

Timber recycles carbon



**Timber Queensland Submission to the Environment,
Agriculture, Resources and Energy Committee on the:**

Waste Reduction and Recycling Bill 2011

**Timber Queensland Limited
P O Box 2014
Fortitude Valley Qld 4006
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Timber Queensland Limited (TQ) is the state industry body representing the interests of the full timber value chain; from forest growers, through timber processors, timber recyclers, merchants, and importers, to fabricators, builders and associated building professionals. Timber Queensland welcomes the opportunity to comment on the *Waste Reduction and Recycling Bill 2011* in relation to waste; and on the repeal and amendment of other legislation.

Waste Reduction and Recycling

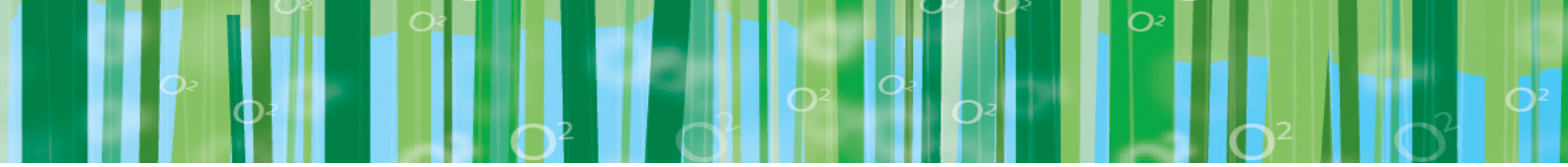
Timber Queensland made a submission to the Queensland Government on the Queensland Waste Strategy in August last year which outlined a number of our issues in relation to waste reduction and recycling. TQ has been involved in further correspondence with the Government on a number of matters we raised in that submission, and are reasonably comfortable with the response to date in relation to our concerns.

The *Waste Reduction and Recycling Bill 2011* puts into place the legislative framework to enable the implementation of the Queensland Waste Strategy, and we believe that this is a positive step. Importantly, this will allow for funding to flow towards a number of priority projects that have been identified by Timber Queensland.

However we do hold concerns regarding the lack of support for genuine recyclers under the new Bill. In particular, genuine recyclers that are operating at industry best practice will ultimately face the full waste levy for residuals from their recycling operations.

The waste strategy and associated levy are fundamentally about reducing waste to landfill and increasing the level of recycling. Recycling is largely a marginal operation – recycling efforts concentrate first on the most readily recyclable material, with the more difficult material recycled so long as the operation is marginally viable or as resource constraints force businesses into a higher cost resource. However, the imposition of the levy on residue waste for which there is no market simply works against the viability of recycling.

A clear case in point is the residue waste from the recycling of treated timber power poles. There is a significant volume of residue generated when converting any round log or pole into square section timber. Where the source material is fresh logs, the residue has a number of potential markets including compressed board products, heating fuel, mulch and animal bedding etc.. However power poles are generally treated with CCA, which



precludes the use of residues for any of these purposes. Heat recovery is perhaps the only possible use, but there are very few facilities that take untreated waste wood, and the technical requirements for the furnace and scrubbers to control toxic emissions from burning treated timber waste are such that construction of a suitable plant is simply not viable given the volume of resource available. Under the circumstances, disposal to landfill is the only option for this residue waste.

The Bill gives some recognition of the plight of recyclers, allowing for a discounted waste levy or for a levy exemption for genuine recycling residue waste. However these provisions are fundamentally flawed. In the first instance, both the levy exemption and the levy discount are transitional measures only, terminating on 30 June 2014. Secondly, the full levy exemption only applies if a discount levy ‘would cause the applicant financial hardship to an extent that would stop its business from operating’.

Imposing an end date on the levy relief arrangements implies that markets can be found for the residue waste within that timeframe. If not, it simply means that recycling operations become less viable in 2014. Timber Queensland believes that the Act should contain ongoing provisions for the application of a discount levy and levy exemption, which can be accessed for as long as there is no viable alternative market from the residue waste.

The hardship provisions that need to be demonstrated to secure the levy exemption are clearly excessive and simply impose costs on the very businesses that the strategy should be encouraging. It would make far more sense to determine the level of levy relief according to the potential to develop viable alternative markets for the residue waste (combined with the performance of the recycler in comparison to the industry standard). Where there are alternative markets that are close to being viable, then the discount levy should apply - until such time as removal of the discount would make the alternative market viable. Where there are no viable alternative markets for the waste and the facility is operating at industry best practice then the full levy exemption should apply.

Such arrangements would be far more supportive of the recycling industry and lead to higher levels of recycling, rather than lowering the level of recycling as will be the result from the current provisions.

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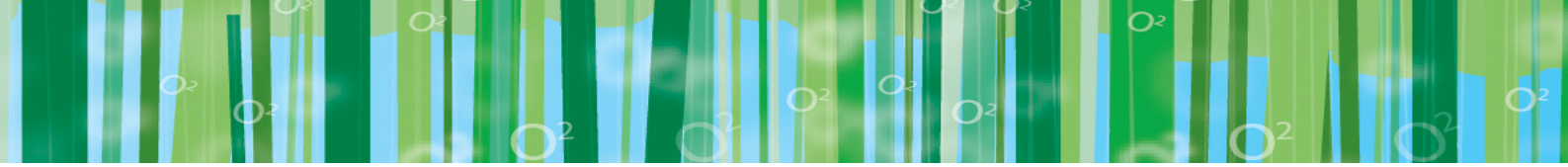
Repeal and amendment of other legislation

Timber Queensland notes that Chapter 15 of the Bill is devoted to amendments to other legislation, some of which are very important to the timber industry. In particular, we note that this section will establish a framework for granting the right to carbon on State-owned land to a lessee or indeed a licence holder.

The State currently owns the forest products on much of this land, and Timber Queensland is very concerned that an unintended consequence of these provisions could be to constrain timber production. The sale of carbon from these forests will undoubtedly carry with it management constraints on the vegetation, which in turn could seriously constrain wood production. There appear to be no safeguards in the Bill to ensure that wood production values are even considered when granting a carbon right.

Recent decisions regarding long term land use for forestry mean that leasehold land will be one of the few State tenures where wood production can continue. It will be critical that these interests are protected.

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Timber Queensland welcomes the opportunity comment on the draft Bill, and would be happy to provide the Committee with further input as required.

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