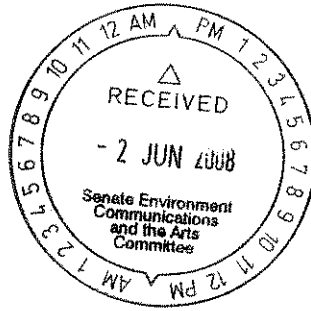




Queensland
Government

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Our reference BNE2008/7079
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Environmental Protection Agency

Incorporating the
Queensland Parks and Wildlife Service

27 May 2008

The Secretary
Senate Standing Committee on Environment, Communications and the Arts
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
eca.sen@aph.gov.au

Dear Sir/Madam

Thank you for the invitation to provide a submission to the Senate Committee Inquiry into the Management of Australia's Waste Streams.

Please find attached the Queensland's Governments submission to this Inquiry. This submission has been prepared by the Environmental Protection Agency (EPA) on behalf of the Queensland Government.

If you require further information with regard to the submission, please contact Geoff Allan, Director, Strategy and Policy Division of the EPA, on (07) 3225 1644.

Yours sincerely

Terry Wall
Director General

DRAFT Response to the Senate Inquiry into the Management of Australia's Waste Streams and the *Drink Container Recycling Bill 2008*

1.0 Introduction

This submission has been prepared by the Environmental Protection Agency (EPA) on behalf of the Queensland Government, in response to the Senate Standing Committee on Environment, Communications and the Arts Inquiry into the Management of Australia's Waste Streams and the *Drink Container Recycling Bill 2008*.

The Queensland Government welcomes the opportunity to provide a submission to the Inquiry. This assessment of current activities is timely and could provide a useful adjunct to the findings of the 2006 Productivity Commission Inquiry into Waste Management. The results of this Senate Inquiry may assist to focus the development of national and jurisdictional waste and resource efficiency policy.

In 2006, the Productivity Commission Inquiry stated that: "*Waste policy should only be used to address upstream issues where more direct policies are not able to be used, and there are reasonable prospects that it would be both effective and produce net benefits to the community. These circumstances are likely to be the exception rather than the norm.*"

However, it is often difficult to separate the issues when positive action to reduce waste generation or better manage the impacts of disposal have benefits in conserving energy and water resources, natural resources and reduce greenhouse gas emissions. In recognition of this, in June 2007, the Environment Protection and Heritage Council (EPHC) agreed that resource conservation and efficiency are legitimate objectives for national product stewardship action.

Waste is an important issue at the local, State and national level because of the impacts it can have on the health of the community, on the natural and physical environment and on the economy. Waste represents an inefficient use of our limited resources, and the ability to use resources efficiently is a central tenet of the principles of ecologically sustainable development, which underpins Queensland's environmental protection legislation.

The 2006 Productivity Commission Inquiry helped raise the profile of waste management activities, along with the need to address some of the fundamental issues surrounding waste management and policy development not only at a local or State level, but also nationally.

There are many areas where waste management and resource efficiency would benefit from a nationally consistent approach, just as there are areas that are better managed according to state or regional priorities and circumstances, or through a market response.

The development of waste policy needs to be guided by best practice approaches, where the policy objectives, costs and benefits are fully considered and understood, and where the policy selected provides the best value to the community – whether it provides an actual net benefit or not. This approach differs from the Productivity Commission in that the Inquiry report stated that waste policy should maximise net community benefits not resource efficiency.

In this regard, the Queensland Government believes the Productivity Commission Inquiry did not fully explore the policy issues in relation waste generation and resource efficiency. It is the hope of the Queensland Government that this Senate Inquiry takes into account the need for integration of waste management and resource recovery strategies and policies with greenhouse and resource conservation and efficiency policy. Waste management does not stand in isolation from other areas and action, or inaction, in this sector will impact on the ability of other sectors to achieve sustainable performance.

A new approach to waste management has been emerging for several years. This approach is based on the recognition that current levels of waste generation are unsustainable and are, in fact, increasing. The manner in which resources are extracted, processed and used causes many significant environmental impacts which are not accounted for in pricing or economic decision-making.

The new approach aligns with an increasing consumer and community preference for products that have a reduced impact on the environment in their production, use and

disposal. From a government perspective, this kind of approach requires developing new frameworks to support innovation and technological development.

It is important that this Inquiry does not reduce waste management to simply the collection, recycling and disposal of waste, without a clear understanding of the role that waste generation, resource recovery and disposal plays in broader environmental and sustainability issues.

2.0 Senate Inquiry issues

Addressing the Terms of Reference

1. Trends in waste production in Australia across household, consumer, commercial and industrial waste streams.

Definition of waste streams

Different definitions for waste streams in various jurisdictions and different methods of collecting and reporting data create impediments to clear communication and improved resource recovery.

This problem is evident in the Inquiry Terms of Reference which do not specify whether waste from the construction and demolition sector will be considered as a separate stream or as a component of commercial and industrial waste. Construction and demolition waste is a major stream in Queensland, making up approximately 27% of the waste that is generated (excluding flyash), and has different characteristics to general commercial and industrial waste.

Agreed waste stream definitions need to be specified, and construction and demolition and regulated or 'hazardous' wastes considered as discrete waste streams, in the context of this Inquiry in order for an accurate picture of waste generation to be obtained.

Trends for Queensland

Since 2002, the EPA has been reporting annually on waste and recycling in Queensland. The data reported each year indicates an increasing trend in recycling across all sectors, as well as an increasing trend in waste generation and landfill disposal.

Recycling is becoming increasingly easier for Queensland households. In 2007, access to household kerbside recycling services increased by 29,000 to 1.28 million households. Currently, around 94% of Queenslanders have access to kerbside recycling. A number of local governments are also exploring or have introduced co-mingled recycling services for the commercial and industrial sector. Other commonly recycled materials are office paper, cardboard, concrete and greenwaste.

However, landfill disposal remains the primary management option for waste in Queensland. In 2007, around 62% of waste was disposed of into Queensland landfills.

Queensland's regionalised population, and strong population and economic growth – well above the national average – create unique challenges when developing strategies and policies to reduce waste generation.

In 2006 the EPA commissioned a report into Queensland's waste and resource recovery markets. The report and the EPA's own data collection efforts show that existing monitoring and reporting systems for waste are inadequate. While there is a reasonably good understanding of the domestic waste sector, generation, disposal and recovery in the commercial and industrial and construction and demolition waste streams are not well understood. These waste streams currently represent almost half of the waste disposed to landfill. If we are to better manage and minimise waste in Queensland, and in Australia, we need to be able to measure, monitor and report waste flows accurately.

Data for regulated (hazardous) waste generation in Queensland is currently predominantly reported under C&I. The last hazardous waste survey for Queensland was undertaken in 1997. While movements for this waste are tracked, there has been no separate collection of the amounts of regulated waste that are generated. The programs and actions on household waste should continue; however, this stream constitutes a small fraction of the bulk waste that is generated in Queensland. Household kerbside waste makes up around 14% of the

total waste estimated for the State. Action is now needed in other areas to achieve similar successes to the household sector.

2. Effectiveness of existing strategies to reduce, recover or reuse waste from different waste streams.

Queensland policy framework

The Queensland Government supports the principles of the waste management hierarchy as a tool to promote opportunities to reduce the amount of waste generated and to encourage more efficient resource recovery.

The Queensland policy framework provides for a balanced and flexible approach to the application of the hierarchy. The Environmental Protection (Waste Management) Policy 2000 states that use of the hierarchy must take into consideration the economic, technological, environmental and social impacts of the hierarchy. The hierarchy is viewed as just one policy enabling tool to assist in supporting decisions regarding waste management and resource recovery and its use forms part of an integrated approach to waste generation at all stages of the waste management cycle. Attachment 1 contains the current Queensland waste policy framework.

Targets

The 1996 Waste Strategy contains no targets. The Queensland Government sees a useful role for targets as an essential part of measuring performance and progress. Without targets there is likely to be little incentive to drive improvements to inefficient practices in waste generation, consumption and disposal. However, targets need to be applied within a policy framework and not as an isolated figure, in order to achieve optimal environmental, social and economic outcomes. The setting of targets should also be accompanied by sound analysis and regular and transparent reviews.

National or regional approaches

Many strategies to reduce, recover or reuse wastes would benefit from a national approach, particularly end-of-life products where there are national or international companies involved in production or distribution where movement between jurisdictions may be impacted by a system in one jurisdiction or where economies of scale would result from national action.

The management of many materials, such as green and organic waste, concrete and timber may be better handled at a local, regional or state level, or with several states working together. For instances, eastern seaboard states may develop complementary strategies and policies to ensure consistent approaches in some areas to avoid perverse outcomes and incentives for 'jurisdictional' shopping to find the lowest level of regulation.

Queensland barriers

In Queensland, the effectiveness of many strategies and programs to influence waste avoidance and resource recovery is hampered by the comparatively low cost of landfill disposal. Improving the price signals between disposal and recycling or waste avoidance would be a significant step towards the implementation of more effective strategies and programs, particularly from the commercial and industrial and construction and demolition sectors. This would increase the incentive to find alternatives to avoid generation in the first place or recycle and recover.

Resource recovery is currently difficult outside the more densely populated areas of Queensland. Many local governments lack the financial capacity and economies of scale to recover many otherwise recyclable materials. The Queensland Government supports the Proximity Principle as a means of developing local solutions and markets for recyclable materials.

There is difficulty in implementing a statewide strategy, as certain initiatives that may be viable in large urban context, due to economies of scale and/or proximity to processing or recycling facilities may not be economic in remote/smaller urban setting.

The Queensland Government has a significant role to play in encouraging the adoption of waste avoidance, minimisation and recycling practices across all sectors, and in ensuring that strategies and actions are flexible in their delivery.

Successful Queensland programs

Many Queensland businesses already see the benefits of reducing waste and improving resource efficiency through more efficient production and manufacturing. The EPA's ecoBiz program provides businesses with the tools to assess their water and energy consumption and waste generation and to calculate savings through reductions in these areas.

3. Potential new strategies to reduce, recover or reuse waste from different waste streams.

The Queensland Government supports the need for standardisation of national data collection, particularly for the commercial and industrial sector. Standardised data collection methodology is essential in order to provide a consistent and comparable measure of industry continuous improvement and commercial competitiveness and sustainability, as well as being able to compare and collate waste information from each jurisdiction.

Queensland feels that the Commonwealth Government should take a stronger and timelier lead in the development of national product stewardship initiatives. This will provide a truly nationally consistent approach, rather than relying on states and territories to implement consistent and complementary legislation within a reasonable period.

The Commonwealth Government has already demonstrated leadership in establishing the Used Oil Product Stewardship Scheme. There may be a number of other end-of-life products that would benefit from a similar Commonwealth approach, particularly where it may be more efficient for the Commonwealth to use its excise powers.

New strategies also need to include a focus on the preferred option of the waste management hierarchy – waste avoidance. There need to be investment strategies and policies to drive waste avoidance and resource efficiency, rather than focusing on end-of-pipe management and disposal or recycling.

Strategies to facilitate the development of regional capacity where capital equipment is available for local governments to use on a periodic regional basis would facilitate more sustainable recycling outside the major population centres.

4. The economic, environmental and social benefits and costs of such strategies.

Waste reduction or avoidance (resource efficiency)

Methods for calculating the environmental costs and benefits of waste disposal and resource recovery need to be improved.

In 2007, EPHC agreed that resource conservation and efficiency is a legitimate objective for national product stewardship action. However, this decision appears to be at odds with the position of the Office of Best Practice Regulation and the findings of the Productivity Commission Inquiry into Waste Management report. There is currently significant divergence of opinion on what constitutes reasonable grounds for government intervention in the market when developing waste policy.

The Productivity Commission was highly critical of using waste policy to influence upstream externalities such as resource conservation and greenhouse gas emissions. However, this approach fails to recognise the synergies between actions to avoid waste generation and optimise resource recovery from waste streams, and benefits in resource conservation, water and energy efficiency and reduced greenhouse gas emissions.

Gains in resource efficiency and reducing the generation of waste have beneficial flow-on effects in energy and water resource consumption. The use of separate instruments to address waste and resource use would itself be inefficient and may result in inequities and perverse outcomes. Waste provides a common link across industry sectors.

There is also a large service provision component connected to waste management and associated logistical services, technological development, information transfer and educational services. These services have the potential to generate local and export income and to drive resource efficiency gains in the manufacturing, commercial and production sectors.

The ever increasing cost of energy and potential carbon related cost will play even greater role in resource/material allocation decisions. This increasing costs will have a greater influence on waste management strategies in the future.

Triple bottom line

The Queensland Government supports the need for rigorous analysis of the costs, benefits and risks of policy options. The Regulatory Impact Statement (RIS) process used by the Queensland Government to identify and analyse the impacts of regulation or policies provides for the identification of economic, environmental and social impacts on industry, the community and government.

The approach by the Office of Best Practice Regulation (OBPR) in assessing RIS adequacy generally only acknowledges the impacts of a limited range of externalities such as the cost of leachate impacts. This approach does not fully take account of the social and environmental issues. This often leads to an assessment of RISs for waste management policy development as inadequate, largely because options do not demonstrate a net economic benefit to the community.

While the OBPR has no power to affect decisions by Ministerial Councils, only to provide advice on the adequacy of RISs, there are often considerable delays in progressing policy development in an attempt to address the issues raised.

A CBA limited to the quantifiable waste disposal externalities would not adequately reflect the full range of issues associated with waste generation, reduction, recovery and disposal. For example, a limited CBA approach does not take into account the important social preference for actions to reduce waste and provide recycling; and community opposition to waste disposal facilities.

There is enormous public support for recycling services. Many local governments have come under pressure from the community to provide some form of recycling service (either a kerbside or drop-off program) such is the public willingness to participate in recycling. In many of these local government areas, the provision of a recycling service could be described as financially marginal at best, however the local government often sees the social benefits of providing the service as outweighing the financial cost.

5. Policy priorities to maximise the efficiency and efficacy of efforts to reduce, recover or reuse waste from different waste streams.

As a matter of priority, Queensland believes there needs to be:

- National standardisation of data collection to allow genuine comparison of waste generation and recycling between jurisdictions.
- National waste classifications and definitions.
- Recognition by, and agreement of, regulatory efficiency and economic assessment entities such as the Office of Best Practice Regulation, that resource conservation and efficiency are valid reasons for the development of waste policy and government intervention.
- Finalisation of the work currently underway to explore options for developing appropriate tools for analysing the social and environmental costs and benefits of product stewardship action.
- Changes to the Council of Australian Government (COAG) guidelines for Regulatory Impact Statements¹ to reflect recognition of these issues.

6. Consideration of the *Drink Container Recycling Bill 2008*

The Queensland Government believes that the development of legislation at this stage is premature until the outcome of an investigation of options has been conducted.

The Queensland Government believes that any container deposit scheme must be investigated as part of a national approach, as there are a number of impediments to implementation in individual states.

The Queensland Government supports the EPHC decision of 17 April 2008 to conduct an assessment of potential options for national measures, including container deposit legislation,

¹ Best Practice Regulation: A Guide for Ministerial Councils and National Standards Setting Bodies. October 2007

to address resource efficiency, environmental impacts and the reduction of litter from packaging wastes such as beverage containers.

Queensland will jointly chair a working group to develop an assessment of the environmental, economic and social costs and benefits of the options. The experiences of the South Australian scheme will be drawn on, as well as the results of the investigation conducted by Western Australia. A preliminary report is due to EPHC at its next meeting in 2008, with a full report due in 2009.

3.0 Recommendations

The Queensland Government proposes the Senate Committee recommend that the Commonwealth Government:

1. take no further action in developing the Drink Container Recycling Bill or similar legislation until the outcome of the EPHC working group assessment of potential options for national measures is completed
2. recognises the importance of environmental and social considerations and resource conservation and efficiency in developing waste management policies and legislation through amendment to the Council of Australian Government guidelines on Best Practice Regulation
3. commences work, through the Environment Protection and Heritage Council framework, on standard national definitions and classifications for wastes and data collection methodology and
4. take a more direct role in the development of future product stewardship initiatives.

The current waste management policy framework in Queensland

The following section provides an overview of the Queensland Government policy framework for waste management and resource efficiency.

Legislation

The *Environmental Protection Act 1994* (the Act) is the primary legislation for all environmental protection action and enforcement in Queensland. The object of the Act is to protect Queensland's environment while allowing for development that improves the total quality of life, both now and in the future, in a way that maintains the ecological processes on which life depends (*ecologically sustainable development*).

Several subordinate statutes have been developed under this Act that deal with waste management. Two of these subordinate statutes, the Environmental Protection (Waste Management) Policy 2000 and the Environmental Protection (Waste Management) Regulation 2000 were designed to work with the Waste Management Strategy to improve waste management practices in Queensland

The objective of the Environmental Protection (Waste Management) Policy 2000 is to provide the basis of effective and efficient administration and enforcement of the object and provisions of the Act for the management of waste.

The Policy provides a framework to make consistent and fair decisions that—

- (i) ensure waste is managed in a way that is consistent with ecologically sustainable development; and
- (ii) minimise the impact of waste on the environment including, in particular, the impact of waste so far as it directly affects human health; and
- (iii) minimise the amount of waste generated from all sources; and
- (iv) promote efficiency in the use of resources; and
- (v) promote the maximum use of wastes as a resource; and
- (vi) otherwise achieve continuous improvement in the standard of waste management activities.

The Policy also provides for State and local government planning for waste management and for the preparation of waste management programs to—

- (i) minimise the amount of waste generated; and
- (ii) promote efficiency in the use of resources.

The waste management hierarchy and principles are outlined in this Policy to provide a decision-support framework for prioritising waste management practices to achieve the best environmental outcome.

The Environmental Protection (Waste Management) Regulation 2000 provides requirements, offences and penalties for specific waste management practices, including:

- requirements for waste tracking; and
- management of clinical and related waste; and
- management of polychlorinated biphenyls (PCB); and
- design rules for waste equipment.

The objective of the Regulation is to protect the environment by minimising the impact of waste on the environment, including the impact of waste as it directly affects human health; and the establishment of an integrated framework for minimising and managing waste under the principles of ecologically sustainable development.

The Queensland Waste Management Strategy was released in 1996. The primary objective of the Strategy is to provide a framework within which waste can be managed effectively to minimise or avoid adverse impacts on the environment, while at the same time allowing economic development and improvement in the quality of life of all Queenslanders.

The Strategy provides a framework for waste management in Queensland, irrespective of the nature of the waste and the disposal route. Implementation of the Strategy also applies to all government agencies with responsibility for any aspect of waste management.

The Queensland Government is currently developing a new strategic policy framework for waste management and resource recovery in Queensland. In October 2007, the EPA released a discussion paper on developing a new waste strategy for Queensland. This discussion paper sought feedback on a number of options for waste management in Queensland, including the application of economic instruments such as a waste levy and Pay-As-You-Throw schemes, product stewardship and waste avoidance and recycling targets.

The role of the Queensland Government in waste management

The Queensland Government has a number of responsibilities in waste management and resource recovery in Queensland.

Environmental Protection Agency (EPA)

The EPA is the lead agency for the development of solid waste and resource recovery strategy, policy and legislation in Queensland.

The EPA is responsible for the regulation of waste management facilities, and the transport and disposal of regulated waste. The EPA is also responsible for developing and enforcing legislation that gives effect to several National Environment Protection Measures.

The EPA is chair of the Jurisdictional Projects Group (JPG), established under the National Packaging Covenant framework. The JPG assesses project funding applications and may initiate specific projects. The EPA undertakes a number of activities under the National packaging Covenant. These include:

- delivering programs
- project managing a number of projects delivered by industry or local governments and
- undertaking compliance activities and enforcement of the free rider provisions of the safety net regulation.

Other government departments

A number of other Queensland Government agencies also have either a statutory or functional role on some waste related issues.

For example, in 2007, an Interdepartmental Advisory Committee (IDAC) was established to examine resource recovery options for used tyres. The committee includes representatives from the Department of Main Roads, the EPA and the Department of Tourism, Regional Development and Industry.

Main Roads commissioned, on behalf of the IDAC, an investigation and subsequent preparation of a report titled 'Preliminary examination of the resource-recovery options for used tyres in Queensland'. Main Roads is currently conducting further investigations into the use of used tyre rubber in road asphalt, as recommended in the report.

The role of local government in waste management in Queensland

Local governments play a large and important role in waste management in Queensland. Many powers are devolved or delegated to local governments, including litter enforcement and regulation, within the local government area, of waste management activities such as waste transport. Local governments are responsible for the provision of household kerbside collection services (either themselves or through a contractor).

Local governments are the principle owner of landfill facilities in Queensland. Most local governments are responsible for at least one landfill facility within their local government area, either operating the facility themselves or contracting the operation to a waste management company. There are also a number of regional facilities, where several local government areas landfill or recycling sorting share services. Local governments are playing an increasing role in community and business waste education and awareness.