



PO Box 506
Bulimba Qld 4171

Phone 1300 375 440
Email admin@acor.org.au

www.acor.org.au

ABN 60 574 301 921

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Research Director
Environment Agriculture, Resources
and Energy Committee
Parliament House
George Street Brisbane 4001

Attn: robert.hansen@parliament.qld.gov.au

Dear Sir

ACOR Submission on the Queensland Waste and Recycling Bill 2011

The Australian Council of Recycling (ACOR) welcomes the opportunity to comment on the Queensland Waste and Recycling Bill 2011 and to assist the Queensland Parliament in making a significant reform to move the state onto a more sustainable footing in the management of its resources.

INTRODUCTION

ACOR is the peak national industry body for the recycling industry in Australia.

Its overarching mission is to advocate for improved levels of resource efficiency at the national and state levels and represent all businesses in the value chain of resource recovery and recycling. Its core business is to engage with and advise governments on the practical implications of policy and regulation to promote delivery of the business infrastructure necessary to achieve major improvements in the recovery and reapplication of resources, particularly material resources, into the productive economy.

ACOR seeks to support governments and the 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.

With ecological sustainability as the overarching goal, then the legislative and regulatory settings that direct how to deal with 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:

1. 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
2. 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 reuse or recycling within the productive economy, and
3. 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.

BEST PRACTICE SUSTAINABLE RESOURCE MANAGEMENT

It is recognised that the *Waste Reduction and Recycling Bill 2011* (the Bill) does not purport to resolve every detail of the implementation of the Queensland Waste Strategy or the achievement of waste reduction or resource recovery targets and that this will occur within the programs and regulations for which the Bill provides.

ACOR has no serious objection to the broad policy framework given effect through the Bill. However the implementation of the Bill is likely to be hampered to the extent that it does not reflect best practice regulatory design of systems to achieve improved resource efficiency, of which recycling is a key component. Notwithstanding this, the Bill is a good starting point off a low base, facilitating improvement over time.

To drive the transition from linear to cyclical management of products and materials across the economy, the proposed scheme appropriately levies undesired outcomes (disposal to landfill) and applies the revenue (at least in part) as incentives for what is desired, namely, greater resource recovery and recycling. Ideally,

1. Levies should apply uniformly and universally to all waste disposal, (except to community cleanup events and materials for which no recycling option is available e.g. asbestos, genuine residual materials from the recycling process).
2. All revenue from fees should be invested in a targeted set of strategic measures to maximise resource recovery and recycling.

IMPLICATIONS FOR THE BILL

The Bill gives effect to a number of measures that point to the eventual attainment of these goals however it also contains elements that threaten to prevent some goals being fully realised.

Positives

1. For first time in Queensland, the Bill it proposes a levy to provide a disincentive to disposal, with the funds raised from the levy to be directed towards delivering

environmental outcomes including more sustainable management of materials through improved resource recovery and recycling.

2. The Bill recognises there is a non-recyclable portion of materials being processed through any recycling facility. Allowing for a reduced levy by way of
 - a) a resource recovery deduction on materials diverted for reuse and recycling, and
 - b) a levy discount scheme for the residual materials of legitimate recycling processes

is an Australian first, which will help promote new investment in recycling technologies and help position Queensland as a competitive leader in recycling in Australia.

3. The Bill gives a focus to waste avoidance and recycling as priorities over other measures to 'manage' waste resources, recognising that unless measures are taken to move to a more sustainable system for managing material by-products of the economy, Queensland's growing population will face increased economic costs of managing its growing waste stream by conventional means of disposal i.e. landfill.
4. The Bill acknowledges growing community concern for the more effective use of end of life products and materials and the economic loss involved in wasting such resources to landfill
5. The levy will fund an allocation of \$159 million in levy revenue for the *Waste Avoidance and Resource Efficiency (WARE) Fund* for waste-related programs and projects.

Negatives

1. The rate of the primary levy, which is substantially below that applied in some other Australian jurisdictions, may not be adequate to drive the change needed to deliver the waste reduction targets desired and the transition to a sustainable materials economy.
2. 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.
3. A simpler administrative scheme would have been to impose the primary (non-hazardous materials) levy at a flat rate on waste from all sources with the capacity to provide rebates for specific purposes i.e. recycling residues, non-profits etc, especially to promote resource recovery and recycling (natural disaster waste could be dealt with by temporary wholesale suspension of levy and fees).
4. The exemption of Municipal Solid Waste from the levy, in particular, creates an economic environment which will promote;
 - a. little encouragement to Councils to better engage their constituencies in source segregation and improved recycling
 - b. 'leakage' of commercial and industrial materials to which the levy should otherwise apply,
 - c. distort the market for investment in improved technologies.

- d. unnecessary policy and regulatory complexity and its corresponding system costs
 - e. potential fraud in the avoidance of the levy
5. While substantial funding is allocated to *Waste Avoidance and Resource Efficiency (WARE) Fund* for recycling and resource efficiency related programs and projects, substantial revenue raised is to be siphoned off to the \$100 million to broader state government sustainability objectives and \$120 million for a new *Sustainable Future Fund (SFF)* to assist in the delivery of local government waste and environmental programs, rather than resource recovery and recycling. Allowing funding to be siphoned off for use in general 'waste' and environmental programs may ultimately undermine the goals and effectiveness of the Bill if insufficient focus is not given to achieving resource recovery and recycling targets.
 6. ACOR recommends infrastructure funding be non-discriminatory between public and private sector providers.
 7. The Levy could be designated as a Resource Recovery Levy, not a waste levy, thus focussing on the outcome to which the levy is directed, rather than be seen simply as a tax on waste.

Conclusion

ACOR supports the Bill proceeding to a December 1 start date without further delay. The Bill deserved in principle support and has broad industry acceptance as a necessary move towards more sustainable resource use. Queensland and stands ready to assist and advise Government on the formulation of the associated regulations. We look forward to the opportunity to contribute to the enhanced formulation of the Bill in discussions with the Committee of the Parliament in due course.

Yours sincerely



Rod Welford
Chief Executive