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The Project Manager
Queensland Waste Strategy consultation
Department of Environment and Resource Management
G.P.O Box 2454
Brisbane QLD 4001

Proposed Industry Waste Levy

The Queensland Government proposes to introduce an Industry Waste Levy (Levy) from 1 July 2011. The purpose of the levy, amongst other reasons, is to provide a disincentive for unnecessary landfill disposal (Department of Environment and Resource Management, June 2010). In other words, to reduce waste going to landfill. This strategy is a generally accepted principal around the country and is a growing expectation within the Australian community.

The introduction of a levy on waste being landfilled is, in principle, supported. However, strong objection is made to the exclusion of MSW and self haul material. These exclusions provide significant administrative and operational hurdles and will encourage unscrupulous activities for financial advantage.

This Company supports the submission made by the Waste Contractors and Recyclers Association of Queensland.

Summary of Points:

- The introduction of a landfill levy is supported.
- MSW and self haul material should NOT be excluded from the levy.
- The levy should be payable at the final disposal facility, that is, at landfill.
- Definitions need to be appropriately defined to ensure appropriate charging of the levy.
- Local Government activities that are excluded from the levy need to be defined and should not include activities that compete with industry.

The following comments are made in relation to the consultation draft:

Waste Definition: “anything, other than an approved resource that is left over, or an unwanted by-product, from an industrial, commercial, domestic or other activity; or surplus to the industrial, commercial, domestic or other activity generating the waste.” (Queensland Government, 1994)

Can waste change types?

Terminology:

Waste Disposal Facility:

In accordance with the consultation draft a Waste Disposal Facility means a facility receiving waste for final disposal. It further suggests that a Waste Disposal Facility may include a Transfer Station. By general a transfer station IS NOT the location for final disposal of waste and is a facility used for temporary storing of waste and resources for sorting and relocating.

As such, the Levy should not apply to material entering such facilities. Any residual waste from the sorting and transferring function will ultimately be deposited into a ‘final disposal facility’ (landfill) and will attract the Levy at that time. This methodology is consistent with the purpose of introducing the levy as a means of reducing waste to landfill

Municipal Solid Waste (MSW):

The definition of MSW within the consultation draft fails to fully define waste that can and is elsewhere defined as MSW.

MSW is “Waste that is generated primarily by households, including recyclable materials such as glass bottles, paper, cardboard and steel and aluminium cans, as well as grass clippings, paint cans and other items” (Environmental Protection Authority, 2007)

An ‘item’ becomes waste when it is “surplus” to the activity generating it. If the activity is domestic then it is primarily generated by an household and is therefore defined as MSW. Such waste could be empty containers and bottles, scraps, tissues, newspapers, broken crockery, discarded chairs, old televisions, broken computers, plastic bags, discarded furniture etc. (ie. Hardwaste) unless it is an approved resource.

The definition of MSW in the consultation draft further defines MSW as municipal services but excludes commercial or administrative activities of local government. Where does a local government owned/operated transfer station fall? Would waste from such a facility be defined as MSW? If so, any privately owned transfer facility would be unable to compete with the pricing advantage that the local government facility would achieve. Clearly this is anti-competitive and a potential unintended by product of commercial activities being incorrectly defined. This same principal would apply to any local government activity that is similar to a commercial or industrial enterprise. Further examples would (or could) be arborists and hardwaste collection services from domestic sources.

An extensive and all inclusive list of clearly defined municipal services is paramount if a levy is to be introduced with a differential from one waste type to another.

Why does Queensland need a Levy?

The bottom line is to increase recycling to provide a more environmentally friendly solution to waste management.

There is enough evidence from other states to prove that the financial implications of a levy will drive recycling rates up. This same evidence shows that the recycling rate for the equivalent MSW material is significantly lower than the equivalent C&I and C&D waste streams by percentage. This is a strong argument for the inclusion of a Levy on MSW to a level equal to that imposed on C&D and C&I waste.

The experiences for other states actually indicate that a Levy on MSW should be higher than that imposed on other solid waste streams. However, it is believed that differentials on the Levy impose significant operational difficulties to justify a equal Levy amount.

Levy Amount:

How has the Levy been arrived at?

“If the levy amount is too low, it will be an ineffective price signal that does not change behaviour”.

How is MSW recycling rates going to increase to 60+% by 2020 if the levy rate on this type of is zero? MSW is the most difficult type of non hazardous, solid waste to recycle. If the waste strategy is serious about increasing recycling rates then a Levy on this type of waste must be applied.

Levy Exemptions and Identifying Waste Types:

A vehicle arrives at the gatehouse of a facility. It is loaded with waste that looks as if it could be from any of the following:

- Commercial operation
- A domestic source
- Illegally dumped clean up
- Hard waste collection

Does a Levy apply? How does the gate operator determine with accuracy that the material should or should not have a levy applied to the charge? It is impossible for the gate operator to determine without either trusting the word of the driver (who has a large financial incentive to be misleading and is poor commercial practice) or follow guidelines approved by the responsible authority.

In 2002 the Victorian government enacted legislation under the Environment Protection (Resource Efficiency) Act 2002 (The 2002 act). The 2002 Act provided for a differential on waste levies based on the waste type similar to that proposed now by the Queensland Government, although the quantum is significantly different. The same questions above were asked of the Victorian EPA and in order to provide clarity a publication was released making certain specific definitions of waste, in an attempt to provide guidance at a gatehouse, based on some form of visual inspection rather than the actual waste type. One such example was that all waste in a bin/skip from a commercial service would be categorised as Industrial irrespective of whether it was municipal in source (Environment Protection Authority (Vic), 2002). Advice from Mark Dreyfus QC, whom later acted for the Victorian EPA in another matter, detailed that the EPA should be asked to amend its publication.

Although there are likely to be differences between the 2002 Act and the legislation enacted in Queensland the difficulties involved in applying a differential in levies is the same. That is, a gate operator must apply the levy appropriately. To do so, guidance must be provided by the responsible authority to ensure that it can be applied, without recourse, at the gatehouse. It is logistically impossible for the responsible authority to provide accurate guidance and, as such, it is possible the guidance will be deemed contrary to the Act.

Examples:

- A SOLO vehicle at a gatehouse of a landfill could be MSW from kerbside collection or C&I from a commercial run. What is it?
- What if part of the run was kerbside and part was commercial?

- A white utility loaded with waste, what is it? It could be local government, commercial or private.
- A skip / bin truck could be containing waste from a domestic source or commercial source. If, by some definition, skip / bin waste is not MSW (This is against existing definitions) then what if the driver is self-hauling it? It would then be MSW.
- A dump truck containing waste could be non MSW or MSW if it was collecting illegally dumped material for local government.

Facilities without weighbridges:

The only post annual auditable data is the waste that is deposited. Reliance on gate records would be irresponsible and open to manipulation.

Setting a fixed weight based on a vehicle type encourages abuse. If the weight is low then vehicles will avoid weighbridge. If the weight is high then the facility will fail to compete.

Furthermore, vehicles with removable bodies such as bins or skips will be best served to send the smallest vehicle through the gatehouse irrespective of the type of material being disposed.

The Victorian EPA issued an information bulletin 'publication 332d' in June 2002. In which is contained a volumetric means of calculating the levy payable. It is encouraged that such a methodology be considered for introduction in Queensland.

Regards,



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