

## No levy makes Queensland a tempting dump

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This incentive to travel north could be felt as far south as Sydney. *Photo: Domino Postiglione*

MORE NSW waste will be bound for landfill sites across the border when Queensland's new Liberal National Party government scraps its waste levy charge next month.

The Newman government's pledge to wind back the waste levy of \$35 a tonne, introduced by the Blich government in December, will take effect on July 1.

A waste levy, typically added to gate fees at landfill sites, is designed to promote recycling by making the cost of landfill more expensive.

But removing this fee for commercial, industrial and construction waste makes landfill in south-east Queensland a more attractive proposition for some operators in northern NSW, where the levy of \$31.20 a tonne is set to rise to more than \$40 a tonne in the new financial year.

Paul Abernethy, a NSW resident and the owner of Border Skip Bins, who collects waste on both sides of the border, said that come July 1 "everything will be going to Queensland".

"An extra half an hour up and back in my time and fuel to save \$200, that's still worth doing," he said. "It's all about reducing my tip fees and increasing my profit at the end of the day."

Mick Mitchell, from A1 Skips in Tweed Heads, said his practice of dumping most of his NSW waste at the closet landfill would also change.

"The business might be in NSW, but we'll be carting waste into Queensland," he said. "We go as far south as Ballina, which is about 100 kilometres south from the border."

The chief executive of the Australian Council of Recycling, Rod Welford, said "a proverbial procession of transport moving into Queensland" would undermine the reason for the levy in NSW.

"What will happen here is that you won't actually be diverting material in NSW to recyclers, you'll be diverting them into Queensland [landfill]," he said.

"We believe all states should have a levy and ideally the levy should be consistent, otherwise [if] there's too significant a differential ... you'll have people effectively forum shopping for the cheapest disposal option."

Others argue this "perverse incentive" to travel north could be felt as far south as Sydney when NSW's metropolitan levy rises to more than \$95 a tonne next month.

Australian Sustainable Business Group's national director, Andrew Doig, said at this point gate fees would begin to outweigh the transport cost of trucking waste north "and NSW would lose not only the waste levy but it would also lose the GST associated with it".

The executive director of Waste Contractors and Recyclers Association of NSW, Tony Khoury, estimated a truck transporting a 20-tonne load of waste from Newcastle to Sydney would make a net saving of \$604 by organising a return load - known as a backload - from south-east Queensland, where the \$1904 in levy fee savings would outweigh the \$1300 transport cost.

"It doesn't take much to make it economical for a driver to do it on a backload basis, because it's the difference between earning a fee on the way back and not earning a fee," he said.

"No transporter wants to run his truck empty if he can avoid it."

Stephen Beaman, the NSW Environment Protection Authority's director for waste strategy and program delivery, said the current review of the NSW levy by the consultants KPMG would look at issues such as whether it accelerated cross-border movement of waste.

But he said the authority's data had not shown that trucks travelled vast distances to transport waste - adding there was a local Victorian market for waste into NSW at Albury due to a similar levy discrepancy.

"There is stuff moving between the states and always has, but it's not moving into the way people make it out to be," Mr Beaman said.

Read more: <http://www.smh.com.au/environment/no-levy-makes-queensland-a-tempting-dump-20120611-205xp.html#ixzz1xWSjnsa7>