



# QUEENSLAND FARMERS' FEDERATION

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## Submission

29 June 2018

Directions Paper  
Strategic Environment and Waste Policy  
Department of Environment and Science  
GPO Box 2454  
BRISBANE QLD 4001

Via email: [wastepolicy@des.qld.gov.au](mailto:wastepolicy@des.qld.gov.au)

Dear Sir/Madam

### Re: Submission in response to 'Transforming Queensland's Recycling and Waste Industry: Directions Paper'.

The Queensland Farmers' Federation (QFF) is the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture industry organisations, which in turn collectively represent more than 13,000 primary producers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Flower Association
- Pork Queensland Inc.
- Queensland United Egg Producers (QUEP)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Queensland Chicken Meat Council (QCMC).

QFF welcomes the opportunity to provide comment on the Department of Environment and Sciences' Directions Paper: Transforming Queensland's Recycling and Waste Industry. QFF provides this submission without prejudice to any additional submission provided by our members or individual farmers.

*The united voice of intensive agriculture*



### **Background**

In May 2018, the Queensland Government released its Directions Paper titled 'Transforming Queensland's Recycling and Waste Industry'. The aim of the Paper was to inform the development of the State's waste management strategy, which will be underpinned by a waste levy commencing in the first quarter of 2019 and will initially be set at \$70 per tonne of general waste sent to landfill. The levy will increase by \$5 annually over a four-year period.

Queensland is the only mainland state without a waste levy, after it was withdrawn in 2012 following only six months of operation at \$35 per tonne for general waste.

The waste levy zone will include 38 local government areas out of 77, accounting for 90 per cent of the state's population. So regional councils in far north Queensland and in most of western Queensland, except for Mount Isa, will be free from a levy - except for any waste brought into the zone from outside. QFF also notes the inclusion this time of selected regional areas, such as the Maranoa and Goondiwindi areas, where the population has increased to over 10,000 triggering the levy threshold.

The waste disposal levy is in direct response to the investigation of inter-state movements of waste from New South Wales into Queensland, which was highlighted in last year's Four Corners Program and resulted in a formal investigation into the disposal of interstate waste in Queensland by Justice Peter Lyons QC.

QFF notes that there are numerous jurisdictions where a landfill or disposal tax has been successful in driving growth and innovation, working in conjunction with a range of initiatives. Including, but not limited to, landfill bans, substantial R&D and innovation programs, demonstrator and pilot opportunities and an understanding and recording of waste data including regional flows and recovery rates; and importantly, complete and historical data regarding illegally dumped wastes.

Without all factors being considered and planned, adverse environmental, economic and social costs will occur. Such as, where poorly planned taxes have resulted in unforeseen economic costs associated with the illegal stockpiling of wastes by both unlicensed and licensed sites attempting to evade their landfill tax liability whilst creating the inherent risks associated with large waste stockpiles; through to the significant increase in illegally dumped wastes. Indeed, last year one Australian capital city reported costs associated with removing the illegally dumped wastes exceeding the revenue from their landfill tax, creating a net loss.

An environmental tax should be designed to change business behaviour (primarily that of the waste generator) and drive environment and sustainability into business decision making. QFF's concern and the issue for government is that any tax mechanism which is successful in achieving these outcomes will ultimately change business behaviour to the extent that it will significantly reduce revenue. This is an oxymoron for Treasury departments world-wide who become reliant on these tax revenue streams rather than their desired outcomes.

In other jurisdictions, this has seen endless escalators for 'waste levies'. For example, the UK has acknowledged the situation whereby the fundamental environmental objectives of the landfill tax have been substantially achieved and the financial imperatives of Treasury/Government have taken over. Many in the UK's waste industry believe that the landfill tax achieved its objectives around 4-5 years ago. As such, the taxes have become a means of generating or sustaining income rather than achieving their initial objective. The concept of a 'revenue earner' rather than environmental tax must always be considered. All environmental taxes must be planned and clearly documented from the start. A rolling agenda which sees an indefinite tax and unproven level of change is not acceptable and is not good government.

The levy may also provide a price signal that will provide the waste management and materials recovery industry with the confidence to invest in alternative and innovative recycling technologies to grow the sector and create jobs. Allowing the sector to transition to more sustainable local economies in regional

areas with policy support and one-off investment in better sorting technology, and in reprocessing of materials like silage plastic and plastic mulches into agricultural applications like irrigation pipes. Where this investment is made in regional communities, additional benefits for employment and regional growth are enabled. At scale, this could also assist with building regional resilience.

This submission specifically addresses the waste disposal levy due to the level of concern from the agricultural sector.

### ***Stakeholder Advisory Group***

QFF notes that the agricultural sector was not an invited member of the Recycling and Waste Stakeholder Advisory Group despite several approaches to the Department. As such, the design of the waste disposal levy has serious flaws which may result in both unintended and negative consequences for Queensland agriculture.

### ***Review of the Waste ERA's and Regulated Waste Schedule***

QFF provides this response acknowledging that the final design of the waste management and materials recovery Environmentally Relevant Activities (ERA's) and the Regulated Waste Schedule, both contained within the *Environmental Protection Regulation 2008*, have not been finalised.

With the Decision RIS still pending, QFF can only make comment and draw conclusions from the RIS released mid-2017 and accompanying review document for the Regulated Waste Schedule.

QFF reiterates that it does not support the addition of 'animal effluents and manures'; 'food processing wastes'; 'liquid food processing wastes' and 'vegetable oils' into the Category 2 classification of the Regulated Waste Schedule. To align the environmental risks posed by these organic materials with asbestos, cyanides, phenols, acids and mercury is inappropriate. It also results in these waste streams which can be generated from farms and on-farm processing facilities attracting the higher levy rate of \$100 per tonne should they require disposal for any reason.

QFF welcomes and congratulates the approach taken by the Department to restructure ERA53 'Organic Materials Processing' to exclude on-farm composting activities and looks forward to working with the Department to further refine this exclusion.

However, with regards to on-farm anaerobic digestion, the use of the word 'receives' will be open for interpretation by compliance and enforcement personnel despite the policy intent from the Strategic Environment and Waste Policy Unit. Any additional annual licencing costs (above and beyond those already levied by the Department of Natural Resources, Mines and Energy) of on-farm anaerobic digestion plus new application fees will simply close the existing and emerging bioenergy market in the intensive animal industry. QFF suggests further clarification of the existing definition of ERA53 so that on-farm anaerobic digestion is clearly not included.

### ***Timing for the Introduction of the Levy***

The levy is due to commence in the first quarter of 2019. While QFF understands the political imperative for this timing, coupled with the need to generate funding for many of the government's initiatives; QFF questions if this timeframe is realistic. At the last commencement of Queensland's waste levy, demand for equipment and services resulted in many local governments paying higher 'market rates' for essentially 'emergency works' to meet legislated timeframes.

QFF supports the simplified design of the waste disposal levy this time. However, many local governments will need to radically redesign their transfer and landfill facilities to accommodate materials being deposited for recycling and recovery, versus those for disposal. Particularly where mixed loads may require multiple entries/re-entry for vehicles, potentially increasing load-tipping times and/or to reduce the instance of queuing on public highways.

For agricultural users of council and private waste transfer and landfill facilities, it is imperative to limit tipping/waste and recyclables deposit times – to limit time away from the farm.

### ***Direct Cost Impact to Agriculture***

The new tax will increase operating costs for Queensland farmers. It will make waste disposal more expensive for all businesses (waste generators) to dispose of wastes. The agricultural sector, unlike many other sectors, is unable to pass through these increased operating costs to its end products leaving farmers to absorb these costs.

With electricity price increases of up to 300 per cent for some farmers and a minimum of 140 per cent for the agricultural community over the past decade, coupled with higher water costs and increasing climatic events, farm debt has never been higher in Queensland. Therefore, farmers' capacity to absorb these additional costs is very limited at best and not possible for many.

Queensland's (and Australia's) agricultural sector is showing indications of decreasing capacity and faltering productivity gains, threatening the resilience of some rural businesses. Surveying of rural agricultural businesses by the Climate Council (2016) have shown that many businesses have drawn down on their financial reserves and, in many cases, have taken on increased debt in response to extreme weather events and rising utility cost. As Queensland's climate becomes more variable and there are more extreme weather events, adaptation and cost to those agricultural enterprises will become increasingly challenging. The ability for many agricultural businesses to allocate funds for practical on-farm resilience measures, such as technology or infrastructure, is being diminished by unsustainable input costs, most notably the price of grid-supplied electricity. As such, another tax onto the agricultural sector is unmerited and unfeasible.

QFF is particularly concerned about the use of deeming provisions in regional areas where they may disadvantage farmers self-hauling wastes to local disposal facilities leaving them at risk of being over-charged at the gate, given that councils are able to claim 105 per cent rebate on the load.

QFF is also concerned about the administration of these costs on rates bills for those landowners living in areas where no waste collection service is offered. Transparency of these additional charges by local governments will be critical given the lack of trust that now exists in many areas following significant rate rises beyond any increase in land value (see <https://www.qff.org.au/wp-content/uploads/2017/04/20170525-QFF-submission-to-IPNRC-re-local-govt-financial-sustainability-WEB.pdf>).

### ***Hypothecation and Use of Levy Income by Government***

QFF notes that, unlike 2012, not all of the levy revenue has been hypothecated to increase materials recovery, fund waste and recovery infrastructure or provide associated services and compliance support, particularly for illegal dumping. As such, this levy only provides minimum support for the waste and recycling sector and councils, particularly in regional communities. Instead, income from this tax will provide further funding into consolidated revenue. QFF does not support this approach.

A larger proportion of funds raised via the waste levy should be returned to the industry and councils. QFF believes that all councils (both inside and outside of the levy zone) require funds to strengthen and maintain their waste and recycling infrastructure, particularly in regional and remote communities. This should also include grants to establish drop off points for locally generated resources, including but not limited to, agricultural plastics and chemical containers.

The financial support being offered through the levy revenue must also extend beyond simply weigh bridges, fencing and CCTV. Funding must include infrastructure to support the collection and consolidation of recyclable materials such as oil, agricultural plastics, batteries and e-wastes; and other products deemed through State and Federal product stewardship legislation, priority materials and 'problem materials/products'.

To facilitate the collection and recovery of these resource streams, deposit of clean recoverable materials and products must be free of charge for farmers at all local council waste transfer and disposal sites.

Currently in Queensland, agricultural plastics such as trickle tape, crates and pots are being collected for recycling and reprocessing. For the collection of agricultural plastics to be viable in regional Queensland, a minimum economy of scale of around 20-25 tonnes is required. Except for a small number of large farming enterprises, most farms cannot generate these quantities of agricultural plastics. As such, areas/sites for plastic collection, storage and consolidation are required in regional areas. There are currently seven Queensland councils that have signed an agreement with various service providers to store selected clean agricultural plastics at their selected transfer stations sites free of charge for farmers. It is essential that these services can continue and are expanded on. Where these services are withdrawn, or costs become prohibitive, such end-of-life materials will be lost from the circular economy and simply disposed of on-farm as legally permitted.

Funding for the necessary infrastructure upgrades must be made available as soon as possible (once the head of power has been restored to the legislation) to ensure a timely transition for facilities, so that they are ready for the commencement of the levy.

Funding from levy revenues must also be provided for the various initiatives proposed by QFF to facilitate further material recovery of on-farm materials including but not limited to:

- An APP to facilitate the regional collection of regulated wastes from on-farm (including oil);
- Collection and consolidation of on-farm plastics through industry-led infrastructure grants for specialist equipment;
- Funding for research and development for recovery and remanufacturing opportunities for soft-plastics such as agricultural mulch and silage films;
- Funding for demonstrator projects to provide proof-of-concept domestic remanufacturing.

### ***Illegal Dumping***

QFF understands that the levy does not apply to stockpiled wastes or wastes moved from a stockpile. While this simplification is supported, QFF is keen to ensure that significant volumes of stockpiled wastes do not accumulate on sites as they may cause negative outcomes leading to environmental nuisance and environmental harm, biosecurity risks; and may, in some cases, pose significant risks during storm, flood and fire events.

QFF suggests a strong policy and an enforced regulatory framework to ensure that landowners will not be the victims of illegally dumped waste from people and companies trying to avoid the higher disposal charges. In the UK where the landfill tax is £88.95/tonne (approx. \$160), the National Farmers Union has classed illegal dumping as one of the major elements of rural crime. A similar result in Australia is not acceptable and government ensure this does not happen.

Illegal dumping on private land causes lots of problems for landowners, including having to pay for clean-up costs. It can cause health risks, impact to the aesthetic environment and the social costs and distress associated with illegally dumped wastes, particularly on the impacted landowners, are not easy to assess and are somehow unforeseen by many decision makers or properly costed.

As such, QFF requests further consideration of options and resourcing for the management of illegal dumping commencing with a state-wide, robust reporting and data capture system for illegal dumping incidents. For example, the UK's Flycapture system is a database for recording incidents of illegal dumping across Britain on public land. This will assist the Department in the identification of 'black spots' and characteristics and allow the scale and distribution of resources to address the issues/risk.

QFF also acknowledges the UK's Landowner Partnership Project which allows landowners provide data of incidents on their own land to build up a complete picture of the illegal dumping problem on private

land. Based on the information this provides, the government can decide what resources and solutions are needed to tackle the problem. The data is also used to assist the landowner to understand how they are personally affected by illegal dumping and put measures in place to reduce the impact on them/their land.

### ***Omissions in the Levy Design***

QFF is concerned about unintended consequences from the current levy design. The omission of stabilised municipal solid waste (MSW) being spread to farmland from the disposal levy, will encourage further private and local proponents to build and operate Alternative Waste Technologies (AWTs) which provide biological mechanical treatment (BMT and MBT) to treat waste streams, particularly MSW. Whilst this practice is currently contained to the Cairns region, there is substantial risk under the current design to implement similar practices in South East Queensland, which has some of the best quality agricultural land in Australia (e.g. the Lockyer Valley).

While QFF understands the levy is only charged on 'levyable waste' sent to a 'levyable waste disposal site', QFF is concerned that this will encourage the disposal of stabilised wastes to agricultural land. Under no circumstances does QFF want Queensland's agricultural land to be identified as a waste disposal site nor does it want to see farmers inadvertently contaminate their land which may lead to the land being registered on the EMR or CLR.

QFF has previously raised concerns to the Department regarding the spreading and long-term environmental impacts of spreading stabilised MSW to farmland. QFF is also concerned that such practices have the propensity to rightly cause concern to the general public and potentially damage Queensland's agricultural export markets.

The higher levy rates for regulated wastes (Category 1-\$150 and Category 2-\$100 per tonne) will also encourage diversion of these wastes from disposal options into recycling and recovery options. During the previous levy period, there was increased diversion of unsuitable wastes to composting. These wastes did not provide any benefit to the composting process or the final compost product and, in fact, produced highly unfavourable organic products.

QFF already notes the two-tier composting production processed in Queensland:

- The first is the legitimate compost industry which sources beneficial organic input streams to manufacture a range of high-quality products for a range of applications from broadacre, nursery and garden, to landscaping etc. These companies rely on a viable and trusted market for their products as a significant proportion of their income stream is derived from the product. The development and safeguard of this sector is critical to QFF members, many of whom rely on a readily available source of quality products at an affordable price. For example, potting mixes through to mulches for tree crops.
- The second tier is essentially waste reduction and, in some cases, waste or contaminant stabilisation. These companies accept a range of waste streams which do not provide benefit to the compost process or product, producing a range of products considered unsuitable for agricultural purposes. But noting that these 'compost-like organic' (CLO) products do have legitimate uses for engineering applications including mine rehabilitation, landfill day-cover and selected landscaping use such as roads and verges. Often such products are made available at cost-competitive prices, and sometimes free of charge, as the companies make much of their income on gate fees, particularly from those waste generators seeking an alternative from paying the regulated waste disposal levy.

As evidenced by current Environmental Authorities (EAs) issued by the Department for facilities holding ERA53 which permit for the receipt of contaminants including but not limited to:

- General wastes (including plastics and glass)
- Quarantine wastes (treated by an AQIS approved facility)
- Hide curing effluent



- Paper pulp effluent
- Carpet cleaning washwaters
- Water blasting washwaters
- Filter/ion exchange resin backwash waters.

Unfortunately, the current Australian Standards, which are not mandatory (AS4454, AS4419, AS3743), are insufficient to safeguard many product purchasers in the agricultural sector, and the level of buyer information and knowledge about the range of products is nascent. QFF is particularly cognisant of recent media and the presence of PFOS and PFAS within commercial composts as well as the awareness of 'emerging contaminants'.

The currently proposed Regulated Waste Schedule with the two regulated waste categories adds further misperception, with organic wastes such as animal manures, food processing waste and vegetable oils appearing in the same schedule (so at face value, the same risk) as acids, asbestos, cyanides, phenols and mercury compounds. QFF reiterates its call to remove animal effluents and manures, and food processing wastes (solid and liquid) from the regulated waste framework.

### **Exemptions**

Queensland has the highest proportion of agricultural land. According to ABS data, 80 per cent of the state is used for agricultural production. This equates to nearly 138 million hectares of farmland, of which 2.6 million hectares is laid to crop<sup>1</sup>.

The increasing frequency of extreme weather events<sup>2</sup> are significantly impacting primary producers across Australia, from crop damage to livestock stress, and have major flow on impacts for regional communities. QFF supports the exemption of disaster management waste from the levy. Extreme weather or climate events include heatwaves, bushfires, droughts, tropical cyclones, cold snaps and extreme rainfall (storms, hail, floods). These impacts are not uniform across the state and disproportionately impact the agricultural sector.

QFF also supports the exemption of biosecurity related wastes from the levy.

To facilitate capture of recovery materials from farms, ensure farmers are not disadvantaged by deeming provisions on their self-haul waste, and offer a viable alternative to on-farm disposal of general waste, QFF suggests the agricultural sector be exempt from the disposal levy.

If you have any queries about this submission, please contact Dr Georgina Davis at [georgina@qff.org.au](mailto:georgina@qff.org.au).

Yours sincerely

Travis Tobin  
Chief Executive Officer

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<sup>1</sup> <http://www.abs.gov.au/ausstats/abs@.nsf/mf/7121.0>

<sup>2</sup> Extreme events are defined as the occurrence of a weather or climate variable above (or below) a threshold value near the upper (or lower) end of the range of observed values.