

City of Joondalup Officers Submission on the Review of the Waste Levy - consultation paper

Please note this is not Council's adopted position and only Officers comments. The council cannot adopt a position as the paper reviews are in initial stages of consultation. The City's formal position will be determined through Council on the basis of the implications of any proposed legislation changes and will be dependent on actual wording provided and City's operations of the time.

Waste levy review Consultation questions	City – to be submitted to DWER 15 July
<p>CHAPTER 2. objectives of the levy</p> <ul style="list-style-type: none"> - Original objective - Waste Avoidance Resource and Resource Recovery Act - Waste Strategy 2030 <p>The strategy contains the following objectives:</p> <ul style="list-style-type: none"> • Avoid: Western Australians generate less waste. • Recover: Western Australians recover more value and resources from waste. • Protect: Western Australians protect the environment by managing waste responsibly 	
<p>Chapter 2 – Consultation questions</p> <p>2.1 Are there any beneficial out comes that can be achieved by a levy beyond those identified in the objectives of the Waste Strategy 2020</p>	<p>it is very important for the levy to be effectively invested in local resource recovery options to enable achievements of the waste strategy objectives.</p>
<p>CHAPTER 3 How the levy can help achieve the objectives of Waste Strategy 2030</p>	
<p>Chapter 3 – Consultation questions</p> <p>3.1 Are there any other strengths or weaknesses of a waste levy as an instrument for achieving the objectives of Waste Strategy 2030?</p>	<p>The levy could have a significant positive impact on recovery outcomes; however, this impact is greatly reduced by the fact that only 25% of funds are hypothecated back to the industry.</p> <p>It is important to raise the issue regarding the linkage of the monies raised by the levy and the delivery of the Waste Strategy 2030. By using an action plan supported by an evaluation framework. Similar robust reporting and progress tools should be adopted on a wider basis.</p>

	Funds from the levy need to be directed into developing markets for the materials currently faltering through no fault of Local Governments when trying to reduce processed organic waste (Go Bins).
<p>CHAPTER 4 Rate of the levy</p> <ul style="list-style-type: none"> - Levy rates since 2012 <p>A five-year schedule of increases was instituted from 1 January 2015. This took the waste levy from its 2014 levels of \$28 and \$8 per tonne of putrescible waste and inert waste respectively, to \$70 per tonne for both putrescible waste and inert waste from 1 July 2018 onwards</p> <p>Effect of the levy rate</p>	
<p>Chapter 4 – Consultation questions</p> <p>4.1. How has the waste levy benefitted or affected your waste business or operations?</p>	<p>The City notes that Levy cost and increases are passed through to residents via the annual rating process. The levy the remains unavailable to the residents and is generally reinvested into industry. Local governments aim to reduce the waste going to landfill to reduce costs to residents however local government is restricted in these changes by availability of industry that is able to support the tonnes produced and value of the commodity produced. i.e. lack of FOGO processors and markets for FOGO product.</p> <p>Note the three dot points: <i>Capacity to Achieve</i>, <i>Capacity to Pay</i> and <i>Capacity to plan</i>. Are very valid.</p>
<p>4.2. Can you advise of any recycling and waste diversion opportunities that would become viable if the waste levy was increased or applied in a different way? What rate of levy could be required to make these viable?</p>	<p>The increases in the levy to \$70 per tonne has helped WA's two Waste to Energy (WTE) projects achieve financial close.</p> <p>The levy has been enough to make WtE a serious competitor to landfill.</p> <p>Going forward, the level the levy is set at will be a key factor in the successful implementation of a Food Organics and Garden Organics (FOGO) system in WA. Again, additional support is from the hypothecation is required.</p> <p>There is clear need for support from the levy for alternative recovery facilities in Perth. For example, where recent fires in the Cleanaway facility shed light on the fragile nature of the services available in recovery business in Western Australia. In addition to this, the effect of the China National</p>

	<p>Sword which changed one markets leaders acceptance of the material recovered and this reducing the market value of the materials and the viability of the processing facilities. The levy could be required to make these viable by being available for support in growing local manufacturing and local markets for recycled material.</p>
<p>4.3. Please provide information on potential impacts which may result from increasing the waste levy.</p>	<p>Any increase to the landfill levy being fully hypothecated into the waste industry for support of alternative waste treatments. The levy increase at this time where no other industry is available to support the volumes of the waste produced by the City e.g.FOGO means the levy increase will be passed onto resident with no future diversion in place to ease the increase. In addition, there could be the risk of greater illegal dumping if council, to mitigate the costs of higher landfill levy, reduce the bulk waste services. If the levy is to be increased more specialised bulk waste material recovery facilities should be supported to increase the recovery from this waste stream.</p>
<p>4.4. If you knew when the waste levy was going to be varied, how would it affect your decisions about managing waste or related investments?</p>	<p>The City suggests longer term planning horizon in respect of the application of the levy so Local Governments can manage future budgets and the financial burden on ratepayers.</p>
<p>CHAPTER 5. Setting future levy rates</p>	
<p>Chapter 5 – Consultation questions 5.1. 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?</p>	<p>State government should be more involved in driving local infrastructure for waste using grants or partnership with monies from the Levy.</p>
<p>CHAPTER 6. Geographical area of the levy Currently, the waste levy applies to Perth metropolitan waste received for disposal to landfill, or waste received for disposal at landfills in the Perth metropolitan region.</p> <ul style="list-style-type: none"> - Increasing recovery outside the metropolitan area - Compliance costs outside the metropolitan area - Rate outside the metropolitan area - Reducing avoidance opportunities - Other considerations 	
<p>Chapter 6 – Consultation questions 6.1. Are there opportunities for the recovery of regional waste that would be made more viable by a regional waste levy?</p>	<p>If no alternative recovery industry is available first to recover wastes and divert waste from landfill before a levy is applied then, a levy would cause greater illegal dumping due to higher costs to landfill.</p>

	More product stewardship programs that are made more widely available in the regional communities could assist in the recovery of valuable items such as e-waste.
6.2. Where are these opportunities most likely to be viable?	All smaller regional hubs should be given the opportunity to return their items from a mobile pick up truck or train that does annual return trips and stops in each shire for return under stewardship programs supported by the levy. This will reduce waste in landfill, create jobs and support the recycling of valuable materials.
6.3. What rate of waste levy could be required to make them viable?	No Comment
6.4. 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?	No comment
6.5. What other advantages or disadvantages could arise from a regional waste levy?	The Levy could provide a mechanism for Local Government to recover all of the costs related to the collection of the Levy, including upgrades to infrastructure, administration and responding to inappropriately disposed material. Greater recovery if support for returning to the materials to the processors from regional areas.
CHAPTER 7. Waste management options to be levied <ul style="list-style-type: none"> - Energy recovery - Other waste management options - Stockpiling of waste 	
Chapter 7 – Consultation 7.1. Waste Strategy 2030 proposes that by 2020, only residual waste will be used for energy recovery. How will this requirement affect your waste management operations?	If the City was to go down the path to send its waste to a Waste to Energy (WtE) facility and there is no legal obligation to treat it first through an Alternative Waste Treatment facility then the waste going to the WtE plant would be general waste without treatment. The cost to the City would depend on the levy rate applied to the WtE facility.
7.2. Would a waste levy on energy recovery have a different effect on your operations?	It would be extremely helpful to establish new Treatment facilities with a freeze on the levy at the time of the facilities inception. It can be extremely difficult to maintain business viability when there's a high risk the levy will rise beyond expectations. The term taxed out of business comes to mind.
7.3. Are there any other waste management options where applying a levy could help	There is potential to use the waste levy reserve as a buffer to insulate the recovered resources market where demand for material affects the rate

achieve the objective of Waste Strategy 2030?	received for the material and loss of income is passed to the community making recycling less viable. Further support for local recycled material manufacturing coupled with domestic recycled material market would also support the circular economy a guiding objective of the waste Strategy 2030
CHAPTER 8. Other improvements to the waste levy	
Chapter 8 – Consultation 8.1. What other changes to the design or implementation of the waste levy could help make it more effective or efficient in achieving the targets of Waste Strategy 2030?	Full hypothecation of the waste levy at this time where so much support is required to establish new markets and manufacturing using recycled materials would be beneficial to raise the value of the recovered materials. Subsidies for the markets to become establish in the local economy.