



***Senate Inquiry into the Waste and Recycling
Industry in Australia***

LGAQ Submission

Local Government Association of Queensland Ltd

11 October 2017

Submission to the Senate Inquiry into the waste and recycling industry in Australia

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting and representing local councils since 1896, allowing them to improve their operations and strengthen relationships with their communities. The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and delivering them the means to achieve community, professional and political excellence.

1. Executive Summary

The local government sector is a key provider and manager of waste infrastructure in Queensland. Queensland councils operate approximately 450 waste facilities including landfill sites, transfer stations and resource recovery and recycling facilities. These operations represent a significant investment in the provision of waste infrastructure and services by councils and make a substantial contribution to regional economies and the communities they service across Queensland.

The LGAQ acknowledges the Federal Government's commitment to conduct an inquiry into the waste and recycling industry in Australia including issues relating to landfill, markets for recycled waste and the role of the government in providing a coherent approach to the management of solid waste.

The LGAQ supports the identified Terms of Reference (ToR) and provides the following recommendations for consideration by the Senate Inquiry:

Recommendation 1: The LGAQ supports an investigation at a national level into the treatment of organics as a strategy to divert waste from landfill.

Recommendation 2: The LGAQ seeks a commitment that there will be no imposition on councils to fund the remediation of illegal dumping activities.

Recommendation 3: The LGAQ opposes State waste charges levied on the collection of domestic kerbside waste.

Recommendation 4: The LGAQ seeks a commitment that any harmonisation of waste charges levied will be fully returned to local government and the broader resource recovery industry providing incentives for recycling.

Recommendation 5: The LGAQ recommends a national approach to the management of problem waste and supports the coordination and creation of new technologies and markets for problem waste including glass and tyres.

Recommendation 6: The LGAQ does not support a cost shift to local government to address the waste charge differentiation without full cost recovery for councils.

Recommendation 7: The LGAQ recommends the Australian Government investigates the expansion of product stewardship schemes to respond to a range of problem solid wastes across Australia.

2. Introduction

The LGAQ welcomes the opportunity to provide a submission to assist the Senate Inquiry into the waste and recycling industry in Australia including issues relating to landfill, markets for recycled waste and the role of the government in providing a coherent approach to the management of solid waste.

3. LGAQ Policy

The LGAQ's Policy Statement 2016¹ is a definitive statement of the collective voice of local government in Queensland. This statement identifies the position of local government in relation to a number of key issues.

The position of local government as relevant to the waste related matters pertaining to this Inquiry, are as follows:

- 5.4.1 Waste Management Strategy;
- 5.4.2 Toxic and Hazardous Wastes;
- 5.4.3 Domestic Waste Collection;
- 5.4.4 Waste Management and Recycling Levy;
- 5.4.5 Extended Producer Responsibility;
- 5.4.6 Costs of Waste Management;
- 5.4.7 Recycling;
- 5.4.8 Packaging;
- 5.4.9 Landfill Management;
- 5.4.10 Waste Management Authorities;
- 5.4.11 Alternative Waste Technologies; and
- 5.4.12 Container Deposit Legislation.

Further details of the local government policy position are contained in Appendix 1.

4. Response to the Investigation

The LGAQ has consulted with Queensland councils that are actively engaged in a range of waste management and resource recovery activities.

The following comments and recommendations are provided to assist the Senate Inquiry.

4.1 Waste generation and rate of diversion to recycling

Queensland's waste strategy *Queensland Waste Avoidance and Resource Productivity Strategy 2014-2024* provides a framework to manage waste diversion and targets to improve the recycling rates through the reduction of the amount of waste going to landfill.

Unfortunately, the credibility of Queensland's waste strategy appears to be undermined by a range of current activities including the interstate transport of waste and the lack of clear direction and strategies to respond to problem wastes including the treatment of glass and tyres.

Furthermore, the efforts and credibility of local government, who invest significant time, education and resources with their communities in relation to waste management, continues to be impacted by the perception of failing to respond to these challenges.

¹ Available at <http://www.lgaq.asn.au/documents/10136/48c73637-4038-46e1-91a0-535a16e367dd>

4.2 Landfill management

Queensland local government sector is a key provider and manager of waste infrastructure across Queensland and operate approximately 450 waste facilities including landfill sites, transfer stations and resource recovery and recycling facilities. These operations are licensed with the Queensland Department of Environment and Heritage Protection (DEHP) and operate within the conditions of their Environmental Authorities (EA's).

A number of councils that do not own and operate landfill facilities operate transfer stations and utilize landfill facilities in adjacent local government areas or privately-owned landfill facilities appropriately licensed by DEHP.

Landfill airspace is a valuable and limited asset. As is a growing trend in metropolitan areas, more southern Queensland councils will be closing their landfills in the next 5-10 years and relying on private regional landfills. A lack of transparency in landfill capacity will increase the risk from an infrastructure planning perspective, with the potential for growth in demand not matching available capacity.

A significant proportion of local government kerbside waste stream directed to landfill is organic (garden and food) with some councils reporting that this represents approximately half of their waste stream.

In essence, almost half of the kerbside waste stream could be diverted away from landfill and alleviate greenhouse gas emissions. However, policies need to be in place to assist Council to divert this material.

One SEQ council recently purchased the license to use 'Love Food Hate Waste' from the Waste and Resources Action Plan (WRAP) UK. It is understood that this program is currently being used in Victoria and New South Wales, however there has not been a similar approach in Queensland.

Opportunities for a coordinated approach to responding to the diversion of organic waste away from landfill should be investigated further at a national level.

Recommendation 1: The LGAQ supports an investigation at a national level into the treatment of organics as a strategy to divert waste from landfill.

4.3 Illegal landfilling

Local councils have an active role in responding to incidences of illegal dumping, however these incidences are costly to councils as they are investigated on a case by case basis with compliance action taken where appropriate.

The LGAQ has not been advised of any significant systemic incidences of illegal landfilling. It would however be an expectation that these matters would not require a lead response from local government and that such matters be escalated to the state government for investigation and appropriate action.

Recommendation 2: The LGAQ seeks a commitment that there will be no imposition on councils to fund the remediation of illegal dumping activities.

4.4 Landfill levies

The Queensland government introduced a landfill levy (\$35 per tonne) in 2011 and removed it some months later in 2012. There is currently no landfill levy or other instrument in place in Queensland to encourage waste generators to reduce or recover waste.

The interstate transfer of waste from New South Wales into Queensland has recently led to a significant debate around the inequity caused by the waste charge differentiation.

The introduction of a landfill levy in Queensland would have a net cost to councils and the LGAQ opposes the introduction of a State waste levy on the collection of domestic kerbside waste.

Local councils do have a concern that the introduction of a waste levy would increase the risk of illegal dumping activities and associated remediation/clean-up costs.

The introduction of any waste levy in Queensland should directly benefit the resource recovery and waste industry. The need to find sustainable solutions be applied fairly and any funds that are collected should be directed back into the sector to ensure that resource recovery and waste collection options are sustainable in the long term.

Recommendation 3: The LGAQ opposes State waste charges levied on the collection of domestic kerbside waste.

4.5 Incentives for recycling

Funds generated through the introduction of a waste levy should be fully returned to the resource recovery industry providing the confidence to invest in new waste management and recycling infrastructure and technology.

Any harmonisation of waste levies across Australia should only be considered if it directly targets problem waste streams or those where there is potential for considerable gains in terms of recycling.

Recommendation 4: The LGAQ seeks a commitment that any harmonisation of waste charges levied will be fully returned to local government and the broader resource recovery industry providing incentives for recycling.

4.6 Destination/Stockpiling of Recyclables (ie. Glass, tyres etc.)

Queensland councils have made significant investment in waste management services and facilities across Queensland. This commitment includes the provision of kerbside recycling services that are successfully delivered by 33 Queensland councils and services approximately 86% of the Queensland population.

The introduction of a Container Refund Scheme (CRS) in Queensland on 1 July 2018 will provide significant resource recovery opportunities and challenges across the State.

In particular, CRS glass collected through a container refund point is not subject to compaction making it capable of being sorted and as such a more valuable commodity.

However, comingled glass collected outside South East Queensland (SEQ) through a local government kerbside collection would have greater transport costs and would be least desirable compared with CRS and SEQ glass.

Stockpiling of tyres is a national issue and requires further investigation into a range of new technologies to address this significant concern.

A number of Queensland councils have struggled to find sustainable solutions to this ongoing problem.

Recommendation 5: The LGAQ recommends a national approach to the management of problem waste and supports the coordination and creation of new technologies and markets for problem waste including glass and tyres.

4.7 Economic condition for recyclables

Local governments continue to work in partnership with their Material Recovery Facility (MRF) operators to source new and alternate recyclable markets to ensure that the resource recovery programs are not contingent on the current commodity markets.

The volatility of markets do influence the viability of resource recovery operations and will often dictate the destination of recyclables.

4.8 Cross border transport of waste

The interstate transport of waste is primarily an economic matter as it is currently more economically viable to transport waste long distances interstate due to the existence of a waste levy in NSW.

The combination of the failure of the NSW State Government to enforce the proximity principle and the removal of the waste levy in Queensland in 2012 have removed any significant barriers for the NSW waste industry to transport waste to privately owned landfills in SEQ.

NSW waste disposal fees incorporate both a waste levy (\$138.10/tonne in metropolitan areas) and gate fees as part of an overall landfill waste disposal charge. These amount to combined charges of between \$250-\$350/tonne for the disposal of waste.

Queensland councils charge waste disposal fees, collected as gate fees at council owned landfill sites. These charges vary considerably in southern Queensland councils broadly ranging from approximately \$90-\$200/tonne.

The City of Gold Coast (CoGC) Council has recently addressed concerns about the transportation of a significant quantity of waste from northern NSW, brought about by the discrepancy in waste disposal charges with NSW. In 2017/18, the CoGC increased their waste disposal charges for waste originating from outside city limits to \$200/tonne. This has now stemmed the flow of interstate waste to the Gold Coast, however this has only displaced the transport of waste to other SEQ landfill sites outside their own local government jurisdiction.

A mandatory increase in gate fees for council landfill operations in southern Queensland is not supported. Many smaller council facilities do not have weighbridges, are unsupervised and not secured. These facilities would require significant upfront and ongoing financial support from government to implement any strategies to address waste charge differentiation between local and non-locally generated waste and/or domestic and commercial waste. Any subsequent cost shift to local ratepayers would not be supported.

Waste should not be transported unnecessarily long distances and all tiers of government should assist local communities to manage their waste as close as practicable to its place of generation and should clearly support the principles of the waste management hierarchy.

In addition, some councils do not have council owned and operated landfills within their local government area and rely upon privately owned and/or external landfills for its waste.

Recommendation 6: The LGAQ does not support a cost shift to local government to address the waste charge differentiation without full cost recovery for councils funded by the State Government.

4.9 Role of Australian Government

The Australian Government could provide significant leadership with the management of solid waste, in particular coordinating the introduction or expansion of a range of product stewardship schemes.

These schemes have already seen some success in managing end of life of televisions and computers, mobile phones, paint and several other products.

The LGAQ would support the introduction of a range of product stewardship schemes for the following products:

- mattresses;
- handheld batteries;
- whitegoods/air conditioners;
- smaller electronics such as microwaves, hi-fi systems, etc, that are not currently covered under the television and computers scheme;
- photo voltaic (PV) systems – with increasing numbers of households taking up solar power, the PV panels are an increasing waste stream with no current recovery options; and
- commercial and household furniture.

Recommendation 7: The LGAQ recommends the Australian Government investigate the expansion of product stewardship schemes to respond to a range of problem solid wastes across Australia.

Should you require further assistance in relation to this matter please do not hesitate to call Robert Ferguson, LGAQ - Senior Advisor – Environmental and Public Health on _____ or via email at _____

Appendix 1

Local Government Association of Queensland Policy Statement 2016

5.4.1 Waste Management Strategy

5.4.1.1 Local government supports the development and implementation of a comprehensive Waste Avoidance and Resource Productivity Strategy for Queensland.

5.4.1.2 Local government supports the development and implementation of a comprehensive strategy for the development of the waste and secondary resource industry that is complementary and integrated with the Waste Avoidance and Resource Productivity Strategy for Queensland.

5.4.1.3 Local government supports enhanced data collection in waste management to enable comprehensive waste analysis, policy setting and performance management.

5.4.1.4 Goals and targets should be jointly developed between the State and local government to provide direction and enable outcomes to be measured. Improved measurement against goals and targets will enable better monitoring of policy and strategy to ensure continuous improvement.

5.4.1.5 Local government supports education and awareness campaigns being developed to focus on 'selling' waste minimisation and recycling to the community and small to medium-sized enterprises.

5.4.2 Toxic and Hazardous Wastes

5.4.2.1 As a matter of priority, the State Government should play an active role in the establishment of regional hazardous waste management and treatment facilities in Queensland.

5.4.2.2 Local government supports the continued use of a practical, effective system to track wastes of environmental concern which will ensure the disposal of those wastes in an environmentally appropriate manner. The system must provide for increased waste producer responsibility and accountability, but not place additional administrative demands on local government without adequate compensation.

5.4.3 Domestic Waste Collection

5.4.3.1 Domestic waste should be collected and treated in an effective manner which minimises the impact on community health and the environment.

5.4.4 Waste Management and Recycling Levy

5.4.4.1 The imposition of a State waste levy on the collection of domestic kerbside waste is opposed by local government.

5.4.4.2 A waste levy should only be considered if it:

- a) Directly targets problem waste streams or those where there is potential for considerable gains in terms of recycling; or
- b) Provides industry with the confidence to invest in new waste management and recycling infrastructure and technology knowing that there will be consistent application of principles and standards.

5.4.4.3 Funds raised through the introduction of a waste levy should be fully returned to waste related activities.

5.4.5 Extended Producer Responsibility

5.4.5.1 Local government strongly supports the principle and introduction of Extended Producer Responsibility.

5.4.5.2 The State and Federal Governments should establish the necessary policy and legislative frameworks for the effective implementation of Extended Producer Responsibility.

5.4.6 Costs of Waste Management

5.4.6.1 The principles of 'user pays' and 'polluter pays' should be applied where possible in addressing the issue of charging for waste management services.

5.4.6.2 The State Government should provide adequate resources for waste management to enable councils to achieve associated legislative and community standards.

5.4.6.3 Local government acknowledges the benefits of Life Cycle Accounting in identifying the true costs associated with waste management and will endeavour to implement it where practicable.

5.4.6.4 Local government recognises that the cost of waste management in rural, remote and indigenous communities is substantial. Special resourcing and support is required for these councils to assist them to move as close as possible to best practice waste management having regard to their particular circumstances and needs.

5.4.7 Recycling

5.4.7.1 Local government is strongly committed to the introduction of economically, environmentally and socially sustainable recycling schemes.

5.4.7.2 Local government supports the removal of regulatory barriers which unnecessarily restrict the wide implementation of economically, environmentally and socially sustainable recycling schemes.

5.4.7.3 Local government strongly supports the principle of the integration of waste management from 'cradle to grave', especially with a focus on those waste minimisation options at the top of the waste management hierarchy: waste avoidance and reduction, and materials re-use and recycling.

5.4.7.4 Local government supports the development of expanded markets for recyclables through influencing government policy and committing to promoting and marketing recycled products.

5.4.8 Packaging

5.4.8.1 The reduction of excess packaging and introduction of recyclable packaging materials and processes is strongly encouraged by local government.

5.4.8.2 Local government supports the Australian Packaging Covenant and encourages the State Government to continue to support the Covenant with appropriate funding commitments and legislative support.

5.4.9 Landfill Management

5.4.9.1 The development of landfill licence conditions and standards should involve genuine consultation with local governments.

5.4.9.2 The implementation of higher standards of landfill management should be phased in over time to allow for long term financial planning.

5.4.9.3 A 'one size fits all' approach to landfill licensing is inappropriate. Appropriate regulations to drive improved waste management outcomes and consumer behaviour should be developed in recognition of the diverse needs and circumstances of Queensland communities.

5.4.9.4 For regulations to be effective there must be public recognition that they are realistic, relevant, appropriate to the circumstances, achievable and able to be implemented by the responsible agencies.

5.4.9.5 Planning for the provision of landfill sites and the location for alternative waste technology facilities requires greater priority in regional planning processes including the need for appropriate zoning, buffering and transport networks for both new and existing sites.

5.4.10 Waste Management Authorities

5.4.10.1 The establishment of statutory regional waste management authorities is opposed by local government.

5.4.11 Alternate Waste Technologies

5.4.11.1 Research into and incentives for alternate waste technologies should be included in the development of the Waste Avoidance and Resource Productivity Strategy for Queensland as an alternative to landfill disposal where socially, environmentally and economically viable.

5.4.11.2 Federal and State Governments assistance in the form of subsidies or grants may need to be considered if local governments are to be encouraged to utilise these options, where appropriate, in lieu of traditional landfill operations.

5.4.12 Container Deposit Legislation

5.4.12.1 Local government will only support the introduction of Container Deposit Legislation (CDL) subject to:

- There being no negative financial impact on individual council waste and recycling operations and/or current contractual arrangements,
- There being full consultation and agreement with local governments in relation to the location and installation of container collection infrastructure,
- Councils and council contractors not being excluded from claiming the container deposit refund on eligible containers collected through kerbside or other recycling collection arrangements, and
- Councils not being directed by the State Government but retaining the right to determine whether or not they establish and operate container collection centres.