



ENVIRONMENT, AGRICULTURE, RESOURCES AND ENERGY COMMITTEE

Members present:

Mrs C.E. Sullivan (Chair)
Mr A.P. Cripps MP
Mr J.M. Dempsey MP
Ms D.E. Farmer MP
Mr P.J. Lawlor MP
Mr A.C. Powell MP

Staff present:

Mr R. Hansen (Research Director)
Ms S. McCallan (Principal Research Officer)
Ms Robyn Moore (Principal Research Officer)

BRIEFING IN RELATION TO THE WASTE REDUCTION AND RECYCLING BILL 2011

TRANSCRIPT OF PROCEEDINGS

WEDNESDAY, 24 AUGUST 2011

Brisbane

WEDNESDAY, 24 AUGUST 2011

Committee met at 9.32 am

CLAYDON, Mr Greg, Executive Director, Strategic Water Initiatives, Department of Environment and Resource Management

COONAN, Mr Greg, Director, State Land Asset Management, Department of Environment and Resource Management

HUGHES, Ms Kylie, Director, Policy and Legislation, Waste Reform Division, Department of Environment and Resource Management

JENSEN, Ms Judith, General Manager, Urban Water Policy and Management, Department of Environment and Resource Management

MEADOWCROFT, Mr Rex, Director, Water Legislation and Policy, Department of Environment and Resource Management

O'SHEA, Ms Tamara, General Manager, Waste Reform Division, Department of Environment and Resource Management

PACKWOOD, Ms Anita, Team Leader, Coal Seam Gas Water, Department of Environment and Resource Management

SHEPPARD, Mr Stephen, Principal Advisor, State Land Asset Management, Department of Environment and Resource Management

CHAIR: Good morning, everybody, and welcome. I declare this meeting of the Environment, Agriculture, Resources and Energy Committee open. I want to acknowledge the traditional owners on whose land we meet. My name is Carryn Sullivan. I am the state member for Pumicestone and chair of the committee. I will introduce my other members of the committee: deputy chair and member for Hinchinbrook, Andrew Cripps; Andrew Powell, member for Glass House; Jack Dempsey, member for Bundaberg; Di Farmer, member for Bulimba; and Peter Lawlor, member for Southport. We also have with us today our research director Rob Hansen and our principal research officers Sarah McCallan and Robyn Moore.

The purpose of this meeting is to receive a briefing from the officers of the Department of Environment and Resource Management, or DERM, on the Waste Reduction and Recycling Bill. I would like to introduce the officers: Tamara O'Shea, Kylie Hughes, Greg Coonan, Stephen Sheppard, Greg Claydon, Judith Jensen and Rex Meadowcroft. The bill was introduced by the Minister for Environment, the Hon. Vicki Darling, and subsequently referred to our committee for consideration on 3 August 2011 with a reporting deadline set by the parliament of 23 September 2011. We hope the briefing today will give everyone here a better understanding of the practical implications of the policies being given effect in this bill.

The bill proposes a range of legislative amendments which aim to reduce waste and increase waste re-use and recycling; introduce a levy effective from 1 December 2011 on commercial and industrial waste, construction and demolition waste and regulated waste; strengthen recycling targets for local governments and the Queensland government; support the Commonwealth's Carbon Farming Initiative; and regulate the discharge of coal seam gas recycled water. We will be taking written submissions on the bill until next Friday, 2 September, so if you are interested in making a submission I encourage you to get on to our website and read our guidelines. Before I say anything further I also welcome the members in the public gallery here with us today. This is not the best room, but unfortunately under the circumstances with the new changes to the committee system we have not had a lot of rooms that have been set up for this purpose. Hopefully later on we certainly will be able to do that.

Mr CRIPPS: I think the member for Noosa is in the public gallery.

CHAIR: Is the member for Noosa in the public gallery, is he? If so, I acknowledge the member for Noosa. Please remember that these officers have given their time to be here today to provide factual information. I remind committee members that they are not here to give opinions about the merits or otherwise of the policy behind the bill or alternative approaches. Any questions about the policy of the government that the bill seeks to implement should be directed to the responsible minister—namely, the Hon. Vicki Darling, the Minister for Environment—not these officers, or left to debate on the floor of the House.

I have a couple of housekeeping announcements. If, for any reason, we have to evacuate the chamber, we will ask that you make your way down to the main staircase which is out that door to the ground floor through the Speaker's Green, our assembly point, and wait for further instructions. Can I just ask as a matter of courtesy that you either turn your phones off or put them on silent. I am now going to hand it over to Tamara if you would like to begin.

Ms O'Shea: Thank you, Chair. Firstly I would like to thank the committee for the opportunity to present here today and give some more detail and answer questions around the bill. I realise that you have introduced the briefing officers here today, but I just wanted to give you some overview about what issues they will be covering. I and Kylie Hughes will be covering the waste reduction and recycling components of the bill. Carbon Farming Initiative aspects will be covered by Greg Coonan and Stephen Sheppard. Issues around the temporary critical discharge of coal seam gas recycled water and separately the discharge of seepage water to sewerage will be handled by Judith Jensen. In terms of amendments to adopt the National Water Initiative risk assignment framework, the briefing officers for that will be Greg Claydon and Rex Meadowcroft.

I realise that the bill covers quite a wide range of issues today, so we had given a running sheet proposing how we would like to run the day. However, we are quite open to suggestions from the committee if you would like to do it differently. At the moment our proposal is that we will go through chapter by chapter and as we get to the end of each chapter invite the committee to ask questions on that particular chapter. Alternatively, if you would prefer, if you think there are some chapters that you are comfortable with and you do not want to ask questions about, we are quite happy to just skip to another chapter. But I will hand you the running sheet if you want it. Is the committee happy with a chapter-by-chapter approach or do you want to do something different?

Mr POWELL: Madam Chair, can I just clarify: the suggestion is that we ask questions following the chapter?

Ms O'Shea: Yes, on that particular chapter.

Mr POWELL: I am happy to try to do that, but sometimes the questions obviously translate across a number of chapters. So my apologies if they are not constrained to the chapter when necessarily discussed.

Ms O'Shea: No, that is okay; thank you. We might start then. In relation to the waste sections of the bill, for which Kylie and I will endeavour to respond, as the chair has pointed out, the Queensland government has a 10-year plan in relation to waste reform for Queensland. The bill is one part of that overall reform package which commenced with the introduction of a strategy in December last year. The strategy outlined the need for new and contemporary legislation. Queensland's waste management legislation is somewhat outdated and does not provide the best approach for improved practices. Current legislation is reasonably effective in managing the impacts of waste after it has been generated but is, however, less effective at supporting waste avoidance and product stewardship, resource efficiency, recycling and recovery. The bill uses the waste management hierarchy as the basis for focusing first on reducing waste generation and then on improved resource recovery, leaving waste disposal as the least preferred option. The objectives of the bill are to promote waste avoidance and reduction and resource recovery inefficiency actions; minimise the consumption of natural resources and disposal of waste by encouraging waste avoidance and resource recovery; and minimising the overall impact of waste generation and disposal. The new framework clearly defines the legislative option for managing the impacts of waste at each stage of its life cycle. This means, for example, that computers may be collected and recycled rather than landfilled, and this is consistent with the approach adopted in other states and nationally.

In summary, the key provisions of the bill will mandate the preparation, regular review and progress reporting of the waste strategy. A business plan is also required to be developed that sets out major projects and goals and priorities in relation to the strategy. It provides the head of power to introduce a waste levy to commence on 1 December, with allowance for necessary exemptions from the levy. It establishes a waste and environment fund where levy moneys must be paid into. Levy funds will be used for funding initiatives directed at waste resource management and environmental initiatives. It sets out a process for managing priority products, which are those that have been identified as having an environmental, social or economic benefit associated with their recovery, or in avoiding the impact associated with their disposal. It also provides for development and accreditation of industry product stewardship schemes for priority products which will complement national product stewardship legislation which has been recently passed in the Commonwealth. It allows for the imposition of disposal bans when and where appropriate to ensure that products are redirected. It strengthens provisions in relation to litter and illegal dumping to allow members of the public to report people they see littering from a vehicle. It

strengthens provisions that require local and state government to prepare a waste management and recycling plan by specifying recycling targets and recycle content product use and prescribes the reporting requirements for local governments, state government departments and industry, including private sector landfill operators and recyclers. The new legislation will improve and modernise waste management in Queensland and bring the state in line with other states and federal laws.

That is our opening statement in relation to the overarching objectives of the bill, so we might move to a chapter-by-chapter session if that is okay. Chapter 1 largely outlines the various commencement dates for various sections of the act, noting that there are some sections that will not commence immediately, specifically in relation to the waste levy resource recovery areas. Litter and illegal dumping exemption provisions will commence as soon as royal assent to allow people to actively engage prior to the levy's commencement on 1 December. This chapter also provides for the principles on which the strategy is based. It includes the concept of disposal, the waste and resource management hierarchy, polluter pays, user pays, proximity pays, and product stewardship. So that is pretty much just a general overview of that section.

CHAIR: The member for Glass House has a question.

Mr POWELL: Thank you, Madam Chair. Just seeking some clarification around the legislative constraints or requirements for that December implementation date of the levy. From the department's perspective, were there any requirements for implementation of it by December?

Ms O'Shea: Sorry, but are you asking why it will commence on 1 December or what requirements are required before 1 December?

Mr POWELL: Given the legislation has been put before the House and we have been given a time frame, I am interested to know what requirements from the department's perspective were driving the need to have it implemented by December.

Ms O'Shea: That was a policy decision of government.

CHAIR: You just have to be careful—

Mr POWELL: I was being very careful, Madam Chair, and just seeking—

Ms O'Shea: The commencement date is a policy decision of government.

Mr POWELL: Is there any departmental advice that has driven that policy decision?

CHAIR: Again, that would be something you would need to ask the minister.

Mr POWELL: Sure. One of the things that has been mentioned is cross-border waste coming into Queensland landfill sites. Has that been quantified at all?

Ms O'Shea: It is somewhat difficult to quantify for materials that are not regulated. We do have information about regulated waste coming across the border. In relation to other more opportunistic decisions that are made, all we have is pretty much anecdotal information in relation to that. We do have data on the tracking of regulated waste though and that is quantified, but if you want those figures I will have to take that on notice and provide them to the committee.

Mr POWELL: It is also stated that one of the drivers for the legislation was the fact that a number of councils are reporting that they are running out of landfill sites. Can you give us some indication of how many councils are running out of landfill sites and which councils perhaps?

Ms O'Shea: The Sunshine Coast council is one, for example. The Redlands has, or will shortly, run out of landfill space. Rockhampton, I understand, is running out of landfill space and is currently looking for new sites. We are not too sure at the moment. That is one of the drivers. The volumetric surveys and reporting will give us a better indication of what available airspace there is in various landfills. We do acknowledge that there are some landfills that will be open for some time, particularly some of the larger ones out in the Ipswich area. However, I think one of the increasing issues facing local government is the siting of landfills and the amenity issues associated with them, and some councils are facing a lot of public angst around those issues. The intent of the legislation, through a range of regulatory tools, is to try to increase the time frame for the use of those landfills.

Mr POWELL: The councils were already working towards a regional approach to waste in some instances, and you have mentioned a number of councils that are out of landfill sites. Does this legislation assist them in driving that regionalisation of the waste trade? You mentioned Ipswich has plenty of landfill sites. Will this assist, say, councils like Brisbane or the Redlands to work with Ipswich in a way to use those sites more effectively?

Ms O'Shea: The legislative reform for the committee's consideration today is just the first step in a broader reform package. There is proposed other legislative or regulatory amendments forthcoming as well. One of them was to look at planning around waste infrastructure. We have received a lot of feedback from local government about the difficulties they face in that area and also from the private sector. We have been working with the Department of Local Government and Planning, and one of the proposed measures that we will be considering is a state planning policy for infrastructure. Certainly the local government planning elements that are contained in the legislation will be seeking to encourage a more regional approach, looking at it maybe from a catchment basis rather than from a specific local government boundary basis.

Mr POWELL: I have one final question on this chapter. Apologies to my learned colleague here who knows a lot more about the Australian Constitution, but I note that the Commonwealth and the state are exempt from prosecution under this act, yet the state in particular has a lot of similar reporting requirements, as do the local governments and the private operators as well. Can you explain to me why the Commonwealth and the state are exempt from prosecution in this instance?

CHAIR: Just as long as you are not asking for a legal opinion.

Mr POWELL: No. I am not. I am not seeking a legal opinion. If it is indeed a legal opinion that is required, then I am happy to defer. Section 6 of the act binds all persons. It says—

- (1) This Act binds all persons, including the State and, to the extent the legislative power of the Parliament permits, the Commonwealth and the other States.
- (2) However, the Commonwealth or a State can not be prosecuted for an offence against this Act.

Ms O'Shea: I would have to say that I cannot answer that question. We can certainly take it on notice and see if we can provide that information.

Mr POWELL: Thank you.

CHAIR: Thank you very much. So that question will be taken on notice. The member for Bulimba has a question for you.

Ms FARMER: In fact my question was answered in the explanation that was just given.

CHAIR: The member for Bundaberg has a question.

Mr DEMPSEY: What are the total infrastructure costs in relation to industry and council as calculated by the department, considering this legislation will be implemented within probably the next three months?

Ms O'Shea: Are you talking about infrastructure in relation to the levies collection? Is that what you mean?

Mr DEMPSEY: What are the overall infrastructure costs and then, if you want to go into that detail, that would be great.

Ms O'Shea: The levies commenced has been signalled since June last year when the government announced the proposed introduction of a levy. So they have had 18 months to prepare for it. But that said, as far as the infrastructure costs associated with it are concerned, we have been advised by the Australian Landfill Owners Association that most private landfills are levy ready, if you like. They operate in a commercial environment. They already collect fees in relation to gate fees. The levy is a payment or a liability that is incurred on top of the gate fee if they choose to do so. Most private operators operate nationally. Queensland is the only mainland state without a levy. So most of them have systems already geared up to collect a levy which they do so in other states and territories. So from a private sector perspective, the feedback we have received from ALOA is that they are pretty much ready. Local government landfills are an entirely different kettle of fish. They range from extremely well-managed landfills to some that are basically trenches or bulk bin collection services that are unstaffed and uncontrolled. So we do acknowledge that there will be significant changes required from local government to—

Mr DEMPSEY: I would have said that, yes. Just to clarify, the actual question is: what are the infrastructure costs?

Ms O'Shea: What we are doing is working with local government to ascertain what those costs might be. Local governments themselves have acknowledged that they do not know the true cost associated with this, and that is largely because they are now making a shift to look at waste infrastructure a bit more strategically. A number of councils are looking at their overall infrastructure needs in their local government areas—

Mr DEMPSEY: I understand that.

Ms O'Shea:—and making choices as to whether they are going to keep sites open, whether they are going to change current landfills into transfer stations, whether they are going to have super transfer stations where you bring your waste. So the infrastructure costs associated with shifting are still up in the air for local government. For example, Toowoomba is looking to reduce their overall landfills from 36 to 23, I think. Those are issues that are currently before the council to make those informed decisions. Once those decisions are made, the government has given an undertaking to introduce a third phase to its infrastructure program. I think the commitment is \$11 million in this year and a further \$2 million in 2014. Those infrastructure costs should be covered by that phase 3 program.

Mr DEMPSEY: As far as the impacts on industry and council are concerned, has the department calculated in any way the impacts on both industry and council?

CHAIR: Do you want to take that on notice, as I think you have probably provided a pretty comprehensive answer?

Ms O'Shea: We can endeavour to answer the question and take it on notice. However, I am not sure how we would quantify something that is really an industry based—

Mr DEMPSEY: Has a strategic plan or strategic rationale been completed by the department in relation to the infrastructure costs—because that still has not been answered? We have gone into the impacts and so forth. But has a strategic cost analysis been completed?

Ms O'Shea: We have completed a landfill characterisation survey for local governments across the 34 impacted local governments. That characterisation survey has given the state a clearer understanding of exactly what landfills, what transfer stations and the nature of those things—

Mr DEMPSEY: I understand that. What about the cost?

CHAIR: Could you please let her finish the answer?

Ms O'Shea: I am not sure if I am making this clear enough. The cost is not quantifiable by the state because we do not know what the decisions of those individual local governments will be in relation to those individual sites.

CHAIR: That is right and you have certainly answered that.

Ms O'Shea: For example, if the state were to say, 'For site X, which is currently just a trench in the ground and is unstaffed and uncontrolled, if we were to make it staffed and controlled it might cost \$20,000. But we do not know if the council wants to keep that site open.' So I am not sure, until we know what the councils' long-term plans will be in relation to those individual sites.

Mr DEMPSEY: I will move away from costs.

CHAIR: I think we will move on. If any more information can be provided, it will be provided on notice to you.

Mr DEMPSEY: Madam Chair, I have pertinent question in relation to—

CHAIR: Is your question a follow-up question or is it going over the same information again?

Mr DEMPSEY: No. The information could be tabled if need be. I asked specifically about two areas—costs have been covered. But the other area was about the impact—

CHAIR: And it was specifically stated that this could not be quantified. It has been taken on notice and further information will be provided.

Ms O'Shea: What we can do is provide you the analysis that we got from our landfill characterisation survey, if that is of any help.

CHAIR: That should be satisfactory. Member for Southport, do you have a follow-up question on that?

Mr LAWLOR: Just to be clear then, until the councils have made the decision as to what they propose to do with the landfill sites—the 34 impacted councils—there is no way of quantifying the cost. That is the case, isn't it?

Ms O'Shea: There is no way of quantifying the total cost.

Mr LAWLOR: That is right.

Ms O'Shea: But the state has done a determination on what we think might be available, and that is the information that we can provide to the member for Bundaberg.

CHAIR: Are you happy with that, member for Bundaberg? We will move on. So more information will be forthcoming.

Ms O'Shea: What information we have we will provide.

CHAIR: Thank you very much. The member for Bulimba has a question.

Ms FARMER: I was going to ask you about financial support that would be available to local governments and you have commented on that. I understand that Queensland is actually the only state that will have ever offered financial support for implementation of this sort of regime. Is that correct?

Ms O'Shea: That is correct. Queensland is the only state that has provided infrastructure assistance to local governments impacted by a levy either before or after. No other jurisdiction provides funding for infrastructure upgrades for local government. So, in the last financial year, the state set aside \$4.1 million for an infrastructure program for local governments. It included \$2.1 million for weighbridges for councils and a further \$2 million for ancillary infrastructure, which included things like fencing, gating, PDAs. The third phase of that program is where we are looking at the \$14 million two-year program. But Queensland is the only state to do that.

The other aspect that is unique in relation to the funding around the waste levy is that the state has committed funding specifically to local government through a Sustainable Futures Fund. That is for the exclusive use of local government and is provided for through the deed of agreement that we are currently working on with the Local Government Association.

Ms FARMER: Excellent. Thanks.

Mr DEMPSEY: Has a risk management or a risk assessment report system been implemented in relation to the introduction of the waste levy?

Ms O'Shea: We do operate under the whole-of-government PRINCE methodology reporting requirements, which we have to undertake practical assessments on each aspect of our program. The program includes several different aspects, including the levy and the legislation and other aspects. We do have a risk assessment done as part of that PRINCE methodology.

Mr DEMPSEY: Does that methodology also include the enforcement side of the non-conforming side of that legislation?

Ms O'Shea: Yes, it does. We have compliance and enforcement aspects associated with it, both built into the bill as well as operationally.

CHAIR: I have a couple of clarifications, if no-one else has any questions.

Ms O'Shea: Excuse me, Chair. Are we still on chapter 1?

CHAIR: I believe so.

Ms O'Shea: Okay.

CHAIR: I want to clarify a couple of things. I am very much aware of Clean Up Australia Day, as I am sure you are. A lot of volunteers are out there helping to clean up litter from our communities. I am wondering whether events like Clean Up Australia Day would incur a levy?

Ms O'Shea: No. There are a number of exemptions provided for in the legislation. There are some that are automatic exemptions, things such as properly managed asbestos. The state is quite clear that it does not want those materials illegally dumped to avoid paying a levy. Properly managed asbestos is exempt from the levy, but there are a number of exemptions that will be provided for on application. Littering and illegal dumping through community actions such as Clean Up Australia Day will be able to apply for an exemption. Another one is charitable waste donations. We know that some charity bins are treated as general waste bins. We do recognise that and we have been working with the association on how an exemption might work, so charity-type waste will also be exempt. There are other opportunities; biosecurity waste, for example. There are things that we acknowledge need to go to landfill and we do not want it to go somewhere else.

CHAIR: What about schools and hospitals?

Ms O'Shea: School and hospital waste is not levy exempt.

CHAIR: Will that impact—sorry, I will not ask that because that will be an opinion. Some of the councils have kerbside clean-ups. Are they exempt as well?

Ms O'Shea: Municipal solid waste, which is basically anything covered by local government in relation to waste collection, so things like litter bins, street sweepings, park maintenance, kerbside collections—whether they be weekly, fortnightly or annual kerbside collections—are all exempt, as well as domestic self haul.

CHAIR: There is a final thing that I would like to clarify. I was reading an item in a news article about this bill, called *Inside Waste Weekly*. It is not to be missed. It is a great publication. This one was dated 9 August 2011. It talked about how the proposed levy would apply to waste that is sorted at transfer stations. I am going to quote a little bit from the article. The article states—

... it goes over the weighbridge and into the pit of the transfer station, he said. I pull out a tyre and I pull out a gas bottle, because those two have been sorted from the waste stream. I have just turned that domestic self-haul waste from levy exempt to leviable as it is now commercial-industrial waste.

Is that correct?

Ms O'Shea: I am trying to follow the question there.

CHAIR: I will pass it to you.

Ms O'Shea: Thank you. We might have to take that one on notice and come back to you. It is a little bit complex; is that all right?

CHAIR: I am more than happy for you to take that on notice.

Ms O'Shea: Thank you.

CHAIR: Does anyone have any questions? We might move on then, thanks very much.

Ms O'Shea: I think we may have strayed into chapter 3, but that is all right. Management documents, which is the second chapter of the bill, requires the department to have and maintain a waste management strategy and outlines the matters for the strategy to include. For administrative process making, the strategy will be the strategy that was tabled and passed in December last year. This chapter also allows for an annual business plan for implementing the department's responsibilities under the waste strategy. Are there any questions around that?

Mr POWELL: I have one question. Section 23 relates to the preparation and approval of the state's waste management strategy business plan. It mentions it is to include a proposed budget for the income and expenditure relating to the department's implementation of that strategy. Has the department been able to quantify what the anticipated cost of implementation for the department is?

Ms O'Shea: That is currently being worked on at the moment. As we finalise the regulation, we will be in a clearer position to know what the administrative costs associated with the levy will be. The proposal is to have a business plan finalised in the next few months and that will include a budget breakdown. The business plan is not in relation to the entire levy amount; it is only in relation to the component that relates to the strategy. Any funds set aside for the deliver of the strategy itself will be in that business plan.

Mr POWELL: So they will be in addition to anything required to enforce the levy; is that what you are saying there?

Ms O'Shea: That business plan will include a breakdown of levy administration costs.

Mr POWELL: Okay, thank you.

Ms O'Shea: Chapter 3 is the waste levy. I am happy to outline this chapter, but if you all seem to be quite au fait with it, I am happy to allow for expediency and allow for questions on this particular chapter.

CHAIR: Thank you very much.

Mr POWELL: Madam Chair, I am happy to ask a few questions if you want to handover, and then come back if you like, because I have a few questions on this one, my apologies. First of all, the chief executive has to determine to either grant or refuse applications for exemption under the waste levy. He or she has been given 10 days in which to do that. Does the department anticipate a heavy influx of applications for exemption in the initial implementation stage and is 10 days realistic given the amount that may come in?

Ms O'Shea: At this stage I can see that the quantum is unknown. For example, the exemptions depend on whether they are like a standing exemption or whether it is an opportunist exemption. We are unsure of the quantity, but I think 10 days is a standard; is that right? It is a drafting standard, is my understanding.

Mr POWELL: I understand there are caveats that allow that if 10 days have not been met the assumption is that—

Ms O'Shea: Yes.

Mr POWELL: Okay, thank you. The actual values of the levies, I understand, are being set by regulation. I understand you have provided us with some information following the opposition's briefing yesterday. I do appreciate that, thank you very much for that.

Ms O'Shea: That is all right.

Mr POWELL: Is it true the commercial and industrial waste will be charged at \$35 a tonne?

Ms O'Shea: Yes. So commercial and industrial waste at \$35, construction and demolition waste at \$35, low-hazard regulated waste at \$50, and high-hazard regulated waste at \$150 with annual CPI adjustments. There is also a provision for recycling facilities that meet a set of criteria to apply for a discounted levy at 50 per cent, so in the first year it would be \$17.50 for residues from an approved recycling activity and zero for municipal solid waste.

Mr POWELL: I have a couple of questions related to that. How did you arrive at \$35 per tonne and what methodology was determined to reach that value?

Ms O'Shea: The decision was a policy decision of government, the levy amounts. But that said, it is comparable to other jurisdictions. In fact, it is now probably at the lower end of other jurisdictions. One of the rationales around the levy amount was to make sure it was relatively consistent with other states and territories to avoid or to help reduce the prospect of Queensland continuing to be an attractive alternative waste disposal option. For example, in New South Wales, Kylie, I might get you to say what the amounts are?

Ms Hughes: New South Wales has a differential levy depending on the area of the state. Within the Sydney metropolitan area, the levy rate is currently \$80 a tonne, or a little bit over \$80 a tonne. In the regulated area which extends up to the Queensland border, it is currently \$30 a tonne and rising by \$10 a year. What we were mindful of in looking at our levy was that border issue and making sure that we were not all of a sudden going to become a lot cheaper at the border, particularly around the Gold Coast-Tweed area.

Ms O'Shea: It is \$44 a tonne in metropolitan Victoria, \$35 in South Australia and about \$28 for putrescible waste. No jurisdiction actually levies exactly the same way. They are all somewhat unique.

CHAIR: So Queensland is quite comparable?

Ms O'Shea: Probably at the lower end. Victoria is increasing and New South Wales is rapidly increasing at very high rates.

CHAIR: If it were too cheap, it would give no incentive for states to stop, perhaps, doing what they may be doing now and dumping their waste in our state.

Ms O'Shea: Some councils in the Tweed actually have it in their strategies that they will bring their waste to Queensland to avoid the levy.

Mr CRIPPS: Cheeky.

CHAIR: You were just talking about that \$35 a tonne for construction and demolition waste et cetera. That really does not mean a lot to me. With these figures on their own, can you give the committee some tangible examples of the extra costs, such as approximate costs per wheelie bin of waste for small businesses such as corner shops or newsagents?

Ms O'Shea: We do have those figures. I just do not know them off the top of my head.

CHAIR: Are you happy to take that on notice?

Ms O'Shea: We can take that on notice. For example, a build on a new house we calculated, in consultation with the Masters Builders Association to ascertain what a additional new house build would be if a builder did nothing to recycle, it varies around \$150 for an average house.

Mr POWELL: My understanding is Victoria implemented a similar levy, but they applied it across all wastes, and that included MSW. They started a lot lower value than what we are talking about. I accept what you are saying that we are actually quite comparable, if not cheaper, than those states. They did find that even with those lower rates there was creep in terms of the waste type. People started filling wheelie bins with C&I or C&D. Given that we are going with MSW exemption and a start-up levy of \$35 a tonne for C&I and C&D, has the department done any modelling on what sort of creep they anticipate into MSW?

Ms O'Shea: No. We have done no modelling. We do not know how people will react. There is a slight difference between other states and territories. Queensland is reinvesting a considerable portion of the levy funds back into waste management and resource recovery. The levy alone will not drive change. It needs to be accompanied by a reinvestment of funds back into waste avoidance and resource efficiency. That said, we are mindful of the experience in Victoria where they did get creep from C&I, in particular, into the MSW stream, because at that point they had a differential between MSW and other wastes. At this stage, the levy is scheduled for review in two years, so the efficacy of the levy and the levy model will be reviewed in two years and a regulatory assessment statement or regulatory impact statement will be provided. We will be in a better and more informed position to examine the levy and how it works in a market base at that time.

Mr POWELL: And just to clarify, whilst MSW is exempt, where there are instances where MSW is collected by a commercial operator—and the obvious example is an aged-care facility—that will be levied?

Ms O'Shea: The decision, again, was a policy decision to exclude municipal solid waste. The definition of 'municipal solid waste' is waste that councils rate as domestic premises. So if a council were to rate an aged-care facility as domestic premises and collect the waste like they do your household waste, it would be exempt. If the council rates it as a commercial premises, it falls into the commercial and industrial category. It would be somewhat problematic to exclude it or exempt it at this stage, because those types of facilities are generally commercial in nature. We acknowledge that they provide a residential care aspect, but they are a commercial in nature operation. For example, several of them have hairdressers who operate commercially on the premises. They have laundries. They have cafes that are open to the general public. The offices around the administration of that facility are also administrative and office-like in nature. We acknowledge that it is a residential type of commercial premises but it is not domestic per se.

Mr POWELL: I think the challenge will be, as I say, that the waste, yes, is divided and there is even hazardous waste, given a lot of these places have—

Ms O'Shea: And clinical.

Mr POWELL: And clinical, as there are nursing-home facilities as well, but it does concern me that residents—and we are talking basically villas for all intents and purposes—have little wheelie bins and it is just that the council rubbish trucks cannot get into these facilities to pick it up. But what you are saying is that it would be up to the aged-care sector, or the facility itself, to approach their local council to be rezoned under their waste strategy.

Ms O'Shea: We are guided by how local governments classify those premises.

Mr POWELL: So if a council were to work with an aged-care facility to reclassify even part of their facility—

Ms O'Shea: And they would need to have a domestic collection.

Mr POWELL: And have a domestic collection, that is the only way the residential component of such facilities are going to be exempt from the levy?

Ms O'Shea: At this stage, yes. If you are talking about exemption from the levy.

Mr POWELL: As in exemption through MSW.

Ms O'Shea: Yes, through the exclusion of MSW.

Mr POWELL: Yes.

Ms O'Shea: We will be working with aged-care sector. There are other sectors as well, such as caravans and so forth, that have a similar domestic nature in a commercial type of environment. So we will be working with those particular sectors on programs that we might implement to assist in reducing their overall waste liability, potentially. There is a lot of waste—for example, in some of these places they have huge amounts of green waste that could be readily recycled and a lot of kitchen waste in a lot of instances that would be traceable material that we could be working with them to find alternative disposal, or alternative ways of reducing their potential liability. The average householder produces what? About 180 to 200 kilos—

Mr POWELL: Two hundred and sixty-seven, to be exact.

Ms O'Shea: Per person, yes, on an averaging.

Mr POWELL: That is a scary amount.

Ms O'Shea: It is, but 267 kilos, when you have a \$35 a tonne levy—and in the case of a residential aged-care facility they would not be producing the same amount as you or I—we estimate the cost per resident, is it per year?

Ms Hughes: Per person per year is about \$6.

Ms O'Shea: About \$6 per person per year.

Mr POWELL: That is for the domestic waste. The problem is, as you say, there are commercial operations. So the company will be paying levies on the rest of their waste and having to pass that on to their residents as well.

CHAIR: Could I just ask that, if committee members use acronyms, just be mindful that those members in the audience may not necessarily know them.

Ms O'Shea: My apologies. Sorry.

Mr POWELL: Thank you, madam chair.

CHAIR: We all do it. We speak in acronyms all the time, but just be mindful that, as I said, the people in the audience may not necessarily pick that up.

Ms O'Shea: Thank you.

CHAIR: Does that satisfy your answer?

Mr POWELL: For that one.

CHAIR: You have another?

Mr POWELL: I have plenty more on this, but if there are other members who would like to ask questions—

CHAIR: I have a couple of clarifications, but, no, you go ahead.

Mr POWELL: This chapter also deals with the waste levy zones. Unfortunately, we have not seen the zones themselves. Can you just clarify briefly which councils are in? Okay, it is on the website in that document?

Ms O'Shea: It is on the departmental website. It is in the strategy.

Mr POWELL: Okay. We will chase it up.

Ms O'Shea: There are 34 local governments. The other 39 are excluded. It pretty much goes from the border up to the local governments just north of Cairns.

CHAIR: Could you read out the website for the benefit of everyone just in case somebody in the audience wants it? Can you just put that on record?

Ms Hughes: It basically includes local government areas of over 10,000 in population and it is basically the major regional centres, including Mount Isa, Toowoomba, the Western Downs.

Ms O'Shea: What we can do is provide a map to the committee.

Mr POWELL: That would be great. Just on the zones—and this goes to the fact that some councils transfer waste from outside of the zone into the zone—for example, Cooktown was encouraged to have no new landfill for their preferred option for Cook shire. As a result, Cook established that they would transport their waste to Mareeba. At that time the draft legislation provided that leviable waste types that originated within the covered zone would be levied. The latest release indicates that leviable waste types landfilled in the covered zone will be levied. This is a great impost on this council, potentially forcing them to review that option of taking that regional approach and using Mareeba's landfill. Are you able to clarify that that will, in fact, be the case—that a shire like Cook, which is transferring its waste to Mareeba, will now be levied on that waste?

Ms O'Shea: The levy has to be border blind. I think, as we were advised, you cannot do to others what you are not prepared to do to yourself. So the idea is that, if it is disposed of in the levy zone, it will have a levy applied, because if it comes from New South Wales, or it comes from out west Queensland, the levy has to apply. In the case of Cooktown, we may have to take that one on notice, chair, if you do not mind. We can come back to you with a specific response in relation to Cooktown.

Mr POWELL: I understand the outcome that is trying to be achieved in preventing cross-border waste.

CHAIR: It has been taken on notice, though, and I imagine at the end of the day it will have to be the council's decision.

Ms O'Shea: We can work with individual councils to work on ways that we can accommodate them.

Mr POWELL: What I am saying is that it is obviously a disincentive for that council to have taken a regional waste strategy with their neighbouring councils with the intent of driving down the number of landfills that are in operation.

Ms O'Shea: We are mindful that there are some unintended consequences around a whole raft of policy decisions that have been made but, that said, we can work with those individual councils that are impacted. In the case of Cooktown, we can take that on notice and provide you a response on how we would deal with that

CHAIR: Thank you. We will move on.

Mr POWELL: One of the other unintended consequences, I understand, that may impact on councils that have already taken a decision to go down an alternative waste technology path—and the obvious one here is Cairns, which has an AWT, an alternative waste technology facility, that it may also apply to any council that has a MRF, and you are going to have to help me on the MRF; I only know it as MRF.

Ms O'Shea: A material recovery facility.

Mr POWELL: Thank you. That any residual based from those will now potentially be charged, therefore again creating a disincentive for those councils that have gone down that path. Have you been apprised of those situations? Are you working with those councils?

Ms O'Shea: Yes. I will deal with the material recovery facilities. We treat those as a commercial enterprise and the material coming from that, the residues coming from that, will be treated or those material recovery facility owners—and there will be a combination of private and public sector owners—will be eligible to apply subject to meeting the criteria for the discounted residues, the \$17.50 or 50 per cent discount for the residues of those facilities. In the case of the Bedminster facility, which is the alternative waste technology that is actually used by the Cairns and Tablelands regional councils, we acknowledge that that is a somewhat unique situation for Queensland and that those two councils potentially are being penalised for decisions that were made some time ago. So the department has made a commitment to work with the facility owner, which is SITA, I believe, in partnership with those two councils to find an acceptable solution that does not mean that the ratepayers in those two councils are unfairly disadvantaged as a result of those decisions.

Mr POWELL: Just on that topic, I acknowledge that you and I spoke yesterday during the opposition's briefing about the fact that residuals from recycling industries will be charged at a 50 per cent deducted rate. Obviously, there are some recycling industries that feel that that residual should not be charged at all, given that it may create a similar disincentive. Can you just put on the public record the answer that you gave to me yesterday as to why there is the 50 per cent reduced rate and that that is only in place for two years?

Ms O'Shea: The 50 per cent discounted rate is unique to Queensland. Queensland is the only jurisdiction that does that. In every other state and territory that has a levy the full levy is charged on residues from recycling activity. However, Queensland does acknowledge, and we have been working with the Australian Council of Recyclers—ACOR—to find a way to encourage materials to go to recycling activity rather than going direct to landfill, hence the discounted levy option. We did not want it to be a zero levy, because largely what that might do is encourage waste to be funnelled or laundered, if you like, through a recycling activity to avoid paying a levy. We also wanted to acknowledge that there are differing levels of diversion based on some people doing it very well and some people doing it very badly.

So the two-year transitional provision is to encourage that sector to work very closely with the state to establish a more permanent methodology for how we might approach this. Over the two years we will be working with them to get better data so that you will find that some recycling activities, say, metal recycling might have a higher diversion opportunity as opposed to, say, timber recycling. So rather than having a flat discounted per cent, we may be able to move to a more differential approach. But they are some of the options that are on the table. So the two years is to say to the industry, 'You need to provide us with the data'—which they currently do not provide—and to work with the state to find a more permanent solution.'

Mr POWELL: I notice that if an operator is unable to pay the levy that we start charging interest as the state.

Ms O'Shea: Yes.

Mr POWELL: I notice that that interest is charged at 20 per cent. I am uncertain. Is that standard practice, or is that a drafting requirement? If we were a bank, we would be doing very well.

Ms Hughes: Interest charging is standard across all states that apply a levy.

Mr POWELL: Sorry. Yes, I am not questioning the need to apply—

Ms Hughes: The 20 per cent was set so that it was high enough to provide a disincentive for people to bank the money and not pay on time, because they could potentially receive better interest if they did not pay it for a time.

Mr POWELL: Sure.

Ms Hughes: We wanted to set a rate in the legislation so that people knew up-front what their liability was going to be. For instance, New South Wales has eight per cent plus whatever the cash rate for the Reserve Bank is at the time of the nonpayment of the levy, which means that you never know what you

are going to have. So it was a twofold thing: one, to create a disincentive for them not to pay the levy; and, two, to be very clear what their liability was going to be at any point in time, that it was always going to be 20 per cent.

CHAIR: Can I just ask for a quick clarification? I want to know what sort of waste would be in that higher hazard regulated waste category, which would attract that \$150 per tonne?

Ms Hughes: The differentiation between the lower and higher hazard regulated waste is going to be determined by testing criteria which are currently used for landfills for their waste acceptance criteria now. So there is not going to be any new regime in that regard. So basically, there are threshold levels that they have to meet to be in or to not be in the higher hazard category.

So it is a bit difficult to say exactly what is going to be in there, but potentially some of the solvents and those sorts of things are types of waste that could be in that higher category depending on what their threshold values are. But it is the more hazardous and difficult to manage wastes that could end up in landfill, or that are allowed to go to landfill.

CHAIR: It is just that there is quite a bit of difference between the \$50 and \$150. So I think we really need to be very, very specific.

Ms Hughes: Yes.

CHAIR: And those higher hazard ones.

Ms Hughes: And certainly, the criteria are going to be very definite and the thresholds are going to be set in the regulations as to who meets them. The \$150 and the \$50 is modelled on a similar system in Victoria, where they have a differential for what we are calling lower and higher hazard and it is basically created to provide an incentive for people to treat before it goes to landfill. So you are actually reducing the risk of that material in the first place. They may still need to dispose of it, but it can be disposed of at a lower rate.

CHAIR: I have a question—and I am mindful of the time. We may go on after this and come back to it if that is okay. I really want to know what initiatives your department will put in place to ensure that there is not an explosion of the incidence of illegal dumping of demolition waste, construction waste, commercial and industrial waste and hazardous waste by people trying to avoid paying the waste levy?

Ms O'Shea: We are working on the experience both of local government and other jurisdictions here. Local governments have already identified that every time they increase a gate fee, or a private landfill increases a gates fee, they do see an increased incidence in illegal dumping. Other states that have a levy have experienced similar events. Some of it is behaviourally based. People will turn up at a landfill and find the gate fee, whether it has a levy on it or not, is too much to pay and they just go around the corner and dump it. With others, it really is not about the waste charge at all; they continue to dump and they will often do it in very remote locations—in state forests and so forth.

Illegally dumped waste and litter that is taken to a landfill that has been collected by the state or a local government or on behalf of local government or the state is levy exempt. So when it ultimately is disposed of, there is no levy applying. The state has a litter and illegal dumping program that has been identified to work with local governments in particular to identify illegal dumping hot spots and to work with them to assist them with infrastructure, such as cameras, signage, even working with them to have authorised officers perhaps sitting at a site and pinging people. That has worked very successfully in both New South Wales and Victoria. So we are modelling on those regional illegal dumping programs that they have in those two states. So they are some of the initiatives, but we do acknowledge that there may be a spike in that process.

CHAIR: We might move on but we will definitely come back, because that is a fairly large chunk of the bill.

Ms O'Shea: Yes.

Mr DEMPSEY: Are you able to provide the committee with the actual matrix and financial calculations used to establish the levy?

Ms O'Shea: The levy amount?

Mr DEMPSEY: Yes.

Ms O'Shea: That was a policy decision of the government.

Mr DEMPSEY: We know it is the policy, but after the policy has been set, from the department side how was that matrix and calculation worked out?

Ms O'Shea: There was a regulatory assessment statement released in December last year. We can provide the committee with the RAS, if that is of assistance?

Mr DEMPSEY: Yes, that would be great.

CHAIR: We will move on to the next chapter.

Mr POWELL: Can I just clarify? Chapter 3 is all about the waste levy and it is probably the most—

CHAIR: Yes, I have said that and I have said that we will definitely come back to it.

Mr POWELL: So what you are suggesting is to hold fire on the rest of the questions and we will come back to those should time permit?

CHAIR: How many more questions do you have on that?

Mr POWELL: About six.

CHAIR: We might come back to it.

Ms O'Shea: The management of priority and other products. This is chapter 4 of the bill and it gives effect to the product stewardship principle that is contained in chapter 1 of the bill. The purpose of this chapter is to encourage and, in certain circumstances to mandate, that persons involved in the life of a product share responsibility for ensuring that there is effective management of that product. Voluntary action is always the preferred approach and the intention is that voluntary measures are fully explored before regulatory intervention occurs. This chapter pretty much just provides the state with a head of power to look at product stewardship schemes, to provide complementary measures to national product stewardship schemes and to allow for future disposal bans if and when they are required.

Ms FARMER: Can you provide an example of what might occur in other states—how that is dealt with?

Ms O'Shea: Product stewardship in other states? Do we have any examples of the other states?

Ms Hughes: Product stewardship tends to be more of a national approach. There have been some voluntary pilots of product stewardship in certain states. For instance, the take-back of compact fluorescent lights through the FluoroCycle voluntary scheme has been piloted in Victoria. That involves Lighting Council Australia and light manufacturers. It is often easier to do product stewardship nationally, because most of the companies that are involved are international and national operators and it is very difficult for states to regulate something themselves. Most of our provisions are focusing on people who want to do something voluntarily and we are really trying to focus on things that may not be a national priority. For instance, some regions of Queensland have a lot of issues with agricultural black plastic mulch and the disposal and management of that. That may be an area that has a very good potential for a product stewardship scheme solely in Queensland, because it is a state issue rather than a national issue. So it would be something that we could work with the industry on. A lot of it hinges around the states going to publish a priority product statement, which will be a lot of the framework and the tools and the mechanisms for dealing with priority products, including product stewardship and looking to invite people to voluntarily prepare a scheme and tell us how they are going to manage their wastes.

Ms FARMER: So will you be proactively identifying what some of the priorities are within the priority products? There are obviously some that are more problematic or have greater impact than others. So is the process that you will engage those industry sectors to seek their support for that?

Ms Hughes: Yes, definitely. In the development of the priority product statement there is a consultation process and an engagement process with industry as well as a public consultation process. So we certainly will not be trying to develop it in isolation. The strategy does already allude to five or six areas that may be a priority already, including organics and timber and some of the national ones, like e-waste and tyres. So the priority product statement will coalesce those ideas and we will talk more with the industry sectors on their arrangements and things that we can do collaboratively.

CHAIR: I understand there is another officer from your department now present. Would you like to introduce her?

Ms O'Shea: Yes. This is Anita Packwood. I make apologies. Anita was unavoidably detained. Anita is here to assist Judith Jensen in relation to any of the water around the coal seam gas issues.

CHAIR: Thank you very much. Does anyone else have a question on chapter 4? We might move on.

Ms O'Shea: Chapter 5 is the chapter that relates to litter and illegal dumping. This chapter strengthens the litter and illegal dumping provisions that are being transferred from the Environmental Protection Act 1994 and creates the ability for members of the public to report instances of littering from vehicles online or by posting an incident report or through a phone hook-up. The chapter also introduces new offences for leaving advertising material at premises with 'no junk mail' or similar signage and for failing to secure advertising material or community newspapers in a mailbox or other receptacle provided or under the door of a premises. 'Advertising material' means a circular, flyer or other promotional material for commercial purposes. It does not include certain other materials. So letterbox drops from members of parliament would not be included in this advertising material. There is also an offence under this chapter to place a document on or in a motor vehicle, or on a building or a fixed structure without the consent of the owner or the occupier. However, this does not apply to someone performing a lawful function under an act, such as a police or parking inspector, unfortunately.

CHAIR: Any questions on chapter 5?

Mr POWELL: There are a number of sections in this chapter that relate to waste that is permissible on private residences. I notice that there is even allowances for more than 200 litres to be basically stockpiled on a private residence. Are there any actions being taken to prevent excessive stockpiling? Ultimately it comes back to local governments as to what they want to police in terms of being good neighbours and the kind of things that people are leaving in their backyards and so on.

Ms O'Shea: Correct me if I am wrong here, Kylie, but most of those types on a private property, with the consent of the owner, is an issue that is usually dealt with under local law now for local government.

Mr POWELL: Okay. You mentioned that windscreen drops are being ruled out. Can you just confirm that from now on we will not be seeing other than parking tickets and 'Sorry, I crashed your car' type of stickers on windscreens?

Ms O'Shea: That is the intent, yes.

Mr POWELL: So completely—

Ms O'Shea: And it is similar to New South Wales, which does a similar thing.

CHAIR: A lot of those windscreen drops actually get put in when you are on a private parking lot, which makes it much more difficult, unless they police it themselves.

Ms O'Shea: Yes, and certainly the Keep Australia Beautiful National Litter Index that was released on Tuesday—or it may have been Monday—showed that Queensland is the only mainland state to have an increase in its litter. One of the primary places for that was in parking lots and it is mostly around advertising material.

Mr POWELL: You mentioned the number of ways that the public can notify of illegal littering and dumping. How are those notifications actually followed up and enforced? Is that through the department, or is that through the Queensland Police Service?

Ms O'Shea: Through the department. So a member of the public—and it is only from vehicles, so they cannot be following you down the road home or anything—would have to observe the offence occurring from a motor vehicle, take the motor vehicle registration details down and a number of other details and then provide that information either online or through a form that can be posted out to you. It is sent to the Department of Environment and Resource Management. They will look at the material—the information supplied—and match it against the Department of Transport and Main Roads records and, if they are satisfied that an offence has occurred, a penalty infringement notice will be issued to the registered owner of the vehicle. It is similar to red light and speaking fines. There will be opportunity for the owner of the vehicle—

Mr POWELL: To say, 'It wasn't me.'

Ms O'Shea: To say that it was not them. So I guess it is like a reverse onus of proof.

Mr POWELL: Sure. That assists in identifying where you have a vehicle involved. One of the key concerns both in the electorate of the member for Pumicestone and my own electorate is that there is a lot of illegal dumping already occurring in isolated forestry tracts and so on. Is the department also beefing up their enforcement and compliance unit to be able to monitor that?

Ms O'Shea: One of the key initiatives that is funded from the levy is a regional illegal dumping squad that will work with local governments and others, such as Queensland Forestry, to identify the illegal dumping hotspots and to assist them with things like cameras and lights. Sensor lights actually discourage behaviour. Funnily enough, putting police tape around a known site can make a huge difference. Also working with those councils, when those hotspots are identified, to assist them with people to sit there and observe and start issuing PINs and things like that. There is a program in place. We do acknowledge that public reporting can only do so much.

CHAIR: Can I say again that I am mindful of the time. It is now halfway through the morning. Your answers have been extraordinarily detailed, but we do have another 10 chapters to go and I have promised that we will come back to the waste levy. If we could move on a bit quicker, that would be good. Member for Bulimba, you have a question?

Ms FARMER: Thanks for that explanation around compliance with the illegal dumping, because obviously it is a significant issue. On littering from vehicles, in the experience of the other states how difficult is it to actually catch people doing that and to, therefore, change behaviour? In the experience of the other states, is there any evaluation of that; I guess that is what I am asking for?

Ms O'Shea: Queensland is modelled on the Victorian system. They saw a 60 per cent reduction in littering following the introduction of their scheme.

Ms FARMER: So public reporting?

Ms O'Shea: Through the public reporting scheme.

Ms FARMER: It was really effective?

Ms O'Shea: Yes. It went from, I think, something like 900 reports when it was originally introduced to now receiving 22,000 reports a year.

Ms FARMER: So there is a significant community education program associated with that?

Ms O'Shea: There is and significant community interest in the ability to do this.

Ms FARMER: That is excellent. Thank you.

CHAIR: Member for Bundaberg, you have a final question on this chapter?

Mr DEMPSEY: Yes, and if we can come back to it when we have done the whole briefing as well?

CHAIR: I will do my best.

Mr DEMPSEY: Thank you. Back to costs: what is the cost of compliance? This is probably a three tier question. What is the cost of the levy squad? What is the cost of increased inspectors? What is the cost of overall compliance in relation to the enforcement and the later possible court action?

CHAIR: Are you happy to take that on notice?

Ms O'Shea: I think so.

CHAIR: It is fairly detailed.

Ms O'Shea: We will take that on notice. It is pretty complex.

Mr DEMPSEY: Thank you very much.

CHAIR: Can we go on to chapter 6?

Ms O'Shea: Chapter 6, strategic planning for waste reduction and recycling. This chapter says strategic planning for improved waste management at local and state government levels and business and industry levels. The waste reduction recycling plan establishes strategic waste management plan requirements for particular or some or all aspects of waste management relevant to an entity. Local governments must prepare and implement a strategic plan and include performance indicators and link the plan to the goals and objectives of the state's waste strategy. Local governments may prepare regional plans for some or all aspects of waste management strategic planning.

CHAIR: Any questions on chapter 6?

Mr POWELL: I have two quick ones, Madam Chair. A lot of local governments already have some of these. Will they comply?

Ms O'Shea: Yes.

Ms Hughes: Yes. The transitional provisions in chapter 15 allow for the recognition of existing plans under this act, so they will not have to prepare a whole new one to comply with this.

Mr POWELL: I also note under division 2 of this chapter that most state departments, if not all, will need to also prepare a strategy. Is there any anticipation of what will be the cost to the departments or is there talk of a whole-of-government planning strategy around this?

Ms O'Shea: These requirements are not new. They are actually existing requirements. We have not done any costing, because it is something that should have been incorporated in existing state government processes.

Mr POWELL: Thank you.

Ms O'Shea: The idea is to increase awareness.

CHAIR: Thank you. Chapter 7, reporting about waste management. If we continue this quick, we will get through it.

Mr POWELL: I assure you, Madam Chair, the questions diminish as the chapters go on.

Ms O'Shea: This chapter sets out the requirements for annual reporting on local government, state and business sector planning. The department has acknowledged, as part of the reform agenda, the paucity of data collected on the issue of waste and recycling. This chapter will give effect to a much better and robust reporting of waste and lead to much better and more informed policy decision making around this issue. It will enable the state to collect data from entities that currently only provide it on a voluntary basis.

CHAIR: Questions? Member for Hinchinbrook.

Mr CRIPPS: Does the department have the capacity to actively assess annual returns from local governments and licensed entities, and to follow up on outstanding returns or issues of concern?

Ms O'Shea: That is going to be part of the administrative arrangements associated with the strategy and the levy. We have recognised that and, in fact, local government and the private sector want the data to be made publicly available and to be fed back to them. Yes, there is a data reporting element being built into the administration.

Mr CRIPPS: So you have the staff regionally based and the appropriate systems to accommodate actively assessing those annual returns—

Ms O'Shea: They may not be regionally based, but we will have assessment of those. What we are doing is looking at methodologies on how we can limit the reporting burden and we have commenced a process to examine options in that regard.

Mr CRIPPS: You can correct me if I am asking this question in the wrong chapter, but because this chapter deals with reporting, what about applications for approvals and exemptions? Would it be an appropriate chapter to ask that question now?

Ms O'Shea: Are you talking about levy exemptions, Mr Cripps?

Mr CRIPPS: I might be. I might wait until the end because I probably should have asked it earlier. It was just in relation to the provision of additional information as well. I will wait till later, if we have time to go back and ask something.

CHAIR: Any further questions on chapter 7?

Mr POWELL: I have one quick one, Madam Chair. Section 146 is all about local government reporting. I have read this through a couple of times. I am a bit concerned that part 4 talks about 'may require' and then part 5 says 'must require' and part 6 says 'must require'. I am happy for you to take it on notice and get some feedback.

Ms O'Shea: I might.

Mr POWELL: I am a bit concerned about the difference, that it is 'may' and 'must'. They have quite serious consequences.

CHAIR: We are happy to take that on notice.

Ms O'Shea: I will take that on notice and clarify it.

CHAIR: The next chapter.

Ms O'Shea: This chapter allows for approval of a resource for beneficial use. This primarily is around providing an incentive for alternatives for disposal being considered, so that it is no longer classified as a resource. It moves certain provisions from the Environmental Protection Act into the Waste Reduction and Recycling Bill. The chapter outlines the criteria to be considered and the process to be followed making a decision. The idea is to enable alternative uses of material that is currently classified as waste.

Mr DEMPSEY: I am probably speaking to Judith at the back there, but how does that comply in relation to the mining industry and particularly the gas industry?

Ms O'Shea: What kind of waste are you referring to?

Mr DEMPSEY: Whether it be water, whether it be salt in relation to the EPA. It will come up later, but in relation to what you just said—

CHAIR: Do you want to leave that to a later chapter?

Ms O'Shea: There are two ways you can do it. You can do it site specifically.

Mr DEMPSEY: I will wait for Judith. What other examples do you have in relation to—

Ms O'Shea: Waste oil is a good example. Currently, if you need to do things around waste oil, you need very specific ERAs in relation to waste and disposal. If you can demonstrate a beneficial use of that material, it no longer becomes a waste and so you fall into a different ERA category that may be somewhat less onerous. The idea is to not treat it as a waste, but you treat it as a resource so it will trigger different environmentally relevant activity permits or development approval processes and, hopefully, simplify the process.

CHAIR: Did you want to add to that, Kylie?

Ms Hughes: No.

Mr POWELL: Madam Chair, just before we move from that chapter, taking that question from the member for Bundaberg one step. Can you give an example of what would be given a general approval as opposed to a specific approval?

Ms Hughes: We currently have, I think, three general approvals. One of them is for fly ash from power stations, which is a general approval to all holders of fly ash for use in construction activities. That provides the benefit to all, so not just a specific holder or user.

Mr POWELL: Specific, sorry? As opposed to a specific approval?

Ms Hughes: Sorry. With a specific approval, only the applicant has the benefit of that. Some of the specific approvals we currently have are for things like biosolids, for specific land application purposes, or very specific industrial wastes like some of the waters and those sorts of things.

CHAIR: Chapter 9?

Ms O'Shea: Chapter 9 is a somewhat standard chapter that is always required for reviews and it is done through the Queensland Civil and Administrative Tribunal. It is just a requirement to provide a review option for any decisions that are made in relation to the bill.

Mr POWELL: Do you know what the anticipated impost will be on QCAT to be reviewing those kinds of decisions?

CHAIR: I am concerned; it sounded a little hypothetical.

Mr POWELL: Has the department determined how many applications may be going to QCAT?

CHAIR: That is something that you would not be able to answer at this stage.

Ms O'Shea: Yes.

CHAIR: It is not definitive.

Mr POWELL: Does the department know how many under the current legislation are going through to QCAT?

Ms Hughes: We could provide that information.

Mr POWELL: Thank you.

Ms Hughes: I am happy for you to take that on notice.

CHAIR: We will move on to chapter, 10.

Ms O'Shea: Chapter 10 outlines the function and powers of authorised officers and contains the administrative arrangements for appointing authorised officers. These provisions are actually based on a standard set of provisions prepared by the Office of the Queensland Parliamentary Counsel. There have been some adjustments to accommodate compliance activities that may arise under the bill. However, they provide the range of powers necessary to investigate, monitor and enforce compliance with the bill.

CHAIR: Any questions on that chapter?

Mr POWELL: Division 2 talks about the appointment of certain officers. Has any decision been made yet as to how many appointed officers would be within DERM?

Ms O'Shea: It depends on the activity that requires the authorisation. For example, DERM already has authorised officers in relation to penalty infringement notices. It may well be that there are some additional, but it should not be too many.

Mr POWELL: Thank you.

CHAIR: Chapter 11, show cause notices and compliance notices.

Ms O'Shea: This provides two enforcement tools available under the bill. It is very similar to provisions contained in the Sustainable Planning Act. I am trying to quickly speed through. In most cases, it may not be appropriate but the chief executive has an opportunity to exercise provisions here for show cause and compliance.

CHAIR: A question from the member for Hinchinbrook.

Mr CRIPPS: How will the department undertake its compliance responsibilities under this proposed legislation? Will compliance activity be coordinated centrally to gain consistency across the state?

Ms O'Shea: I guess there are two aspects of compliance within DERM. In relation to this particular bill, it will be largely around levy compliance and that will be done centrally. Compliance around existing departmental activity will continue to be done the way that the department currently does compliance, which is a combination of centralised and regional compliance.

Mr CRIPPS: So does the proposed legislation provide any specific provisions about how regional differences will be accommodated as far as compliance is concerned?

Ms O'Shea: For this particular bill it is around the levy. There are no regional differences in relation to the levy. The levy amount is calculated irrespective of where you are in the levy zone, so there should not be any regional differentiation if that is what you mean. The levy is the levy and its compliance does not matter whether you are in Cairns or the Gold Coast. The compliance is the same.

Mr CRIPPS: How does the proposed legislation provide for outcomes to be measured and used to adjust future compliance programs?

Ms O'Shea: Are you talking about compliance with the levy?

Mr CRIPPS: Indeed.

Ms O'Shea: There are no compliance programs around the levy because it does not exist. I guess we will be in a much better position to know about payment and nonpayment or compliance with the levy once it is implemented.

Mr CRIPPS: Other sorts of outcomes from the imposition of the proposed levy have been discussed and in discussion on previous chapters they would relate to an increase in possible illegal dumping as the result of imposition of increased costs.

Ms O'Shea: Sorry, I see what you mean. Yes, the data will be used and fed back into DERM's strategic compliance program in relation to other activities. For example, if people are hiding waste or putting it into a site that is not appropriately licensed to take that kind of waste, those types of things will be fed back to DERM's strategic compliance program.

Ms Hughes: I just might add that the review of the efficacy of the levy after two years will also help to identify some of those compliance issues and where we might need to strengthen things.

CHAIR: Let us move on to chapter 12.

Mr DEMPSEY: Very quickly, Madam Chair, obviously in relation to those compliance issues, is there a calculation of the increase of staff to more or less regulate that compliance?

Ms O'Shea: If you are talking about the levy compliance, that will be part of the levy administration costs that we are currently working on.

Mr DEMPSEY: The cost of the staff, yes.

Ms O'Shea: Yes, the cost of the staff, and they are detailed in the business plan. The levy will fund additional compliance officers in regional services areas as well not in relation to the levy compliance per se but to assist with broader compliance activity. The department has received a lot of feedback from stakeholders about the issue of unlicensed activity. So, in recognition of that, levy funds are being directed to regional services to allow for increased compliance activity.

Mr DEMPSEY: What is the comparison to other states? That is what I am trying to get at. When the other states implemented this type of legislation—so we are not reinventing the wheel—has the department looked at the numbers needed?

Ms O'Shea: We have spoken with other jurisdictions in relation to the levy. No two jurisdictions do it the same, including Queensland.

Mr DEMPSEY: That is right.

Ms O'Shea: So it is somewhat difficult to quantify the experiences in other states. The other compounding factor is the fact that we are so far behind. Most other jurisdictions have had their levies in for, in some cases, 10 or 15 years. In terms of knowing and understanding how they dealt with it in the initial phase, it has been difficult to get that information from them because it kind of seems to have been lost in time. However, we have been working particularly closely with New South Wales to look at how they will deal with the compliance of the levy per se. Compliance in broader areas—

Mr DEMPSEY: Is there a cost?

Ms O'Shea: Those are the costs that are being calculated at the moment in terms of administration.

CHAIR: I think that has been answered.

Mr DEMPSEY: That is fine. Thank you.

CHAIR: Can we move on to chapter 12 relating to waste audits.

Ms O'Shea: This is another enforcement tool that is available under the bill. A waste audit can be required by the chief executive if he or she reasonably suspects a person has contravened a prescribed provision such as not calculating their waste levy liability correctly or misrepresenting the material that is stored in stockpiles or the amount of waste disposed of to landfill. An audit can include things like the quantity of materials stored in stockpile or the quantity of material disposed of to landfill.

CHAIR: Any questions on chapter 12? If not, we will go on to chapter 13 relating to court orders.

Ms O'Shea: I am just going to make a little note of that chapter! Chapter 13 outlines the following court orders that may be made by the court—a rehabilitation or restoration order, a monetary benefit order, a compensation order, payment of chief executive's costs or a restraint order. Do you want an explanation of each of those orders or are you happy to just move to questions?

CHAIR: Probably not. I think we could move on to chapter 14.

Ms O'Shea: This is a miscellaneous provisions chapter and it allows delegations from the chief executive and offences for keeping, producing or using documents or records that a person knows or ought to have known contain information that is false or misleading and destroying, altering or damaging records. It is sort of a catch-all section that did not fall neatly into other parts of the bill.

CHAIR: Any questions on that?

Ms O'Shea: I can tick that one, too!

CHAIR: I think we will move on.

Ms O'Shea: Chapter 15 is the transitional provisions of the bill. It, by and large, covers the recycling activity, discount residues and also provisions for small landfills below 2,000 tonnes about how they can report and pay the levy.

CHAIR: Any questions?

Mr POWELL: I understand in those instances where they will not have weighbridges that there is a volumetric measurement criteria. I may have got my terminology mixed up, so please correct me. Given, again, that we have not cited the regulation, can you step us through briefly how an operator would determine how much they should be charging given that they do not have a weighbridge?

Ms O'Shea: It is largely through vehicle type. It is called deeming provisions. So it is not done through a volumetric survey; it is done through a deeming provision in that an operator will have deeming calculations that the department has worked on with both local government and the private sector and it is really by vehicle type. So a vehicle of a certain type and size will have a deemed amount of waste. So if they do not have a weighbridge or even in instances where the weighbridge has broken down, a truck or a trailer or a car turning up will be deemed to have a certain amount of waste.

Mr POWELL: I have a concern if it is deemed, and the obvious example here is if the weighbridge goes down and the operator is having to use this deemed standard and yet they have to provide the department with an annual report that includes a volumetric survey of their landfill and there might be a discrepancy between what occurred when it was deemed as opposed to when it was weighbridged. Will the department pick up those discrepancies?

Ms O'Shea: Volumetric surveys are one tool in a suite of tools to assist with compliance, so it is not the sole aspect of which decisions around whether a person has been compliant or not.

Mr POWELL: So DERM would take into consideration the fact that the weighbridge had been down and that they used deemed for that period?

Ms O'Shea: Yes. So DERM would use it as an indicator that there may be a discrepancy and then use that to follow up what might have led to that discrepancy.

Mr POWELL: Okay. There is a link here to the resource recovery areas, and we did not get to that in chapter 3. It talks about a physical barrier defining a resource recovery area, but it does not specifically define what a physical barrier might look like. Can you give me some example or indication of what the department would consider appropriate as a physical barrier in this instance?

Ms O'Shea: I think the idea around that was to work with individual sites to work with them. We did not want to be too prescriptive around what a physical barrier might be because every site is entirely different. So we would work with them to help identify what a resource recovery area—

Mr POWELL: It is just interesting that you were prescriptive around the number of entries and exits through the physical barrier, but that is fine. I am glad to hear you are going to work with the—

CHAIR: I think she has made it very clear that they are going to work together on it.

Ms O'Shea: It is a site-by-site issue.

Mr POWELL: Sure. Just out of interest, given councils are already doing these volumetric surveys of the landfill, what kind of cost does one of those surveys impose on a council?

Ms O'Shea: It varies, but it could be between \$3,000 and \$5,000 a survey.

Mr POWELL: So they will be required to do those at least annually?

Ms O'Shea: Annually, yes.

Mr POWELL: So \$3,000 to \$5,000.

Ms O'Shea: It is generally part of good waste management to do a volumetric survey.

Mr POWELL: Understood. I am just trying to get an indication of the impost.

Ms O'Shea: With regard to sub 2,000 tonne sites, the department will assist in funding for smaller sites where they may not have been doing it in the past.

Mr POWELL: Thank you.

CHAIR: Next chapter.

Ms O'Shea: Chapter 16 is where Kylie and I will be hot seating with some of our other colleagues, but chapter 16 is the other amendments provisions and so I will leave Kylie to deal with that one.

Ms Hughes: Parts 1 to 3 of chapter 16 are relating to waste. The first part repeals the environmental protection waste management policy because all of the provisions in that are now moved into this bill in relation to the hierarchy and local government and state government strategic waste management planning. Part 2 amends certain parts of the Environmental Protection Act, including the definition of 'waste', the removal of certain chapters in relation to a local government's approval of waste management works within their local government area and tidies up some of the provisions around decisions to do with beneficial use approvals that are now being moved into this bill so they are no longer needed in the Environmental Protection Act. Part 3 repeals specific provisions in the Environmental Protection (Waste Management) Regulation which are also being moved into this bill, so they are tidying up provisions I suppose.

CHAIR: Are there any questions from the committee? If there are no questions—

Ms O'Shea: Madam Chair, did you want to go through the other parts and come to the levy chapter right at the end?

CHAIR: It might be easiest whilst you are sitting there to go back to chapter 3. I know the member for Glass House has six more questions, so we will see how we go. Member for Glass House.

Mr POWELL: Madam Chair, I have snuck a few of them in under chapter 15, so we do not have that many. Section 45 talks about electronic monitoring. I guess unfortunately you are suffering from the fact that I sat on the Scrutiny of Legislation Committee and am a bit of a stickler for clear meaning in legislation, so can you explain to me what 'reasonably believes' might mean?

Ms O'Shea: I might have to take that one on notice if you do not mind, Mr Powell.

Mr POWELL: Sure. It is a legal definition, is it?

CHAIR: They are happy to take that on notice, but I am told by my learned colleague that the courts do actually really determine what the term 'reasonable' does mean. But if you are happy to take it on notice; it is quite standard. We will take it on notice.

Ms O'Shea: If the member is happy for that.

Mr POWELL: Very happy. The remaining questions relate to payments of amounts into the Waste and Environment Fund. Given that the department will have been working with operators for some time around commercial and industrial, construction and demolition and hazardous waste, has the department done any modelling on what sort of revenue will be raised through the levy?

Ms O'Shea: We have done some modelling. It is somewhat difficult to quantify how the market will react to a levy, so the modelling that has been done has been very conservative. The amount, I think, is roughly \$400 million over four years, so roughly \$100 million a year. Obviously the delay in the levy commencement meant that in year 1 I think we anticipate a downturn in our projected funding of \$41 million, so in this year I think we are expecting somewhere in the order of \$50 million.

Mr POWELL: Has the department determined how that \$400 million will be allocated over the first four years through the Waste and Environment Fund?

Ms O'Shea: That is a policy decision of government. The appropriation of that money is a policy decision of government.

CHAIR: Thank you.

Mr POWELL: Taking the policy out of it, can you describe to me the kinds of activities that would be funded potentially, without dollar figures?

CHAIR: I think again that is touching on policy. I think the member for Glass House should move on.

Mr POWELL: What type of product stewardship programs will be funded through that?

Ms O'Shea: At this stage in relation to the funding that may come our way from the Waste Avoidance and Resource Efficiency Fund in relation to product stewardship, the first order of business is to look at the national product stewardship programs and to make sure that we have some complementary assistance around those programs. So e-waste and tyres, I think, are the two first cabs off the rank in relation to the national product stewardship scheme. We are also working very closely with local government through the funding that will be provided to local government through a Sustainable Futures Fund to work with them, acknowledging that product stewardship, certainly around e-waste, may impact on local governments quite heavily. I know that they are looking at utilising some of their funds for providing assistance in that area as well.

Mr POWELL: Can I clarify whether the infrastructure funds that are going to local government are also coming out of the Waste and Environment Fund?

Ms O'Shea: Yes—out of the Waste and Environment Fund, not from the Sustainable Futures Fund.

Mr POWELL: And all other assistance negotiated with the councils is also coming out of the Waste and Environment Fund.

Ms O'Shea: I am not sure whether—

Mr POWELL: I understood there was other assistance you mentioned around volumetric surveys.

Ms O'Shea: That is part of the infrastructure program.

Mr POWELL: The Waste and Environment Fund will also fund the department in terms of its implementation costs. Is that correct? Or will that come out before the Waste and Environment Fund?

Ms O'Shea: No. The administrative costs around collecting the levy are part of the Waste and Environment Fund. So they are paid for by the levy.

Mr POWELL: Are you aware of the other funds that the department operates such as the Ecofund?

Ms O'Shea: No. I am not aware of how that fund works.

Mr POWELL: That will make the next question challenging. Do you know how this fund will differ from the Ecofund? Is it possible to take that on notice?

CHAIR: It is not in their brief. I think you could leave that to some other time.

Mr POWELL: There is a concern that there are a number of funds now springing up within DERM, each administered differently. I would be interested to know how the department is going to administer—

CHAIR: It is not her brief. So we might leave that one.

Ms O'Shea: I can comment on how the environment and resource fund will be administered, if that is of assistance, Madam Chair.

Mr POWELL: I can constrain my question to that, Madam Chair.

CHAIR: Okay.

Ms O'Shea: All the levy moneys will go into the environment and resource fund. They do not go into consolidated revenue. They will go into the environment and resource fund. The fund is administered as controlled revenue within the Department of Environment and Resource Management. What the money is spent on is a policy decision of government.

CHAIR: Yes.

Mr POWELL: It is noted that additional funds can be paid into that fund under the legislation.

CHAIR: Can you give an example?

Mr POWELL: Section 69 states that 'the following amounts, on receipt' are paid into the fund. It also states under subsection (2) that 'the following amounts may also be paid into the fund': any amount appropriated by parliament, any amount paid into the fund at the direction of the minister or the Treasurer, and any amount paid into the fund under any other act. So I would like to clarify that it will not just necessarily be levy money that is going into that fund.

Ms O'Shea: I may have to take that one on notice. From memory, I think that is just a provision that allows for other things to be put in there. It is not really intended that it be utilised for other things.

CHAIR: We might move on. We have a question from the member for Bundaberg.

Mr DEMPSEY: In relation to the Waste Avoidance and Resource Efficiency Fund and the Waste and Environment Fund, what are the department's governance requirements in relation to those two funds?

Ms O'Shea: Sorry. Could you give me an example of what you mean by that?

Mr DEMPSEY: For example, as far as oversight is concerned—auditing of those funds.

Ms O'Shea: Those funds are subject to the department's annual accountability in the department's annual plan. So they are audited as part of the department's finances as a standard—

Mr DEMPSEY: Under the Auditor-General.

Ms O'Shea: Yes, under the Auditor-General.

CHAIR: Thank you very much. I think we will move on.

Mr POWELL: Before we do, Madam Chair, can I thank the departmental staff. They have answered questions for nearly two hours straight and have done a fantastic job. Thank you.

Ms O'Shea: Thank you.

CHAIR: I now invite Mr Greg Coonan and Mr Stephen Sheppard to make some comments.

Mr Coonan: We are dealing with the part of the bill that deals with the response to the Carbon Farming Initiative. This piece of legislation is designed to enable landholders in Queensland to participate in the Commonwealth's Carbon Farming Initiative. It is largely machinery provisions in nature that are needed to satisfy the requirements of the Commonwealth bill. It is largely about being able to create long-term interest in carbon rights in the state.

In terms of landholders in Queensland, as I referred to before, the legislation proposes that basically all landholders in Queensland would be able to operate with this legislation. That includes our lessees in the state, our trustees and reserves, deed of grants in trust, Aboriginal Land Act grants, and also the state in relation to national parks and state forests. So we have looked for a very comprehensive response to this.

Probably the big issue that the legislation had to address was how would these landholders be able to hold the carbon rights to the level they would need to to satisfy the Commonwealth legislation. What is proposed in particular under the Forestry Act—where the rights in forest products are actually vested in the state—is that that act be amended to allow the state to transfer these rights to the lessees, to the trustees. It is looking at a fairly simple process. It is effectively vesting those rights for participation in this Carbon Farming Initiative.

The term that is used when this vesting occurs is a carbon abatement product. So under the Forestry Act we use that act to get a carbon abatement product to be able to allocate it to a lessee or to a landholder, whoever they are. Then, once it is vested, that will enable that right to be created as an interest against the title. So in the titles office, where all the tenures in the state are recorded, we will be able to register a carbon abatement interest. We will have this carbon abatement interest in the form of registration—it is a bit like getting other interests in a tenure such as easement interests and mortgage interests. That should be sufficient then to satisfy the Commonwealth's requirements so that that landholder has the prerequisites in terms of that right to make application under the Commonwealth scheme.

The way we have designed it as well is that the interests will be able to travel with any tenure changes. What I mean by that is, say, a lease is renewed or a lease is converted to freehold or other tenure dealings occur. This interest will actually travel with the land. It will not disappear because the lease is transferred or renewed or converted. The interest will continue. So it gives that certainty that the Commonwealth scheme was looking for. So we have made that very clear in our legislation. It will give us the capacity to make sure and show to the Commonwealth that we can meet that requirement.

The other significant thing that I think is worth mentioning is that, in terms of these carbon interests, in the way that it has been designed it will not matter if you are a freeholder or a state interest holder. It will all work in an identical fashion. The same registration processes will be used. The only difference will be is that if the interest is over state land it will require ministerial approval. In terms of our landholders, it should be a fairly simple process that we have come up with. We have certainly kept any administrative overheads and that sort of thing down to a minimal level in doing it the way we have done it.

CHAIR: Are there any further comments?

Mr Sheppard: No.

CHAIR: I will now open it up for questions from the committee. The member for Glass House has a question.

Mr POWELL: As we discussed yesterday, the Carbon Farming Initiative bill passed the Senate in the last couple of days but with amendments. Is there any anticipated flow-on for this legislation should those amendments be agreed to by the House of Representatives?

CHAIR: That may be an opinion. I just ask you to be mindful of that.

Mr CRIPPS: How will it change the arrangements?

Mr POWELL: Have you been keeping abreast of the amendments that the Senate passed and will they change this legislation at all?

Mr Sheppard: The provisions that we have introduced into this bill are so broad, so to speak, that any of the changes that they have proposed would work anyway, whether they are approved or not.

Mr Coonan: The feature of the Commonwealth legislation is that it is providing a very wide scope for future expansion of opportunities to participate. Our legislation has captured where they currently have it set. But in time the opportunities will be there to actually follow and expand the legislation if the Commonwealth does.

Mr Sheppard: And this legislation will also be able to expand the rights allowed under the interest.

Mr POWELL: Just to clarify, the current focus is on tree planting primarily. The regrowth work is yet to come. I appreciate that this is the Commonwealth bill rather than this bill.

Mr Coonan: The Commonwealth bill at the moment is geared around people planting trees primarily for environmental type outcomes but not solely for that type of thing. There is recognition coming from the Commonwealth in their legislation about the possibility for managed regrowth to be included. There is a fair bit of work going on from Queensland to help the Commonwealth in how their carbon will be quantified and measured to a standard satisfactory to bring it into that legislation.

Mr POWELL: And this repeal legislation that you are wanting passed now will allow for regrowth to be accommodated as much as tree planting?

Mr Coonan: Yes, we certainly have that door well and truly open.

CHAIR: Are there any further questions from the committee?

Mr LAWLOR: If the state grants a landholder the right to deal with the carbon abatement product, that actual carbon abatement interest is registered on the title, is it?

Mr Coonan: That is right. All those tenures, such as leasehold and reserves, are actually recorded in the titles office. So it will be recorded in the same way as an interest in that land.

CHAIR: Thank you very much. We will go on to the next section—amendment of the South-East Queensland Water (Distribution and Retail Restructuring) Act 2009 and the Water Supply (Safety and Reliability) Act 2008. I invite Ms Judith Jensen and Ms Anita Packwood to make some comments.

Ms Jensen: The waste bill includes two sets of amendments relating to the Water Supply (Safety and Reliability) Act. Just for convenience we will call it the water supply act for our information this morning.

The first amendment is in relation to the disposal of coal seam gas water. Coal seam gas water, by definition, is underground water that is brought to the surface in connection with the exploration and production of coal seam gas. So, again, I will just refer to that as coal seam gas water for our information. In relation to the disposal of coal seam gas water into a natural water source—a watercourse or an aquifer—that is also regulated under the water supply act for the protection of public health where that may impact on a drinking water source of a drinking water provider. So this amendment is designed to streamline the approvals that are required for that disposal in relation to the water supply act and the Environmental Protection Act.

The second amendment is in relation to the regulation generally of service providers to allow a sewerage service provider to consent to the discharge of seepage water—I will explain that further in detail when I get to that part. It is to allow a service provider to consent to the disposal of that seepage water into their infrastructure. So I will take those two different sets in turn and take questions at the end of the first set.

With respect to the coal seam gas recycled water, the disposal of coal seam gas water into a watercourse or an aquifer is regulated under two regulatory frameworks—the first is the Environmental Protection Act, which is designed then to protect the environmental values of the watercourse or the natural water source, and separately it is also regulated under the water supply act for the protection of public health where there may be a material impact on that source of water which is also the source for a drinking water service provider.

This amendment contained in the waste bill is designed to streamline those approval processes in various prescribed circumstances to deal with an emergency situation to allow the disposal of coal seam gas water into a natural water source and to streamline the approval processes to remove the need to

have the additional approval under the water supply act also obtained provided that the approval that is given under the Environmental Protection Act includes conditions for the protection of public health. So it is to provide that streamlining process.

It is recognised that this will only apply where the disposal in those situations is very temporary, because the underlying premise of the regulatory framework in the water supply act is to provide a regulatory framework where you have a more long-term continuous disposal of coal seam gas water into the watercourse for the protection of public health. So the amendment constrains that temporary disposal by way of prescribing the period. It can be no longer than a 12-month period. After that time—if that disposal is to continue beyond the 12-month period—there is a requirement for the coal seam gas producer to then obtain the necessary approvals under the water supply act for that continuous longer-term supply.

CHAIR: Since they are two operate issues, are you happy to take questions on the first one now—on the coal seam gas?

Ms Jensen: Yes, I am happy to as an introduction to the amendments.

CHAIR: I am going to open it up to questions from the committee.

Mr DEMPSEY: Just as a clarification, it is in relation to coal seam gas in relation to treated water?

Ms Jensen: This is in terms of the disposal?

Mr DEMPSEY: The disposal.

Ms Jensen: Yes, for the disposal of that coal seam gas water, there will be an assessment. If that is the disposal method—into a natural water source—there will be an assessment as to what would be the requirements for the protection of public health for that disposal to occur.

Mr DEMPSEY: Yes. What I am getting at is there is treated water. There are a number of types of water. There is the initial water that comes up. Are we talking about the treated water specifically?

Ms Jensen: This is in terms of the coal seam—

Mr DEMPSEY: Or the overall water?

Ms Jensen: It would probably cover all of those.

Mr DEMPSEY: Good. When an emergency is declared, what is the department's time frame for those actions to proceed?

Ms Jensen: The approval then to allow for that temporary discharge in those circumstances will be the regulatory framework under the Environmental Protection Act. So it will be the Environmental Protection Act that will then determine on a case-by-case basis the assessment and the approval that allows the authorised discharge. I do not have the details to provide you in terms of that regulatory framework but I can take that on notice and provide you with an outline of how the Environmental Protection Act framework applies.

CHAIR: Are you happy with that?

Mr DEMPSEY: Thank you very much for that. The other one is in relation to an emergency. I will give you a scenario. There has been an emergency. We all want to get it dealt with quickly.

CHAIR: Just be mindful that we cannot answer hypothetical questions.

Mr DEMPSEY: It is not a hypothetical. The water is discharged, as you said, into a natural water source, or an aquifer. When we are talking larger volumes—say that natural water source is a stream or a creek—when does that then become an asset?

Ms Jensen: Do you mean in terms of a third party?

Mr DEMPSEY: That is right. The water is the property of the mines. Then it goes from the EPA. When does it become of value?

Ms Jensen: My answer may be general, if I can answer your question—

CHAIR: We would be happy to take it in general terms.

Ms Jensen: The actual underground water itself is vested in the state. In terms of then any taking of that water, it is then governed by, in the coal seam gas world, the petroleum and gas act—the right to take that water as an incidence of the extraction of the coal seam gas—and then any further rights to its use and disposal, again, are governed by the regulatory framework under the Environmental Protection Act and the water supply act, by way of an example. Then in terms of the return to the watercourse, again, there is a vesting interest of that water in the state. But there may then be arrangements and approvals that allow the taking of water out of that natural source. So it is regulated in that context of a regulatory framework.

Mr DEMPSEY: It is more or less trying to get that value. I have been to a number of sites and we have seen many megalitres of treated water going out to the natural water sources.

Ms Jensen: So subject to those regulatory approvals and then what may be arrangements as between a number of parties that is managing that disposal or ongoing supply of that water, there can be arrangements between those parties as to its further on-use, again, as regulated through the regulatory approvals. For example, under the Environmental Protection Act they may issue beneficial re-use approvals for that water. It is probably just difficult to give anything more than that general answer.

Mr DEMPSEY: No, that is fantastic.

CHAIR: Do you have a further question?

Mr DEMPSEY: With the aquifers and so forth, does the department know the number that goes back into the aquifers at the moment?

Ms Jensen: I would probably have to take that on notice.

CHAIR: Are you happy for that to be taken on notice?

Mr DEMPSEY: Yes.

Ms Jensen: And the question is really—

Mr DEMPSEY: The number of reinjections into aquifers. Yes, that is all.

Ms FARMER: Thank you for going through this process again.

Ms Jensen: That is okay.

Ms FARMER: I am interested that this period could be up to 12 months. Can you give me an example of something that might be in place for up to 12 months—what sort of public health issue it may be?

Ms Jensen: The 12 months is a period that is just recognised to constrain the nature of it being a temporary disposal, because the water supply act is the appropriate regulatory framework to deal with more long-term continuous—this was in recognition that you may have to provide an ability for a temporary disposal. There may be a seasonal event, or a particular weather event that requires, in terms of the operations of the coal seam gas production, a temporary release of water in that circumstance. Again, in recognition that the water supply act is the regulatory framework for dealing with protecting public health, it is just important, as to whether it is long-term, or short-term, that there are appropriate public health conditions included in that temporary approval. So the 12-month period is just an ability to define which are the regulatory frameworks that are then to apply to avoid any unnecessary duplication in that sense.

Ms FARMER: So what would be an example of something that might occur? What would be an example of such an emergency?

Ms Jensen: There may be an issue where there is a particular weather event or a seasonal event where you had coal seam gas water that was stored in an off-stream storage. That meant that there was a risk that there may be some overflow of that coal seam gas water, which may then be disposed of. Because it is very difficult to immediately build another storage it may be necessary to allow that disposal into a watercourse, but there will be necessary conditions both from an environmental perspective and a public health perspective that would be included in that authority to allow that temporary disposal.

Ms FARMER: Then there would be monitoring over that period? Obviously, if it did take 12 months that is a significant period of time. There would obviously be monitoring about the impacts over that time?

Ms Jensen: That is correct. That is the importance of the nature of the public health conditions that would be included. There would certainly be water quality monitoring and reporting that would be included in those conditions, depending on the circumstances there, as to the disposal or the discharge rates of the flow into the watercourse to ensure that there was sufficient dilution of that water, again, as a protection of public health. So there would be a range of conditions that would be imposed. But importantly, there is the reporting and monitoring of that disposal.

CHAIR: If there are no further questions, we might go on to part 2.

Ms Jensen: The second amendment is in relation to the Water Act and it is in relation to the regulatory framework that applies to service providers. Currently, the regulatory framework identifies a number of substances that are prohibited, that are not allowed to be discharged into a service provider's infrastructure but there are other substances—for example, trade waste materials—that are allowed to be discharged into a service provider's infrastructure with their consent. This is quite a longstanding regulatory framework around these provisions. Included in the prohibited substances is a whole class of waters that are currently prohibited. One of those is seepage water, which really by definition is water that seeps from the ground into a structure that has been built. It is not the actual extraction of any water. An example would be like a tunnel or a car park—something underground—where the underground water just seeps into that structure. That is included in the class of waters that is currently prohibited. This amendment now provides flexibility to allow that class of water—seepage water—because it is usually of a smaller volume and can be controlled to allow a service provider with their approval and consent to accept that disposal into their infrastructure.

CHAIR: Are there any further questions from the committee? If there are no further questions, thank you very much. We will move on to the amendments to the Water Act 2000.

Mr Claydon: Thank you, chair and members. The bill also contains amendments to the Water Act 2000 to implement what is called a National Water Initiative risk assignment or compensation provisions. These are provisions that were agreed in 2004 and they were further amended in 2008 by an agreement between the Commonwealth and Queensland for the Murray-Darling Basin plan. The reason we have this compensation framework is if there is some action—like a planning action—that results in a water access entitlement being reduced. One of the things that is going to likely happen is when the Commonwealth

finalises its Murray-Darling Basin plan—and we expect that finalisation now would be sometime in 2012—it is important that we have this amendment in place so that Queensland does not have a liability as a result of what the Commonwealth is likely to do under the basin plan.

The timing for this is we are waiting to see the draft basin plan—and that has sort of dragged on a little bit, but it is getting very close now—just to make sure that our provisions are going to fully cover what was proposed. Our provisions here basically reflect what New South Wales has also decided to put in place to make sure that landowners, or irrigators—water users in Queensland who have water access entitlements—are not going to be disadvantaged as a result of perhaps a new knowledge coming together, which would reduce their water access entitlement. So that is the main provision.

There is also a supplementary provision to enable Queensland to develop what is called an interim water resource plan under the Commonwealth Water Act. It is important to do that so that, particularly groundwater irrigators—for example, those in the Condamine area of Queensland—are also eligible for the Commonwealth's programs in the Murray-Darling Basin should those groundwater access entitlements be reduced in the basin plan, and in the Condamine area that is quite likely. So it is important that we can put in place something before the basin plan is finalised to make sure that those irrigators are fully eligible for the Commonwealth's programs.

CHAIR: Any further comment? I might open it up to questions from the committee.

Mr DEMPSEY: In relation to the compensatory amounts, could you go a bit more into that side of it?

Mr Claydon: The Commonwealth has a program in place at the moment called Water for the Future, which has a total of over \$500 million available to Queensland for both purchasing of water access entitlements and improving on-farm efficiency, with some of those on-farm efficiency improvements going to the Commonwealth environmental water holder. The funds that have been set aside by the Commonwealth for the Queensland part of the whole program at the moment are just over \$500 million.

Mr DEMPSEY: In relation to the overall water resource plan itself, bearing in mind we have the Commonwealth draft plan still to come and so forth, are there any additional funds needed or will that come out of that \$500 million?

Mr Claydon: The water resource plans in the Queensland part of the Murray-Darling Basin are up for renewal in 2014. The current departmental resources are in place for that renewal process.

Mr CRIPPS: The explanatory notes accompanying the bill state that in the Queensland portion of the Murray-Darling Basin, subartesian groundwater management areas are yet to be managed under water resource plans under the Water Act. Is that the Queensland Water Act?

Mr Claydon: Yes, that is correct.

Mr CRIPPS: So presently groundwater management areas are yet to be managed under water resource plans?

Mr Claydon: Yes. The groundwater is managed at the moment under the Water Act. There is a water regulation, Water Regulation 2002, which covers most of the groundwaters within the Queensland section of the Murray-Darling Basin. There are also the Great Artesian Basin waters, which are covered by that water resource plan. Of course, quite a bit of the Great Artesian Basin is also within the Murray-Darling Basin geographical area.

Mr CRIPPS: Are they two separate sources of groundwater, the Murray-Darling Basin groundwater and groundwater management areas that are managed under the Queensland Water Act?

Mr Claydon: The Great Artesian Basin water resources are not Murray-Darling Basin water resources in accordance with the Commonwealth Water Act. It is only those other non-Great Artesian Basin resources, for example, the waters of the Condamine alluvium. The waters of the Condamine alluvium are a Murray-Darling Basin water resource for the purposes of the Commonwealth Water Act and they are also a water resource for the purposes of the Queensland Water Act. We currently manage those like the Condamine alluvium under the Queensland Water Act, under the regulation 2002.

Mr CRIPPS: They are in the water resource plan for that area.

Mr Claydon: Yes. We were in the process of actually amending the Condamine-Balonne water resource plan to include the Condamine alluvium, but with agreement of the water users there we put that process on hold pending the outcomes of the Commonwealth space and planning process.

Mr CRIPPS: That is fair enough. It also states, in relation to the Water for the Future program, which you indicated had a half billion dollars available to Queensland for the compensation of water licences affected by back processes and efficiency programs, which is interesting. However, it does say that water entitlements purchased under the Water for the Future program must meet the Commonwealth's requirements for security. Can you advise the committee what the standard of security is that the Commonwealth will be requiring for its purchase of entitlement?

Mr Claydon: To date what they have required is what we call tradeable water access entitlements or water allocations, in other words, things that are on our water allocations register. With the making of this amendment and with discussions with the Commonwealth they are looking at being able to include certain types of water licences in those programs—for example, a water licence that has a volumetric limit attached to it so that it can be used by the Commonwealth to offset what is called a sustainable diversion limit that is going to be put in the basin plan.

Mr CRIPPS: Usually a water licence or an allocation to a water licence holder may vary from year to year depending on the availability of the resource. Can you advise the committee what level of priority will the allocation be for the resource to an entitlement purchased by the Commonwealth through the Water for the Future program? Will the entitlement purchased through the Water for the Future program take precedence over an allocation to other water licence holders who may be allocated a volumetric amount of the resource every year based on the availability of the resource?

Mr Claydon: No. The product that the Commonwealth actually purchases is the product as it is. If they purchase a water allocation with a particular priority, it retains that priority. It does not get put up the priority list.

Mr CRIPPS: It will simply be another holder of an entitlement within the existing range of entitlements? Further on the explanatory notes state—

This will provide a mechanism for making water entitlements within the area to which the interim water resource plan applies eligible for voluntary buyback arrangements under the Water for the Future program ...

Can you advise how the Commonwealth will achieve the amount of water it wants to secure under the Water for the Future program if you do not secure it through voluntary buy backs?

Mr Claydon: The other mechanism at the moment that they are using is the water efficiency program, which also is a voluntary program where irrigators agree to make some on-farm efficiency improvements. That might be changing furrow irrigation to sprinkler irrigation, for example. That is assessed by independent technical people as to the amount of efficiency that is and what megalitres are involved in that, and then there is an agreement.

Mr CRIPPS: But you will know that, particularly for the Condamine-Balonne WRP, which took a very considerable amount of time, that the amount of resource used by the prevailing industries in those areas has been scrutinised very, very closely and that the amount of allocated resource from year to year is really critical to the success of a lot of enterprises, particularly farm enterprises. It really hinges on the availability of that water. Farm enterprises in those areas will already have made very rigorous calculations about how much water they will need for the ongoing viability of their enterprise. If the Commonwealth does not secure enough water through its Water for the Future program through voluntary buy backs and the efficiency program, how will the Commonwealth achieve its goals?

Mr Claydon: That is a matter for the Commonwealth.

CHAIR: I was just going to say it would be hard for you to answer that and it would be a matter for the Commonwealth.

Mr CRIPPS: Sure. I will rephrase the question. Are there any—

CHAIR: I am happy for you to rephrase the question.

Mr CRIPPS: Excuse me, Madam Chair. I will rephrase the question so that he does not have to offer an opinion.

CHAIR: I am happy for you to do that. That is good.

Mr CRIPPS: Are there any mechanisms in the legislation that will allow the Commonwealth to secure its goals, other than through the buy back or the efficiency program?

Mr Claydon: To debate this part of the amendments, there has to be an agreement with the Commonwealth and the state as to how the Commonwealth is going to meet its obligations.

Mr CRIPPS: But it is not in the bill. Is that in bill?

Mr Claydon: No, the agreement is not in the bill.

Mr CRIPPS: That clarifies—

Mr Claydon: For example, the Water for the Future agreement makes available \$500-plus million and that is not legislated in Queensland.

Mr CRIPPS: That clarifies very well what my question was asking. I turn to page 15 of the explanatory notes, which relates to the part of the bill discussing alternative ways of achieving the objectives of the proposed legislation. Under the Water Act section of that part of the bill it states—

Not adopting the National Water Initiative risk assignment framework is not a viable alternative as adopting the framework will be of benefit to Queensland water access entitlement holders and the State.

That is a rather definite statement to make in the explanatory notes accompanying the bill. Can you advise the committee how Queensland will benefit from the adoption of this framework?

Mr Claydon: As a result of that 2008 Murray-Darling Basin intergovernmental agreement, the agreement is that if a state adopts the national water initiative risk assignment or compensation provisions, the Commonwealth will pay whatever the state's liability would have otherwise been under that national water initiative agreement. The Commonwealth will actually pay whatever the state's liabilities were, as long as we do it before the basin plan is finalised. If we do not do it before the basin plan is finalised, the state would continue to have liabilities if there were to be changes to certain water entitlements as a result of certain things that may have been done by the Commonwealth or as a result of new knowledge coming into the basin planning process.

Mr CRIPPS: And that would relate to the interest that the Commonwealth gained to the management of the Great Artesian Basin in Queensland as a result of the legislation that passed through the House in 2008?

Mr Claydon: I am sorry, you mentioned the Great Artesian Basin. Did you mean—

Mr CRIPPS: I am sorry, the Murray-Darling Basin I should have said.

Mr Claydon: Yes, the Commonwealth amended its legislation in 2008. It put its Commonwealth Water Act in place in 2007. Then in 2008 the basin jurisdictions transferred some of their water planning powers to the Commonwealth and the Commonwealth amended its legislation in 2008 as a result of the transfer of those powers.

Mr CRIPPS: So that statement simply refers to the fact that the Commonwealth will assume liability for any compensatory amounts that need to be paid as a result of the loss of the water rights by those people who currently hold those rights?

Mr Claydon: Yes. It indicates where that has come about as a result of that basin planning process and new knowledge that has been put into that process.

Mr CRIPPS: It does not take into account any cost benefit analysis that may need to be done to ascertain the loss of productivity through the loss of those water resource entitlements?

Mr Claydon: The matter of if, for example, there is broader community impacts as a result of those water access entitlements not being used is outside of the actual basin plan process.

Mr CRIPPS: That is interesting, because when I go to page 17 of the explanatory notes, under the heading 'Water Act 2000' it states—

Costs associated with reductions in water entitlements in the Queensland portion of the Murray-Darling Basin cannot fully be assessed until the Commonwealth's *Water for the Future* initiative is finalised.

So the bill actually deals with the cost. It does state that we do not know what those costs are. So we do not know what the costs are. We cannot really reconcile that situation with the statement on page 15 which says that we will benefit from adopting the framework, because we do not actually know what the costs are as a result of the reductions in water entitlements.

Mr Claydon: If there are costs, we benefit. That is what it says.

Mr CRIPPS: But we do not know what the costs are.

Mr Claydon: The costs will depend on what the Commonwealth does with its basin plan.

Mr CRIPPS: We know that the limit to the amount of money available to Queensland under the Water for the Future program is \$500 million for the purchasing of the entitlements and the water efficiency program. If we do not know what the costs associated with the reductions in water entitlements in Queensland are as a result of the adoption of the framework, how can we say definitively, on page 15 of the bill, that Queensland will benefit as a result of the adoption of the framework if we have not yet quantified the costs associated with the reductions in water entitlements?

Mr Claydon: Whatever the costs are, if they are actually going to be met by the Commonwealth Queensland will benefit. Whether the cost is \$500 million or \$100 million or \$500 million, if the Commonwealth is going to pay all of that, rather than Queensland having to pay it, then Queensland benefits. That is all that sentence is trying to say, no matter what—

CHAIR: Thank you very much for that clarification. There is about one minute to go. We might just have time for one very brief question from the member for Bundaberg and then we are going to wrap it up.

Mr CRIPPS: It is unclear to me—

CHAIR: Excuse me, with respect. I called on the member for Bundaberg. He indicated that he wanted to ask a question. I would be happy for him to do so.

Mr DEMPSEY: I am happy to pass it back to the member for Hinchinbrook.

CHAIR: Okay. One final question from the member for Hinchinbrook. Thank you for your patience.

Mr CRIPPS: I am just trying to clarify. The question earlier was, what will be the quantum of the compensatory amount made available to the state of Queensland. You indicated that it was \$500 million for compensation of the loss of the water resource entitlements and the water efficiency program.

Mr Claydon: That is what it is at the moment.

Mr CRIPPS: At the moment; so that is not a cap?

Mr Claydon: No.

Mr CRIPPS: It is just an indicative amount at the moment.

Mr Claydon: It is the figure at the moment. In answer to your earlier question, these are matters for the Commonwealth. The Commonwealth has indicated its commitment to bridge the gap, whatever the gap is. That is a matter for the Commonwealth.

Mr CRIPPS: That clarifies my question, thank you.

CHAIR: Thank you very much, ladies and gentlemen, for your patience this morning. It is now 12 o'clock. That concludes this phase of our morning session. You have been thanked probably a few times this morning but, as the chair, on behalf of the committee, I most sincerely thank you for your forthrightness this morning. We have found it extremely positive and very interesting. The level of detail in your answers has been quite extraordinary. We very much appreciate your time this morning. We personally thank Tamara, Kylie, Greg, Rex, Judith, Greg, Stephen and Anita for their very useful information on the bill. Thank you. I now declare this meeting of the Environment, Agriculture, Resources and Energy Committee closed.

Committee adjourned at 12.01 pm