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From: Isabelle Gabas [Isabelle.Gabas@aigroup.asn.au]
Sent: Wednesday, 4 August 2010 4:04 PM
To: waste paper
Cc: Jemina Dunn; Matthew Martyn-Jones; Hughes Kylie; OShea Tamara
Subject: Queensland Waste Strategy consultation draft submission
Attachments: Ai Group waste submission attachment July 2010.pdf; Ai Group signed submission waste strategy 4 August 2010.pdf

To whom it may concern,
Please find attached the Australian Industry Group submission on the proposed Queensland Waste Strategy and Industry Waste Levy.
Feel free to contact me on (07) 3244 1504 or alternatively Jemina Dunn, our Manager Policy and Public Affairs, on (07) 3244 1767, should you wish to discuss this submission further.
Best Regards
Isabelle

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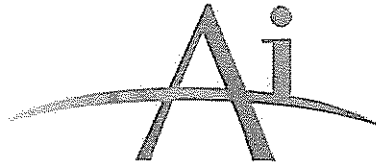
The Ai Group Environment and Energy team is here to help you

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4 August 2010

Project Manager – Queensland's Waste Strategy consultation
Natural Resources and Environment
Department of Environment and Resource Management
GPO Box 2454
BRISBANE QLD 4001

Dear Sir/ Madam

Draft Queensland Waste Strategy 2010-2020 & Proposed Industry Waste Levy

The Australian Industry Group (Ai Group) welcomes this opportunity to make a submission to the Department of Environment and Resource Management (DERM) on the consultation draft of the Queensland Waste Strategy 2010-2020.

Ai Group is one of Australia's leading industry organisations representing over 10,000 employers nationally. Membership is drawn from a broad range of industry sectors, including manufacturing, construction and related services sectors such as waste contractors and recyclers. As such, many of our member companies are certainly affected by the proposed Queensland Waste Strategy and Industry Waste Levy.

Ai Group understands the drivers for waste management reform in Queensland and has consulted extensively with industry members in compiling this submission. Whilst Ai Group welcomes introduction of a revised strategy, and members are not opposed to introduction of a waste levy *per se*, a number of significant concerns are held regarding aspects of the strategy and levy as proposed. These concerns, which are further detailed in **Attachment 1**, include:

- **Commencement:** The proposed process and timelines appear inadequate to successfully deliver the outcomes sought by the strategy. There is a lack of existing on-the-ground waste management infrastructure to support roll-out and a range of logistical issues around levy collection need to be resolved to ensure workability. Industry would strongly prefer delayed or staged commencement with a more robust collection process and system of levy infrastructure in-place.
- **Timing of waste avoidance initiatives:** Currently it is proposed waste avoidance initiatives commence following introduction of the levy, funded by levy revenue as it is collected. Many businesses without expertise in waste will require significant assistance to build capacity around waste avoidance to minimise waste and thus avoid significant costs. Ideally this assistance would be in place well prior to levy collection commencing.

- **Levy revenue:** The basis for allocation of levy revenue is unclear, and industry is very concerned that inadequate funding will be available to deliver meaningful waste avoidance and resource efficiency (WARE) initiatives. These initiatives are costly and Government must focus on upgrading the current pool of recycling and reprocessing plants, as their number and capacity is considered inadequate for servicing Queensland's current and future population and businesses. Government should consult further with industry to determine a realistic estimate of investment required to deliver on the aspirational waste avoidance targets outlined in the strategy.
- **Standards and definitions:** Queensland lags significantly behind other states in relation to clearly defined standards and definitions providing certainty regarding allowable levels of contaminants or what constitutes regulated waste. This needs to be resolved if the strategy and the levy are to be practicable, particularly given the separation of high and low hazard wastes under the levy. Definitions, terminology and methodologies should be harmonised as much as possible with other jurisdictions to minimise burdens on businesses with operations in multiple states.
- **Enforcement:** A lack of enforcement in the waste industry is resulting in environmental harm, and an uneven playing field where licensed operators feel they are subject to greater scrutiny than unlicensed operators. Introduction of the proposed levy will potentially exacerbate the issue and erode the competitiveness of licensed operators paying for disposal of residual waste with unlicensed operators potentially increasing illegal dumping.
- **Exemptions:** Consider excluding licensed recycling operators from the levy for residual non-recyclable waste resulting from recycling of municipal waste.
- **Industry consultation:** Continue to work closely with industry as strategy is refined and implementation commences.

Further detail regarding these matters is appended as **Attachment 1** which also offers suggested policy amendments aimed at supporting delivery of a more workable and equitable system, incentivising innovation in waste avoidance, and achieving higher levels of resource recovery. Ai Group and its members are keen to work closely with the Department as policy refinement progresses, as the success of strategy implementation will be strongly dependant on ongoing industry involvement and ownership.

Please do not hesitate to contact Isabelle Gabas on (07) 32441504 or Jemina Dunn on (07) 32441767 should you wish to discuss this submission further.

Yours sincerely



Matthew Martyn-Jones
 Director - Queensland
 The Australian Industry Group

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ATTACHMENT 1:
Ai Group Submission: Draft Waste Strategy and proposed Industry Waste Levy

Issue	Comment	Recommended solution
<p>Commencement</p>	<p>The proposed process and timelines appear inadequate to successfully deliver the outcomes sought by the strategy due to the lack of existing on the ground waste management infrastructure to support strategy roll-out and the need to resolve a range of complex logistical issues around levy collection to support workability.</p> <p>Industry is concerned regarding the lack of detail currently available around logistical aspects of day to day levy collection. Considering the very short period prior to levy commencement, the lack of on-site supporting infrastructure at waste collection points (such as weighbridges etc), along with the need to amend relevant legislation, there is no confidence that a workable outcome will be achieved by the commencement date.</p> <p>Industry would strongly prefer delayed commencement with a more robust collection process and system of levy infrastructure in-place.</p>	<p>Delay commencement of the levy regime until a robust system of waste management infrastructure is in place and all issues relating to detailed day-to-day workability resolved.</p>
<p>Timing of waste avoidance initiatives</p>	<p>Currently it is proposed waste avoidance initiatives commence following introduction of the levy, funded by levy revenue as it is collected. Many businesses without expertise in waste will require significant assistance to build capacity around waste avoidance to minimise waste and thus avoid significant costs. Ideally this assistance would be in place well prior to levy collection commencing.</p> <p>Alternative arrangements must be explored, which could include:</p> <ul style="list-style-type: none"> • Bringing forward commencement of the waste avoidance initiatives funded through general revenue, with expenditure to be refunded through levy revenue in due course. 	<p>Bring forward waste avoidance initiatives prior to levy commencement or introduce a staged increase in levy price (based on lower than currently proposed levy levels) to buffer levy impacts for businesses without access to waste avoidance expertise</p>

Issue	Comment	Recommended solution
	<ul style="list-style-type: none"> In the event that waste recovery and avoidance initiatives cannot be funded through general revenue prior to commencement of the industry waste levy, a gradual increase of the levy price over three years should be explored. This would allow for funding and implementation of capacity-building and other priority infrastructure activities prior to the full levy being imposed on businesses, in the same way as the NSW levy increase. 	
<p>Levy revenue allocation</p>	<p>There are strong concerns from industry that levy revenue will not be hypothecated to industry. There is a firmly held view that all funding initiatives resulting from levy revenues should benefit industry interests, which would in turn have enormous community and socio-economic benefits.</p> <p>In particular industry does not support the use of the levy revenue to fund environmental initiatives not related to waste management. It is strongly argued that these funds must be directed to providing the infrastructure necessary to support waste reprocessing. An emphasis on providing local solutions would provide an immense community benefit by reducing the pressure on the congested transport network.</p> <p>If initiatives are to be funded through the Industry Waste Levy, the strategy needs to clearly state which of these 'environmental initiatives' will be permitted to access funds collected through the levy. For example, local government directed revenue must be targeted towards industry focussed initiatives only. These could improve compliance around illegal developments, <u>streamlining approval</u></p>	<p>Hypothecate levy revenue to waste avoidance and maximum valued added recycling related initiatives, including incentives to industry innovation and enforcement targeting unlicensed operators</p>

Issue	Comment	Recommended solution
	<p>processes, providing improved recycling services to SMEs and potentially dealing more effectively with issues around urban encroachment (for waste processing planning applications).</p> <p>Currently, the proposed strategy's implementation relies heavily on the industry waste levy, bans and enforcement and does not adequately incentivise waste avoidance. Critical activities such as reward, recognition, assistance and advice to businesses, assisting with implementation, have been omitted, with engagement, communication and educational activities only focused on public and local government. Specific programs and activities targeting industry and funded through levy revenue should be progressed by Government to ensure that it uses the appropriate balance of incentive and enforcement tools. Recognition of prior achievements will be important to ensure industry support to any program.</p> <p>Further, there appears to be a lack of science behind the allocation of levy revenue with strong concerns from industry that the proposed \$159m allocation will be inadequate to deliver meaningful waste avoidance and resource efficiency (WARE) initiatives.</p> <p>These initiatives are costly and Government must focus on upgrading the current pool of recycling and reprocessing plants, as their number and capacity is considered inadequate for servicing Queensland's current and future population and businesses. Government should consult further with industry to determine a realistic estimate of investment required to deliver on the aspirational waste avoidance targets outlined in the strategy.</p>	

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	<p>Many Ai Group members note larger companies are precluded from grants to support innovative research and business development. Some revenue could be directed to pilot initiatives that are partnerships between government and large industry partners, potentially within a structure similar to CRCs. State Government should also consider an industry grant program to assist firms (including larger firms) to pursue research and innovation including developing and delivering on-site processing capability and mobile processing plants to support greater waste avoidance where economies of scale are required to make recovery economically viable. Moreover, we would expect onsite and mobile processing plants to be strictly regulated to ensure appropriate environmental protection.</p>	
<p>Standards and definitions</p>	<p>Ai Group believes that Queensland lags significantly behind other states in relation to having clearly defined standards and definitions that provide certainty regarding allowable levels of contaminants or what constitutes regulated waste. This needs to be resolved if the strategy and the levy are to be practicable, particularly given the separation of high and low hazard wastes under the levy. As a first step, we would request that State Government introduce clear standards for recyclables and their use. There needs to be a clear understanding of what is a waste and what is not a waste but a resource. Definitions, terminology and methodologies should be harmonised as much as possible with other jurisdictions to minimise burdens on businesses with operations in multiple states.</p>	<p>Introduce clear standards and definitions</p>

Issue	Comment	Recommended solution
	<p>The strategy is also unclear on how the higher and lower hazard levels would be determined, which is a critical point, considering the variation in disposal costs between these two waste types. There needs to be publicly available tables of acceptance standards for the various waste classifications based on the NEPM for contaminated land and other state EPA standards. The introduction of clear definitions of regulated waste is a minimum requirement for the successful implementation of the strategy, and must be made publicly available well before the strategy start date.</p>	
<p>Enforcement and compliance</p>	<p>There is currently no level playing field in the recycling industry due to the significant number of unlicensed operators and a lack of enforcement and compliance activities. There is concern this lack of enforcement is resulting in significant environmental harm, while licensed operators feel they are currently subject to greater scrutiny than unlicensed operators. This situation is not conducive to levy introduction, which will exacerbate the issue and erode the competitiveness of licensed operators paying for disposal of residual waste whilst unlicensed operators increase illegal dumping already occurring.</p> <p>AI Group suggests that the strategy should better highlight the need for improvement of DERM's enforcement and compliance activities, to be funded through levy revenue. These activities would need to immediately target unlicensed operators and illegal dumping.</p>	<p>Increase enforcement of licensing, illegal dumping and illegal development funded through levy revenue</p>
<p>Targets, data and reporting</p>	<p>Proposed targets seem to be based on a very limited dataset</p>	<p>Prior to any future introduction of</p>

Issue	Comment	Recommended solution
	<p>excluding most private operators' information. We understand that targets will not be mandated, however, should they be in the future (if recycling rates show little progress) then these targets would first need to be reviewed in the light of more complete data.</p> <p>Businesses are concerned about the potential need for additional reporting and the costs associated with this. Although we agree in principle that this information should be collected, State Government should put forward a data collection strategy, including a strong QA/QC process, which would not create an additional administrative burden for industry. State Government needs to review current reporting requirements related to waste (all tiers of government and other jurisdictions) to ensure that data collection is done as effectively as possible (NPI reporting, Dangerous Goods reporting, etc). Reporting formats and mechanisms should be consistent, harmonised or coordinated with other jurisdictions as much as possible.</p>	<p>mandated targets undertake a comprehensive review of targets utilising more complete and robust data.</p>
Municipal waste	<p>There are concerns regarding the exclusion of municipal waste from the levy. It is particularly considered inappropriate that local government benefits from levy revenue when municipal waste is exempted from the levy. Recycling operators have expressed concern that they will effectively be charged to dispose of residual waste from municipal waste that is excluded from the levy. It is argued that this is a financial disincentive to recycle lower value materials, particularly as there are already costs associated with freighting this material for processing and/or disposal.</p>	<p>Review the decision to exclude municipal waste 12 months following commencement of the strategy.</p>
Exemptions	<p>AI Group believes that exemptions are needed for cases where</p>	<p>Consider excluding licensed</p>

Issue	Comment	Recommended solution
	<p>disposal is proven as being the only available option, especially if the strategy is to start on 1st July 2011.</p> <p>There is concern that the levy could result in a lower recycling rate in some recycling streams, due to the cost involved for recyclers in disposing of non-recyclable residual waste. State Government must consider exempting residual non-recyclable waste from the levy for approved licensed recyclers. A certificate system could be utilised and spot checks undertaken to ensure only legitimate operators is exempted and the waste disposed of is genuinely non-recyclable.</p> <p>It also seems unfair that small businesses with no or limited capacity and businesses with no recycling facilities or services available in their local area pay a levy when there is no other clear option available. A clear exemption process should also be considered for these businesses that can genuinely prove that they have no other cost effective and local option than disposal.</p>	<p>recycling operators from the levy for residual non-recyclable waste resulting from recycling of municipal waste and investigate a system of exemption for small business should the strategy commence on 1st July 2011 prior to the introduction of waste avoidance initiatives and education.</p>
Waste transport and tracking system	<p>DERM has made it clear that the levy will be charged at gate level onto the transporter, based on the site of provenance's location. However, there is concern that the current transport certificate system is too unreliable to implement the waste levy. Prior to levy being imposed on businesses, DERM must ensure there is a safe and reliable system documenting waste transport. Implementation of an online system similar to the NSW waste transport system is recommended.</p>	<p>Prior to levy commencement implement a safe and reliable system documenting waste transport, such as the online system adopted in NSW.</p>
Product value and regional	<p>In Queensland regional areas, freight usually costs more than the</p>	<p>Support more on-site processing,</p>

Issue	Comment	Recommended solution
<p>barriers</p>	<p>value of the recycled product. Supporting on-site processing and mobile processing to reduce costs (including associated with freight) will ensure success of the strategy. However, it should be noted that most of these local solutions might not produce high value recycled materials.</p> <p>Small businesses produce volumes too low to obtain service from recyclers. Some wastes are produced in such small quantities that no single company can justify the technology to process them; however there may be cumulative value across a number of companies. Assistance should be provided for these small businesses, through the funding of a program led by industry creating local recycling clusters of small businesses.</p>	<p>and mobile processing to reduce costs. Further where low value product makes on-site processing cost prohibitive, consider utilising levy revenue to subsidise establishment of local processing plants that will create local economies of scale.</p>
<p>Government leadership</p>	<p>There needs to be clear support from the government and DERM to recycle and reuse industrial wastes.</p> <p>It is important that State Government leads the way to explore and adopt innovative products. As a minimum, government procurement processes should be utilised to incentivise use of local recycled materials. At the moment and in some cases, outdated standards preclude use of materials which are internationally accepted, resulting in virgin materials being extracted and freighted long distances and at greater financial and environmental cost.</p> <p>We also suggest fast-tracking testing and approval of recycled products to ensure sustainable technologies are utilised by government as an alternative to virgin materials. DERM should aim to</p>	<p>Utilise government procurement processes and policy to promote use of local recycled materials and fast-track testing of materials and update of outdated standards which preclude use of recycled materials from use in government projects.</p> <p>Showcase innovation in recycling and waste avoidance from Queensland industry in Government projects such as major infrastructure projects.</p>

Issue	Comment	Recommended solution
	<p>move away from case by case assessments and instead might want to characterise wastes and potential utilisations by typical waste streams, simplifying the approval process. There needs to be a clear understandable process of DERM approval for recycling and reuse, for example:</p> <ul style="list-style-type: none"> o If an industrial waste is accepted by an unlined landfill, then no DERM approvals are needed and DERM must automatically approve any such reuse. This is the current practice in Victoria. o If an industrial waste reuse or recycling option is accepted in other states and developed countries such as the US & UK then DERM should automatically approve this option. <p>State Government currently does not have the technical capacity to approve waste reutilisation opportunities on a case by case basis, or even provide appropriate technical assistance to these businesses proposing to implement a new recovery option. Consequently technical internal capability within DERM will need to be supported throughout this project.</p> <p>State Government should take the opportunity to showcase innovation in recycling and waste avoidance from Queensland industry in Government projects such as major infrastructure projects, Government accommodation and best practice projects such as the Yeerongpilly Transit Oriented Development, Varsity Station Village, or the Athlete's Village for the 2018 Commonwealth Games bid.</p>	<p>government accommodation and best practice projects.</p>
Consistency across	Greater collaboration and consistency is also required between State	Encourage greater cross-

Issue	Comment	Recommended solution
government	and local government regarding acceptable solutions and performance requirements for reuse. Opportunities to improve environmental outcomes are currently not proceeding or being delayed due to inconsistent advice across tiers of government.	jurisdictional collaboration focussing on ensuring more consistent approaches from State and local government.
Industry consultation	AI Group and its members are keen to work closely with the Department as policy refinement progresses, as the success of strategy implementation will be strongly dependant on ongoing industry involvement and ownership.	Continue to work closely with industry as strategy is refined and implementation commences.