

## Response ID ANON-BMZD-WHET-5

Submitted to Review of the waste levy  
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### Introduction

#### Your Details

1 What is your name?

Name:

Peter Brisbane

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.:

Australian Packaging Covenant Organisation

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

Other

If other, please specify.:

Product Stewardship Organisation

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?

APCO suggests specifying an objective concerning the broader benefits of a circular economy, such as increasing productivity, new business development and regional employment. These benefits could be given effect not only through the price signal, but particularly through the targeted expenditure of the funds raised. For example, investment of waste levy funds could support the development of new industries and business opportunities as part of the transition to a circular economy, and subsidise infrastructure projects that use recycled materials.

#### 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?

Consideration could be given to addressing the weakness identified in the paper of the cost not being passed on directly to some waste generators (e.g. households). For example councils could offer differential pricing of waste services in rates to recognise households producing less residual waste.

## Rate of the levy

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

APCO expects that waste levies will contribute to improving the economics of market development for waste-derived materials. However the price signal of landfill levies alone is likely to be insufficient to drive these markets in most cases. A higher level of targeted investment of the levy in market development projects, leveraging industry investment, may be of greater benefit.

### 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?

There may be recycling and waste diversion opportunities for packaging waste streams that could be viable at a moderate rate of landfill levy. For example, APCO estimates that 551,000 tonnes of corrugated cardboard, 308,000 tonnes of glass, 349,000 tonnes of PET and HDPE, and 87,000 tonnes of steel and aluminium packaging were disposed of to landfill in Australia in 2017-18 (see <https://www.packagingcovenant.org.au/documents/item/3214>, page 20).

It is likely that some of this packaging could be recovered at a net economic benefit at a moderate rate of levy, although there may be other barriers to realising these opportunities. Increased recovery could potentially be achieved through:

- More direct pass-through or transparency of the cost of the levy for householders and businesses
- Further investment of the waste levy to support:
  - o A greater level of recycling education and promotion to households and businesses
  - o Strategic intervention to encourage greater recycling, e.g. to improve cost effective access of small businesses to recycling services, provide infrastructure (including regional infrastructure at appropriate scale and locations), and develop end markets for waste-derived materials, including through R&D and direct project investment.

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

The levy can act as a barrier to investment for recyclers. All recycling processes have some residual waste and this results in a direct correlation with material volumes and profitability. Increased levies need to be introduced in alignment with tailored consumer education programs to reduce contamination in waste stream and/or consideration for waste levy exemptions that form part of the residual waste stream from reprocessing activities.

### 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?

While increasing the waste levy may have some impact on waste management and investment decisions, other factors will also be influential and considered alongside the rate of the levy. These include education of households and businesses to increase recycling rates, and strategic investment of the waste levy to support better waste management and the transition to a circular economy.

## 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?

The Government could consider setting the levy for future years, while also establishing an upper and lower bound within which the levy could be adjusted to adapt to changing circumstances. Criteria for adjusting the levy within the allowable band could be established up front, and a process established for doing so that balanced transparency and consultation with administrative efficiency.

## 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?

There are examples in some jurisdictions of successful businesses being established to recover and use waste plastics from the agriculture sector. These include Enviroinex recycling silage wrap in Tasmania, and Sustaining Endeavour recycling driptube in South Australia. While a waste levy may contribute to making such opportunities more economically viable, additional support to identify and capitalise on opportunities is likely to be needed. APCO notes that the barriers to recycling in outer regional areas may be such that a landfill levy would add cost without significantly increasing the viability of recycling

operations, and that a more direct approach is needed to improve resource recovery in these areas.

## 2 Where are these opportunities most likely to be viable?

These opportunities are more likely to be viable in areas where there are population centres where waste can be aggregated and reprocessing capability and end markets can be established, and in areas where there are relatively high levels of agricultural and horticultural wastes such as plastics.

## 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?

### 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?

APCO is committed to working towards a circular economy for packaging in Australia, consistent with its obligations under the Australian Packaging Covenant. APCO therefore welcomes the commitment of the Western Australian Government to referencing material recycling over energy recovery. In the short term, this will require considerable investment in designing problematic and unnecessary materials out of the waste stream, establishing sortation and processing infrastructure, and developing end markets. In the longer term, APCO anticipates that this will be economically and environmentally preferable to having a higher rate of energy recovery.

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

To work towards the 2025 National Packaging Targets, APCO is working with its 1,500 Members, partners and stakeholders to improve the design of packaging to make it more reusable, recyclable or compostable, put in place effective systems and education for reuse of packaging and recovery of waste packaging, and support the development of end-markets for recycled materials. A waste levy is one of the many levers that can contribute to the effectiveness of this work. A waste levy on energy recovery may contribute to this work, particularly in relation to recovery systems and end-markets, by incentivising material recycling over energy recovery.

## 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?