

Waste Reduction and Recycling Amendment Regulation 2024

Explanatory notes for SL 2024 No. 111

made under the

Waste Reduction and Recycling Act 2011

General Outline

Short title

Waste Reduction and Recycling Amendment Regulation 2024

Authorising law

Sections 26, 73DA and 271 of the *Waste Reduction and Recycling Act 2011*.

Policy objectives and the reasons for them

Queensland's waste disposal levy was re-introduced on 1 July 2019. In re-introducing the levy, the government committed to there being no cost imposed on householders as a direct result of the levy.

In order to achieve this the *Waste Reduction and Recycling Act 2011* (the Act) makes provision for annual payments to be made to levy-impacted local governments – that is those councils who incur a levy liability as a result of disposing of municipal solid waste to landfill. The Act states that a regulation may prescribe an amount that is to be paid, for a financial year, under section 73DA to a local government affected by the waste levy.

At the Local Government Association of Queensland (LGAQ) Annual Conference held in October 2023, the LGAQ called on the State Government to 'maintain the waste levy annual payments for all levy councils at 100 per cent until such time as the State waste targets and corresponding advance payments can be reviewed and better aligned with the data compiled in Regional Waste Management Plans'.

Section 26 of the Act provides for wastes to be exempt from the application of the waste disposal levy. This is either through direct listing in section 26 of the Act or, for other waste not mentioned, as prescribed by regulation to be exempt waste (s26(f)(i)).

Section 8 of the *Waste Reduction and Recycling Regulation 2023* (the Regulation) gives effect to section 26(f)(i) of the Act, prescribing specific wastes to be exempt wastes. Section 8(1)(c) of the Regulation prescribes alum sludge or other residuals produced as a result of a drinking water treatment process to be an exempt waste until 30 June 2024.

The policy objectives of the proposed amendments are to make additional payments to levy-impacted local governments and to extend the expiry date for alum sludge or other residuals produced as a result of a drinking water treatment process

Achievement of policy objectives

The policy objectives will be achieved by amending Schedule 5 of the Regulation to:

- give effect to additional payments to the seven major regional councils of Cairns, Townsville, Mackay, Rockhampton, Gladstone, Bundaberg and Fraser Coast to reinstate annual payments to 100 per cent of the incurred liability for the 2023-2024 and 2024-2025 financial years
- correct municipal solid waste baseline calculation errors for the 43 levy-impacted local governments for 2025-2026 and
- extend the expiry of the exemption for alum sludge or other residuals produced as a result of a drinking water treatment process until 30 June 2029.

Consistency with policy objectives of authorising law

The *Waste Reduction and Recycling Amendment Regulation 2024* (Amendment Regulation) is consistent with the main objectives of the Act to ensure that local governments are paid annual payment amounts in the way prescribed in regulation and to provide for levy exemptions where there is an inability for the generator of the waste to divert this material from landfill disposal.

Inconsistency with policy objectives of other legislation

The Amendment Regulation is consistent with the policy objectives of other legislation.

Benefits and costs of implementation

The cost impact of making additional payments to the seven regional local governments and the 43 levy-impacted councils (including calculation corrections for the seven regional councils, is \$8 million.

The forgone revenue for the 2024-2025 financial year as a result of extending the alum sludge levy exemption is \$5,416,710, based on the disposal of 54,789 tonnes at a combination of metropolitan levy rate of \$115,00 per tonne and a regional levy rate of \$94.00 per tonne in 2024-2025.

In accordance with *The Queensland Government Better Regulation Policy*, an Impact Analysis Statement (IAS) was prepared in relation to the regulatory proposal. The IAS

determined that the proposal will not add to the regulatory burden and does not result in adverse impacts. No further regulatory impact analysis is required.

Consistency with fundamental legislative principles

The legislation is consistent with fundamental legislative principles.

Consultation

No consultation has been undertaken on the payment adjustments for annual payments as these are administrative in nature and were subject to government decision processes. Impacted local governments will be advised of the annual payment adjustments following notification of the Amendment Regulation.

In the course of deciding whether to extend the levy exemption the department spoke to LGAQ to better understand whether the expiry of the levy exemption would cause issues for councils.

While a number of local councils do not dispose of alum sludge due to proximity of wastewater and water treatment plants which allows for beneficial incorporation of the alum sludge into the wastewater treatment outputs, seven councils and four of the five utilities providers would be impacted. One utility provider is able to meet the parameters of the End of Waste Code for Water Treatment Residuals due to the nature of its operation.

LGAQ is supportive of the proposed extension to the levy exemption for alum sludge and has proposed a working group is established to identify suitable alternatives to the use of alum and potential reuse and recycling options for alum sludge.

The Office of Best Practice Regulation was notified of the proposal.