




Speech by

Andrew Powell

MEMBER FOR GLASS HOUSE

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WASTE REDUCTION AND RECYCLING BILL

 **Mr POWELL** (Glass House—LNP) (12.52 pm): Here we are again—different day, same story, debating another broken Labor election promise. As if the asset sales were not enough, or the fuel tax, or at the federal level the carbon tax, today we debate a waste tax—a business-destroying, anti-waste reduction, anti-recycling, bureaucratic nightmare of a waste tax. It is another cost-of-living increase for each and every Queensland and Queensland business.

Labor is on the record as saying that it had no intention of introducing a waste levy in this term of government—the same as the LNP. When questioned by the South-East Queensland Council of Mayors in the lead-up to the last election, the answer was a clear no. I do not know why I am surprised that Labor has reneged on yet another election promise. What did the Treasurer say about asset sales in the lead-up to the March 2009 election? 'No, we have no plan to sell off assets.' What did the Treasurer say about introducing a fuel tax? 'Make no mistake about it. We'll be delivering a fuel subsidy scheme. It will stay in place.' What did Prime Minister Julia Gillard announce regarding a carbon tax in the lead-up to the 2010 federal election? 'There will be no carbon tax under the government I lead.' I love that line!

So it is not surprising that this tired, 20-year-old Labor government has reneged on yet another election promise. It is just in its DNA. What about the Queensland Greens? What did they say when asked about a waste tax in 2009? The Queensland Greens did not answer that question. I would say that they were hedging their bets, not wanting Queenslanders to see that they are more than an environmental party. But the cat is out of the bag at a federal level now. We all now know that the Greens are really about economic destruction through increased taxation and social destruction through re-engineering.

Labor are masters at breaking their promises to the very Queenslanders who elected them—whether it is Julia Gillard to win over her partner in crime, Bob Brown, or Premier Bligh and environment minister Darling in a desperate attempt to shore up Green preferences in a last-ditch attempt to hold on to the seats like Mount Coot-tha, Brisbane Central, Barron River, Chatsworth, Ferny Grove, Townsville, Everton, Ashgrove and Greenslopes. Labor will do and say anything to hang on to power.

So how do you sell a waste tax that you vowed you would not implement? For starters, you slam and insult the same people you have been consulting with, the same people—the industry—you will rely on to implement your business-destroying tax. The minister in her speech said that this legislation will drag Queensland's waste sector out of the Dark Ages. What an insult! The waste industry has been calling for—pleading for—strengthened and enforced state government interest in waste avoidance, reduction and recycling.

The industry has been concerned that rogue illegal operators were ruining Queensland's reputation, and that reputation was hard-earned. Without state government interest, the industry, local government and Queenslanders as a whole were achieving a 43 per cent recycling rate. Industry leaders were winning awards in this state, in this nation and internationally, and I will name just a few. In September this year WCRAQ, incorporating 85-plus companies state-wide, won the Queensland Supply Chain and Logistics Award for Environmental Excellence in recognition of its contribution to sustainability. JJ Richards and Sons, as an industry partner in the Women Take the Wheel program, won the 2011 Australian Trucking

Industry Award for Excellence in Training. Alex Fraser Queensland, a Queensland recycler, won the Premier's ClimateSmart Sustainability Award in 2011 and the Minister's Award for ClimateSmart Leadership. Thiess Services waste management won this year's Waste Management Association of Australia 2011 National Landfill Excellence Award. They also won this year's United Nations Association of Australia World Environment Day Award for Environmental Best Practice. Kennedy's Timbers was the 2010 winner of the Energex Innovation in Sustainability Award.

As I said, the industry was looking for state government partnership to go to the next step through tighter regulation and enforcement of that regulation to ensure that illegal operators could not thrive. If there was a part of the waste sector in the Dark Ages, it was this tired 20-year-old Labor government. I bet the minister is regretting ever enunciating these words. I am willing to acknowledge that the speech was probably not even written for her. It sounds more like something the member for Ashgrove would say.


So back to selling a waste tax—another broken Labor election promise. How do you do it? You manufacture a crisis or two. The minister invented two: cross-border waste trade and a state running out of landfill sites. Let us look at them separately. Firstly, the claim that we are already becoming Australia's dumping ground with waste from other states, particularly New South Wales, being dumped at our tips conjures up images of an invasion of dump trucks rumbling up the Pacific Highway or the New England Highway or the Newell. I personally sought to verify this claim through the public briefings and hearings undertaken by the Environment, Agriculture, Resources and Energy Committee. For starters, I asked DERM representatives if cross-border waste transfers were quantifiable. Their response, and I quote from the transcript we recorded on 24 August this year, was—

It is somewhat difficult to quantify for materials that are not regulated. We do have information about regulated waste coming across the border. In relation to other more opportunistic decisions that are made, all we have is pretty much anecdotal information in relation to that.

That gives us two further leads to follow up: the quantifiable regulated waste and this so-called anecdotal information. The DERM officers did subsequently provide, for which I am grateful, a table of regulated waste dumped in Queensland. The table indicated that some 10,000 tonnes of regulated waste, predominantly soil and sludge, makes its way here—hardly what I would consider a crisis.

So perhaps instead this anecdotal evidence could shed further light on this so-called crisis. I asked two councils most likely affected by such cross-border raids—the Gold Coast City Council and the Goondiwindi Regional Council. Mr Matthew Fraser, the Acting Manager of Waste and Resources Management at Gold Coast City Council, admitted that the council is concerned about cross-border waste transfers and that they obviously need to have systems in place to try to minimise that. But he also confirmed that at this stage the GCCC does not prohibit waste coming from outside the area. He also confirmed that there were far simpler solutions to this issue—namely, differential rates. That is, you could have different disposal fees applying to waste from external to the state. I suggest another simple solution would be a proof of residency approach, which is currently employed by other SEQ councils.

Sitting suspended from 1.00 pm to 2.30 pm.

 **Mr POWELL** (Glass House—LNP) (2.31 pm): Councillor Graeme Scheu of Goondiwindi was also helpful in putting this cross-border waste crisis into perspective. He told the committee—

We have never encountered any problem. I can understand that argument and I had that debate with the people down there. I can understand that closer to the seaboard, but in this western area it is not an issue. It really is a non-issue. The initial thought was that New South Wales was going to expand its waste levy, which I believe under the new government is not going to happen now anyway. For our inclusion in this to be based on a cross-border issue is ludicrous.

So at best there is concern—not a crisis—and that, regardless of the scale, there are far simpler solutions than a waste levy that will be applied to 34 local government areas and which will impact on the hip pockets of the majority of the state's businesses and taxpayers.

The second crisis the minister proposed was worse still: that many councils throughout Queensland are reporting that they are running out of space for landfill. That sounds like a problem, so let us go to the facts. When questioned, DERM stated—

The Sunshine Coast ... is one, for example. The Redlands has, or will shortly, run out of landfill space. Rockhampton, I understand, is running out of landfill space and is currently looking for new sites. We are not too sure at the moment.

A real problem? Of 73 local government authorities, three are considered to be running out of space for landfill. Could I be so bold as to suggest that at least one of those three is not so much out of space but is grappling instead with what the DERM officers described as one of the increasing issues facing local government—namely, the siting of landfills and the amenity issues associated with them—and some councils are facing a lot of public angst around these issues. They sure are, but they are also being innovative about how they deal with that angst. They are looking at regional partnerships. For example, councils like Redlands and Brisbane are already looking to some very large holes out in the Ipswich area. Tablelands is working with Cairns, and the list goes on. So again we see the minister exaggerating the state of the waste industry in Queensland by claiming that we are running out of landfill sites. Let us face it: she has to sell this broken Labor election promise.

Perhaps the minister would like to start again. Perhaps what she wanted to say—perhaps what she could have said, was this—

We seek to support the waste industry and the broader community to make the transformation from an inefficient, wasteful, linear economic system where products and materials are disposed of at the end of their productive life to a sustainable closed-loop materials economy. The fact that Queensland has been so far behind the policy and regulatory frameworks developed in other jurisdictions has allowed lessons to be taken from the experience of incremental reform elsewhere to set a new benchmark in sustainable resource management for the material and other by-products of pre and post consumer packaging and product consumption. While the policy framework of the waste hierarchy has served as a useful starting point, it is of itself neither adequate nor specific enough to deliver the practical results necessary to make the transition to a more sustainable economy. The essential problem with policy setting in this area is that the conceptual framework of waste management has in the past been framed in isolation and without reference to the broader context of resource management and sustainability.

Perhaps the minister could have continued—

With ecological sustainability as the overarching goal, then the legislative and regulatory settings that direct how to deal with the resources that are the by-products of production and consumption should target resource recovery and recycling as the primary goal of any policy system. This entails a number of core principles: one, that all resources are inherently limited and should be conserved by making the most efficient use of the least resource necessary to provide the product or service for which the resource is deployed; two, the by-products of the production and use of such products and services both before and after consumption should not be wasted but recovered for re-use or recycling within the productive economy; and, three, there must be a presumption that every by-product is a resource to be redeployed rather than a waste to be disposed of until all economic options for making use of the resource are exhausted.

Had the minister introduced the legislation with that as a justification, she just may have received a very different reaction from the waste industry, from local government and from the broader community. Here I must acknowledge that those words are courtesy of the Australian Council of Recyclers, or ACOR, which I understand suggested to the minister such statements could have and would have appealed to the broader Queensland community on the grounds of our united efforts to become more ecologically sustainable, not some concocted crises that have no substance when challenged. Before I move on, it is interesting to note that ACOR knows who is to blame for Queensland being in the Dark Ages when it comes to waste management, waste reduction and recycling. What does it say in terms of the fact that Queensland has been so far behind the policy and regulatory frameworks developed in other jurisdictions? It says that they are policies and regulatory frameworks that need government leadership. I think the minister owes the industry an apology.

Clearly, the Bligh Labor government has again misled Queenslanders and again the Bligh Labor government has failed to convincingly justify this blatant broken promise. But justification for the bill aside, perhaps it actually managed to achieve a coherent and sensible bill. Sadly, no; no, it has not. Typical Labor: the focus of the bill is another botched business-destroying tax, yet another cost-of-living impost on Queenslanders. Typical Labor: this bill again shifts the burden to local government, basically kicking councils, mayors and councillors while they are down following the forced amalgamations and the dictatorial removal of water infrastructure from South-East Queensland councils. Typical Labor: this bill is completely ignorant of the broader economic environment—an environment where businesses, councils and individual Queenslanders are reeling from cost-of-living increase after cost-of-living increase; an economic environment in which federal Labor's carbon tax has landfill site operators firmly in its sights. Typical Labor: this bill has the very real potential to actually achieve the opposite of what it has set out to do. It may, in fact, destroy the recycling industry and undo significant council investment in alternative waste technologies. That is not a good start. The outlook for this bill is looking as promising as its justification, but more of that later.

Let me turn to the specific elements of the bill itself. The explanatory notes state that the primary objective of the bill is to create new legislation in respect of waste management and resource recovery in Queensland. The main objectives of the bill in relation to waste management are to promote waste avoidance and reduction; reduce the overall impact of waste generation; promote resource recovery and efficiency actions; promote the sustainable use of natural resources; and ensure a shared responsibility between government, business and industry and the community. As I said before when referring to ACOR's suggested introduction for the bill, these were the objectives. Unfortunately, the bill in its current form fails to achieve them. The majority of the bill is set to commence on 1 December 2011, and therein lies our first significant problem. This implementation date made a mockery of the brand-new parliamentary committee system. As we in the LNP said at the outset, what is the point of a new committee system with greater scrutiny responsibilities if you are going to fall at the first hurdle and rush through a significant piece of legislation? No wonder Queenslanders have stopped listening to this tired Bligh Labor government!

At this stage I would like to acknowledge the incredibly hard work of the Environment, Agriculture, Resources and Energy Committee staff. The parliamentary members of the committee are perhaps more accustomed to this kind of farcical and rushed scrutiny. However, in the face of ridiculous time frames, Rob Hansen, Robyn Moore, Sarah McCallan and Rhia Campillo have worked tirelessly to ensure the committee's report met the deadline. That included distilling the content of 25 written submissions, some of them very substantial, arranging a public hearing and a public briefing, and navigating the committee members through a new reporting process. To Rob, Robyn, Sarah and Rhia I say thank you from the LNP members on the committee.

The implementation date of 1 December 2011 also makes a mockery of the good faith in which many stakeholders have been working with this government. Yes, as the minister almost gleefully points out, the Local Government Association of Queensland and the SEQ Council of Mayors requested and supported a deferment until at least this date. Can I suggest it was on the basis that the detail of the bill, namely the regulations, would be shared with the key players including the industry peaks and the local governments far, far sooner than has transpired? Draft regulations were only distributed in the last month—less than three months from implementation.

In correspondence with the chair of EAREC, the minister states—

I am of the opinion that further delay will only disadvantage those businesses and indeed some local governments who have done the necessary work to prepare for the introduction of the levy.

Could I trouble the minister to name those businesses and local governments who are ready because I have to admit that, despite extensive consultation, I have not managed to find any? In fact, I have found the contrary. In its submission Toowoomba Regional Council argues that, as it was formed due to the amalgamation of eight former local government areas—the most for any amalgamation in Queensland—seven of which are rural zones containing widely distributed small communities, it contains a large number of historically unmanned landfill sites, requiring a staged approach to closure, rehabilitation or conversion to modern sites. The council implores the government to give it five years to implement its regional waste plan first before adding the burden of this bill.

The Central Queensland Local Government Association requests a six-month delay. Gold Coast asks for a delay until the start of the 2012-2013 financial year. Goondiwindi Regional Council would need a phased time frame of at least three years to be able to fully comply with the regulatory requirements. Shall I continue? The Local Government Association of Queensland, the Downs and Surat Basin Alliance of Council—and the list goes on.

I still recall with some amusement one interchange at the public hearing held in August. My good colleague the member for Gympie and shadow minister for local government asked Mr Hoffman of the LGAQ how many of the member councils would be ready on 1 December. While Mr Hoffman and his colleague Ms Blanchard intimated that some of the larger SEQ councils would be close to levy ready on 1 December, I watched the representatives of Moreton Bay and Gold Coast councils shake their heads. When given an opportunity to elaborate, Mrs Portia Rigby of Moreton Bay Regional Council said—

I just wanted to add that, after a very brief talk with Matthew—

Fraser of Gold Coast City Council—

as the No. 2 and No. 3 largest councils not only in Queensland but in Australia, you were saying that the smaller ones are not ready. Us bigger ones are not ready, because we are not. There is a very high chance that nearly all councils will not be ready. I know that that is a very broad assumption, but even Nos 2 and 3 are not ready.

Telling, is it not? I hope the minister enjoys tracking down late payments from councils across the state in February, or maybe she will be preoccupied with an election.

The peak waste body, Waste Contractors and Recyclers Association of Queensland, or WCRAQ, is calling for a delay for different reasons. It submits that a full economic analysis be conducted by an independent third party to determine, firstly, the impacts on the Queensland business community; secondly, the likelihood of future secondary resource sector investment; thirdly, the likely impacts on all government department budgets and projects financially committed to and already funded; and, lastly, the full cost to be incurred by a local government as well as private sector owners and operators of landfills of the combined impact that the waste levy coupled with the federal carbon tax will have in Queensland. They are very salient suggestions. I will address the impact on the business community in a moment.

But has the government explored what impact this bill will have on its own operations? Does it know what impact it will have on its budgets other than the revenue that will come pouring in? Does it know how it will affect the contract prices or budgeted allocations for key infrastructure projects such as the Sunshine Coast University Hospital or the Moreton Bay rail link? What about the Springfield rail link, Airport Link, Gold Coast light rail, the Gold Coast University Hospital or the Queensland Children's Hospital? Does the government know how much its budgets or its allocations for those projects will be impacted by this waste tax? Perhaps, most significantly, has it explored the full ramifications of a waste tax and a carbon tax? In short, does this government have any idea what it is doing, or is it that desperate that it needs this tax and blow the consequences? Similarly, the Chamber of Commerce and Industry Queensland—CCIQ—also urges the government to reconsider the introduction time frames of the bill until after the federal Gillard Labor government has finalised details on how the carbon tax is to operate and its applicability to waste emissions to avoid any unsustainable cost impact on Queensland businesses. It calls on DERM to undertake additional cost modelling, including the impact of the carbon tax, prior to the passage of the bill. The minister's response to this reasonable request is not comforting. All other states have a waste levy and these apparently will continue to exist in a carbon tax scenario. So there!

The carbon tax will not address issues of interstate waste disposal in Queensland—we have already proved that to be a bit of a red herring. Cost modelling on the impact of the carbon tax on business will be undertaken by the Commonwealth. That is very reassuring because the Gillard government's level of

incompetence is one of the few on a par with that of the Bligh government. The carbon tax has been proposed by the Commonwealth government. It is therefore outside the scope of this bill. Extraordinary! So what if the Commonwealth is proposing it? This government has a responsibility to identify the cumulative impacts of both taxes on Queenslanders and Queensland businesses. In short, this government is turning a deaf ear to the calls of council, the sector and Queensland businesses. Clearly, it needs this bill to pass now. One can only surmise that it is for political motivations.

Moving to the objectives of the act and the waste and resource management hierarchy, I know of the comments made by some of the submissions, in particular the Queensland Conservation Council—QCC—the Queensland Murray-Darling Committee and the Moreton Bay Regional Council. The QCC states—

... Reducing waste is NOT avoiding waste; they are two separate functions. The hierarchy must include waste avoidance as its first principle.

The QMDC submits that the objectives need to be strengthened to reflect the need to primarily avoid impact caused by waste generation and disposal and not merely reflect a mitigation or minimisation objective. Moreton Bay Regional Council concurs by recommending that dealing with waste at the source of generation should be driven by the state. Based on these comments, it is apparent, as mentioned previously, that the government and minister have fallen short of what could have been achieved through this legislation. Waste avoidance should be primary in our aspirations.

In passing, again like some submitters, I notice that the state is not responsible for complying with the legislation whilst the councils and private operators are. This clearly sets double standards but I am told this is historically consistent; that the Crown has not been liable for criminal prosecution.

Clearly, the most contentious element of this bill is the introduction of the waste tax itself. It was the focus of the majority of the submissions to the EAREC and it is the focus of my and the LNP's concerns. Let me list the key components of the waste tax. Initially, it is to apply only to commercial and industrial—C&I—and construction and demolition—C&D—waste. However, it is worth noting that municipal solid waste—or MSW—and self-haul waste, commonly referred to as domestic or kerbside waste, is not so much exempt as leviable at the value of \$0 per tonne. Both levy rates—the \$0 for MSW and the \$35 per tonne for C&I and C&D—are established through regulation. So it would not take much for this dishonest Labor government to up the ante and slug all waste generators higher fees.

All local government and private sector waste disposal facilities in South-East Queensland and major regional local government areas up the eastern seaboard—Fraser Coast, Bundaberg, Gladstone, Rockhampton, Mackay, Townsville and Cairns—as well as inland councils such as Toowoomba, Goondiwindi, South Burnett, Central Highlands and the Tablelands, will be required to collect the levy. The levy liability is created on leviable waste that is delivered to a leviable waste disposal site. The obligation to pay the levy resides with the operator of the site. There are serious penalties for offences such as levy evasion and provision of false or misleading information. These penalties are in the order of 2,000 penalty units—currently \$200,000—or two years imprisonment plus twice the amount of any waste levy amount the payment of which the offender sought to evade and twice the amount of any interest payable in relation to failing to pay the levy by the set date. The court can also impose court costs.

To ensure recyclable waste does not incur a levy, the operator can designate a resource recovery area. There are a number of automatic exemptions, including for disaster management waste, asbestos, contaminated soil, dredge spoil, waste collected that was illegally dumped and other waste prescribed by regulation. The bill also establishes a process by which charitable recycling organisations and organisations like Clean Up Australia that hold community clean-up events can apply for exemption. Recyclers who send residual waste generated through their operations to landfill are offered a transitional discount of 50 per cent off \$17.50 per tonne until 30 June 2014.

The bill requires the installation of weighbridges to correctly calculate the amount of tax to be paid. Sites disposing of more than 10,000 tonnes per annum have 12 months to install. Such sites disposing of between 5,000 and 10,000 tonnes have two years. Smaller sites and larger sites in the interim will use a weight conversion measurement prescribed through regulation to calculate the tonnage in lieu of a weighbridge. The government has promised significant compensation from the proceeds of the tax to councils to allow them to comply with these requirements.

Payments need to be made to the state on a monthly basis and extensive record-keeping provisions must be met. The tax payments will go into a waste and environment fund. The bill provides that revenue from the fund will be used for programs and initiatives aimed at reducing and recycling waste, on offsetting the state government cost component and funding the expansion of DERM to administer the legislation, on compensating local councils in the short term for infrastructure and software requirements and for the rather mysterious environmental initiatives.

For those listening carefully to that very brief summary, a number of alarm bells will be ringing. Firstly, the fact that the levy applies only to C&I and C&D waste effectively makes it a business tax. Based on tables provided by CCIQ, for example, a business—say a restaurant—that has two four-wheel steel bins emptied twice a week is looking at an additional \$3,120 per annum through this tax. Do not forget that

that does not include any additional imposition through Julia Gillard's carbon tax. As the CCIQ has submitted, due to ongoing depressed economic conditions many businesses do not have the financial capacity to absorb additional waste costs, nor do they have the resources to investigate and make changes to their waste practices and systems. With a minimal likelihood of being able to pass costs on to customers at present, the additional cost will significantly affect the profitability and viability of many Queensland businesses.

I think that it is worth putting on the public report CCIQ's subsequent statement and that is that, according to the National Waste Report 2010, the C&I sector contributed only 26 per cent of waste to landfill and was responsible for 48 per cent of waste recovered, compared to the household sector which contributed 40 per cent of total waste sent to landfill and only 36 per cent of waste recovered in Queensland. It concludes that CCIQ does not believe that there is any strong argument other than political reasons to exclude household waste from the levy, given that the household sector is Queensland's largest growing contributor of waste. The levy will also dramatically increase the cost of building a house. Every scrap of waste typically disposed of via skip bins will be levied as C&D at \$35 a tonne.

The levy has the potential to destroy existing waste sector businesses. The decision to exclude self-haul operators will hurt innovators such as Mr John Erhard, the Director of The Rubbish Removers. When I asked him if his business was sustainable should this bill pass in its current form, his response was—

It is really 'watch this space'. My wife and I have worked very hard to get where we are. We care about our employees and that is why I am here today. We are very positive people. We work very hard... We believe we are glass-half-full not glass-half-empty people. We can only hope that the changes to this legislation will be done right. We welcome it, like I said. We want it to happen. We believe it needs to happen. But we also believe it needs to happen right. If it is done right, our business will not only succeed; it will thrive and I believe that there will be great benefits to the community because of it. If this legislation is not brought in correctly, I do not believe our business will survive.

Similarly, the Australian Council of Recycling believes the levy in its current format is unworkable. They believe the exemption of MSW creates an economic environment that will not encourage councils to work with their ratepayers to sort and recycle waste; create leakage of C&I and C&D into the MSW waste stream—that is, you will start seeing kerbside bins full of business, industrial and construction waste; it will create unnecessary policy and regulatory complexity and increase corresponding costs; and lead to greater potential fraud through levy avoidance.

ACOR is concerned that the design of the levy system in responding to opposition from local government by exempting municipal waste creates undesirable and unnecessary administrative complexity and likely higher transaction costs for industry operating various waste and recycling facilities. ACOR's simpler solution would be to provide the primary non-hazardous materials levy at a flat rate on waste from all sources with the capacity to provide rebates for specific purposes—for example, recycling residues, non-profits et cetera—especially to promote resource recovery and recycling. I think even councils are seeing the sense of such a suggestion. I can appreciate why councils or the LGAQ at least fought so hard to exclude MSW due to the added impost it would have had on each and every ratepayer, but many are coming to the realisation that the alternative is an administrative nightmare that will ultimately cost them and their ratepayers anyway.

For example, the Moreton Bay Regional Council has identified that the monthly data collection and reporting requirements will be very costly and a major burden on council resources. MBRC estimates it will require an additional \$1 million per year to cover administrative costs, consisting of \$800,000 for increased landfill staff to collect and enter data whilst maintaining customer service levels, \$100,000 for additional council staff to prepare the monthly submission to DERM, and \$100,000 to provide additional staff on site to check waste loads and ensure they are disposed of in the correct resource recovery areas.

The government will make a lot of noise about the millions of dollars being thrown at local government to offset infrastructure upgrades, but it is silent when it comes to compensation for ongoing administrative expenses. In the absence of an offset from the waste and environment fund, that is \$1 million a year the Moreton Bay Regional Council is going to have to recover from its ratepayers. So whilst the focus is clearly on the business sector, no-one is going to be exempt.

The Moreton Bay Regional Council has also provided one of the best graphical representations of how ludicrous this bill is to administer. This is its current waste disposal flow chart showing the various waste types coming in, being processed and recycled or sent to landfill. These are the types of movements it is currently capturing through its data system. This is what it believes will be necessary following the introduction of the waste levy. I think it speaks for itself. I table these documents.

Tabled paper: Moreton Bay Regional Council flowcharts regarding waste disposal [\[5590\]](#).

Several weeks ago the Minister for Main Roads made a mockery of this chamber by performing the hokey-pokey during question time. Clearly, he has been talking to the Minister for Environment, because together they have concocted the waste equivalent of the hokey-pokey with bits and pieces being put in and out all over the place. What a farce! How could any self-respecting minister—or government for that matter—allow such a dog's breakfast piece of legislation to proceed?

That is still not the worst of it. This bill will actually achieve the opposite of what it claims as its objective. It will create a huge disincentive to recycle and a disincentive to explore alternative waste solutions. Let me use two examples to demonstrate what I mean. Firstly, let me present the case of Kennedy's Classic Aged Timbers at Narangba. Kennedy's has been in the timber recycling industry for 17 years and over that time has contributed to some significant improvements in the industry. It takes used telegraph poles from Ergon and Energex and sleepers from Queensland Rail and recycles them into hardwood products. Kennedy's products have been used in the new Tree of Knowledge at Barcaldine, at Suncorp Stadium, the Gallery of Modern Art, the new six-star Energex building at Newstead, the new Emergency Services building and the Noosa Transit Centre. Even with leading-edge, world-class recyclers there is still residual waste that must go to landfill. In the case of much of this waste, as the original product was treated with chemicals such as creosote, arsenic trioxide, CCA or bifenthrin, there is no alternative but landfill. In fact, at best Kennedy's recover 40 per cent, so 60 per cent is still destined for landfill. Even with the discounted levy rate of \$17.50 per tonne, Kennedy's is under threat.

As CEO Michael Kennedy revealed at the public hearing, the waste levy is going to have the 'very severe and perverse effect of actually providing a market advantage for tropical rainforest timbers from Asia and South America. When an organisation such as a state government organisation specifies to use certified timbers, the timbers coming from the tropical rainforests of South-East Asia, which may or may not have been illegally logged, will have a distinct market advantage over our recycled timber products.' Michael Kennedy stated—

I urge the committee to think very strongly about this and, if you have one ounce of an environmental bone in your body, to consider the severe and perverse outcome it will have on timber recycling in this state.

Surely organisations such as the Queensland Conservation Council and the Queensland Greens must shudder at the thought that we would lose an Australian based recycling industry and start importing South-East Asian hardwood timber.

However, it gets worse. The other example comes from the Cairns and Tablelands councils' Bedminster facility. Mr Nigel Crumpton, the Acting Manager of Waste and Environment at Cairns Regional Council provided the following summation of the situation to the EAREC—

The Cairns Regional Council agrees with the broad objectives and strategic intents of the bill and they are generally in line with our own waste strategy. As Bill from Tablelands has just said, it is really the waste levy regarding the municipal solid waste component of the residual waste from the resource recovery. Cairns Regional Council delivers all municipal solid waste and Tablelands Regional Council delivers a portion of municipal solid waste to the Bedminster facility, where the waste is aerobically composted and diverted from landfill, hence eliminating a generation of greenhouse gases. This kind of facility is unique in Queensland. Both councils already pay a premium to recover and divert waste from landfill via the Bedminster facility.

By potentially imposing a commercial/industrial levy on the municipal solid waste residual component, council will be significantly financially disadvantaged, so we believe in implementing innovative resource recovery technologies. Levying the municipal solid waste residual component at the commercial/industrial waste levy of \$35 a tonne would equate to additional costs to Cairns Regional Council of approximately \$1 million per year and to Tablelands council of approximately \$110,000 per year. While state government officers acknowledge it is an unintended outcome, even if a proposed discount on the commercial/industrial levy of 50 per cent or \$17.50 per tonne was granted through a provision, Cairns Regional Council would still have significant additional costs of approximately \$500,000 per annum.

Not only will imposing the commercial/industrial levy on the municipal solid waste residuals be a significant financial burden for Cairns Regional Council, it also appears to contradict the intent of the waste disposal levy outlined in the bill and acts as a disincentive for other councils considering implementing resource recoveries of this kind. The levy of municipal solid waste residuals at the Bedminster process places Cairns Regional Council residents at a significant disadvantage to residents in other council areas where municipal solid waste is not levied.

It is clear that in its current form the bill will actually deliver the opposite of what it claims, shutting down innovative facilities that are already diverting waste from landfill.

I have not yet mentioned the aged-care sector or residents of high-rise complexes who, because of the nature of their businesses or their abodes, rely on commercial operators to collect their residential waste. This government says it cares for our senior Queenslanders, but clearly it does not care enough to prevent them from being one of the only residential groups to be slugged with the waste tax. Will the pension cover the increase? I doubt it! Many of those wonderful people are already suffering through the cold of winter and the heat of summer because they cannot pay their electricity bills. I cannot see how they will pay for this one.

The Environment, Agriculture, Resources and Energy Committee has tried, albeit vainly I suspect, to lessen the administrative madness of this legislation. It proposes four amendments. The first is to clause 28, which deals with applications for approval of waste as exempt waste. The National Association of Charitable Recycling Organisations, NACRO, submits that there are seven major charitable recyclers in Queensland that are estimated to generate 85 per cent of the charitable waste volume. The remaining charitable recyclers are local church or scout groups. It is estimated that the seven organisations will potentially require 73 exemptions across 22 local government levy areas. Given the nature of their

business, NACRO suggests that a master exemption certificate be issued to the applicant for 12 months and vehicle details be registered for monitoring and control purposes. The committee supports this suggestion and, therefore, recommends that clause 28 be amended so that charitable recycling organisations that operate in more than one local government area are able to secure a single authority for waste to be treated as exempt waste in all areas, rather than seeking separate exemptions for each area.

The second proposed amendment is to clause 41 and pertains to the remitting of waste levy amounts to the state. If this bill is to proceed, the committee implores the minister to consider quarterly rather than monthly reporting and payment. That would potentially address some—not all—of the anticipated administrative costs I mentioned earlier. Similarly, the committee recommends that rather than keeping hard copies of volumetric surveys at the waste disposal site, hard and electronic copies of volumetric survey results be kept at the administration centre for waste disposal sites—that is, rather than clogging up a landfill site with mounds of paperwork, let them be kept, electronically where possible, at the council offices or company state headquarters.

The committee agrees with the WCRAQ's suggestion to amend the bill in order to give greater protection to commercially sensitive information provided by landfill operators as part of their waste data returns. After all, many of those operators operate in a commercial environment and if DERM were not strict in its management of those records it could prove to be disastrous for a business.

Unfortunately, even if these amendments are accepted by the minister, they will not stop this legislation from being what it is. It is bad legislation. It is flawed legislation. It will destroy businesses, cost local governments and act as a disincentive to recycling and cutting down on waste going into landfill. It is one of those bills—and I suspect one of those acts, given the government seems maniacal in its determination to pass it—that is beyond salvation. No amount of amendment will save it or make it more palatable, less onerous or easier to implement.

Therefore, whilst the LNP supports transformation from an inefficient wasteful linear economic system where products and materials are disposed of at the end of their productive life to a sustainable closed-loop materials economy and whilst the LNP supports waste avoidance, recycling and re-use, the LNP will oppose this bill. What is more, should the LNP win government at the impending election, the LNP will repeal this legislation. An LNP government will not shy away from its responsibility to drive policy and regulatory reform with regards to waste management, but it will not be in the form of a business-destroying, anti-recycling, cost-shifting, cost-of-living tax.

Before moving from the waste tax, I want to express concern about the revenue that will be raised and how it will be distributed. At the LGAQ conference it was fascinating to watch the reaction from the key players when Campbell Newman announced that an LNP government would repeal this legislation. The announcement was met with instantaneous and resounding applause from the mayors and councillors in the room, despite the fact that councils are set to benefit in the form of millions of dollars in grants and subsidies for upgrading waste infrastructure. They know that investment from the government was not going to stop this legislation from being bad. What was surprising was the reaction by the Queensland Conservation Council and the National Parks Association of Queensland. Clearly, both organisations are more concerned about the \$56 million that was earmarked for national park expansions and the \$45 million for koala habitat purchases than they were about waste avoidance, recycling or even illegal dumping.

Does the QCC really want that \$45 million for koalas, knowing that it has come at the cost of local timber recycling and, potentially, an increase in illegal logging in South-East Asian forests? Does the National Parks Association really want that \$56 million so badly that it is willing to overlook the massive increase in illegal dumping, particularly in state forests and national parks, that this legislation will create? I echo the words of Michael Kennedy and urge the QCC and the National Parks Association to think very strongly about this and if they have one ounce of an environmental bone in their bodies to consider the severe and perverse outcomes this legislation will have.

The LNP has already made commitments regarding national parks and their management in this state. We are also consulting with the broader environmental sector regarding the protection of koalas. Should the LNP win government I give my commitment to working with the QCC and the National Parks Association on these two matters. However, I am not going to fund it at the expense of small business or through another sneaky tax. I will not fund it through an anti-recycling, anti-waste reduction, business-destroying, cost-shifting, cost-of-living tax.

Before I address the other elements of the bill pertaining to carbon farming, coal seam gas and the National Water Initiative I do want to speak briefly to a couple of other components of the waste legislation. Chapter 4 of the bill legislates for the management of priority and other products through mandated or voluntary product stewardship programs or disposal bans.

A number of submissions to the EAREC believe the government has again missed an opportunity. For example, the Queensland Conservation Council has supported the introduction of a phase out of single-use plastic bags. The QCC is extremely disappointed that the program designed to address this process, which existed in the preliminary draft of the bill, has been completely removed. Interestingly, I know a number of members of the retail industry would agree with the QCC. I have spoken to retail operators who believe and accept that a phase out of single-use plastic bags is inevitable. They are looking to the government to provide certainty and direction in this regard. So again the Labor government has failed to heed such calls.

Chapter 5 of the bill deals with offences relating to littering and illegal dumping. Interestingly, the government has taken the step of banning certain types of unsolicited advertising material, specifically windscreen flyers. Before members in this chamber and of the broader public leap to the conclusion that all those parking fines they have amassed are now considered illegal and null and void, I can confirm that a person does not contravene this section if the action is made in the lawful performance of a function under an act or if the action is reasonable in the circumstances. The specific example is given of a parking inspector affixing parking tickets to a vehicle.

At this stage newspapers, magazines or other publications distributed without charge to intended readers are not banned, but perhaps some closer consideration is required. When visiting the electorate of Cleveland recently I spoke to Dianne Hausler. I note Dianne was recognised in the most recent *Sunday Mail* as an entrant in the Pride of Australia Medal. Dianne works tirelessly for the environment in Redlands and she believes there is another missed opportunity.

Dianne reports that when monitoring sites in the Redlands, such as Tarradarrapin Wetlands, 80 per cent of plastic bags found in waterways come from discarded bags from local newspapers. The reason is that local papers are mostly thrown on footpaths, roads and gutters. The bags then end up in local stormwater drains and local waterways. The other 20 per cent of plastics in local waterways that end up on our foreshore and bay are drink bottles and other plastic waste. To reduce the amount of plastics in local waterways and Moreton Bay we have to investigate myriad sources.

This chapter also introduces new means of public reporting of vehicle littering or illegal dumping offences. Whilst the means are supportive, you have to ask the question: who is going to police it? Illegal dumping is already a significant problem. Just ask Forestry Plantations and Hancocks in my patch. Places like the Beerburum State Forest are regular dumping grounds. With this disastrous piece of legislation I can only envisage it getting far worse. It did in every other jurisdiction that introduced a waste tax.

So say the public take up the offer of reporting. DERM have advised that it will be a state responsibility to follow-up and act upon the reports. How many extra DERM staff will that take? How much will that cost? I look forward to more detail from the minister in this regard.

I believe I should also put on the record concerns regarding the omission of chapter 7 part 7, special provisions about waste management, of the Environmental Protection Act 1994 as contained in clause 304. The LGAQ submits that section 369 of the EPA be retained for a period of two years to allow local government to develop alternative tools to manage nuisance associated with a commercial waste collection complex. What the LGAQ is referring to is the ability of local governments to prescribe when and how kerbside waste is collected. The provision means councils can ensure ratepayers are not unduly impacted by noise at unwarranted times. Again, I look forward to the minister's consideration of this request. Her department acknowledges local governments could develop local law to manage this. All the LGAQ is asking for is the time to do that.

Moving to the other elements of the legislation, this bill also amends the Forestry Act 1959, the Land Act 1994, the Land Title Act 1994 and the Nature Conservation Act 1992 to allow Queenslanders to participate in the national and international carbon sequestration efforts possible through the Commonwealth's Carbon Farming Initiative or CFI. As the explanatory notes explain, the CFI is a carbon offset scheme being established by the Commonwealth government to provide new economic opportunities for farmers, forest growers and landholders and help the environment by reducing carbon pollution. The CFI aims to give farmers, forest growers and landholders access to domestic and international carbon markets, providing an investment incentive for environmental conservation and greenhouse gas emission reduction.

By undertaking emission abatement activities that reduce or store carbon pollution, landowners can generate carbon credits known as Australian carbon credit units, ACCUs, that can then be sold domestically or internationally either voluntarily or to meet regulatory requirements. To meet the CFI requirements, the proponent must have the legal right to carry out the abatement activity and as such hold the exclusive carbon sequestration right and this right must be long term—ideally 100 years or more—and recognised as an interest in land under state law.

The amendments in this bill provide for a cross-tenure long-term legal right to carry out a carbon sequestration project in Queensland, the power to vest in a landholder the crown statutory ownership of carbon in all forest products in a project area and improvements in the administration of state land by

clarifying, updating and improving provisions for the keeping of registers of land and of particular interests, including carbon sequestration interests, in that land.

At the time of debate on this Commonwealth bill my federal counterpart Greg Hunt MP, the member for Flinders and the shadow minister for the climate action, environment and heritage, said the following—

We [the coalition] made our position very clear in both houses that we support the general thrust of the bill. It comes from work we have done over a period of years. It was initially rejected by the government in terms of abatement incentives. We are pleased that that has been put in the form of legislation. But, ultimately, given our experience with the Home Insulation Program, the Green Loans Program, the warnings we gave in relation to the cash-for-clunkers program and many other elements, we are not willing to take programs on face value if they appear to be inadequate and unfinished. The Senate has improved the legislation, and we will accept the amendments as were agreed upon by the Senate through cooperative action between the different parties. We will, however, maintain our position of the House and the Senate that the bill, whilst desirable in its intent and whilst desirable in its general construction, remains inadequate, with the failure to complete many of the processes with respect to the regulations—in particular the failure to assume what we regard as a reasonable definition of permanence which will not be destructive, damaging and of a hindrance to the fair and proper functioning of this bill and of the general carbon farming area. Having said that, our position remains this: we support the intention, we support the goals, we support the amendments.

It is interesting to note what Greg Hunt said, 'It seems Queensland Labor is not the only Labor government to make a hash of legislation.'

I am pleased these amendments will allow Queenslanders, including long-term leaseholders, to participate in this initiative. Were it not for the inclusion of this amendment in this waste tax bill, the LNP would not have opposed this element. I do have a number of questions though that I will put to the minister during consideration in detail.

The bill also amends the Water Act 2000 to implement the National Water Initiative risk assignment compensation framework for reductions in the value of water access entitlements. I will defer to my colleagues the honourable members for Hinchinbrook and Bundaberg to speak at greater length on these amendments. Suffice to say, like the carbon farming changes, the LNP would have supported this amendment in a stand-alone piece of legislation. Again, we have concerns which the shadow minister for agriculture will outline, but not sufficient enough concerns to oppose this part of the bill.

Finally, the bill also amends the Water Supply (Safety and Reliability) Act 2008 to remove the requirement to gain separate approval through this act for the temporary discharge of coal seam gas recycled water where equivalent approvals are issued under another act such as the Environmental Protection Act 1994. Similarly, it will allow sewerage service providers to consent to the discharge of seepage water from tunnels, car parks, basements, lift wells and similar constructed fixtures but not mines or petroleum activities in the same way they can do so for trade waste. This is of particular interest to the Airport Link project. Again the shadow minister for resource management, the member for Bundaberg, will address this amendment in greater detail. But I reassure members that this is not a diminution of environmental standards; it is a removal of overregulation, where a company previously needed approvals under more than one act to achieve exactly the same outcome.

Before closing, I refer members to the conformance of the bill with fundamental legislative principles. There are detailed notes in the EARC report, but I want to point out the extraordinary amount of legislative power that will be prescribed under a regulation. The following clauses make reference to subsequent regulation: 25, 28, 30, 37, 38, 39, 42, 43, 44, 48, 51, 52, 60, 64, 65, 66, 70, 77, 84, 88, 97, 99, 101, 116, 122, 131, 132, 138, 141, 143, 146, 147, 148, 149, 152, 156, 159, 167, 182, 183, 240, 244, 270, 271, 277, 279, 280, 295, 296 and 297. My apologies if I missed one. That is a staggering amount of regulation and it says to me one of two things: either this bill is not complete in itself, which is likely given the government has not got it right, or the government intends to tweak—read increase—levy rates to its benefit in the future, or perhaps it is both.

What is equally alarming, though, is in the notes on the proposed provisions for the Waste Reduction and Recycling Regulation 2011 provided to the EARC, DERM states—

The Waste Reduction and Recycling Bill 2011 makes reference to the regulation in several (more like many) of its clauses. However, it is not intended that there will be a regulation provision for each of these clauses in the Bill.

I am sorry but that needs repeating. Whilst many references are made to subsequent regulation, 'it is not intended that there will be a regulation provision of each of these clauses in the bill'. I think that is a good note to end on. It sums up this bill—incomplete, nightmarish, complex and downright dangerous. As I said earlier, while the LNP supports 'transformation from an inefficient, wasteful linear economic system (where products and materials are disposed of at the end of their productive life) to a closed loop sustainable materials economy', whilst the LNP supports waste avoidance, waste recycling and re-use, the LNP will oppose this bill. What is more, should the LNP win government at the impending election, the LNP will repeal this bill. An LNP government will not shy away from its responsibility to drive policy and regulatory reform with regard to waste management, but it will not be in the form of a business-destroying, anti-recycling, anti-waste reduction, cost-shifting, cost-of-living tax.