

16th November 2017

Project Manager
Waste Reform Project
Department of Water and Environmental Regulation
Locked Bag 33
CLOISTERS SQUARE WA 6850

**Re: Submission in response to “Discussion Paper – Waste levy and waste management:
Proposed approaches for legislative reform**

Dear Sir / Madam

Sims Metal Management (Sims MM) is Western Australia’s largest metal recycler and has provided recycling services to the state for more than 45 years. In 2017, Sims MM celebrates its centenary and is proud of its Australian heritage and position as the world’s largest publicly listed recycling company.

In late 2016, Sims MM completed the construction of its flagship metal recycling facility at Kwinana Beach. This included the commissioning of a new, state-of-the-art metal fragmentiser with associated downstream sorting technology and supporting environmental controls & infrastructure. This \$80 million facility is the only Department of Water and Environment Regulation (DWER) licenced metal recycling facility in the state and sets a new benchmark for the industry.

Sims MM is also a founding member of the recently formed Waste and Recycling Industry Association of Western Australia (WRIWA) and has been an active participant in the development of WRIWA’s submission in response to the DWER *Discussion Paper – Waste levy and waste management: Proposed approaches for legislative reform*.

As outlined in the executive summary of the discussion paper, the waste levy is considered the key economic policy lever available to the state government *to promote diversion of waste from landfill and to encourage re-use, recycling and recovery*. Sims MM is supportive of this policy and its intended aims.

As a processor of metal containing post-consumer waste such as end-of-life motor vehicles, white goods, bicycles, hot water systems etc via our fragmentiser; Sims MM is already actively invested in the diversion of recyclable materials from landfill.

Metal containing post-consumer waste materials are collected across the state from the Kimberley and Pilbara, to the Great Southern Region and transported to the Kwinana Beach facility for responsible recycling. The process of recycling this material via a fragmentiser to recover metals, produces a residual of recycling known as floc.

The floc is responsibly disposed at a licenced landfill at a substantial cost, due in part to the application of the waste levy. Sims MM has long argued that floc should be exempt from the waste levy due to the integral function metal fragmentisers hold in recycling metal containing post-consumer waste by enabling the entrapped metals to be recovered for re-use and recycling. Without investment in these plants, this post-consumer waste will invariably make its way to landfill and/or be left to decay and contaminate the environment.

The waste levy as it is currently applied to the disposal of floc, actually acts as a disincentive to the responsible recycling of metal containing post-consumer waste; whilst incentivising activities to export it offshore.

Over recent years there has been a proliferation of operators who have taken to baling and shearing this metal containing post-consumer waste, containerising and direct exporting it to countries with arguably much lower environmental standards and laws in place than those applied in Western Australia.

As a result of the waste levy, Sims MM is at a significant disadvantage compared to operators who are direct exporting this metal containing post-consumer waste. Consequently, Sims MM has been forced to seek to recover some of the waste levy costs incurred by passing a charge onto suppliers. The disadvantage Sims MM has incurred continues to be further exacerbated by the annual increase in the waste levy rates.

Accordingly, Sims MM maintains the position – that the disposal of floc, as a residual from recycling metal containing post-consumer waste, must be exempt from the application of the waste levy. If full exemption is not feasible, then a discount to the waste levy rate is sought as an alternative; this approach has been applied in other jurisdictions such as Queensland and New South Wales.

To reiterate, Sims MM is supportive of the Waste Strategy and its objectives, including the role the waste levy provides in underpinning this strategy. However, there must be change in the way the waste levy is applied to residuals of recycling including floc. As an organisation, Sims MM has made a long-term commitment to its Western Australian operations through significant investment in a facility that undeniably sets a new industry benchmark, both operationally and in terms of environmental compliance. The ongoing viability of the business is contingent upon operating on a level playing field.

Sims MM are grateful for the opportunity to once again provide feedback on this important topic and are very keen and willing to participate in any working groups, further consultation or discussion in relation to the Waste Reform Project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Burrows', with a stylized flourish at the end.

David Burrows
General Manager
Sims Metal Management – Western Australia