

Submitted to Review of the waste levy  
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## Introduction

## Your Details

1 What is your name?

Name:  
John McNally CEO Rivers Regional Council

2 Do you want to remain anonymous?

No

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[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

If yes, please specify the name of your organisation.:  
Rivers Regional Council

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

Government body

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?

The purpose of the levy is clearly described in the legislation - ie to divert from landfill. as using waste resource to produce this outcome a levy should not be applied to WtE.

## 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?

levy funds should be available for Waste to Energy options as a viable diversion strategy.

## Rate of the levy

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

The levy of Landfill has affected the economics of WtE in a positive way.

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?

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

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?

If the levy was to be applied to WtE it would significantly detract from the viability of this valid landfill diversion option.

## 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?

Clearly state that a levy WtE will NOT be applied to WtE

## 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?

2 Where are these opportunities most likely to be viable?

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

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?

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

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

## 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?

Participating Council entered into long term WtE contracts in 2015, well before the adoption of the Waste Strategy 2030 and will not be in a position to implement the 3 bin system before 2025.

- The Waste levy should NOT be applied to Waste to Energy.
- The landfill levy needs to be fully hypothecated to waste initiatives in this State. Only 25% is currently allocated to waste related actions.
- State Government needs to lead in the development of industry that uses recycled products
- Local Governments should be able to design a response to waste that is tailored to their community, subject to achieving the macro objectives of the State Waste Strategy
- 70% material recovery by 2025 and
- No more than 15% landfilled by 2030
- Waste to Energy is a legitimate solution to diversion from landfill and should be allowed to develop without market interference.
- Legislating for a circular economy outcome without a plan for a complete and competitive market is a significant risk to all involved.

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

The application of a Waste levy on WtE would have an extreme negative effect on the operation of WtE and could force the operation to become noncompetitive whilst forcing Councils to incur significant penalties.

### Case against Levy on Waste to Energy

- Diversion from landfill should be the major objective and Waste to Energy (WtE) is a legitimate solution to diversion from landfill.
  - o The legislative purpose of the Levy is: -
    - Influencing waste management practices, including reducing waste to landfill, by increasing the price of landfill disposal.
    - Raising funds to support waste-related programs, which have the effect of reducing waste to landfill.
    - o All of the current levy should therefore be applied to projects which reduce waste to landfill.
    - o As WtE achieves the purpose of reducing (almost eliminating waste to landfill) it should qualify for some assistance from the levy fund, rather than be penalized.
  - Changing WtE project economics. Millions of commercial investment dollars have been committed to WtE to allow RRC Councils and Canning to lead the way in landfill diversion, and fiddling with the economics of WtE at this early stage of development would be detrimental to the project and potentially impact on the landfill diversion targets. Major projects like the WtE plant require commercial stability for funders and operators to commit long term capital. Whilst the Waste Strategy does not have the same standing as legislation, it does carry regulatory type support. The contractual commitments entered into by Participants prior to the Strategy will require consideration by the State Government in any decision to change the economics of WtE.
  - WtE should be recognized as equivalent to composting as part of the overall solution to achieving the zero landfill objectives of the State Waste Strategy.
  - WtE produces less greenhouse gases than composting.
  - o The Waste Authority has not been able to produce a business case for the source separation of Organics, and Legislating for a circular economy outcome without a plan for a complete and competitive market is a significant risk to all involved. The Market for recoverable organics is not yet established and no business case has been developed by the Waste Authority.
  - o The case for the 3rd bin is not economic or financial so it relies on sustainable waste management factors.
  - o During most debates about sustainable waste management practices, the pro composting parties believe that incineration is worse for the environment.
  - o Papers based on independent studies prove otherwise.
    - Waste management options to control greenhouse gas emissions – Landfill, compost or incineration? Paper for the ISWA Conference, Portugal, October 2009 by Barbara Hutton, Research student, Master of Sustainable Practice, RMIT University, Ed Horan, Program Director, Master of Sustainable Practice, RMIT University, Melbourne and Mark Norrish, Mathematics, Australian National University, Canberra (Australia)
    - The Ecological Footprint of Composting and Incineration of Garden Waste in Denmark. An evaluation of the ecological benefits of incinerating garden waste in waste-to-energy facilities versus composting An Interactive Qualifying Project submitted to the faculty of Worcester Polytechnic Institute in partial fulfillment of the requirements for the Degree of Bachelor of Science Submitted by: Seth Chapman Nikki Clardy Nathan Webb.
    - Findings from both reports: -
  - Incineration of waste had the least climate impact of the three methods of disposal, followed by landfill with gas capture. This study did not estimate CO2 savings from waste-to-energy, only the benefits from reducing greenhouse gas emissions, CH4 and N2O, from landfill and composting. If energy-from-waste is used to replace coal-fired electricity, results for incineration and landfill gas capture would be even better.
  - This report assesses the environmental impacts of incineration with energy recovery and composting as two options for the disposal of garden waste in Denmark. By analyzing literature and speaking with experts in the field of waste management a recommendation was formed as to the most ecologically friendly plan for garden waste management. This study concludes that in most instances, incineration proves to be more environmentally friendly.
  - These outcomes did not include the saving of "emissions" from the pickup operation of the 3rd bin or the considerable savings of fuels from the incinerator power generation, which would make the case for incineration stronger.
  - RRC Councils and Canning will achieve the objectives detailed in the State Waste Strategy: -
    - o 70% material recovery\* by 2025 and
    - o No more than 15% landfilled by 2030
    - o The State Waste Strategy states that Resource recovery includes the recovery of energy from waste.
- \*Subject to WtE being classified as material recovery which is not defined (but resource recovery includes WtE). Re-use is also not defined under the but using a dictionary definition – "Reuse as the action or practice of using something again, whether for its original purpose (conventional reuse) or to fulfil a different function (creative reuse or repurposing)".
- Interestingly re-use of organics (no levy applied) after they rot into compost and then not used again is considered a higher option than producing power via incineration (saving fossil fuels) and defined as re-use under the State Strategy. Why using waste as fuel to produce energy is not also considered as re-use is not explained in the Strategy. Whilst the State Waste Strategy states that WtE is the least preferred method of resource recovery, it remains a viable alternative to landfill and should NOT therefore be penalized.
  - If collecting, sorting, cleaning, and recovering a given material is more carbon intensive than extracting energy from it, which makes more sense?
  - Applying a levy on WtE fails to recognise that based on current estimates from other similar plants across the world approximately 24% of the 400,000 tonnes processed at the plant or 95,000 tonnes will be reused after the energy recovery process. 4% - metals, 2.5% - fly ash and 17.5% as various forms of aggregate. This will also could result in a 100% diversion from landfill.
  - The Waste to Energy Contract was executed in 2015 with participants required to commit to minimum tonnes to successfully close the negotiations. At that time there was no conflict with the State Waste Strategy. Depending on waste quantities being produced by participating communities it is unlikely that all Councils will have capacity to introduce organic separation by 2025 without incurring a financial penalty under the WtE contract.
  - To apply a waste levy to WtE will change the economics between layers of the waste hierarchy. If the levy objective is not only to change from landfill diversion but the economics of other layers of the waste hierarchy, then the application of a levy to all layers should be reviewed.

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

#### 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?