

16 March 2021

Waste and Resource Recovery Bill  
Policy and Business Branch  
DPIPWE

By email: [wis.enquiries@dpipwe.tas.gov.au](mailto:wis.enquiries@dpipwe.tas.gov.au)

To whom it may concern

**Waste and Resource Recovery Bill 2021**

Thank you for providing the Local Government Association of Tasmania (LGAT) with an opportunity to make a submission on the draft *Waste and Resource Recovery Bill 2021* (the Bill) and Explanatory Paper. LGAT provided the material to its member councils for comment.

LGAT is incorporated under the *Local Government Act 1993* and is the representative body and advocate for Local Government in Tasmania. LGATs functions are:

- (a) To protect and represent the interests and rights of councils in Tasmania;
- (b) To promote an efficient and effective system of local government in Tasmania;  
and
- (c) To provide services to member councils, councillors and employees of councils.

The State Government released a draft Waste Action Plan (WAP) in 2019 aimed at providing a framework to address waste and resource recovery challenges in Tasmania. LGAT provided a response to the Government on the draft WAP shortly after its release.

Two of the key actions in the draft WAP were implementation of a Waste Levy by 2021 and a Container Refund Scheme by 2022. LGAT is supportive of both actions, after lobbying the State for many years for policy action on each of these important actions.

Local Government welcomes the release of the draft *Waste and Resource Recovery Bill 2021* and Explanatory Paper for a waste levy and related matters. The introduction of a waste levy provides a significant opportunity to reduce waste to landfill and increase

resource recovery in Tasmania, if done right. However, at the moment, Local Government have some significant concerns. The following section provides the key areas requiring resolution, with Attachment 1 containing additional specific comments for your consideration.

We propose the levy apply to Local Government from July 2022 to align with council budget cycles and annual rates notices and allow the missing details to be resolved. Further information is provided below, along with our other concerns, including the regional distribution of funds and need for appropriate dispensation for the remote councils.

### **Insufficient Time**

Local Government has been advocating for a statewide waste levy for some time. This reform is commended, as it will result in a reduction in waste generation and increase resource recovery. However, these outcomes risk being compromised if its implementation is rushed.

Of particular concern, is the suggestion that the levy will commence in November 2021, which simply does not provide sufficient lead time to allow the market to respond and transition to the new regulatory environment.

Councils, at present, are developing their 2021/22 budgets and will have issued their rates notices prior to the Bill and regulations passing Parliament. They cannot accurately account for the impact of the levy in their estimates as a lot of the detail is yet to be prescribed. These details will be resolved through regulations once the Bill has been enacted. Councils, until then, will have limited information to make important budget decisions on. It is important to note that this issue does not just apply to municipal kerbside waste. Many routine, but significant, council activities generate waste that will attract the levy. Activities like public litter bin collection and disposal, street sweeping and collection and disposal of material from gross pollutant traps. In some cases, the application of a \$20 per tonne levy will add tens of thousands of dollars per annum to council costs across these activities. However, the precise levy amount and details will not be confirmed until long after councils have finalized their budgets and issued rates notices.

Insufficient time has proven problematic for initiatives introduced in other jurisdictions. New South Wales, for example, introduced a Container Refund Scheme (CRS) without giving network operators adequate time to establish the administration and other systems needed to reduce disruption and deliver a high-quality service to the public.

Waste levies, like CRS programs, are complex initiatives for managing waste which require a reasonable amount of consideration and time for councils and others to prepare and implement. It has taken years for New South Wales to recover from the rushed implementation of its CRS, we do not want this outcome for the waste levy in Tasmania.

Taking a staged approach to implementation will allow Local Government to plan and budget for the changes and ensure the fundamentals are in place so the levy can operate smoothly. A commencement date for councils of July 2022 is sought, as this will enable alignment of the introduction of the levy with financial year commencement as well as time to prepare for implementation.

*The levy will be one of the biggest initiatives in Tasmania's history to divert waste from landfill into resource recovery activities – let's not rush it.*

### **Levy Monies and Regional Split**

Local Government is strongly in favour of a statewide waste levy which is fully hypothecated to fund a range of waste management and resource recovery services and projects, with administration costs limited or capped. This will ensure resources are applied to supporting industry, councils, and the community in developing markets for recycled product and improving resource recovery.

The Explanatory Paper details indicative funding sources for the levy collected, being administration of the Board, EPA regulation, compliance, payments to regional waste groups and a dedicated Waste Fund. These are indicative only, with councils seeking a significant portion to be directed to the latter two segments.

Initial advice is that the State will provide the regional waste groups with funds from the levy revenue equivalent to what they were previously recovering, or in the case of the southern region (currently not applying a levy), equivalent to what they are expending on regional waste programs.

It is essential that councils be reimbursed for their investment in regional waste initiatives. However, the proposed model for disbursement of funds will disadvantage two out of the three regions in Tasmania. As such, councils are strongly of the view that there should be equitable regional distribution of the statewide waste levy. This should be on either a population or waste tonnage basis and not simply on the historical regional levy rates.

### **Remote Community Levy Structure**

There needs to be a mechanism for managing the unique challenges for remote communities and the councils that serve them, namely King Island, Flinders and West Coast Councils. The current Bill fails to recognise the relative capacity of remote areas to divert waste to recycling as a result of the lack of waste recovery infrastructure and distances (including higher transportation costs). At the moment, the Bill imposes a significant additional cost to these communities where there is little that they can do reduce their waste to landfill with limited or very costly access to recovery and recycling facilities. These same communities are likely to find it very difficult to access levy funding to support local solutions on the basis of their small population base.

Feedback received from the directly impacted councils suggested the following be considered:

- The statewide levy should not apply to the two Bass Straight councils, but rather a more specific and locally relevant mechanism should be developed;
- Where a levy is applied, the waste levy collected from remote communities should be returned back to the same remote communities for local initiatives;
- Access to funding should not operate as competitive grants, as this will disadvantage smaller organisations and remote communities;
- Money returned to remote communities through the regional allocation must be maximised in recognition of the above; and
- Funding returned should be able to be utilised for both operational costs (e.g. collection, sorting and transport) and capital projects.

LGAT agrees that the circumstances in these locations is very unique and that greater thought needs to be put into dealing with this, whether through remittances of the levy, exemption from the levy for these communities and/or targeted funding to support resource recovery. However, the levy cannot stay as proposed for these communities as it will have a dramatic and unreasonable impact on their residents.

## **Enforcement and Compliance**

In other states, the introduction of, or any significant increase in, a waste levy has generally been the precursor to an escalation in illegal dumping and stockpiling activities. To mitigate this risk (or address unintended consequences) and support the effectiveness of regulation, a range of targeted monitoring and enforcement controls/programs will need to be implemented. One council, for example, suggested a waste levy compliance management plan be developed by the Government. It was also suggested that the Government investigate the benefits of establishing Regional Illegal Dumping programs.

Appropriate resourcing will be required to be both responsive and proactive in engaging with industry and the community on these matters. The rollout of a fit-for-purpose education program, with target audiences ranging from waste producers to waste and recycling facility operators, is necessary to improve regulation and compliance awareness. Such a program, including work to support industry in being ready for the levy, needs to commence now to allow for a November start date.

## **Communications**

Clear and consistent messaging is also needed to support community understanding and readiness for the waste levy. This messaging should be developed by State Government, with support from Local Government.

Community members, for example, will not have knowledge of the Bill, its intended benefits or any other matter that may help them come to terms with cost increases without a detailed communications and media strategy.

The Government recently announced its preferred model for a Container Refund Scheme in the absence of supporting information and a clear rationale for its decision. This lack of clear and consistent messaging provoked unnecessary debate and allowed misinformation to spread. This should be avoided with the introduction of the waste levy, with a plan requiring both time and resources to be developed and implemented as soon as possible.

## **Concluding Comments**

Implementation of a statewide waste levy is strongly supported by the Local Government sector as a lever to reduce waste to landfill and increase resource recovery. This support is on the basis that funding collected through the imposition of the levy be fully re-invested for use in waste minimization and resource recovery (a full hypothecation model). It should not be absorbed into State Government general revenue or used to fund ongoing policy functions.

The proposed levy pricing structure provides clear projections which is important in providing industry with certainty and for informing investment decision making. It is also appropriate that the levy gradually increase over time until the desired level is reached to allow businesses and councils to prepare whilst also limiting price shock effects.

However, in order for the introduction of the levy to be least disruptive, more time is needed now and in the initial stages of implementation. To align the levy with council budget cycles and annual rates notices, as well as allow missing details to be resolved, we request that implementation for Local Government be pushed out until July 2022, especially in relation to kerbside collection of waste to landfill.

We appreciate the opportunity to provide a submission on the draft *Waste and Resource Recovery Bill 2021* and Explanatory Paper. If you have any further questions in relation to this submission please contact Dion Lester, CEO, Local Government Association on 6146 3742 or [Dion.Lester@lgat.tas.gov.au](mailto:Dion.Lester@lgat.tas.gov.au)

Yours sincerely



Dion Lester  
**Chief Executive Officer**

## Attachment 1

### Additional Comments for Consideration

Topic	Comment
Levy Rate	<p><b>Rate</b> – The rate of the waste levy is proposed to commence at \$20 per tonne, increasing to \$60 per tonne over a 4-year timeframe.</p> <p>A number of councils sought that consideration be given to the implementation of the levy at an initial rate of \$20 per tonne, increasing annually by \$10 per tonne (to a maximum of \$60 per tonne) rather than a \$20 increase every second year, as currently proposed.</p> <p><b>GST/CPI</b> – One council noted that no GST is applied to their voluntary levy under a grandfather clause and is wanting to know if GST will be applied to the state levy. Another commented that the Bill does not mention application of CPI.</p>
Resource Recovery Rebate	<p>The rebate amount is set at the current levy rate so will increase as the levy increases. The Bill does not detail a mechanism and/or process to avoid landfill operators stockpiling recoverable materials which can later be rebated at a higher cost.</p>
Materials and Exemptions	<p><b>Illegally Discarded Waste</b> – One council suggested there will be difficulty in administering an exemption to the waste levy for these transactions given the quantities will be transported to landfill in bulk storage along with other non-exempt waste. It was recommended that the practicality of this be considered in forming the regulations, including the possibility for transfer station</p>

	<p>operators to seek a rebate directly from the Board.</p> <p><b>Operative/Engineering Materials</b> – In landfill is not included in the Bill options. This area of concern requires addressing.</p> <p><b>Clean fill</b> – It was suggested by one council that no levy be applied to clean fill. That particular council does not charge for clean fill as they use it for site cover.</p>
FOGO	<p>A number of councils are eager to implement a food organics and garden organics kerbside collection service to support reducing waste sent to landfill.</p> <p>One council described needing to defer the introduction of this service as a result of COVID-19. This particular council noted they will likely defer timing of the service further given the cumulative cost impact of a levy and new collection service.</p> <p>It has been suggested that consideration be given to subsidisation of new kerbside FOGO services with the waste levy funding as a means to address the cost impact felt by ratepayers and jointly enable achievement of the <i>Waste and Resource Recovery Bill 2021</i> purpose.</p>
Charitable Organisations	<p>We acknowledge that charitable organisations face considerable waste disposal costs due to dumping of rubbish at collection sites and that this is likely to get worse as a result of the levy. However, more needs to be done to support these organisations with improved resource recovery. We therefore support the proposed assistance program to ameliorate the costs of the levy for charitable recyclers whilst encouraging and assisting them to reduce their</p>



	waste and to divert as much as possible from landfill.
Obligations of Landfill Operators	<p>The Explanatory Paper states that the regulations will prescribe that facilities should have a weighbridge to quantify the waste that enters or is removed from the facility. While accuracy of data is important, a number of small council facilities do not currently have this infrastructure. It is suggested that the Government provide financial support to councils needing to install weighbridges as a result of the regulations. This could include via grant funding or a debt-funded arrangement, supported by the State Government, to be paid back through levy revenues as they progressively accrue.</p> <p>It has been requested that the Government provide more information to operators on being able to account for waste exempt from the levy without a weighbridge. This might be through a standard formula to apply the levy based on volumetric surveys – for example, in Western Australia, <math>Levy = (V \times R) - E - S</math> (where V is the number of cubic meters of waste disposed to landfill, R is the rate of the levy, E is the volume of exempt waste, and S is the cost of survey excluding GST. It has also been requested that the Government provide their guidelines for converting volume to weight as soon as possible, to assist with fee scheduling and budgeting.</p> <p>Reporting wise, it was suggested that a template checklist be developed in addition to the return form approved by the EPA to assist councils in meeting their reporting obligations.</p>

Waste and Resource Recovery Board	<p>It is critical that appropriate people be appointed to the Board given it will be making significant decisions around future waste and resource recovery. This will require some thought and negotiation on the roles of regional and state bodies and how they best work together to achieve their objectives, including consideration to ensure appropriate representation from the relevant regional areas within the State.</p> <p>Local Government is the principal waste management and resource recovery provider in the State, particularly through kerbside collection, so need to be adequately represented by the Board. It must not be dominated by the presence and interests of industry players.</p>
Other	<p><b>Clause 11</b> – Query whether the clause can say "chairperson" rather than "chairman"</p> <p><b>Bioenergy</b> – One council questioned the validity of bioenergy as an acceptable treatment of waste.</p> <p><b>Local industries and markets</b> – It is essential that funds be dedicated to establishing local industries and markets for diverted resources, where they do not already exist. One council, for example, suggested the development of a statewide organics strategy as important.</p>