too many people doing different things.

Mr BRYANT: Absolutely. I was just going to comment on that. In terms of a regulated market, something we have seen recently in Victoria is the ChemFix issue, where in somewhat unregulated markets those items have been disposed of and not been disposed of properly. If we have stronger regulations, it sees tighter restrictions and provides better outcomes for the environment.

Dr CUMMING: I guess I am just picking up on the point that was raised just earlier around emissions and maybe even possible smells. At the facilities that I have seen around the world with similar technologies I noticed no real odour emitted from the plant; as well, obviously with filters in place, there were no concerns around the environment. I guess on one of the points that you raised earlier around making sure that you actually had that feedstock, my concerns are that the facilities that I have seen did not have any stockpiling of waste for feed; it was a very streamlined facility where virtually the furnace was going and the waste was just continually going in. There were not any facilities that I saw that were stockpiling just in case they needed that feed. So my concerns are around stockpiling and odours generating a problem from the fear that you will not possibly have the feedstock.

And then I guess the other concern that I have heard raised prior is that the Australian standards in general are quite low in the way of emissions; that emission standards and what we perceive is okay are not the same standards that would be applied in Europe or elsewhere and that seeing that they have a lot higher standards than we currently have we would actually have to lift our standards to give the community a certain amount of comfort.

Mr BRYANT: With the technology, we are going through an EPC review for energy from waste. We have had meetings over the last two weeks with all different suppliers around that technology and also for engineering/procurement. With that said, our facilities run off the European standards, and that is what we would be bringing through to Australia. With that in mind, the first question, if I can just ask you—

Dr CUMMING: Yes, around your feedstock—virtually your stockpiling of waste for a rainy or a problem day.

Mr BRYANT: Stockpile of waste is very different. When we talk about a bunker, it is all treated within a big concrete bunker that goes down in the ground essentially, and a big claw comes in to grab that and puts it into the line that feeds it through consistently. We have got two lines that that goes off, and this is what we have planned so that way we can ensure there is no interruption. If there is by any chance in the wide world that we have a foreseeable issue, we have availability to stockpile there for a minimum quantity, and that is less than what we see in the recyclables at the moment.

Dr CUMMING: So at the facilities that I have seen, yes, there is a very, very small concrete bunker where the trucks dump material that obviously gets fed into a furnace of sorts. Their only concern was if one furnace is not working properly that they use another furnace. It was not the concern of having the feed. They had no concern around it. It all seemed, for me, to be very fresh waste, raw material. It was not something that was stored and then brought over.

Mr BRYANT: All of the facilities throughout the UK and France that I have been to have the redundancy there. It is only in case of an emergency, if something was to go wrong. With that said, you are exactly right that it is consistent—fresh waste that is going through that continually gets mixed.

Dr CUMMING: You are virtually saying you could possibly stockpile in an emergency situation.

Mr BRYANT: Correct.

Ms TERPSTRA: Just one very quickly, when you were commenting before about some of the plants that are overseas—and you may not know this—do governments overseas support the waste to energy with a regulatory framework or legislation? Can you tell us a bit about that?

Mr BRYANT: Absolutely. Probably the referenced site that I would refer to would be Suffolk in the UK. One of the items that they did exceptionally well over there, over a seven-year period in progression to this, outlined that increases in a landfill levy was the impetus for change. With that said, that incentivised industry and the like to invest and move away from landfill. That is all landfill levy increases, and it provides an offset that you can go out and move up that waste hierarchy to the recovery of energy and really implement these initiatives.

Ms TERPSTRA: Okay. So that was England. What about France?

Mr BRYANT: France is not dissimilar. A lot of that, though, is around community engagement. So when we do talk around emissions, and if I was to get back to that, the Suffolk facility has neighbours, so residential houses across the road from them. This is not uncommon, to have an energy-from-waste facility right next to housing. In terms of consultation, we have been through that consultation process in the Latrobe Valley within this project. An unheard-of amount of over 80 per cent were in agreement with this project going ahead. The feedback that we have had from the EPA was that they have not seen anything over 50 before.

Mr LIMBRICK: A lot of these other waste-to-energy facilities are built for the express purpose of generating electricity in a lot of these cases. My understanding is that the APM proposal is actually generating thermal energy for steam production in the mill and it is there to replace gas. It is effectively replacing fossil fuels in this case. What are the expected emissions differences between the current gases that are being produced and the gases that might be produced from the proposed facility? It is going to be quite different to a facility that is not replacing gas. Also, what other options would there be for this thermal energy? It is my understanding that you cannot use electricity or renewable sources for this thermal energy. Is gas and waste to energy it? What other options would there be in this case?

Mr BRYANT: First part of the question in terms of the electricity supply, you are exactly right. Australian Paper's incentive to get into this project was to—

Mr LIMBRICK: Stop paying for gas.

Mr BRYANT: Exactly. They are the largest industrial gas user within Victoria, so the incentive there is to create that steam. The energy conversion ratio, rather than being at 27 per cent in terms of the conversion ratio, is at 58 per cent. So when we start talking around efficiency and effectiveness, it is a lot more beneficial for them to proceed down this path.

Mr LIMBRICK: So the conversion is higher with using waste to energy than the gas.

Mr BRYANT: It is over double the conversion ratio from energy.

Mr LIMBRICK: Really? Wow, that is interesting.

Mr BRYANT: So from that end, when you look at an emission perspective, it is definitely a lot better.

Mr LIMBRICK: Really? That is quite interesting.

The CHAIR: Any further questions before we close?

Nat, thank you very much for your time today, and all the best with that project. I hope it all goes well. On that note, we adjourn.

Mr BRYANT: Thank you for having me.

Committee adjourned.