

Submitted to Review of the waste levy
Submitted on 2020-07-14 18:43:33

Introduction

Your Details

1 What is your name?

[REDACTED]
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[REDACTED]
[REDACTED]
[REDACTED]

6 Do your views officially represent those of an organisation?

Yes, I am authorised to submit feedback on behalf of an organisation

[REDACTED]
[REDACTED]

7 Which of the following best describes the group or person you represent?

Company

If other, please specify.:

8 Are there specific parts of your submission that you want to keep confidential?

No

If yes, please outline which specific parts of your submission must be kept confidential and explain why:

Objective of the waste levy

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

More of the levy needs to be hypothecated and more needs to be provided to private sector rather than just dealing with the MSW streams to win votes.

With all the costs forced on the processor of the waste (including testing of contaminants) to recycle / recover etc, we are less competitive than it is to dig and use virgin material – the economic costs keep getting ignored.

One way to deal with this is to mandate a certain percentage of all products (which may vary for different products) to contain elevated recycled material / components.

This needs to come from government, who needs to take the lead and set the example. For instance, it is pointless imposing significant cost on the operator to test validate recycled materials (e.g. uncontaminated soils and road base)

When Main Roads criteria are unachievable at competitive pricing – these has to be some incentive / subsidy for these materials to be used in preference

- something the levy should pay for.

This will give the recycled products greater value and developers will always go with the cheapest viable option

We have had to incorporate projected costs into our bin prices to factor in a component to cover levy liabilities. It is therefore in our interest to maximise recovery / reduce wastes going to landfill.

The problem is when some commodities have no market (e.g. plastics) there is little option other than landfill disposal. WA is not setup to process these commodities. We have been too reliant on exporting (all) our resources and importing the products. When the importing countries ban the acceptance of these, and there is insufficient support from government (and the Waste Authority) to help establish new industries, or subsidise initiatives (e.g. sample testing).

DWER is concerned about the size of waste stockpiles (particularly inert). The extent of the stockpiles would be less if the recycled material had greater value, as there would be an incentive to get it out into the market. This material continually gets seen as a burden as opposed to an opportunity. Without society (and especially government) forcing developments / product manufacturers to contain a certain percentage of recycled product, and virgin materials are still readily available at a similar or lower cost, recycled materials will not be competitive given the cost of testing to demonstrate it poses no risk to the environment.

Increasing the levy, means we need to share the cost with the waste generator when accepting the waste. When there are operators operating within the Perth metro evading the levy (as they factor this in in their pricing), organisations like ourselves will continue to be disadvantaged and lose market. Only legitimate businesses will keep footing the bill.

The challenge should not be increasing the levy but collecting the levy liabilities due which will significantly increase the money collected to subsidise recycling initiatives.

If you knew when the waste levy was going to be varied, how would it affect your decisions about managing waste or related investments?

It would make it harder to negotiate longer-term contracts as incorrect assumptions in business planning will come at a great cost (especially when increasing the rates). We cannot ever see the government reducing levy liabilities – it is too reliant on this money to support government operations.

How the levy can help achieve the objectives of Waste Strategy 2030

1 Are there any other strengths or weaknesses of a waste levy as an instrument for achieving the objectives of Waste Strategy 2030?

this question was answered in the last page (all my points on chapter three are already included in the last question).

Rate of the levy

1 How has the waste levy benefitted or affected your waste business or operations?

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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?

No. any further increase could break an already cash flow hindered industry.

3 Please provide information on potential impacts which may result from increasing the waste levy.

If you increase the levy and or extend it to stockpiles it could have a negative affect on the residual waste costs becoming too high to bear for recycling companies in their pricing systems as private sector competitors are evading the levy and not giving us an even playing field in the open market.

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Setting future levy rates

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?

Government should show leadership in this space. When there are a multitude of waste processors in the Perth / Peel region, each trying to deal with the same waste components. Very few operators would have the capital (or their own volumes) to establish new industries economically involving better practice – it would need to be viable, given the general cost to society, society will need to shoulder some of the cost. While the waste industry generally has the same objective, they are still businesses with overheads and employment costs.

Long term forecasting of the levy for the next 5+ years is needed.

Geographical area of the levy

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

To a large extent, the expansion of the geographical area will reduce the volumes laundered illegally out of the Perth metro through multiple facilities by blending the wastes with non-metro premise operations.

The State recycling targets can not be met by the Perth metro alone. Populated non-metro areas should also be included. Different regions could have different rates (e.g. Albany and Geraldton given their relative isolation

2 Where are these opportunities most likely to be viable?

The urban sprawl is no longer confined to the Perth metro and extends beyond the Peel region down into Bunbury and Busselton. Significant Perth waste volumes are going down there already for disposal via our competitors.

The levy area should be extended to beyond the Bunbury area while secondary consideration should be given to Albany and Geraldton (perhaps at different lower rates).

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

Peel to Bunbury rates should be consistent with the Perth metro as many of these waste streams are already being integrated by illegal operators.

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?

Currently, illegal operators are finding it cheaper to drive the waste out of the Perth metro area for disposal than paying the levy. Businesses in the regional area already have to factor in transport these costs.

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

By expanding the boundary, we could potentially just be shifting the illegal disposal to smaller regional communities. DWER cannot police the existing issue as it is.

Regional office capacity will need to be increased to undertake this function. DWER has offices in both the Peel / Mandurah, Bunbury and Busselton areas. It is more a question of political will to enforce the rules with urgent resourcing needed.

It does not help, when at the time of writing these comments, DWER only has three compliance officers to deal with these challenges. They cannot get to everything and appear to focus on repeated inspections at licenced sites trying to live by the rules.

introduce some systems that gain revenue from evaded levy and employ some more investigators with the funds secured under fines and increased levy capture.

Waste management options to be levied

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?

Most of the WtE plants have already established volume commitments from LGAs.

To meet these commitments, the materials being sent there may not necessarily be described as "residual". Also the wastes accepted that these plants will rely on some waste streams having a certain calorific value to achieve the incineration temperatures required. This could mean some potentially recoverable materials will be incinerated as opposed to being kept in the resource loop (especially where other markets exist).

We are of the view that the inbound materials at these facilities should still be levied. with rebates issued for the recycling of the materials into renewable energy or alternative products that comply with the end of waste guidelines that are pending release, levy will be applied on any fly ash or bottom ash that is landfilled up front of this process.

2 Would a waste levy on energy recovery have a different effect on your operations?

Not really. WtE is another disposal mechanism resulting in the reduction of volume of waste potentially still needing to be landfill... if the bottom ash component poses an environmental risk that can not always be negated by brick/ paving manufacturing.

We do not believe that applying levy the at the entry point of each waste processing facility is viable, or the application of levy to stockpiles on a premises. When the market is slow, DWER will be penalising the business for the economic climate and the interpretation as to whether something is waste. This will just add to the regulatory burden.

If there is a time restriction before the levy is applied, how is DWER going to police verify the length of time material has been in a stockpile? DWER has the ability to limit the volumes that can be stored on a prescribed premises at any time if it is that concerned about sites becoming orphaned, or missing out on levy income.

As mentioned previously, DWER are viewing waste as a liability to be levied instead of assisting industry to get the product into the market. competitively (e.g. mandating recycled % volumes; subsidising testing costs from levies received – either by the processor or paid (rebate) to the end user where the tests have passed the requirements).

The only way DWER will be able to effectively audit the movement of waste is by requiring all waste carting vehicles to have functioning GPS's installed. This will likely force operators to be more honest. Penalties should apply when these are deactivated. The additional levies recovered because of the reduced evasion can be used to subsidise cost of the install. This will also reduce risk of illegal dumping.

3 Are there any other waste management options where applying a levy could help achieve the objective of Waste Strategy 2030?

answered above in Q2 & Q3

Other improvements to the waste levy

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?

Collect the levy from those that are evading it to create a fair and equal market place for those businesses that are doing the right thing.

start to mandate the purchase of recycled materials & don't put road blocks or hurdles that move in the supply chain (Via MRWA) for the introduction of economically floored models that allow virgin materials to be cheaper than recycled materials. (with increased testing costs. (I.E. finish the work you started in 2015 with the end of waste guidelines so recycled materials don't incur a levy liability in the supply chain.