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Waste Levy Review
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Consultation Paper – Review of the waste levy

The following comments are provided by the Housing Industry Association (HIA) in regards to the *Consultation Paper – Review of the waste levy* (Consultation Paper). HIA understands the Consultation Paper proposes significant measures to address the potential for waste levy avoidance and evasion by reviewing the scope and application of the waste levy to ensure it meets the objectives of the Western Australian Government's Waste Strategy 2030.

HIA encourages recycling opportunities and reuse of material in the housing industry to achieve a sensible balance between them, per HIA Policy 'Waste Management in Residential Construction' (attached to this submission).

The allocation of raised funds to furthering best practise outcomes within Waste Strategy 2030 may be appropriate, however the application of raised funds from the levy could be considered to fund the introduction of initiatives for different industries to utilise solutions that both reduce waste (such as pre-fabricated building elements) and products that utilise minimal packaging (*Chapter 2, Question 1*).

For some industries, landfill is no longer a contemporary or reasonable first option in terms of waste management. Therefore HIA submit levies obtained from those industries using landfill sites may result in an undesirable funding model for the Strategy; and robust and rigorous consideration must be given as to whether a more sustainable method of raising funds is needed to support the objectives of the Waste Strategy 2030.

The identified lack of data around waste movements is a resourcing issue that should first be funded from the unallocated hypothecated amounts [1] collected from the current WARR Levy; and should not be a trigger for consideration of raising a levy to improve on recovery and/or reporting rates. Any data that is incomplete will likely remain so, especially if it pre-dates the July 2019 change to the WARR Regulations to improve reporting (*Chapter 4, Question 3*).

Allocation and application of existing hypothecated funds should be considered in a more appropriate manner, rather than look to existing levy adjustments.

An increase to the levy could likely mean an end-user cost increase, especially around construction and demolition waste. Any increases to a waste levy in this sector will have a direct impact on the building industry, thereby having a further measurable negative impact on housing affordability.

Should the need to adjust the levy be properly qualified, setting an appropriate scope or rate is most reliable when conducted from accurate collation and recording of data at landfill and recovery facilities. This process would likely take a significant amount of time when data reporting and collections processes are developed and implemented above and beyond the current scope.

This approach would preclude any forward projections and require a regular review of data and data-collection processes to ensure the levy is applied in a proper and appropriate manner and not simply an ever-increasing, set-and-forget punitive measure to disincentivise landfill (*Chapter 5 Question 1.*)

The benefits of regular review and application of this data providing opportunities for Government support in establishing regional recovery and processing centres is evident – however, their streams for recovery and processing may be intermittent and require longer grace periods to generate or source a suitable market.

HIA recognises there may be limitations for regional operations located away from major centres or where the volume of waste may not permit the economic recycling of waste. For this reason HIA strongly encourages support from Government to explore waste management receiving and processing opportunities in these areas. Expansion of the geographical area to which the levy applies likely has wider negative implications in Western Australia than in other jurisdictions, given the size of the state and isolation of different regional centres.

On this basis, the notion within the Review that the expansion of the waste levy area would not necessarily be an effective and efficient method to reduce overall levy avoidance and evasion, are sound, have merit and should be considered further (*Chapter 6, Question 5*). HIA opposes the use of waste levies as a punitive tool to minimise waste sent to landfill.

It is hoped that these comments are of assistance in the further development of an appropriate Waste Levy framework to support Waste Strategy 2030. Should you wish to discuss these comments in more detail, please contact Aaron Sice, Assistant Director (Planning and Building)

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

Cath Hart
Executive Director WA

[1] - WALGA Response (Submission 58), Senate Inquiry: Waste and Recycling Industry in Australia - 16 October 2017