



Chamber of Commerce
& Industry Queensland

Industry House
375 Wickham Terrace
Brisbane Qld 4000

T 07 3842 2244
F 07 3832 3195
info@cciq.com.au

Hotline 1300 138 470
Employer Assistance
Line 1300 135 822

2 September 2011

Environment, Agriculture, Resources and Energy Committee
Parliament House
Corner George and Alice Streets
BRISBANE QLD 4000

Dear Committee Members

On behalf of the Queensland business community, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide this submission to the Environment, Agriculture, Resources and Energy Committee (EAREC) on the Waste Reduction and Recycling Bill 2011.

While Queensland businesses are supportive of the aim to reduce waste and increase the re-use and recycling of resources, they are strongly opposed to the introduction of the Commercial Waste levy. CCIQ has to this point offered in principle support to the waste reform agenda and been working closely with the Department of Environment and Resource Management (DERM) throughout the development of the package of reforms. However a number of issues have remained unresolved and new issues recently emerged in the context of the announced carbon pricing mechanism by the Federal Government. Accordingly CCIQ does not currently support the passage of the Waste Reduction and Recycling Bill.

The key issues with the Waste Reduction and Recycling Bill for CCIQ are summarised below and are provided in addition to copies of CCIQs submissions and correspondence to previous consultation processes undertaken during the development of the Queensland Waste Strategy (refer enclosed).

1. The waste levy will threaten business viability in Queensland
 - Due to ongoing depressed economic conditions in Queensland (refer to enclosed copy of June Quarter Commonwealth Bank CCIQ Pulse Survey of Business Conditions), many businesses do not have the financial capacity to absorb additional waste costs nor do they have the resources to investigate and make changes to their waste practices and systems. With minimal likelihood of being able to pass costs onto customers at present the additional cost will significantly affect the profitability and viability of many Queensland businesses.

- The financial impact of the waste levy will be particularly significant for those businesses unable to make changes to their waste practices over the short to medium term. This will be the case for businesses located outside of South-East Queensland where mature waste markets and opportunities for recycling and reuse are limited. CCIQ is not convinced that the introduction of the waste levy will provide any immediate incentive for the waste industry to expand into regional Queensland as has been argued by the Minister for Environment and DERM.
 - DERM cost benefit analysis and regulatory impact assessment processes, have not accurately reflected the full cost pass through to the business community. Advice received from the waste industry suggests that additional administrative and reporting costs will be passed through to waste customers and could represent up to an additional 20% to 30% cost increase (in addition to the per tonne waste levy cost) on current waste costs for Queensland businesses.
 - The starting price of \$35 per tonne for C&I and C&D and \$50-\$150 per tonne for hazardous waste categories is considered too high a starting point in light of the significant transition required by industry and the waste sector. Most other jurisdictions when introducing similar legislation did so with a low transitional price (e.g. NSW commencement price was \$5 per tonne and Victoria introduced their waste levy at a starting price of \$5 per tonne).
 - Business waste planning and reporting requirements were not discussed during consultation and in addition to established targets for C&I and C&D waste will increase the red tape and regulatory burden in Queensland. CCIQ does not support the inclusion of any requirement for individual businesses to report on their waste generation and recovery practices as it will again increase the cost impact on the business community.
2. The Queensland Commercial Waste Levy is inconsistent with other emerging environmental policies.
- Following the Australian Government's announcement of its proposed Carbon Pricing Mechanism which includes a \$23 per tonne price on carbon emissions from waste, CCIQ believes there may be significant additional costs passed onto the business community.
 - Advice from the waste industry suggests that the introduction of both major policy reforms will represent a 200 per cent increase for C&I and a 300 per cent increase for C&D waste charges passed onto Queensland businesses from July 2012.
 - The policy intent of the introduction of the commercial waste levy is to create a price incentive for waste generators to reduce the amount of waste they send to landfill. It places a price on the environmental externality for waste. As the unintended consequences of the introduction of a carbon pricing mechanism will increase the cost of waste sent to landfill, CCIQ believes that there will be significant regulatory duplication as both policies have the same intended outcomes and price the same environmental externality.
 - CCIQ continues to urge the Queensland Government to reconsider the introduction timeframes for the commercial waste levy until after the Australian Government has finalised details on how the carbon pricing mechanism is to operate and its applicability to waste emissions to avoid any unsustainable cost impact on Queensland businesses. DERM should be requested to undertake additional cost modelling (including the impact of a carbon price) prior to the passage of the Bill through parliament and the introduction of the Commercial Waste Levy.

3. The Waste Levy unfairly targets the business community.
- CCIQ continues to maintain that the exclusion of municipal/household waste from the levy not only unfairly taxes the business community but also creates a number of complexities within the legislation which significantly increases red tape for business and the waste industry.
 - Queensland businesses have in fact demonstrated significant commitment to improving their waste practices over recent years compared to the household sector. According to the National Waste Report 2010, the C&I sector contributed only 26 per cent of waste to landfill and was responsible for 48 per cent of waste recovered compared to the household sector which contributed 40 per cent of total waste sent to landfill and only 36 per cent of waste recovered in Queensland.
 - The State of Waste and Recycling in Queensland 2008: Technical Report notes that there has been a steady increase in the amount of household waste produced over the past five years. During the period 2003-04 to 2007-08 household waste increased by 40 per cent. Only part of this increase can be attributed to population growth (which increased by only 10 per cent over the five year period) and more so to increased household consumption. In contrast, the amount of commercial and industrial waste reported appears to have stabilised, despite population and business growth and has even shown a slight reduction of approximately 2-3 per cent over the past three years.
 - CCIQ does not believe there is any strong argument (other than for political reasons) to exclude household waste from the levy, especially when the overall objective of the Waste Strategy and Waste Reform Bill is to reduce waste to landfill and the household sector is Queensland's largest growing contributor of waste.

CCIQ remains committed to the Queensland Government efforts to reduce waste and landfill, however the Chamber encourages the Environment, Agriculture, Resources and Energy Committee (EAREC) to ensure the right balance between required environmental outcomes and the need to maintain a strong and productive economy is achieved.

CCIQ trusts that the comments provided in this submission will prove useful in finalising your report to Queensland Parliament on the Waste Reduction and Recycling Bill 2011. If you have any questions regarding this submission please contact me on Ph. 3842 2279 or email nbehrens@cciq.com.au.

Yours Sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland

7 June 2010

t > 07 3842 2244
f > 07 3013 3412
e > info.cciq.com.au

Queensland Government needs to “Get Real” on Waste Strategy

The Chamber of Commerce and Industry Queensland today expressed concern and frustration at the State Government’s industry waste levy announced over the weekend which unfairly shifts the cost and burden of waste management onto Queensland businesses.

CCIQ President David Goodwin said the fact that Queensland will be the only state in Australia where the waste levy is applied only to businesses and not households puts into question the real motives behind its introduction and the real level of commitment this government has to reducing waste in Queensland.

“If the government was serious about reducing waste and protecting the environment, they would impose the levy equally on all members of the community, not just businesses.”

“The state governments own research suggests that households generate almost as much waste as the general business community and that household waste has grown by 40 per cent over the past five years while in contrast, the amount of commercial and industrial waste has decreased.”

“More importantly Queensland businesses have outperformed households in recovering waste for recycling and reuse. In 2007-08 the rate of waste recovery for commercial and industrial waste was 55 per cent compared to a much lower rate of 21 per cent for Queensland households.

Mr Goodwin said the Chamber agreed that more needed to be done to reduce the amount of waste sent to Queensland’s near capacity landfill sites. However he believed the Queensland Governments current proposal to be an example of policy on the run which would not achieve any significant improvement in waste management.

“What businesses need is affordable access to recycling and reuse facilities and real incentives to avoid and reduce the waste they generate.

“Revenue raised from the waste levy should directly subsidise the cost of engaging in recycling processes, the current cost of which is excessive and unaffordable for most small and medium sized businesses.

“The Waste levy should also be modelled on declining use rates where businesses that generate less waste are charged a lesser amount. This would provide incentives for businesses to improve waste management that the current proposed flat rate would not achieve.

Mr Goodwin called on the Queensland Government to consult thoroughly with Queensland businesses on this matter. He said that the current consultation process lacked clarity and that more detail was needed to ensure informed comment.

“The Queensland Government needs to get this policy right. We need a waste strategy that protects the environment while also protecting Queensland jobs and the economy.” Mr Goodwin said.

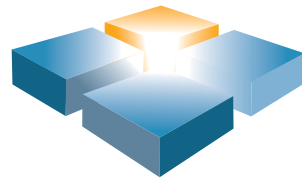
Media contacts:

David Goodwin, CCIQ President - 0405 229 778

Nikala Chenoweth, Marketing and Communications Manager – 3842 2251

MEDIA RELEASE

invigorating



CHAMBER OF
COMMERCE &
INDUSTRY
QUEENSLAND

From Waste to Resource

Changing the way business views waste



Invigorating Business

**Blueprint for Waste Avoidance, Recovery
and Management in Queensland**
August 2010



Printed on 100% recycled paper stock

CONTENTS

Quotes from Respondents to CCIQ Waste Survey	2
Introduction	4
Industry Waste Profiles and Data	6
Draft Queensland Waste Strategy 2010-2020	11
> Strategic Goals, Objectives and Targets	12
> Business Engagement and Participation	13
> Societal Change and Community Commitment	14
> Monitoring, Evaluation and Review	15
Commercial Waste Levy	17
> Waste Levy Implementation Issues	18
> Regulatory Impact of the Commercial Waste Levy	19
> Waste Levy Revenue Distribution	20
CCIQ Position Summary & Conclusion	22
Quotes from Respondents to CCIQ Waste Survey	23

"We need to generate and maintain the desire to take responsible action on waste, in which we share a sense that what we do to reduce or better manage waste – as designers, as producers, as retailers, as purchasers, and consumers – will make a real difference to the things we care about."

"This blueprint is about changing the way we think about waste and turning it into an economic opportunity – about taking action now so that we can maintain the liveability and economic prosperity for all Queenslanders into the future."

*David Goodwin
President, CCIQ*



1.0 INTRODUCTION

1.1 The Chamber of Commerce and Industry Queensland (CCIQ) is strongly supportive of the development of a clear, well-defined waste management strategy for Queensland. Queensland businesses are strongly committed to balancing environmental sustainability with economic prosperity and recognise their role in minimising the impact of their activities on the environment.

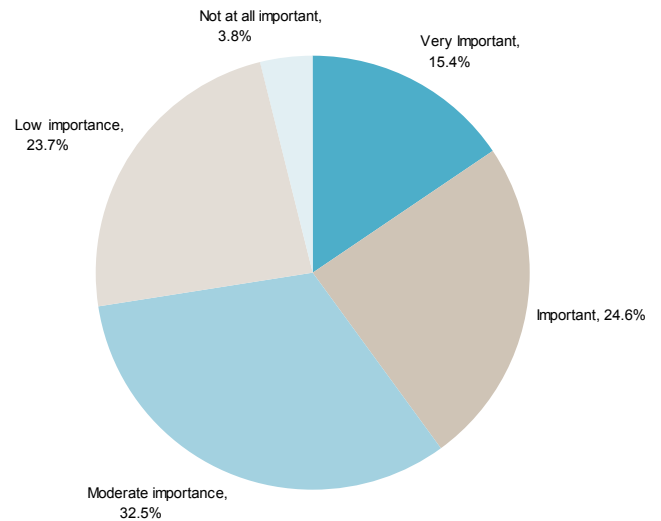
1.2 In March 2010 as part of the Commonwealth Bank sponsored Pulse Survey of Business Conditions, CCIQ undertook a study to identify the current practices and attitudes of Queensland businesses towards the environment and environmental and sustainability issues. Overwhelmingly business indicated a strong commitment to environmental sustainability and that it has become part of best practice business management.

1.3 Forty per cent of businesses consider environmental issues and sustainability to be very important or important to their business. A further 32.5 per cent considered it to be of moderate importance and only 27.5 per cent of businesses considered environmental issues to be of low or no importance to their business. A sense of community obligation and the company's own business needs were the major factors driving participation in environmental management and sustainability programs.

1.4 However, despite a strong desire to do so, cost and time were the single greatest barriers for greater participation in environmental management and sustainability programs. Complexity and lack of expertise are also factors preventing greater uptake. It follows that the success of any environmental program, including the proposed Queensland Waste Strategy, relies on broad community commitment and awareness to drive change and a positive benefit to cost ratio.

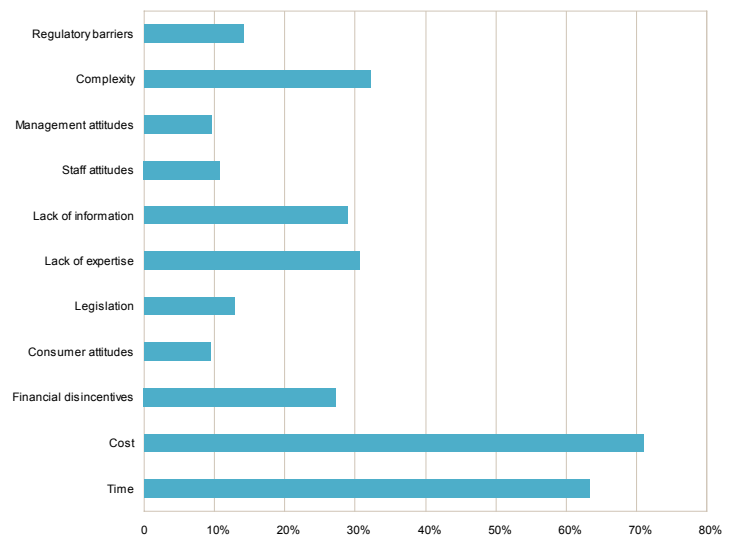
1.5 The Queensland Waste Strategy will not only provide greater certainty to the business community on their rights and responsibilities for waste generation and disposal but may also provide an opportunity for businesses to reduce their waste management costs and lead to new market opportunities. Queensland businesses therefore have a vested interest in best practise waste management strategies.

Importance of Environmental Issues and Sustainability to Business



Source: Commonwealth Bank CCIQ Pulse Survey of Business Conditions March Quarter 2010

Barriers to Greater Environmental Management and Eco-Efficiency for Business



Source: March Pulse Survey

- 1.6 CCIQ advocates a number of fundamental principles, outlined below, which we believe should underpin Queensland's waste management strategy. CCIQ believes it is important that industry and government work together to achieve positive environmental outcomes and meet waste management and efficiency targets in accordance with these principles. CCIQ has and will continue to work cooperatively with the Queensland Government to address environmental and waste issues and ensure the Queensland Waste Strategy leads to positive outcomes and resource efficiency in Queensland.

CCIQ Principles for Waste Management in Queensland

- > All members of the Queensland community must bear a fair and equitable share of the responsibility for addressing issues related to waste generation and disposal.
- > Societal change should be at the centre of the strategy as without mechanisms to change the behaviours and waste practices of all members and sectors of the community, Queensland will fail to achieve any significant improvement in waste outcomes. Appropriate incentives and pricing signals should be provided to all members of the community to drive societal change.
- > Actions, initiatives and programs should directly reflect the objectives and targets outlined in the strategy and a clear link should be established between proposed strategies and the intended outcomes and goals.
- > A recognition that there is no 'one size fits all' solution to waste generation and resource efficiency. This is particularly important given Queensland's dispersed population and varying population densities. The policy response must also be flexible enough to allow for regional and product-specific variations.
- > A comprehensive, transparent and consistent methodology and approach for measuring and reporting on waste generation and recovery must be adopted in Queensland prior to the finalisation and implementation of the Waste Strategy and associated targets and policies. Commitment to regular public reporting which includes benchmarking against other jurisdictions and evaluation of the strategy is also fundamental to achieving long term best waste practice across the community.
- > A whole-of-government approach to the issues of waste generation and resource efficiency must be adopted. This should be broader than agencies simply practicing waste minimisation and must include consideration of waste issues across all areas of policy and service delivery. In those instances where government regulation and policy prevents industry from implementing more efficient waste practices, there should be a concurrent process across government to review regulatory requirements which do not complement environmental aspirations.
- > Business and industry must be actively involved in the development, implementation and subsequent review of any Queensland Waste Strategy.
- > Rigorous assessment of the benefits and costs of the proposed strategy and its associated measures must be undertaken prior to its implementation. Any assessment must also account for current costs of waste management and recovery. Where the costs (economic, social and environmental) of a particular measure exceed the benefits, it must not be adopted in its proposed form.
- > Stakeholders, including business and local government, must be given sufficient time to adjust to any mandatory requirements and be well informed of their options and responsibilities for waste management. Infrastructure and required services must be available and accessible before expectations and targets are imposed on stakeholders.



2.0 INDUSTRY WASTE PROFILES AND DATA

- 2.1 CCIQ from the outset would like to express a general dissatisfaction with the current reporting of waste data in the draft waste strategy discussion paper. We believe that the information and data presented is inconsistent and therefore misleading and does not present the reality of waste generation and reuse in Queensland, especially for the business and commercial sources. CCIQ firmly believes that good and just policy development processes accurate information and informed policy debate across the community. As such the discussion paper does not achieve this objective and can only lead us to the assessment that this discussion paper was developed and written simply to justify the government's introduction of the commercial waste levy.
- 2.2 CCIQ has undertaken a through review of the state and national annual waste reports and other research available on waste in Queensland. According to the National Waste Report 2010, business and industry sends comparatively less waste to landfill than other sectors. Municipal waste was the largest component of the 4.302 million tonnes of waste sent to landfill in Queensland for 2006-07, accounting for 1.7 million tonnes or 40 per cent. Construction and demolition contributed 34 per cent and commercial and industrial waste only 26 per cent.*
- 2.3 Our research also found that Queensland businesses are out performing other sectors in the efficient management and recovery of their waste. According to the National Waste Report 2010, of the 3.779 million tonnes recovered in Queensland in 2006-07, the commercial and industrial stream contributed nearly half (48 per cent) to this effort, while household recycling only accounted for 36 per cent and construction and demolition the remaining 16 per cent. This represents a net landfill diversion rate of over 50 per cent achieved by business and industry, compared to the rate of recovery on kerbside waste collected from domestic premises which is only 21 per cent.

Recovered in Qld (2006/07)	Waste Stream	Million Tonnes	% of total weight
	Municipal	1.365	36%
	Commercial and Industrial	1.797	48%
	Construction and Demolition	0.617	16%
	TOTAL	3.779	
Landfilled in Qld (2006/07)	Waste Stream	Million Tonnes	% of total weight
	Municipal	1.735	40%
	Commercial and Industrial	1.101	26%
	Construction and Demolition	1.466	34%
	TOTAL	4.302	

Source: National Waste Report Card 2010

- 2.4 Furthermore Queensland businesses have outperformed households in minimising and reducing the impact of their waste on the environment. The State of Waste and Recycling in Queensland 2008: Technical Report notes that there has been a steady increase in the amount of household waste produced over the past five years. During the period 2003-04 to 2007-08 household waste increased by 40 per cent. Only part of this increase can be attributed to population growth (which increased by only 10 per cent over the five year period) and more so to increased household consumption. In contrast, the amount of commercial and industrial waste reported appears to have stabilised, despite population and business growth and has even shown a slight reduction of approximately 2-3 per cent over the past three years.
- 2.5 However we acknowledge that Queensland businesses do still send over a million tonnes of general waste to local councils and commercial landfills each year and that little of this is subsequently recovered. As acknowledged in the Queensland Waste and Recycling Report Card 2007-2008 this is mainly because most of the recoverable and recyclable waste is diverted by businesses and sent directly to recyclers and composters. CCIQ also strongly believe this figure may be attributed to an absence of recovery services, particularly in regional areas, and poor information

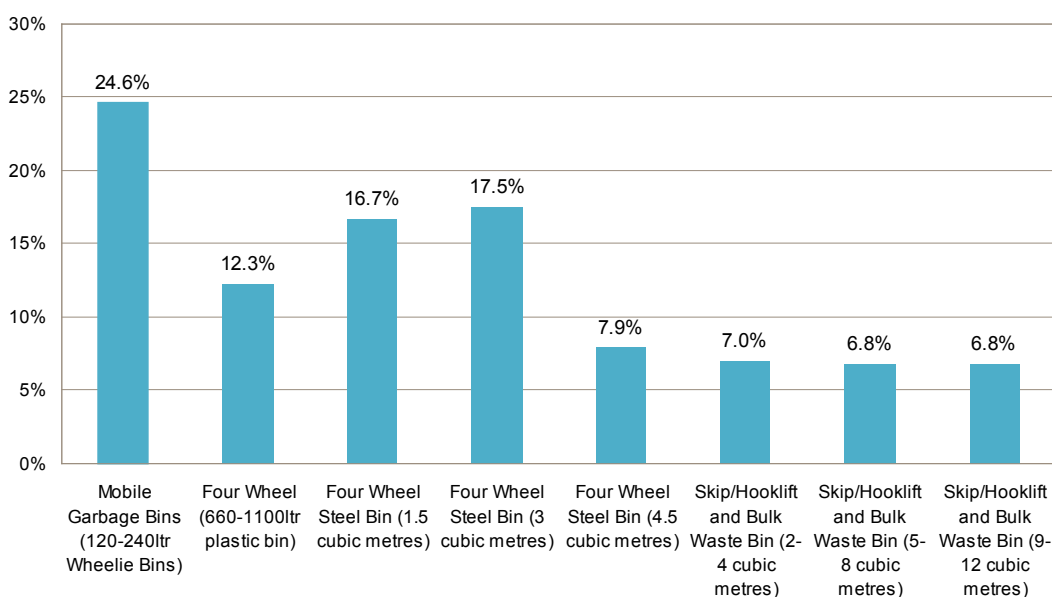
*The Australian Government's reporting methodology was considered more comprehensive and accurate as (unlike the Queensland Government's Waste and Recycling Report Card) it included private sector waste and resource contractor data.

and advice provided to businesses on waste recovery opportunities. Nonetheless Queensland businesses, in partnership with households, government and other sectors, will still need to make a contribution to the reduction of waste if Queensland is to move towards a zero waste future.

2.6 In July 2010 CCIQ interviewed over 300 members to gain a greater understanding of current waste and recycling practices of Queensland businesses. The survey provides further evidence of a commitment to best practice waste management and strong business participation in recycling and reuse schemes.

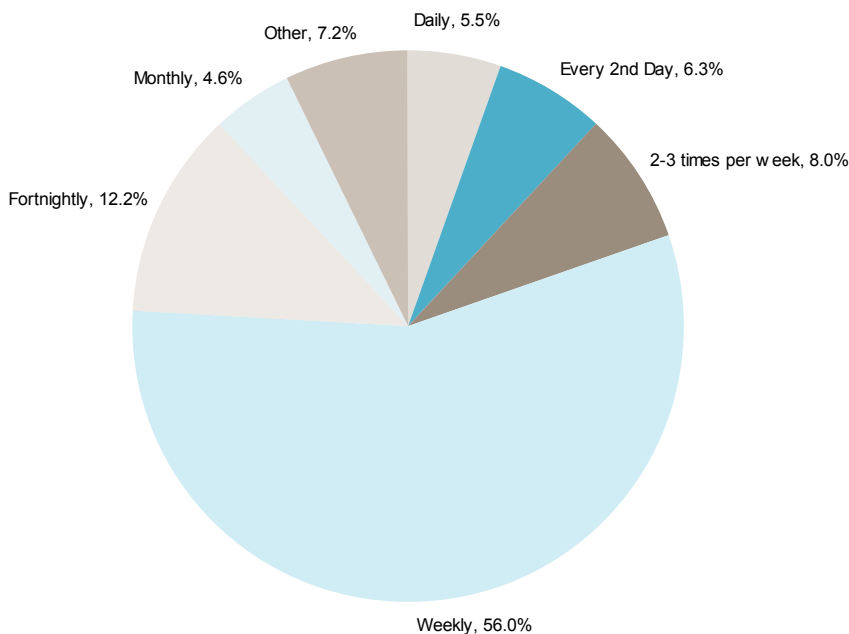
2.7 Most businesses use 1-2 Wheelie Bins (120-240ltr) or one Four Wheel Steel Bin (1.5-3 cubic metres) at their business premise for general waste and these bins are most commonly emptied on a weekly basis. While the majority of businesses indicated their bins are mostly fully at the time of collection, CCIQ believes it to be an issue for the introduction of the commercial waste levy that general waste bins are not full at the time of collection for nearly half the businesses responding to the survey.

Size of bins used for mixed general waste by each business premise?



Source: CCIQ Survey on Business Waste Practices, July 2010

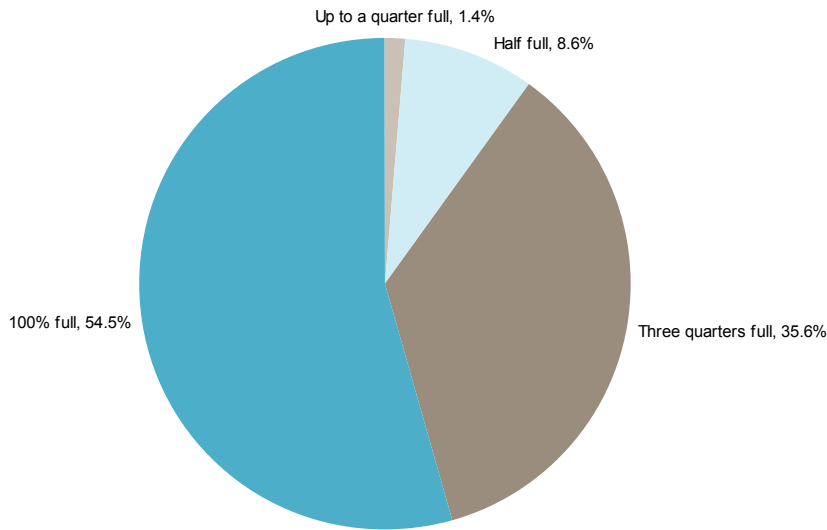
Frequency of bin collection from business premises



Source: CCIQ Survey on Business Waste Practices, July 2010



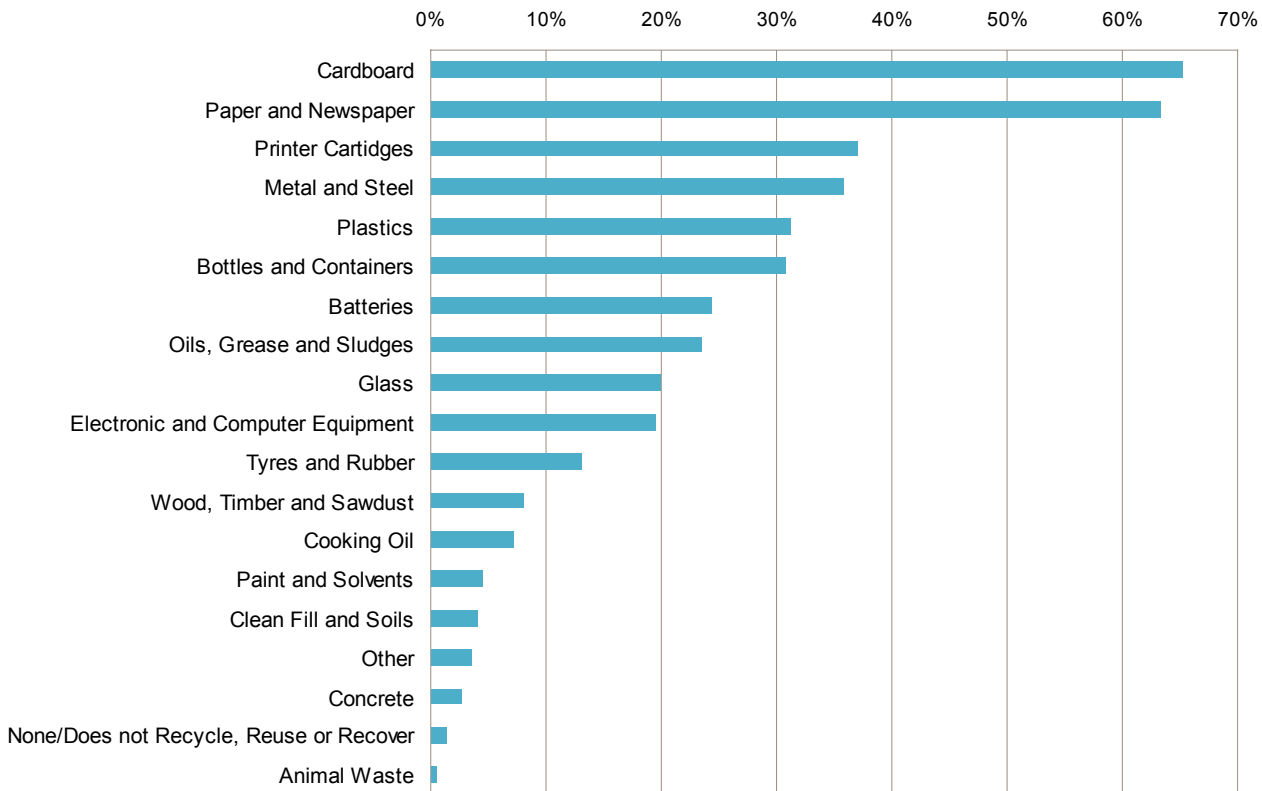
Average fullness of general waste bins at the time of collection



Source: CCIQ Survey on Business Waste Practices, July 2010

2.8 Businesses most commonly recycle, reuse and recover cardboard, paper and newspaper, printer cartridges, metals and steel, plastics, and bottles and containers. The least common materials recovered were animal waste, concrete, clean fill and soils and paint and solvents. Other materials recycled included green waste, hair, old furnishings and concrete tiles. Only 2.3 per cent of respondents indicated they did not participate in any recycling and waste recovery schemes.

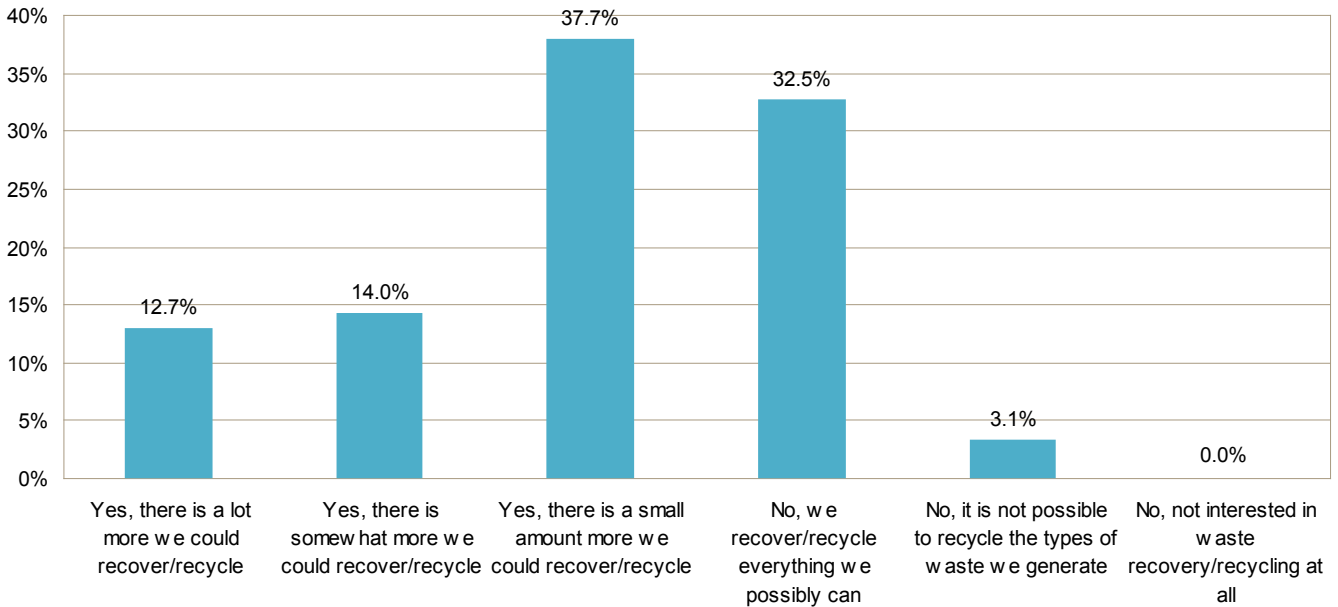
Materials currently recycled, reused and recovered by Queensland businesses



Source: CCIQ Survey on Business Waste Practices, July 2010

2.9 The majority of Queensland businesses also believed they had limited to no capacity to further recycle, reuse or recover waste materials and reduce their landfill waste. 32.5 per cent of respondents indicated they currently recover and recycle all materials possible within their business. There were no businesses responding to the survey who indicated they had no interest in recycling or waste recovery, however 3.1 per cent indicated that there was no recycling, reuse and recovery scheme available in their region for the type of waste their business generated.

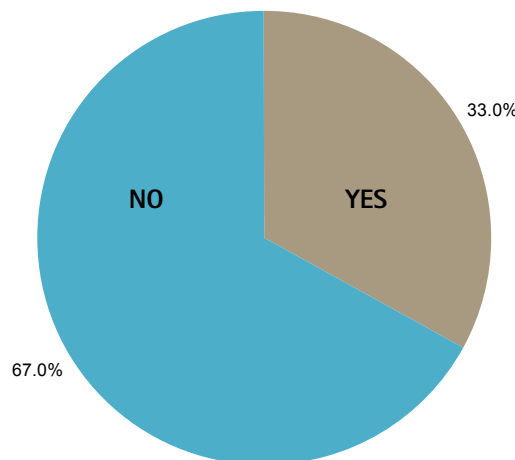
Business capacity to further reduce landfill waste and increase recycling, reuse and recovery



Source: CCIQ Survey on Business Waste Practices, July 2010

2.10 A strong majority of businesses (67 per cent) do not support the introduction of the commercial waste levy and did not believe the imposition of this levy would encourage change in waste management behaviours. Accordingly feedback suggested a high level of resentment towards DERM and the Queensland Government for penalising the business community through the commercial waste levy when they are already actively participating in waste recovery at their own cost.

Will the proposed commercial waste levy encourage you to change your waste management behaviours and recover more waste?



Source: CCIQ Survey on Business Waste Practices, July 2010



- 2.11 However, CCIQ are also aware that a significant proportion of the business community, especially small and medium sized business owners/operators have little understanding of their waste contractor arrangements and associated costs. It has also been the experience of staff in CCIQ's sustainability team that in the shadow of emissions monitoring and management, water efficiency and energy efficiency and with a lack of promotion, waste management issues have been overlooked by many in the business community. With little understanding of the gravity of the overall issue business owners/operators are not well equipped to deal with the issue of waste management without some external assistance. Therefore the introduction of a waste disposal levy will need to be accompanied by a simplification of waste contracts and an increase in transparency between business owners/operators and waste contractors.
- 2.12 CCIQ surveyed its members to determine the level of interest from business owners in receiving assistance to identify opportunities to reduce/recover waste and save on waste management costs. Nearly 60 per cent of businesses supported the introduction of a government funded Business Waste Audit program and many businesses commented that they require assistance in understanding opportunities for achieving greater waste efficiency and accessing resource recovery services.

Business Case Study

Business "A" has been actively engaged in eco-efficiency practices for the past 5 years including participating in multiple state and federal government efficiency programs. Their certified Environmental Management System incorporates waste efficiency / management and as a result they have been operating in accordance with best practice solid and liquid waste management for several years.

For this business the impending waste levy will represent a waste disposal cost increase of around \$830 / year, even at the conservative conversion estimate of \$5 / m³ for general waste.

The business owner has expressed his concern that there appears to be no mention of a levy discount for those businesses that are able to demonstrate best practice waste management. The business owner is certain that the levy alone will not be enough to encourage investment in best practice waste management and that a levy discount for those businesses who are able to achieve best practice, may help to provide the necessary motivation.



3.0 DRAFT QUEENSLAND WASTE STRATEGY 2010–2020

- 3.1 As previously stated, CCIQ supports in principal the development of a new Waste Management Strategy for Queensland. Queensland businesses share the community's concern for the state's current and future waste management challenges. Queensland businesses understand that escalating waste generation, limited waste diversion, and high landfill rates are unsustainable and will have a significant impact on economic prosperity and liveability in Queensland. Accordingly the Queensland business community has and will continue to strive towards best practice waste management and welcomes the opportunity to work with the State Government to improve Queensland's waste outlook.
- 3.2 CCIQ believes the draft Waste Strategy can be improved in several ways. Our key concerns with the current draft Queensland Waste Strategy, which will be expanded on further in this section, include:
- > Unlike other jurisdictions in Australia and internationally which state long term aspirations of achieving a 'zero waste' outcome, the Queensland Waste Strategy does not articulate any such goal. Furthermore, despite it being a ten year strategy none of the priority actions extend past 2012.
 - > Does not address the need for societal change which should be central to the whole strategy and without which targets and long term outcomes will not be achieved. Again this is a significant departure from national and international strategies which have proven success when societal change is effected.
 - > Targets need to better reflect current waste situations and should be strengthened to drive outcomes equally across all sectors of the community. Consistent application of measurement bases need to be reflected in the targets.
 - > Regulatory and punitive approach has been taken rather than an engagement, consultative and partnership approach. International research has demonstrated that long term societal change can only be effected when all members of the community are active and equal partners in the solution.
 - > More effort to establish partnership and collaboration with the business community is needed and at present there is insufficient direct support provided to assist businesses to adapt to best practice waste management. Accordingly it would seem that the business community are being forced to compensate other waste generators, support industry development in other sectors and subsidise the delivery of council waste services and infrastructure.
 - > Actions are not linked to strategic goals and targets or at least there is not a clear articulation or transparency in how the proposed actions and initiatives are to achieve the desired waste outcomes.
 - > There is limited commitment and process established for evaluation, measurement, and public reporting against the strategy.
- 3.3 These issues should be addressed in the final Waste Strategy to ensure Queensland can lead the rest of the country in waste and resource management and to substantially protect our environment, lifestyle and economic prosperity for future generations.
- 3.4 That being said, CCIQ believes there are a number of positive aspects to the strategy. We support the adoption of the waste hierarchy as a key element for guiding waste and resource management practices in Queensland. We also agree that waste avoidance and reduction should be the highest priority for waste management in Queensland. CCIQ also supports the principle of user or "polluter" pays and further believe that without full transparency in the full and actual cost of waste management there will be little incentive for all members of the community to change their waste habits. CCIQ is also strongly supportive of local solutions and a partnership approach to achieving the resource efficiency and efficient waste management systems.



Strategic goals, objectives and targets

- 3.5 The aim of the strategy as stated in the draft is to "drive a decade of significant improvement in waste and resource management in Queensland". CCIQ believes this is a significant departure from the goals being established in other jurisdictions in Australia and the rest of the world and as such may result in Queensland falling behind other jurisdictions in waste outcomes over the next decade. For example:
- > The Australian Capital Territory (ACT) goal is for "a waste free society by 2010" meaning a 95 per cent reuse and diversion target;
 - > For Victoria it is "to be well advanced along the pathway of becoming a low waste society by 2014";
 - > In South Australia the strategy and legislation establishes that "Zero waste is a goal to achieve zero discharge, zero material waste and zero atmospheric damage";
 - > The Western Australian Government has established a goal to "move towards a zero waste society" and a long term vision for "all Western Australians to live in a waste free society";
 - > New Zealand has established a "zero waste by 2020" goal meaning no waste to landfill or incineration;
 - > In Scotland they aim "to achieve a zero waste Scotland over the next ten years"; and
 - > Kamikatsu, Japan has established a 'Zero Waste Declaration', meaning no waste to landfill or incineration by 2020.
- 3.6 Ambitious and long term targets are a critical success factor. Therefore the Queensland Government needs to set an ambitious waste prevention target and adopt policies to ensure that it is met. CCIQ would like the Government to adopt a long term strategic vision to achieve "Zero Waste in 10 Years" consistent with world best waste policy and practice.
- 3.7 The draft Queensland Waste Strategy proposes new targets for waste management: reverse the overall trend for an overall increase in waste generation, reduce per capita generation of waste, recycling targets for municipal, commercial and industrial and construction and demolition waste streams, and reduction in greenhouse gas and landfill emissions. CCIQ supports the use of targets as a tool for driving progress in waste efficiency. However we believe the targets established in the draft strategy are not ambitious enough and not applied to the correct base for measurement and outcomes.
- 3.8 Primarily we express concern that the targets are based on "recycling" for municipal, commercial and industrial and construction and demolition waste. Firstly we believe the base for these targets should not be "recycling" and prefer for targets to be set for "landfill diversion". Waste generators from the community and across business sectors and industries produce very different types of waste products and as such have varying capacity to "recycle" waste but may have greater capacity to reduce landfill and waste emissions through avoidance, reduction and reuse. A narrow focus on "recycling" may exclude some sectors and limit incentives to avoid, reduce and reuse waste products.
- 3.9 Furthermore the "recycling" targets are based on incorrect and misleading baseline data. In particular for the commercial and industrial streams it bases current 2008 performance only on the recovery rate of waste received by local councils and omits the waste diverted by businesses and sent directly to private sector recyclers and composters. Based on the Queensland Government's own data, the correct 2007-08 commercial and industrial recycling and reuse rate is 55 per cent (Queensland Waste and Recycling Report Card 2007-2008).
- 3.10 On this basis we also support establishing much higher targets for landfill diversion across each of the waste streams. Evidence from other jurisdictions shows that much higher targets are achievable. For example, Canberra recovers 73 per cent of the city's total waste. The Belgian region of Flanders is already recovering 71 per cent of its municipal solid waste (MSW). In Kamikatsu, Japan, 75-80 per cent of household waste is recycled or composted. These examples also serve to demonstrate that the Queensland Government's targets are not ambitious enough. In 10 years (by 2020) Queensland's waste recovery rates will only have just reached the levels that other jurisdictions have already reached.

- 3.11 Finally we believe more specific analysis needs to be conducted on the specific components or streams of waste and recycling across Queensland. Priority targets should then be established for each of these streams based on ease of recovery, capacity for recover and current infrastructure. For example other governments have defined targets for newspaper, cardboard and plastic shopping bags. CCIQ supports the establishment of specific progressive targets for newspaper, cardboard and paper, plastic (including shopping bags), and glass. As Queensland currently has very low recycling rates for organic waste compared to international jurisdictions, organic waste should be a further priority area for reduction.

Business Engagement and Participation

- 3.12 Business and industry is a key stakeholder in Queensland's Waste Strategy. Undoubtedly achieving significant reductions in waste and landfill will require commitment and action from all Queensland businesses. However CCIQ believes the Queensland Government must improve its understanding of the waste streams generated and the waste management behaviours of business and industry before finalising the Queensland Waste Strategy. More effort must also be made to establish partnership and collaboration with the business community and more actions and initiatives identified to assist businesses adapt to best practice waste management.
- 3.13 CCIQ believe that the business community are being forced to compensate other waste generators, support industry development in other sectors and subsidise the delivery of council waste services and infrastructure.
- 3.14 CCIQ does not wish to downplay the fact that business and industry contribute to Queensland waste and landfill totals (commercial and industrial sector contributed approximately 26 per cent and construction and demolition 34 per cent to the total landfill in 2007-08) and agree that Queensland businesses must take proactive action and be key partners in the strategy to avoid, reduce, reuse, recycle and dispose efficiently the waste they generate.
- 3.15 However CCIQ believes the Queensland Waste Strategy needs to be more business focused in the following ways:
- > As discussed previously in this Blueprint, the Draft Waste Strategy must report waste generation, landfill and landfill diversion data accurately and acknowledge the true waste management efforts of Queensland businesses.
 - > Queensland Government must make an effort to better understand the waste practices of Queensland businesses. There are a lot of incorrect assumptions made throughout the draft strategy about waste generation and waste management. CCIQ recommend a comprehensive review and assessment, with the assistance of industry associations, be completed to gain a better understanding of the types of waste generated, the extent and types of waste recovered and methods of recovery, and opportunities and limitations for waste minimisation and greater recovery.
 - > There is a significant lack of appreciation for the diversity of businesses within and across industries and sectors. Every business in Queensland will have varying degrees to which they can achieve waste avoidance, reduction and recovery. Therefore as part of the strategy targeted industry and sector specific targets and waste management plans should be developed which reflect priority waste streams for each sectors. This is a key strategy included in the ACT, NSW, South Australian and New Zealand Waste Strategies.
 - > Businesses need to be supported to understand their waste behaviours and identify opportunities for waste avoidance, reduction and recovery. Every business in Queensland therefore should have access to a Government supported waste audit program and high waste users should be required to prepare a waste management plan. This approach has proven successful in reducing water and energy consumption and, while initially met with reservation, the business community now readily acknowledge the benefit of such programs in reducing resource use and delivering cost savings to business. Again business waste audits have been key components of waste strategies in ACT, South Australia, Western Australia, New Zealand, the UK and Canada.



- > Finally businesses achieving best practice and delivering above waste targets should be acknowledged and rewarded. Currently there is a clear lack of incentives built into the Waste Strategy framework to encourage businesses to change behaviour and invest in best waste policy and practice. CCIQ recommend a reducing waste levy or waste levy subsidy/refund for those businesses who can reduce their waste beyond targets or prior to target timeframes.

Business Case Study

Business "B" recycles and recovers everything possible across their multiple business sites around Queensland. They have invested in cardboard compactors for all sites, have researched and implemented technologies to breakdown and reuse the off-cuts and by-products of their manufacturing processes, and they collect and on-sell scrap metals, ink cartridges, tyres, and batteries. The owner believes that over the past 10-15 years they have more than halved their general waste. The waste that does remain mostly results from packaging of component parts sourced overseas and as such neither they nor Queensland Government regulation could influence or change the waste practices of their international supply chains.

For this business the impending waste levy will represent a waste disposal cost increase of over \$10,000 based on a volumetric conversion rate of \$5 / m³ for general waste.

The business owner has expressed their concern that the imposition of the levy will not lead to any further reductions in their waste and given the significant financial imposition may force them to reconsider current recycling and recovery practices to reduce business costs.

Societal Change and Community Commitment

- 3.16 Numerous international studies have concluded that waste efficiency can only be achieved when there is collective action driving broad cultural change in the way that all individuals and businesses view and manage waste. While many people, organisations and businesses enthusiastically promote and practice waste minimisation, a greater majority currently do little or just the bare minimum to reduce waste and landfill.
- 3.17 CCIQ does not believe enough emphasis has been placed on societal change beyond simple information and promotion. Changing how we deal with our waste requires action by every Queenslanders as individuals in their role as consumers, employers and employees and householders at work, school and leisure.
- 3.18 The South Australian Government acknowledged the central role of societal change in their Waste Strategy stating "Simply providing information will not influence people to adopt more sustainable waste behaviours... considerable effort and innovation must be devoted towards fostering attitudes and behaviours that encourage people to change and adopt resource efficient behaviours". Accordingly cultural change is the number one strategic objective and priority in the South Australian Waste Strategy.
- 3.19 To align Queensland's Waste Strategy with international best practice, CCIQ recommends 'Societal Change and Community Commitment' be included as the number one goal for the strategy.

As such the goal statement would read:

1. Societal Change and Community Commitment
2. Avoid and reduce waste
3. Optimise recovery and recycling
4. Develop sustainable waste industries and jobs
5. Foster sustainable partnerships

- 3.20 Associated with the goal for societal change, CCIQ would also like to see more commitment to proactive measures and innovative solutions to encourage and drive cultural change. In addition to increasing awareness of waste issues, CCIQ believe the strategy could include the following actions and initiatives aimed at both the household and business sectors:
- > Provision of innovative and cost effective alternatives for waste disposal. In the case of households this should include additional recycling and reuse facilities such as organic waste and composting alternatives and business access to existing council kerbside recyclable collections. CCIQ also supports the introduction of deposit/refund schemes for recyclables including aluminium and plastic bottles.
 - > Review of government imposed requirements which prevent and inhibit cultural change. For example many food safety, food handling and packaging requirements significantly increase waste generation and prevent consumers from demanding waste reduction from business. Additionally many Workplace Health and Safety requirements prevent or make difficult waste separation and recovery efforts in workplaces.
 - > Introduction of stronger pricing signals to householders for waste disposal and reduction. Noting the reported inefficiencies preventing councils from passing on waste levies to householders, CCIQ supports unit pricing mechanisms including variable frequency of collection, variable bin volume, and pre-purchased garbage bag or bag tag schemes as options for Queensland. Other jurisdictions already provide different sized bins for kerbside waste production (although few have variable pricing attached) and many European countries have successful pre-purchased garbage bag schemes all proving successful in increasing awareness of waste generation and facilitating waste reduction.
 - > CCIQ also believes the government should demonstrate genuine commitment to waste avoidance and commit to a ban on plastic shopping bags as has been the policy in South Australia since 2009. Further product and landfill bans should also be investigated.
 - > Rewards for successful waste minimisation and reduction. This would include declining waste levy tariffs and subsidies and refunds for waste efficiency. CCIQ have also identified a number of penalty schemes operating in other jurisdictions that could be applicable to Queensland. For example, regional and local councils who fail to meet annual targets for waste reduction should be fined a financial penalty which in turn could be passed on to residents through current waste charges. This would inspire collective community responsibility for reducing individual waste and increasing resource recovery.
 - > Public recognition of innovative ideas and successful outcomes. For businesses this could include an industry endorsed waste efficiency rating scheme (associated with waste audits management plans, and advisory services) which would provide market incentives for businesses to improve waste efficiency and assist consumers in making purchasing decisions based on waste outcomes. CCIQ would avail themselves to be involved and lead in the implementation of this type of program as a service and benefit to the Queensland business community.

Monitoring, Evaluation and Review

- 3.21 Monitoring and reporting on progress and regular evaluation of the strategy are vital to ensuring Queensland meets targets for waste and resource efficiency.
- 3.22 CCIQ is concerned with the existing waste reporting framework and the quality of the data collected on waste in Queensland. As has been acknowledged in the Waste Strategy itself, "the quality of information about the make-up of waste streams and trends (in Queensland) generally remains poor". CCIQ also notes that there is considerable inconsistency in the format and the timing of waste reporting completed by DERM.



- 3.23 The momentum to achieve the 2020 targets can only be maintained with the support of the community. Regular feedback on actions and achievements will be essential to maintain community support and help identify potential problems. Therefore CCIQ recommends:
- > The development of a comprehensive methodology for collecting data on waste generation and management in Queensland. This methodology should be expanded to ensure it collects a comprehensive profile of the wastes generated across all streams and sources and should also include calculation and measurement of the environmental costs associated with collecting, treating and disposing of wastes in Queensland.
 - > Establishment and commitment to an annual reporting period and timeframe for public notification of progress towards actions, deliverables and targets. CCIQ also recommend a consistent format for reporting and notification.
 - > CCIQ would also strongly recommend investigation into opportunities to report on individual household and business waste efficiency in a similar way to current reporting on water and energy usage. This may in the first instance need to be based on local area or suburb specific data.
 - > CCIQ recommend the Queensland Government commit to a periodic evaluation and review of the strategy every 3-5 years and that this be reflected in the strategies action plan.
- 3.24 A final area of concern to CCIQ is that the action plan does not articulate the linkages and connections between the actions and initiatives outlined and the goals and strategic objectives in the strategy. As such it is unclear how the proposed actions will achieve the desired waste avoidance and reduction outcomes. On face value CCIQ does not believe the current strategy will achieve any significant improvement in waste management and that further though needs to be given to actions and strategies that will deliver real outcomes that protect the environment and inspire a generation of cultural change and commitment to waste and resource efficiency.

Business Case Study

Business owner "C" is a domestic builder who claims that the recovery of viable waste material on a busy worksite where safety issues and compliance with workplace health and safety regulations are of prime and immediate consideration would come at a considerable cost. The separation of salvageable materials would require separate containers, sorting and storage until collection, which on building sites in residential areas with restricted space is impossible.

"For these reasons it would be highly unlikely that those in the building industry would see the commercial waste levy as anything other than an additional cost they must bear... it would also further increase the cost of housing in the Queensland market." Business Owner



4.0 COMMERCIAL WASTE LEVY

- 4.1 CCIQ agrees in principle to a "user pays" approach to waste management and supports the use of pricing signals to drive improved waste management practices. However CCIQ does not believe there is a strong case for the introduction of the proposed commercial waste levy, if applied solely to the business community. CCIQ does however believe there is a strong argument and significant precedent for the levy to be applied equally to all members of the community including households and local councils. CCIQ argues that:
- > Queensland will be the only state in Australia that will not apply a levy to households. This is also a significant departure from international policy directions.
 - > Queensland households contribute the greater proportion of total landfill amounts (40 per cent compared to 34 per cent from construction and demolition and 26 per cent from commercial and industrial sources).
 - > Household waste has grown by 40 per cent over the past 5 years, only part of which can be attributed to population growth which has increased by 10 per cent over this period. In contrast the amount of commercial and industrial waste has remained fairly constant over the past few years despite economic and population growth.
 - > Businesses outperform households in recovering waste for recycling and reuse. In 2007-2008 the rate of waste recovery for commercial and industrial waste was 55 per cent compared to a much lower rate of 21 per cent for household waste.
 - > The Waste Contractors and Recyclers Association of Queensland have argued that there are a number of practical examples of how excluding households from the waste levy will create an unworkable waste collection situation in Queensland.
 - > Due to lack of required infrastructure and policy direction, the current waste levy as proposed will not deliver any significant improvement in waste management as it is misaligned with business and community behaviour and provides no incentive or opportunity for individuals to change their waste management practices.
 - > The majority of the benefit from the \$96 million per year raised through the levy will be afforded to the community through the Waste Avoidance and Resources Efficiency (WARE) and Sustainable Futures Fund (SFF) funds and only a small proportion of the funds are currently proposed for direct assistance to the businesses paying the levy.
- 4.2 Accordingly CCIQ believe that through this levy, the business community are being forced to compensate other waste generators, support industry development in the waste sector and subsidise the delivery of council waste services and infrastructure. The current Waste Strategy development process provides an opportunity for Queensland to move forward with waste management and implement world best waste management practice and policy. Therefore irrespective of political motivations, CCIQ believe we must move to full cost recovery for waste management and pass on waste costs equally and fairly to all members of the community.
- 4.3 The introduction of a waste levy to both household and the business sector is strongly recommended and must be a policy pursued by the Queensland Government.
- 4.4 Currently householders do not pay for the actual cost of waste removal and disposal. For example in the Brisbane City Council area ratepayers pay a flat waste management fee of approximately \$240 per year regardless of how much waste they dispose or recycle. This equates to a waste collection and disposal and environmental management cost of approximately \$11 per cubic metre of general rubbish and recyclables. Currently the cost to Queensland businesses for waste collection and disposal and environmental management is approximately \$23-\$27 per cubic metre. Unlike Queensland households who do not pay any additional charge for recycling, Queensland businesses must pay extra for recovery, recycling and reuse services.



- 4.5 Charging householders for the amount of waste they put out for disposal has the potential to dramatically change the way individuals perceive their waste production and how they manage it. Variable charging schemes have been implemented in many European countries including Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Luxembourg and Sweden, and have had a significant impact, increasing recycling by 30–40 per cent. As households represent the majority of the growth in waste and landfill over the past 5 years and also recover comparatively less waste for reuse and recycling there is a compelling need to provide an appropriate price signal to households to encourage more efficient waste management.
- 4.6 The Queensland Government and Regional Councils have a number of tools available to them to pass on the waste levy and price signals for waste disposal to the household sector, some of these have been recommended in Section 3.20 of this Blueprint.

Waste Levy Implementation Issues

- 4.7 CCIQ believe there are a number of implementation issues which, if left unresolved, will not provide the desired pricing signals to industry nor the incentives to drive improved waste and resource efficiency required to achieve waste and landfill minimisation targets.
- 4.8 Our primary concern is the absence of any clear direction on how the proposed weight based levy, which is to be charged to the waste collectors/contractors at the point of disposal, will be passed on to the businesses where the waste is collected. At present business waste is not measured in weight but rather a crude volumetric measure based on full bin capacity. Accordingly only a rough estimate can currently be made of a business's total waste, calculated irrespective of the extent to which the bin is filled at the time of collection and the material content of the bin. As the total weight of a waste truck when it reaches the disposal/landfill site combines the waste of many businesses with varying bin sizes, bin fullness and waste types, CCIQ does not believe it appropriate for the waste levy to be passed on as a flat rate or fee to the business nor would a volumetric waste conversion formula as has been proposed by DERM be supported. Neither of these options will pass on a pricing signal to businesses and would in fact act as a disincentive for businesses to consider other alternatives to waste disposal. These mechanisms also provide for potential profiteering by the waste contractors. CCIQ therefore firmly believe technologies which provide for the individual weighting of each businesses waste at the point of collection must be the adopted mechanism for passing on the waste levy.

Business Case Study

Business "D" has 35 employees and produces around 650 cubic metres of general commercial waste per annum. The vast majority of this waste is low density material such as saw dust, particle board and timber and material off-cuts. The business owners have requested waste volume and mass information from their waste contractor in the past and have been told that because their waste is collected on the same run as several other commercial and residential customers, the information is not available. According to the business owner their current waste collection contract due to expire in 2013 is not terribly well suited to their current needs. They have complained to the waste contractor about a lack of transparency and consistency as far as billing practices are concerned and have received no valid response.

The business owners are concerned that their waste contractor will not have the ability to assign an accurate levy amount to their waste collection contract and are also concerned that a volume based calculation will work against them given the comparatively low density of their waste.

- 4.9 Businesses operating within larger shopping complexes or group title premises are often not provided a choice of waste contractor and commonly share responsibility for the waste collection costs, again irrespective of the amount of waste they contribute to the total pool for the complex or group title premise. The Queensland Government should also work with shopping complex and group title owners to develop better mechanisms for measuring waste and passing on waste costs.

- 4.10 A further issue raised with us by our members is the nature of some contracts for waste collection. Members have provided examples where they are locked into long term contracts which have defined collection frequencies irrespective of the fullness of the bin, where businesses are fined or charged extra if they attempt to change or reduce frequencies or cancel scheduled collections, and where contracts include fine print and provisions allowing contractors to increase collection prices as they see fit and to automatically rollover contracts at expiry without advising customers. CCIQ is also aware of local council areas where the local council deems the preferred waste collection service for a particular region thus limiting the choice and flexibility for businesses. If we are to move to a waste efficient future then businesses must be afforded the flexibility to reduce their waste and a competitive environment where they have the freedom to choose and change between waste contractors to meet their waste disposal needs. CCIQ recommends that waste contractors not be allowed to enter into contracts with their customers and that the Queensland Government investigate mechanisms to regulate the waste industry and protect consumers rights and freedoms.
- 4.11 Finally without sufficient waste and recovery infrastructure and services the commercial waste levy represents a 100 per cent cost imposition for businesses. This is the scenario for most regional areas of the state where businesses have reported having either limited or no opportunities for waste recovery, reuse and recycling.

Regulatory Impact of the Commercial Waste Levy

- 4.12 The Queensland Government has estimated that the additional cost for general businesses (those not disposing of regulated waste) to be around \$101 per year and for businesses generating regulated hazardous the cost increase to be between \$118 and \$227 per year. CCIQ has collected data and information from our members which indicate that these costs are grossly underestimated, especially given the issues associated with lack of technology to pass on an accurate weighted cost to businesses as discussed above in Section 4.8.
- 4.13 It is important that data accuracy can be assured prior to announcing any average cost increase figure. Business owner/operators may be lured into a false sense of security by the figure thus hampering preparations and reducing the impact of the levy's introduction. CCIQ have roughly calculated the possible annual increase in waste management costs for Queensland businesses using a conservative volumetric levy conversion factor of \$5 / m³.
- 4.14 CCIQ cautions against analysing the regulatory impacts of the proposed commercial waste levy based on "average" business waste disposal volumes. As the following table on page 20, demonstrates there is a significant variation in the costs to business depending on the size and number of bins and the frequency of collection.



Estimated Levy Charges for Business

Wheeler Bins (240ltr)	No of Bins	Collections per week						
		1	2	3	4	5	6	7 (daily)
	1	\$62	\$125	\$187	\$250	\$312	\$374	\$437
	2	\$125	\$250	\$374	\$499	\$624	\$749	\$874
	4	\$250	\$499	\$749	\$998	\$1,248	\$1,498	\$1,747
	6	\$374	\$749	\$1,123	\$1,498	\$1,872	\$2,246	\$2,621
	8	\$499	\$998	\$1,498	\$1,997	\$2,496	\$2,995	\$3,494
	10	\$624	\$1,248	\$1,872	\$2,496	\$3,120	\$3,744	\$4,368
Four Wheel Steel Bin (3 cubic metres)	No of Bins	Collections per week						
		0.25 (Monthly)	0.5 (Fortnightly)	1	2	3	5	7 (daily)
	1	\$195	\$390	\$780	\$1,560	\$2,340	\$3,900	\$5,460
	2	\$390	\$780	\$1,560	\$3,120	\$4,680	\$7,800	\$10,920
	4	\$780	\$1,560	\$3,120	\$6,240	\$9,360	\$15,600	\$21,840
	6	\$1,170	\$2,340	\$4,680	\$9,360	\$14,040	\$23,400	\$32,760
	8	\$1,560	\$3,120	\$6,240	\$12,480	\$18,720	\$31,200	\$43,680
	10	\$1,950	\$3,900	\$7,800	\$15,600	\$23,400	\$39,000	\$54,600
Skip/Hooklift and Bulk Waste Bin (8 cubic metres)	No of Bins	Collections per week						
		0.25 (Monthly)	0.5 (Fortnightly)	1	2	3	5	7 (daily)
	1	\$520	\$1,040	\$2,080	\$4,160	\$6,240	\$10,400	\$14,560
	2	\$1,040	\$2,080	\$4,160	\$8,320	\$12,480	\$20,800	\$29,120
	4	\$2,080	\$4,160	\$8,320	\$16,640	\$24,960	\$41,600	\$58,240
	6	\$3,120	\$6,240	\$12,480	\$24,960	\$37,440	\$62,400	\$87,360
	8	\$4,160	\$8,320	\$16,640	\$33,280	\$49,920	\$83,200	\$116,480
	10	\$5,200	\$10,400	\$20,800	\$41,600	\$62,400	\$104,000	\$145,600

***This table represents the three most common sized bins used by businesses in Queensland based on results from the CCIQ Snap Poll on Waste and Resource Management, July 2010*

4.15 Global financial uncertainty and rising energy, water and raw material costs have combined to make for challenging business conditions in Queensland. Availability of funds will be the biggest hurdle for most businesses and will hamper the uptake of waste efficiency technologies, especially within the small to medium sector. The provision of financial assistance through government grants or subsidies may assist in the uptake of waste management technologies.

4.16 The majority of businesses will need to focus on low cost behaviour based initiatives in the short term and many will require external advice in order to find the greatest efficiency gains. Workshopping and education will be an essential part of the implementation of the strategy and will ensure the best result for business and the state. Partnering with state and local chambers of commerce and industry groups will allow for an increased understanding of key issues and potential solutions and will improve the broader business response.

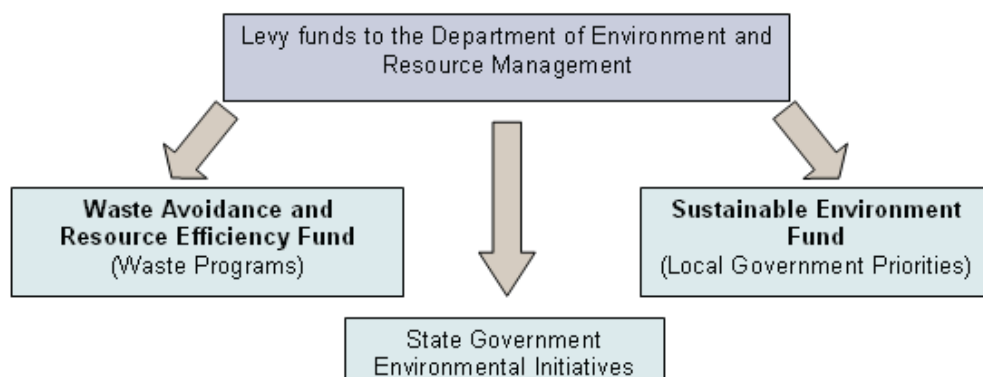
Waste Levy Revenue Distribution

4.17 The Queensland Government has estimated the revenue from the Commercial Waste Levy to be approximately \$96 million per year (or \$379 million over the four years from 2011-12)**. The state government proposes to distribute levy revenue across three program areas being:

- > Waste Avoidance and Resource Efficiency Fund (WARE) - \$159 million (41 per cent of total revenue)
- > Local Government Sustainable Future Fund - \$120 million (31 per cent of total revenue)
- > Q2 Environmental Fund - \$100 million (28 per cent of total revenue) which has already been allocated in the 2010-11 State Budget to deliver the Queensland Government's Koala Response Strategy, to buy and manage additional national parks and green spaces and expansion of the Wild River Rangers Program.

***Note: An additional 49 staff have been included in the 2010-11 State Budget for the implementation of the Queensland Waste Reform Strategy and associated programs/funds.*

Distribution of Levy Funds



Source: Queensland Government Waste Strategy 2010-2020, Proposed Industry Waste Levy Consultation Draft

- 4.18 CCIQ agrees with the strong feedback provided by respondents to the CCIQ Waste Survey that all revenue raised through the commercial waste levy must be directed back towards supporting the business community in reducing waste and accessing improved resource recovery and recycling services. CCIQ strongly objects to \$100 million or nearly a third of the revenue being directed to general environmental projects, especially when the state's waste management and resource recovery infrastructure, services and industry are so underdeveloped and when business in regional areas have no access to any recovery and recycling options. While limited information is currently available, the same opposition is expressed for the Local Government Sustainable Future Fund (\$120 million and a further 31 per cent) if this too is to fund general environmental projects at the local and regional level. Collectively these two programs would represent nearly 60 per cent of the revenue from the commercial waste levy being used for general environmental outcomes and not dedicated waste avoidance and reduction measures.
- 4.19 The use of the commercial waste levy revenue for anything other than to directly deliver waste avoidance, reduction and recovery is unacceptable and makes questionable the real level of commitment of this government to achieving sustainable waste outcomes.
- 4.20 CCIQ provides in principle support for the establishment of the Waste Avoidance and Resource Efficiency Fund (WARE). With only limited detail currently available on the funding programs to be delivered through the WARE fund, it is hard to assess the contribution this fund will make to achieving waste avoidance, reduction and recovery outcomes. However CCIQ recommends that the priorities for this fund should include:
- > Ensuring there is adequate low cost recovery, reuse and recycling services and infrastructure available for businesses and the community to access.
 - > Providing the businesses bearing the burden of this levy, especially small and medium businesses, with services and tools to help them assess their waste management practices, identify waste avoidance and recovery opportunities and access waste services. As suggested in Section 3.15, this fund should support an industry-led Waste Audit and Management Plan Program which was supported by nearly 60 per cent of businesses responding the CCIQ Waste Survey.
 - > Implementing the required technology and systems to accurately measure and record business waste at the point of collection. This may require retrofitting of waste contractors trucks and/or waste bins to ensure all businesses are charged fairly for the waste they generate and that there are appropriate pricing signals and incentives to encourage businesses to reduce their waste.
 - > Investigation and implementation of mechanisms and systems to adequately pass on pricing signals and incentives to the household and domestic sector to encourage waste reduction and greater uptake of waste recovery, reuse and recycling in this sector.



5.0 CCIQ'S POSITION SUMMARY & CONCLUSION

- 5.1 CCIQ is strongly supportive of the development of a Waste Management Strategy for Queensland provided it balances the required environmental outcomes with the need to maintain a strong competitive and productive economy and provides adequate support to Queensland businesses, particularly small and medium enterprises, to adapt to best practice waste management.
- 5.2 Meeting targets for waste avoidance, reduction and recovery requires a partnership approach between all key stakeholders including business, government and the community. Each sector must equally share responsibility for achieving the zero waste future required to protect Queensland's sustainability, liveability and economic prosperity. CCIQ stands ready to work with the Queensland Government to address environmental and waste issues and ensure the Queensland Waste Strategy leads to positive outcomes and resource efficiency in Queensland.

KEY RECOMMENDATIONS

- | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R1 | The Waste Levy be introduced and applied to the household, government and business sectors to achieve a shared responsibility for, and a fair and balanced approach to waste management in Queensland. |
| R2 | Revenue from the Waste Levy be dedicated solely to achieving waste avoidance, recovery and management and not general environmental projects. As a priority all members of the community across all regions of the state must have access to low cost recovery, reuse and recycling infrastructure and services. |
| R3 | Improved engagement and partnership with the business community including targeted support and programs to assist businesses to understand their waste behaviour and identify opportunities for waste avoidance, reduction and recovery. This should also involve: <ul style="list-style-type: none"> > In collaboration with industry associations, a comprehensive review be undertaken of industry and sectoral waste generation and management trends and assessment of opportunities and limitations for waste minimisation and recovery; > Provision of a government supported waste audit program and assistance with adopting waste management processes and accessing suitable avoidance, recovery and reuse services; and > Recognition and reward programs for businesses demonstrating leadership and achieving best practice in waste management. |
| R4 | The Queensland Government commit to the development of a comprehensive methodology for collecting waste and recovery data and improved reporting and provision of public information on waste to achieve greater transparency. |
| R5 | The Queensland Government adopt stronger waste targets reflecting accurate and consistent baseline data and including a long term strategic vision for achieving a 'zero waste' outcome for Queensland. In particular: <ul style="list-style-type: none"> > The base for targets should be landfill diversion rather than recycling to reflect the diverse waste products and capacity for recycling across stakeholder groups; > Priority targets should be established for different waste streams including organic, newspaper, cardboard and plastic shopping bags; > Industry and sector specific targets and waste management plans be developed in collaboration with business sectors and industry associations. |
| R6 | Provision of a comprehensive suite of programs to assist and encourage both the residential and commercial sectors to avoid, recycle and reuse a greater proportion of their waste and provide effective incentives to all members of the community to meet waste reduction targets including: <ul style="list-style-type: none"> > Introduction of stronger pricing signals for all sectors including the household sector and greater transparency for waste collection costs and charges; > Provision of innovative and cost effective alternatives for waste disposal such as organic waste and composting alternatives and deposit/refund schemes for particular waste streams; and > Review of government imposed requirements and regulations which prevent and inhibit change to waste practices. |
| R7 | Societal change be central to all waste strategies and initiatives and a greater commitment to proactive measures and innovative solutions to encourage and drive change in waste generation, recovery and management be adopted. |
| R8 | Apply best practice principles to all future strategies and initiatives for waste management in Queensland. |

Respondent Quotes from the CCIQ Waste Survey

"A blanket approach is not the answer, and if anything would reduce a business's willingness to recycle. Recycling costs a business time and money, if we're going to be charged anyway we would just throw the whole lot in the bin and be done with it, so our employees can get back to work."

"As a metal roofing business we recycle all our waste metal including off cuts from new construction. We also recycle everything we remove from re-roofs except asbestos... so I ask what more can we do?"

"I work in a commercial building with eight other tenants. There are approximately 30 staff in our building and we only manage to fill one large bin of general rubbish each week. Compare that to the 4-6 recycling wheelies we fill. I don't see how slugging small business with another 'tax' will change what we're already doing, which is probably more than most households."

"Most of our waste (which is not recycled) is light packaging e.g. foam and general staff waste. How would a weight-based levy work without weighing the rubbish? A volume based estimate would be inaccurate."

"All funds from the levy should be directed to ensuring improved waste management and recycling outcomes, not general revenue or "motherhood" environmental wish lists."

"If the current council would introduce recycling facilities for our waste we would be able to recycle much more especially glass, paper and cardboard. To charge us when a service is not available is appalling."

"We are very aware of the need to recycle and already do everything we can... we see the government's move as no more than a tax grab."

"The cost of our skip collection is steadily increasing and has risen from about \$16/m to \$26/m over the last 2 years."

"Our office like many others is part of a body corporate, so we have no control over how other tenants use/fill the bins. A charge like this will encourage small businesses to put their rubbish in the neighbour's bin or to dump it on the side of the road to avoid the charge."



CCIQ – Solutions for Business Success

Chamber of Commerce & Industry Queensland (CCIQ) represents over 25,000 businesses in Queensland. We are committed to ensuring our customers have the right tools to achieve real results in their business.

At CCIQ we harness the results of our research, lobbying and policy achievements to offer the best possible business support solutions to invigorate growth statewide, nationally and globally. By joining CCIQ you support the organisation that supports the Queensland business community.

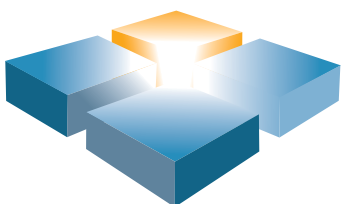
Membership also ensures you are an integral part of an organisation dedicated to providing first class services to assist Queensland industry with relevant and practical business solutions. Not only is membership your connection to information, industry best practice, training and consultancy services, it also allows you to take advantage of the many benefits CCIQ offers.



Our success is success for all Queensland businesses.

Chamber of Commerce & Industry Queensland members are informed and connected business people. Whether you run a small business or form part of a large industry sector, call us today to take advantage of the opportunity to associate yourself with the CCIQ brand.

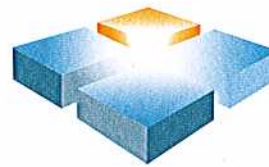
Invigorating Business



CHAMBER OF
COMMERCE &
INDUSTRY
QUEENSLAND

Chamber of Commerce &
Industry Queensland
Industry House
375 Wickham Terrace
Brisbane Q 4000

t > 07 3842 2244
f > 07 3832 3195
e > info@cciq.com.au



30 August 2010

The Hon Kate Jones MP
Minister for Climate Change and Sustainability
PO Box 15155
City East QLD 4002

Dear Minister *Kate*

On behalf of the Queensland business community I write to you in relation the Queensland Government's Draft Waste Management Strategy. The Chamber of Commerce and Industry Queensland (CCIQ) offers our continued commitment to working collaboratively with the Queensland Government to address environmental and waste issues and ensure that the Waste Strategy leads to positive outcomes and resource efficiency in Queensland.

Notwithstanding our previously conveyed objections to the introduction of the commercial waste levy on the basis that households are exempt from this charge, CCIQ remains strongly supportive of the development of a Waste Management Strategy. A correctly implemented Strategy will not only provide greater certainty to the business community on their rights and responsibilities for waste generation, but may also provide an opportunity for businesses to reduce their waste management costs and lead to new market opportunities.

CCIQ advocates a number of fundamental principles which should underpin Queensland's waste management strategy and following consultation with Queensland businesses have a number of suggestions for strengthening the framework for waste management in Queensland. Accordingly CCIQ has developed a Blueprint for Waste Avoidance, Recovery and Management titled 'From Waste to Resource: Changing the way we view our waste', a copy of which is enclosed for your information. As a demonstration of our commitment to this important issue, we are also pleased to advise that this Blueprint has been printed on 100% recycled paper.

CCIQ believes it can play a key role in engaging the business community in improved waste management practices and supporting business to adapt to the new 'low waste' economy. To commence with, CCIQ proposes the following industry programs and invites Queensland Government sponsorship and collaboration in their development and delivery:

- a) **Waste Management and Resource Efficiency Seminars:** The purpose of these seminars would be to inform the business community about the issues related to waste and landfill in Queensland, the Queensland Waste Strategy and the Commercial Waste Levy. Additionally the seminars would provide information on the range of options and services available to help businesses reduce, recover and better manage their waste. These seminars would be held in each of the major regional centres across the state and CCIQ could invite the participation of DERM staff. It is proposed that these seminars would be held during October and November 2010 to ensure businesses have adequate response time prior to the commencement of the commercial waste levy in July 2011.

Chamber of Commerce &
Industry Queensland
Industry House
375 Wickham Terrace
Brisbane Q 4000

ABN 55 009 662 060

t > 07 3842 2244
f > 07 3832 3195
e > info@cciq.com.au

Employer Advice Line
1300 135 822

Regional Offices
Gold Coast, Sunshine Coast,
Toowoomba, Rockhampton,
Mackay, Townsville, Cairns



- b) **Waste Reduction and Recovery Program:** CCIQ proposes being a lead provider of a program to assist Queensland businesses assess their current waste practices and develop a plan for the avoidance, recovery and efficient management of business waste. CCIQ's sustainability team would undertake business audits, map the business' current waste hierarchy and connect businesses with avoidance, recovery and reuse options and services. Businesses completing the Waste Reduction and Recovery Program (WRRP) and adopting a Sustainable Waste Management Plan would receive an 'Industry Waste Star' accreditation which would distinguish the business as a leader in sustainability to consumers and the community. The Waste Reduction and Recovery Program would commence as soon as practical in 2010 and run throughout 2011 to assist businesses to reduce the financial impact of the commercial waste levy commencing in July 2011.
- c) **Directory of Waste and Resource Recovery Services:** Members have advised that identifying the full range of waste and recovery service providers suited to their business waste needs in their area is difficult. CCIQ proposes developing an online directory of service providers and waste contractors for all regions of Queensland and promoting this directory to the business community. The process of developing the directory would also assist in identifying service gaps and opportunities for waste industry expansion. CCIQ invites Queensland Government co-sponsorship of this directory. This directory would be available in conjunction with the Waste Management and Resource Efficiency Seminars.

CCIQ firmly believes that businesses must be given sufficient time to adjust to mandatory waste requirements and be well informed of their options and responsibilities for waste management. The above proposed programs will go a long way to ensuring Queensland businesses are able to adapt to the new 'low waste' economy and contribute to the state government's ambitious waste recovery and landfill reduction targets.

As previously stated, CCIQ stands ready to work with the Queensland Government to address environment and waste issues and ensure the Queensland Waste Strategy contributes to both the economic prosperity and environmental sustainability in Queensland. CCIQ would welcome the opportunity to meet with you at your convenience to discuss these proposals as well as any other initiatives which may assist the Queensland Government engage with the Queensland business community on this important issue.

Yours Sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland

22 November 2010

t > 07 3842 2251
f > 07 3832 3195
e > info.cciq.com.au

CCIQ Urges State Government to Slow Down and Get Waste Policy Right

Chamber of Commerce & Industry Queensland (CCIQ) has today raised concerns at the pace that the Queensland Government is pushing ahead with their waste reform agenda, which stands to jeopardise the livelihood of waste businesses in Queensland and drive up the cost of waste services for business and the community.

CCIQ President David Goodwin said that while the Chamber has been working closely with the Queensland Government to ensure that their waste reforms deliver the best outcome for the Queensland business community, there were a number of significant issues which if left unresolved, would undermine the success of the waste reform program.

“The Queensland Government is working towards some very tight deadlines and rushing the development of the policy and regulatory framework simply to ensure they can start charging the Commercial Waste Levy from 1 July next year,” Mr Goodwin said.

“With the exception of the exclusion of household waste from the levy, CCIQ has been supportive of the Queensland Government’s waste reform agenda, however we must get the policy and legislative framework, including the levy and program design, right otherwise there will be unnecessary burden and cost passed onto businesses and the community.

“These are complex issues with significant implications which require an informed and considered approach, not a hurried and poorly thought-through outcome.”

Rough estimates suggest that businesses and the community face up to a 150 percent increase in waste service charges once the levy and waste reform framework are in place.

These costs arise not only from the levy but the additional regulatory burden and business operating costs for the waste contractors and landfill site operators.

“If the Queensland Government continues down this path and rushes these waste reforms, it is going to cost Queensland more than just the \$35 per tonne of waste,” Mr Goodwin said.

“It stands to erode business viability, drive up prices on goods and services and cost Queenslanders’ jobs.”

According to CCIQ significant outstanding issues for the business community include:

- > the way the levy will be applied and collected at the waste or landfill site
- > the treatment and levy application on recovered materials and recycling residuals
- > the data collection processes and lack of transparent baseline data for waste
- > how the levy will be passed onto businesses and how they will be charged equitably and transparently, especially in regions where business waste is collected by councils; and
- > the design of funding and support programs, which must be solely targeted to the business community and not subsidise local council activities for household waste.

CCIQ also urges Premier Anna Bligh and Kate Jones, Minister for Environment and Climate Change to commit to reviewing the decision not to include households in the levy within two years.

Media contact:

David Goodwin, President, Chamber of Commerce & Industry Queensland
0405 229 778

MEDIA RELEASE

22 December 2010

t > 07 3842 2251
f > 07 3832 3195
e > info.cciq.com.au

Announcement helps to minimise the waste levy burden

The Queensland Waste Reduction and Recycling Strategy 2010-2020, which was released today, provides clarity and certainty for the business community on their waste management expectations and responsibilities for the next decade, Chamber of Commerce & Industry Queensland today announced.

Chamber of Commerce & Industry Queensland (CCIQ) President David Goodwin said the State Government's commitment to use revenue raised through the new waste management levy to support Queensland business in their efforts to reduce waste is a significant win for business.

"While CCIQ continues to strongly oppose the introduction of the commercial waste levy, the Chamber has been working closely with the Queensland Government to minimise the impact of the levy and ensure that waste programs and funding benefit Queensland businesses," Mr Goodwin said.

"We are pleased to see the Government adopt our key recommendation that the levy be used to support business in their efforts to better manage waste.

"If businesses are provided support and funding to help them understand the opportunities and make real changes to their waste behaviours this benefit will flow through to the whole community.

"Not only will the business community be contributing to waste reduction targets, but they will be able to make savings through reduced waste management costs, which will increase business profitability and drive job creation," he said.

However Mr Goodwin warned that we should not overlook businesses' concern that the cost of waste minimisation should be equally shared across government, business and the household sector if Queensland is genuinely committed to achieving the outcomes and targets in this waste strategy.

"Queensland businesses already show a strong commitment to reducing waste and actively participate in available recycling and resource recovery programs but for many businesses the cost of recycling is not viable and in many regional areas recycling programs are just not available," Mr Goodwin said.

CCIQ will continue to avail itself to working with the Queensland Government on the development of business focused waste management programs and services and to ensure the impact of the waste levy is minimised.

The next steps for the Queensland Government is to commit to a 12 month review of the outcomes of the commercial waste levy and provide a public undertaking to broaden the levy to include the household sector.

"It is important that long-term, Queensland businesses do not subsidise waste management and bear the cost and burden of improving environmental outcomes which benefit all Queenslanders." Mr Goodwin said.

Media contact:

Nikala Chenoweth - Manager, Marketing & Communications
07 3842 2251 or 0418 793 967

MEDIA RELEASE



3 February 2011

The Hon Kate Jones MP
Minister for Climate Change and Sustainability
PO Box 15155
City East QLD 4002

Dear Minister *Kate*

Re: Commercial Waste Levy Commencement Date

Virtually all of Queensland has now been adversely affected by the recent flood and cyclone events. While these natural disasters have had a devastating effect on households and communities, the severe consequences for business, employment and the broader state economy is of equal concern.

All businesses across affected areas have been impacted in some way. Accordingly the Chamber of Commerce and Industry Queensland (CCIQ) believes the commencement date for the Commercial Waste Levy should be deferred.

CCIQ has undertaken extensive research into the impact of the Queensland floods on businesses in the affected areas. Many of these findings will have equal relevance to those businesses that were damaged from Cyclone Yasi particularly in respect to the assistance vitally needed. Key findings include:

- One in five businesses in flood affected areas had to close as a result of full or partial water inundation, loss of power or cut off from their business.
- The average number of days business were forced to close was eight (median of 4 days).
- The average anticipated number of days before their business returns to normal operations is 31 days (median of 10 days).
- The loss to property including plant and equipment, stock, buildings and motor vehicles to those businesses directly affected by the floods was on average \$589,000 (median of \$40,000).
- Business directly affected by the floods on average expect to lose in total \$908,000 or approximately 11% of their annual turnover (median was \$50,000 or 7% of annual turnover).
- Unfortunately most businesses are currently unsure what their insurance covers them for with many businesses reporting difficulty in getting clear positions on where they stand.
- Many businesses have also been indirectly impacted by the floods through affected customers, affected suppliers, through employee inability to attend work or through loss of appeal of Queensland as a tourism destination. These businesses are additionally losing significant income causing serious hardship.
- Unsurprisingly 22% of all businesses within Queensland have indicated that the floods have had a major to critical impact on their businesses' viability with the very real threat of job losses.

Chamber of Commerce &
Industry Queensland
Industry House
375 Wickham Terrace
Brisbane Q. 4000

ABN 55 009 662 060

t > 07 3842 2244
f > 07 3832 3195
e > info@cciq.com.au

Employer Advice Line
1300 135 822

Regional Offices
Gold Coast, Sunshine Coast,
Toowoomba, Rockhampton,
Mackay, Townsville, Cairns

... / 2



The significant costs associated with these events will impair the immediate and long term cash flow for all businesses across the state and affect their ability to meet ongoing business expenses, including debt obligations and government taxes, fees and charges. Accordingly Queensland businesses will require significant financial assistance and compassion to recover from the flood damage and to remain viable over the coming six to twelve months.

In the interests of Queensland's economic recovery and the many businesses affected by the flood disaster I encourage the State Government to seriously consider delaying the introduction of the Commercial Waste Levy for 12 months. At a minimum, the State Government should apply an exemption to those businesses directly affected by these natural disaster events.

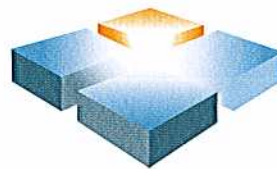
Given that the focus of Queensland business community between now and the intended levy commencement date will be on rebuilding and recovery, businesses will not have the available resources to become levy ready. The imposition of the levy as an additional business cost will further impact their already strained bottom line.

CCIQ has worked closely with your Office and the Department over the past 12 months throughout the development of the waste strategy and commercial waste levy. The Chamber remains committed to the Queensland Government's efforts to reduce Queensland's waste and landfill, however we encourage the State Government to support the business community during these tough times with a temporary deferral of the Commercial Waste Levy commencement date.

Yours sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland



22 February 2011

The Hon Kate Jones MP
Minister for Climate Change and Sustainability
PO Box 15155
City East QLD 4002

Dear Minister *Kate*

The Chamber of Commerce and Industry Queensland (CCIQ) on behalf of the Queensland business community would like to express our appreciation for giving consideration to our previous correspondence in relation to the introduction of the Commercial Waste Levy and your subsequent decision to delay commencement to 1 December 2011.

CCIQ appreciates that this decision will have a fiscal impact on the implementation of the levy and the broader Queensland Waste Strategy and understands that the proposed waste programs may need to be rationalised over the initial period. As previously stated in CCIQ's 'Blueprint for Waste Avoidance, Recovery and Management in Queensland', Queensland businesses will bear the cost of the levy and responsibility for changing waste management practices and accordingly will require significant support to be levy ready and to minimise the impact of the levy liability. It is therefore CCIQ's strong preference that any rationalisation does not reduce the amount of funding and the range of programs directly targeted for the business community.

CCIQ is highly supportive of the draft suite of business focused programs including the recycling collection rebate, business waste busters, and the waste separation equipment rebate scheme. However, totalling approximately \$25 million across the four years, these proposed business programs are proportionally less significant than the bulk of funding being allocated to local government, the waste industry (landfill operators and waste contractors) and households. It would be our preference that a greater share of the funding be directed towards supporting the business community in reducing waste across the entire waste hierarchy and accessing improved resource recovery and recycling services.

Additionally CCIQ would like to restate our strong objection to the use of levy revenue for general environmental initiatives such as national park acquisition, especially in the initial transition period. It is unacceptable that the business community should solely fund outcomes from which the whole community, (including households) benefit, especially when the waste and resource recovery market in Queensland is underdeveloped and businesses currently have limited options for resource recovery. Accordingly CCIQ supports the position that levy revenue be distributed in a tiered approach and recommend that only surplus funds be dedicated to general environmental initiatives.

Chamber of Commerce &
Industry Queensland
Industry House
375 Wickham Terrace
Brisbane Q 4000

ABN 55 009 662 060

t > 07 3842 2244
f > 07 3832 3195
e > info@cciq.com.au

Employer Advice Line
1300 135 822

Regional Offices
Gold Coast, Sunshine Coast,
Toowoomba, Rockhampton,
Mackay, Townsville, Cairns



CCIQ remains committed to the Queensland Government's efforts to reduce waste and landfill, however the Chamber encourages you to ensure the right balance is achieved for the use of levy funds across all sectors and that the business community receives value for money from the additional financial burden being placed on them by the levy.

Yours Sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland

Commonwealth Bank CCIQ Pulse Survey of Business Conditions



June Quarter 2011


CCIQ
Chamber of Commerce
& Industry Queensland



Determined to be different

> Introduction

Reticent to paint a negative picture of the economy for fear that it will only further erode business and consumer confidence, there is unfortunately little good news arising from the June Quarter Pulse Survey of Business Conditions.

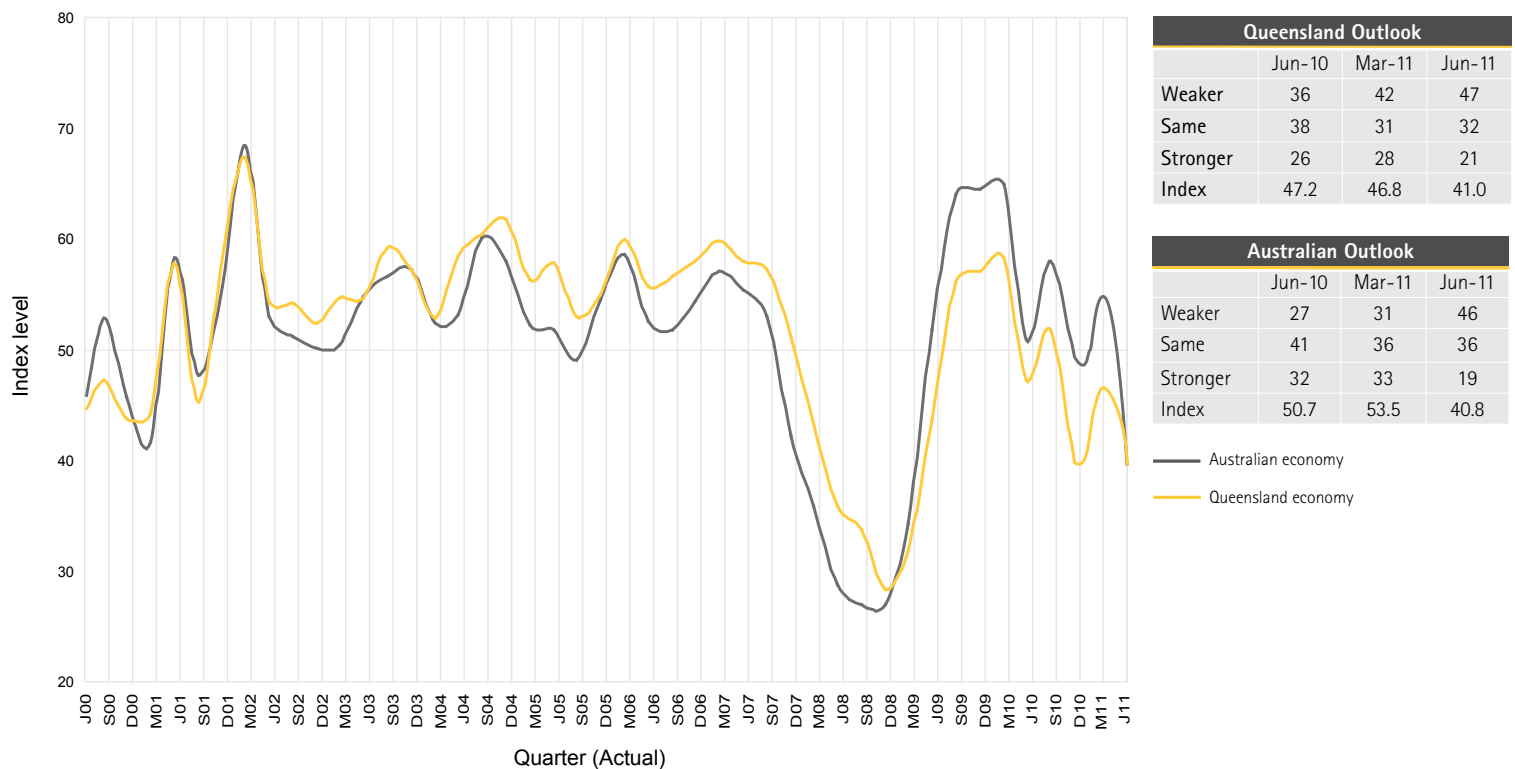
All indicators have experienced a further softening on the previous March Quarter results which were already subdued following the floods and natural disasters at the start of 2011. Businesses now are acutely aware of the economic challenges facing them and accordingly expectations for the coming three months have been revised downwards across all indicators.

Results from the current quarter suggest there may be embedded problems facing the national and state economies that extend beyond the effects of the natural disasters at the start of 2011.

"Federally, the continuing concern over the implementation of the carbon tax and state wide, the economy is so flat other than mining that hopefully it can't get much worse". – Survey Respondent

"I believe that the fallout from the GFC has finally hit us as all the Federal money that was thrown around to "stimulate" the economy has dried up and now the crunch is on the way". – Survey Respondent

> 12 Month Outlook: Australian & Qld Economies



Scale – An Index level above 50 indicates that growth prospects are strengthening, while an Index level below 50 indicates that growth prospects are weakening. *Seasonally adjusted.

Australian Economy

> This quarter saw business confidence in overall terms predicting a weakening of Australian economy over the next twelve months. This is the first time since the economic downturn in late 2008. The Pulse Index fell sharply from 53.5 in the March quarter to 40.8. More businesses now expect the national economy to weaken over the coming twelve months than those expecting conditions to remain the same or improve.

Queensland Economy

> Equally confidence in the Queensland economy fell further in the June quarter. Nearly half of all businesses (47 per cent) expect the state's economy to weaken over the coming twelve months. Accordingly the Pulse Index fell to 41.0.

> Survey Analysis: Factors Affecting the 12 Month Outlook

As has been the case for the past twelve months, key factors continue to dampen business performance and sentiment, affecting both the national and state economic outlooks.

Consumer confidence and spending have been subdued for most of 2011 which has reduced sales and profitability for businesses across most sectors, especially those reliant on discretionary spending such as the retail, tourism and building and construction industries.

The business community firmly believes the Reserve Bank has been too bullish in lifting interest rates and that the ongoing speculation of further rises has created a cautionary approach to spending from both the household and business sectors. Interest rate pressures have been compounded by the effect on consumer spending of ongoing rises in utility costs, government fees and charges and other taxes.

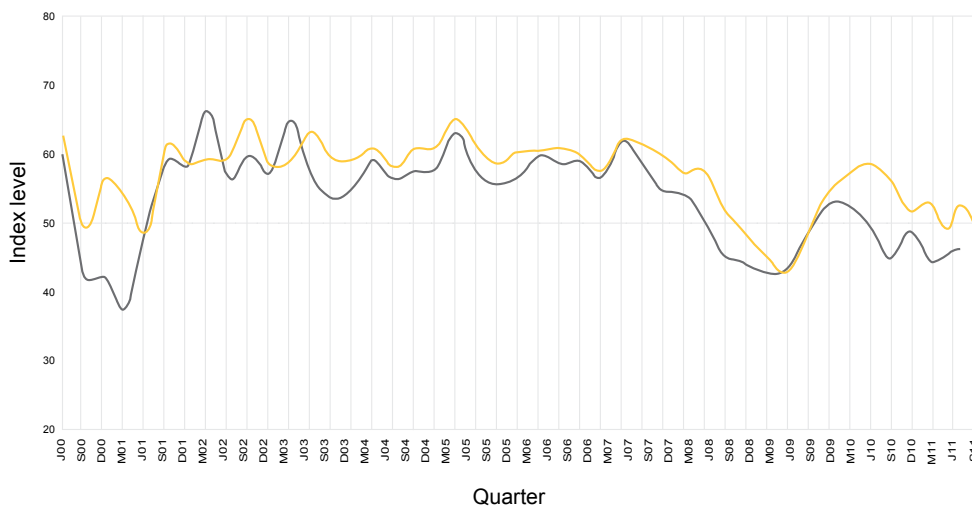
The stability of the international economy is also causing concern. The Queensland business community continues to cautiously watch the economic performance and outlook in the United States, Europe and China fearing depressed economic conditions in these economies may lead to a downturn in the Australian economy. Many sectors of the Queensland economy have been adversely affected by the fallout from international disasters in Japan and New Zealand, months of airline disruptions and the recent live cattle export ban.

Finally the domestic political environment is acting to destabilise business confidence. Business feedback in this quarter's Pulse Survey seems preoccupied with issues over economic management, wastage of public resources and rising government debt at a state and federal level. There is also significant concern that the federal government is no longer acting in the best interests of the business community and that minority interests are resulting in poor policy outcomes and reforms that only further increase costs on business and the community (e.g. industrial relations and wage reforms, carbon pricing, and minerals resources rent tax).

"Increased taxes and regulation. The increased stamp duty for owner occupiers is likely to have a significant impact upon property prices and overall confidence in the market. Unknowns such as rising interest rates and the impact of the carbon tax are likely to keep consumer sentiment substantially subdued". – Survey Respondent

"Deepening concerns about world trade, EU economy and Chinese slow down as they control their internal economy. Lessening of trade opportunities for Australia". – Survey Respondent

> Sales & Revenue



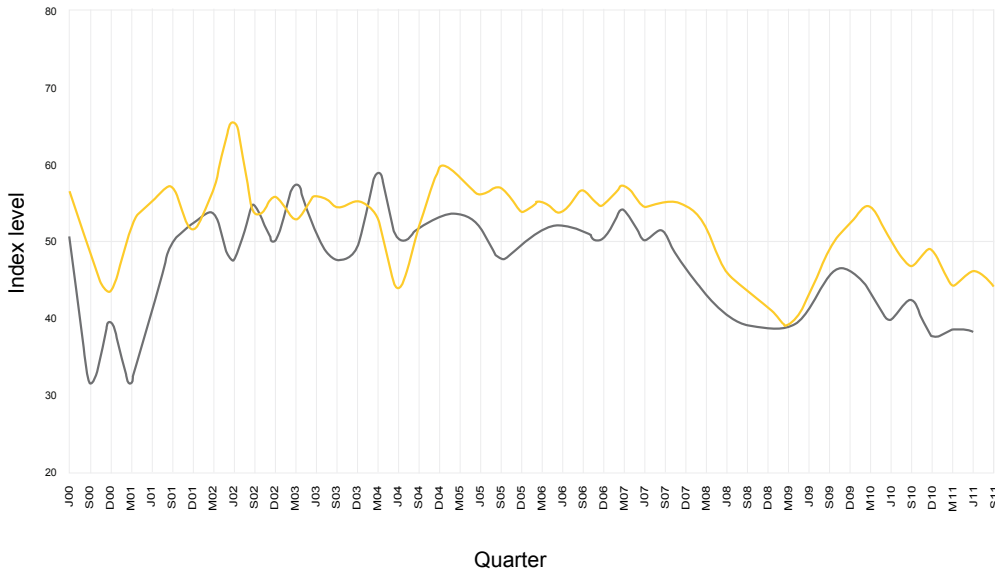
Sales & Revenue				
	Ju-10	Mar-11	Jun-11	Sept-11
Weaker	40	47	38	28
Same	32	25	34	40
Stronger	28	28	28	32
Index	45.0	45.8	46.1	49.7

— Current — Expected

"I think consumers are very concerned with costs and also the upcoming increase in food, petrol, electricity due to the carbon tax. Having no definitive answer and not trusting the government with what we are told causes the public to be nervous and conserve any extra money they have". – Survey Respondent

- > The Pulse Sales and Revenue Index remained relatively steady at 46.1 over the June quarter, indicating that businesses did not realise the expected improvement anticipated in the March quarter. The majority of businesses (38 per cent) experienced weaker sales over the past three months.
- > The outlook for the coming September quarter remains relatively stable with the majority of businesses expecting conditions to remain the same.

> Profitability



Profitability				
	Jun-10	Mar-11	Jun-11	Sept-11
Weaker	48	56	51	38
Same	34	28	32	40
Stronger	18	16	19	22
Index	39.7	38.5	38.0	44.2

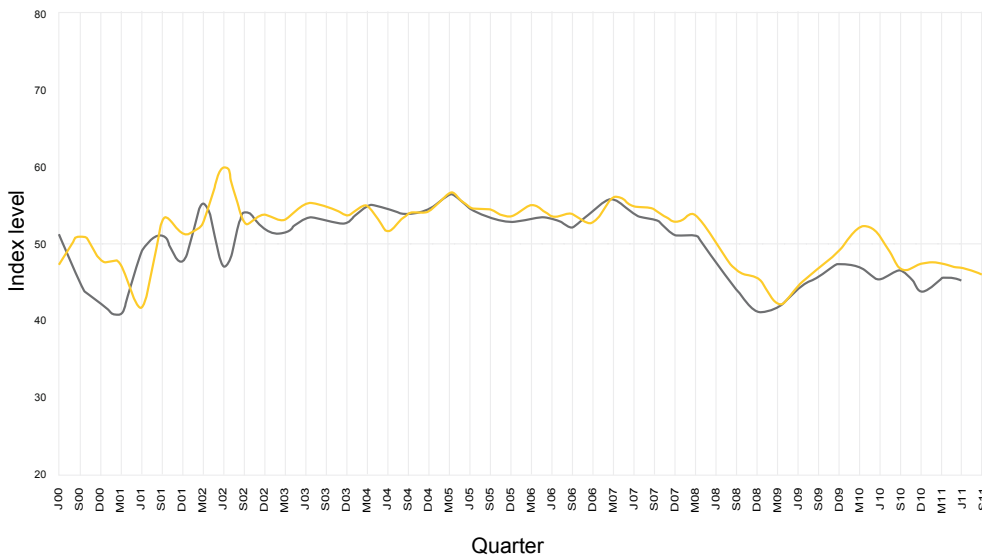
— Current — Expected

"It is a minefield of legislation and regulation in this country. People who take the risks and responsibilities to run their business have NO RIGHTS, and are constantly told "what to do" by bureaucrats who have never been in a position of such risk. Small/medium business are the backbone of this nation and it's time the Government realised this fact and worked with us, not against us!" – Survey Respondent

"The current climate is tied to industry confidence in Government. There seems little confidence in these and consequently there is a reluctance to invest". – Survey Respondent

- > Business profitability continued to weaken this quarter with the Pulse Profitability Index falling to 38.0 from 38.5 in the previous March quarter.
- > The outlook for the coming quarter is also not overly optimistic, as most businesses expect profitability to remain the same (40 per cent) or weaken (38 per cent) over the three months to September.

> Employment Levels



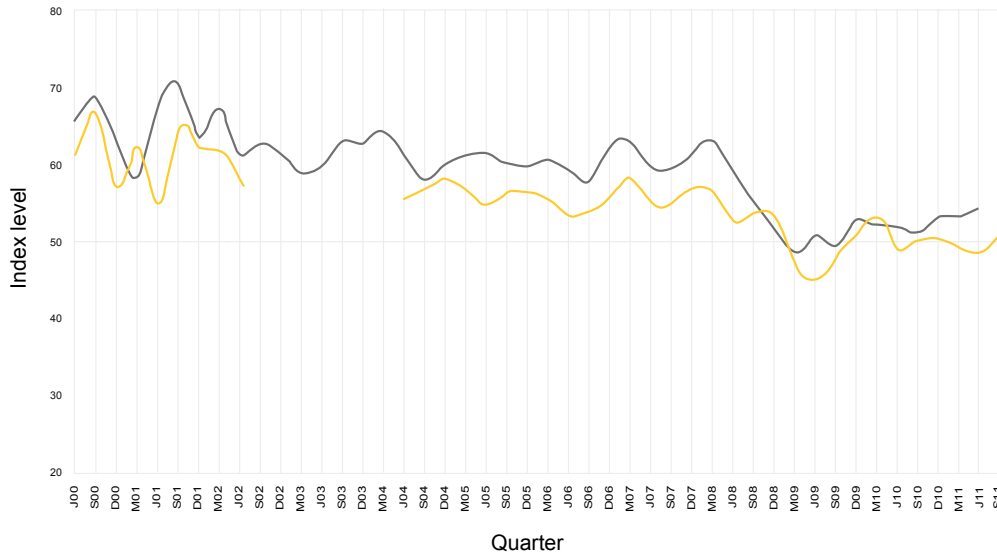
Employment Levels				
	Jun-10	Mar-11	Jun-11	Sept-11
Weaker	27	30	29	28
Same	59	56	58	59
Stronger	13	14	13	14
Index	45.6	45.7	45.0	44.7

— Current — Expected

"Everyone is currently struggling and cannot consider taking on new staff etc. so things will be at a standstill, resulting in an overall weakening". – Survey Respondent

- > With businesses sales and profitability suffering, it is no surprise that there has been little change in employment levels over the three months to June. The Pulse Employment Levels index has fallen marginally in seasonally adjusted terms from 45.7 in March to 45.0 in June.
- > The majority of businesses do not expect to make any change to their workforce over the next three months with 59 per cent expecting employment to remain the same in the September quarter.

> Average Wages



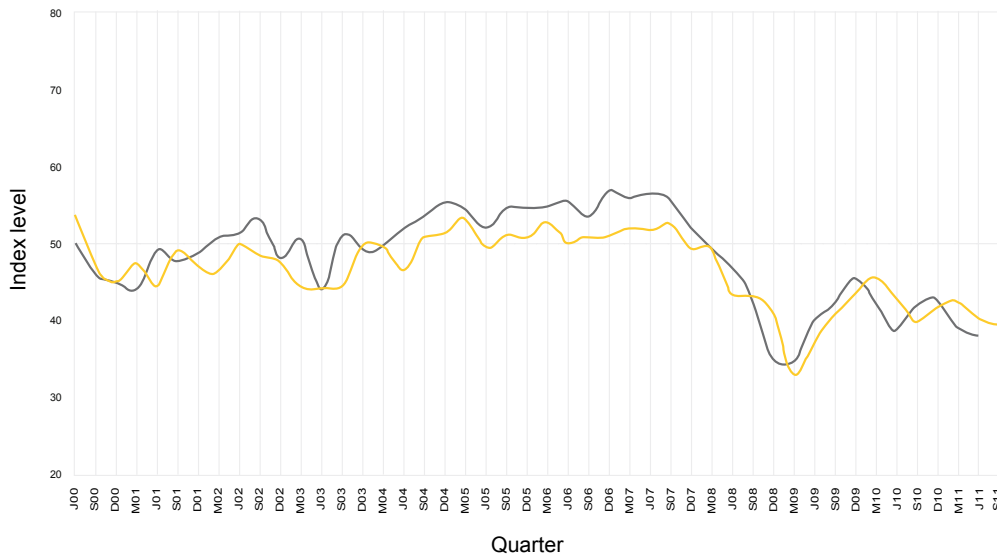
Average Wages				
	Jun-10	Mar-11	Jun-11	Sept-11
Weaker	10	10	9	12
Same	71	72	64	60
Stronger	19	19	27	28
Index	52.2	53.6	54.7	50.7

— Current — Expected

"In our case previous exports to China are now not viable without a 20% to 25% price discount which is not sustainable. Due to the increase in labour costs and other on costs manufacture of products are now at the margin. There is also a real shortage of general labour of suitable skill level for manufacturing". – Survey Respondent

- > Queensland businesses are experiencing growing wage pressures, most likely as a result of recent industrial relations and award reforms combined with growing cost of living pressures.
- > The Pulse Average Wage Index increased marginally in the June quarter to 54.7, with the majority of businesses indicating average wages remained the same (64 per cent) or increased (27 per cent). A similar trend is expected over the coming September quarter.

> Capital Expenditure



Capital Expenditure				
	Jun-10	Mar-11	Jun-11	Sept-11
Weaker	42	42	43	40
Same	43	40	41	47
Stronger	15	18	16	13
Index	38.7	39.4	38.2	39.3

— Current — Expected

"Unrealistic wage demands due to expectations raised by government/unions. Labour conditions not being flexible. To much red tape for small business and unfriendly environment for small business Banks not giving credit to small business". – Survey Respondent

- > Again this quarter, as has been the case for much of the past three years, capital expenditure has been significantly low. With capital finance reportedly difficult to access and sales and revenue figures down, businesses do not have the capacity to reinvest in their businesses for growth and expansion.
- > The Pulse Capital Expenditure Index fell to 38.2, with the majority of businesses reporting weaker (43 per cent) or the same (41 per cent) levels of investment in building, plant and equipment. Similar capital expenditure levels are forecast for the September quarter.

> Regional Analysis

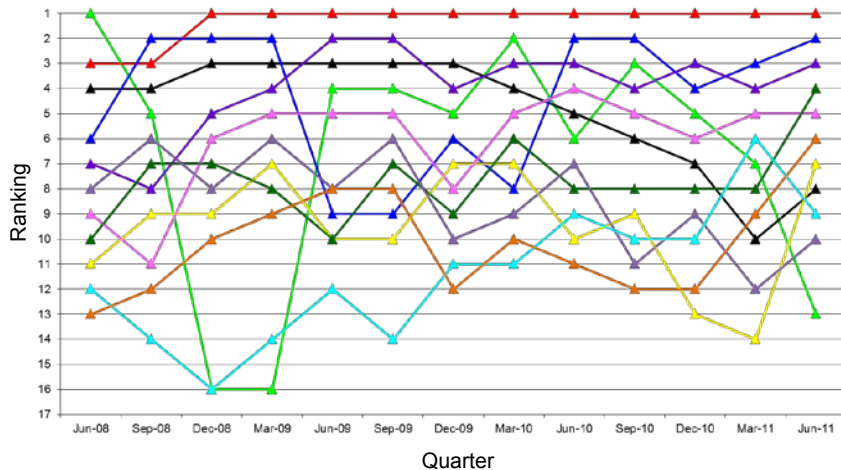
Current	Brisbane	Sunshine Coast	Gold Coast	South West Queensland	Central Queensland	Central Coast	North Queensland	Far North Queensland
12 Month Outlook - Queensland	↓ 38.0	↓ 37.4	= 38.5	↑ 40.4	↓ 41.9	↑ 50.0	↑ 41.3	↑ 41.4
General Business Conditions	↓ 43.3	↓ 40.2	↓ 36.9	↑ 51.7	↑ 55.1	↓ 53.0	↑ 47.8	↑ 45.7
Total Sales/Revenue	↓ 43.0	↓ 40.2	↓ 38.3	↑ 54.1	↑ 52.4	↓ 52.6	↓ 43.9	↑ 49.5
Profitability	↓ 35.9	↓ 31.9	↓ 30.7	↑ 43.5	↑ 42.4	↓ 37.9	↑ 41.9	↑ 40.9
Average Wages	↓ 53.3	= 50.0	↓ 30.7	↑ 55.9	↑ 59.6	↑ 62.1	↑ 56.7	↑ 52.6
Employment Levels	↓ 44.5	↓ 42.6	= 53.0	↑ 45.0	↑ 44.1	↓ 44.5	↓ 50.6	↑ 46.4
Capital Expenditure	↓ 40.2	↓ 28.7	↓ 30.1	↓ 37.4	↓ 41.6	↓ 40.3	↑ 36.4	↑ 38.0

↑ index increased from previous Qtr; = index unchanged from previous Qtr; ↓ index decreased from previous Qtr.

- > There remains significant divergence in the economic fortunes across the various regions of Queensland.
- > Of greatest significance is the performance across the whole South East corner of the state including Brisbane, Sunshine Coast and the Gold Coast. These regions collectively share Queensland's worst outcomes in terms of general business conditions, sales and revenue, profitability and employment levels.
- > Key mining and resource regions including South West and Central Queensland have rallied following the effects of the floods at the start of the year and are enjoying strong general business conditions, sales and revenue and profitability results. Employment levels are also gaining strength.
- > The Central Coast (Mackay and Gladstone) region, which has been the stalwart of the Queensland economy for most of the past 12-18 months, however experienced some softening in business conditions. In particular sales and revenue and profitability fell sharply over the quarter. Businesses in this regions are also experiencing significant wage pressures.
- > On a positive note, North and Far North Queensland have enjoyed a strong quarter with improvements on last quarter across most indicators.

"The economy outside of mining is travelling poorly and the discretionary retail market that we supply is especially poor. Both national and state governments have little support in the general public and consumers are keeping their money firmly in their pockets because they have little faith in the future under the current governments. The proposed carbon tax is making everything worse". – Survey Respondent

> Major Constraints on Business Growth



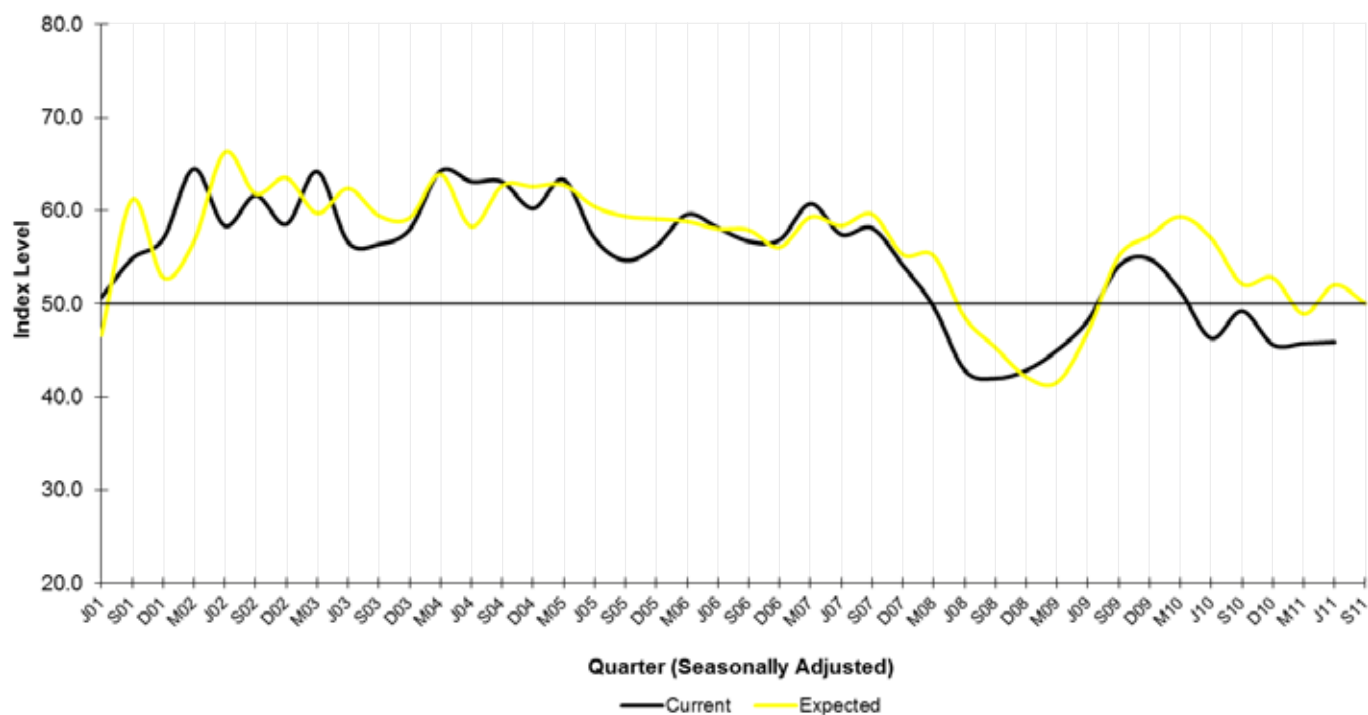
"Australia is one of the countries with the highest tax rates in the world and they are still trying to tax us more. In NZ the highest tax rate is 28% for company and personal tax. That is it!! When NZ brought in their GST all the sales tax, import tax etc were dropped. Australia brought in GST and kept all the other taxes and are still trying to put in more." – Survey Respondent

- > With the effects of climatic conditions now passed, this quarters Pulse Survey shows Queensland businesses are suffering most at the hands of Government decision making and policy.
- > The level of demand and economic activity in Queensland continues to act as the major constraint on business growth. With this featuring as the top constraint factor since the Global Financial Crisis in 2008, Government attention to this issue is long overdue.
- > Political and economic stability is the second major factor acting as a constraint on business growth. As is discussed further in the Hot Topic section, Queensland businesses are concerned that federal and state politics are adversely affecting business investment decisions and consumer confidence and spending.
- > The effect of federal, state and local government taxes, fees and charges round out the top five major constraints on business growth.
- > Compliance with industrial relations laws and direct and indirect wage costs are also a significant factor preventing business growth. This no doubt reflects the significant impact that recent reforms and award reviews are having on business costs.
- > In summary, businesses can not afford to invest in growth and productivity while the cost of doing business continues to rise. The expectation by all levels of Government that businesses can continue to absorb ongoing cost increases to meet wasteful public spending is unrealistic and not conducive to economic growth objectives.

> Hot Topic – General Business Conditions

General Business Conditions have spent most of the past three years since the global financial crisis in negative territory, rallying only temporarily in late 2009 on the back of economic stimulus payments and programs, and then falling off again as these programs were wound back. Business expectations for the coming quarter again are not optimistic.

This is significant given the generally strong business conditions experienced for most of the past decade since 2001. It also suggests that while the floods and natural disasters at the start of 2011 had an effect on business conditions, other underlying factors are having a more prominent and ongoing impact on business and consumer confidence and economic growth.



Analysis of business feedback received through the June quarter Pulse Survey suggests a number of factors are affecting business conditions and confidence in our economy at present.

39.8% raised concerns over the effect of the recent announcement of the Carbon Tax on the economy. The key concern was the immediate effects that this announcement is having on consumer and business confidence as well as the longer term effects on business costs and local competitiveness.

32.3% suggested that confidence in the federal and state governments is at very low levels and this is having a significant impact on the economy. In particular, instability of the minority federal government (and the influence of independents, minor parties and powerful interest lobbies) is raised in the context that it was having a significant negative effect on consumer spending and business confidence.

"Federal & State governments – the amount of uncertainty coming out of the federal government at the moment is incredible and damaging". – Survey Respondent

21.4% raised concern over the rising cost of doing business in Queensland arising from continual increases in business taxes, fees and charges, the ongoing increases in government regulation and red tape, and other rising costs such as interest rates and utility charges.

There was a shared view that all tiers of government have become disconnected with the core business community, that is, all other industries and sectors outside of the resources sector. There is overwhelming consensus that more is needed to be done to help the many small businesses currently struggling to stay afloat in Australia's two-speed economy. However in having said that in many respects what needs to occur is to abandon flawed policy agendas.

"I feel support for small businesses has to increase, since they are the back bone of Australia". – Survey Respondent

"Government, State & Federal are not held accountable for their decisions and are out of touch with reality and the community". – Survey Respondent

The Pulse Survey has been measuring Queensland business confidence and expectations for over 20 years and is conducted in conjunction with the Australian Chamber of Commerce and Industry's National Survey of Business Expectations. It is published in cooperation with the Commonwealth Bank.

The survey publishes quarterly the results from key questions put to the Queensland business community on National, State and individual economic performances.

The survey is unchallenged in terms of being the most authoritative, timely and comprehensive snapshot of Queensland business sentiment with over 750 Queensland businesses interviewed as part of each survey.

The survey contains data from the largest firms in Queensland through to the smallest, and provides a sample covering the entire business community.

> Pulse Business Index

The analysis undertaken by CCIQ in the preparation of this Pulse Survey Report is based on survey responses from Queensland business.

The report uses the Pulse Business Index (PBI) as well as the (base) statistical data provided from the survey responses to effectively measure respondent's views as to how current or future activity (eg. three months ahead) compares with the previous quarter.

A **Pulse Index** reading of above 50 indicates conditions have improved over the previous quarter. A reading of 50 indicates conditions have remained the same and less than 50 indicates conditions have deteriorated.

The following guide is useful in interpreting the PBI results into broad indicative performance classifications.

Very Poor	0 – 29.99 Points
Poor	30 – 49.99 Points
Satisfactory	50 – 64.99 Points
Good	65 – 74.99 Points
Very Good	75 – 84.99 Points
Excellent	85 – 100 Points

The statewide PBI results have been seasonally adjusted.

The Pulse Business Constraints Index (BCI) measures the level of key impediments on business growth. The following guide is used in interpreting the BCI results.

Degree of Constraint	Index
Critical	70 - 100
Large	50 - 69.99
Moderate	40 - 49.99
Slight	30 - 39.99
No Constraint	0 - 29.99

Contact:

Nick Behrens

General Manager Policy

t > 07 3842 2244

e > nbehrens@cciq.com.au

w > www.cciq.com.au

Chamber of Commerce & Industry Queensland

Industry House

375 Wickham Terrace

Brisbane Q 4000

t > 07 3842 2244

f > 07 3832 3195

e > info@cciq.com.au



Chamber of Commerce
& Industry Queensland



28th February 2011

Kylie Hughes
Manager, Policy and Legislation
Waste Reform Division
Department of Environment and Resource Management
GPO Box 2454
Brisbane QLD 4001

Dear Kylie

RE: Submission to RAS/CBA for a waste disposal levy proposal

Thank you for the opportunity to comment on the Regulatory Assessment Statement (RAS) and Cost Benefit Analysis (CBA) for the waste disposal levy proposal. The Chamber of Commerce and Industry Queensland (CCIQ) represents over 25,000 Queensland businesses across all regions and industry sectors.

While CCIQ maintains its in-principle objection to the introduction of the levy, especially on the basis that it excludes the household sector, we have and will continue to work closely with the Department of Environment and Resource Management (DERM) to ensure that the waste reform agenda delivers the best possible outcomes at the lowest cost for the business community. We will also note upfront that the decision to introduce the commercial waste levy and its exclusion of household waste was a commitment made prior to the completion of the CBA and RAS and on that basis we believe the analysis has been skewed to favour this outcome. Notwithstanding these comments, CCIQ offers the following feedback in relation to the CBA/RAS.

Cost Area 1:

As was outlined in CCIQ's 'Blueprint for Waste Avoidance, Recovery and Management in Queensland' (Waste Blueprint) submitted during the consultation on the draft Queensland Waste Strategy, the Commercial Waste Levy has the potential to impose significant additional costs on businesses across the levy zone. As the following table demonstrates there is also significant variation in the cost to business depending on the size and number of bins and the frequency of collection.

Comparative Annual Cost to Queensland Businesses of Commercial Waste Levy

Wheelie Bins (240ltr)	No of Bins	Collections per week						
		1	2	3	4	5	6	7 (daily)
	1	\$62	\$125	\$187	\$250	\$312	\$374	\$437
	2	\$125	\$250	\$374	\$499	\$624	\$749	\$874
	4	\$250	\$499	\$749	\$998	\$1,248	\$1,498	\$1,747
	6	\$374	\$749	\$1,123	\$1,498	\$1,872	\$2,246	\$2,621
	8	\$499	\$998	\$1,498	\$1,997	\$2,496	\$2,995	\$3,494
	10	\$624	\$1,248	\$1,872	\$2,496	\$3,120	\$3,744	\$4,368
Four Wheel Steel Bin (3 cubic metres)	No of Bins	Collections per week						
		0.25 (Monthly)	0.5 (Fortnightly)	1	2	3	5	7 (daily)
	1	\$195	\$390	\$780	\$1,560	\$2,340	\$3,900	\$5,460
	2	\$390	\$780	\$1,560	\$3,120	\$4,680	\$7,800	\$10,920
	4	\$780	\$1,560	\$3,120	\$6,240	\$9,360	\$15,600	\$21,840
	6	\$1,170	\$2,340	\$4,680	\$9,360	\$14,040	\$23,400	\$32,760
	8	\$1,560	\$3,120	\$6,240	\$12,480	\$18,720	\$31,200	\$43,680
	10	\$1,950	\$3,900	\$7,800	\$15,600	\$23,400	\$39,000	\$54,600
Skip/Hooklift and Bulk Waste Bin (8 cubic metres)	No of Bins	Collections per week						
		0.25 (Monthly)	0.5 (Fortnightly)	1	2	3	5	7 (daily)
	1	\$520	\$1,040	\$2,080	\$4,160	\$6,240	\$10,400	\$14,560
	2	\$1,040	\$2,080	\$4,160	\$8,320	\$12,480	\$20,800	\$29,120
	4	\$2,080	\$4,160	\$8,320	\$16,640	\$24,960	\$41,600	\$58,240
	6	\$3,120	\$6,240	\$12,480	\$24,960	\$37,440	\$62,400	\$87,360
	8	\$4,160	\$8,320	\$16,640	\$33,280	\$49,920	\$83,200	\$116,480
	10	\$5,200	\$10,400	\$20,800	\$41,600	\$62,400	\$104,000	\$145,600

***This table represents the three most common sized bins used by businesses in Queensland based on results from the CCIQ Snap Poll on Waste and Resource Management.*

The amount of waste generated by any one business is not directly reflective of the business size, its profitability, or the number of people they employ. For a small to medium business facing significant increases in their waste costs, it is a very real scenario that the Commercial Waste Levy could result in businesses having to increase consumer prices, lay off staff or even close their business entirely. Therefore the actual cost of the levy, which CCIQ notes have been excluded from the CBA calculations, could have very significant costs on business, the community and the Queensland economy. CCIQ strongly recommends that the CBA/RAS be recalculated to include the economic impact of the levy on Queensland businesses.

Cost Area 2:

While the argument is made that businesses can reduce the impact of the levy by increasing their resource recovery and recycling efforts, this in itself creates additional costs and for many businesses may not even be an option. Currently due to the infancy of Queensland's waste markets, resource recovery and recycling services are not available across many regions of the state, and where available is priced at a premium making it a luxury for business rather than a viable option in a highly competitive and consumer price sensitive economy.

Cost Area 3:

A further potential cost arising from the introduction of the Commercial Waste Levy is the pass-through of costs above and beyond the direct levy rate from the waste industry. Anecdotal feedback from waste contractors suggests that a number of factors including increased administrative costs, risk of reduced markets, and removal of economies of scale as customers change and replace existing waste collection requirements will inflate the base cost of waste collection services. The waste industry have confirmed in communication with CCIQ that it is their intention to pass the full levy cost plus a margin for administrative costs onto business customers.

Cost Area 4:

Additionally CCIQ has significant concerns for the fact that the draft legislation does not provide any direction or requirements on how the weight based levy (charged at the landfill site and included in the gate fee) will be passed back to the businesses generating the waste. Again as was outlined in the CCIQ's Waste Blueprint, currently business waste is not measured by weight when collected and the only estimate of how much waste a business produces is based on the size of a bin and its full capacity. The waste industry have been provided with a green light to pass on the levy as they see fit, and most certainly will profit from the lack of transparency and absence of accurate business waste weight calculation systems. Again this represents an additional cost on the business community not reflected in the CBA or RAS.

Benefit Issue 1:

CCIQ also believes that two key assumptions made in the RAS/CBA are flawed. Firstly CCIQ would argue that under the current levy implementation model and draft legislation the creation of a price signal for waste generators may not be effectively achieved. In addition to the points raised above, the fact that the levy is applied as a liability at the landfill site, will be collected inclusive of a gate fee, and with no legislatively required transparency in how it is passed back to waste generators, there will be no direct price signal being provided to business and industry. In the short to medium term businesses will have limited opportunity to alter waste contracts (change bin size and collection frequency) and will not be motivated to make incremental downward adjustments in waste when they are charged flat volumetric rates plus the full levy percentage based on full bin capacity.

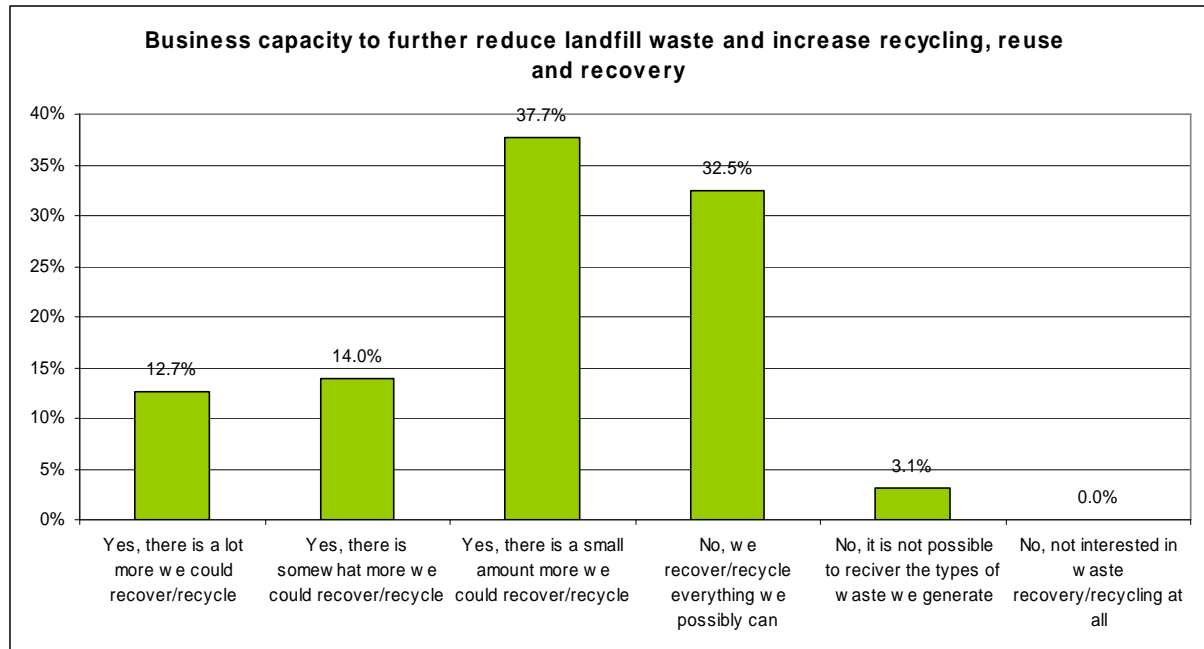
Benefit Issue 2:

Secondly CCIQ believes the RAS/CBA overestimates the potential economic and environmental benefit from waste diversion. CCIQ has repeatedly stated that the business community recovers more waste than they are given credit for and that the figures reported by the Queensland Government throughout the waste reform program are misrepresented. According to the *National Waste Report 2010*, of the 3.779 million tonnes of materials recovered in Queensland in 2006-07, the commercial and industrial stream contributed nearly half (48%) to this effort. Based on total waste generated by this sector, the net landfill diversion rate for C&I waste is 50 per cent.

Recovered in Qld (2006/07)	Waste Stream	Million Tonnes	% of total weight
	Municipal	1.365	36%
	Commercial and Industrial	1.797	48%
	Construction and Demolition	0.617	16%
	TOTAL	3.779	
Landfilled in Qld (2006/07)	Waste Stream	Million Tonnes	% of total weight
	Municipal	1.735	40%
	Commercial and Industrial	1.101	26%
	Construction and Demolition	1.466	34%
	TOTAL	4.302	

Source: National Waste Report Card 2010

CCIQ research further supports this claim. 32.5 per cent of respondents to a CCIQ survey on waste practices indicated they currently recover and recycle all materials possible within their business. A further 37.7 per cent believed there was only a small amount more. Only 14.0 per cent indicated there was somewhat more they could recycle and recover and 12.7 per cent that there was a lot more they could recycle and recover.



Source: CCIQ Snap Poll on Business Waste Practices

Benefit Issue 3:

Finally CCIQ would like to draw attention to the fact that the CBA reported significant additional net benefit from the inclusion of the MSW (household) waste stream in the commercial waste levy. CCIQ firmly believes that there is a strong case for the inclusion of MSW in the levy and continues to encourage the Queensland Government to give consideration in the short to medium term for the expansion of the levy to include all sectors in the Queensland economy.

Summary:

CCIQ remains committed to the Queensland Government efforts to reduce waste and landfill, however the Chamber encourages you to ensure the right balance between required environmental outcomes and the need to maintain a strong and productive economy is achieved. We trust that the comments provided in this submission will prove useful in finalising the Queensland Government's waste reform agenda. If you have any questions regarding this submission please contact Megan Johns, Senior Policy Analyst on Ph. 3842 2254 or email mjohns@cciq.com.au.

Yours Sincerely

Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland