

Investigation into the Transport of Waste into Queensland

Submission no. 0001

Name Bingo Industries Limited

Hon. Steven Miles MP

Queensland Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef

Via email: environment@ministerial.qld.gov.au

18 August 2017

Re: the Queensland Government's independent investigation into interstate waste transportation

Dear Minister,

We are writing in response to your recent announcement of an independent investigation into interstate waste transportation.

Bingo Industries (Bingo) understands this investigation is an important step in restoring community confidence in the waste management and recycling sector.

At Bingo, we pride ourselves on being a good corporate citizen and at the forefront of transformation within the waste and recycling sector, and look forward to fully co-operating and participating in the three-month investigation.

As part of our proactive participation in the Palaszczuk Government's investigation, please find attached Bingo's position paper on allegations aired on a recent ABC 4 Corners program around the cross-border movement of waste.

Bingo appreciates that your government must honour election commitments, nevertheless we believe a market-based mechanism similar to the landfill levy would help drive innovation in the waste management and recycling sector, and provide a net benefit for the environment and wider community. A solely regulatory response to the issue of interstate waste transportation would only restrict possible investment by Bingo and other companies into Queensland.

Bingo looks forward to productive ongoing engagement with your government, particularly over the coming three months throughout the independent investigation.

Kind regards,

Daniel Tartak
CEO
Bingo Industries

Bingo Position Paper – Queensland Waste

Background

Recently the ABC 4 Corners program focused on waste management, recycling and on the cross-border movement of waste. It highlighted an anomaly whereby a decision of the former Newman Government to remove Queensland's recycling levy has created a market distortion that makes it economical to move waste from NSW (and other states) to Queensland to dispose of in landfill. Bingo Industries supports the re-imposition of the levy as it believes it will;

- **Stop the flow of waste interstate into Queensland landfills**
- **Stimulate investment and innovation in Queensland's waste sector, creating jobs and increasing resource recovery.**

Bingo supports initiatives by state governments across Australia and the regulators to drive change to remove unscrupulous operators from the waste management industry and improve industry practices. In particular Bingo supports a minimum 75% resource recovery rate in NSW and the introduction of a levy in Queensland to promote and increase resource recovery. This in turn will minimise the movement of interstate waste.

It is important that these changes occur in a unified manner to ensure all operators are treated equally and commercial outcomes are consistent for all industry participants.

The Economy of waste.

Bingo specialises in the recycling of construction waste, and recycles in excess of 80% of the waste it receives. While Bingo is searching to constantly improve on these rates, there is a percentage of our waste that requires landfill disposal.

The disposal cost of waste in QLD is inexpensive due to there being no government levy. This creates a market for waste generated in NSW to be transported to QLD waste facilities. This is so as the effective disposal cost per tonne of waste generated in Sydney (taking into account the cost of transportation) is considerably less when transported to a QLD waste facility as opposed to a NSW waste facility where a levy applies. It is important to note that the NSW levy is not the catalyst for this market. It serves a very important purpose in ensuring high standards of resource recovery are achieved in NSW.

Bingo believes that the restoration of the QLD levy would (a) reduce the incentive for cross-border movement of waste, (b) incentivise further innovation in non-landfill waste disposal (c) attract investment in the Queensland waste management market and (d) enhance environmental outcomes in Queensland.

The Waste Industry – a new era.

For too long the waste industry has been "out of sight, out of mind". In the industrial/construction waste sector it has been characterised by many smaller operators, operating at the margins of profitability and transparency. New era waste companies like Bingo are changing that. We have the economies of scale and business management discipline to acquire smaller, marginal operators and turn them around into profitable, transparent and environmentally sustainable operations.

Two economic drivers are supporting new waste management enterprises like Bingo. The first is the extensive pipeline of infrastructure and residential development in NSW. Without the waste recycling innovation that Bingo brings, the current infrastructure development program in NSW would be problematic – Sydney's landfills would be overwhelmed.

The second is the NSW recycling levy. This policy has driven innovation in environmental management of waste and Bingo wholeheartedly supports it. Bingo also supports the NSW Government's proposal to further tighten regulations pertaining to minimum recycling levels. This is a good example of sensible environmental regulation.

The Queensland dilemma

Bingo understands that the Queensland Government feels bound to honour its election promise of “no new taxes and charges”, in stating that it would not reintroduce the levy. However, we believe that it would be of net benefit to the people of Queensland if it were to reinstate the levy within a holistic waste management policy. We appreciate that the Environment Minister has sought to address this dilemma through “tighter regulation”, however we would contend that while regulation is important, a mix with incentives to drive economic behaviour will deliver a better longer-term outcome for Queensland.

Investment for Queensland

A regulatory only response to this issue by the Queensland Government will have the potential negative result of diverting future investment by Bingo and other companies away from the State. In NSW alone, Bingo has spent in excess of \$100 million across its entire network, developing its state-of-the-art facility at Auburn and satellite facilities at St Marys, Minto and Mortdale, and we are in advanced stages of developing a number of other sites. In most of these cases Bingo has acquired marginal and poorly run sites and redeveloped them to modern, high tech facilities which enhance environmental outcomes through increased waste diversion from landfill. We currently employ approximately 600 people across the business.

We would look at the opportunity to invest in Queensland and help drive the growth required in waste recycling and to divert waste from landfill. This would require the introduction of a levy (possibly supported by minimum recycling rates) to put a proper market price on waste and create a level playing field between states.

Other benefits

Investment and job creation are not the only benefits that will accrue to Queensland through the re-introduction of the levy. Other benefits include:

- **Innovation:** Bingo is continuously looking for ways to achieve environmentally sustainable methods of dealing with waste. Digital innovation covers the whole aspect of our business from logistics, business operations, environmental management and human resources. We employ a team of young digital technicians to drive this innovation and we would welcome the opportunity to do the same in Queensland.
- **Environmental sustainability/reduction in landfill:** Bingo strongly believes that waste-to-landfill is the option of last resort for waste management. While in some cases landfill will be a necessity, the reimposition of the levy would provide Bingo and others with the incentive to reduce a reliance on landfills in Queensland.

Conclusion

Bingo understands the wish of the Queensland Government to honour its election promises and therefore its decision not to re-impose the landfill levy. We contend, however, that there would be a net-benefit to the Queensland economy, its environment and its community if the levy were re-instated. We contend that it would create a strong economic incentive for investment by Bingo and others in the waste management sector in Queensland.

We welcome the opportunity to engage with the Queensland Government and extend an open invitation for you to visit our operations in New South Wales.