

Rural and Regional Adjustment (Household Waste Payment Scheme) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 195

made under the

Rural and Regional Adjustment Act 1994

General Outline

Short title

Rural and Regional Adjustment (Household Waste Payment Scheme) Amendment Regulation 2019

Authorising law

Sections 3, 10, 11 and 44 of the *Rural and Regional Adjustment Act 1994*.

Policy objectives and the reasons for them

The policy objective of the subordinate legislation is to provide a payment to eligible individuals, or proprietors, applying on behalf of eligible households that are directly affected by the waste levy.

The Queensland Government's new waste management and resource recovery strategy aims to reduce the amount of waste generated; grow the resource recovery and recycling industry; and create new jobs. The strategy has been underpinned by the introduction of a waste levy, which commenced on 1 July 2019.

Waste disposed of in the waste levy zone, or waste that originates in the waste levy zone or interstate and is disposed of in the non-levy zone, is liable for the waste levy unless the waste is exempt waste.

Upon announcing the levy, the Queensland Government made a commitment that the levy would have no direct impact on households. To ensure households are not directly affected, the Queensland Government provides councils which dispose of household waste in the levy zone with an annual advance payment which is used by councils to mitigate any direct impact of the waste levy on households.

Councils are also provided with a supplementary payment to offset the direct impacts of the waste levy for eligible households with a council commercial waste collection service not covered by annual payments. Examples of eligible households covered by the

supplementary payment may include manufactured home parks, retirement villages and boarding houses.

There are also a small number of properties not covered by the annual or supplementary payments to councils. These eligible households are those serviced by private waste collectors or 'mixed-use' properties with a combination of residential and commercial premises (e.g. a set of apartments with restaurants on the ground floor), which are not covered by the payments to councils.

The Household Waste Payment Scheme has been designed to provide financial assistance to eligible households directly affected by the waste levy incurred on domestic waste collection for eligible households not covered by the annual payments to councils made under the *Waste Reduction and Recycling Act 2011* (Waste Act) or associated supplementary payments made to councils for the same purpose.

The Scheme will meet the Government's commitment to ensure no direct impact on households as a result of the levy. The Scheme will include payments to cover the 2019-20, 2020-21 and 2021-22 financial years.

Achievement of policy objectives

The subordinate legislation achieves the policy objective by establishing the Household Waste Payment Scheme (the Scheme) as an 'approved scheme' under the *Rural and Regional Adjustment Act 1994* (the Adjustment Act). The Queensland Rural and Industry Development Authority (the Authority) can only give financial assistance under an approved scheme.

The Scheme provides payments to offset the direct impact of the waste levy incurred on domestic waste collection by eligible households. Payments are calculated using formulae appropriate to each applicant's waste collection situation. For the majority of eligible households, payments under the Scheme are provided to eligible proprietors, being the entity that is more directly affected by the waste levy for disposal of waste generated by the eligible household. However, the Scheme structure also acknowledges a minority of situations where individuals may need to apply on behalf of their own households.

To be eligible to receive a payment under the Scheme, an applicant must:

- be applying on behalf of an eligible household with a domestic waste collection service on which the impact of the levy is not already offset by annual payments under the Waste Act, or associated supplementary payments made to councils;
- have not already received a payment under the Scheme, for the relevant financial year, for the relevant household;
- be making the application for an eligible household that is in the waste levy zone (as defined by the Waste Act) or disposes of domestic waste in the waste levy zone; and
- only make the application for domestic waste generated by the relevant household.

The application for assistance must be made in the approved form. It is a condition of the Scheme that the applicant provide the authority with evidence of the address of the eligible Queensland household, as well as other evidence relevant to the category of application being made under the scheme.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the objectives of the Adjustment Act.

Inconsistency with policy objectives of other legislation

The subordinate legislation is consistent with the policy objectives of other legislation, including the Waste Act.

Alternative ways of achieving policy objectives

An alternative way of achieving the policy objective would be for the provision of the payments to be handled administratively by the Department of Environment and Science (DES). However, the Authority is a specialist administrator of government financial assistance programs and it is, therefore, more efficient for the authority to administer the payments.

The Adjustment Act enables the Authority to give financial assistance to small businesses or other elements of the State's economy to benefit the State's economy. The Authority has extensive experience in administering grant, loan and rebate and payment schemes for government and is well placed to administer the Scheme.

Benefits and costs of implementation

The effect of the Scheme is to benefit eligible Queensland households directly affected by the waste levy incurred on domestic waste under the Waste Act

The Authority will be fully funded by the Queensland Government to administer the Scheme. A total of \$143.5 million of advance payments and \$607,473 in supplementary payments were made to councils by DES in the 2019-20 financial year to give effect to the Queensland Government's commitment to ensure the levy has no direct impact on households. The actual cost of the Scheme will not be known until it is delivered, but it is expected to be very modest in comparison to the annual payments. The delivery of the annual payments, supplementary payments and Scheme is supported by waste levy revenue, which is expected to generate \$1.7 billion over four years.

Consistency with fundamental legislative principles

The subordinate legislation has been drafted with regard to, and is consistent with, the fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*.

Consultation

DES consulted with a range of stakeholders including councils, private waste collectors, proprietors and peak bodies on the development and delivery approach of the Scheme from May to August 2019. DES engaged extensively with all 43 councils which dispose of waste in the levy zone to obtain data and information critical to the development of the Scheme. DES also consulted with major peak bodies which represent different types of premise types that may wish to take advantage of the payment scheme such as peak

bodies for caravan parks, retirement villages and strata titles. Feedback received from these stakeholders about the scheme was generally positive.

The Department of Agriculture and Fisheries sought advice from the Office of Best Practice Regulation (OBPR) within the Queensland Productivity Commission. OBPR advised that the proposal is excluded from further analysis under the *Queensland Guide to Better Regulation* on the basis of category (k) – *regulatory proposals that are designed to reduce the burden of regulation, or that clearly do not add to the burden, and it is reasonably clear there are no significant adverse impacts.*