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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 Waste Contractors and Recyclers Association of Queensland (inc) welcomes the 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.

Our response is framed around four key issue areas. These four sections articulate and record the very critical issues WCRAQ seeks resolution to and ratification of in the final policy framework. From a macro position we support and endorse the structure and broad intent of the proposed policy framework and congratulate the department on its work in bringing this together.

Of significant concern however, we are very disappointed that many of the key issues identified from the 2007 and 2008 waste policy consultation processes, and after significant input by a broad stakeholder group to identify key issues for attention, many of the critical aspects of these, have either now been omitted and overlooked completely, or if included are heavily sanitized in this current paper. We place great faith and hope that this current consultation process will capture a more balanced viewpoint of incorporating into the final policy position, a more structured response incorporating all stakeholders' views and feedback, not simply place great emphasis for the local government sector.

In addition to the issues addressed by the Association in this response, in June, following the release of the Waste Policy Consultation paper, the board of WCRAQ commissioned Hyder Consulting to conduct for it an Australian situation analysis and jurisdictional review of:

1. State-based waste levies, their current levels, scope by type of waste, scope by geographic coverage.
2. Reinvestment of State-based waste levies to achieving the set objectives.
3. State-based resource recovery rates compared to current levies.
4. Potential alternate models for Queensland.

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We commend this report to the state for consideration, and it forms part of our overall submission.

Legislation Reform

Our principle concern with this section is of the very tight timeframe by which the government has committed to undertake its structural review, to consult stakeholders and then to enact such a fundamental and quantum amount of work. The impact of this critical legislative component by which the entire policy framework relies, is so profound to our sector; we respectfully seek resolution to the following key issues prior to the final legislation drafting and of its introduction to parliament. Mistakes made in the remaking of the 2008 Regulation process *MUST* not be repeated in 2010.

Issues to be addressed

- ❖ The proposed legislative timetable is rushed, and requires immediate and urgent engagement with our industry.
- ❖ The Association must be directly engaged and agree with the final form of all definitions to be used in the new legislation prior to its introduction to Parliament. All definitions used in the regulatory framework must directly align to the core legislation framed into the WARE Act and must be unambiguous in their interpretation.
- ❖ The state must invoke a mandatory (publicly accessible) licensing scheme for every commercial operator that is engaged in the handling of waste or removing waste from a generator, that records the operators actual operating address, disposal locations it uses and licences it currently holds to operate. This must be implemented prior to the start of the levy.
- ❖ Illegal and unlicensed operations must be brought to account prior to the start of the levy date. This is critical, if the legitimate business operators across the state are to have any confidence that their business investments and employees jobs are secure and supported by the legislative reforms.
- ❖ The state must directly liaise with industry and provide it with the final agreed legislation outlining exactly how it intends to measure and apply the waste levy and how it intends to regulate and handle all exemptions, prior to the private sector operators modifying business accounting software. We will require the final details of this agreed legislation and all accompanying regulations by April 1 2011 for industry to comply and implement its new systems to meet the July 1 2011 timetable.
- ❖ Given the fundamental complexity involved by excluding MSW and Self Haul Streams from the levy structure the state must provide WCRAQ with absolute clarity as to how it proposes to manage any prosecutions and undertake any related regulatory action against operators in the event errors occur in the allocation of waste as leviable and non leviable streams by any future audit processes.
- ❖ The provision for all rebates and financial incentives for bona fida recyclers must be enshrined into the legislation and aligned with the accompanying regulations. These must be transparent and be clearly understood.

Local Government Reform

The role of local government in Queensland, in providing waste management requires a fundamental and formal independent review.

The 'real or perceived' conflicts associated with many aspects of the role it plays in this sector are now leading to many commercially predatory, anti competitive and very disturbing commercial and business practices. We would be happy to provide specific details of these matters for discussion and attention under a separate response.

With respect to aligning the WARE Act with the Local Government Act it is important that these two pieces of legislation be realigned to provide greater clarity to and of the intent required for Local Government to apply 'Utility' charges for waste management services to its community. Such revision must provide for greater transparency and accountability to local government for applying these charges. It should provide industry the confidence that local government cannot continue to just unilaterally apply charges for services that can then be used to cross subsidize council business decisions under the guise of community need, which are then used in a manner that are very difficult for the private sector to compete against.

Issues to be addressed:

- ❖ The WARE Act and Local Government Act be aligned to reflect greater clarity of the role and framework for Local Government to provide and charge for waste management services.
- ❖ Local Governments responsibility for the collection of kerbside wastes must be specified as the weekly provision for a domestic 240 litre or its equivalent household generated waste, recyclable or organic green waste service only.
- ❖ Local Governments role in all other waste services must be more clearly defined by law, remove all ambiguity in the interpretation of legislation, must be equitable, transparent and commercially competitive with the private sector service providers. It must not have any exclusive rights to any service or other arrangements (aside of domestic household weekly collections) and should be instructed to operate in an absolute commercially open market, allowing the private sector to provide services to all Queenslanders equally and on 'level playing ground'.
- ❖ With the exclusion of MSW every local authority must provide the state with a transparent framework outlining how it intends to account, charge and recover the waste levy from every commercial and industrial rateable property it provides services to in its jurisdiction, prior to the commencement of the levy scheme. Such information must be made publicly available.
- ❖ With respect to planning frameworks all waste facilities regardless of the operator local government or the private sector must be treated exactly the same. Land Use Planning must be addressed in the policy framework.

- ❖ The role of Local Government as a consent authority for private sector business waste and recycling proposals where it is commercially competing as a waste service provider must be more clearly defined and powers of veto removed in these specific circumstances and transferred back to the State.
- ❖ The MSW target without a price signal is assessed as being unachievable, unless the state either mandates the target, or else applies a mandated target point for organics recovery / diversion from local government. Without such reform the organic sector in Queensland is commercially compromised in its ability of achieving and assisting the state with the policy objectives.

Waste Levy Application

WCRAQ endorses the state's decision to apply the 'User Pay's' principle but not at the exclusion of leaving more than 30 % of the states waste streams outside of the scheme. This decision by the state undermines the entire policy framework, its key objectives and is considered as being unworkable and likely to lead to many commercially perverse outcomes.

Issues for attention:

- ❖ Exclusion of MSW and Self Haul wastes is a fatal flaw in the policy framework. It must be reversed for WCRAQ to endorse the policy objectively. Such exclusion undermines the effectiveness of achieving the ambitious targets, and will lead to many commercially untenable outcomes and practices. It is a wrongful decision based without logic, and unfairly treats all other stakeholders' interests.
- ❖ Statewide geographic application of the levy should be reconsidered, or at the least the 50 km inclusion zone should be expanded to a minimum of 200 km.
- ❖ Funding to Local Government for covering any costs associated with implementing the new levy or its required infrastructure must be proportional to the revenue it is likely to generate from its proposed levy contributions.
- ❖ WCRAQ supports the position that funding for infrastructure to local government be used to mitigate ongoing environmental harm from their landfill operations by way of capping old sites, installing landfill gas systems, flares and power generation units and for similar structural works
- ❖ WCRAQ does not support future funding allocations of the levy that could be used by local government to unfairly or commercially impact the private sectors business investments. Funding to local government must be prescribed in the regulations to exclude its ability to use these funds in anti competitive situations against existing services or investments currently conducted by private sector.

- ❖ Industry should be given the same access to 2010 /2011 funding arrangements from the DERM as those applied to LGA's to enable it to upgrade and purchase infrastructure to meet the levy deadline.
- ❖ The private sector should be afforded the same planning approval arrangements as those that are applied to Local Government when applications are made to put into place new infrastructure to comply with the future levy system, ie weighbridges and buildings. The state must address how any changes to existing license approvals might be impacted under SPA and MCU provisions urgently, to ensure existing rights are not compromised by other compliance matters.
- ❖ The state must make publicly available all locations state wide that will collect the levy and detail how each will calculate waste receipts at the receiving facility prior to its implementation on July 1 2011.
- ❖ Ring fencing of specific fund amounts post 2010 / 2011 for DERM to continue regulatory enforcement, data management and policy measurement is supported.
- ❖ The details of the Sustainable Futures Fund are unknown. WCRAQ cannot endorse this element until the funding and scope of this are made available for public comment.
- ❖ The Waste Levy must be applied at the landfill disposal point only. The matter as to whether or not the Levy will be GST applicable must be resolved and industry formally advised prior to it changing its business systems.

Key Action Statements

Our assessment of the specific action statements identifies these do not reflect a balance of aligning the stated actions with the specified diversion targets. The Actions are too heavily targeted at soft options, focus too closely to Local Government issues and not on business and industry. They must be strengthened to have the desired affect in achieving the stated cultural change the state desires.

Issues to be addressed

- ❖ The data used to provide the structure for setting targets, writing key objectives and generally underpinning the framework as confirmed by many stakeholders is largely unsound. The state should provide in the final policy form the actual economic modeling and decision points that support the targets and articulate clearly how any future targets will be achieved as result of this modeling.
- ❖ The state must commit to reviewing the key action items proposed and provide all stakeholders with a more definitive pathway of how these are to be achieved to deliver the specified targets.

- ❖ Key actions must be mandated and enforced. This was outlined and agreed by all respondents in the 2007 consultation responses but has now been ignored in preparation of this policy paper.
- ❖ The key actions must show who is responsible for achieving these and who is accountable if they are not.
- ❖ Actions must be expanded to include compliance, reporting and licensing and balanced to reflect achieving C & I and C&D recovery targets not just the Local Government principles.
- ❖ The actions and levy application must be expanded beyond a 4 year timetable and all moved out 12 months. 2010 targets to be reviewed. The four year timeframe for the levy framework is not long enough to provide industry the confidence to invest in new assets. The state should provide its stated objectives beyond the four year period for the levy framework if business is to have confidence to commit to significant capital investment and related jobs expansion.
- ❖ The state must commit by the end of year 4 to establishing a Queensland Waste board and legislate the hypothecation of future waste tax funds to manage the future waste policy objectives and must have all key stakeholders involved.
- ❖ Targets and Actions must be realigned. An extra column must be added that explains exactly how and by how much each of these actions will actually contribute to the proposed recovery and recycling targets and government objectives

The association thanks the Department for allowing it to provide comment on this draft policy framework. We look forward to discussing in detail the issues we have raised and in having a continued important role in scoping and refining the final policy framework

With kind regards

Yours sincerely

Waste Contractors and Recyclers Association of Queensland (Inc)



Rick Ralph
Executive Director