

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Environment, Science and Innovation (DESI)
Name of the proposal	Environmental Protection (Composting Facilities) Amendment Regulation 2024
Submission type	Summary IAS
Title of related legislative or regulatory instrument	Environmental Protection Regulation 2019
Date of issue	July 2024

Proposal	Details
Amendments to section 186A	Minor and machinery in nature The regulatory proposal has an amendment that is minor and machinery in nature that has no regulatory costs. This is the amendment to correct a reference within 186A to better align with current drafting conventions.
Amendments to Environmental Protection Regulation 2019	The regulatory proposal discussed below in the summary IAS has some, however not significant, impacts that decision-makers should be aware of

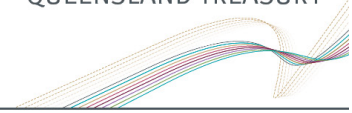
What is the nature, size and scope of the problem? What are the objectives of government action?

Context

Queensland's Waste Management and Resource Recovery Strategy (the Strategy) provides the framework to help deliver coordinated, long-term and sustained growth for the recycling and resource recovery sector while reducing the amount of waste produced and disposed of.

For food organics and garden organics waste (FOGO), this is achieved through the implementation of the Queensland Organics Strategy 2022-2032 (Organics Strategy) and Action Aplan 2022-2032 (Organics Action Plan), which set a 70% recycling rate target for organics by 2032. To achieve this objective, the Queensland Government recognises the importance of the growth and expansion of the composting industry. The benefits of which include a reduction in greenhouse gas emissions, a decrease in contamination of waterways, job creation, improvement in soil structure and moisture retention, and food security outcomes.

The framework provided by the Organics Strategy applies a risk-based approach to managing the impacts of increased diversion of organic material from landfill and the expansion of the composting industry. This approach exists in the context of unprecedented population growth in Queensland, which will result in



increased organic waste production and the issues associated with operating industrial waste-processing facilities in proximity to areas with increasing population density.

The Environmental Protection (Composting Facilities) Amendment Regulation 2024 (the Amendment Regulation) contributes to the implementation for two key actions from the Organics Action Plan:

- Recommendation 11, “Ensure we are delivering best practice that is fit for purpose”.
 - Queensland Government to implement best practice environmental management guidelines and model operating conditions for composting to ensure transparency and consistency for industry.
- Recommendation 8. Manage Risks with market expansion.
 - Queensland Government to review the policy and regulatory frameworks to reduce regulatory barriers and ensure they:
 - provide for the use of emerging technology for processing organics
 - provide clear guidance to inform the expansion of organics collection services in Queensland
 - support the expansion of viable and sustainable markets for products and outputs arising from the recovery of organics streams
 - facilitate the development of biomanufacturing, bioenergy and biochemical processing.

Odour impacts

One risk identified by the Organics Strategy is odour impact on local communities and the environment. Whilst this issue is a state-wide risk, it is currently causing negative impacts on the communities in and adjacent to the Swanbank/New Chum area in Ipswich.

Since July 2018, DESI has received over 25,000 odour complaints, with a large proportion being received from communities near unenclosed composting facilities. Information provided in community odour reports was used by DESI in combination with weather monitoring technology to identify unenclosed composting facilities in the Swanbank and New Chum areas that accept odorous waste as the predominant sources of the odour.

Composting operators have traditionally used organic waste streams such as garden organics, food organics, wood and timber, and agricultural organics to produce compost. However, in recent years, DESI has seen a change in the composition of the organic and inorganic waste streams in composting in Queensland. Some facilities, particularly in South-East Queensland, have gradually shifted from a focus on producing high-quality compost products to a focus on providing a solution for a range of commercial and industrial wastes. Existing regulation has failed to prevent composting from becoming a popular and cost-effective primary outlet for odorous industrial and commercial liquids and sludges. These matters have raised concerns about the suitability and proportion of some of the waste materials being accepted and consequently incorporated into composting processes.

Composting facilities, which receive odorous waste can cause environmental harm unless appropriate management measures are in place. Examples of these odorous wastes include:

- food processing waste
- sewage and animal effluent
- grease trap waste
- fish and poultry processing waste

- unstabilised biosolids
- abattoir waste.

In 2018, an independent consultation process commissioned by DESI found that over 90% of surveyed residents living in the suburbs adjacent to Swanbank and New Chum industrial areas were experiencing odour impacts, while over half of surveyed Ipswich residents had noticed very strong odour in the area.

Some of the impacts reported by residents include:

- Nausea, headaches and vomiting
- Discomfort and distress symptoms, such as unease, irritation, anger, depression
- Children at daycare centres being kept indoors due to feeling unwell
- Poor perception of the facilities composting activities
- Reduced community trust
- Decreased value placed on local environment.

Odour can negatively affect property appreciation and make residential premises difficult to rent. It can discourage people from visiting locations, resulting in lost revenue for surrounding businesses.

Studies to assess the economic consequences for odour-affected communities have largely been done in Europe and the United States, making them more useful as a reference than a means to accurately quantify impacts in the current Australian context.

One 2021 regulatory impact assessment from Spain found that for a population of approximately 110,000 people affected by strong to very strong odours, the cumulative devaluation of housing was €1.9m (~\$3.1m AUD) and the 10-year cost on the local public health system was estimated to be €174.2m (~\$284m AUD) for issues such as bronchitis, hoarseness, eye irritation, and muscle pain.

Another 2011 study in Holland observed a 5-12% price decrease for houses in moderately to strongly affected zones, which amounted to cumulative impacts in the community of approximately €31m (~\$50.6m AUD). The study also concluded that, following odour reduction measures implemented by industry, there was an estimated 75% saving in external welfare costs born by the government over a 20 year-period.

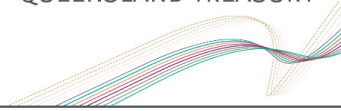
Regulatory issue

DESI has already taken steps to reduce the impact of odour and minimise environmental risks from composting activities.

In 2019, Arcadis Australia Pty Ltd was engaged to deliver the *Critical Evaluation of Composting Operations and Feedstock Suitability Report*, which included best practice recommendations for odour-emission management, the suitability of different materials as feedstocks in composting, and the improvement of regulation of the composting industry in Queensland.

Of relevance to this issue, the report recommended that for highly odorous materials, composting operations that are located close to residential areas, these should:

- consider enclosing composting processes
- ensure that during receipt:
 - feedstocks are mixed immediately and uniformly
 - operators consider enclosing receipt facilities and initial mixing operations
 - appropriate ventilation and biofilter systems are utilised.



Enclosed and forced aeration composting systems come in many forms and assist in the management of odorous feedstock by offering the potential of more precise control over composting conditions, ensuring continuous aerobic conditions, rapid pasteurisation and decomposition, and improved odour containment and control.

The report also recommended changes to the current regulatory environment for composting activities, including:

- DESI should harmonise and reduce the inconsistency in EA conditions for composting operations with a similar risk profile and implement consistent minimum standards on key aspects such as waste acceptance (including testing requirements), product quality and odour control
- DESI should consider the need for more stringent regulation or conditioning on sites that receive feedstocks considered to have a high or very high contribution to odour risk (the report identified these feedstocks)
- With respect to odour, the current outcomes-based approach to conditioning a license may be inappropriate where more prescriptive conditions are more likely to prevent environmental harm, such as for regulating odours from composting facilities.

Composting facilities in Queensland are regulated by DESI under the *Environmental Protection Act 1994* (EP Act) through environmental authorities (EAs) for the environmentally relevant activities (ERAs) for organic material processing (ERA 53).

DESI has recognised this report as a 'recognised entity report' under section 215(2)(l) of the EP Act, which is the head of power through which an EA can be amended to include new operating conditions for the EA holder.

Based on the recognised entity report and industry consultation, updated model operating conditions for ERA 53(a)- Organic Material Processing by Composting (the model operating conditions) were developed that included enclosed processing and feedstock management requirements for odorous feedstock. These model conditions may be applied to new EAs where an application is made for an EA (new facility), or if a relevant amendment application is made (expanded facility).

DESI has commenced work to modernise EAs under section 215(2)(l) of the EP Act for composting facilities across the state. Amongst other requirements, these modernisation amendments introduce improved odour management practices to ensure composting operations are environmentally sustainable now and into the future.

To date, 15 of 103 EAs for composting activities have been amended to align with recommendations in the recognised entity report, with one of these including an amendment to require enclosure of the facility based on the location and type of feedstock accepted. Additionally, five new EAs for composting that reflect best practice standards have been issued and include requirements for enclosed and in-vessel composting to protect sensitive receivers, such as residential areas, from odour impacts.

Changes to EAs to date have been made voluntarily by agreement between DESI and composting operators, which is the preferred approach before the regulatory powers to amend an EA under section 215(2) of the EP Act are used. This approach may be suitable for much of the composting industry, which is increasingly considering a shift towards enclosed and in-vessel systems and is cognisant of the importance of social licence to operate. Both enclosed and in-vessel systems are designed to capture, filter or otherwise control the release of gases.

However, prescribing best practice management in the Environmental Protection Regulation 2019 (EP Regulation) enables the regulator to expedite composting facilities achieving the best practice standard. To date, three entities have refused to agree to enclosure conditions when amendment by agreement has been offered, meaning that DESI as the regulator may choose to issue a Notice of Proposed Amendment (NOPA) to amend the EA.



The disparity between the regulatory requirements for the treatment of odorous liquid waste in different jurisdictions also creates an incentive for waste to be transferred interstate, particularly from New South Wales to South East Queensland.

The New South Wales regulatory framework for composting contains clear performance requirements for odour, with performance being measured according to the appropriateness of processes and facilities to deal with odorous waste. This approach means that facilities proposing to process wastes with the greatest potential environmental impacts, such as fatty and oily sludges and meat products, are unlikely to be approved unless enclosed processing is used, or the facility can demonstrate an operating methodology that would prevent odorous omissions. New South Wales has also undertaken compliance and regulatory action to require modernisation of processing technology and enclosure of existing operations to address odour issues. Composting operations which are working to minimise environmental harm and create safer and higher quality compost products have higher cost overheads, so charge higher gate fees to cover expenditure and are therefore less competitive as an organic waste disposal service.

The regulations for the movement of controlled waste across jurisdictional borders are guided by an interjurisdictional agreement made under the *National Environment Protection Council Act 1994* (Cwlth). Section 13(e) of this agreement, the *National Environment Protection (Movement of Controlled Waste between States and Territories) Measure 1998* (Waste NEPM), provides that each participating State and Territory should take certain matters into consideration in approving a consignment authorising the interstate transport of controlled wastes, which are characterized by potential to harm human health and the environment. This includes, but is not limited to:

- whether the facility to which the controlled wastes are directed is appropriately licensed or approved by the agency in the participating State or Territory of destination
- relevant environmental protection policies and legislation of participating jurisdictions which will assist in meeting the desired environmental outcomes.

Currently, the sections of the EP Regulation that implement the Waste NEPM do not specify what constitutes appropriate licensing or environmental outcomes, which has led to confusion regarding the grounds on which a consignment number application can be refused.

Objectives of proposed regulatory amendment

- To ensure that regulatory capacity is commensurate to the level of odour risk associated with certain composting activities, risk being defined by feedstock type, facility type, facility processes and distance from residential areas.
- To expedite the transition of the composting industry towards the established best practice standard by minimising inconsistency in the application of the regulations and ensuring compliance is equitably distributed.

What options were considered?

Option 1-Status quo:

The government is already implementing a number of regulatory and non-regulatory actions to address the odour issues and bring relief to the community. These include:

- **Action 1:** Increased compliance inspections and targeted operations at Swanbank including enforcement action against non-compliant operators
- **Action 2:** Extra community engagement and education about odour reporting and community health including short term air-quality monitoring
- **Action 3:** Roll out of additional air monitoring in the Swanbank and New Chum areas

- **Action 4:** Legislative changes to improve compliance powers for nuisance issues through the *Environmental Protection (Powers and Penalties) and Other Legislation Amendment Act 2024*
- **Action 5:** An EA modernisation process to require enclosed composting facilities when nearby to residential areas and receiving highly odorous feedstocks. The EA amendment process as part of the EA modernisation process begun on 30 August 2022.

Delivery of these actions involve significant resources and costs. DESI has established a dedicated compliance team for Swanbank with support from investigators, lawyers and other experts across the department. DESI officers have undertaken hundreds of site inspections, issued fines and are progressing actions in court.

In relation to **Action 4**, the Queensland Government commissioned an independent review into the adequacy of existing powers and penalties of the EP Act from retired judge Mr Richard Jones and barrister Ms Susan Hedge. Their Independent Review of the Environmental Protection Act 1994 (Qld) Report has been considered by the government, and the government response to the recommendations was published after public consultation. The resulting amendments clarified that environmental nuisance can be considered serious or material harm and clarified the use of current powers under the EP Act to be used for environmental nuisance reports. This will not immediately nor fully resolve the issues being experienced out of the Swanbank / New Chum industrial area.

However, the current approach can be strengthened by the amendments made in the Amendment Regulation. Whilst most operators currently have odour nuisance conditions on their EA that they must comply with, more prescriptive conditions about the way in which odorous feedstock is processed (i.e. in enclosed or in-vessel systems) will ensure that composting facilities achieve best practice environmental management for an acceptable level of impact on the environment and community.

This current best practice environmental management standard is to align with the model operating conditions for other high-risk activities which are prescriptive regarding the types of control measures required to mitigate impact and risk. Examples of prescriptive conditions for high-risk activities include obligations to cap waste landfill units that include specifications about the level of contaminants permitted in the soil cover used, and the types of valves and handles that must be fitted to effluent water irrigation pipes in public access areas.

Option 2- Regulatory Amendment

Amend the EP Regulation to ensure that odour is appropriately managed in accordance with best practice as described in the model operating conditions.

Under section 580 of the EP Act, a regulation may be made about the types of plant or equipment that may be used for ERAs and the way in which the plant or equipment is to be installed, operated and maintained. Using this ability, enclosed and in-vessel systems will be prescribed for ERA 53 activities that carry out organic material processing within 4km of a residential zone and process odorous feedstock.

When making an environmental management decision relating to an ERA, such as deciding an application for a new EA or major amendment for composting facilities, the administering authority must comply with the regulatory requirements. The regulatory requirements for ERA 53 will include considering imposing a condition that the activity must be carried out in compliance with the prescribed plant and equipment.

Environmental standards and operating expectations are not static and change over time as science and technology improves. This is reflected in the EP Act in the grounds for amending an EA under section 215, which include the approval of new environmental protection policies or technical reports.

To complement these changes, the Amendment Regulation will also prescribe grounds for an EA amendment under section 215(2)(s) of the EP Act. These grounds will apply to those composting facilities within 4km of a residential area that are, or may, process odorous feedstocks and that do not have a condition that prescribes an in-vessel or enclosed system. This will provide greater regulatory clarity and



weight of authority to the current EA amendment process. The existing process for a NOPA would still apply, meaning that an EA holder's existing rights and obligations in regards to the amendment process will not be impacted. This includes review and appeal rights.

In regard to the implementation of the Waste NEPM, section 93 of the EP Regulation will be amended to clarify that DESI may refuse to grant a consignment number for the transport of interstate waste if the receiving facility is not appropriately licensed to carry out the intended treatment of the waste.

To ensure compliance consistency for those transporters who are not required to have an EA, it will also be made an offence for transporters to give regulated waste to a receiver who cannot lawfully accept the waste.

What are the impacts?

The preferred approach is option 2 - regulatory amendment, as it is considered the only viable solution to the issues described with overall benefit to Queensland. Impacts have been considered in relation to the introduction of this option.

Overall, the long-term outcomes of these amendments for the community, industry, environment and economy are expected to be beneficial. Ensuring that composting facilities have an acceptable level of impact within their community will assist in maintaining their social licence to operate, which is critical to the ongoing expansion of the sector across Queensland.

According to the Organics Strategy, the sustainable expansion of the industry will be a key factor in achieving the target of a 70% organics recycling rate in Queensland, the benefits of which are predicted to include:

- Created employment for 1318 full time employees across organic recycling businesses being paid a collective \$100 million in wages and salaries
- Increased infrastructure and employment through end-use product and market development
- Reduced greenhouse gas emissions by 1,032,840 tonnes per year
- Reduced resource losses in food production and transport
- Improved food security
- Improved soil structure
- Reduced reliance on artificial fertilisers and improved water quality and aquatic environments.

Community

The impact of an improved regulatory framework for odour is expected to be beneficial to the community. Whilst the exact number of households currently affected is unknown, the 25,000 complaints received around the Swanbank and New Chum industrial areas indicate that the issue is significantly impacting a large number of households. Improvements in the environmental amenity of these suburbs is likely to positively impact:

- perception and care of the local environment
- community trust and support regarding the composting industry
- property values
- wellbeing and perception of health
- children's ability to access outdoor play spaces.



It is also likely that improvements in odour impacts will reduce costs on the public health system caused by the community self-reporting to medical services for issues such as, nausea, headaches, vomiting, unease, irritation, and depression.

Industry impacts

The proposed amendments will not make a material change to the obligations of an applicant for a new facility, but will rather support compliance and assessment processes by making the requirements clearer and more visible.

The Amendment Regulation prescribes the best practice standards for enclosed processing which are already described in the recognised entity report and are currently reflected in the model operating conditions. Industry is therefore already aware that consideration of odour impacts must be part of an EA application under the existing requirements of the EP Act. A new EA for composting activities is likely to be conditioned accordingly, with operators having considered whether an enclosed system will be required, prior to application.

Prescribing this existing expectation in legislation will provide clearer guidance on regulatory requirements and enable the regulator to ensure that operators manage risk according to best practice. An operator who wishes to undertake a composting activity (ERA 53) within 4km of a residential area after commencement of the regulation will be subject to the same standard of assessment as currently.

The requirements for facilities to educate staff and update documents was taken into account and is reflected in the direct cost calculator section below.

Existing facilities

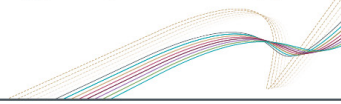
Compared to the status quo, the amendments may result in some facilities being required to move to in-vessel or enclosed systems earlier than they would be if the regulation was not changed.

There are over 80 composting facilities across Queensland which are located within 4km of a residential area. Based on reviews undertaken in 2023, approximately half of the EAs include a condition permitting high or very high odour risk feedstock to be received, however not all these facilities are actually receiving odorous waste. Additionally, as outlined above, some operators already have EAs requiring best practice regulation by operating in an enclosed or in-vessel system.

Consultation with recycling peak bodies indicate that the majority of the organic recycling industry are either already operating their facilities in accordance with best practice, as it applies to their location and feedstock, or are taking action to meet the best practice standard and so are unlikely to incur any additional costs in relation to these amendments. Consequently, DESI does not anticipate that a large volume of NOPAs would be issued to ensure facilities are meeting best practice environmental management. In addition, issuing a NOPA does not mean that the EA conditions will be amended. It is the start of a process where the operator of the facility may make submissions about why the proposed amendments should not be made, and the regulator must take those submissions into account in making its decision to amend the EA.

Any early significant issues with upgrading a facility will be assessed on a case-by-case basis through the existing NOPA process. It is important to note that enclosure of open windrow processing activities in these circumstances would only be a requirement if the operator chose to continue to process odorous waste.

Where operators require a transitional period to upgrade infrastructure, they can apply for a transitional environmental program (TEP) following the amendment of their EA. A TEP is a specific program that, when complied with, achieves compliance with the EP Act for the activity to which it relates (in this case, the EA issued for the composting facility). For these circumstances, it is intended that a relevant TEP will detail the transition of a composting facility into compliance with the operational requirements while allowing the facility to continue to receive some highly odorous feedstock. This ensures waste processing from



Queensland and other critical and supporting industries can continue to operate while addressing community concerns with odour from these facilities.

Cost of constructing new in-vessel and enclosed systems

Enclosed and in-vessel systems can be more capital intensive than open windrow composting facilities. The potential range in cost is extremely variable, depending on the type of technology used, its scale and whether the entity decides to upgrade current facilities or build new infrastructure. The decision by operators to invest into this infrastructure is influenced by the certainty and volume of waste flows for these businesses.

Recent South-East Queensland organics forecasting of waste flows, processing capacity and technical options, provided estimated costs for the development of new processing facilities. In-vessel composting, which is the highest cost option, was estimated to require an average capital cost of \$720- \$960 per tonne of material processed. For a new 50,000 tonne per annum facility, costs range from \$36 million to \$48 million. This estimate is slightly higher than those identified through projects approved under the Food Waste for Healthy Soils Program, which is a co-funded program offered jointly by the Commonwealth Government and the Queensland Government. Under this program, a successful Queensland proponent estimated that a new in-vessel facility with capacity of 48,000 tonnes per annum would cost \$29 million.

The volume of organic material likely to be collected through expanded kerbside collection activities was also developed in consultation with councils across the region. It was estimated that if South-East Queensland councils were to rollout full kerbside organics services, collecting both food and garden organic materials, a total of 690,000 tonnes would be collected in the 2033 financial year. This is double the volume collected by councils in the 2023 financial year. However, at this time, the majority of councils are seeking to commence with garden organics collection only, as the lower cost and lower risk option, which is also not an odorous feedstock so would not be captured by these regulatory requirements. Focusing on garden organics collection only would reduce the volume of additional material collected in financial year 2033 by over a third (from 345,000 to 215,000 tonnes, or a decrease of 38%).

There are several implications arising from the prioritisation of garden organics collection by SEQ councils. First, there will be increased demand for cost-effective processing for garden organics. Open windrowing remains a viable and effective option for processing this type of feedstock. In addition, the requirements to manage food organics, a feedstock with elevated odour risk, will be felt only in the medium term, allowing time for industry to build additional capacity.

The Queensland Government recognises that processing for organics, including for odorous feedstocks is a vital part of the waste and resource recovery sector, which will be increasingly important in meeting our landfill diversion and carbon emission reduction targets.

The Queensland Government has worked with groups of councils to develop Regional Waste Management Plans (RWMP) which identify the priority infrastructure and supporting activities needed to maximise resource recovery and build the circular economy for Queensland. The implementation of regional waste management plans is being supported through the \$1.1billion Recycling and Jobs Fund.

Alongside the implementation of the Organics Strategy and Action Plan, the implementation of RWMPs is directly supporting councils to establish or expand kerbside collection services for organics, bringing substantial increases in volumes that require processing and in turn motivating investment in new and expanded processing facilities.

Detailed work is currently underway with the Council of Mayors for South-East Queensland to investigate co-funding options supporting the growth of organics processing, ensuring the long-term ability to manage increasing volumes of collection to best practice standards. This is in addition to processing capacity projects directly funded through funding programs such as Food Waste for Healthy Soils and the Industry Partnership Program offered by the Department of State Development and Infrastructure.



Waste Transport

Of the approximately 350 consignment number authorisations for interstate waste transport that were active in late 2023, 22 related to odorous feedstocks. Based on these figures, it is estimated that a maximum of 6.5% of all consignment number authorisations could be temporarily affected by changes to organic waste facility processing requirements. However, it is expected that the actual number will be lower as facilities complying with the operational requirements will be available as alternative locations to which transporters can deliver these wastes.

The clarification of the refusal powers under section 93 of the EP Regulation will improve alignment with the intention of the provisions and their current application, and so will reduce regulatory burden on applicants. There are not expected to be any significant impacts as a result of this change.

Many interstate waste transporters with a consignment number will also be licensed under a Queensland EA for ERA 57 - regulated waste transport, which includes conditions that restrict delivery of waste to only a facility that can lawfully receive it. However, waste transport authorities from other jurisdictions are also recognised for the purpose of granting consignment numbers, meaning that some transporters will be operating under a NSW authority. This makes it complex to enforce compliance if the waste is not delivered to an appropriately licensed facility.

The introduction of an offence for delivering waste when the facility is not appropriately authorised under an EA will only apply to these waste transporters who are not acting under a Queensland EA. This will ensure that compliance can be applied equitably across transporters authorised under different jurisdictions.

Who was consulted?

Prior to these proposed amendments, there has been significant consultation with industry about the best practice guidelines and model conditions as an outcome of the recognised entity report. In addition, the issues surrounding this amendment were canvassed as part of the Queensland Government response to the Jones and Hedge report, and the development of the Organics Strategy and Action Plan.

For this proposal, consultation with composting facility operators and the community on the proposal for legislative amendments was undertaken via an online survey, information sessions for industry and the community, and social media engagement. Interested parties were also able to provide a direct submission to DESI. In total, 75 survey responses were received, with nine direct submissions, comprising of:

- 58 survey responses from community stakeholders, with three direct submissions
- 11 survey responses from industry stakeholders, with five direct submissions
- Six survey responses from local government stakeholders, with one direct submission.

Of the survey responses received:

- Community members generally supported stronger regulations (93.1%)
- Local government responses were split, with respondents from across the State both supporting (5) and not supporting (6) stronger regulations
- Industry responses were also split, with respondents both supporting (4) and not supporting (2) stronger regulations.

The nine direct submissions included three from peak bodies, being:

- Australian Organics Recycling Association Qld (AORA)
- Waste, Recycling Industry Association (Qld) (WRIQ)
- Local Government Association of Queensland (LGAQ).



AORA generally supported better enforcement of regulatory standards and regulation that will improve the current environmental compliance provided the changes are commercially viable and achieve better environmental outcomes. However, AORA also pointed to a number of other changes impacting on the industry and the significant cost impacts of those changes on the industry.

WRIQ also pointed to a number of recent regulatory and policy changes which impacted the composting industry, which substantially increase costs and reduce revenue. WRIQ also called for better planning protections (buffer distances) for composting facilities and for an Industry Transformation Package to quickly embed regulatory changes and ensure the composting industry remains commercially viable.

LGAQ supported Ipswich City Council's advocacy for a solution for community members, but did not support the proposal to implement statewide regulation to address the issue. LGAQ encouraged DESI to take a case-by-case approach which differentiated between urban and rural and considers a buffer distance between facilities and residential.

The government has considered this feedback in finalising the Amendment Regulation, noting that:

- The Amendment Regulation does take a case-by-case approach with both the assessment of applications (conditioning power) and the grounds to amend existing EAs allowing for representations from the proponent or operator to take into account site-specific information
- Better planning protections (buffer distances) for composting facilities is something that can be considered by local governments as part of the planning framework
- Industry support will be managed through the broader waste management policies and programs.

In terms of feedback received during information sessions:

- Industry feedback was largely positive. Peak bodies indicated that non-compliant and litigious operators have lower operating costs and were able to dominate the market, hampering widespread industry efforts to improve on the quality of processes and products. To this end, industry were generally supportive of a clearer and stronger regulatory framework.
- There was some concern raised about the ability of some facilities to absorb the capital investment that may be required to enclose operations. This is in the context of other recent legislative changes, such as the waste levy. In response to these concerns, it was clarified that any amendment would be subject to the current NOPA process, so that the grounds and amendments are considered on a case by case basis and submissions by the operator must be considered by the regulator before a final decision is made.

No direct feedback was given by industry on the range of costs associated with changing processes or enclosing a facility, likely due to commercial in confidence concerns.

Community feedback indicated strong support for stronger compliance and regulations for odour management. Many community respondents indicated that they desired even stronger action than proposed, such as immediate shutdown of facilities or relocation.

Local governments had mixed feedback regarding the proposed changes, those closer to New South Wales expressing in principle support, and those further north in Queensland preferring an incentive-based approach.

What is the recommended option and why?

The preferred option is Option 2 - regulatory amendment, which is considered to have the best net benefit to Queensland.

Option 1 will minimise impacts on non-compliant operators, whilst unacceptable environmental impacts on the community continue and the composting industry continues to be hampered by an uneven regulatory playing field.

The preferred option provides a proactive pathway for DESI to ensure new and expanded composting facilities are considering the best practice environmental management standard for composting facilities' odour management and enables the regulator to establish consistency across existing composting facilities to ensure there is a level playing field for all operators in the sector.

This option carries financial and operational impacts that are proportional to the risks currently identified in the status-quo option, and ensures development, organic waste processing capacity and contemporary planning can continue largely unabated. This represents the best net benefit to the community when compared to option 1, improving the environmental amenity of communities near composting facilities and a likely reduction in costs to the public health system while costs to industry remain reasonable.

The regulatory and non-regulatory actions currently addressed by the status-quo option can be supported by the Amendment Regulation to ensure that the current impacts caused by a small percentage of non-compliant operators do not continue to impede the implementation of equitable market conditions. Empowering the regulator to require composting facilities to specifically address odour issues via the regulatory requirements and specific ground for a NOPA will help to expedite these composting facilities moving towards the best practice standard.

Impact assessment

All proposals – complete:

	First full year	First 10 years**
Direct costs – Compliance costs*	\$5000	Negligible
Direct costs – Government costs	Negligible	N/A

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.



Director-General, Department of Environment,
Science and Innovation

Date: 9/7/2024



Minister for the Environment and the Great
Barrier Reef and Minister for Science and
Innovation

Date: 14/7/2024