



The Hon Reece Whitby MLA
Minister for Environment; Climate Action
7th Floor, Dumas House
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WEST PERTH WA 6005

Email: Minister.Whitby@dpc.wa.gov.au

3 April 2023

Dear Minister

Re: Review of the waste levy in WA

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the \$15.5 billion essential waste and resource recovery (WARR) industry. Nationally, we have more than 2,000 members representing over 500 entities that operate in a broad range of organisations, the three (3) tiers of government, universities, and NGOs. In July 2020 WMRR responded to the Waste Levy Review that was at that time being conducted by the Department of Water and Environmental Regulation (DWER) as part of 'ongoing legislative reform' being undertaken to assist the state in achieving the aims of the *Waste Avoidance and Resource Recovery Strategy 2030*.

WMRR notes that this review followed the announcement by the then Minister for the Environment, the Hon Mr Stephen Dawson, MLC in March 2019 that the department will establish a schedule of future waste levy rates and look at expanding the geographic extent of the levy, which currently only applies to the Perth Metropolitan Region.

WMRR notes that there has not to date, been any communication from government on the outcome of the levy review, nor has there been any movement in levy rate since it was frozen in 2019/20, despite the statements of the then Minister that we would have a five-year schedule to provide more certainty and drive investment. This means that the levy rate for putrescible landfill remains at \$70 per tonne, which is the lowest rate for any major state in Australia (other than Tasmania). WMRR notes that the three (3) year anniversary is almost upon us since this review and whilst we appreciate that there has been some progress in WA in areas such as the container refund scheme and single use plastics, both of which are positive initiatives that can have a real impact on community behavior, the amount of material impacted by volume by these initiatives is marginal.

WMRR would submit that attention needs to be given in WA towards systemic and more challenging issues such as market development, policy settings that enable 'waste' to return to resources and back to the productive economy, and economic tools to reduce reliance on virgin materials and incentive resource recovery, such as the waste levy, to tackle the large volumes of material at present that do not have a recovery solution in WA. To date these matters have not been prioritized or progressed in WA, resulting in WMRR would submit a lack of investment certainty and lack of resource recovery development. As noted recently in the *WA State infrastructure Strategy 2022*, WA's economy is based on a take, make, use

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and dispose economic model, with WA not achieving its waste targets, and bans on the export of waste plastic, paper, glass and tyres are placing pressure on waste management.

WA at present has one of the lowest recovery rates in Australia, which appears to have stagnated, or even regressed slightly since 2019 (according to *National Waste Data Report 2022*), WMRR supports the waste levy as part of an integrated suite of policies to both incentivise resource recovery and recognise the true long-term cost of managing material disposal, that both supports and underpins the waste management hierarchy. WMRR views the levy as an appropriate economic tool to support diversion targets, with the overarching objective being to achieve the socially optimal level of residual waste disposed to landfill versus alternatives, such that the overall economic welfare of society is maximised.

Whilst disposing to landfill remains so 'cheap', and government fails to send a certain price signal to the market that they intend to put a real price on material to incentivise and support resource recovery in WA we will continue to see lack of investment in both capital and market development for the valuable materials that our essential industry receives. Whilst we appreciate that the WA government, like other mainland governments did not want to add to cost of living pressures during COVID-19, WMRR is at pains to point out that one only pays levy when material is disposed, the absence of investment in WA due to low levy means that WA residents are missing out on the opportunity to resource recovery, assist in mitigating carbon in WA as well as creating local jobs in WA.

WMRR appreciates that the government is about to commence its review of the Strategy, however we urge government to not wait until this is completed before addressing the levy rate. We note that the State Infrastructure strategy states that the goal by 2042 is for WA to have embraced a sustainable, low-waste circular economy that values waste, produces less waste, and reuses and recycles more for the benefit of the WA economy and environment. WA's waste targets are being met or exceeded, there is strong demand for recycled waste products which is contributing to meeting waste targets for waste avoidance and recovery, as well as modern, accessible and well-managed waste infrastructure is supporting a viable domestic recycling industry. These goals are the correct ones for WA, however in the absence of economic instruments as well as strong policy, neither these nor the current 2030 targets will be met.

As we stated in the 2020 review WMRR supports DWER's review of the levy to tackle issues such as levy avoidance and evasion, and to ensure that it bolsters and meets the three (3) objectives in the *Waste Strategy 2030*, and we call on government to urgently progress the levy changes in order that industry can develop the infrastructure and markets that WA so greatly deserves. Further as per our 2020 response, WMRR calls for 50% re-investment of waste levy revenue to industry programs, policies, and actions to ensure that the Strategy can be delivered for the benefit of WA.

WMRR would like to request a meeting to discuss this issue as a matter of priority, please contact the undersigned to arrange.

Yours sincerely

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