

30 September 2008

Our Ref: 01-006-02-0003MA:JAS

Mr Barry Carbon  
Chair  
Waste Authority  
c/o Department of Environment and Conservation  
Locked Bag 104  
Bentley Delivery Centre  
Western Australia 6983

Dear Mr Carbon

**Waste Avoidance and Resource Recovery (WARR) Levy – Category 63**

The Municipal Waste Advisory Council (MWAC) received the Waste Authority notification regarding the consultation on the Category 63 Levy and the non-metropolitan Levy potential application. On behalf of the Municipal Waste Advisory Council I would like to thank you for the opportunity to provide a Submission to complement the verbal submission made on the Category 63 Levy.

The written Submission is attached. This Submission has not yet been endorsed by MWAC, however, it will be put before the Council at the earliest opportunity (Wednesday 15 October 2008) and the Waste Authority will be informed of any changes to this Submission following consideration by the Municipal Waste Advisory Council.

Should you wish to discuss further any aspect of this letter, please contact Rebecca Brown on 9213 2063 or email [rbrown@walga.asn.au](mailto:rbrown@walga.asn.au)

Yours sincerely



**Cr Michael Aspinall**  
Chair, Municipal Waste Advisory Council



## Submission on the Landfill Levy Review – Category 63

### Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management). The Regional Councils members of MWAC include the Eastern Metropolitan Regional Council, Mandarie Regional Council, Southern Metropolitan Regional Council, Rivers Regional Council, Western Metropolitan Regional Council and the City of Geraldton-Greenough. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Submission therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

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A discussion paper, including the majority of the information in this Submission, was submitted to MWAC for endorsement in August, this paper was then used as a basis for the presentation by Mark Batty (WALGA) at the Levy Forum. This Submission has not yet been endorsed by MWAC, however, it will be put before the Council at the earliest opportunity (Wednesday 15 October 2008) and the Waste Authority will be informed of any changes to this Submission following consideration by the Municipal Waste Advisory Council.

### Introduction

In June 2008 the Waste Authority advised stakeholders, in an open letter, that they were undertaking a review of two elements of the Landfill Levy. These were:

- Non-Metropolitan Levy – Inclusion or not, and in what form of inclusion, of large non-metropolitan regions into the landfill regime; and
- Differential Levy – Appropriateness or not of establishing differential levies for landfills under Category 63.

#### *Non-Metropolitan Application*

The Authority resolved at its August 2008 meeting to postpone holding discussions and discussion forums on the issue of extending the landfill levy beyond the metropolitan area due to current incapacity to deliver. At the landfill levy

discussion forum the Waste Authority confirmed that this would be postponed until further notice.

#### *Category 63 – Differential Levy*

The Waste Authority also decided to review the management and levy rates for Category 63 landfills. The levy at Category 63 sites was expected to rise to \$5 per cubic metre in 2008/9, \$7 in 2009/10 and \$9 in 2010/11 (based on the Environmental Protection Regulations 1987 Part 9 Landfill Levy). The Waste Authority has instead frozen the levy at \$3 per cubic metre pending the outcome of discussions with stakeholders. The Authority will determine amendments to the existing WARR Levy Regulations by the end of 2008.

At the consultation session held on Tuesday 9 September the Waste Authority invited submissions from interested stakeholders. Presentations were given by Robert Atkins (Department of Environment and Conservation), Bruce Bowman (Waste Management Association of Australia), Mark Batty (WA Local Government Association), Rob Sippe (Eclipse Resources) and Adrian Lester (C&D Recycling). The forum was attended by 80 - 100 people.

### **WALGA – Policy Statement on the Waste Levy and Strategic Waste Funding**

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The WA Local Government Association Policy Statement on the Waste Levy and Strategic Waste Funding addresses the Levy as an existing mechanism. The Policy Statement outlines that the primary rationale for the Levy is that of providing secure funding for strategic activities in waste management. It allows that other rationales for application of the Levy would be considered, if clear evidence can be presented in its support.

#### **Category 63 – Differential Levy**

The Authority has indicated the Levy has been frozen at \$3/cubic meter while consultation occurs. From the Waste Authority minutes May 2008, what is being considered is “the viability of a differential levy between clean materials used to fill and reclaim land, versus inert [Category 63] landfill” (Waste Authority, 2008). Within this context, no clear rationale has been provided for this type of Differential Levy to apply to cleanfill material (included in Category 63 landfills).

***Key Issue: Any change to the expected Levy rates requires clear rationale.***

The Levy is currently not applied to clean sand material removed from excavation sites on the proviso that it is re-used as clean soil and not sent to landfill. Implementing a differential levy on clean soil could assist in eliminating sand from landfill, except where required for day cover operations. This material is currently and should continue to be a valued resource.

Local Government as innovators and market leaders, have been using inert material diverted from landfill in their activities (such as road construction) and are potentially a major market for this material. In order to continue and guarantee the use of this material, viable and stable markets are needed. In order for these industries to continue to develop and expand, market participants need some regulatory stability. For example a consistent approach regarding the Levy. It is likely that regulatory instability or inconsistency will affect not just the C&D recycling industry, but the recycling industry generally.

***Key Issue: For Local Government to continue to use C&D materials in their processes, viable and stable markets are needed.***

***Key Issue: Regulatory uncertainty will affect the entire recycling industry.***

Construction and Demolition (C&D) recycling is a growing industry with many recyclers equipping themselves further to ensure more of this material is diverted from landfill. C&D recycling is potentially easier than putrescible or hazardous waste recycling, due to the inert nature of the material and consequent limited on site and/or direct health or environmental concerns.

The Association identified, in a Submission to the Waste Management Board on *Resourcing the Zero Waste Vision (Feb 2006)*, that "not all waste generators will demonstrate the same elasticity of demand for landfill. For some materials there is more elasticity of demand, meaning that a rise in price will directly affect the use of landfill. The Submission also identifies that "municipal waste generation is relatively insensitive to price increases, whereas waste generation in the Commercial and Industrial and Construction and Demolition sectors can be expected to be more sensitive to price increases". The case for increasing the landfill levy for C&D material was made clear in the 2007, Waste Management Board Report by Four Scenes (2007, pg 10-11) which states "inert wastes demonstrate a more elastic demand response to landfill prices".

***Key Issue: Increasing the Levy on inert waste would encourage greater resource recovery and re-use by industry.***

Issues raised by Eclipse Resources at the Forum held by the Authority identified valid concerns regarding the extraction of raw materials for development. As this area has not been part of waste management concerns previously, MWAC sought to identify a further policy context for this matter to be considered. To this end, through the Planning & Community Development section of the Association, the draft Basic Raw Materials (BRM) Resource Protection Strategy was sourced.

The issue of BRM extraction lead the Department for Planning and Infrastructure to convene a Senior Officer Group (SOG) to identify and address issues associated with access to basic raw materials and develop recommendations for a more

streamlined approval process for the extractive industry. The SOG group prepared the BRM Strategy as a framework with which to deal with the issue of extraction of raw materials. This strategy will then feed into the State Planning Policy 2.4 – Basic Raw Materials.

This Policy deals with the issue of sequential land use, and identifies that if a site is “unlicensed then extraction and rehabilitation can take place on a programmed basis”; therefore using cleanfill sand type material is acceptable. This Policy therefore suggests that where the site is unlicensed the landfill levy has no impact. If a site is a licensed Class 63 landfill site the levy should still apply, as the site has been designated for that purpose.

***Key Issue: The appropriate policy context for consideration of extractive industry issues is Planning & Infrastructure.***

## **Conclusion**

The potential introduction of a differential levy for Category 63 Landfills materials is likely to decrease the viability of the current C&D Recycling industry, which will directly impact on local governments who either purchase/reprocess C&D or make use of the services of the industry. Regulatory instability and uncertainty affect investment in recycling generally. Without clear and consistent direction from the Waste Authority / State Government, industry is likely to be reluctant to invest in recycling infrastructure.

The Association does not support the freeze on the current Category 63 Levy or a levy which will encourage landfilling rather than recycling/recovery of material. Any marginal benefits gained from ‘reclaiming land’ is localised, compared to the much wider benefits associated with encouraging and supporting the Construction & Demolition recycling industry. The previously scheduled increase of the inert Levy is supported.

***Key Issue: The Association supports the expected increase of the Levy, as outlined in the Environmental Protection Regulations, of \$5 2008/9, \$7 2009/10 and \$9 2010/11).***

WALGA would like to thank the Authority for organising the discussion forum and allowing the views of industry and the general public to be heard. WALGA anticipates the opportunity to meet with the Authority and further discuss various issues regarding the Levy as a positive step in a comprehensive consultation process.

## References

Four Scenes (2007) *Landfill Levy Review* Available from <http://www.wastenet.net.au/issues/Legislation/landfilllevy>

MWAC (2006) Submission on *Resourcing the Zero Waste Vision*  
Available from <http://www.wastenet.net.au/issues/Legislation/landfilllevy>

WALGA (2008) Policy Statement on *Waste Levy and Strategic Waste Funding*  
Available from <http://www.wastenet.net.au/issues/Legislation/landfilllevy>

Waste Authority (2008) Waste Authority Minutes 22 May 2008 Available from <http://www.zerowastewa.com.au/index.php>

State Planning Policy 2.4 – *Basic Raw Materials* (Variation1) Pers. Comm. Beryl Foster, WA Local Government Association, 24 September 2008