



New South Wales
TREASURER
Australia

06 November 1997

Mr John Evans
Clerk of the Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir

Please find attached, the Government response to the Report of the Standing Committee on State Development on Waste Minimisation and Management, tabled in Parliament on 6 May 1997.

The Government is required to respond to the Standing Committee Report within six months of the Report being tabled.

Would you please arrange for the Government response to be tabled in the Legislative Council.

Yours sincerely

Hon. Michael Egan
TREASURER
MINISTER FOR ENERGY
MINISTER FOR STATE AND REGIONAL DEVELOPMENT

Treasurer, Minister for Energy, Minister for State and Regional Development,
Minister Assisting the Premier and Vice-President of the Executive Council



Premier of New South Wales
Australia

The Hon MR Egan MLC
Treasurer, Minister for Energy
Minister for State and Regional Development
Minister Assisting the Premier
and Vice-President of the Executive Council

Dear Mr Egan

I refer to the Report of the Standing Committee on State Development on Waste Minimisation and Management, tabled in the Parliament on 6 May 1997.

As you are aware, the Government is required to respond to the Standing Committee Report within six months of the Report being tabled. The response is due by 6 November 1997.

At my request, Minister Allan co-ordinated the response on behalf of the Government.

I believe that the response adequately addresses the issues raised by the Standing Committee. Accordingly, I ask that, as my representative in the Legislative Council, you table the attached response on behalf of the New South Wales Government.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Bob Carr', written over a horizontal line.

Bob Carr
Premier

GOVERNMENT RESPONSE

TO THE

**STANDING COMMITTEE ON STATE
DEVELOPMENT:**

**REPORT ON WASTE MINIMISATION AND
MANAGEMENT**

REPORT No 15 APRIL 1997

NOVEMBER 1997

**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON STATE
DEVELOPMENT: REPORT ON WASTE MINIMISATION AND MANAGEMENT
(April 1997)**

BACKGROUND

The Standing Committee on State Development received its terms of reference for this Inquiry from the Legislative Council on 5 December 1996. The Terms of Reference required the Committee to inquire and report on:

- (a) the regulation of waste material (including hazardous waste) and the roles of Local Government, the Environment Protection Authority, the New South Wales Police Service, and the Roads and Traffic Authority in the enforcement of the Waste Minimisation and Management Regulation, 1996;
- (b) the relationship between the collection of levies for waste disposal and hypothecation of funds to the minimisation of waste and waste reduction strategies; and
- (c) the extent to which the Governments pre-election policy on waste and waste minimisation has been implemented through the Waste Minimisation and Management regulation, 1996.

The Committee tabled its Report in the Legislative Council on 6 May 1997. The Report contained a majority report with 9 key recommendations and a minority report with alternative recommendations to Recommendations 4, 7 and 8.

The following table summarises the recommendations:

Recommendation 1	Election of a SWAC chairperson rather than Ministerial appointment
Recommendation 2	Existing activity, facility and transporter licence thresholds to be reviewed in 12 months to determine effectiveness. Results made public.
Recommendation 3	Training program delivered by EPA on enforcement of the Regulation, landfill management and hazardous waste classification; comprehensive guidelines produced in manual form.
Recommendation 4	Allocation of resources to local government for Regulation enforcement should accurately reflect their needs.
Minority 4A	EPA to consult with LGSA (within 3 months) to determine financial and other requirements of local government to implement the regulation.
Minority 4B	EPA to produce a report (within 6 months) of the actual capital and recurrent requirements of local government to implement the Regulation.

Minority 4C	EPA to register all commercial transporters; enforcers of generic regulations to have access to the register.
Recommendation 5	Allocation of resources to local government should not count revenue to local government through inspection fees or fees arising from prosecutions
Recommendation 6	General regulatory business of EPA not to be funded through Waste Fund
Recommendation 7	RTA and Police to be restricted to reporting breaches of generic regulations; local government & EPA to perform investigation and prosecution roles.
Minority 7A (greens only)	That Police and RTA officers be authorised to issue infringement notices for breaches of section 17 of Waste Act
Recommendation 8	That waste related incomes and expenditures on waste related programs be fully and transparently accounted for.
Minority 8A	SWAC to report annually on all levy and other waste related income and all expenditure related to Waste Act. Minister to table report in Parliament.
Minority 8B	Any future increases in waste levy to be matched by an equivalent increase in expenditure on waste reduction programs.
Minority 8C	No future waste levy increases without an Auditor General's report confirming that increase will assist in reaching the 60% waste target
Recommendation 9	Establishment of a twice yearly consultative process involving EPA, local government, industry and environment groups to feedback effectiveness of the Waste Act and Regulation

GOVERNMENT RESPONSE

The Government welcomes the recommendations of the Standing Committee Report because the recommendations underscore the good practice and sound financial and policy planning which have been a hallmark of this Government's term in office.

For example, some recommendations relate to the need for sound and transparent financial management; others reaffirm the key principles of good policy making which rely on continued review and consultation with key stakeholders.

The Government's response to the Inquiry recommendations is structured around the three key issues raised by the recommendations rather than responding to individual recommendations.

1. Review of the implementation of the Waste Act and Regulation (eg licensing thresholds, feedback from key stakeholders, roles in relation to enforcement of generic regulations).

The Government recognises the need to provide the community with feedback on landmark initiatives such as the new waste regulation.

The Government has established practices for ongoing review of legislation and regulations involving feedback from key stakeholders. It requires regular monitoring and reporting on the effectiveness of programs by all of its agencies. The effectiveness of all regulations is assessed under the provisions of the Subordinate Legislation Act (1989).

A number of specific issues will require particular attention in this review process. These include the issues raised by the Standing Committee such as the effectiveness of the regulation in enabling movement of waste to be effectively tracked within the NSW and the effectiveness of the cooperation between government agencies in enforcing the regulation.

The key issue related to the review is one of timing. The 12 months proposed in the Report is premature since many licences will only commence over the 12 months from July 1997 and the effectiveness of some licence conditions cannot be evaluated until the licence holder has had sufficient time to implement them. The assessment of landfill licences is a good example since licence conditions will not be developed until a Landfill Environment Management Plan is completed and for rural landfills these are not due until December 1997.

It should be noted that waste tracking transporter licensing is also under review as part of the work of the National Environment Protection Council which is developing a National Environment Protection Measure for hazardous waste. This process involves extensive public consultation and will not be concluded and implemented until 1998/9.

On this basis, commencement of the review in 1999/2000 will be the most fruitful approach.

It is important to note that the State Waste Advisory Council (SWAC) has a specific function under Sections 8(1) and Section 8(6) of the Waste Act to provide advice to the Government on changes to legislation relating to waste and to gather feedback from the community on the effectiveness of waste policies and strategies. SWAC was established under the Waste Act in recognition of the need for regular consultation with the community and is a cross-sectoral body representing industry, local government, environmental groups and community groups and its function under the legislation is to provide ongoing advice to the Government on waste matters. SWAC will be involved in the review process.

2. Funding and charging issues:

(i) Local government funding to support its Regulation enforcement role

The Government is committed to supporting local councils in fulfilling their waste enforcement role. The Government has already established a process to enable support to be provided to local government for waste regulation enforcement. Sections 72 (3) (b) of the Waste Act specifically identifies council support for enforcement activities as a legitimate use of funding from the Waste Fund.

Councils may access this funding either through a program allocation under an approved regional waste plan or, in the case of non metropolitan councils, through an application for a grant under the Government's Community Waste Reduction Grants Program. The State Waste Advisory Council will be giving particular consideration to the identification of strategies to support the delivery of this enforcement function as part of its assessment of regional waste plans and will regard this as a priority in assessing grant proposals under the Waste Reduction Grants program.

It should be noted that the funds requested will be based on a self assessment by councils of their own needs therefore addressing the concerns expressed by the Standing Committee that local government should be fully consulted to establish their needs in this area. The monies received from local councils through inspection fees, fines or prosecutions are quite a separate matter from the determination of waste resourcing requirements related to enforcement and will not be considered in allocating funds.

The timing for allocation of funds to local councils will be linked to the approval of regional waste plans (currently being assessed by SWAC) and the annual Waste Reduction Grants program whose 1997-8 applications are due on 14 November 1997.

(ii) Link between future levy increases and expenditure on waste reduction programs

The Government is committed to substantial funding for waste reduction in NSW. Funding support over the past three years represents more than a 400% increase on the previous government's spending.

The Government fully intends to continue its commitment to appropriate levels of waste minimisation and management funding. The concern of local government about the need to provide more certainty of ongoing and substantial funding for waste reduction is, however, well understood. The Government is therefore reviewing the mechanism for delivering substantially increased and guaranteed funding to local government beyond 2000. Any proposal will ensure that funding allocations will be reviewed on a regular basis to ensure that sufficient funding is provided.

With regard to any future increases in the waste levy, the community may be assured that such a proposal would be required to comply with the established mechanisms for amending a regulation and would require community consultation.

(iii) Accountability for income and expenditure related to waste

The Government is fully committed to transparency in reporting of revenue and expenditure related to the Waste Act and Regulation. Reporting of income and expenditure is already reported through the Government's budget papers, through the Environment Protection Authority's annual report (as administrator of the Waste Fund) and through the requirement under the Waste Minimisation and Management Act for SWAC to produce an annual report.

The regional waste planning process and statutory requirements of waste boards to report on expenditure from the Waste Fund will also enable capital and recurrent financial requirements of local government to be monitored. Similar rigour will be expected of recipients of waste grants from the Community Waste Reduction Grants Program funded from the Waste Planning and Management Fund.

It should be stressed that the Waste Planning and Management Fund has not been and is not intended to be used to fund the general regulatory business of the EPA.

3. Provision of training for local government to perform its enforcement role.

The Government is committed to continuation and augmentation of support training to local government to support its new role under the Waste Regulation and to assist it with implementation of other aspects of the Waste Act.

The EPA has produced a number of guidelines to assist local government with its waste management role including the Environmental Guidelines for Landfills and the Guidelines for the Assessment, Classification and Management of non liquid wastes. Other guidelines relating to the management of composting and related facilities and liquid wastes are being prepared.

The EPA has also already delivered statewide training on the requirements of the landfill management guidelines. It has established a working group with the LGSA and Department of Local Government to advise on additional needs and delivery mechanisms to support local councils, in particular an inclusion of waste related information in the Environment Protection Authority's Authorised Officers Manual. Initial training will commence in November 1997 and other facets of the program will be phased in over the next 6 months.

4. State Waste Advisory Council

Recommendation 1 calls for the election of the chairperson of the State Waste Advisory Council rather than Ministerial appointment.

Whilst the Waste Act provides the Minister for the Environment with the clear responsibility for appointing the Chair, the Minister has given a firm undertaking that in future, the State Waste Advisory Council will be asked to provide advice on the preferred Chair.

CONCLUSION

The Government is confident that it is applying the best principles of sound economic and strategic management to waste reduction in NSW.

The Government's response to the recommendations of the Standing Committee Report will ensure that its key concerns are addressed. The Government will guarantee substantial support funding for waste reduction programs and initiatives, particularly to local government. Ongoing and transparent review of income and expenditure related to waste management will continue and local government will be supported with the training it needs to perform its obligations.

The Government is also committed to regular review of its legislation and regulation through consultation with key stakeholders in each area and will ensure that the State Waste Advisory Council plays a key role in reviewing the implementation of the Waste Regulation.