



3 February 2011

The Hon Kate Jones MP
Minister for Climate Change and Sustainability
PO Box 15155
City East QLD 4002

Dear Minister *Kate*

Re: Commercial Waste Levy Commencement Date

Virtually all of Queensland has now been adversely affected by the recent flood and cyclone events. While these natural disasters have had a devastating effect on households and communities, the severe consequences for business, employment and the broader state economy is of equal concern.

All businesses across affected areas have been impacted in some way. Accordingly the Chamber of Commerce and Industry Queensland (CCIQ) believes the commencement date for the Commercial Waste Levy should be deferred.

CCIQ has undertaken extensive research into the impact of the Queensland floods on businesses in the affected areas. Many of these findings will have equal relevance to those businesses that were damaged from Cyclone Yasi particularly in respect to the assistance vitally needed. Key findings include:

- One in five businesses in flood affected areas had to close as a result of full or partial water inundation, loss of power or cut off from their business.
- The average number of days business were forced to close was eight (median of 4 days).
- The average anticipated number of days before their business returns to normal operations is 31 days (median of 10 days).
- The loss to property including plant and equipment, stock, buildings and motor vehicles to those businesses directly affected by the floods was on average \$589,000 (median of \$40,000).
- Business directly affected by the floods on average expect to lose in total \$908,000 or approximately 11% of their annual turnover (median was \$50,000 or 7% of annual turnover).
- Unfortunately most businesses are currently unsure what their insurance covers them for with many businesses reporting difficulty in getting clear positions on where they stand.
- Many businesses have also been indirectly impacted by the floods through affected customers, affected suppliers, through employee inability to attend work or through loss of appeal of Queensland as a tourism destination. These businesses are additionally losing significant income causing serious hardship.
- Unsurprisingly 22% of all businesses within Queensland have indicated that the floods have had a major to critical impact on their businesses' viability with the very real threat of job losses.

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The significant costs associated with these events will impair the immediate and long term cash flow for all businesses across the state and affect their ability to meet ongoing business expenses, including debt obligations and government taxes, fees and charges. Accordingly Queensland businesses will require significant financial assistance and compassion to recover from the flood damage and to remain viable over the coming six to twelve months.

In the interests of Queensland's economic recovery and the many businesses affected by the flood disaster I encourage the State Government to seriously consider delaying the introduction of the Commercial Waste Levy for 12 months. At a minimum, the State Government should apply an exemption to those businesses directly affected by these natural disaster events.

Given that the focus of Queensland business community between now and the intended levy commencement date will be on rebuilding and recovery, businesses will not have the available resources to become levy ready. The imposition of the levy as an additional business cost will further impact their already strained bottom line.

CCIQ has worked closely with your Office and the Department over the past 12 months throughout the development of the waste strategy and commercial waste levy. The Chamber remains committed to the Queensland Government's efforts to reduce Queensland's waste and landfill, however we encourage the State Government to support the business community during these tough times with a temporary deferral of the Commercial Waste Levy commencement date.

Yours sincerely



Nick Behrens
General Manager, Policy
Chamber of Commerce and Industry Queensland