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The Research Director
Environment, Agriculture, Resources and Energy Committee
Parliament House
Cnr George and Alice Street
BRISBANE QLD 4000

Dear Mr Hanson

RE: SUBMISSION ON THE *WASTE REDUCTION AND RECYCLING BILL 2011*

Gold Coast City Council appreciates this opportunity to comment on the *Waste Reduction and Recycling Bill 2011* currently before your committee. Our Council has participated in the two limited stakeholder consultations with the Department of Environment and Resource Management (DERM), but this is the first opportunity to express our views regarding the Bill in a public forum.

The *Waste Reduction and Recycling Bill 2011* will significantly change how local government manages waste. One of the key elements of the Bill is the introduction of the waste levy, currently proposed to commence on 1 December 2011.

Our Council understands the principles behind the proposed levy but find it difficult to support the timing for its introduction. Gold Coast City Council, and many other local councils, will be required to pass on the levy liability to our business customers. It should also be noted that the majority of Council's business customers are classified as small business enterprises who are already financially stretched in the current economic climate. In combination with other proposed environmental instruments, such as the Commonwealth Government's proposed carbon tax, these extra costs to businesses have the potential to seriously threaten their viability, and consequently the Gold Coast's local economy.

It is also our opinion that introducing the levy on 1 December 2011 will result in many councils being ill-prepared to administer the levy or provide alternative options to landfill that the community will need to reduce waste generation and minimise levy charges. The fact that the legislation has not yet passed through Parliament nor have any draft regulations been circulated, just three months out from the proposed commencement date, has left our Council struggling to fully understand all the implications associated with the levy's implementation. As a result, we are unable to provide informed advice to our customers nor budget appropriately for the necessary resource recovery programs. Our customers will also need time to prepare for the economic impacts of the levy.

I suggest that it would be more sensible to delay the implementation of the levy to 1 July 2012, at which point the legislation would be established and understood. In this way, levy preparations would also coincide with the 2012-13 budget preparation processes of Queensland councils and other affected businesses.

Large councils such as Gold Coast City play a vital role in managing a significant portion of the State's council-managed waste. Consequently, improvements in waste management operations at large councils stand to have a significant impact on the State's waste performance. Therefore, it is considered essential that future funding provided to Gold Coast City Council be proportionate to the amount of waste levy raised within the City.

Our Council has expended considerable resources toward improving waste services and infrastructure to divert waste from landfill, mostly without external funding support, and has committed to further substantial improvements to waste infrastructure in its Four Year Capital program. Currently, new concessions and funding are available from DERM (phase 3 – Local Government Assistance Grants Program; initial volumetric survey for small landfills), but this funding is mostly aimed at providing emergency assistance for council operators of small landfill sites struggling to meet levy collection establishment costs.

Queensland's Waste Reduction and Recycling Strategy 2010-2020 identifies the inevitability of increased instances of illegal dumping following the introduction of the levy. Council has concerns that increased costs to local government as a direct result of increased illegal dumping will not be adequately compensated by the State.

We understand that local government funding will be available from levy revenue held in the Waste and Environment Fund, through the Sustainable Futures Fund. However, we currently have no understanding as to how this funding will be distributed, as DERM has not released information in relation to the governance of this fund. Despite attempts to prepare for all contingencies, the tight timeframes imposed mean that some unexpected and unfunded costs could be incurred by Council. Also, the ongoing costs of additional illegal dumping cleanups are of concern. I request that the Bill, related regulations or policy allow opportunities for large councils to access the necessary and proportionate funding in the future.

The Bill outlines in Chapter 3 that levy exemptions apply for certain wastes and also that applications for a levy exemption can be made for certain waste types. There are two wastes that have been excluded from being levy-exempt that we wish to bring to your attention:

1. clean fill for daily cover on landfills; and
2. residue waste from recycling activities.

As part of our council's conditions of development approval, we are required to cover the active landfill face daily to control odour, vermin and litter. This is achieved through applying a covering layer of clean fill. While clean fill 'won' on site or purchased for use as daily cover will not attract the levy, it is understood that clean fill accepted at the landfill gate and utilised for daily cover will attract the levy.

The re-use of this material as daily cover is considered to have environmental benefits. Charging the levy on this material will encourage a market shift towards the use of virgin soil, rather than re-using clean fill, and will result in a poor environmental outcome. DERM have offered an overall discount of six per cent to cover administration, however, we consider this insufficient compensation for councils to retain the 'clean fill market'.

As the Bill currently stands, residue waste from recycling activities is levyable at the commercial and industrial rate of \$35 per tonne. This rate applies even if the residue is originally from a municipal source (currently \$0 levy). This discourages councils from secondary sorting of recyclables from the municipal waste stream. For example, municipal waste sent direct to landfill attracts no levy, but municipal waste left over after a secondary recovery process at a resource recovery area attracts the \$35 per tonne. DERM has indicated recently that a fifty (50) per cent reduction of the levy rate may apply for these wastes, however, this has yet to be confirmed. Even with this DERM concession, the result is that secondary sorting is not encouraged, the opposite intention of the waste reform process.

To remedy these inconsistencies, I request that the Bill be amended to make it possible to apply for exemption applications under section 28 for clean fill used for daily cover and residue waste from recycling activities.

The Bill also outlines new littering and illegal dumping offences in Chapter 5.

Currently in the Bill, volumes of deposited waste up to two hundred (200) litres are defined as litter and volumes of two hundred (200) litres or more as illegal dumping. It seems unreasonable to be issuing the same penalty amount to a person depositing a cigarette butt as opposed to someone depositing one hundred and ninety nine (199) litres (of waste). Differentiating between twenty (20) litres and two hundred (200) litres is considered preferable. The *Environmental Protection Act 1994* provisions within section 440D provide a better differentiation of penalties relative to the offence and I recommend that similar provisions are included in the Bill.

The Bill proposes the omission of Chapter 7, part 7 of the *Environmental Protection Act 1994* which includes section 369. Council's authorised officers use section 369 of the *Environmental Protection Act 1994* to regulate waste transporters and we oppose its deletion. Without this provision and the ability to apply specific conditions on waste transporters, it will be significantly difficult for councils to address nuisance complaints regarding waste transporters. Again, insufficient notice has been given to local government to develop and approve any new local laws to address waste transporters in the absence of section 369 of the *Environmental Protection Act 1994*.

Council also recommends that the Bill include a provision for administering authorities to issue a cost recovery notice to an offender. This will enable local government to recover the costs for cleaning up an incident on behalf of the offender.

Council also considers that the Bill as it stands does not properly distinguish the roles and responsibilities between the State and local government.

In summary, I recommend the following in relation to the *Waste Reduction and Recycling Bill 2011*:

- the implementation of the waste levy is delayed until the commencement of the 2012/13 financial year;
- opportunities are made available for councils such as our own to access funding from the Sustainable Futures Fund proportionate to our levy contribution and our requirements for undertaking illegal dumping cleanups;

- the Bill be amended to make it possible to apply for exemption applications under section 28 for clean fill used for daily cover and residue waste from recycling activities;
- provisions are included in the Bill to provide better differentiation of penalties relative to the scale of littering offences, similar to section 440D in the *Environmental Protection Act 1994*;
- Section 369 of the *Environmental Protection Act 1994* is not omitted;
- A provision should be included in the Bill for Council to issue cost recovery notices to offenders; and
- Roles and responsibilities between the State and local government require clarification.

If there is further information you require from Gold Coast City Council, please contact Leah Fogarty on (07) 5581 6844. Once again, we thank you for the opportunity to provide feedback.

Yours faithfully



Colette McCool
DIRECTOR COMMUNITY SERVICES
For the Chief Executive Officer