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

Dear Sir

WASTE REDUCTION AND RECYCLING BILL 2011
CALLS FOR SUBMISSIONS BY THE EAREC COMMITTEE

I refer to the above document currently in circulation for comment. Council agrees with the broad objects and the strategic intent of Queensland's Waste Reduction and Recycling Strategy 2010-2020 and the Waste Reduction and Recycling Bill 2011.

There are a number of primary issues that will impact on Council, however, the principal issue to emerge is the application of the waste levy regarding the municipal solid waste component of residual waste, particularly from resource recovery facilities.

Imposing the commercial or industrial levy on the MSW residual waste component will be a significant financial burden for this Council and appears to contradict the intent of the waste disposal levy outlined in the Government's Bill and also in Queensland's Waste Reduction and Recycling Strategy 2010-2020.

I also note that the Waste Reduction and Recycling Regulations 2011 are only available as proposed draft provisions and policy intent prior to submissions closing on 2 September 2011 and are subject to separate future consultation process. The opportunity to review and comment on these Regulations would be appreciated.

Should you wish to discuss any aspects contained in the submission please contact the undersigned on the direct number 4043 4670.

Yours faithfully

A handwritten signature in black ink, appearing to read 'W. J. Cuthbertson', written in a cursive style.

BILL CUTHBERTSON
MANAGER WATER WASTEWATER AND WASTE OPERATIONS

Waste Reduction and Recycling Bill 2011

Submission to EAREC Committee from Tablelands Regional Council

Tablelands Regional Council (Council) has reviewed the draft Waste Reduction and Recycling Bill 2011 (WRR Bill) and provides the following comments for consideration.

1.0 Municipal Solid Waste, Alternative Waste Technology

Cairns Regional Council has previously made several submissions regarding the WRR Bill. Among several other matters, these submissions highlight that Tablelands Regional Council and Cairns Regional Council already pays a premium to recover and divert waste from landfill via an Advanced Resource Recovery Facility (ARRF) and by potentially imposing a commercial or industrial levy on the municipal solid waste (MSW) residual waste component from the ARRF and materials recovery facility (MRF), both Councils will be significantly financially disadvantaged for implementing innovative waste recovery technologies.

1.1 Comment

Tablelands Regional Council delivers a portion of its collected MSW and Cairns Regional Council delivers all MSW and to a resource recovery facility (the ARRF) where the waste is aerobically composted and diverted from landfill. This facility is the only one of its kind in Queensland.

The application of the waste levy regarding the MSW component of residual waste is the primary issue that may substantially impact on both Councils.

Tablelands Regional Council MSW and Cairns Regional Council MSW delivered to the ARRF seem to satisfy the definition of MSW in the WRR Bill Regulation which states that waste is MSW if it is domestic waste that is either:

- self-hauled by the householder generating the domestic waste or
- collected as part of a waste collection and disposal system regularly operating in a local government area or part of a local government area; and
- The collection and disposal system is operated by the local government for the area or by another entity on behalf of the local government for the area.

Chapter 3, Part 3, s37 of the WRR Bill states the rate of the waste levy for each type of waste, as prescribed under a regulation, is the rate prescribed for that type under a regulation.

The rate prescribed for MSW under the WRR Regulation is contained in Chapter 3, Part 2, s2 which states the rate of waste levy on a type of levyable waste delivered to a site is stated in schedule 1, column 2 opposite the type of levyable waste for each tonne of the type of levyable waste. Schedule 1, Part 1, column 2 indicates that MSW attracts a zero (\$0) dollar waste levy.

It is therefore Council's interpretation that the residual waste component of any MSW from the above two facilities which is transported to landfill will be levied at zero (\$0) dollars.

However, current advice from Queensland Department of Environment and Resources Management (DERM) officers is that all the residual waste from these resource recovery facilities will attract a commercial or industrial waste levy, as the waste is viewed as having been passed through a commercial process; a position that Council challenges.

Levying the MSW residual component at the commercial or industrial waste levy of \$35 per tonne would equate to additional costs to Tablelands Regional Council of approximately \$110,000 per annum and Cairns Regional Council of approximately \$1 million per annum.

Chapter 3, Part 3, s33 indicates that if exceptional circumstances apply in relation to a particular waste then the chief executive officer may declare the waste to be exempt subject to any limits or conditions.

Even if the MSW residual component was declared exempt and assuming a discounted commercial or industrial waste levy of 50% (\$17.50 per tonne) was to be applied, Tablelands Regional Council and Cairns Regional Council would still have significant additional costs of approximately \$55,000 per annum and \$500,000 per annum, respectively.

1.2 Proposed Position

The following position is put forward by Council on the application of the levy to residual waste from such resource recovery facilities:

- That the residual waste from the commercial or industrial component of the feedstock is levyable waste and the rate of the waste levy for the commercial or industrial residual waste component is \$35 per tonne.
- That the residual waste from the MSW component of the feedstock is levyable waste and the rate of the waste levy for the MSW residual waste component is zero (\$0) dollars per tonne.
- Further, if this is not the case, then the residual waste from the MSW component of the feedstock is declared exempt waste.

1.3 Conclusion

The implications of the residual waste from the MSW component of the feedstock not being levied at the zero (\$0) dollar MSW rate of waste levy or being declared exempt waste will have the direct effect of imposing the commercial or industrial waste disposal levy on MSW which has a zero (\$0) dollar waste levy.

Imposing the commercial or industrial levy on the MSW residual waste component appears to contradict the intent of the waste disposal levy outlined in the Government's WRR Bill and also in Queensland's Waste Reduction and Recycling

Strategy 2010-2020 which states that “developing innovative and accessible resource recovery technologies will be vital to meet the targets”.

Should this view prevail, Council will need to consider whether it should continue paying the high costs associated with utilising resource recovery facilities or make significant financial savings by taking all our kerbside collected MSW (including recycling) directly to landfill.

In addition, Council believes that if the commercial or industrial levy remains in place for MSW residual waste component from the ARRF, this would act as a disincentive for other Councils considering the implementation of alternative resource recovery facilities.

2.0 "Clean Fill used for daily cover"

Tablelands Regional Council currently operates 5 landfill sites, 4 of which do not accept Municipal Solid Waste. The remaining sites are "dry" sites but are still subject to license conditions that dictate coverage on a 24 hour or 48 hour basis.

A Department of Environment and Resource Management have provided advice that;

1. Clean fill that is won on site through excavation and used for operational purposes - levy exempt
2. Clean fill that is purchased for operational purposes - levy exempt
3. Clean fill that is brought in as zero dollar or reduced gate fee for operational purposes - levy applies

The logic behind this ruling is questioned. There is the potential for Council to suffer financial disadvantage based on the fact that material is sourced for all 5 sites from a number of locations.

Primarily the operational activities of the day labour civil works maintenance teams leads to spoil material needing to be disposed of in a controlled environment. This material can originate from drain cleaning activities through to road building activities and traditionally this has been the local landfill where cover material is necessary.

2.1 Chapter 3 Waste Levy, Part 1 Interpretation

"Progressive capping" means capping of active landfill cells at a waste facility on a cell by cell basis, **but does not include temporary or daily covering.**

However, it is not possible to make an application for approval of waste as exempt waste due to Chapter 3, Part 2, Section 28 (2) (d) and as such Council still finds itself in the position of incurring further costs for maintenance activities that are the core of Council business.

2.2 Solution

Chapter 3, Part 3, Section 37 (4) provides an opportunity for all Councils that find themselves in the predicament of being forced to pay for material that is being used in daily operational activities.

As Council has not been privy to the Regulation that will be accompanying the Waste Reduction and Recycling Bill 2011 it can only be deduced that the chief executive will be able to exercise discretion in the application of the exempt status towards "clean fill".

The question needs to be raised on the authenticity of "fairness" when Council must import material to be used in a cover scenario but then expect the ratepayer to shoulder the burden of extra costs.

The option of using alternative cover i.e. shrouds, shade cloth, mechanical methods is not appropriate as the license conditions imposed on the landfill sites does not include this method of protection.

The proposed alternative methods also come at considerable cost and again it is unfair for this cost to be borne by the ratepayers.

The Committee needs to be cognisant of these issues and provide certainty and solutions to the relevant landfill operators/owners who are liable to pay the waste levy to the State.