



The Hon Roger Jaensch MP  
Minister for Environment and Parks  
Department of Primary Industries, Parks, Water and Environment  
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12 March 2021

Dear Minister Jaensch

**Re: Waste and Resource Recovery Bill 2021**

Thank you for the opportunity to provide feedback on the draft *Waste and Resource Recovery Bill 2021*. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members across the nation, representing a broad range of business organisations, the three (3) tiers of government, universities, and NGOs. The WARR sector drives jobs – employing up to 50,000 people – and investment in the Australian economy, and WMRR’s purpose is to lead the success of this essential industry while ensuring the environment and community are protected through the safe and responsible management of waste and resources.

In Tasmania, the WARR sector is a key contributor to the state’s economy and environment. The value of the industry in 2017-18 was approximately \$147 million<sup>1</sup> while in 2018-19, Tasmania’s WARR system managed one (1) million tonnes of waste, of which 39% was recycled and 45% sent to landfill. This represents a significant economic and employment growth opportunity for the state as a strong remanufacturing and recycling base has the potential to create more than three (3) times as many jobs than landfilling or exporting, and we know that 9.2 jobs are created for every 10,000 tonnes of waste recycled compared to 2.8 jobs for the same volume sent to landfill<sup>2</sup>.

Thus, WMRR welcomes the Tasmanian government’s plan to introduce a waste levy as this a proven economic tool that supports greater diversion by incentivising investment in resource recovery infrastructure (assuming the levy rate provides that economic incentive), provides monies that can then be reinvested to boost recovery, reprocessing, recycling, and remanufacturing, and through these actions, allow Tasmania to transition from a linear (take, make, dispose) economy to one that is more circular. However, the landfill levy is not a silver bullet; it must be part of a broader policy for WARR that endorses and supports the waste management hierarchy and is designed to support industry in its delivery of prescribed outcomes by creating robust regulatory and policy settings.

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<sup>1</sup> Inside Waste Industry Report 2019: Volumes and Values

<sup>2</sup> Access Economics 2009

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### ***The waste levy rate***

While WMRR completely supports the government’s implementation of a levy with staged increases, and we acknowledge the need for price impacts to be carefully considered, the proposed rate of \$20 per tonne is wholly inadequate, given it will do little to enable resource recovery infrastructure investment in Tasmania, given the cost to invest in such infrastructure and the need to have an appropriate competitive gate fee to support the costs of operating such infrastructure; as such, it will fail to shift the dial on greater diversion nor boost local economies and jobs. This proposed rate is simply too low to maximise, much less drive resource recovery and landfill diversion, nor does it recognise the true long-term cost of managing material disposal, and importantly, fails to provide a true price signal on the value of materials.

Additionally, WMRR refutes the claim that the proposed final \$60 rate, which will only come into play in 2025, is comparable to today’s average regional waste levy rate across mainland Australia. Table 1 below shows the current levy rates across all leviable states (note that Victoria’s regional levy will increase on 1 July 2021 to \$52.95); the average of these rates is in fact approximately \$73 (\$76 from 1 July 2021) and this is closer to Queensland starting levy rate of \$70 as well.

If the Tasmanian government is serious about making genuine gains to assist in the investment and development of the state’s resource recovery industry, as well as creating local jobs for Tasmania, then it must consider raising the levy rate to at least \$70/tonne in the first year (in line with Queensland’s starting rate), with staged and stated increases over the next four (4) years.

WMRR queries the robustness of the data used as part of Urban EP’s cost and benefit analysis but if we were to use these findings, a \$60 rate equates to a mean annual capital cost of \$10.14, which comes down to approximately \$0.85 a month. This cost imposition is not significant enough to outweigh the myriad benefits to (and associated costs of) – the economy, jobs, human health, environment, carbon emissions, and more – that will come with increased diversion and resource recovery through an appropriate levy rate.

TABLE 1

<b>Waste levy rates (\$/t)</b>			
<i>Jurisdiction</i>	<i>Metropolitan</i>	<i>Regional</i>	<i>Next scheduled update</i>
<a href="#">NSW</a>	\$146	\$84.10	FY21-22
<a href="#">VIC</a>	\$65.90	\$33.03	1 July 2021
<a href="#">QLD</a>	\$80	\$80	1 July 2021
<a href="#">WA</a>	\$70	\$70	Under review
<a href="#">SA</a>	\$143	\$71.50	1 July 2021
<a href="#">TAS</a>	\$0	\$0	Under review
<a href="#">ACT</a>	\$98.45	\$98.45	Under review
<a href="#">NT</a>	\$0	\$0	None planned

The explanatory paper states that for councils which currently have a voluntary waste levy, the government has committed to a special disbursement of levy funds to ensure that resource recovery efforts supported by these levies and council contributions can continue, which WMRR supports.



### ***The Tasmanian Waste and Resource Recovery Board (part 1 and 2)***

WMRR supports the development of a Tasmanian Waste and Resource Recovery Board and acknowledges clarity of the Board's responsibilities in the explanatory paper and Bill.

WMRR does however, query how practical the expectation is of the Board to prepare a waste strategy once every three (3) years. This timeframe may be too short to appropriately analyse gains, shortcomings, and gaps based on the time taken to develop and roll out initiatives, actions, and infrastructure as well as the typical timelines allocated to development, consultation and finalisation of these plans (this is highlighted by the draft waste action plan which was published in 2019 and is still a draft). WMRR proposes that a waste strategy is developed once every five (5) years instead. Further, WMRR proposes that the Board develops an annual report of actual expenditure of levy monies against this five-year plan to ensure that all reinvestment meets the objects of the plan.

As noted in the Bill, the waste strategy must include an analysis of waste disposal, resource recovery from waste, and current waste management practices in Tasmania. To facilitate this, WMRR proposes that the Act stipulates a weighbridge requirement at all landfill sites. The cost of this, particularly for smaller landfills, must be met by monies collected from the levy, in order to ensure that Tasmania commences this path with accurate and timely data to enable accurate tracking of materials and future planning.

### ***The waste levy (part 3)***

WMRR notes that the waste levy is scheduled to be implemented in November 2021. For ease of annual reporting and budget setting, we propose that levy implementation and all scheduled increases are aligned to the financial year, at a higher rate than currently proposed.

It is noted that the Bill as it stands, does not place any onus on waste generators and there is no legal basis for a landfill to pass on levy costs to contracted customers, which could result in an undue financial impost on landfill operators who are the recipients of these materials. WMRR suggests further consideration and inclusion of waste generator obligations in the Bill.

### ***Resource recovery rebate (part 3)***

Clause 31 (2) states that an operator is entitled to a rebate if the operator provides evidence, to the satisfaction of the Director, that the waste was received at a resource recovery facility. For abundance of clarity, WMRR suggests that definitions and pre-requisites are included to ensure that operators can meet the Director's expectations for the rebate.

### ***Waste levy return and payments (part 3)***

The timing (within 10 days) of levy payments by the landfill operator represents a significant financial burden for operators as customers typically have payment terms of 30, 60 or 90 days. WMRR is aware that at least one site – Copping landfill – has a receipt rate of around 10,000 tonnes per month, which means the operator will be out of pocket by \$600,000 for at least three (3) weeks at the levy rate of \$60. WMRR suggests that the timeframe for the paperwork and levy be amended to a 60-day period which accords with the average of other Australian states.

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### ***Levy exemptions***

The explanatory paper states that facilities that are too small to warrant the levy being applied may be exempt; WMRR does not support this as it may encourage levy avoidance and the unnecessary transportation of materials to sites where the levy does not apply. The levy rate should be applied across all sites, creating a level playing field and not distorting waste movements in Tasmania.

WMRR is however seeking an levy exemption for clean fill material (this needs to be clearly defined), used for site maintenance and for daily cover material; these may be requirements under current permit EPN licenses that details the minimum depth of refuse cover of an active landfill face. Clarity is also sought on Schedule 3 Consequential Amendment which states that clean fill will be re-categorised. Further consideration should also be made for wood chips, low-level contaminated soil and any other similar materials that are currently being used as daily cover. WMRR suggests that for ease of transition, all definitions and thresholds related to clean fill and other daily cover materials that may be exempt from the levy be published ahead of levy implementation.

Further, clarity is also sought on two issues, the first is related to charitable organisations – some operators are currently providing free disposal services to op-shops and charities; will these services be subject to the levy? Additionally, the explanatory paper states that the Board will administer an assistance program for charitable organisations that would be disproportionately impacted by the levy; how will this impact councils that currently offer charitable concessional funding to relevant organisations?

WMRR also notes that there is a potential issue that the Tasmanian government should consider ahead of levy implementation (this is a challenge that arose in Queensland following its levy commencement) pertaining to charity loads mixed with general waste collection. As waste load data is captured at the weighbridge for the entire load, it is therefore not easy to apply a split weight to the load to accurately account for any charitable portion that may be exempt. Some operators in Queensland have been stockpiling exempt material and sending it as discrete loads to landfill which creates a large amount of double handing.

The second issue is that of GST and if the levy will attract this tax.

### ***Obligations of landfill operators***

There is a risk of duplication of costs related to surveys as some operators currently conduct annual volumetric surveys, though not during the timeframe stipulated in the Bill. WMRR is seeking clarity on these surveys; would the current surveys undertaken by operators and councils suffice?

### ***Next steps***

WMRR looks forward to continued engagement with the Tasmanian government as it finalises the Act. Ahead of levy commencement, WMRR recommends that:

- The government develops and publishes all documented standards and guidelines to assist both industry and officers with interpretation and enforcement of the waste levy.
- Provide requirements for data collection as well as all software and administrative changes that operators are required to undertake.



- Publishes the full list of levy exemptions alongside the pre-requisites that need to be met for an exemption to be granted.
- A concise communications and education plan as part of the levy roll-out for all stakeholders, including operators, councils and the community. This should also include the objectives that the government is trying to meet and the benefits that will come with a waste levy.

Please do not hesitate to contact the undersigned if you would like to further discuss WMRR's submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gayle Sloan'.

Gayle Sloan  
**Chief Executive Officer**  
WMRR

A handwritten signature in blue ink, appearing to read 'Justin Jones'.

Justin Jones  
**Tasmanian Branch President**  
WMRR