

Queensland Waste Reform Levy on Industrial Waste Disposal



The introduction of a State Government levy on industrial waste disposal will be effective from 1 December 2011, as required by the upcoming Waste Reduction and Recycling Act and Regulation.

Progress Update

As part of the waste legislation overhaul being coordinated by the Department of Environment and Resource Management (DERM), a levy on the final disposal of industrial waste to landfill will be introduced. The Waste Reduction and Recycling Bill 2011 was introduced to Queensland parliament on 3 August 2011 by Minister for Environment, the Hon. Vicky Darling.

Ai Group has provided input throughout the consultation process, and our latest comments on the draft Waste Reduction and Recycling Regulation have highlighted that significant concerns remain outstanding; particularly with regards to fees, exemption applications, residue waste discounts or requirements associated with waste reduction and recycling plans. This lack of certainty in relation to matters directly impacting business expenditure is particularly troubling for industry on the verge of the waste levy introduction.

Where does the levy apply?

The levy will apply in 34 local government areas, covering around 99% of Queensland's population and including:

- all councils in South East Queensland
- Townsville and Mount Isa city councils
- Cairns, Tablelands, Mackay, Rockhampton, Bundaberg, Fraser Coast, Gympie, Central Highlands, North Burnett and Western Downs regional councils.
- Waste generated within the levy zone will be levyable even if disposed of outside the levy zone.

What types of waste are covered?

The levy on industrial waste disposal applies to specific categories of solid waste as listed in Table 1. Trade waste or solid waste sent away for recycling or reuse will not be levied. The levy rates which will apply to categories of waste are also detailed in Table 1. For further information on regulated waste and hazard level definitions, please contact Ai Group.

Particular types of waste will be levy exempt, such as asbestos, and a discounted levy rate will also be available for residue waste from recycling activities in the first years of levy operation. **Information on exempt wastes and discounted rate is provided overleaf.**

TABLE 1: PROPOSED INDUSTRY WASTE LEVY.

| WASTE STREAM | DISPOSAL LEVY AMOUNT |
|---|----------------------|
| Commercial and Industrial waste (C&I) | \$35 per tonne |
| Construction and Demolition waste (C&D) | \$35 per tonne |
| Contaminated and acid sulphate soils | \$35 per tonne |
| Lower hazard regulated waste | \$50 per tonne |
| Higher hazard regulated waste | \$150 per tonne |
| Municipal waste | \$0 |

How will the levy be charged to waste generators?

The levy on industrial waste disposal is a charge on landfill operators for each tonne of commercial and industrial waste or construction and demolition waste that is added to landfill. Each landfill operator will be responsible for paying the levy.

How the landfill operator recovers the costs will be their decision. In the most likely scenario, landfill operators may raise their gate fee for waste disposal to cover the cost of the levy. This increased gate fee would be paid by the person delivering the waste, such as a waste contractor, who, in turn, would increase the cost of waste collection for businesses.

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What types of waste could be exempt from the levy?

Levy exempt waste will include:

- disaster management waste; or
- lawfully managed and transported asbestos; or
- contaminated soil with specific conditions, as defined in the current Bill and draft Regulation; or
- dredge spoil; or
- waste collected as part of littering or illegal dumping enforcement activities.

Other types of waste may be exempted from the waste levy by application. The following categories of waste will be levied until an application for exemption is lodged and approved by the Department:

- waste that has been donated to a charity but that cannot practicably be re-used, recycled or sold;
- waste collected during an organised 'clean up' event;
- some contaminated soil;
- waste to be used at a levyable waste disposal site for progressive capping, batter construction, final capping, profiling and site rehabilitation; or
- biosecurity waste.

Other particular types of waste could be declared to be exempt waste at any time by Government.

Can I apply for a discounted levy rate?

A person who conducts a recycling activity may make an application asking the Department to approve a discounted levy rate for a specific residue waste. A residue waste is the waste from a recycling activity that is disposed of to landfill after the recoverable components have been removed.

Criteria for approval will include the applicant meeting a residue waste efficiency threshold requirement. These discounted rates will be granted for a maximum period of 1 year and will not apply after 30 June 2014. The discounted levy rate has not yet been determined, although it is proposed to be 50% of the C&D levy rate'

What Help is Available?

Ai Group has been extensively engaged in all aspects of the waste reform process, and will continue working with the Queensland Government to guide the extent and nature of assistance provided to industry.

Funding opportunities to support business waste avoidance and recycling activities will become available prior to levy introduction and further programs will be rolled out in early 2012. Early assistance programs will most likely target SMEs and include:

- A rebate program [targeting Queensland SMEs] offsetting servicing costs associated with the introduction of new recycling services.
- A partial refund against the purchase of items such as mobile garbage bins, bulk containers up to 1,100 litres, internal bins, boxes and signage to help implement internal source separation systems within the workplace. Businesses will be required to complete a waste management plan and survey before receiving the rebate.

Government funds available for all businesses regardless of size, and targeting specific areas such as R&D or hazardous waste, will be rolled out at a later date. Ai Group will keep all members regularly updated with details of funding programs as these become available.

For further information please contact:

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Need assistance with your waste management practices?

Call Ai Group's energy and sustainable business help desk on 1300 733 752 or email: sustainablebusiness@aigroup.asn.au.