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### Response to Proposed Industry Waste Levy

I support the introduction for a waste levy that supports the process of a change in behaviors that underlies our reliance on simply throwing away rubbish. I see this as a community issue and not a business issue. Business fundamentally gives consumers what they demand. We need to re-educate consumers to expect more from business. Excluding householders in the process simply places the responsibility onto the business community that has over the past 10 years become increasingly burdened with regulation and compliance issues.

The waste industry has been at the fore front of educating the public on waste management for many years. Even small changes in policy relating to various waste types can impact how we as an industry deal with the transport and disposal which inevitable means we need to explain this to customers. The reduction of disposal site options in recent years has impacted on how some waste types have been handled often requiring travel of much greater distances to disposal facilities.

I believe that the government simply sees what comes in the front gate without understanding the how, what, why of how waste is generated. In my 18 years of operating I have never received information or been approached from any government department in relation to consultation or understanding how waste is generated. The past two years has been an exception where as an industry we commenced the Waste Contractors & Recyclers Association of Queensland with a focus of engaging the government in relation to reforms that affected our industry. As an industry we have been proactive and supportive of change and reforms.

I believe that it is important to recognize that the waste transport industry is not the generator of waste but a service provider offering solutions for waste management. It is through the efforts of the waste industry that information is available to DERM to access the volumes and levels of waste being generated. As an industry we have been at the fore front of managing waste within the guidelines and legislation of the day. In many ways, the educator to the community where government departments have been lacking in my years in the waste transport industry. As an industry we are a service provider to the community. In this regard the government needs to work with us 'not penalize' us as an industry on the road to reform.

I believe that the only reason for imposing the levy on business is the governments concerns of loosing votes. Not implementing a policy that is effective and balanced will simply add to the general viewpoint that government policy makers simply do not enact and implement sound, effective and appropriate change. I believe that if we allow householders to continue to avoid the responsibility of recycling that this will simply translate into the workplace. Waste reduction and re-educating the community does not sit individually with the waste industry, industry & business, the government or the community. It is a combined responsibility.

To split the responsibility and place it onto only part of the community that governments believe can afford it is misguided and simplistic as inevitably the cost will be passed onto consumers. Consumer responses to the ever increasing cost of living translate directly into wages claims and cost increases to business. In this respect business gets a double dose of costs associated with the introduction of a levy.

Consumers have been constantly bombarded with either direct or indirect costs associated with government policy and changes and I believe that the only reason not to include consumers/householders is to save votes. There is no other rational or supportive reason to do this.

I have operated as a sole trader for 32 years, the past 18 years in the waste transport industry. I am deeply burdened by the onerous and increasing difficulty of operating as a small business. Much of government's policy inevitable leads to monopolistic businesses. Small business is not in a position to continue to meet the ongoing burdens of legislation. Small business is such a fundamental part of the Australian business landscape accounting for a significant portion of the workforce, often being the innovators of new ideas and technology.

In Brisbane there are approximately about 6-8 multi-national companies (and/or companies running 10 or more trucks) and over 70 small business operators in the mini-skip/bin industry in or within close proximity of Brisbane with 1 to 5 trucks. Beyond this there are countless operators generating waste in businesses such as mowing franchises, rubbish removal businesses, trailer bins, hire a Ute, earthmoving etc along with operators in other regions throughout Queensland. This is a significant industry by the number of trucks and bins servicing waste management in Queensland.

A review of the rubbish removal classification in local newspapers highlights the level of small micro operators that largely operate outside of local government licensing. These operators take waste to tips as local residents. Based on the published information this will allow these types of operators to continue to operate outside of the MSW section of the new levy. These operators impact directly on the viability of the waste transport industry. These operators often work without a registered business, do not pay GST and taxes and reduce the price of waste transport to a level that is not longer viable for licensed operators. Allowing this situation to continue will not create level playing field and will continue to destabilize the industry.

In addition to this there is a new product/trend and emerging market segment using 'skip bags'. This innovation demonstrates how easy it is to get into the waste industry. The low barrier of entry which includes the lack of licensing is a destabilizing influence. This unlicensed competition reduces the potential for current and successful companies to continue to invest in equipment and infrastructure that is needed to successfully deal with a waste levy.

If the levy is not applied to householders then I believe we will see a proliferation of operators working 'under the radar/guidelines' by acting as local residents whilst actually operating commercially. There is already a significant portion of waste being handled in this way. I am concerned that many of these operators are unlicensed.

For every building site that utilizes a bin there is another site using a cage or simply piling the rubbish up in a corner. These companies then utilize a bobcat operator to do the cleanup. At the present time I believe that these operators are not required to hold a waste transport license. For a levy to be fair it needs to create a level paying field where all companies working in all sectors of the waste industry and different waste streams are held accountable for the waste they are transporting. This is not addressed under the current information on the proposed waste levy.

I believe that the level of small business operators in Queensland in industries that transport waste as opposed to generating the waste is almost beyond the possibility of an accurate count. It is these businesses that will be the most affected by a levy if it is not implemented correctly. The underlying reason for a levy is to 'force recycling and reuse' of waste streams. To undertake this activity requires additional investment and licensing. The issue of licensing is designed to force out smaller operators regardless of whether they are capable of undertaking this activity or not.

I am strongly convinced that the mismanagement of the introduction of a waste levy will see many smaller licensed operators struggle to survive both financially and under the onerous burden of how to manage and implement the proposed changes at the small business level. The only reason to ignore this situation is the long held view that DERM would prefer to deal with a few larger operators than having to manage an industry as large and fragmented as the one that currently exists.

Over the past few years a response to the reducing number of landfills sites in and around Brisbane and the distances to remaining sites along with endeavors to reduce waste costs, reduce trucks costs etc has been the establishment of waste reduction and consolidation facilities. Current licensing requirements are a one size fits all regardless of the fact that the majority of operators are classified as small businesses. At the present time there are only a handful of companies doing this and from my knowledge this activity is a significant burden that does not break even in relation to the cost versus returns. Whilst not all operators would consider establishing a resource recovery/recycling facility the number of companies in a position to or would consider this make my point of licensing relevant.

The classification of MSW which is designed to side step the issue of making the whole community responsible for waste reduction. This is flawed in several respects and as I mentioned earlier simply a way of not alienating the voting public. Another point in the application of a levy under the MSW is the issue of council 'kerbside cleanups'. If this activity is exempt from the levy then what motivation is there for residents to recycle or reduce what they throw out? Collecting waste through kerbside cleanups does not change behaviors it simply continues to reinforce that a levy is ineffective and the responsibility of someone else not the individual. The minimum application of the levy should see kerbside cleanups subject to the charge.

There are more developments that combine both commercial and residential occupancy. Many front lift trucks pickup a combination of residential and commercial waste in a localized area. It is not efficient to split these runs/loads. To do so would add significant costs and increase the number of trucks in an already congested road network. Where trucks are undertaking the pickup of 'mixed' loads how will DERM differentiate when a front lift truck collects a percentage of business bins and a percentage of household bins?

Another relevant point is what happens in the situation of a mowing company that completes work for householders which often includes a component of rubbish removal or a privateer that does waste collection on part time basis that goes to the local tip posing as a local resident. Will these operators require licensing and how will they be included into a waste levy.

From my experience the estimate of the additional cost for the construction of a dwelling is totally incorrect. If this were to be correct it would be because the waste removal company is recycling the waste. I would like to know where the information this is based on was obtained. If this information was obtained from data from NSW or Victoria it is fundamentally flawed due to the fact that companies in both states currently recycle due to a waste levy. In order to recycle a company requires licensing by DERM and a significant investment into equipment, infrastructure and land.

The estimate of \$175 accounts for 5 tonne of waste from the construction of a house. The average 4 bedroom house generates approx. 30 cubic metres of rubbish at an estimated weight of between 15 -18 tonne. If recycling was not being undertaken I estimate that the average weight for construction of a house would be more like 8 – 12 tonne. The estimate of \$175 per dwelling would most likely be a first home buyers sized home in an outer lying area of Brisbane. Notwithstanding the recycling potential of the waste for a three bedroom house I am unclear where this style of house is being built these days? Depending on construction material this may vary somewhat.

The potential benefits to the construction sector highlights two points, the first is the use of recycled aggregates. Whilst equipment is now available to be able to do this onsite the high cost of maintenance, the additional dust onsite pose boundaries to this occurring. This option may be relevant to larger construction sites but not small lot housing sites. Undertaking the recycling of concrete for use requires a specialized industry.

Secondly, whilst I have limited knowledge of pricing and ordering of building materials my view from operating in this environment is that much of the saving associated with construction through the reduction in ordering materials has already been achieved leaving little room for this to be seen as a benefit to the construction industry. A point in case is framing and roof trusses which are largely prefabricated and arrive onsite with little or no waste.

In my experience I believe the levy will add to building costs not reduce it in spite of preconceptions that there will be opportunities to benefit.

Another point that appears to have been over looked in the discussion is that as more companies undertaking recycling and processing of waste there will be an inevitable 'glut' of product on the market. The fact that it will work against the investment required to undertake this activity.

The consultation draft refers to the 'user pays principle'. It then goes on to state that the person who disposes of the waste will be responsible for paying the levy, it then swings back to making the comment that the purpose of the levy is to impact 'waste generators' to change behavior. This comment is design to confuse the issue of who is responsible for paying a levy. Stating that it is an application of the user pays principle is a fundamental distortion of the truth. Clearly the only direct method of collecting a levy is to force landfill operators to do this who in turn pass this onto waste transport companies who in turn build this into the price of their services. This is not collecting it at the point of generation and reduces the impact on the very person or company responsible for the waste. The introduction of a waste levy relies heavily on the waste transport industry along with landfill operators to manage government policy.

Remembering that waste transport companies simply provide a service for transport we are not generators of waste what will occur when companies go into liquidation after our services are provided and the waste is disposed of. It is an unfortunate element of the waste transport industry as it is today that is vulnerable to building companies going in liquidation on a more than regular basis. If the generator of the waste is responsible and we are acting as transporters of waste and are simply 'a tax collector for the government' what relief will be available.

Another fundamental issue with charging a price at point of generation is the fact that with bins onsite this is not possible. There are limited on truck devices currently available that are less than accurate in their application for skips trucks. Skip style trucks provide bins of a specific cubic metre size at a fix rate. Determining the weight of a bin onsite is difficult if not impossible and leaves us open to the potential of significant financial losses. The average 5 cubic metre bin can range in weight from 1 – 5 tonne for mixed waste. With this knowledge I ponder how I will pass on a levy and at what 'cost' to cover this type of scenario. With 500 bins in constant movement this will be a daunting issue to manage and overcome.

Based on the previously published premise that the introduction of a waste levy is to divert waste from landfill, remove our reliance on simply pushing waste into the ground then a levy should only be charged at a site where waste is placed into landfill. Where waste is segregated onsite then transported to a facility that recycles or reuses the waste stream then no levy should apply. These waste streams currently include, bricks, concrete, soil, recycled metals, tyres used to manufacture new products etc. I believe that until waste arrives at a landfill site no levy should be charged. To attempt to charge at the point of generation and then offer 'credits' for what is removed from the waste 'volume' places a burden on companies that have previously operated as transporters of waste and not 'recyclers of waste'. To force an industry into becoming recyclers will require additional resources and support from DERM. To attempt to charge at the point of generation whilst fundamentally flawed is in my view an attempt to generate the greatest revenue stream possible from the introduction of a waste levy. In this sense what starts out as an opportunity to change behaviors and support the environment simply turns into a revenue raising exercise.

Along with the introduction of a levy and the real possibility that this will increase the number of trucks on the road there are two other impacts that are relevant to the discussion, The recent introduction of the 'modernized' awards under which our industry now operates, along with changes in weight classification of trucks could see more trucks on the road. Recent reductions to weight limits on currently registered trucks means more trips to landfill. The new award classifications could see a change to smaller trucks again resulting in more trucks on the road. Over the past few years the congestion on Brisbane roads has resulted in a 30% decline in the productivity of skips trucks. What I was able to achieve with 4 trucks now requires 6 trucks. The recent opening of the tunnel and the new gateway bridge has done little to alleviate this. The impost of these other forces along with a levy reduces the viability of being in the waste transport industry.

I believe we need to seek to understand how other countries have managed the process of waste reduction through levies as I believe that the models available in NSW and Victoria have fundamental flaws. In view of the potential of a levy over the past five years I have researched bin prices in NSW and Victoria. When you look at the price of bins in NSW what you will see that prices have simply doubled. I suspect that if the time was taken to survey various sectors in the market that you will find that they simply have decided to pay the levy and not bother to change their behavior which leads me to my next point.

A review of these states shows that the waste transport industry has evolved into a waste processors and recyclers industry. The waste transport industry is no longer a transport industry we are a processor of waste placed upon us by changes in government policy over a number of years not just the recent proposed changes. As an industry we are not opposed to this but it appears that many government departments through attitude or policy deal with us as an industry as if we were environmental vandals whilst we are simply providing a 'transport service' to waste generators, not withstanding rogue operators that occur in many industries. As professional operators and in support of our industry in Queensland we created the Waste Transporters & Recyclers Association of Queensland in order to bring together professionally operated companies and create and adopt a code of conduct to work within current and future legislative framework. The government has an opportunity to work with us as an industry to achieve sustainable outcomes through a respectful and supportive relationship.

As a final point I believe that allowing a large part of the community to simply keep doing what they are doing (not doing!) erodes the purpose of the very reason for having levy which is to re-educate. Change can only occur through education and knowledge. Using 'money' and 'penalty' as a fundamental tool for forcing change is outdated and an impost on the Australian way of life as is expecting business to carry the burden of change.



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