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Committee Secretary
Innovation, Tourism Development and
Environment Committee
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**MORETON BAY REGIONAL COUNCIL SUBMISSION: WASTE REDUCTION
AND RECYCLING (WASTE LEVY) AND OTHER LEGISLATION
AMENDMENT BILL 2018**

Moreton Bay Regional Council welcomes the opportunity to provide a submission to assist the Innovation, Tourism Development and Environment Committee's review of the *Waste Reduction and Recycling (Waste Levy) and Other Legislation Amendment Bill 2018* (the Waste Levy Bill) introduced to Parliament on the 6 September 2018.

While disappointed with the very brief one-week consultation timeframe, Council did consider the significant, wide ranging implications arising from the Waste Levy Bill for its waste management operation and the local community. On behalf of Council, I ask the committee to consider amendments to the Waste Levy Bill in line with the recommendations detailed in our submission to ensure that administrative, operational and financial burdens arising from the introduction of the levy are minimised.

If you have any questions regarding the matters raised in this submission, please do not hesitate to contact Ms Angelika Hesse, Manager Waste Services, on [redacted] or via e-mail at [redacted]

Yours sincerely



Daryl Hitzman
Chief Executive Officer

Enc: Moreton Bay Regional Council Submission

MORETON BAY REGIONAL COUNCIL SUBMISSION

WASTE REDUCTION AND RECYCLING (WASTE LEVY) AND OTHER LEGISLATION AMENDMENT BILL 2018 Innovation, Tourism Development and Environment Parliamentary Committee Review

18 September 2018



**Submission to the Innovation, Tourism Development and Environment
Parliamentary Committee review of the *Waste Reduction and Recycling (Waste Levy)
and Other Legislation Amendment Bill 2018***

1. INTRODUCTION

As one of south-east Queensland's largest, and one of the State's fastest growing Councils, MBRC has a vested interest in the proposed *Waste Reduction and Recycling (Waste Levy) and Other Legislation Amendment Bill 2018* (the Waste Levy Bill) and *Draft Waste Reduction and Recycling (Waste Levy) and Other Legislation Amendment Regulation 2018* (the Waste Levy Regulation).

Moreton Bay Regional Council (MRBC) operates three large landfills at Bunya, Dakabin and Caboolture and a further nine Transfer Stations that service a growing population of more than 425,000 people in metropolitan, urban and rural communities covering 2,037 km². More than 360,000 tonnes of recyclables and waste was received at Council's waste facilities in more than 1 million transactions during the 2017/18 financial year. This level of interaction is just one indication of the important economic, social and community service contribution Council's waste management operations provide for the region's residents and businesses. It is therefore of importance that the legislative framework introduced for the waste levy is clear, unambiguous and does not result in excessive administrative and cost burdens for Councils now responsible for collection and management of the levy on behalf of the State Government.

2. ADMINISTRATIVE ARRANGEMENTS

Waste management services and the associated infrastructure and administration requirements come at a cost which is borne by all service users equally, business or households. There is little doubt that the introduction of the \$70/tonne waste levy coupled with the complex administrative and compliance framework detailed in the proposed Waste Levy Bill and Waste Levy Regulation will lead to overall cost increases in excess of the actual waste levy itself.

Other than the \$5 million waste levy readiness program to be shared among 38 Councils, no other compensation has been proposed at this stage. The Queensland Government budget shows that \$15 million in 2017/18 and \$19 million (\$34 million total) has been allocated for the State's implementation and recurrent operational costs arising from the waste levy introduction while the budget shows a total of \$32 million (first year) for waste levy MSW advance payments to affected Councils.

A fair compensation payment should be added to the annual advance payment to ensure higher overall waste management costs resulting from the waste levy introduction do not translate into higher costs for the community, including residential households.

Keeping waste management costs affordable for everyone in the community, including the disadvantaged, requires simplification of the proposed administrative framework. Specifically:

- The need for exemption applications which can be costly to prepare and appear as rather ambiguous, discretionary approval processes that could be avoided if exempt waste would be clearly defined. (i.e. In Victoria exempt operational materials are clearly defined thus removing the need for applications)



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- 50% discounts for residual waste from recycling are currently tied to complex application requirements that require the development and implementation of additional improvement plans to achieve best practice benchmarks. This requirement will add additional costs to an already struggling recycling industry and will increase kerbside recycling costs.
- Reporting, data collection and storage requirements are extensive and require large capital as well as ongoing operational costs. Waste and recycling weighing in and out for every customer will result in a 100% increase in transactions to more than 2 million transactions per year for Moreton Bay landfills. This will require a duplication of staff as well as weighbridges to maintain current weighbridge service levels.
- Volumetric surveys and levy avoidance measures to be implemented (such as CCTV requirements) are stringent, expensive to implement and operate. (i.e. reporting malfunctioning CCTV cameras, a quite common occurrence in remote systems, must be reported within 24 hours etc)

Recommendation 1: Consider an abatement payment for additional administrative costs arising for Councils from the introduction of the waste levy.

Recommendation 2: Remove the need for weighing in and out when customers present with recyclables. Tonnages can still be captured as the recycling leaves the site for processing.

Recommendation 3: Consider the full impact of reporting requirements, including impacts on operational efficiency, implementation and on-going administrative costs.

3. EXEMPTIONS AND DISCOUNTS

It is acknowledged that the proposed waste levy legislation addresses many concerns previously raised by Councils. In particular it is understood that self-haul Municipal Solid Waste (MSW), waste generated by public places litter bins, street sweepings and waste generated from maintenance of parks will be included in the annual abatement payments.

However, the requirements for exemption and discount applications are extensive, require for many wastes, payment of application fees and have a relatively short life span of 3 years. The uncertainty of whether an exemptions/deduction will be approved fully, partially, conditional or not at all will have a significant impact on Council's ability to accurately prepare capital works and operational budgets, including setting appropriate, equitable and fair fees and charges for landfill customers and the community.

The Waste Levy Bill and Regulation do not allow for deduction from waste levy payments for recyclables recovered from the waste cell. Waste levy is payable for all materials reaching the waste cell even if subsequently large volumes are recovered as is currently the case. This lack of a deduction provision is contrary to the legislations intend to maximise recovery of useable materials.



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Recommendation 4: Consider a simplification by removing the need to apply for exemption for operational materials and discounts for residual waste from recycling activities which could be capped by legislation (i.e. 10% of recycling processed etc).

Recommendation 5: Introduce a deduction for materials recovered from the waste cell for re-use or recycling.

4. PAYMENTS TO COUNCILS

It is proposed that the levy will apply to all general waste streams—municipal solid waste, commercial and industrial waste, and construction and demolition waste. It is the Queensland Government's stated Policy intend that *"the Waste Levy Bill will ensure there is no direct impact on households through the introduction of an advance payment to local governments to address the levy costs associated with municipal solid waste"*.

Division 4 section 20 of the proposed Waste Levy Regulations and section 73D of the Waste Levy Bill govern annual payments to local government, payment calculations and excluded waste (waste deducted from the annual total MSW reported by Councils).

Section 20 (3) (a) and (b) excludes wastes that is exempt, food and green waste mixtures delivered to the waste disposal site separately from other waste; or greenwaste delivered to the waste disposal site separately from other waste.

This indicates that Councils will not receive an annual payment for green waste and food waste if it is disposed of by households, separate from their general waste. This section requires clarification if households are not to be impacted by any waste levy costs arising from the disposal of non-recoverable green waste and food waste.

Part 7, s 73D (4) of the Waste Levy Bill requires that rates notices issued by local government carry a statement that informs the ratepayer of the amount and purpose of the state government's payment made to Council to mitigate any direct impacts of the waste levy on households. Rates notices are issued in advance and at the beginning of each quarter which does not allow to also inform residents of the full cost arising from the waste levy for households in this particular year and therefore inform accurately of any rates increases that result of the waste levy implementation.

Council has found that attachments to a rate notice provide little to no communicative value as they are generally discarded as the rate notice is the main focus of the ratepayers. Additionally, with electronic transmission of rate notices, Council is of the belief that any message other than actual billing information eg quantity and value, also has little to no communicative value.

Recommendation 6: Introduce a deduction for domestic greenwaste and food waste that must be disposed to landfill due to contamination.

Recommendation 7: Consider that, instead of putting further information on the Council's rate notice, which already contains a large amount of legislated information, that Council includes a statement in its Revenue Policy and adopted budget that communicates how the State Government's advance abatement payments will be utilised by the Council to reduce the impact on householders. This can also be reinforced by requiring Councils,



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within their annual reports, to report how the abatement payments actually were applied in the financial year.

If you have any questions regarding the matters raised in this submission, please do not hesitate to contact Ms Angelika Hesse, Manager Waste Services, on _____ or via e-mail at _____

