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COMMENTS ON WASTE REFORM PROJECT



Page Reference	Text from Discussion Paper	Comments																												
v	The waste levy is the key economic policy lever under the Western Australian Waste Strategy: <i>Creating the right environment</i> (Waste Strategy, published in 2012) to promote diversion of waste from landfill and to encourage re-use, recycling and recovery.	<ul style="list-style-type: none"> • Query why the ‘waste levy’ is the ‘key economic policy lever’? This first sentence sums up the fact that the waste levy is not there to ‘promote diversion of waste’ but rather to raise funds by penalising those who are associated with landfill etc. If the policy were truly to ‘promote diversion of waste’ wouldn’t the levy be a ‘key environmental lever’? Alternatively, shouldn’t there be a rebate system in place to reward those companies that put into place policies and systems that result in the diversion of landfill and/or result in the re-use, recycling and recovery of waste? The ‘waste levy’ appears to be a stick in lieu of carrot approach to waste reform. 																												
v	Analysis of the existing legislative framework and a cross-jurisdictional review of other Australian jurisdictions have identified opportunities to improve both the waste levy framework and the environmental protection regime as they apply to waste generation, storage and disposal. This would require amendments to legislation and regulations, as well as to the administrative processes that are derived from these.	<ul style="list-style-type: none"> • Comparisons have only been made to NSW, Vic & SA – what about the other states? If only 3 states have been considered, is this then a comprehensive or a selective report? 																												
2	Strategic objective 4 of the Waste Strategy outlines use of the waste levy as an economic instrument “to support the financial viability of actions that divert waste from landfill and recover it as a resource”. The waste levy also generates funds for a range of environmental and waste reduction purposes.	<ul style="list-style-type: none"> • How are the funds raised by the waste levy going to ‘support the financial viability of actions that divert waste ...’? Do they plan to return the funds to the same facilities that they are collecting it from (less administration costs etc)? 																												
2	<p>A five-year schedule of levy rates was announced effective from 1 January 2015.</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Putrescible rate/tonne</th> <th>Approx. inert rate per tonne*</th> <th>Inert rate/m³</th> </tr> </thead> <tbody> <tr> <td>Prior to 1 January 2015</td> <td>\$28</td> <td>\$8</td> <td>\$12</td> </tr> <tr> <td>1 January 2015 to 30 June 2016</td> <td>\$55</td> <td>\$40</td> <td>\$60</td> </tr> <tr> <td>1 July 2016 to 30 June 2017</td> <td>\$60</td> <td>\$50</td> <td>\$75</td> </tr> <tr> <td>1 July 2017 to 30 June 2018</td> <td>\$65</td> <td>\$60</td> <td>\$90</td> </tr> <tr> <td>1 July 2018 to 30 June 2019</td> <td>\$70</td> <td>\$70</td> <td>\$105</td> </tr> <tr> <td>1 July 2019 onwards</td> <td>\$70</td> <td>\$70</td> <td>\$105</td> </tr> </tbody> </table> <p>*One cubic metre of inert waste <i>in situ</i> within the landfill is treated as equivalent to 1.5 tonnes</p>	Period	Putrescible rate/tonne	Approx. inert rate per tonne*	Inert rate/m ³	Prior to 1 January 2015	\$28	\$8	\$12	1 January 2015 to 30 June 2016	\$55	\$40	\$60	1 July 2016 to 30 June 2017	\$60	\$50	\$75	1 July 2017 to 30 June 2018	\$65	\$60	\$90	1 July 2018 to 30 June 2019	\$70	\$70	\$105	1 July 2019 onwards	\$70	\$70	\$105	<ul style="list-style-type: none"> • How does the current/proposed levy in this table compare to other states and territories? Are we paying more or less?
Period	Putrescible rate/tonne	Approx. inert rate per tonne*	Inert rate/m ³																											
Prior to 1 January 2015	\$28	\$8	\$12																											
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3	Part 4, Division 1 of the WARR Act provides for a waste strategy for Western Australia. Section 24 states the Waste Strategy is “to set out, for the whole of the State... a long term strategy for continuous improvement of waste services, waste avoidance and resource recovery, benchmarked against best practice; and targets for waste reduction, resource recovery and the diversion of waste from landfill.	<ul style="list-style-type: none"> • ‘benchmarking against best practice’ – what is their reference? 																												

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3	Section 74(a) provides for regulations to empower the chief executive officer (CEO) to require a licensee, or occupier required under the EP Act to hold a licence, to provide a financial assurance for the purpose of guaranteeing payment of a levy.	<ul style="list-style-type: none"> • More regulation to 'guarantee' that the levy gets paid. • How much of the funds raised from the levy will get spent on administration etc and how much will actually go back into realising true waste reform?
4	The principles relating to improved valuation, pricing and incentive mechanisms include that "environmental goals, having been established, should be pursued in the most cost effective way, by establishing incentive structures, including market mechanisms, which enable those best placed to maximise benefits and/or minimise	<ul style="list-style-type: none"> • A levy, by it's nature, is a penalty/cost impost. In what way is the payment of a levy an incentive? Those paying the levy have less funds available to put into their own research and subsequent implementation of their own waste reform policies and systems.
6	Landfill premises under Schedule 1 do not require a licence and the waste is not subject to the waste levy under the WARR Levy Regulations, unless the waste is "accepted for burial" and the waste is covered or buried under topsoil.	<ul style="list-style-type: none"> • As a residential builder that uses the services of a bobcat operator, what schedule does the disposal of waste from site cleans fall under?
7	This definition only applies to premises used for the dominant purpose of accepting waste from third parties. "Disposal premises" does not include development sites with incidental earthwork operations, or marina and land reclamation, as these premises are not being used for the dominant purpose of receiving waste and therefore the levy would not apply at these premises.	<ul style="list-style-type: none"> • Does this mean that a builder can spread soil on the same site without incurring the levy? What about if we have a small site and need to remove soil/fill? If we take it to another site that requires fill (instead of disposing of it at a facility and bringing new sand in), will we then be liable for the levy as it has been disposed of at a 'third party' site? <i>Is there a mechanism to exempt works of this nature under 1000 cubic metres or such? If not can one be implemented.</i>
8	may be inaccurate. Inaccurate estimation of waste may hinder the effectiveness of the waste levy in achieving strategic objective 4 of the Waste Strategy. . To improve	<ul style="list-style-type: none"> • Is the concern that inaccurate estimations will 'hinder the effectiveness' or that they are concerned that 'under estimation' will result in less levy payments being collected?
8/9	<p>At present there are no thresholds or triggers for making the levy payable in circumstances where waste is not immediately disposed of to landfill, and is stored or stockpiled. Category 63 landfill premises are only required to pay the levy for waste "disposed of to landfill" (regulation 10 of WARR Levy Regulations) and not for waste stored or stockpiled on such premises. Similarly, the levy does not apply at category 64 and 65 premises where waste is "received" by the landfill operator or a non-third party. The absence of any thresholds (e.g. timeframes and waste amount) means the levy is not able to function to provide an incentive for re-use and recycling.</p> <p>The reporting requirements for waste in Western Australia apply to waste which is "received at a licensed landfill" (regulation 17 of the WARR Regulations). At present, waste which is deposited or received at waste facilities other than licensed landfills (e.g. waste depots or premises where waste is stored, reprocessed, treated or sorted) is not subject to any reporting requirements on the movement of waste to or from such premises. The use of the word "receiving" creates enforceability issues for reporting on waste received at a licensed landfill that is non-third-party waste.</p> <p>Similarly, there are no timeframe limits or weight thresholds for waste stored at premises before a requirement for payment of the levy is triggered.</p>	<ul style="list-style-type: none"> • Are they suggesting additional reporting requirements and time thresholds be introduced? Additional regulation adds additional cost to businesses. These facilities will potentially have the cost of new regulations, registrations and reporting costs as well as the actual levy before they even start spending any money on the actual recycling. Again, these additional costs are a deterrent to waste reform and not an incentive.

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21	<p>6.2.2 Disposal premises</p> <p>The definition of “disposal premises” in the WARR Levy Act is restricted to premises where waste disposal is the dominant purpose. In Australian jurisdictions the waste levy is applied to waste “received” or “deposited” at waste premises – there is no additional requirement in relation to the purpose of the premises before payment of the levy is required.</p> <p>To address this issue, the definition of “disposal premises” would be amended to remove the ‘purpose’ element so that it is no longer restricted to licensed landfill premises which are used for the dominant purpose of accepting waste.</p>	<ul style="list-style-type: none"> • Will building sites that are receiving recycled fill and/or fill from another site now be classed as landfill facilities? Is there the possibility that we are paying for recycled fill (in an effort to reduce waste) and will then have to pay the waste levy to receive the fill? Refer comment in <i>italics</i> for item 7. • What are the implications of removing ‘the ‘purpose’ element’. Is this so that any site can then be deemed as receiving waste and be liable for the levy? This recommendation is too broad, will be difficult to regulate and should have exemptions to exclude works such as mentioned for item 7.
22/23	<p>6.3.1 Schedule 1 categories</p> <p>The landfill licensing categories in Schedule 1 are differentiated by the type of material that may be accepted.</p> <p>Other jurisdictions have a single landfill licensing category and are not limited to waste “accepted for burial” but include other disposal activities (e.g. depositing waste to land, ploughing waste or reclaiming land).</p> <p>An approach both to address the issues and reduce the number of categories in the current regime would be to combine the five landfill categories under Schedule 1 to form a single landfill category.</p> <p>The WARR Levy Regulations could reference the new landfill category to trigger the levy, resulting in all licensed landfill premises (including category 89) being liable for the levy, unless exempt under the WARR Levy Regulations.</p> <p>The landfill category would be amended to remove the link to the intended use of the waste when it arrives at the licensed landfill, including accepting for burial or receiving waste at premises. The reference to the <i>Landfill Waste Classification and Waste Definitions 1996</i> could be removed, although this document could be retained as guidance material for licensing procedures under Part V of the EP Act if desired.</p>	<ul style="list-style-type: none"> • What is the motivation for classifying all landfill under the same schedule? Is it to make it easier to apply the levy to all forms of disposal (regardless of whether it is for burial or not)? • Would waste facilities then be required to pay ‘up front’ for volume of waste received regardless of the plans for that waste (eg recycling/re-use)? • Would waste facilities then have to apply for reimbursement of the volume of waste that had actually been recycled? At what rate will they be recompensed and will the costs to apply for the reimbursement be taken into account? • Will these additional costs paid upfront become such an impost on the recycling sector that they will no longer process materials for recycling; as the time between when the waste is received, processed and potential reimbursements received is too long and puts too much strain on the cashflow of the company to make it viable?
24	<p>The levy being payable upfront, with a 12-month time limit for rebates on recycled material, would be consistent with the approach in Victoria and that proposed in South Australia. A liability after 12 months – if the waste received has not been recycled, reprocessed or transferred to another licensed waste premises – is the approach in NSW. A volume limit for stockpiles could be introduced either as a condition of the licence or through category thresholds. This would require amendments to the WARR Levy Regulations. The option of achieving the volume limit through conditions would require an amendment to the EP Act (as the purpose of the condition would be levy compliance).</p>	

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23	<p>The proposed landfill category description would include premises which apply waste to land (e.g. through spraying, spreading or placing waste on the land; ploughing, injecting or mixing into the land; and filling, raising, reclaiming or contouring the land). As a result, a broader range of disposal activities would be captured as a licensed landfill for the purposes of Part V Division 3 of the EP Act consistent with other jurisdictions.</p>	<ul style="list-style-type: none"> • How will this affect the land development industry for both brownfields and greenfields development? How does this affect the residential building industry that is also involved with the ‘filling, raising ... or contouring of land’ to achieve the building envelope as specified by council? If the builder uses recycled material in lieu of clean sand (given that the industry has already predicted a sand shortage), will they then be liable for the levy. This does not appear to promote recycling at all, applying waste to land, as described, should be exempt from any fees/levy as an incentive. • If any levy is payable, would it be upon the builder or the ‘owner of the land’; being the builder’s client? Either way, it is an additional cost to the building contract by yet another level of regulation.
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General Comments:

- As an industry, builders are already lobbying for a reduction in regulations and red tape that are adding exorbitant costs, in terms of both time and money, onto the cost of building. Whilst all builders need to be conscious of the environmental impact that is the result of building new homes, the Waste Reform Project and it’s ‘waste levy’ appears to be more geared to raising funds for government than it is to actually provide incentives to recycle.
- We would like to know how the waste levy will affect new home builders in terms of the following:
 - What additional costs will be passed on to builders from waste receival facilities (either directly or through the subcontractors that are disposing of fill/materials etc) including allowing for both the waste levy and other additional costs in terms of meeting regulation, registration and reporting requirements?
 - Will builders be deemed to be ‘receiving waste’ if they use recycled fill or transfer unused fill from one site to another?
 - How will this affect the cost of new land and how much by?
- Finally, in what real way is the Waste Reform Project and the funds collected from the waste levy actually going to improve the amount of waste that is recycled and decrease the amount of waste in landfill; given that the proposal is focussed on imposing additional costs onto those it should actually be helping?
- Positive change is better achieved through education than regulation.