



This submission presents the King Island Council's response to the *Waste and Resource Recovery Bill 2021* (the Bill).

## **1. Bass Strait Islands – Different Circular Economies**

- 1.1 The King Island Council is committed to local community-based strategies that minimise waste, enable recycling, reuse and resource recovery and reduce the volume of waste going to its landfill sites.
- 1.2 Council's commitment is driven in large part by the high cost of providing, maintaining and rehabilitating its landfill sites. This cost is already borne by the community through property service charges and rate payments and form part of the local circular economy operating on the island.
- 1.3 The Bill and supporting documentation does not recognise and accommodate the fact that the circular economy on King Island is fundamentally different to the circular economies operating on mainland Tasmania and interstate.
- 1.4 The physical separation of the islands from mainland Tasmania, their small populations, small economies and small volumes of waste require local, community-based approaches to waste management and resource recovery rather than the 'one size fits all', centralised, top-down model presented in the Bill.
- 1.5 The model and the emphasis on regional, statewide and national recovery solutions do not provide any scope for community-based solutions that fit the unique circumstances of the islands.
- 1.6 This issue was originally raised in the King Island Council's submission on the draft Waste Action Plan (WAP) which unfortunately was not addressed in the subsequent report on submissions prepared by the Department of Primary industries, Parks, Water and Environment (DPIPWE).

## **2. Ministerial Commitment to the Bass Strait Islands**

- 2.1 On 15 October 2020, the Minister for Environment and Parks wrote to the King Island Council advising that DPIPWE is *'considering the likely impacts on remote and island communities as part of its investigation into the broader economic effects of a waste levy and also during the development of the new levy legislation'*.
- 2.2 The Minister also stated that the WAP *'was not intended to reflect Tasmanian Government policy'* and that DPIPWE's response to WAP submissions *'did not include a detailed examination of the challenges for Tasmanian islands but it did flag the concerns raised by remote communities and councils and indicated that careful planning would be required on this matter'*.



- 2.3 The Bill and supporting papers make no mention of the unique nature of island economies and how a statewide levy and the Tasmanian Waste and Resource Recovery Board might operate in relation to the Bass Strait islands.
- 2.4 Similarly, there is no recognition of the very small scale and already high cost of local waste management systems on the islands and the even higher costs and logistics of transporting waste or recovered material to regional or statewide centres on mainland Tasmania.
- 2.5 At the initiation of the King Island and Flinders Councils, a meeting of senior representatives of the King Island Council, the Flinders Council and DPIPWE was held on 24 February 2021. The meeting confirmed that DPIPWE had not undertaken any investigation consistent with the Minister's commitment.
- 2.6 The meeting also confirmed that the Bill is intended to deliver a 'one size fits all' strategic planning and regulatory approach to resource recovery and that there will be no exemptions or amendments to accommodate the particular circumstances of the islands.
- 2.7 The Bill therefore does not provide any certainty that a statewide levy or a Tasmanian Waste and Resource Recovery Board will deliver local, community-based systems to improve resource recovery or waste management on the Bass Strait islands nor does it provide measures to protect the Bass Strait islands from potential negative financial impacts from a 'one size fits all' regulation.

### **3. Statewide Compulsory Waste Levy**

- 3.1 The statewide levy is promoted by DPIPWE as a necessary instrument to generate revenue to fund the Tasmanian Government and other parties to deliver regional, statewide and national recovery and circular economy priorities.
- 3.2 The King Island and Flinders Councils are the only operators of public landfills on the Bass Strait islands and their small populations and small number of businesses generate very small volumes of waste by comparison to mainland Tasmania.
- 3.3 The argument that a statewide levy with a flat rate across all waste types would ensure competitive neutrality across all landfills has little or no relevance on the islands because it is not economic for waste to be exported to landfills on mainland Tasmania or shipped from mainland Tasmania to landfills on the islands.
- 3.4 Flinders Council does not have a residential or commercial waste collection service and there is no fee for people to deliver waste to the landfill because staffing costs to collect fees at the landfill greatly exceeds the amount of revenue that could be collected.
- 3.5 A statewide levy would also be uneconomic to collect at the landfill for the same reason. Consequently, Flinders Council would have to fund the levy from its rate revenue, which defeats the levy's intent of sending a price-signal to people generating waste.
- 3.6 King Island Council has a residential and commercial waste collection service which generates the majority of the island's waste and is funded by a standard per bin service charge. Waste can also be recycled and disposed at Council's waste management site but represents a small proportion of waste generated on the island.



- 3.7 As service charges are calculated on a per bin basis and not volume or weight, its effectiveness as a pricing signal would be very limited. Council's experience is that the community views increases in service charges the same as property rate increases, i.e. a tax.
- 3.8 The cost of living and doing business on both islands is between 20% to 30% or higher when compared to mainland Tasmanian urban centres. Funding the levy from rates would require an annual rate increase of approximately 2% rising to 6% over four years.
- 3.9 Such rate increases would generate genuine financial hardship for many island residents and seriously impact the financial viability of many businesses, especially on top of COVID-19 pandemic revenue and job losses. The increases would also severely impact the financial capacity of the community to pay when added to increases Councils will need to impose to maintain core local government services, infrastructure and legislative compliance obligations.
- 3.10 Investment of levy funds in regional, statewide and national resource recovery would have limited, if any, benefits for the islands due to the high cost of transporting waste or recovered materials (i.e. between \$160 and \$180 per m<sup>3</sup>) to facilities on mainland Tasmania or interstate.
- 3.11 For these reasons, the Bill in its current form would deliver negative financial and economic impacts for the islands without any tangible improvement in resource recovery or waste management services.

#### **4. Tasmanian Waste and Resource Recovery Board (TWRRB)**

- 4.1 The Bill assigns the TWRRB broad powers to impose significant changes to waste management services thereby overriding councils current powers without any of the usual checks and balances applying to Government authorities, boards and agencies, especially those detailed in objectives for Tasmanian Resource Management and Planning System (RMPS).
- 4.2 For example, the Bill does not specify the need for the TWRRB to consult with councils and other landfill operators on its strategic plan, or regulations it may develop, yet this is a fundamental objective of the RMPS.
- 4.3 The lack of separation between the TWRRB's strategic planning and policy development role and its regulatory role is contrary to good government principles that separate these roles in the interests of procedural fairness and the public interest.
- 4.4 Similarly, the Bill is silent on the nature of TWRRB's relationship with the Minister, the Environment Protection Authority (EPA), the Director, EPA/DPIPWE Deputy Secretary. These relationships are fundamental to the operation of the proposed legislation and should be prescribed in the Bill. They need to be transparent to enable landfill operators and the public to fully understand how the system would work, the accountability arrangements and most importantly, how they would be informed and engaged in the decision-making process.
- 4.5 The absence of such provisions in the Bill is contrary to the RMPS objectives and has potential to create significant stakeholder and public confusion when they come to participate in the system and protect their interests and rights.



- 4.6 The centralised, top-down TWRRB structure also risks a simplistic ‘one size fits all’ approach to developing the strategic plan and future regulation, without any requirement to evaluate potential regulatory impacts on local communities and economies.
- 4.7 This presents a very high risk to the Bass Strait islands given experience with other ‘one-size-fits-all’ legislation which operates to the financial and economic detriment of the Bass Strait islands and the sustainability of their small scale, local community-based service delivery models.
- 4.7 It is highly unlikely that the Government would appoint TWRRB members with small island experience to mitigate this risk, which further limits the opportunity for the particular circumstances facing the islands to be properly and fairly addressed.
- 4.8 As currently drafted, the Bill provides no certainty that the TWRRB would deliver any outcomes to improve resource recovery or waste management on the Bass Strait islands commensurate with the level of funding the levy will raise on the islands.

## **5. Conclusion**

- 5.1 The King Island Council is committed to local, community-based approaches to environmental compliance and sustainable management of resource recovery and waste disposal.
- 5.2 In its current form, the Bill does not comply with the objectives of the Tasmanian Resource Management and Planning System.
- 5.3 The Bill presents a significant risk to the continued implementation of King Island Council’s community-based approach to waste management and resource recovery as it transfers substantial planning, financial and regulatory responsibility from the local community to a centralised, top-down TWRRB structure.
- 5.4 The Bill does not recognise the unique scale and physical circumstances of the Bass Strait islands nor does it provide any guarantees that the islands will be able to have an effective voice or ability to participate in the centralised decision-making model.
- 5.5 The Bill needs substantial amendment before it would be acceptable to the King Island Council.

