

**SPECIAL COUNCIL MEETING
AGENDA
TUESDAY, 9 MARCH 2021**



GLENORCHY CITY COUNCIL

Meeting to be held at Moonah Arts Centre, Moonah

QUALIFIED PERSON CERTIFICATION

The General Manager certifies that, in accordance with section 65 of the *Local Government Act 1993*, any advice, information and recommendations contained in the reports related to this agenda have been prepared by persons who have the qualifications or experience necessary to give such advice, information and recommendations.

A handwritten signature in blue ink, appearing to read 'Tony McMullen', is written over a horizontal line.

Tony McMullen
General Manager

5 March 2021

Hour: 5.00pm

Present (in person):

Present (by video link):

TABLE OF CONTENTS:

1.	APOLOGIES	3
2.	PECUNIARY INTEREST NOTIFICATION	3
	ENVIRONMENT	4
3.	WASTE LEVY AND CONTAINER REFUND SCHEME LEGISLATION	5

1. APOLOGIES

2. PECUNIARY INTEREST NOTIFICATION

ENVIRONMENT

Community goal: “Valuing our environment”

3. WASTE LEVY AND CONTAINER REFUND SCHEME LEGISLATION

Author: Acting Director Infrastructure and Works (Frank Chen)
Waste Services Coordinator (Evan Brown)

Qualified Person: Acting Director Infrastructure and Works (Frank Chen)

ECM File Reference: Waste Services

Community Plan Reference:

Leading Our Community

The communities of Glenorchy will be confident that Council manages the community's assets soundly for the long term benefit of the community

Strategic or Annual Plan Reference:

Leading Our Community

Objective 4.1 Govern in the best interests of our community

Strategy 4.1.2 Manage the City's assets soundly for the long-term benefit of the community

Waste Management Strategy – Revised 2019:

Goal 1: To promote the sustainable management of resources.

Objectives: Support and educate the community in separation, recovery and reuse, and lead by example

Collaborate with others regionally and nationally to improve effectiveness and sustainability

Goal 2: To provide convenient and affordable waste services that meet the needs of the community.

Objectives: Provide a high-quality, cost-effective and flexible kerbside collection service.

Provide long-term continuity of convenient waste disposal options.

Maintain effective and timely communication to keep the community engaged and informed.

Goal 3: To minimise negative impacts of waste on the natural and built environments.

Objectives: Minimise environmental impacts of Council-controlled landfill.
Reduce litter and dumped rubbish in public places.

Reporting Brief:

To brief Council on the proposed introduction of the following waste management initiatives by the Tasmanian Government as part of its Waste Action Plan:

- a statewide waste levy on general waste to landfill,
- a proposed Container Refund Scheme on beverage containers,

The report also seeks Council's endorsement of the approach to addressing the impacts of these two initiatives.

Proposal in Detail:**Background**

The Tasmanian Government's draft Waste Action Plan, released in 2019, provided a framework for discussion with Local Government, business and the community on the how to address challenges with waste and resource recovery within the Tasmania.

The draft Waste Action Plan identified several key actions the State Government would take, and included two key actions:

- a legislated statewide waste levy by 2021, and
- the introduction of a Container Refund Scheme by 2022.

On 4 November 2020, the Tasmanian Government announced a *Waste and Resource Recovery Bill*. The bill was released for public consultation on 4 February 2021 and will allow for the introduction of a waste levy in Tasmania and provide for a Container Refund Scheme on beverage containers.

Waste Levy

The Tasmanian Government is proposing to introduce a waste levy under from 1 November 2021.

The objective of the waste levy is to reduce and divert waste currently going to landfill and subsequently benefit the environment and create economic benefits by increasing the amount of resources that can be recovered.

It is proposed that the introduction of the waste levy will be staggered over 4 years starting at \$20 per tonne on 1 November 2021, and rising to \$60 per tonne from November 2025. The following table sets out the proposed increase in the levy from November 2021 to November 2025.

Period	Nov 2021 to Nov 2023	Nov 2023 to Nov 2025	Nov 2025 to onwards
Waste Levy (\$)	\$20 per tonne	\$40 per tonne	\$60 per tonne

The staggered increase is proposed to give businesses and local government time to plan for alternatives to landfill and prepare for the increased costs of waste disposal.

According to the *National Waste Audit Report 2019*, Tasmania saw approximately 453,000 tonnes of waste sent to landfills during the 2016-2017 period. Applying a waste levy to such a large amount of waste would generate around \$9 million for the Tasmanian Government at the initial rate of \$20 per tonne.

It is intended by the Government that the waste levy will provide a revenue stream for the strategic management of waste within the State. The funds collected from the waste levy will also be used to support business and jobs growth within the resource recovery sectors and to promote resource recovery initiatives.

Most other states within Australia already have a waste levy, although amounts vary between metropolitan and rural areas within each State. The following table outlines the average waste levy for that State or Territory:

State	Levy Rate Per Tonne
NSW	\$143
Victoria	\$64.20
South Australia	\$110
Western Australia	\$70
Queensland	\$75

In other States and Territories, waste levies have been used to fund various waste management programs and projects, including:

- kerbside FOGO services and organics treatment infrastructure (VIC)
- illegal dumping and litter prevention programs (NSW, VIC, SA)
- infrastructure for large scale facilities for resource recovery and recycling projects (NSW)
- management of contaminated land and high-risk hazardous wastes (VIC, NSW), and
- implementation of a Container Deposit Scheme (WA).

In comparison to other States, the waste levy proposed by the Tasmanian Government is relatively low, even though it will be eventually increase to \$60 per tonne in 2025. There is a possibility that the levy could be further increased by the Tasmanian Government to reduce the amount of waste going to landfill and to encourage recycling.

As noted above, the waste levy will be facilitated by the *Waste and Resource Recovery Bill 2021* and related Regulations, if passed by Parliament. This would also see the establishment of a Waste and Resource Recovery Board, responsible for the reinvestment and management of funds raised through the levy.

Further details of the *Waste and Resource Recovery Bill 2021* are provided in the Explanatory Paper published by the Department of Primary Industries, Parks, Water and Environment ([Attachment 1](#)).

The State's Environment Protection Authority will be responsible for the administration and ensuring compliance with the legislation on behalf of the Tasmanian Government.

The legislation will require a levy to be paid by landfill operators, such as local councils, on every tonne of waste buried at the landfill. Understandably, all landfill operators are expected to pass on the cost of the waste levy to their customers.

It is important to note the waste levy will only apply at the point of disposal on general waste materials to be buried and will not apply to kerbside FOGO, recycling, green waste or other recycled waste materials such as metals, concrete and clean fill.

Other exemptions from the waste levy include asbestos and waste materials collected due to a natural disaster, materials collected from illegal dumping and dredge spoil.

Council currently owns and operates the Jackson Street Landfill and provides a kerbside general waste collection service to the community. The waste levy, if introduced, would apply to all kerbside general waste and general waste deposited directly at the landfill. Some activities that Council undertakes, such as roadside maintenance and the removal of illegally dumped waste may fall within the exemption. However, the exact scope of the exemptions from the levy would be set in the regulations which accompany the bill, drafts of which have not yet been released. This may have further financial implications on Council's day-to-day maintenance and operational works, particularly if the exemptions do not apply to some regular activities.

Council has seen a reduction in the total tonnage of general waste received at the Jackson Street Landfill in recent years, while the percentage diverted from landfill has remained relatively steady.

The table below outlines the decrease in tonnages received into landfill over the years.

Year	Tonnes Received	Tonnes Diverted	% diverted from landfill
14-15	152,390	102,043	67%
15-16	160,131	120,034	75%
16-17	116,514	79,086	68%
17-18	123,382	86,252	70%
18-19	89,587	64,960	73%
19-20	46,637	32,554	70%

For the 2019-20 year, Council received approximately 47,000 tonnes directly at the landfill and a further 7,500 tonnes of general waste collected from the kerbside service

by Council. Had the waste levy applied during 2019-20, both the 14,000 tonnes at landfill and the 7,500 tonnes of kerbside general waste would have had the waste levy applied to it.

It is likely that the imposition of the waste levy imposed will have significant impacts on Council's revenue stream and operating expenditure. The potential financial impact on Council has been analysed and presented in the report's financial impacts section.

Council officers support the introduction of the waste levy in-principle, due to its environmental and social benefits. However, based on a the current 'user-pays' model, the Jackson Street Landfill's gate fees would need to be adjusted to directly pass on the waste levy to customers. This would avoid a situation where all Glenorchy ratepayers subsidised the cost of receiving general waste from various landfill sources, thereby imposing the cost of the waste levy on the wider community (i.e. through increased rates or reduced services).

Accordingly, it is proposed that Council's Fees and Charges for the Jackson Street landfill for the 2021-22 financial year incorporate increased gate fees to account for the cost of the Waste levy. Council's Fees and Charges will be presented to Council for approval later this financial year closer to the adoption of next year's budget (typically in May or June).

The gate fees proposed to be presented to Council for adoption envisage that two sets of gate fees being introduced, to cover the periods before and after the introduction of the waste levy on 1 November 2021. Officers do not recommend that the increased fees are charged prior to the waste levy being introduced (i.e. the period from 1 July to 1 November 2021).

Council officers believe that having the waste levy applied to the kerbside general waste collection would have a broader community impact. At this point, Council officers are working with their counterparts in the region and with the Local Government Association of Tasmania (**LGAT**) to develop a consistent approach to applying the waste levy to kerbside general waste collection.

Due to the impact the waste levy will have on kerbside general waste collection and associated cost increase, it is recommended that Council writes to the Tasmanian Government, through LGAT, urging that kerbside general waste collection is exempted from the waste levy until 1 July 2022. This would allow time for Council to incorporate a consistent method, aligned with other Councils, for setting charges for the kerbside general waste collection.

Container Refund Scheme

The second initiative proposed by the Tasmanian Government under the proposed bill is the introduction of a Container Refund Scheme for Tasmania (**CRS**).

Container refund schemes are a mechanism that enable users to claim a refund for each eligible drink container they return to a designated refund point.

The CRS proposed by the Tasmanian Government is scheduled to be implemented in 2022. The Minister for Environment and Parks announced the introduction of the CRS and selection of a preferred model for Tasmania on 4 February 2021.

The CRS aims to reduce litter and increase recycling by providing an incentive for people to keep hold of containers and return them to a refund collection point. It is anticipated that the CRS will result in millions of drink containers being recycled each year, instead of ending up in our parks, rivers and beaches or in landfill.

All other Australian States and Territories already have container refund schemes or have committed to implementing them. States and Territories are working to gether harmonise the refund amount. The CRS proposed in Tasmania would see a refund of 10 cents for each eligible drink container returned to a designated return point.

The preferred model selected by the Tasmanian government is a 'split responsibility' model, similar to the ones used in NSW and ACT. This involves a Scheme Coordinator and a Network Operator. The Scheme Coordinator will oversee CRS' finances and administration, while an independent Network Operator (e.g. an experienced recycling company) establishes and runs the Container Refund Points network. This model is already operating in NSW and ACT and is currently being developed in Victoria.

Even though the refund methods are yet to be announced, it is expected that refunds would not necessarily be limited to cash. They may include donations to charities or the provision of vouchers redeemable at participating businesses.

It is believed the CRS would also benefit local community groups, who would be able to accept donations of beverage containers that they can then collect a refund on. Groups and clubs that have cafeteria and bar facilities would also benefit from collecting consumed containers on-premises and at events.

However, there are potential limitations on what containers may be eligible for a refund under the proposed CRS. As the CRS is not based on material type (e.g. glass, plastic or steel), there is the potential that, under the proposed arrangement, some containers may be eligible for a refund while others made of the same material may not.

The table below provides some examples of refundable and non-refundable containers where all are made for the same purpose and with the same material.

Refundable	Non-Refundable
Glass Beer Bottles	Glass Wine Bottles
Small juice Containers < 1 litre	Juice Containers > 1 litre
Flavoured Milk containers <1 litre	Flavoured Milk containers >1 litre
	Plain Milk Containers

Given the CRS is intended to reduce litter, it aims to capture beverage containers that are most likely to be consumed outside of the home. However, containers made of the following recyclable materials, which are common from kerbside recycling bins, will be considered as eligible for refunds under the proposed Scheme, including:

- Glass (e.g. beer bottles)

- Aluminium (e.g. beer cans, cola cans)
- PET Plastic (water bottles, cola bottles)
- HDPE Plastic (milk containers)
- Mixed plastic (margarine containers)

It is expected that, over time, the CRS would result in fewer recyclable materials being collected by Council and its collection contractor. However, the potential financial implications of this are hard to define or quantify at this point in time.

Consultations:

City of Hobart
Kingborough Council
LGAT
DPIPWE
Waste Services
Finance

Human Resource / Financial and Risk Management Implications:

The potential financials impact on Council have been analysed and are presented below, with recommendations made to adjust the current landfill gate fees and continue to work with other councils and stakeholders to develop a consistent approach to applying the levy to the kerbside general waste collection charge.

Impact of waste levy on landfill

During the 2019-20 financial year, Council received approximately 47,000 tonnes of waste in-total, with approximately 14,000 tonnes going to landfill burial (with the remaining 33,000 tonnes of waste being through recovery operations).

Under the proposed scheme, Council would potentially be paying the waste levy for the 14,000 tonnes of general waste buried in landfill, which equates to \$280,000 at the initial rate of \$20 per tonne.

As noted above, the Jackson Street Landfill operates on a 'user pays' model. Accordingly, cost of the waste levy would be passed directly onto the customers at the landfill gate when they are taking their waste to the landfill. The alternative would be to subsidise the cost to Council of paying the levy through Council's general rates, which is unlikely to be an acceptable outcome for the community.

It is expected that Council will effectively be acting as a collection agent, collecting the waste levy from the customer through the gate fees and transferring it directly to the Tasmanian Government.

It is recommended that gate fees for the landfill be adjusted as part of the Fees and Charges for the 2021-22 financial year to accommodate the introduction of a \$20 per tonne levy in November 2021.

As previously mentioned, two sets of gate fees will be recommended for the periods before and after the introduction of the waste levy on 1 November 2021, with the increased rate only payable after the levy is introduced.

Kerbside General Waste Collection Impact of Levy

It is understood the waste levy would also apply to the kerbside general waste Council collects, meaning that subsequent disposal costs would increase.

Council will therefore have to increase its waste services charge from the 2021-22 financial year onwards, to incorporate the waste levy amount if it is introduced from November 2021 as predicted.

Before Council's FOGO service was introduced in February 2020, Council had over 8,000 tonnes of general household waste per annum collected from the kerbside. Since the introduction of the FOGO service, there has been a significant reduction in the volume of general waste being collected from the kerbside.

Despite that reduction, however, Council is still unable to absorb such a large cost increase (anticipated to be approximately \$150,000 a year in the first year) without increasing its kerbside waste services charge.

It is currently anticipated that Council would need to increase its the general waste charge levied to ratepayers each year (currently \$90.60 for a 140L bin) approximately \$5 per property for the 2021-22 financial year, in addition to any increase caused by CPI. Council is working with other southern councils in the region and LGAT to develop a consistent approach to applying the charge to individual households.

Given that the exact details of how the Tasmanian Government will apply the waste levy have not yet been provided, it is not currently possible to have any certainty about how this might be presented to ratepayers, given that rates notices will be issued in July 2021 and the levy does not come into effect until November 2021.

Container Refund Scheme

If the proposed CRS is introduced, Council expects a reduction in the amount of recyclable material collected from its kerbside recycling.

Council currently engages Veolia as its kerbside collection contractor, which disposes of the recyclable material it collects via the recycling facility at Derwent Park run by Cleanaway. It is expected that the introduction of the Container Refund Scheme would not impact the kerbside recycling collection cost as Veolia currently charges Council based on the number of households it collects from. However, at this stage, it is unknown what or if any financial impacts this may have on Council's disposal cost. This is because these containers from the kerbside recycling collections are a revenue stream for Cleanaway and the amount would significantly reduce after the introduction of the Scheme. However, a reduction in volume may reduce the disposal fee Council is paying to Cleanaway based on the current fee structure (tonne per dollar). Further study and research will be carried out once the container refund scheme is in place

Risk management

Risk Identification	Consequence	Likelihood	Rating	Risk Mitigation Treatment
Adopt the recommendation Dissatisfaction from the Community with recommendation that waste levy is passed directly to landfill customers and results in increased kerbside general waste charge.	Insignificant (C1)	Possible (L3)	Low	Manage community expectations and provide educational material around the reasons for the waste levy, and reiterate that Council is a collection agency only and does not directly benefit from any additional fees collected.
Do not adopt the recommendation Concern that the waste levy may be funded through increases in general rates or savings through reduced services, leading to the entire community subsidising the cost of landfill deposits and widespread dissatisfaction.	Moderate (C3)	Likely (L4)	High	Detailed financial modelling is undertaken to minimise impacts on ratepayers. [NOTE: The recommendations to the report are for noting only, and do not formally adopt any proposed charging system.]

Community Consultation and Public Relations Implications:Community consultation

Council has not undertaken formal community consultation in relation to the proposed waste levy or container deposit scheme.

Public relations

Education and public awareness campaigns are expected to be undertaken by the Tasmanian Government as part of the implementation of the waste levy and container deposit scheme.

If the recommendations are adopted, officers would implement a communications strategy to ensure that Glenorchy ratepayers are informed of any upcoming changes and that education material is readily available.

Recommendation:

That Council:

1. NOTE the Tasmanian Government's proposed introduction of a waste to landfill levy to apply from 1 November 2021 and container refund scheme to be introduced in 2022.
2. Authorise the General Manager to write to the Tasmanian Government, through the Local Government Association of Tasmania (LGAT), supporting the implementation of the *Draft Waste and Resource Recovery Bill* on the basis that:

- (a) the funding collected through a waste to landfill levy is fully re-invested for waste management and minimisation programs and initiatives, and
 - (b) kerbside collection waste going to landfill is excluded from the waste to landfill levy until 1 July 2022 to align with the issue of Council's annual rates notices.
- 3. NOTE that officers recommend gate fees at the Jackson Street Landfill from the date the waste levy commences pass on the cost of the waste to landfill levy to landfill customers, with the fees to be adopted as part of Council's fees and charges for the 2021-22 financial year, and
- 4. NOTE Council will continue to provide input into the development of the waste levy and the Container Refund Scheme through discussions and facilitated workshops with the State Government and other parties, including other local councils, LGAT and the waste industry sector.

Attachments/Annexures

- 1 Draft Waste and Resource Recovery Bill - Explanatory Paper

