

31 July 2010

Project Manager
Queensland Waste Strategy Consultation
Natural Resources and Environment
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Dear Sir / Madam

Re: Queensland's Waste Strategy 2010 – 2020
Waste Avoidance and Recycling Consultation Draft

The Queensland waste industry has been held back from developing and investing in its resource recovery potential due to a lack of clear direction and certainty from government. J.J Richards and Sons Pty Ltd (JJR) welcomes the introduction of a strategy but is concerned that if it is ambiguous, subject to interpretation, inconsistently applied, and framed by inadequate legislation, then it will be unsuccessful in its objectives.

On behalf of JJR I present the following comments with regard to the current consultation documents:

1. The introduction of a waste levy by 1 July 2011 is optimistic, given that interactive consultation with stakeholders hasn't begun yet. We are concerned that rushing this process will result in bad legislation.
2. The industry has little confidence in the accuracy of baseline data against which the targets are based. How is DERM planning to address the current lack of good quality data now and in the future? Is the plan to mandate annual data reporting, and if so how will DERM address the facilities and businesses that either legally or illegally do not operate with an ERA?
3. The current legislation governing the Queensland waste industry is ambiguous, poorly defined and generally unfit for purpose. How does government intend to address the complete framework of legislation governing this industry?
4. Current enforcement of the Queensland waste industry is inconsistent with many unlicensed businesses able to thrive outside of the system, whilst legitimately licensed operations receive very close scrutiny. If these unlicensed businesses are allowed to function outside of the system, the levy will allow them to profit at the expense of legitimate operators, and to the detriment of the strategy.



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5. We believe that the Queensland government should look to raising the barriers to entry to the waste industry. Section 369 provisions should be reviewed and replaced with a State based system that ensures that every individual seeking to conduct waste management collections for fee or reward should be a registered. Businesses and individuals should be required by law to use registered waste carriers for their waste management services. (The introduction of an online register - similar to that available in Victoria, that allows businesses, individuals and contractors to search for licensed carriers, disposal and treatment facilities via the EPA website, would be of benefit).
6. Similarly, the status of all waste receival facilities should be reviewed and their ERA's, or thresholds that trigger an ERA should be revised. For example, acid sulphate soil is stipulated as incurring the waste levy, yet most of this material is being disposed in quarries or dredging pits / lakes that currently do not need a waste management ERA. All receival facilities need to be on the radar and subject to a consistent set of rules.
7. The point of remittance of the levy is not clear. It has been eluded that the levy should be remitted at Transfer Stations. This is impractical, especially when DERM does not even recognise a transfer station if it receives less than 30 tonnes per day (10,000 tonnes per year). We suggest that the only practical way to impose a levy is at the final disposal point.
8. How does the Department intend to treat incineration? If incineration is not treated in the same way as landfill, then DERM may be unintentionally promoting incineration over landfill. An example is the autoclaving of medical waste versus incineration. Under the levy, autoclave would be subject to the levy when the sterilised waste is disposed at landfill. What about incineration?
9. We are not philosophically opposed to exemption for MSW (especially if it was only applied to domestic kerbside collections), however we have grave concerns for the integrity of the levy system if MSW is excluded. We are concerned that exclusion of this waste introduces a level of complexity and subjectivity leading to loopholes for rorting the system.
10. If the MSW exemption is unavoidable, then the complexity would be reduced if Local Government was compelled to exit the commercial waste collection sector, thus preserving the distinction between these waste streams.
11. Local Government seems to be recipient of much of the money raised by the levy. What type of tangible outcome will be mandated on local government to ensure that the funds are put to productive use? For instance will there be a move towards mandatory kerbside collection of domestic green waste?
12. How can the private sector be assured that funds raised by the levy, and hypothecated to Local Government waste management does not fund

activities that compete unfairly with the private sector in the commercial waste arena?

13. JJR supports WCRAQ's view that the Queensland Waste Industry would benefit from a complete review of the role of Local Government in waste management.
14. Whilst we understand the reasons that many sectors are seeking exemptions from the levy, it is our firm belief that all exemptions create complexity, leading to loopholes and opportunity to rort the system. They put undue responsibility on the final disposal point to verify the validity of exemptions. We recommend that exemptions are kept to an absolute minimum, and that where they are necessary, they are dealt with by claim and rebate. This puts responsibility on government to assess the validity of an exemption claim.
15. Extreme caution should be taken if DERM is considering allowing recycling residuals to be exempt from a waste levy. This aspect is an incredibly hard area to protect from loopholes, and it is our belief that the market can tolerate the levy applying to recycling residuals. Furthermore, most recycling residuals derive from contamination. Exempting recycling residuals from the levy sends out the completely opposite financial signal to driving down contamination levels and improving the quality of recyclables.
16. The rules for accounting for the levy at the final disposal point will need to be clear and unambiguous. For instance, Will the levy apply to all incoming wastes, and then a deduction applied on the levy return for resource materials recovered and sent off site?
17. Overall we believe that in the interest of avoiding some serious unintended consequences and in keeping a fair commercial playing field, the levy should be as simple and unambiguous as possible. Only when the same rules are consistently applied to every waste manager everywhere, will the conditions arise where we can invest in this strategy with confidence.

Thank you for you attention.

Yours faithfully

Richard Taylor
J.J Richards & Sons Pty Ltd