

***Tasmanian
Waste and Resource Recovery
Board***

***Operational Plan
2024-2025***



**Tasmanian
Government**

Tasmanian Waste and Resource Recovery Board
May 2024

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In recognition of the deep history and culture of this island, the Board acknowledges and pays its respects to all Tasmanian Aboriginal people; the past and present custodians of the land, sea and air.

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1. Introduction

The Tasmanian Waste and Resource Recovery Board (the Board) was established in July 2022 under the *Waste and Resource Recovery Act 2022* (the Act). The functions and powers of the Board are set out in sections 12 and 13 of the Act. The Board is supported by the Department of Natural Resources and Environment Tasmania (NRE Tas).

Section 21 of the Act prescribes that the Board, on or before 31 May in each financial year, is to prepare a draft operational plan. The scope, development and approval of the operational plan is governed by sections 20 and 21 of the Act.

In accordance with section 20 of the Act an operational plan is to include a statement of the manner in which the Board, during the financial year, is to meet the business and financial objectives of the Board; set out the budget of the Board for the financial year (including estimates of its income and expenditure for that period); and be consistent with any waste strategy that is in effect and any applicable Ministerial Direction given and in effect under section 14.

This *Operational Plan 2024-25* (the Plan) is the second operational plan prepared by the Board and focuses on investing in outcomes for improved resource recovery, building on the work over the first two years of its' operation to establish the systems, governance, knowledge and relationships that lay the groundwork for the Board to perform its role into the future.

The Plan will form the basis of the Board's Annual Report of 2025 which will reflect the Board's progress and achievements throughout the preceding year.

2. Background

The *Waste and Resource Recovery Act 2022* established a new approach to waste management in Tasmania, moving the focus from seeing items as waste, but rather as resources that can be productively used; it introduced a landfill levy and established the Board. Although much has been achieved over the last two years, the new management regime for waste and resource recovery across Tasmania is still in its infancy, and it is important that the Plan is placed within this context.

The imposition of the landfill levy is intended to encourage people to reduce waste, and to re-use or recycle materials instead of sending materials to landfill and is a concerted drive towards the development of a circular economy within Tasmania. This year the levy will increase in rate from \$21.36 (12 fee units) to \$44.88 (24 fee units) per tonne of material disposed to landfill, as part of the staged regulated increases up to the final prescribed increase to 36 fee units in 2026-27.

The Board will monitor the effectiveness of the levy as it increases to inform advice to the Minister on any future directions or adjustments that may be required.

The Board has a key role to play in reducing waste going to landfill and increasing resource recovery, including overseeing the re-investment of the levy funds and advising the Government on the direction for waste management and resource recovery in Tasmania.

The Act prescribes a number of functions and powers to the Board, including to:

- Provide advice and recommendations to the Minister.
- Prepare and assess the effectiveness of a waste strategy and operational plan.
- Promote and support resource recovery activities across the State.
- Promote market and local infrastructure development, oversee the use of waste levy funds.
- Administer several assistance programs as specified in the Act.

When the Board was established, the then Minister for Environment and Climate Change, the Hon Roger Jaensch, issued a Ministerial Direction (as per section 14 of the Act) that set out the Government's immediate priorities for the Board. In addition to essential 'start up' arrangements the priorities within the Ministerial Direction included:

- The preparation of a draft Tasmanian Waste & Resource Recovery Strategy (the WRR Strategy) in accordance with sections 18 and 19 of the Act.
- An assistance program for charitable recyclers as per section 12(2)(j) of the Act.
- An assistance program for resource recovery facilities as per section 12(2)(k) of the Act.
- An assistance program for public authorities to deal with rubbish dumping and littering as per section 12(2)(l) of the Act.
- A support program for regional waste organisations as per section 12(2)(h) of the Act.
- A support program for remote councils as per section 12(2)(g) of the Act.
- Exceptional circumstances and adverse impacts support on a case-by-case basis.
- An introductory levy rate adjustment to support landfill operations.

With the launch of the WRR Strategy in November 2023, the Board is moving through the establishment phase and is now guiding the re-investment of levy funds back into the Tasmanian community in line with the *Tasmanian Waste and Resource Recovery Strategy 2023-2026* (the WRR Strategy).

3. How the Board will achieve its objectives

The Board will act with integrity and transparency in all its operations and activities. It will apply efficient, effective, and evidence-based decision-making. Fair, transparent and accountable processes will be applied when dispersing money through mechanisms such as grants or contracts.

This transparency includes the development of this operational plan under Section 20 of the Act, outlining the manner in which the Board is to meet the business and financial objectives of the Board.

For the Board to meet its objectives, it will focus on the development of strong collaborative relationships and build the synergies required across the sector to activate a strong circular economy for Tasmania.

The key objectives of the Board for this financial year are:

- To implement the WRR Strategy through targeted investment of levy funds into priority projects.
- Fulfill its obligations under the Ministerial Direction of July 2022, including commencing a review of the effectiveness of the directions.
- Apply good governance and corporate practices (including in accordance with Schedules 2 and 3 of the Act); and
- Continue to engage with community, government, and industry to build awareness and understand the needs, gaps and opportunities.

The work of the Board will complement the work being delivered by the Tasmanian Government through NRE Tas including:

- Introducing a Container Refund Scheme ('Recycle Rewards').
- The phasing out of certain Problematic Single Use Plastics (PSUPs).
- Providing funding support for improved organics composting and processing of end-of-life tyres and plastics.
- Engaging with other States and Territories and the Commonwealth Government to set the National Waste agenda and oversee national product stewardship schemes.
- Funding a three year, state-wide litter survey in line with new national standards.
- Further developing the collection of waste data and administration of the landfill levy, including supporting Class B resource recovery facilities to comply with requirements that come into force on 1 July 2024 under the Act.

3.1. Ministerial Direction

In accordance with Ministerial Direction of 2022 the Board this year will:

- Continue the support programs implemented under the Ministerial Direction.
- Consider the findings of a review into the support program for charitable recyclers and determine if amendments to this program should be implemented.
- Undertake a formal review of the public authorities support program for illegal dumping after 12 months of operation in early 2025.
- Continue to work with remote councils to identify ways in which they can be net beneficiaries of the levy through continued levy support and targeted investment.
- Visit the West Coast Council prior to December 2024.
- Continue to work with the three regional waste authorities to support continued regional waste initiatives and engagement activities, as well as commencing an initial review of funding arrangements.
- Release the remaining support program required by the Ministerial Direction, being a partial rebate of necessary residue from resource recovery facilities, and review this program before the end of the financial year.

3.2. Implementing the WRR Strategy

The WRR Strategy is the central and most critical guiding document for the Board. It will be used when developing policies or funding programs or considering future proposals. The WRR Strategy is based on four pillars each with three objectives (Figure 1).

The timeframe for implementing WRR Strategy priorities will extend over successive financial years. As the Board is not responsible for all actions, delivering these priorities, will require engagement, input and collaboration from various groups and organisations across the Tasmanian government, industry and community.

Tasmanian Waste and Resource Recovery Strategy

Vision	<h2>Tasmania</h2> <p><i>a place where nothing is wasted.</i></p>
Purpose	<ul style="list-style-type: none"> • Support strong circular economy to reduce waste and greenhouse gas emissions and improve the amenity, liveability, and sustainability of Tasmania. • Divert products and materials from landfill and recognise the inherent value of products and materials. • To invest in circular economy programs to increase the recovery and reuse of products and materials and respond to emerging issues.

Pillars and Objectives

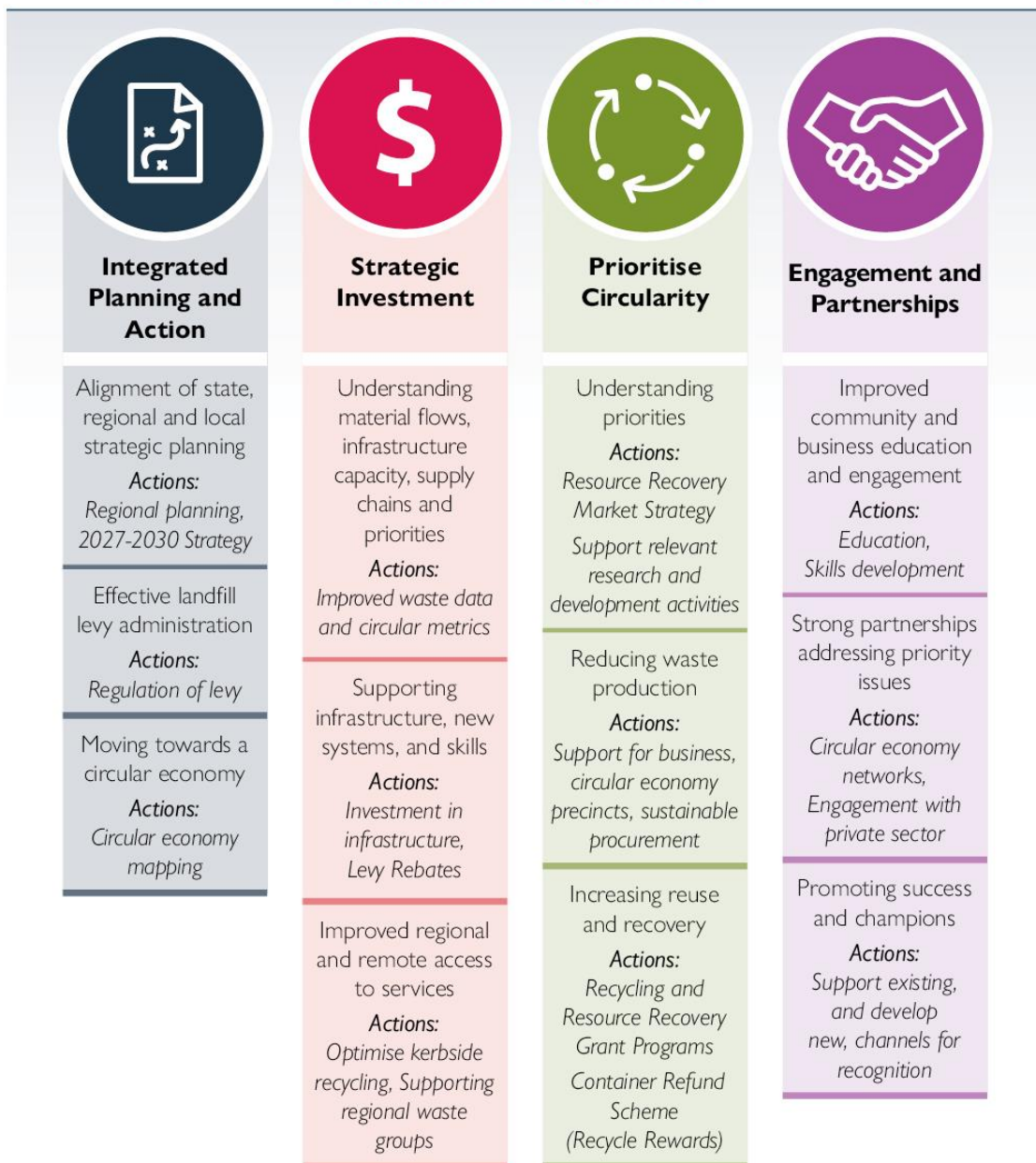


Figure 1 - WRR Strategy Pillars and Objectives

The Board in 2024-25 will build on the actions of the previous year by:

- Finalising an investment framework and investment plan that is consistent with the WRR Strategy and developing associated procedures and processes.
- Obtaining accurate and useful waste, resource recovery and circular economy information, including improved understanding of materials, downstream processing options and improved economic frameworks for project assessment.
- Finalise the grant deeds with successful applicants under the High Priority Investment Package and build on the success of that program by releasing additional funding programs targeting a range of scales and sectors.
- Considering the outcomes of industry analysis work by sector peak bodies to develop opportunities and gaps for key priority areas.

3.3. Reporting/Governance

The Board is committed to strong governance, including the implementation of improved strategic planning, finalisation of its risk register and management of those risks. This will be supported by formal reporting to the Minister through the combination of the Operational Plan and reporting on the achievements against these plans through Annual Reports.

The Board will be responsible for the day-to-day administration of its activities (regular minuted meetings, staffing, sub-committees, external liaison etc) in line with Schedule 3 of the Act, including through the implementation and monitoring of delegations and authorisations to the CEO to ensure the efficient delivery of the Board's responsibilities.

These efforts will include development of detailed Board procedures to ensure the interaction between setting strategic directions and operational assessment of projects and engagement with the Integrity Commission to ensure confidence of the Minister and Tasmanian community in the operation of the Board.

3.4. Engagement

This year the Board, its CEO and supporting staff within NRE Tas will engage with industry stakeholders, local and State government and the broader community to establish effective functions and delivery of programs. This will include engagement with the smaller 'Class B' resource recovery facilities.

The Board has its own website – www.wrr.tas.gov.au – on which key information is communicated. Notwithstanding privacy considerations, the Board will make appropriate information publicly available on this website, including the announcement of grant programs and successful recipients.

Further strengthening these efforts will be the development of a strategic communications plan for the Board and working proactively with the Honourable Nick Duigan MLC, Minister for Parks and Environment, to continue to promote the objectives of the Strategy and to celebrate community and industry efforts to move towards a circular future for the Tasmanian economy as a place where nothing is wasted.

This year specific engagement work will include the establishment of a circular economy working group, the hosting of a 'State Waste Chairs' forum in Canberra (encouraging a collaborative approach with similar statutory groups across Australia), a visit to the west coast of Tasmania and supporting key industry groups and networks through attendance at forums and other key industry events on a local, state and national scale.

4. Budget

Section 20(1)(b) of the Act states that the operational plan must set out the budget of the Board for the financial year, including estimates of its income and expenditure for that period.

The Board will, as needed, reallocate funding within the total budget during the year to ensure that it can react to opportunities from actual expenditure varying from budget or due to higher than forecast levy income.

Any material change to allocations (greater than five per cent of total expenditure) will be communicated to the Minister for information.

4.1. Income

Revenue from the landfill levy is determined by the amount of waste disposed into landfill. The 2024-25 levy rate will rise from 12 to 24 fee units and the fee unit rate will increase from \$1.78 to \$1.87 per unit, this equals \$44.88 per tonne.

Based on data collected from 2022 to 2024 the projected tonnage to landfill is 448,000t. This predicted tonnage assumes that the increased levy will result in some increased diversion of waste to resource recovery but that this will be counteracted by population growth, resulting in a steady rate of tonnage of waste to landfill. This assumption will be re-assessed in future years as further data on the impact of the increasing levy is collected. The projected income allows for the time lapse between waste deposited to landfill, reporting of tonnages and receipt of levy payments meaning that for the early part of the year levy received will be at the current rate of \$21.36 per tonne.

The Act allows for the prescribed spending of levy funds by the Secretary, NRE Tas of 909,092 fee units. These funds support the collection of waste data and levy payments by NRE Tas and additional compliance resources for EPA Tasmania to combat illegal dumping (Table 1).

At the commencement of the 2024-25 financial year, an estimated \$4.0 million in unspent levy revenue is expected to carry over from the 2023-24 financial year (including committed funds to grant programs announced in February 2024).

Table 1: Income

Item	Fee Unit Allocation	Amount (\$)
Levy funds collected		18,350,000
Payments by the Secretary for Prescribed Purposes		
Less: Illegal dumping compliance contribution to EPA	303,031	566,668
Less: Levy implementation, regulation and data management (by NRE Tas).	606,061	1,133,334
<i>Total payments by Secretary</i>		1,700,002
Available Revenue		16,649,998
Predicted rollover from 2023-24		4,000,000
Total Income		20,649,998

4.2. Expenses

Administration Expenses

Collaborative arrangements with NRE Tas are in place that enable the Board to focus on its core roles under the Act. Corporate support is provided in accordance with a Service Level Agreement.

Fixed costs are those related to salaries, operational costs, associated corporate costs, the CEO and supporting NRE staff.

During the 2023-24 financial year the Board was re-sized, acknowledging its impact on Tasmania through the facilitation of the move to a circular economy, resulting in an increase to the Board remuneration.

In order to deliver the expanding work program for the year it is expected that additional staffing within NRE Tas will be required, with the provision of additional project and grant administration resources included in the budget through increases to the Service Level Agreement with NRE Tas and a specific allowance for the recruitment of further resources during if required.

Table 2: Administration Expenses

Item	Expense (\$)
Board remuneration	186,627
Chief Executive Officer remuneration	229,871
Printing and publications	5,000
General finance expenses	600
Grant administration expenses	10,000
Other operating expenses	7,400
Motor vehicle costs	18,180
Travel and transport	40,000
Training	15,000
Professional fees and contract services	50,000
External audit fees	6,300
Total Board Administration	568,978
NRE Tas Service Level Agreement	881,910
Allowance for additional project resources during 2024-25	310,000
TOTAL	1,760,888

Support Programs – Ministerial Direction

Under the Act and the Ministerial Direction, the Board is required to implement certain support programs.

The programs for regional authorities, remote councils, charitable recyclers and public authorities have been established. An estimate for the first three of these programs can be made reasonably accurately but no claims have yet been made by public authorities for the litter and dumping program and the allocation is generous to ensure sufficient funds exist for this program.

Similarly, the rebate for residue from RRF is hard to predict, so the Board has determined to cap the funding of this program and to review the program before the end of the financial year. The cost of exceptional circumstance exemptions are also unpredictable.

The allocation for the three regional waste organisations is an estimate based on known tonnages from the previous three years, the only known amount is that for the northern waste management program (NRM North) recently re-branded as Circular North.

The allocation for the three remote councils is based on known tonnages to landfills in those areas and is expected to be quite accurate.

A focus for the Board during 2024-25 will be ensuring efficient and effective reporting on the delivery of these programs to ensure alignment with the Strategy and to inform future review of these directions.

Table 3 Support Programs - Ministerial Direction

Item - Ministerial Direction Expenses	Expense (\$)
Regional Authority payments (N, NW and South)	3,354,352
Remote Council Support (Flinders, King Island and West Coast)	450,000
Charitable Recyclers Support Program	100,000
Resource Recovery Facilities	750,000
Public Authorities Litter and Dumping	800,000
Exceptional circumstances	500,000
Total	5,954,352

Implementing the WRR Strategy

A total of \$11,434,758 has been allocated for industry development and other grant programs. Of this \$4,500,000 is the committed but not spent funding from the 2023-24 High Priority Investment Package (including an additional allowance of \$1,500,000 allocated by the Board in response to the high number of applications received). The details of the remaining \$6,934,758 will be determined through the approval of the Investment plan early in the 2024-25 financial year.

Table 4: Support Programs – Implementing the Strategy

Item	Expense (\$)
High Priority Infrastructure Program (including additional funding allocations)	3,500,000
Schools Program	250,000
Remote Councils – special projects	500,000
Peak Bodies Partnership	250,000
Total High Priority Investment Program	4,500,000
Industry development through scaled investment programs and other potential grant programs.	6,134,758
Communication and engagement activities (community and industry focussed).	800,000
Total	11,434,758

4.3. Cash flow

Estimated expenditure for 2024-25 therefore totals \$19,149,998. As the estimated revenue available to the Board is \$20,649,998, there will be a predicted surplus for the year of approximately \$1.5 million.

Table 5: Budget Overview

Item	Expense (\$)
Total Income	20,649,998
Total expenses	19,149,998
Closing Balance	1,500,000

Further information

Waste and Resource Recovery Board

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The Board is supported by the Department of Natural Resources and Environment Tasmania