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Infrastructure Services

19 September 2018

File Ref: WAS
Your Ref:

Innovation, Tourism Development and Environment Committee
Parliament House
BRISBANE QLD 4000
Email: itdec@parliament.qld.gov.au

Dear Sir / Madam

SUBMISSION: WASTE REDUCTION AND RECYCLING (WASTE LEVY) AND OTHER LEGISLATION AMENDMENT BILL 2018

The Tablelands Regional Council (TRC) thanks the Department of Environment and Science (the Department) for the opportunity to make comment on the above Bill.

It is acknowledged that significant change is needed in the waste management and resource recovery sectors, but this should not be at the expense of ratepayers. The following is Council's position on the Bill.

WASTE DISPOSAL LEVY

Timing

- The TRC believes that the time frame set for the introduction of the levy is not enough to plan, prepare and develop alternative waste management practices prior to the start date.
- Council is legislatively required to set budgets and fees and charges, and altering this mid financial year is difficult. An extension to the commencement date to the start of the financial year would allow sufficient time to develop budgets and fees and charges as part of the normal Council budgeting cycle to manage the levy as well as informing stake holders
- The proposed annual \$5 increases to the levy needs to be on a financial year basis rather than a calendar year or on an anniversary of the start of the levy to align with Councils normal budget cycle. Council will otherwise be forced to amend the fees and charges twice every year which would have a negative impact on the rate payer and increased administrative burden on Council.
- If the levy has to be implemented in the first quarter of 2019, the next increase should take effect from 1 July 2020 to align with Council budgetary cycle.

Municipal Solid Waste (MSW)

- Council does not support a levy on municipal solid waste (MSW). It is accepted that the Department recognises local government's lack of support for a levy on MSW and has suggested a 105% rebate, however there is no certainty that such a model will continue

into future years. This does not leave Council with confidence there will be no direct impact on households in coming years.

- Any changes in waste management approaches and technologies requires significant investment from Council so knowledge of timelines around levies and applicability to the MSW stream is essential to allow long term waste planning in the FNQ region.

Recycling Activities

Background:

Materials Recovery Facility (MRF):

- *The TRC currently delivers recyclable MSW to a Council owned MRF which sorts domestic & commercial recycling including self-haul domestic recycling.*
- *The residual waste component of this stream is sent to landfill. Council owns and operates the MRF at significant cost to the community.*
- Council would also like to see the MSW portion of the residual waste from these recycling activities be considered as genuine MSW and therefore should be treated as MSW, not classed as commercial waste (C&I) as the material is viewed as having been passed through a commercial recycling process.

Regional Assistance

- The TRC believes consideration of a regionalised levy structure where regional centres within the levy zones have subsidies applied to offset the additional costs involved with recycling and resource recovery in these areas compared with South East Queensland (SEQ).
 - For example, the cost per tonne to transport from FNQ to SEQ recycling processors is around \$65 per tonne. The introduction of a levy will not alleviate this additional transport cost.
- Council believes that a regional equalisation scheme for a minimum period of time would help to balance these costs out across the areas impacted by the levy, whilst local processing and markets are being established.
- The economies of scale for recycling facilities gained from larger volumes of feedstock and cheaper landfill disposal costs in SEQ creates inequality across the state. For example, SEQ green waste processing costs can be as low as \$11.00 per tonne compared to \$35.00 per tonne in FNQ. SEQ waste landfill fees can be as low as \$25.00 per tonne for MSW compared to \$80.00 per tonne in FNQ. We would like to see consideration of some form of assistance to balance this cost out across the state whilst local processing and markets are being established.

Illegal Dumping

Any imposed levy will likely see an increase in illegal dumping. Therefore, Council will likely see increases in costs of managing illegally dumped waste such as expenditure for prevention, compliance, clean up, transport and disposal. In 2013 the then Qld Department of Environment and Heritage Protection estimated the cost to Councils of \$670 per tonne to manage litter and illegal dumping within Queensland. A rebate of \$73,50 will not assist Council in the collection of illegally dumped waste.

- The State needs to take the lead role in marketing, communication and compliance to deliver a consistent message to the community.
- Consideration of rebate or subsidy schemes for litter management

TRC Generated Waste

- Constructing and maintaining public assets is in the public interest and ratepayers should not be financially impacted by a levy. Council seeks that waste generated from Council's own activities should:
 - Receive a discounted rate or
 - Is exempt or
 - It is considered as MSW and is included in councils waste management fee.
- In the 2017/2018 Council generated waste from business as usual activities totalled approximately 11,500 tonnes. At \$70/tonne, a levy imposed on Council generated waste would see a financial impost of around \$805,000 per annum for ratepayers. This direct impact on Council's budget would mean an increase in rates this will directly impact households and contravenes the Bill's objective that *"A crucial element of the levy design will be measures that avoid direct cost impacts to households"*. These funds could certainly be better directed into other Council activities.

Funding

- All funds generated by the levy should be diverted to:
 - Educate the community on waste reduction and resource recovery,
 - Provide economic development to improve the resource recovery sector and
 - Support a circular waste economy.
- Diverting levy funds to consolidated State revenue is not acceptable to Council.

Should you require further information regarding this matter, please contact Council's Manager Water & Waste Jon Turner, on _____ or email _____

Yours faithfully



MARK VIS
GENERAL MANAGER INFRASTRUCTURE SERVICES