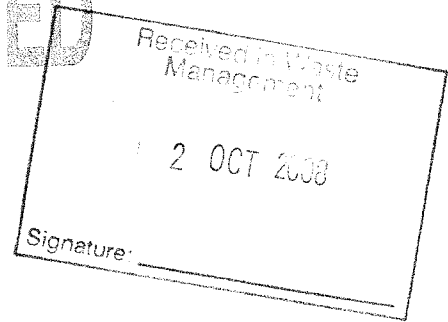


DEC 8682
DOC 63891

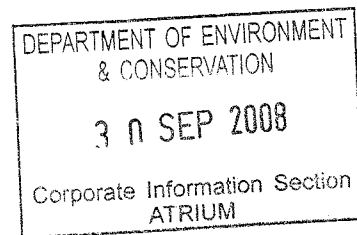


SCANNED



18 September 2008

Mr Barry Carbon
Chairman
Waste Authority of WA
Locked Bag 104,
BENTLEY DC 6983



Dear Sir,

RE : Construction Waste in WA

Further to the Waste Authority's open letter of 23 June 2008 advising that the programmed increase of the inert landfill levy from \$3m3 to \$5m3 is to be held at \$3m3 pending a review, we write to provide the following information.

Purpose of the Landfill Levy

According to the Four Scenes, Landfill Levy Review dated November 2007, the purpose of the landfill levy is to :

1. Increase the comparative price of landfill and make recycling more cost-competitive, and
2. Provide resources for the state government to strategically invest in recycling initiatives.

We believe these purposes are sound and justified if the administered in an appropriate manner.

Smart Builders WA

EarthCare established Smart Builders to ensure that maximum amounts of waste material, arising primarily from the residential new home building industry, is removed from the waste stream destined for landfill. The material is collected and sent to a variety of recycling facilities, specialising in the mechanical recycling of these waste materials. It has been funded by the Strategic Waste Initiatives Scheme (SWIS) and the business viability will shortly be appraised for long term operations.

Apart from the DEC, Smart Builders has many industry partners that are actively involved in the success of the program. There are several developers keen to adopt the Smart Builders waste management system and many proactive building companies that are fully supportive of this initiative. Major building supply companies as well as HIA and the MBA also back the work of Smart Builders. Thus it can be understood that many associated organisations are keen for Smart Builders to succeed.

We are currently in negotiation with Australia's largest residential developer to undertake waste recovery and reuse at All the Perth metropolitan projects. This alone will represent some 10,000 tonnes of builders waste diverted to reuse. The market is developing quickly, however if the incentive is not there for the recycling companies to obtain material instead of sending to landfill, then the capacity of our business is significantly reduced.

Barriers to Recycling Construction Waste

Construction waste has associated barriers when considering the potential recycling waste. It contains many separate waste materials with a differential rate between inert and putrescibles. There are many other perceived issues causing potential barriers to recycling which include lack of understanding and reticence to use the recycled material and cost comparison issues.

Effectiveness of the Levy

Based on the purposes of the levy and our research into construction waste recycling and lessons learned from both previous HIA reports and the Smart Builders program we can confirm that funds raised are being spent on waste recycling and avoidance initiatives. However they are not being invested, because recycling initiatives are not cost competitive when compared with current inert landfill gate rates.

We are concerned the Landfill Levy fund is being "invested" into recycling initiatives that are destined to fail because they are not cost competitive. They are not cost competitive because the other purpose of the levy of increasing the comparative price of landfill is not being achieved because the levy has been set at such a low rate.

According to the previous Minister in his press release of May 2006 he referred to level of landfill levies and stated, "This does not reflect the true cost of waste for the community and is significantly lower than the levies charged in other States.

From our research into the costs of recycling construction waste we believe an inert **landfill levy of \$15.00 per cubic** metre would begin to make recycling more cost competitive when compared to the price of landfill. An increase of this nature would provide more funds to invest in recycling initiatives for all waste including problematic wastes such as tyres, oil and glass.

Recommendation

In order to increase recycling rates of construction waste in WA, develop a sustainable recycling industry, and provide sufficient funds to be invested in recycling initiatives we recommend the Landfill Levy as described in Category 63 to be increased to \$15.00 per cubic metre.

Action

We would appreciate your response to the above comments and are keen for you to elaborate as to why the increase in levy has been delayed. In addition we would welcome the opportunity to meet with you and discuss this matter further.

Yours sincerely,

EARTHCARE and Smart Builders

A handwritten signature in black ink, appearing to read 'Francis Burke', written over a horizontal line.

Francis Burke
MANAGING DIRECTOR

