




Speech By
Hon. Leeanne Enoch

MEMBER FOR ALGESTER

Record of Proceedings, 13 February 2019

**WASTE REDUCTION AND RECYCLING (WASTE LEVY) AND OTHER
LEGISLATION AMENDMENT BILL**

Second Reading

 **Hon. LM ENOCH** (Algeester—ALP) (Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts) (3.02 pm): I move—

That the bill be now read a second time.

I introduced the Waste Reduction and Recycling (Waste Levy) and Other Legislation Amendment Bill 2018 into the Queensland parliament on 6 September 2018. The bill provides for a levy to be placed on waste disposed into landfill with supporting provisions for payment, monitoring and compliance. The levy will be paid on waste delivered to waste disposal sites within a prescribed levy zone. The levy must also be paid when waste from the levy zone or from interstate is disposed to landfill in a non-levy zone. There will be a number of levy exemptions available, such as for waste generated from a declared disaster. Importantly, the Palaszczuk government has included explicit provisions in the bill to ensure that Queenslanders will not pay more to put out their wheelie bin as a result of the levy. The bill was referred to the Innovation, Tourism Development and Environment Committee for detailed consideration, with the committee tabling its report on 22 October 2018. The government welcomes the committee's only recommendation that the bill be passed. I want to thank the committee for its support of the bill.

For six long years Queensland has been burdened with the legacy of the former LNP government's decision to repeal the previous waste levy. This decision led to Queensland becoming the dumping ground for waste from other states—interstate dumping that is legal. Not only are we seeing interstate waste continue to rise, but without an effective market signal like a levy we have seen significant underinvestment in waste management and recycling infrastructure compared to other states. Hopefully today we will hear from those opposite about whether they intend to provide certainty of investment for the industry or whether they would again repeal the levy if they were elected and send Queensland backwards once again.

The Palaszczuk government is introducing this waste levy to underpin a new comprehensive waste management and resource recovery strategy for Queensland. The strategy and this bill will provide the waste management and resource recovery sector with the policy certainty to upgrade and expand current infrastructure and incentivise investment in new and innovative waste management infrastructure in Queensland. The waste levy will mean landfill will become a less attractive option compared to more productive, environmentally beneficial and job-creating uses of waste. It will also provide a source of funding for programs for local government, businesses and the community to reduce waste creation and increase recycling and resource recovery. Importantly, the levy will also provide a disincentive for the interstate transportation of waste into Queensland.

In 2017 the former environment minister Steven Miles appointed the Hon. Peter Lyons QC to lead an investigation into the transport of interstate waste into Queensland. Following that investigation, the Lyons report made a clear recommendation that the government consider implementing a levy on

waste disposed to landfill. The Palaszczuk government is acting on that recommendation as an important component of a new comprehensive waste strategy. Again, I want to thank all of the committee members for their consideration of this bill, including conducting public hearings in Ipswich and Rockhampton.

The committee report included statements of reservation from two committee members, which I will now address. The member for Noosa has supported the intent of the bill but expressed reservations about councils not receiving a sufficient allocation of levy funds as well as the lack of certainty about the subsidisation of councils and ratepayers if there were to be a change of government. I want to thank the member for her support and note her areas of concern. A crucial element of the bill is the annual advance payments of 105 per cent to local governments to ensure that the levy will not have a direct impact on households. These payments will more than offset the costs of the levy on household waste, street sweepings and public place maintenance.

The strongest commitment that the government can make to these annual payments is to enshrine them in legislation. While it would have been possible to manage the payments like any other grant program, the government has decided to embed a requirement in the bill and to establish the formula for calculating them in the regulation. This provides certainty for councils and means that any changes in the future would have to go through parliament. This is specifically addressed in proposed section 73D, inserted by clause 6 of the bill, as it provides that the chief executive must make an annual payment to each local government affected by the waste levy, with the formula to be prescribed by regulation.

In respect of the use of levy funds, this government's 2018-19 state budget papers clearly state that between 2018-19 and 2021-22 the government has committed to spend 70 per cent of revenue generated on advance payments to councils, scheme start-up and operational costs, industry programs and other environmental priorities. Allocating 70 per cent of levy revenue for these purposes is unprecedented in Australia. No other state or territory reinvests that much from their levies. Clause 9 of the bill inserts a provision that requires the chief executive to prepare and make publicly available by 31 December of each year a report that includes the total amount of the waste levy paid to the state and the amounts of annual advance payments made to local governments. This information will be available to be compared with funding of relevant programs so that parliament and the public will be able to scrutinise whether the waste levy revenue is being used effectively and appropriately.

On behalf of the LNP members of the committee, the member for Scenic Rim also included a statement of reservation in the committee's report. I want to allay the concerns that the member for Scenic Rim has raised in that statement of reservation. Let me make it crystal clear that the Palaszczuk government has committed that there will be no direct impact on households. There will be no extra costs for Queenslanders to put out their wheelie bin. No other state in this country has a similar commitment.

For the vast majority of households, this process will be achieved through the annual advance payments to local governments. However, some Queenslanders in a diverse range of circumstances live in a place of residence that is charged commercial rates for waste collection, such as retirement villages and gated communities that are without council waste services. I can assure the member for Scenic Rim that these people have not been forgotten. The government's commitment will cover those circumstances and arrangements will be in place to assist those people. Further, I have instructed the Department of Environment and Science to develop a model for entering into arrangements with waste contractors, business operators and households in these circumstances to ensure that there is no direct impact on any resident caused by the introduction of the levy. Let me be very clear: those households will be covered by our commitment to Queenslanders that it will not cost them more to put out their wheelie bin.

Secondly, the member has made some extravagant claims about the amount that the levy will add to some services, such as building a house. Let us remember that every other mainland state has a waste levy and the construction industry has not only been able to accommodate it but also continued to thrive. In fact, New South Wales has the highest waste levy rate in the country and also has the highest number of small businesses. In addition, the top small business industry in New South Wales is construction.

We know that significant opportunities exist to improve construction recycling and recovery rates in Queensland. The *Recycling and waste in Queensland 2018* report that I released last week shows that recovery rates for construction and demolition waste was still at 50 per cent, which demonstrates that there is real room for improvement. The industry in South Australia has already had success, with recycling and recovery levels in excess of 90 per cent. Clearly, we can do better. The Palaszczuk government is committed to working with the construction sector to ensure that they can play its part in waste minimisation, recovery and recycling. To assist, I recently announced funding of \$2 million over

two years from 2019-20 to support improved waste management initiatives for the construction industry. This was just one of several new measures that will be introduced alongside the \$100 million Resource Recovery Industry Development Program and the \$5 million levy ready grants program, which was announced in the state budget.

I am happy to inform the House that funding from the waste levy will be directed towards a number of important initiatives, including \$6 million in extra funding to expand the Community Sustainability Action grants program to include waste, koala conservation and threatened species programs; \$1 million towards a resource recovery industries road map and action plan to position Queensland as a leader in resource recovery; \$6 million for a regional recycling transport assistance program, which will support regional councils and businesses in overcoming additional challenges in diverting waste from landfill; and \$1.8 million to expand the successful ecoBiz program, developed by CCIQ, to help small businesses reduce waste.

Today, I am pleased to announce that waste levy funds will also be invested in further measures, including \$25.9 million over four years for compliance work to reduce the risk of litter and illegal dumping; \$3 million over two years to encourage Queenslanders to better manage their waste; \$1 million over four years to support a school based education program to help our kids learn more about recycling; and \$1.8 million to support key actions in the waste strategy, including new product stewardship programs, plastic pollution reduction and support for regional, remote and Aboriginal and Torres Strait Islander communities. Further programs will be announced as we continue preparations for the implementation of the levy in our state.

The member for Scenic Rim also expressed concerns about the impact of the levy on regional areas. I encourage those opposite to consider the positive opportunities that will come from this bill as it will boost and create better local recycling outcomes in regional areas. I am confident that the investments that I have just outlined from the waste levy funds will go a long way to supporting regional communities through this transition. Food and organic waste, as well as the re-use of heavy construction and demolition materials, provide opportunities to build new industries, jobs and assist in limiting the sending of these materials to landfill. Nevertheless, this government recognises the additional challenges faced by regional areas that are far removed from major downstream recycling facilities. As I said earlier, we have initiated the regional recycling transport assistance program. This program will support regional councils and businesses in overcoming these challenges and facilitate increased recycling and resource recovery in regional areas.

Finally, following concerns raised by the member for Scenic Rim and other opposition members, and following discussions with the Goondiwindi Regional Council itself, I can confirm that the Goondiwindi local government area will be included in the levy zone. The zones will be updated in the final amending regulation. The Goondiwindi Regional Council is an excellent example of a council that has taken a number of significant steps to improve its waste management services over the past few years. That council is a great case study for other councils. I encourage councils to look at what they have done and see what they can learn from its work.

Before moving on from the committee report, I want to thank all of those who have made a submission to the committee or appeared before the committee in its public hearings. Submitters have been willing to detail their specific circumstances. Those insights have proved invaluable in streamlining and improving the regulatory framework. Similarly, I acknowledge the many businesses and local governments that have been engaging directly with the department about implementing the levy at their own site.

Since the introduction of the bill and the tabling of a draft of the associated amending regulation in September 2018, local governments, industry and community members have had an opportunity to comment on the details of the waste levy proposal. Submissions to the committee inquiry from many organisations, including the LGAQ, argued for the commencement date of the levy to be moved to 1 July 2019 and for annual increments to be aligned with the start of each financial year. We have listened and agreed to these proposals. Today, I will be moving amendments to the bill during its consideration in detail stage that will move the start date of the levy to 1 July 2019. This is a clear example of how the Palaszczuk government listens and how we want to make the administration of the levy as simple as possible for councils and private landfill operators. The levy increment dates are set in regulation along with the levy rates. These will be adjusted in the final amending regulation.

I also propose to move additional amendments during the consideration in detail stage of the bill that address directly a number of issues raised by stakeholders. Importantly, I will be proposing amendments to exempt three particular waste streams from the levy: waste from severe local events, such as storms and flooding; litter and illegally dumped waste collected by or for the holder of a forest plantation licence; and appropriately treated acid sulphate soils. Following representations from the LGAQ on behalf of councils, I will also propose an amendment to provide a temporary three-year levy

exemption for road scrapings—or road planings as they are also known—for regional councils outside South-East Queensland. This is another way we are helping to make a smooth transition for regional communities.

Other amendments will allow reasonable concessions to avoid excessive red tape, or unintended impediments. For example, the legislation will ensure that small unstaffed sites in the non-levy zone do not need to record waste deliveries if they have taken all reasonable steps to ensure that waste from the levy zone, or interstate, will not be delivered there. The legislation will also exclude certain landfills from levy liability if they provide only for the appropriate disposal of waste from certain resource activities, or a single type of waste prescribed by a regulation. Similarly, certain landfills will be excluded from levy liability if they are only for the remediation of contaminated land generated by an historic activity that is now appropriately operated and licensed.

The amendments will also remove the requirement to measure waste delivered to a resource recovery area in a small vehicle, which removes unnecessary infrastructure upgrades. The amendments also expand the eligibility criteria of landfill operators for bad debt credit where deliveries are made to resource recovery areas. I will also be moving amendments to clarify some provisions of the bill.

I advise the House of the significant progress being made to get ready for implementation of the waste levy. The \$5 million 2018-19 Local Government Levy Ready Grant Program has been established as a one-off grant to eligible local governments for levy ready landfill upgrades in advance of the commencement date. In total, 60 project proposals were received from 34 councils requesting \$4.99 million of the total \$5 million of funding available. Every council had at least one successful application, with grants ranging from \$6,000 to \$570,000. This will fund activities, including upgrading IT, installing or upgrading fencing, security cameras, signage, weighbridges and other infrastructure required for efficient, accurate and secure levy collection at council landfill facilities. I acknowledge the many councils who have contacted me directly to thank the government for this funding.

The \$100 million Resource Recovery Industry Development Program has been established to develop a high-value resource recovery industry in Queensland. Stream 1 of the program closed on 23 November 2018 and received 79 applications, with around 20 of these coming from local governments. This fund is being administered by the Department of State Development, Manufacturing, Infrastructure and Planning and the successful applicants will be announced by Minister Dick in the coming weeks. This funding is, of course, being backed in by the Department of Environment and Science's work supporting local councils and businesses to be levy ready and to get the most out of the changes.

Earlier in my speech I mentioned that the government is reinvesting waste levy funds in a new comprehensive waste strategy. I am pleased to inform the House that today I am releasing a draft of that strategy for public consultation. The previous waste strategy released by the former LNP government was woefully inadequate for supporting Queensland's management of waste. This new strategy provides important targets for landfill reduction and recycling and, importantly, it will help industry, government and Queenslanders change how we think about waste. The waste levy being introduced in this bill will underpin that strategy. I encourage members to review the strategy and promote the consultation in their communities.

While we develop this new strategy for Queensland I will continue to call on the federal government to lead a national approach to waste management. This includes a long overdue plan for the harmonisation of waste regulation such as levies and interstate transportation. State governments have been left to do the heavy lifting in this space and it is time for the Morrison LNP federal government to show some leadership, something that was raised at the last meeting of environment ministers late last year. I know that other states and territories that currently have waste levies were very keen to see the federal government step into this space and ensure that there is some harmonisation with regard to levies in particular.

Lastly, I want to say that this bill will modernise waste management in Queensland with the introduction of a waste levy. It will change how we manage waste, which is great news for our environment, of course. It will also be a huge boost to our economy; creating new jobs and driving significant economic growth as we make better use of resources and develop new industries. I have said before in this House that we know already that from every 10,000 tonnes of waste that goes to landfill only about three jobs are created. If that same 10,000 tonnes of waste is recycled, it is more like nine jobs that are created. There is an economic opportunity in ensuring that we divert from landfill and support recycling and recovery in this state. But, of course, we must have the correct market signals to be able to do that and that is why this bill is so important for the future of Queensland and so important in terms of modernising the way that we manage waste in this state.

There is a groundswell of community support for managing waste better in Queensland. The Palaszczuk government is leading the way. Wherever I have been across this state, and I have been going to waste management facilities across Queensland over the last few months, people are very keen to ensure that we have a new, modern way to manage waste in this state. There are school communities, individuals, families, community groups and others who are absolutely passionate and have got on board in terms of this war on waste and they are calling for the right mechanisms, the right market signals, to ensure that we have a modern way of managing waste in this state. We can no longer be the dumping ground for other states. We can no longer be behind the eight ball in terms of every other state that has been investing in recycling and recovery industries. That is why this bill is incredibly important. I commend the bill to the House.