

## Waste Levy Impacts on Councils

**Qld Plan Foundation:** Environment, Infrastructure and Governance

**State Electorate:** Cairns / Barron River / Mulgrave / Cook / Hill / Traeger / Hinchinbrook

**Federal Electorate:** Leichhardt / Kennedy

**Council:** ALL FNQROC Councils

### Priority Recommendation

FNQROC seeks the Queensland Government to support amendments to the Waste Levy zoning in relation to rural/remote communities, amendments to lead-in planning times and the implementation of a fixed term transport equalization subsidy.

### Project Overview

The proposed introduction of the Waste Levy has caused some concerns for member councils:

1. It is noted that the State has said "no direct household impact" however there will be indirect impacts on households. Some examples:
  - a. council works on roads, buildings, footpaths;
  - b. Disposal of materials associated with the above, and ongoing replacement of council infrastructure

These activities will produce C&I and non-exempt MSW which will be levied at \$70/tonne; this cost will be directly borne by householders.

Based on 2014/15 data:

- C&I for the FNQROC region was 62,000 tonnes

This equates to \$4.34m for C&I which will have to be funded by the householder.

2. An increase of \$5/year is approximately a 7.14% increase annually. This is more than triple the CPI for the last 3 years.
3. There is a lack of regional reprocessing ability in the region. The nearest major recyclable reprocessing centres are located in South East Queensland (1200 – 1700km) from the nodal centre (Cairns) for FNQ. This makes it uneconomical for the region to transport materials to these recycling markets.
4. Those councils who have not been proactive are essentially being incentivised with a 5% additional payment to continue this behaviour. Those councils who have been proactive and invested heavily in reduction of waste to landfill are essentially penalized. It is noted that Cairns Regional Council have been given an exemption from waste residue from the Bedminster plant until 30 June 2026 and they have also been given exemption for feedstock.
5. A key premise of the level is to drive culture change away from the disposal of waste into landfill; information from all States is that the levy increased the levels of illegally dumped material. This is of great concern to member councils; the cost of clean-up and impact on our unique environment
6. Given the level of uncertainty around the discussion paper, implementation of the levy in the 1<sup>st</sup> quarter of 2019 does not give councils time to plan and implement strategies to manage this cost impact (operational changes and indirect costs to households).

## Waste Levy Impacts on Councils (Cont)

7. It is understood, the intent is to close smaller landfill sites (with the introduction of infrastructure that will make it unaffordable), there is a rather large financial impact of this in areas such as Mareeba Shire Council and Tablelands Regional council. Small rural remote sites such as Almaden, Dimbulah, Mutchilba, Irvinebank, Mt Carbine, Julatten, Mt Molloy should be excluded from the Waste Levy Zone due to their remote locations. This waste in Mareeba Shire is transported at considerable expense to the leviable zone for diversion of treatable waste to the AWT. The portion that is diverted should be included in the advance annual calculation so that we are not disadvantaged for already diverting.
8. Certain remote areas need to be exempt from the levy e.g. north of the Daintree River in Douglas Shire. This area cannot attract a commercial collection and premises self-haul to a transfer station, in some cases over an hour round trip. The transfer station is already heavily subsidised (approximately \$225,000) by Council to manage waste in this area. Further costs will be a burden on marginal businesses or will directly impact ratepayers. In addition further costs will extinguish any hope of commercial collections being available in this area.

It is proposed:

- a. A fixed term transport equalisation subsidy be implemented for those Councils who are recycling to make it more equitable for councils to transport these materials to market.
- b. Appropriate/Adequate lead in times for Councils to allow planning and implementation based on final legislation and regulation. Current timelines mean councils are acting on assumptions which have not been legislated.
- c. Levy zones are not based on local government areas where councils have rural/remote communities.
- d. FNQROC strongly supports the hypothecation of 100% of the levy revenue back into the recycling and waste industry.

### Key Strategic Drivers

<b>Economic</b>	Reduced levels of illegal dumping and subsequent costs and environmental impact. Ongoing incentives for councils to be proactive and invest in strategies to reduce waste to landfill.
<b>Social Enterprise</b>	Stabilization of rates with no direct household impact in the FNQ region.
<b>Employment</b>	Opportunities to attract commercial collections to service rural/remote communities.
<b>Tourism</b>	N/A