



Queensland

# **Waste Reduction and Recycling Amendment Regulation (No. 1) 2012**

## **Explanatory Notes for SL 2012 No. 77**

made under the

*Waste Reduction and Recycling Act 2011*

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## **General outline**

### **Short title**

The short title of this regulation is the *Waste Reduction and Recycling Amendment Regulation (No. 1) 2012*.

### **Authorising law**

Section 38 of the *Waste Reduction and Recycling Act 2011* (the Act).

### **Policy objectives and the reasons for them**

The objective of the legislation is to cease the operation of the waste levy from 1 July 2012.

In the lead up to the March 2012 election, the LNP committed to repeal the industry waste tax, effective from 1 July 2012. On 10 April 2012, the incoming government agreed to repeal the levy through amendment of the *Waste Reduction and Recycling Regulation 2011* (the Regulation). The stated reason for its repeal is that the levy is a significant cost impost on business and industry and helps to meet the government's commitment to reduce the cost of living.

Section 38 of the Act provides for the rate of the waste levy to be prescribed under a regulation and that a regulation may provide that the rate for a particular type of waste is nil. This section also provides for the calculation of the waste levy in compliance with the requirements prescribed under a regulation.

Section 15 of the Regulation prescribes, in schedule 4, the waste levy rates applicable to different types of wastes for the purposes of section 38 of the Act.

Part 3, division 5 of the Regulation contains the requirements for calculating the waste levy in accordance with section 38 of the Act.

The Regulation also contains a number of definitions, transitional provisions and fees for applications that impact on the way the waste levy applies to different types of waste that become unnecessary as a result of removing the waste levy.

### **Achievement of policy objectives**

The policy objectives are achieved by removing the waste levy rates, the requirements for calculating the waste levy and the clauses that impact on the way different wastes are classified for the purpose of calculating the waste levy.

The amendments will amend section 15 to prescribe a nil levy rate, and omit schedule 4 of the Regulation to effectively remove the waste levy.

The amendments will omit Part 3, division 5 of the Regulation to effectively remove the requirements for calculating the waste levy in accordance with section 38 of the Act.

The amendments will omit the following provisions of the Regulation that consequently become unnecessary as a result of prescribing a nil levy rate:

- Sections 7 to 10 which contain definitions used for differentiating between different types of regulated waste for the purpose of calculating the waste levy;
- Part 3, divisions 1 and 2 which prescribe and guide the identification of different types of exempt waste for the purpose of calculating the waste levy;
- Part 7 which contains transitional matters relevant to calculating the waste levy;

- Schedule 7 (items 1, 2 and 7) which contain the fees for applications to exempt certain wastes from the application of the waste levy; and
- Schedules 2, 3 and 8 of the Regulation which contain information used to classify different waste types for the purpose of calculating the waste levy.

### **Consistency with policy objectives of authorising law**

While the Act contemplates the use of a price signal as one approach to achieving the objects of the Act, the amendments are not inconsistent with the main objectives of the Act.

### **Inconsistency with policy objectives of other legislation**

The amendments are not inconsistent with the policy objectives of other legislation.

### **Alternative ways of achieving policy objectives**

The objective to repeal the waste levy can only be given effect through regulatory amendment. In order to achieve a 1 July 2012 timeframe, the levy repeal requires a staged approach.

The first stage involves amendment to the Regulation. This amendment effectively provides for a nil levy rate on all types of waste. While the head of power for the levy remains in the Act, a nil levy rate in the Regulation means that no new levy liabilities are created when levyable waste is delivered to a levyable waste disposal site from 1 July 2012.

It is anticipated that a Bill will be prepared later in the year to amend the Act to remove the head of power for the waste levy.

### **Benefits and costs of implementation**

It is estimated that repealing the waste levy will save the operators of levyable waste disposal sites an estimated \$297 million in levy payments to the State over the next three financial years.

If the waste disposal fees are adjusted to reflect a lower disposal cost as a result of removing the levy, the levy repeal will result in lower waste disposal costs to business and industry.

There will be further savings to government and business as a result of removing compliance costs associated with administering the levy.

Although a nil levy rate applied to Municipal Solid Waste (domestic kerbside collected waste and some local government services waste) prior to this amendment, the levy did apply if the waste was collected under a commercial arrangement (for example, through skip bin services). The levy repeal should provide direct savings to households engaging commercial waste collection services.

### **Consistency with fundamental legislative principles**

Amendments are consistent with the fundamental legislative principles. The Act does contemplate that there may be a nil levy rate for particular waste.

### **Consultation**

While there has been no formal consultation on the policy position to repeal the levy, the repeal was foreshadowed in early 2012 as a pre-election commitment by the LNP. Subsequent to the LNP's election to government, a media statement was released, on 10 April 2012, announcing that the government had resolved to remove the levy.

The operators of levyable waste disposal sites have also been informed about the Government's decision to remove the waste levy from 1 July 2012.

Information has been provided to stakeholders about their obligations until the levy is repealed and their ongoing obligations, such as data reporting and maintaining records, after the levy has been repealed.

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#### ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Environment and Heritage Protection.