



Government of **Western Australia**  
Department of **Water and Environmental Regulation**

# Review of the waste levy

Consultation summary report

Department of Water and Environmental Regulation

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## Summary

In 2020, the Department of Water and Environmental Regulation (the department) undertook a review of the waste levy, including through submissions in response to a consultation paper. Forty-two submissions were received.

Based on the submissions to the review and economic analysis, this report makes several findings and identifies future potential reforms to the levy. This paper includes a summary of the outcomes of the review and the response to the specific issues raised in submissions.

## Outcomes of the review

The waste levy is a key supporting measure that provides a price signal to make material recovery more attractive relative to landfill disposal. Its effectiveness and efficiency as a price signal depends on a range of other varied circumstances, including the content of waste streams, separation and processing costs, distances to processing and markets, and demand for recovered materials, as well as the extent of compliance.

The [Waste Avoidance and Resource Recovery Strategy 2030](#) (Waste Strategy 2030) identifies measures to facilitate recovery of waste materials from multiple sectors. These measures apply at various stages of the value chains for waste streams, from the waste producer through to the end user of recovered material.

### Levy avoidance and evasion

The review recognised that illegal avoidance and evasion of the waste levy undermines its effectiveness. The Government of Western Australia (State Government) is progressing regulatory reforms to address illegal avoidance and evasion. Consultation on these reforms ([Closing the loop: Waste reforms for a circular economy](#)) was undertaken in parallel with consultation with the review.

### Rate of the levy

To ensure the levy retains its relative influence, it is proposed that it be adjusted for inflation from 2018–19 (the last year of an increase). The development of the next waste strategy will consider the best opportunities and the most effective and efficient measures to improve waste recovery, including the potential use of the waste levy.

### Future increases

Increases to the waste levy will be set out in a rolling five-year schedule, updated by regulations where required each year. Publication of the schedule will include comments on the State Government's expectations of increases beyond the five-year schedule so that available information can be included in the long-term planning considerations of waste managers.

### **Geographic area of the levy**

Economic advice found that the policy case for a levy in major regional centres and nearby areas is similar to that in the metropolitan area.

Applying the waste levy to major regional centres would support the Waste Strategy 2030 by helping to ensure recovery opportunities in regional areas created by the Waste Strategy 2030's programs are attractive relative to the financial cost of landfill.

Any expansion of the geographic area would be subject to a consultation regulatory impact assessment process before a decision is made.

### **Ensuring energy recovery only from residual waste**

In line with the waste hierarchy, the Waste Strategy 2030 supports energy recovery above landfilling, but preferences waste avoidance and material recovery over energy recovery. It also includes a target that only residual waste be used for energy recovery.

Because it encourages the cheapest possible alternative to landfill, the waste levy is currently creating an incentive that encourages energy recovery. This has the potential to be contrary to the targets in the Waste Strategy 2030 for alternatives further up the waste hierarchy. Therefore, the levy review investigated actions to help ensure that energy is not recovered from non-residual waste.

The State Government is continuing to consider measures to ensure that waste-to-energy only uses residual waste.

# 1 Potential for a waste levy to support the Waste Strategy 2030

## 1.1 Purpose and effect of a waste levy

### **The waste levy should focus on avoiding landfill**

Three submissions said the focus of the levy should be to avoid landfill, and this would be consistent with the purpose of the levy's legislation.

#### *Response:*

The legislation for the waste levy does not limit its role to the reduction of landfill. The Second Reading speech for the *Waste Avoidance and Resource Recovery Levy Act 2007* (WARR Levy Act) stated that the levy functions as an economic instrument for influencing waste management practices. The waste hierarchy is set out in section 5 of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act), and (in order) preferences avoidance and resource recovery over disposal. The WARR Act provides powers for a levy on waste disposal methods other than landfill.

The extent to which the waste levy can make an effective and efficient contribution to the range of objectives and targets of the Waste Strategy 2030 was a key question for the review.

### **The waste levy has supported recycling**

Five submissions said the waste levy has provided an incentive for improved methods to recover waste. Eight submissions said the levy has supported the recycling of inert construction and demolition waste, for example through investment in processing capacity that has increased the availability of recycled product.

Five submissions said the levy has supported the development of energy recovery.

#### *Response:*

The waste levy provides a significant incentive to avoid disposal of waste to landfill. Many waste managers have responded by investing in processing and/or investigating alternatives to landfill.

The effectiveness of the waste levy in supporting recycling will increase once legislative reforms and other measures in the Waste Strategy 2030 to facilitate recycling have been progressed.

### **Clarification of rationale for a levy**

Six submissions suggested that clarifying the rationale for the waste levy would assist in assessing the appropriateness of policy decisions for the levy, for example the rate applied and where the money is spent. However, none proposed a specific rationale.

*Response:*

The Waste Strategy 2030 and section 5 of the WARR Act both set out objectives for waste avoidance and resource recovery. They set multiple objectives and do not identify or restrict the use of the levy for a specific purpose.

The review has taken a pragmatic approach to consider whether changes to the levy may result in improved and cost-effective waste outcomes.

**Specific evidence of benefit**

Five submissions suggested more robust evidence should be provided to demonstrate the levy is achieving its broad objectives. Submissions said evidence should be specific, rather than anecdotal or conceptual.

*Response:*

The relationship between a levy and preferred waste management outcomes is complex and is difficult to predict. The economic advice commissioned for the review did not recommend major changes or increases to the waste levy in the short term to achieve the objectives and targets of the Waste Strategy 2030.

The Waste Strategy 2030 identifies measures to facilitate waste recovery that apply at various stages of the value chains for the recovery of several sectors and materials.

Future significant changes to the waste levy will consider all relevant success factors for waste recovery, estimation of the support that changing the levy would provide for recovery, and estimation of the associated impact of any changes.

**Waste generation**

Two submissions said a waste levy is unlikely to significantly influence waste generation.

*Response:*

The purpose of the waste levy is primarily to make material recovery more financially viable relative to landfilling. The Waste Strategy 2030 focuses on behaviour change to avoid and reduce waste generation. Even when a waste levy is applied, waste disposal forms only a small part of the cost of most products and is unlikely to influence the purchase and design of products and or how long they are kept and used.

## 1.2 Limitations on the effectiveness of the waste levy

**Ineffectiveness of using a price signal to encourage recycling**

Twelve submissions suggested the State Government has been overly reliant on the price signal of a levy to encourage material recovery, rather than other measures to support recycling. A related view was that new markets do not necessarily develop in response to a price signal.



Two submissions said the cost of paying the levy significantly reduced the capacity of local government waste budgets to finance development of recovery, and therefore could have an opposite effect to that intended.

*Response:*

The cost of landfilling compared with its alternatives is just one of many factors affecting the viability of recycling.

A waste levy broadly improves the financial competitiveness of waste recovery. Where other necessary conditions are in place, this may in turn improve waste recovery performance.

The Waste Strategy 2030 identifies measures to facilitate waste recovery at various stages of the value chains for recovered materials, including the development of markets. These measures are supported by funding provided by the waste levy and by government decisions to purchase recovered materials that may cost more.

The review of the waste levy anticipates that once the Waste Strategy 2030 actions have progressed further, along with the effect of the levy, these are likely to result in a significant increase in recycling volumes.

### **Lack of alternative options**

Twelve submissions said there is a lack of affordable recycling and recovery alternatives to landfill. Five submissions said better practice source separation of food organics and garden organics (FOGO) has not been shown as cost effective. Eight submissions said a levy cannot be effective unless there is a market demand for the recycled products it aims to encourage.

*Response:*

A majority of metropolitan local governments are planning to implement FOGO. The use of organic inputs in landscaping and garden supplies is significantly greater than the potential supply from metropolitan recovery of organics.

The Waste Authority and the department have developed [guidance](#) to support the rollout of FOGO, including a market development strategy.

The department consulted on a [proposed legislative approach](#) for recovered materials in Western Australia in late 2020. The framework aims to provide certainty about when waste ceases to be waste and is considered a resource. This certainty will help encourage the use of recovered materials.

### **Illegal activity**

Nineteen<sup>1</sup> submissions pointed to unintended consequences of a waste levy on illegal activity.

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<sup>1</sup> This does not include submissions that said increasing the rate of the levy or expanding the scope of the levy would have negative consequences.

Seven submissions said the levy causes illegal dumping or litter, and three said it imposes increased clean-up costs on local government.

Seven submissions said the levy is ineffective in encouraging recycling because it has been undermined by illegal activity. Three said illegal activity had artificially lowered the gate prices for recycling, making it less profitable.

Four submissions claimed the waste levy had created a clandestine industry around levy avoidance and evasion, and/or had resulted in widespread evasion. Three submissions said the support the levy provides for illegal operators had placed legitimate operators at a disadvantage.

*Response:*

The State Government investigates allegations of waste levy evasion or illegal disposal of waste made by industry or the public and responds to intelligence reports on potential evasion. While claims of levy avoidance and evasion have been raised with government, the specific frequency and magnitude of any waste levy avoidance and evasion remains unclear.

During the second quarter of 2020, the State Government consulted on [Closing the loop: Waste reforms for a circular economy](#) (*Closing the loop*), which included proposed reforms to address waste levy avoidance and evasion.

The State Government is considering stakeholder feedback received and finalising legislative approaches to minimise illegal waste disposal activities.

### **Conflict of objectives**

Two submissions said the State Government's use of levy revenue for broader budget expenditure creates a dependence on waste levy revenue that is inconsistent with an objective to reduce landfill. A proposal to expand the scope of the levy could be perceived as an attempt to replace lost landfill revenue.

*Response:*

A significant reduction in landfilling is an objective of Waste Strategy 2030, and its success will lead to significant declines in waste levy revenue. This a fundamental feature of the waste levy.

Later sections of this report examine potential expansion to the scope of the levy. These potential changes are considered according to whether they are likely to lead to improvements in the management of waste, not to increases in revenue.

There is no indication that expanding the scope of the levy would raise sufficient revenue to substantially offset the declines arising because of the success of the Waste Strategy 2030.

## 2 Future waste levy rates

### 2.1 Rate should remain unchanged

Twenty submissions said the rate of the levy should remain unchanged. Various reasons were given for this view.

#### **Unclear benefit of an increase**

Eleven submissions said it was not clear that an increase would have a beneficial effect. Seven said quantitative evidence should be provided of the benefit that would be likely to result from an increase to a levy. Five said an increase to the levy would not improve waste recovery by local governments, because they face limited available alternatives to landfill and have limited capacity to respond to a waste levy.

#### *Response:*

The economic advice supporting the levy review did not identify any significant potential benefits from a greater-than-inflation increase to the levy in the current market environment.

The development of the next waste strategy will consider the best opportunities and the most effective and efficient measures to improve waste recovery, including the potential use of the waste levy.

#### **Improved regulation is a prerequisite for levy increases**

Five submissions said regulation and its supporting processes and systems need to be strengthened, and the levy would not result in improved recovery outcomes until this was successful. Two submissions said if this were successful, levy increases would not be necessary to improve recovery.

#### *Response:*

The waste levy is a significant financial incentive to divert waste from landfill. Effective regulatory and reporting systems are essential to ensure diverted waste moves to beneficial uses and does not cause unintended consequences.

Waste reforms are currently being progressed to improve waste management, including:

- mandatory use of weighbridges to calculate leviable waste
- *Closing the loop* regulatory reforms, including legislative options to improve the effectiveness of the waste management and levy framework and
- a proposed legislative framework for the approval of recovered materials
- the outcomes of the statutory review of the WARR Act.

In combination, these projects will together deliver an improved framework for ensuring beneficial diversion and avoiding adverse consequences.

## Financial impacts

Eight submissions referred to the need to explicitly consider the negative financial impacts of an increase on the community. Three of these said local governments had little scope to minimise the effect of these increases upon their ratepayers.

### *Response:*

At current rates of disposal to landfill, the waste levy typically increases the cost of household waste collection by about \$60 per property per year. If this is increased in line with the consumer price index, an additional \$1 to \$2 per household per year could be expected. Section 2.3 proposes impacts would be identified as part of the process for increasing the levy.

Achievement of the Waste Strategy 2030's benefits does create additional financial costs. While there are alternatives available to local governments that can reduce their levy liability, it is acknowledged these options can cost more than landfill, particularly for those options needed to implement high proportions of material recovery.

However, unexpected financial costs of landfilling can also emerge:

- during the life of a landfill
- at decommissioning
- in developing a new landfill
- associated with impacts of past landfills.

## Illegal disposal

Eight submissions said increasing the rate of the levy would result in an increase in the dumping or illegal disposal of waste.

### *Response:*

While a waste levy creates a financial incentive for all alternatives to landfill, other factors also influence which alternatives are most viable and are chosen by waste disposers.

## 2.2 Support for waste levy increases

Six submissions said that a levy increase was desirable to support recycling or recovery, including two that supported national harmonisation of levy rates. Three submissions said the distances to Western Australia from cities in other states meant harmonisation is not required.

### *Response:*

Once more effective arrangements are in place to ensure waste can be diverted from landfill in a beneficial way, a stronger financial incentive for diversion may support the success of these arrangements.

Western Australia's distance from interstate cities means the risk of transportation of waste to avoid waste levies is low unless substantial increases to levies in other states result in much greater differences to the rate in Western Australia.

## 2.3 Advance schedule of increases

Nineteen submissions said confidence in future rates is important for investment in recycling and for long-term planning.

Responses to the consultation paper tended to prefer a schedule of 10 years or more to provide confidence for investment. Three submissions said five years' notice of increases was needed. Four said five years' notice was needed, but 10 years would be preferable. Nine said 10 years' notice was needed.

### *Response:*

It is proposed that each year, the State Government will publish a rolling five-year schedule of future levy rates and that year's rate in regulations, together with a brief explanation of the decision.

A longer-term guarantee of future waste levy rates would provide greater confidence for individual investment decisions; however, it is not a legal guarantee of future rates. The longer the schedule, the less certain would be the rate projected for the outyears.

It is not possible to predict the appropriate levy rate for 2030 and beyond. There are too many factors affecting waste recovery that may change because of market circumstances and advances in management practices. A waste levy set too low or too high would either have an insufficient effect on investment and on waste outcomes or would lead to wasteful investment.

On the other hand, if rates were amended when new knowledge emerged during the scheduled period, this could be unfair to investors who had made decisions based on the scheduled rates.

As a result, it is not proposed to have a schedule of levy rates beyond five years.

## 3 Geographic area of the levy

### 3.1 Support for regional recycling

#### Major regional centres

Eleven submissions said if a levy was applied to waste from major regional centres and near to the metropolitan area, this could encourage recycling in those areas. Four submissions said applying a waste levy would not support recycling, even in major regional centres.

#### *Response:*

The economic advice for the levy review found that in major regional centres and nearby areas, the policy case for a waste levy is similar to that for the metropolitan area. This includes the Peel region, which is next to the Perth metropolitan area and there is no compelling case for it to be treated differently.

Aggregates and organics are the waste components and products most likely to have local recovery options. They are generally the least recovered materials in low-cost systems but can be a large proportion of the waste stream.

Once other elements of waste recovery are enhanced and the relationships between the waste levy and opportunities for recovery in regional areas are better understood, the waste levy could be expanded to major regional centres.

#### Smaller country local government areas

Ten submissions said the application of a levy outside major regional centres would not improve the rates of recovery. Three submissions said collection infrastructure for recycling is unviable in these areas, and three submissions said transport to recycling and processing facilities from these areas is cost prohibitive. Two submissions said the environmental impact of transporting waste from regional areas would outweigh any benefits of improved recycling.

#### *Response:*

Good waste management is important across Western Australia and the policy case for a waste levy is similar in major regional centres to that for the metropolitan area.

It is unclear if a financial disincentive would result in beneficial diversion in locations that produce small volumes of waste for local recovery and are greater distances from recycling facilities.

The State Government will continue to monitor for emergence of beneficial diversion opportunities in less-populated areas that could be supported by a price signal on landfill.

### 3.2 Reducing levy avoidance and evasion

Ten submissions said the application of the levy in regional areas would reduce levy avoidance and evasion. Four submissions said the cost of transporting waste is low

relative to the rate of the current levy. Two submissions said the absence of a regional levy was the main cause of levy avoidance and evasion.

*Response:*

A levy on waste from major regional centres and nearby areas may improve beneficial diversion in these locations.

Further expansion of the waste levy area to also include a large distance from Perth (e.g. all local government areas within at least 500 km) is one measure that would reduce the opportunities for one potential avenue of evasion: the intentional misclassification of leviable metropolitan waste as regional waste.

It would also impose the costs of installing weighbridges, and reporting and compliance costs upon landfills in less-populated locations that currently do not receive leviable waste and where there may be limited opportunities to respond to a levy in a beneficial way. Furthermore, it would not address any other current or potential methods of levy avoidance and evasion such as illegal disposal and under-reporting.

Measures proposed in *Closing the loop*, such as mass balance reporting and GPS vehicle tracking aim to address a range of evasion opportunities and are also necessary for an expansion of the levy to be effective.

It is unclear that a larger expansion of the waste levy area to include areas distant from major regional centres would yield significant benefit additional to these other reforms, despite its additional cost.

If the *Closing the loop* measures were not implemented, then expanding the levy area will have minimal effect as other evasion methods will be substituted for misclassification.

### 3.3 Negative consequences of a regional levy

Two submissions said there were no disadvantages associated with a regional levy. However, some other submissions identified potential negative consequences.

#### **Effect on local governments and their ratepayers**

Five submissions said a levy would result in a reduction in local government services because local governments had limited ability to respond to the levy. No submissions specifically said a regional levy would improve recovery by local governments. Seven submissions pointed to the additional administration and logistical requirements that a regional levy would impose on local governments, and the need for new infrastructure such as weighbridges, and said these would be a substantial burden.

*Response:*

In major regional centres where there is sufficient scale and product demand to support better practice source separation, it is likely the opportunities for recovery and the costs of a levy would be comparable to those in the metropolitan area.

### **Illegal dumping**

Five submissions said a regional levy could increase the incidence of illegal or unsafe activity. Three of these said illegal dumping would increase, while two said the potential for illegal activity was greater in less-populated areas.

#### *Response:*

It is acknowledged that there may be more opportunities in less-populated areas for illegal disposal of waste particularly where regular services are not provided by local governments.

### **Use of better-managed regional landfills**

The use of larger, better-managed regional landfills instead of less-managed small local landfills in country areas (regionalisation) has environmental and economic advantages.

Five submissions said the application of a levy to regional areas would create a financial disincentive to the regionalisation of landfills, while two said it would create an incentive in favour of regionalisation.

#### *Response:*

The divergence in views about the effect of a levy on regionalisation is likely to be based on differing assumptions about how a levy would apply to smaller unlicensed landfills. The disposal of waste to modern, well-constructed landfills that are actively managed can result in improved environmental outcomes compared with smaller, less-sophisticated local landfills that may not be large enough to trigger licensing requirements. Centralising landfill disposal may increase transport and disposal costs for smaller local governments and their residents. The State Government encourages the regionalisation of landfills wherever efficient.

In some cases, regionalisation may offer waste managers a lower-cost approach to managing environmental risk than the upgrading of landfills. By reflecting specific local circumstances, licence conditions have scope to provide a measured incentive for regionalisation and are likely to better balance the benefits and costs of regionalisation than the application of the waste levy.

## **3.4 Prerequisites for a regional levy**

Twelve submissions recommended prerequisites for the application of any levy in regional areas. This included submissions that offered conditional support for a regional levy, and submissions that were largely opposed to a regional levy.

### **Lower rate**

Three submissions said any regional levy should be at a lower rate than the metropolitan levy rate.



*Response:*

The economic analysis undertaken for the levy review suggests an equal rate could be applied in regional areas. However, a lower rate could also be applied in recognition that the Waste Strategy 2030 targets for major regional centres are lower than for the metropolitan area.

**Levy funds should be used to assist local government**

Four submissions said all funds raised by a regional levy should be used to support local government programs to divert waste from landfill.

*Response:*

Some regional local governments could face greater costs to divert waste from landfill than in the metropolitan area or may have less potential than metropolitan local governments to pass increased costs on to ratepayers.

Where a levy is applied in regional areas, there may be a case to provide greater financial assistance to local governments, particularly if they have the same levy rate as the metropolitan area.

If so, assistance should be related to the affordability to those local governments of the beneficial diversion opportunities they face, rather than being tied to the amount of the waste levy paid.

Before expanding the levy to regional areas, the State Government will undertake a regulatory impact assessment of the likely outcomes of applying the levy and its cost impacts.

**Better regulation**

Four submissions said the waste levy should not be applied to any new areas until the public had confidence the illegal activity associated with the existing levy had been successfully addressed.

*Response:*

The State Government's proposed legislative reforms, including mandatory use of weighbridges to calculate leviable waste, *Closing the loop* and recovered materials will collectively provide a framework for ensuring beneficial diversion and avoiding adverse consequences. Once in place, the waste levy could be expanded to major regional centres.

**Evidence of benefit**

Four submissions said the waste levy should not be applied to any new locations until the benefits and costs of implementation had been estimated and made public.

*Response:*

Before expanding the levy to regional areas, the State Government will undertake a regulatory impact assessment of the likely outcomes of applying the levy and its cost impacts.

## 4 Waste management options to be levied

In line with the waste hierarchy, the Waste Strategy 2030 supports energy recovery above landfilling, but preferences waste avoidance and material recovery over energy recovery. It also includes a target that only residual waste be used for energy recovery. The waste levy is currently creating an incentive that encourages disposal via energy recovery.

### 4.1 Energy recovery

Fifteen submissions supported some form of action by government to ensure recoverable materials (non-residual waste) were not used to generate energy. Ten submissions that opposed a levy on energy recovery did not see benefit in preventing the use of non-residual waste to generate energy. Three submissions said energy recovery has superior environmental outcomes to FOGO.

#### *Response:*

It is a long-standing position of the State Government that only residual waste should be used to generate energy. The Waste Strategy 2030 was developed based on broad consultation and expert advice and is the State Government's position on waste policy. Consistent with the waste hierarchy contained in the WARR Act, it includes a target that only residual waste is to be used for energy recovery.

#### **Action to support material recovery**

Seven submissions preferred some other regulatory approach such as a licence condition on waste-to-energy premises. Seven said any levy should be applied only to non-residual waste, and two said a levy on energy recovery should be applied at a reduced rate to acknowledge energy recovery is higher on the waste hierarchy than landfill. No submissions explicitly supported a full levy on all waste being used to generate energy.

#### *Response:*

The State Government is committed to achieving the objectives and targets of the Waste Strategy 2030, including that only residual waste is used for energy recovery.

The State Government does not propose to apply a levy to waste that is used to generate energy where that waste is residual waste after the application of a better-practice source separation. The State Government prefers other regulatory approaches to ensure only residual waste is used for energy recovery.

#### **Energy recovery should receive financial support**

Two submissions said energy recovery should receive financial support from the State Government because it is a highly effective method of reducing landfill.

#### *Response:*

Allowing the use of non-residual waste to generate energy would undermine the Waste Strategy 2030's target and would allow potentially recoverable material to be

destroyed. It would also be unfair on those local governments and their ratepayers who are investing in three-bin systems and so are doing their share to help achieve a better environment for all Western Australians.

While energy recovery is an effective method of reducing landfill, existing arrangements have proven to be sufficient to support the development of energy recovery in Western Australia. Financial support for energy recovery would result in the unnecessary expenditure of funds.

#### **Limited market for organic material**

Six submissions said a levy on energy recovery would not have benefits because there is no credible market for large volumes of recovered organic material.

#### *Response:*

The volume of organic material recovered by better practice source separation is small relative to total local demand for virgin organic material.

The Waste Authority and the department, with support from the FOGO Reference Group have produced a market development strategy for FOGO-derived products to inform stakeholders of market barriers and opportunities.

#### **Pre-existing contractual commitments**

Eight submissions said contracts to use energy recovery had been entered into before the Waste Strategy 2030 was finalised, and these pre-existing commitments should be acknowledged. These submissions did not indicate support for material recovery even after the terms of existing contracts are completed.

#### *Response:*

The Waste Authority has had a position that only residual waste should be used for energy recovery since 2013 and this target is included in the Waste Strategy 2030 from 2020.

#### **Reduced financial viability of energy recovery**

Five submissions said a levy on waste-to-energy would harm the financial viability of waste-to-energy, which would run counter to the targets and objectives of the Waste Strategy 2030.

#### *Response:*

There is sufficient volume of genuine residual waste available from the metropolitan area to ensure the viability of waste-to-energy.

## **4.2 Levies on other waste**

*Closing the loop* included proposals to apply the waste levy on some waste that has been stockpiled but not landfilled after an extended period. Long-term stockpiling can undermine the objectives of the Waste Strategy 2030.

These proposals are outside the scope of the review of the waste levy and will be addressed in the response to *Closing the loop*.

## 5 Expenditure of levy revenue

### 5.1 Waste recovery programs

Thirty submissions said for the levy to be effective, there needs to be greater expenditure on waste recovery programs. This included 13 submissions that said expenditure is needed on the development of viable markets for end products, nine that said investment and/or subsidies are needed for local processing, six that said expenditure is needed on local governments' recovery activities, and five that said expenditure is needed on education and awareness, especially on separation of waste.

#### **Regulatory systems**

Five submissions said greater expenditure is needed on regulatory systems for the levy to be effective.

#### **Proportion of revenue spent on waste programs**

Fifteen submissions said a greater fixed proportion of waste levy revenue should be spent on waste programs and activities. Nine of these said the proportion of revenue spent on waste should be 100 per cent.

Two submissions compared expenditure on levy revenue with that in Victoria, which they claimed sets aside 60 per cent of levy revenue on waste activities.

#### **Expenditure by the department**

Five submissions commented on expenditure by the department on waste activities, claiming expenditure was not transparent and/or was being used to pay for activities the department should be doing anyway as its core business.

#### *Response:*

The Waste Strategy 2030, its Action Plan and the annual business plan set out the strategic priorities to achieve waste objectives and targets. The proposed programs and measures, including their allocated funds, are set out in the annual business plan approved by the Minister for Environment. The Waste Strategy 2030 and the annual business plans are outside the scope of this review.

## 6 Other issues

### 6.1 Information

Six submissions said better information and record keeping on waste movements is needed to make sound waste management decisions to ensure a levy can be designed to adequately support the Waste Strategy 2030.

*Response:*

The State Government's program of waste reforms includes mandatory use of weighbridges to calculate leviable waste, and proposals in *Closing the loop* such as mass balance reporting. These would provide a comprehensive framework for understanding waste flows and support better policy decisions to support the waste levy, to ensure beneficial diversion and avoid adverse consequences.

### 6.2 Other measures to improve recycling and recovery

Eight submissions proposed other measures to support recycling and recovery. These included greater use of product stewardship schemes, the use of a deposit scheme for packaging other than beverage containers, and the development of local manufacturing industries to create markets for recycled materials. These ideas are outside the scope of the waste levy and its review.