

DRAFT SECOND READING SPEECH  
HON ROGER JAENSCH, MP  
*Waste and Resource Recovery Bill 2021*

*\*check Hansard for delivery\**

Mister Speaker, I move that the *Waste and Resource Recovery Bill 2021* now be read a second time.

This Bill establishes a compulsory statewide waste levy that will encourage the diversion of waste from landfill and raise funds for investment in alternative resource recovery options.

The levy will help build a circular economy in Tasmania, supporting the creation of new jobs and businesses.

In 2018 China, followed by other South East Asian countries, changed their import regimes for recycled materials and introduced restrictions on waste entering their countries

These bans have honed Australia's focus and resolve on waste management, resource recovery and our circular economy.

The *Waste and Resource Recovery Bill* will mark a significant change in the way Tasmania manages waste. It's part of our policy position that provides a vision for the future of waste and resource recovery in Tasmania.

This Bill recognises the value of resources contained in waste – including plastic, glass, rubber, paper, metals, organics and construction materials.

The waste levy will provide a disincentive for businesses and individuals to send recoverable materials to landfill, by increasing the cost of burying that material in the ground.

Mister Speaker In 2018, Australian Environment Ministers committed to a number of actions to stimulate Australia's resource recovery capacity. They also endorsed the *National Waste Policy: Less Waste, More Resources* which is based on circular economy principles.

A circular economy does not use a traditional linear model of take resources to make products and dispose of waste.

Instead, it maximises the value and use of materials and resources at every stage of the life of a product or material.

To improve resource recovery, and increase the use of, and demand for, recycled and reusable products, we need to consider the whole lifecycle of materials previously considered to be 'waste'.

In order to truly embed these circular economy principles, the *Waste and Resource Recovery Bill* will ensure that all money raised via the levy will be invested back into waste management and resource recovery in Tasmania.

The Bill does two key things:

Firstly, it creates the Tasmanian Waste and Resource Recovery Board to set strategic directions for waste and resource recovery across the whole of Tasmania. It will do this through a comprehensive Waste Strategy developed in consultation with a wide range of stakeholders and the community; and

Secondly, it establishes a state-wide compulsory waste levy; which will increase the cost of sending waste to landfill, making resource recovery a more competitive option, and it will generate funding for the initiatives in the Waste Strategy that create alternatives to disposal at landfill.

The new Tasmanian Waste and Resource Recovery Board will be critical in deciding how the levy funds will be spent and in establishing a strategic approach to managing waste and resource recovery across Tasmania.

Within 6 months of the commencement of the Act, the Board will provide the Minister with a draft Waste Strategy, which will have three key objectives:

To divert waste from landfill;

To maximise resource recovery; and

To improve waste management practices.

Through its Waste Strategy, the Board will drive positive change by providing investment direction and support for businesses to foster the growth of the circular economy across the State. The Waste Strategy, must cover a period of at least 3 years.

The Bill also provides that when the Board is preparing the draft waste strategy, it must consult with the Minister, the Local Government Association, the EPA Director, and relevant industry stakeholders as determined by the Board. The draft strategy will also be subject to a period of public consultation.

The Bill provides for Regulations to specify requirements for the provision of information about waste by operators of landfill and resource recovery facilities, thereby providing data to support strategy development and tracking of performance as well as compliance auditing.

The funds collected from the levy will be deposited into a special purpose account, called the Waste and Resource Recovery Account. It will be administered by the Secretary of the Department for certain defined and prescribed purposes. The Board will utilise these funds for the purpose of implementing the waste strategy, enabling the Board to perform its functions, and meeting costs associated with its operation.

I want to highlight that the administrative arrangements in this Bill are in places a little different to those outlined in the draft version of the Bill that was released for consultation earlier this year. The recent decision to strengthen the independence of the EPA has meant that the waste levy will now be administered by the Department, who will collect the levy funds and enforce the legislation.

Mister Speaker, we have listened closely to the experience of other jurisdictions, and we are ensuring that in implementing the waste levy in Tasmania, we are maximising the opportunity

for landfill operators to claim a full rebate for each tonne of reusable waste that they divert from their landfill to a resource recovery facility. This Bill works to provide a framework with as many mechanisms as possible to encourage resource recovery.

The Bill also provides for certain facilities and waste types to be exempted from the levy if there is a clear public interest to do so. We recognise that sometimes it is more important that a waste is disposed of properly and quickly. Asbestos, for example. Or during a public emergency, such as floods or fires, where there is a need to have waste materials gathered up and properly disposed of quickly for health and safety reasons. There will be some further information provided in Regulations, but we have the ability in this Bill to use Ministerial Orders to respond quickly if circumstances require it.

It will be important for landfill and resource recovery operators to comply with the requirements, including operating in accordance with Ministerial Standards, and Guidelines issued by the Secretary. This will ensure consistency across the State, avoiding confusion about the rules and reducing the likelihood of waste producers 'shopping around'.

We understand that the new arrangements will require a period of transition for landfill operators. That is why, Mister Speaker, that we are finalising a "levy readiness" support package to assist relevant operators to make the transition before the levy liability commences. We will be working closely with affected operators to help them understand the new arrangements and obligations, and supporting them with the transition.

At the request of local government, collection of the levy will commence on 1 July 2022 to enable them to organise their administrative processes and budgeting.

From finalising the legislation, this will allow at least six months preparation for waste producers to factor waste costs into their operations and to plan to reduce the volume of waste they send to landfill. On this basis, the incentive to divert waste from landfill will have practical effect immediately, ahead of the levy commencing.

There were 31 formal submissions received in the public consultation period, which included the views of local government, regional groups, industry representatives, waste and resource recovery operators, commercial and not-for-profit organisations. I would like to thank all those that took the time to be involved in this improvement process. This Bill before us now reflects the valuable feedback we have received.

Mister Speaker, I would like to note the economic modelling undertaken for this Bill, and the significant benefits to the community it revealed. My Department engaged consultants who modelled a variety of scenarios and found that the optimal waste levy rate for Tasmania is \$60 per tonne of waste disposed of in landfill.

This levy amount will be specified in the Regulations and introduced in a staged manner to prevent price shock. This will allow alternatives to landfill disposal to be developed before the levy reaches the \$60 per tonne rate.

When the waste levy is introduced it will start at \$20 per tonne, it will increase to \$40 after two years and to \$60 two years after that. These rates will be expressed as fee units so that the rates are maintained in real terms over time.

The consultants modelling showed that the waste levy may support 130 new full-time ongoing positions in the waste and resource recovery sector once the maximum levy rate is reached.

The modelling projected that the total waste levy collection would reach \$8.3 million in the first full year of operation, and that the levy is expected to deliver a decline in landfill disposal of around 210,000 tonnes per annum by 2030-31.

This means less resources lost to landfill, less land used for landfill, and, in the case of organic waste, the production of less greenhouse gases. This will have significant benefits for the Tasmania's environment as well as its economy.

The consultants estimated that by 2028, up to an additional 120,000 tonnes of recyclables will be diverted from landfill and predict that it will drive more than \$10 million in investment in recycling industry.

Mister Speaker, this Government also recognises the good work that Tasmania's regional waste bodies do using the funds collected from their existing regional waste levies, which will be replaced by the statewide levy. We want this work to continue, which is why we have set the following important principles:

- no regional waste management body will be worse off with the transition to a statewide levy;
- all regional waste management bodies will be treated consistently; and
- all regional bodies receiving funds from the Statewide levy will be accountable for use of those funds in accordance with the Waste Strategy

We also acknowledge the unique circumstances of King Island and Flinders and West Coast Councils. It is the Government's expectation that these councils will participate in the Levy under special arrangements that ensure they are net beneficiaries of the levy, to assist them to invest in waste management options that help overcome the disadvantages of remoteness and scale faced by these communities

Mister Speaker, this Bill presents a fundamental shift in the way we view waste - not as rubbish but as a reusable resource, supporting our circular economy and creating jobs for Tasmanians.

Mister Speaker, I commend the Bill to the House.