



## **Cairns Regional Council Submission: *Transforming Queensland's Recycling and Waste Industry* Directions Paper**

Council thanks the Department of Environment and Science (the Department) for the opportunity to make comment on the above Directions Paper.

As the ninth largest local government in Queensland, Cairns Regional Council (CRC) is a leader in the local government waste sector and has long been proactive in waste management and resource recovery. Council currently achieves a 60% diversion from landfill rate, well ahead of the State Government recovery target of 45%.

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

### **PART A – WASTE DISPOSAL LEVY**

#### **1. A waste levy will come into effect in the first quarter of 2019 (p.8)**

The proposed start date in the first quarter of 2019 does not provide councils and industry in FNQ with sufficient time to plan, prepare and develop alternative waste management practices prior to the start date. The regions simply do not have the recycling, recoverable, reusable facilities.

**Recommendation 1: Council supports an extension of the waste levy commencement to align with the 2020/21 financial year (1 July 2020 commencement) to allow sufficient time to be 'levy ready'.**

#### **2. Council budget implications**

Council is legislatively required to set budgets and fees and charges, and altering this mid financial year is difficult. A commencement date in line with the budget cycle will allow Council to construct appropriate budgets fees and charges, and advise relevant stakeholders.

**Recommendation 2: Council seeks the waste levy commencement to align with the financial year (1 July commencement).**

#### **3. The levy will apply to all major waste streams (p.9)**

It is accepted that the Department recognises local government's lack of support for a levy on MSW and has suggested a 105% rebate, however there is no certainty that such a model will continue into future years, this does not leave Council with confidence there will be no direct impact on households in coming years.

Any changes in waste management approaches and technologies requires significant investment from Council so knowledge of timelines around levies and

applicability to the MSW stream is essential to allow long term waste planning in the FNQ region.

**Recommendation 3: Council does not support a levy on municipal solid waste (MSW) that has a direct impact on ratepayers.**

**4. The Queensland levy rates will increment at \$5 per year over the next four years (p.9)**

The proposed annual \$5 increases to the levy need to be on a financial year basis rather than a calendar year or on an anniversary of the start of the levy. Council will otherwise be forced to amend the fees and charges twice every year which is an unwieldy process.

**Recommendation 4: Council recommends the waste levy rates are incremented to align with the financial year (on 1 July each year). If the levy is implemented in the first quarter of 2019, Council seeks that the next increment should take effect from 1 July 2020.**

**5. The levy will have no direct impact on households (p.10)**

The State Government has proposed advance payments to local governments to offset the costs of levy charges to those local councils that dispose of household MSW in the levy zone.

There was discussion at a recent Local Government Association of Queensland (LGAQ) Waste Forum that indicated that self-haul domestic waste may not be considered as MSW.

Some rural residents in the FNQ region do not have access to kerbside waste collections. In addition, there are residents who have excess waste or large and bulky items such as furniture or mattresses that cannot be placed in the kerbside bins. Excluding self-haul domestic waste will result in direct costs impacts on householders.

Other waste services provided by local councils that would appear to attract the waste levy will result in direct costs to households, including:

- Clean up of illegal dumping;
- the provision of public place bins; and
- street sweeping.

**Recommendation 5: Council seeks a legislative commitment from the State Government on the definition of household MSW and recommends including all local government related waste streams that result in direct costs impacts on households.**

**6. The formula [for the annual advance] will be reviewed in future years (p.10)**

The State Government has proposed the annual advance will be managed through the advance payments of 105% of the tonnage of MSW disposed of from the previous financial year.

It is a concern that this formula will be reviewed in future years. This fails to provide certainty for councils.

**Recommendation 6: Council seeks a legislative commitment from the State Government on how the annual advance will be calculated to ensure the impacts will not be transferred to households in the future.**

## **7. Residual waste resulting from legitimate recycling activities will have a concessional levy rate (p.13)**

Background:

- *Bedminster Advanced Treatment Facility (AWT):*
  - *Council, along with Mareeba Shire Council and Douglas Shire Council, currently delivers its kerbside MSW to a Bedminster Advanced AWT facility where the organic portion of this waste is aerobically composted and diverted from landfill. This facility is the only one of its kind in Queensland.*
  - *The residual waste component of the MSW delivered to this facility is sent to landfill. Council currently significantly invests in this infrastructure.*
  - *In 2011 the State recognised that the Bedminster facility is unique in Queensland and was afforded special consideration and concession in the now repealed Waste Reduction and Recycling Regulation 2011.*
  - *Councils have significantly invested in this infrastructure and are committed to this arrangement until 2026.*
- *Materials Recovery Facility (MRF):*
  - *Council, along with Mareeba Shire, Douglas Shire and Cook Shire Councils, currently delivers recyclable MSW to a MRF which sorts domestic & commercial recycling including self-haul domestic recycling.*
  - *The residual waste component of this stream is sent to landfill. Council owns and operates the MRF at significant cost to the community.*

Council would like to ensure the Bedminster AWT and MRF are considered as legitimate resource recovery and recycling activities and receive a discounted levy rate or exemption.

**Recommendation 7: Council seeks a legislative commitment from the State Government to ensure the MSW portion of the residual waste from these recycling activities is considered as genuine MSW and therefore should be treated as MSW, not classed as commercial waste (C&I) as the material is viewed as having been passed through a commercial recycling process.**

## **8. Regional Assistance**

Council would like consideration of a regionalised levy structure where regional centres within the levy zone have subsidies applied to offset the additional costs involved with recycling and resource recovery in these areas compared with South East Queensland (SEQ).

For example, the cost per tonne to transport from FNQ to SEQ recycling processors is around \$65 per tonne which creates inequality across the state. The introduction

of a levy will not alleviate this additional transport cost. We would like to see a regional freight equalisation to balance this cost out across the state whilst local processing and markets are being established.

This issue impacts all Councils involved in recycling outside SEQ to differing degrees depending on distance from SEQ.

**Recommendation 8: Council seeks a commitment that the State Government will investigate the introduction of regional transport subsidies to offset the costs incurred by regional councils in accessing markets for recycled commodities.**

## 9. Illegal Dumping

Any imposed levy will likely see an increase in illegal dumping. Therefore, Council will likely see increases in costs of managing illegally dumped waste such as expenditure for prevention, compliance, clean up, transport and disposal. In 2013 the Dept of Environment and Heritage Protection estimated the cost to Councils of \$670 per tonne to manage litter and illegal dumping within Queensland. A rebate of \$70 will not assist Council in the collection of illegally dumped waste.

The exemption of domestic self-haul to transfer stations from any levy design will assist in the reduction illegal dumping.

**Recommendation 9: Council seeks that the State takes lead role in marketing, communication and compliance to deliver a consistent message to the community around illegal dumping.**

## 10. Public Place Waste

Any imposed levy will likely see an increase in diversion of waste to Council's public place bins. Therefore, Council will likely see increases in costs associated the collection of public place waste.

**Recommendation 10: Council seeks that waste generated from public place bins should receive a discounted rate or is exempt or it is considered as MSW and is included in the household advance payment.**

## 11. Charity Waste

Council provides free disposal to charities. The Directions Paper notes that targeted consultation will be undertaken with specific charity sectors to design a suitable arrangement.

**Recommendation 11: Council seeks assurance that the levy will not have to be paid by Council or the charity on waste that is generated because of charitable activities.**

## 12. Council Generated Waste

Constructing and maintaining public assets is in the public interest and ratepayers should not be financially impacted by a levy.

In the 2017/2018 Council generated waste from business as usual activities totalled approximately 55,000 tonnes. At \$70/tonne, a levy imposed on Council generated waste would see a financial impost of around \$3.8M per annum for ratepayers. This direct impact on Council's budget would mean an increase in rates of between 0.76% to 1.98%.

This will directly impact households and contravenes the Directions Paper advising that *"A crucial element of the levy design will be measures that avoid direct cost impacts to households"*. These funds could certainly be better directed into other Council activities.

**Recommendation 12: Council seeks that waste generated from Council's own activities should: receive a discounted rate or is exempt or it is considered as MSW and is included in the household advance payment.**

### **13. Levy proceeds will go to waste, environmental and community program funding (p.14)**

The introduction of a waste levy in Queensland should directly benefit councils and the resource recovery and waste industry. The need to find sustainable solutions with funds collected should be directed back into the sector to ensure resource recovery and waste collection options are sustainable in the long term providing the confidence to invest in new waste management and recycling infrastructure and technology.

All funds generated by the levy should be diverted to:

- Educate the community on waste reduction and resource recovery;
- Provide economic development to improve the resource recovery sector; and
- Support a circular waste economy.

Diverting levy funds to consolidated State revenue is not acceptable to Council.

**Recommendation 13: Council seeks a commitment that all funds generated by the introduction of a waste levy are fully returned to local government and the broader resource recovery industry.**

## **PART B – RESOURCE RECOVERY, RECYCLING AND WASTE MANAGEMENT STRATEGY**

Council agrees with the broad objectives and the strategic intent of the proposed Queensland Waste Strategy. These are generally in line with Council's own Waste Reduction and Recycling Strategy 2018-2027.

Council welcomes the State Government's announcement to develop a new waste management strategy that promises to:

- Attract industry investment and innovation
- Create new jobs for our communities
- Have no direct impact on Queensland households
- Deliver long-term value to our environment
- Move Queensland towards a circular economy

#### **14. Queensland will pursue landfill disposal bans on selected waste streams where proven feasible (p.18)**

The planning for the management of those waste streams in regional Qld may also require significant lead time for development approval, funding and construction so ample time to implement management of any such ban would be required.

**Recommendation 14: Council recommends suitable lead times (potentially up to 5 years) are planned prior to implementing any proposed landfill disposal bans.**

#### **15. Queensland will adopt product stewardships schemes where national action fails and community demand is evident (p.18)**

Product stewardship is essential to better manage waste through improved product design. While Council acknowledges this is not necessarily within the jurisdiction of the Queensland Government, there are areas where the Queensland Government can play a role in improved product stewardship.

National schemes have had some success in managing end of life of televisions and computers, mobile phones and paint, however other voluntary schemes have failed.

**Recommendation 15: Council recommends that the State Government develop mandatory product stewardship schemes to ensure the success of future schemes.**

#### **16. The Queensland Government will explore the development of waste-to-energy**

More information is required on the proposed policy for the development of waste-to-energy. As such, Council will note that waste to energy is being explored and that further comment will be provided when more information is available. The Department would be wise to do significant research around implementation of this form of waste treatment to ensure that ratepayers are not financially disadvantaged.

Initiatives that respect the waste hierarchy and do not undermine higher order waste management options in a circular economy model where they are available or where markets can be developed should also be considered.

**Recommendation 16: Council recommends that the waste hierarchy is used as a filter through which all options are assessed, where feasible, this places efforts to reduce, reuse and recycle waste above energy recovery and landfilling.**

#### **17. Mandate Recycled Material**

Local Governments in Qld should not be the only level of government carrying the burden of waste management in Qld. The State needs to be proactive in waste management in many of its own activities. It is imperative that the Queensland Government use its purchasing power and activities to send a message of sustainable procurement to the broader Queensland community. A good example here is mandating the use of glass sand as a virgin aggregate substitute in asphalt or road base.

**Recommendation 17: Council recommends that the State uses its purchasing power and activities to send a message of sustainable procurement to the broader Queensland community.**

## **18. Organic Waste Management**

More information is required on the proposed actions to manage organic waste and the development of local processing and end markets for the products.

Food loss and waste is a global problem that affects our economy, society and environment. The environmental cost is also significant and includes greenhouse gas emissions.

Opportunities exist to divert this resource away from landfill by delivering initiatives such as food waste reduction and recovery campaigns targeted towards all sectors, implementation of a kerbside FOGO collection service, and designing a collection system for businesses to encourage organic source separation.

**Recommendation 18: Council recommends that the State Government funds a Queensland Organics Resource Recovery Strategy to provide a state wide approach to better manage organic wastes.**