



Chamber of Commerce
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2 September 2011

Environment, Agriculture, Resources and Energy Committee
Parliament House
Corner George and Alice Streets
BRISBANE QLD 4000

Dear Committee Members

On behalf of the Queensland business community, the Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide this submission to the Environment, Agriculture, Resources and Energy Committee (EAREC) on the Waste Reduction and Recycling Bill 2011.

While Queensland businesses are supportive of the aim to reduce waste and increase the re-use and recycling of resources, they are strongly opposed to the introduction of the Commercial Waste levy. CCIQ has to this point offered in principle support to the waste reform agenda and been working closely with the Department of Environment and Resource Management (DERM) throughout the development of the package of reforms. However a number of issues have remained unresolved and new issues recently emerged in the context of the announced carbon pricing mechanism by the Federal Government. Accordingly CCIQ does not currently support the passage of the Waste Reduction and Recycling Bill.

The key issues with the Waste Reduction and Recycling Bill for CCIQ are summarised below and are provided in addition to copies of CCIQs submissions and correspondence to previous consultation processes undertaken during the development of the Queensland Waste Strategy (refer enclosed).

1. The waste levy will threaten business viability in Queensland
 - Due to ongoing depressed economic conditions in Queensland (refer to enclosed copy of June Quarter Commonwealth Bank CCIQ Pulse Survey of Business Conditions), many businesses do not have the financial capacity to absorb additional waste costs nor do they have the resources to investigate and make changes to their waste practices and systems. With minimal likelihood of being able to pass costs onto customers at present the additional cost will significantly affect the profitability and viability of many Queensland businesses.

- The financial impact of the waste levy will be particularly significant for those businesses unable to make changes to their waste practices over the short to medium term. This will be the case for businesses located outside of South-East Queensland where mature waste markets and opportunities for recycling and reuse are limited. CCIQ is not convinced that the introduction of the waste levy will provide any immediate incentive for the waste industry to expand into regional Queensland as has been argued by the Minister for Environment and DERM.
 - DERM cost benefit analysis and regulatory impact assessment processes, have not accurately reflected the full cost pass through to the business community. Advice received from the waste industry suggests that additional administrative and reporting costs will be passed through to waste customers and could represent up to an additional 20% to 30% cost increase (in addition to the per tonne waste levy cost) on current waste costs for Queensland businesses.
 - The starting price of \$35 per tonne for C&I and C&D and \$50-\$150 per tonne for hazardous waste categories is considered too high a starting point in light of the significant transition required by industry and the waste sector. Most other jurisdictions when introducing similar legislation did so with a low transitional price (e.g. NSW commencement price was \$5 per tonne and Victoria introduced their waste levy at a starting price of \$5 per tonne).
 - Business waste planning and reporting requirements were not discussed during consultation and in addition to established targets for C&I and C&D waste will increase the red tape and regulatory burden in Queensland. CCIQ does not support the inclusion of any requirement for individual businesses to report on their waste generation and recovery practices as it will again increase the cost impact on the business community.
2. The Queensland Commercial Waste Levy is inconsistent with other emerging environmental policies.
- Following the Australian Government's announcement of its proposed Carbon Pricing Mechanism which includes a \$23 per tonne price on carbon emissions from waste, CCIQ believes there may be significant additional costs passed onto the business community.
 - Advice from the waste industry suggests that the introduction of both major policy reforms will represent a 200 per cent increase for C&I and a 300 per cent increase for C&D waste charges passed onto Queensland businesses from July 2012.
 - The policy intent of the introduction of the commercial waste levy is to create a price incentive for waste generators to reduce the amount of waste they send to landfill. It places a price on the environmental externality for waste. As the unintended consequences of the introduction of a carbon pricing mechanism will increase the cost of waste sent to landfill, CCIQ believes that there will be significant regulatory duplication as both policies have the same intended outcomes and price the same environmental externality.
 - CCIQ continues to urge the Queensland Government to reconsider the introduction timeframes for the commercial waste levy until after the Australian Government has finalised details on how the carbon pricing mechanism is to operate and its applicability to waste emissions to avoid any unsustainable cost impact on Queensland businesses. DERM should be requested to undertake additional cost modelling (including the impact of a carbon price) prior to the passage of the Bill through parliament and the introduction of the Commercial Waste Levy.

3. The Waste Levy unfairly targets the business community.
- CCIQ continues to maintain that the exclusion of municipal/household waste from the levy not only unfairly taxes the business community but also creates a number of complexities within the legislation which significantly increases red tape for business and the waste industry.
 - Queensland businesses have in fact demonstrated significant commitment to improving their waste practices over recent years compared to the household sector. According to the National Waste Report 2010, the C&I sector contributed only 26 per cent of waste to landfill and was responsible for 48 per cent of waste recovered compared to the household sector which contributed 40 per cent of total waste sent to landfill and only 36 per cent of waste recovered in Queensland.
 - The State of Waste and Recycling in Queensland 2008: Technical Report notes that there has been a steady increase in the amount of household waste produced over the past five years. During the period 2003-04 to 2007-08 household waste increased by 40 per cent. Only part of this increase can be attributed to population growth (which increased by only 10 per cent over the five year period) and more so to increased household consumption. In contrast, the amount of commercial and industrial waste reported appears to have stabilised, despite population and business growth and has even shown a slight reduction of approximately 2-3 per cent over the past three years.
 - CCIQ does not believe there is any strong argument (other than for political reasons) to exclude household waste from the levy, especially when the overall objective of the Waste Strategy and Waste Reform Bill is to reduce waste to landfill and the household sector is Queensland's largest growing contributor of waste.

CCIQ remains committed to the Queensland Government efforts to reduce waste and landfill, however the Chamber encourages the Environment, Agriculture, Resources and Energy Committee (EAREC) to ensure the right balance between required environmental outcomes and the need to maintain a strong and productive economy is achieved.

CCIQ trusts that the comments provided in this submission will prove useful in finalising your report to Queensland Parliament on the Waste Reduction and Recycling Bill 2011. If you have any questions regarding this submission please contact me on Ph. 3842 2279 or email nbehrens@cciq.com.au.

Yours Sincerely



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