



AUSTRALIAN INDUSTRY
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18 January 2008

The Honourable Andrew McNamara MP
Minister for Sustainability, Climate Change and Innovation
PO Box 15155
CITY EAST QLD 4002

Dear Minister

Re: Queensland Waste Strategy Discussion Paper

The Australian Industry Group is one of the largest national industry bodies in Australia, representing businesses in manufacturing, construction, automotive, transport, information technology and other industries.

Ai Group recognises the challenges facing business and the environment as we move deeper into the 21st century and the need for government and business to work together to find the most appropriate policy mix for improved waste management and resource efficiency.

To that end I have attached our submission on the Discussion Paper "Let's not Waste our Future" and look forward to our involvement in the process of developing the new Queensland waste strategy.

As indicated in our submission, we urge the Queensland Government to take a strong partnership approach with Queensland industry to make the changes required to reduce overall waste levels.

Should your officers require further information, I would suggest they contact Mr Aaron Johnstone, Manager Policy and Public Affairs, on 3244 1767 or email aaron.johnstone@aigroup.asn.au.

Yours sincerely

Chris Rodwell
Director – Queensland



***Comments on the
Discussion Paper***

***“Let’s not Waste our Future –
Queensland Waste Strategy”***

January 2008

Overview

It is clear that in Queensland overall resource consumption and waste have continued to increase despite reductions in packaging use and waste resulting from the National Packaging Covenant¹ and the move by industry to more sustainable practices through implementing eco-efficiency (as encouraged by the EPA's EcoBiz Program).

Ai Group recognises that promoting resource efficiency will reduce pollution and waste and also address high priority environmental issues such as climate change and loss of biodiversity.

However, we believe the policy emphasis has to be on resources and sustainable production and consumption, rather than on the issue of land-fill management, for example.

The challenge for the Government then is to develop and apply a mix of policies that will reduce resource use while ensuring continued economic and social benefits to the community.

The strategy must consider the costs and benefits each policy hopes to achieve. With resource efficiency the benefits relate to the community as a whole, while the costs may be borne by industry and by Government. The strategy that will follow from the discussion paper must have costs and benefits estimated for all the proposed measures.

The *Environmental Protection Act* is severely limited in its ability to regulate the consumption of resources just as it has limitations in regulating the consumption of energy and the development of climate change.

Institutional Reform:

The most important issue is the need to establish a Government resource efficiency entity (either inside or outside the EPA) analogous to the new "climate change entity" established within the EPA. Such an entity would be responsible for implementing the resource efficiency strategy through measuring resource use, recycling and re-use and by planning and implementing public programs to motivate and incentivise resource use efficiency within industry and the whole community.

The entity would be responsible for evaluating the economic benefits of resource efficiency particularly for individual examples such as aluminium, steel and plastics and providing regular reports on the economic successes of the actions taken. The entity would liaise with national initiatives such as the Centre for Sustainable Resource Processing (CSRP) and CSIRO.

¹ Ai Group is a founding member of the National Packaging Covenant Council

Specific Issues in the Discussion Paper

Land-fill Levy

We reject the concept of applying land-fill levies. The application of a levy is based on the assumption that penalising the disposal of waste to a land-fill will reduce the amount of waste. However, it does not appear that experience in other states support this.

The operation of a land-fill is a business and it is up to the operator, usually a local government or its contractors, to operate with as low an environmental impact as possible and to recover operating costs through disposal charges.

The reasons for waste disposal to land-fill both by businesses and by the community are complex and specific to individual disposal actions.

However, these are usually based on economic, environmental and social reasoning such as the cost of replacement versus the cost of repairs and the environmental and social costs of just leaving the waste in situ where it is created. It is unreasonable to apply an overall penalty such as a levy without considering the rationale for individual decisions.

A land-fill levy to encourage resource efficiency cannot be effective if producers do not have access to the economic and technological resources to change procedures and behaviour.

If a levy was introduced, it could not stand alone as a policy measure, and any funds raised from such a levy would need to be transferred to industry best practice education programs.

Land-fills meet a community need and are often a natural monopoly and there is a case for charges to be regulated by competition authorities but not for a levy for all land-fills.

The concept of "end-of-life" is more complex than expressed in the discussion paper and consumer decisions on disposal of a product may not relate simply to the item becoming unfit for the original reason for purchase.

Banning of Material from Land-Fill

A land-fill operator has environmental criteria to meet and if certain materials sourced to the land-fill cause these criteria to be not met then it is reasonable for appropriate management arrangements to be made with potential suppliers of these materials and this may involve rejection. It is not the

business of the Queensland Government to intervene in this supplier/customer process.

Targets

Targets should be developed to define the strategy in a measurable, quantitative manner. The objective should be to reduce material costs and establish efficient markets for recycled goods and to promote innovation. Regular reports should be made of performance versus the targets.

Targets should be set for discussion and recovery of materials such as aluminium, steel, plastics and wood from the household, commercial and industrial and construction and demolition sectors. Targets should also be set for the recycled content of goods made from plastics and for wood based materials.

Innovation

The success of the resource efficiency strategy will depend on the move to innovative technology. This movement will be in part driven by the success of the information/education programs for industry and the community but mainly by the accessibility of the appropriate technology.

We believe there should be a Government fund – say a “resources smart fund” analogous to the Climate Smart Fund where the developers of innovative technologies for resource efficiency and recovery can access funds on a competitive basis as subsidies, grants or low-interest loans to assist in eco-efficient technology development and diffusion. This would include designing products to be easily repaired or to be re-used or recycled.

There should be a Government funded repository of knowledge and technology conducted within the above recommended “resource efficiency entity”.

Voluntary Agreements

Government should engage with producers and consumers to deal with resource efficiency issues together by providing incentives and support for efficient resources.

Such mechanisms would require the development of an action plan to meet the objectives of the resource efficiency strategy and the implementation of that action plan. Voluntary agreements would be developed as an alternative to regulation.

The administration of voluntary agreements through an industry association, for example, has the advantages of a trusting relationship between the association and individual businesses and the ease of communication between Government and the association. However, this would require Government funding to the association for the costs of administration.

Consumer and Producer Information Services

Government should provide support to producers and consumers to undertake resource efficiency through providing information and education programs and developing community communication systems to promote the availability of consumer resource efficiency information. Also, teaching programs on resource efficiency could be developed and made available to schools for use with early high school social and environmental learning programs.

Industry training and symposiums can be developed and delivered by associations such as the Australian Industry Group working in partnership with the Government resource efficiency entity.

Extended Producer Responsibility and Product Stewardship

The producer can not be entirely responsible for a consumer's decision to dispose of a product whether to place it in a waste stream or to dispose of it illegally. We are opposed to producers being penalised for the actions of others.

A consumer will make the disposal decision based on the economic value received from the product even if it is far from the end of its potential life and will be based on decisions involving matters such as the cost of repairs and the cost of replacement which involves retailer pricing programs etc.

We support, however, the concept of voluntary product stewardship where a producer directly advises parties in the supply chain – wholesalers, retailers and consumers – on potential harm caused by poor disposal activities and encourages "the right thing".

The Australian Industry Group is available to work with Government in a role in education and training (as above) to promote product stewardship.

Container Deposit Legislation

We understand that there are constitutional problems with Queensland implementing this measure. In any case the National Packaging Covenant is proving to be a useful program in reducing the waste problem for beverage containers.

Also, measures derived from the covenant through the project processes such as public place recycling and the glass recycling scheme now being undertaken by the major beverage suppliers, are being introduced to successfully deal with the container issue. Consequently, as strong supporters of the covenant we are opposed to CDL being implemented in Queensland.