



Speech By  
**Stephen Bennett**


**MEMBER FOR BURNETT**

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## **WASTE REDUCTION AND RECYCLING (WASTE LEVY) AMENDMENT REGULATION**

### **Disallowance of Statutory Instrument**

 **Mr BENNETT** (Burnett—LNP) (5.52 pm): I rise to support the disallowance motion. I acknowledge the many who have engaged on this subject, and my contribution tonight reflects many of the views that have been articulated. It has been said already that this is not a waste strategy; it is a revenue strategy. We know that locally receivers of waste are starting to set prices. These prices appear to confirm that the price to dispose waste is going to double or quadruple for many companies. This will translate to around a 25 per cent to 30 per cent increase in the prices companies charge—for example, supplying skip bins. We should oppose the mindset that financial punishment is the way to create change and that the Queensland government is willing to punish Queensland companies based on the failure of interstate legislation.

The premise of the levy was that we needed to deal with the issue of wheelie bin recycling, so the government linked this issue to justify a waste levy on the wrong sector, roping in the issue of trucks coming across the border to gain community support and to reduce the backlash. It is the same with waste, linking the household recycling failure to the need to have a waste levy that is targeting businesses and imposing another tax on business because this government has always believed that business can absorb it or that by penalising business it will create innovation. Business will simply find creative ways to reduce or avoid any associated costs—in this case, the waste levy.

'Reduce, re-use, recycle' is a wonderful catchcry and appeals to everyone's sense of saving the planet. However, what it means and how effective it can be is another issue. A case in point is that the waste levy and supporting legislation in other states has failed to ensure the outcomes they intended. The fact that trucks keep coming across our border is a testament to this. The companies undertaking this accept high gate prices, cull the valuable recyclable components and then simply send their remaining waste here to Queensland. It is not because we did not have a levy; it is because those states failed to manage their own waste with their own failed legislation.

I want to get back to the issue of filling the government coffers. Industry estimates that in the first year the levy will net about \$228 million to the government and that it will be \$1.3 billion over four years. This appears to be another example of the government misinterpreting data. Of this windfall, how much will actually be spent on education, keeping in mind the failure of education in our society around the recycling wheelie bins?

I still believe that locally many trades are unaware of the actual impact that the levy will have on pricing jobs. A recent example of this was a plumber who arrived at a job site and found that drains were blocked and he needed to dig up the pipework and replace it. This required about a six-cubic-metre bin to be supplied. The bin had earth, clay, grass, pipework and a few shrubs that were in the way. The waste weighed 8.46 tonne. Recent changes to pricing—moving to tonnage rather than cubic-metre charges—pushed the cost of this bin from \$340 to \$616. This same bin will cost \$1,208 when the

\$70-a-tonne levy is implemented. This means that a householder will pay an additional \$868 for the price of the work undertaken. A lot of people have written about this. Gene Tunny wrote in August 2017—

While Queensland businesses were supportive of the aim to reduce waste and increase the re-use and recycling of resources, they strongly opposed the introduction of the Commercial Waste Levy.

The reasons were many. They included very poor consultation with no regulatory impact statement. The state government essentially made up its mind that it would be introduced and that they would bulldoze this tax through. The levy threatened business viability, as we know. Outside of South-East Queensland mature waste markets and opportunities for recycling and re-use were limited, meaning the levy effectively acted as a tax on all business waste as there was no capacity to recycle in many regional centres. The starting price of \$35 per tonne was considered too high by many some years ago. Business waste reporting requirements were onerous and significantly increased red tape and the regulatory burden. Money collected went into consolidated revenue. The largest area of concern and hostility was that the waste levy unfairly targeted the business community.

The Queensland government is going to take one-third of the levy and place it into government coffers. We all know that the levy must be returned to drive investment and innovation. If we are going to follow the other states blindly, let us not make the same mistakes.

When I was building, the average four-bedroom home generated about 50 cubic metres of rubbish at an estimated weight of around 32 tonnes. Based on current disposal rates, the cost for disposal is \$1,365. When we add in the \$70-a-tonne waste levy, this figure increases to \$3,640. This is an increase of 167 per cent which business, as tax collectors, need to collect.

I also have extensive knowledge of pricing and ordering building materials. My view from operating in this environment is that much of the saving associated with construction through the reduction in ordering materials due to innovative construction ideas and techniques has already been achieved, leaving little room for this to be seen as a means to reducing waste. A case in point is framing and roof trusses, which are largely prefabricated and arrive on site with little or no waste.

I know that the levy will add to building costs, not reduce them. Figures of \$1,500 to \$2,100 have widely been distributed in the industry. I believe that allowing a large part of the community—mainly households—to simply keep doing what they are doing or not doing erodes the purpose and the very reason for having a levy, which should be to re-educate. Change can only occur through education and knowledge. Using money, penalty and financial punishment as a fundamental tool for forcing change is outdated and an impost on the Queensland way of life, as is expecting big businesses and small businesses, mum-and-dad businesses, to carry the burden of that change.

How can we trust this government to manage a waste levy policy, one that has not been proven to work from the delivery of waste to the final sale of recycled products in all but a few waste streams? There are limited examples that recycling processes lead to the development of new products or technology to handle and process waste, most especially the residual waste streams. It is called waste for a reason, and that is that there is no financial reward and nearly zero markets for products as a direct result of a waste levy in any state that did not exist prior to a levy. If a sound and correctly managed waste policy and legislation has not worked after 30 years of having levies in New South Wales, we would not be in this situation with trucks coming over the border.

The tax-grabbing waste levy will only hurt industry in the Wide Bay region. This waste levy will stifle growth and progress in our region, not to mention the huge costs it will mean for anyone who hires a skip bin. We know that the waste levy money should be returned to industry to educate and to make sure that innovation becomes a part of our future. There is no way Labor has understood the ramifications that this waste levy is having on everyone in our community. Small businesses everywhere in Queensland are being smashed by this new, big tax, with no reward and no real investment.

We know that significant money will be raised from the new tax but we do not see any reinvestment. On the back of the commitment from the federal government we would have hoped that the money raised from Queenslanders would be adequately reinvested for Queenslanders, not just used to plug government holes in a bad, bad state budget. Queenslanders are sick and tired of being slugged with more taxes so that Labor can pay off their debt and plug budget holes. The construction industry will be the hardest hit, but as we know even fish and chip shops and mechanics are affected. Where is the benefit without policy, leadership, direction, or sniping from the sidelines?

Many in the Burnett electorate are concerned about the impacts of the levy. Has Labor stopped to consider the effect it will have on families and retirees? Many families in the Burnett region budget to the last cent. If they have to hire a skip bin it is already a big cost. This waste levy has now made this task impossible for some. Labor's waste tax means that it will cost businesses more to get rid of their waste, and they will have no choice but to pass this cost on to customers. It is a complete farce for

Labor to say it will have no direct impact on Queenslanders. Labor's waste tax is toxic for business, it is already destroying jobs and it is squeezing household budgets. As I alluded to, Master Builders forecast that the waste levy will add between \$1,500 and \$2,500 to the cost of a new home at a time when Queenslanders are struggling to get a foothold in the property market.

I think it is important to reiterate the shadow minister's point. This is about wanting to use the money from the levy for more important outcomes such as innovation and real recycling schemes. It is a must for Queensland, a must for Australia and a must for the world. On the back of the federal government's renewed vision on recycling, we must have this state government reinvest in innovation and technology, not plug budget black holes. We want to see the benefits that can come from recycling, because we know that right now waste is a difficult industry to deal with and a difficult industry to store. More importantly, it is difficult to apparently see waste from container deposit schemes sometimes dumped back in landfill.

The call today is for the minister and the government to understand just how important the waste levy can be for Queensland. I am not denying that the waste levy is going to be important. Unfortunately, it is not going to be effective under a Labor government because a Labor government will find a way to waste money and not provide the innovation and outcomes that a waste levy should provide. This is another example of pork-barrelling, plugging holes and propping up the budget. Spending only a third of the budget on re-education and initiatives is not good enough.