

15 July 2020



Environment Institute  
of Australia and  
New Zealand Inc.

Waste Levy Review

Department of Water and Environmental Regulation  
Locked Bag 10,  
Joondalup DC, WA, 6919

Online Submission Via: [consult.dwer.wa.gov.au/waste-policy/review-of-the-waste-levy](https://consult.dwer.wa.gov.au/waste-policy/review-of-the-waste-levy)

Dear Sir / Madam

**RE: Submission on the Review of the Waste Levy**

The Environment Institute of Australia and New Zealand (EIANZ) (the Institute) Western Australia (WA) Division (the Division) is pleased to feedback on the consultation paper on the *Review of the Waste Levy* released by the Department of Water and Environmental Regulation (DWER) in February 2020 for public consultation.

The Institute is the leading professional body in Australia and New Zealand for environmental practitioners and promotes independent and interdisciplinary discourse on environmental issues. On all issues and all projects, the Institute advocates good practice environmental management delivered by competent and ethical environmental practitioners.

We forward this submission on behalf of the WA EIANZ members. The WA Division currently has approximately 170 members while the Institute has over 2000 members across Australia and New Zealand. Our members come from a range of technical disciplines including certified environmental practitioners (CEnVP), ecological consultants, environmental advocates and environmental impact specialists working in government, industry and the community.

Again, we thank the Department of Water and Environmental Regulation for the opportunity to be engaged in discussions on achieving better waste management in Western Australia and contributing to mechanisms and activities that will contribute to a circular economy.

Yours sincerely

A handwritten signature in black ink that reads "Bastow".

Belinda Bastow  
President  
EIANZ – WA Division

# 1 Introduction

## 1.1. Background

The EIANZ WA Division is pleased to make comments on the *Review of the Waste Levy – Consultation Paper*. EIANZ-WA commends the Government on developing a comprehensive and integrated policy framework to improve waste management in Western Australia (WA).

The EIANZ-WA promotes well researched, scientifically robust and sound decision making in Government. The following points summarises EIANZ-WA's feedback on the Consultation Paper:

- Government should ensure the application of a suite of policy instruments that are appropriate to the problem it is attempting to solve.
- Government should not extend the application of the waste levy either regionally or to other materials. Any plans to extend the levy must occur after a robust review and a full economic analysis of the existing operations to ensure that it will achieve its policy objectives.
- Transparency and consultation are fundamental to policy development and further information should be provided on the impacts (both economic and targets to be achieved from its introduction) of the proposed policy prior to any changes.
- The geographical size, population and lack of manufacturing in WA need to be considered before further extension of the waste levy. It is apparent from current information that the levy has not had the outcome sort and therefore alternative policy instruments that can accommodate these unique factors of WA should be considered.

## 1.2. Role of the EIANZ

The EIANZ, as the leading membership based professional organisation for environmental practitioners in Australia and New Zealand and is an advocate for good practice environmental management. The Institute supports environmental practitioners and promotes independent and interdisciplinary discussion on environmental issues. The Institute also advocates environmental knowledge and awareness, advancing ethical and competent good practice environmental management.

A Certified Environmental Practitioner Scheme ([www.cenvp.org](http://www.cenvp.org)) is also in place to assess and certify competent experienced environmental practitioners working in government, industry and the community. This includes specialist competencies such as Impact Assessment, Ecology, Land Rehabilitation and Contaminated Lands.

The EIANZ is an advocate for environmental assessment, management and monitoring investigations and reports being certified by suitably qualified and experienced persons for the completeness and scientific rigor of the documents. One of the ways of recognising a suitably qualified practitioner is through their membership of, and certification by, an organisation that holds practitioners accountable to a code of ethics and professional conduct, such as the EIANZ.

The EIANZ is a not-for-profit, charitable organisation incorporated in Victoria, and a registerable Australian body under the Corporation Act 2001 (Cwlth), allowing it to operate in all Australian jurisdictions.

## 2 General Observations

The following section of this submission provides a brief response to questions raised within the consultation document.

### **Chapter 2: –**

#### **Question 1**

*Are there any beneficial outcomes that can be achieved by a levy beyond those identified in the objectives of Waste Strategy 2030?*

The function of economic instruments is to redress the balance of market failures in the pricing of natural resources and these have not always been successful in achieving their stated outcomes (UNEP 2004). In addition, they should be part of a suite of policy instruments that are directed toward achieving the policy objectives (Gunningham & Grabosky 1998).

In relation to whether there are any beneficial outcomes to be achieved by a levy beyond those identified in the waste strategy; the answer may be, in principle yes. However, the Consultation Paper fails to articulate what the levy may be and to what wastes it may be applied to.

In addition, the levy was created and remains governed by its enabling legislation. Irrespective of the scope of the Waste Strategy 2030, the collection and distribution of the levy is regulated by its enabling legislation, the *Waste Avoidance and Resource Recovery Levy Act 2007*. Any variation from this objective would need to be adequately consulted and legislative changes initiated. The current Consultation Paper does not sufficiently meet the requirements of the proposed changes including what the revised legislation and regulations would look like.

The Government needs to undertake further examination of what wastes should be prioritised (ie which waste(s) presents the most pressing environmental need to the community to be addressed) and an analysis as to whether a levy is the most effective policy instrument(s) to address the problem. Without this analysis, the activity appears to be purely a revenue raising exercise rather than a well-designed policy program to address a priority environmental issue.

Furthermore, the Consultation Paper lacks any sophisticated economic modelling and assessment to the barriers and enablers of waste avoidance, reuse, recycling and recovering in WA. Recycling and reuse in WA are impacted by:

- No or low market demand for recycled products;
- High capital investment and operating / processing costs; and
- High collection and transport costs.

An increase in the levy is not going to assist with addressing these barriers and result in effectively and sustainably diverting waste from landfill.

### **Chapter 3: –**

#### **Question 1**

*Are there any other strengths and weaknesses of a waste levy as an instrument for achieving the objectives of Waste Strategy?*

The effectiveness of a waste levy in achieving a reduction in waste disposed to landfill is hampered by a number of additional elements including:

- Western Australia's (WA's) population.
- Geographical size and the dispersion of WA's population.
- Processing and manufacturing ability within WA.

An instrument such as a waste levy works by diverting waste from landfill (cost of land and impact to environment) and into recycling programs which can redirect the resource into manufacturing.

There is limited manufacturing in WA that would utilise the resources diverted from landfill. When the cost of transportation of this material to other processing locations (mainly overseas) is considered the landfill levy is not sufficient an economic determinant. In addition, when the costs of transporting waste to centralised areas where quantities of waste may make recycling viable, again this becomes uneconomic when compared to landfilling.

Suitable auditing of waste disposed to landfill to identify high risk and high volume items may identify alternate levies on these items to encourage manufacturers to change their design to either allow improved resource recovery or development of alternative products that are less environmental damaging. Product stewardship arrangements (such as end of life schemes) have greater possibility to drive changes in manufacturers behaviours to allow products to be effectively recycled, substitute materials and design for recyclability.

As the White Paper on the Review of Waste Levies in Australia of the National Waste and Recycling Industry Council from October 2019 notes, "levies are an effective regulatory tool to stimulate recycling when the cost of recycling is lower than the cost of landfill, there is a stable market for the recycled goods, and businesses have appropriate and long-term sites to process the materials". There are a range of preconditions that the government needs to address before it further increases the levy.

#### **Chapter 4: –**

*Questions within Chapter 4 relate to business impacts arising from the introduction and implementation of the Waste Levy.*

These questions are not applicable to the activities of EIANZ-WA. However, the EIANZ-WA continues to advocate for well researched, scientifically robust policy design and implementation. It supports greater quantifiable research into the effectiveness of government policy and its implementation.

#### **Chapter 5: –**

##### **Question 1**

*How might the Government best balance the need for responsiveness to emerging knowledge about best practice waste management with the benefits of providing the confidence about future waste levy rates?*

The benefit of outlining levy rates and future increases within regulation provides both transparency and an ability to plan for the necessary commercial implications of increasing costs to a business. However, the other benefit of regulations is that these are more easily changed than legislation.

The EIANZ-WA would recommend that the Government examine how it may collect better, more transparent, and reliable data to support the necessary changes to the regulations as and when the need arises. In addition, EIANZ-WA continues to impress upon the Government the need for well designed, transparent, and scientifically robust programs to support policy objectives.

The Government may wish to consider other policy instruments that are simpler to introduce and may work alongside the economic and legislative instruments to achieve better waste outcomes when knowledge arises regarding areas where government action is required. For

example, public awareness programs may be an effective way to raise awareness regarding concerns of waste and/or waste practices while legislation is being introduced or amended.

## **Chapter 6: –**

### **Question 1**

*Are there opportunities for the recovery of regional waste that would be made more viable by a regional waste levy?*

The geographical and population size of Western Australia presents several issues with extending the levy to regional areas. In addition, the Government should also consider the nature of the population and region prior to its introduction as it may result in a significant increase in individuals illegally dumping and resulting in greater environmental impacts than those arising from well managed landfills. Where regional areas present different population dynamics than urban population is that a larger proportion of individuals have access to vehicles that enable to illegal dumping of materials in bush and agricultural areas.

Until the Government can demonstrate that the application of the levy in the metropolitan area is having the required effect and meeting the required targets of reduction of waste to landfill, any extension of the program to regional areas is premature.

### **Question 2**

*Where are these opportunities most likely to be viable?*

It is unlikely that an extension of the landfill levy to regional areas will be viable at this stage. The landfill levy in the metropolitan area has yet to show a significant deterrent to the landfilling of waste, the geographical size and population of regional areas presents significant impost and little value in moving this waste (particularly the residential waste) and the lack of manufacturing in WA hampers even the waste recycled in the Perth metropolitan areas.

### **Question 3**

*What rate of waste levy could be required to make them viable?*

It is unlikely that any rate for a waste levy to regional areas will be viable at this stage. The landfill levy in the metropolitan area has yet to show a significant deterrent to the landfilling of waste, the geographical size and population of regional areas presents significant impost and little value in moving this waste (particularly the residential waste) and the lack of manufacturing in Western Australia hampers even the waste recycled in the Perth metropolitan areas.

### **Question 4**

*Under specific circumstances, it is possible that an expanded waste levy area could make evasion less financially attractive. How does the cost of transporting waste over long distances compare with the cost of the levy?*

It is unlikely that an expanded levy area would make evasion less financially attractive. The current levy is applied to all metropolitan generated wastes, even if those wastes are disposed in regional areas. The Consultation Paper fails to quantify what level of avoidance and misclassification of waste currently exists to warrant the addition risks of illegal dumping from extending the levy to regional areas.

### **Question 5**

*What other advantages or disadvantages could arise from a regional waste levy?*

As regional communities continue to be at a greater economic disadvantage to urban communities, any introduction of new levies should be viewed cautiously. Regional

communities play an important part in maintaining many important natural environments through their economic and recreational activities. The unintended consequences of increasing and/or extending the levy into regional areas resulting in higher illegal dumping not only puts greater financial burden on these communities but takes these regional communities away from recreational landcare activities into clean-up activities.

#### **Chapter 7: –**

EIANZ-WA supports the use of the waste hierarchy as a tool to assist in designing policy approaches to support appropriate environmental outcomes relating to waste. In addition, the EIANZ-WA supports well designed, scientifically robust solutions to environmental concerns, and this includes a robust suite of policy instruments to support the achievement of the policy objective.

EIANZ-WA is supportive of economic instruments as one part of a suite of instruments to achieve an outcome. It is concerned that the waste levy which was designed to divert waste from landfill and which was confirmed by its second reading in Parliament would then be applied to waste at other facilities, for example at waste to energy facilities as described in the Consultation Paper.

A waste to energy facility may attract a different economic instrument application such as an emission charge which would be applied through licensing of the facility under Part V of the *Environmental Protection Act 1986*. Moving waste up the hierarchy to energy recovery should not be double charged by also attracting a levy under the Waste Levy regulations.

#### **References:**

Gunningham, N. and Grabosky, P. 1998. *Smart Regulation: designing environmental policy*. Clarendon Press, Oxford.

UNEP. 2004. *The Use of Economic Instruments in Environmental Policy: Opportunities and Challenges*. United Nations Publication.

Serpo, A. and Read, R. 2019. *Review of Waste Levies in Australia*. Unpublished White Paper prepared by the National Waste & Recycling Industry Council.