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Committee Secretary
Innovation, Tourism Development and
Environment Committee
Parliament House
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Dear Committee Secretariat

**Response to *Waste Reduction and Recycling (Waste Levy)*
and *Other Legislation Amendment Bill 2018***

The Waste Management Association of Australia (WMAA) is the national peak body for all stakeholders in the waste and resource recovery industry. We have over 1,900 members nationally based in a broad range of business organisations, all tiers of government, universities and non-government organisations (NGOs). Our members are involved with a range of important waste management and resource recovery activities within the economy, including community engagement and education, infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery and responsible management of residual materials.

The waste, recycling and remanufacturing industry in Australia currently contributes \$15 billion annually to the economy, as well as employs 50,000 people. At present, Queensland continues to be one of the largest generators of waste, however one of the poorest diverters of waste from landfill. The absence of a comprehensive waste and resource recovery strategy, underpinned by a landfill levy, has unfortunately resulted in Queensland maintaining a “take, make and dispose” approach to waste and resource recovery, when the remainder of Australia (and the developed world) has moved further towards a circular economy.

WMAA views the introduction of the above legislation into the Queensland Parliament as a positive step by Queensland Government to redress this situation and make genuine gains that will assist in the investment and development of the resource recovery industry within Queensland. The current linear approach has adversely impacted Queensland in many ways, not the least of which is making it difficult for resource recovery industries to invest, depriving Queensland of the opportunity to create new jobs. For every one job involved in landfilling 10,000 tonnes of waste, over four (4) can be created by recycling the same material.

It is the role of Government to determine where it wishes to be placed on the spectrum of diversion, and then implement the policies that support this policy objective. A landfill levy is the economic tool that supports the diversion targets, with the overarching objective being to achieve the socially optimal level of waste going to landfill versus alternatives, such that the overall economic welfare of society is maximised. In short, this is achieved at the point where the landfill gate price reflects the full social costs of landfill.

WMAA appreciates the opportunity to provide a submission to the Committee, however we note that the timeframe afforded is very challenging, making it very difficult to consult broadly with members that are located

WMAA is the peak body for the waste and resource recovery industry

throughout the entire state, which is disappointing given the far reaching impacts that this legislation has on all of Queensland.

As mentioned above, WMAA is supportive of the introduction of a landfill levy in Queensland, as part of a broader policy on waste and resource recovery that must endorse and support the waste management hierarchy, and is designed to support industry to deliver the prescribed outcomes by creating certain regulatory and policy settings, enhanced further with levy investment by government into supporting the sector and community.

WMAA accepts that the commencement date will be 4 March 2019, and notes that the \$5 million 'levy readiness' grant funding from Government is only available to local government, which is disappointing. WMAA advocates that all industry participants should have access to this scheme, given it will be difficult for all operators to meet this timeframe for site readiness in light of the challenges they are facing (these will be the same for both private and government operators). Challenges identified include, infrastructure upgrades, fee changes, and training of staff.

Further, WMAA is also concerned that the proposed 70/30 funding split with local government will leave a shortfall in existing 2018/19 budgets. In light of the fact that there will be income raised from the levy, it would be sensible that all sites be provided with access to 100% "levy readiness" funding to ensure as far as practicably possible, all sites are levy ready at commencement to minimise adverse impacts at the start date.

WMAA acknowledges that the Queensland Government has listened to a large number of concerns in drafting this Act and acknowledge that the Queensland approach does include more discounts and incentives for industry than any other levy regime currently in Australia. Further good attempts have been made to:

- incentivise the use of recycled material through levy discounts;
- assist MRFs that have been impacted by changes in the global commodity market by exempting their residuals from the levy for a transition period;
- address the transportation of leviable waste into non-levy areas of Queensland;
- manage the dumping of asbestos, by requiring it to be lawfully managed in order to achieve an exemption; and
- not adversely impact the management of landfill sites and their use of cover and other materials.

However members have raised some areas of concern that could still be addressed before the Act is adopted, these being:

- any date adjustments (e.g. levy increase) should be aligned with financial year and not calendar year, as per the operations of all of local government and the majority of operators. This would mean that the first levy adjustment would occur on 1 July 2020 and doing so would avoid significant duplication of administrative effort particularly for local government;
- operators should not be responsible for paying levy on bad debtors. It is noted that a regime has been prescribed for this in the Act, however it is overly onerous and unlikely that any operator will be able to satisfy this. In particular WMAA understands that most regional Councils will be ineligible due to 72K (1)(e) (ii);
- existing contracts that many councils have to allow them to extract recyclable materials from landfill tipping areas will become unlawful with the commencement of this Act, due to Section 38 of the Constitution. It is proposed that alternatives to the current approach be considered, recognising that this is a transitional issue as sites amend practices. Alternatives that could be considered are adding a section that prescribes if there is a minor amount of recyclables in a load that load is levy exempt, or to follow NSW's levy rebate system. Irrespective of what approach is pursued, it is recommended that where contractual arrangements are in place for legitimate salvaging operations, these legitimate operations should be exempt from the offence provisions under Section 38;
- the proposed levy residue reductions and exemptions will be issued by the chief executive officer to waste generators, however the liability for correct payment of the reduced levy to the department is borne by waste disposal site operators, given waste generators are not obligated to make waste levy payments to the State. Robust mechanisms are required to be implemented to ensure that actions of the chief executive officer, in varying levy rates in individual circumstances, are directly communicated

to the waste disposal facilities responsible for ensuring the applicable waste levy is collected and remitted to the State, in a timely and accurate manner;

- waste facilities vary significantly across WMAA's membership base. The size and scale of these operations will have an impact on the ability of the site to appropriately manage the required data. Statewide training of leviable site operators and their frontline staff (weighbridge operators, etc.) will be critical to ensure consistency and reliability of the data; and
- Section 67 adds an extra impost on WMAA members operating leviable sites. The mandatory volumetric surveys will add a financial impost that should be fully recovered under the available waste levy funds.

Please note that given the time available, this submission has not been able to be as comprehensive as would be desired by WMAA. Thank you for consideration of WMAA's submission, if there are any queries please contact the undersigned.

Yours sincerely



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