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22 October 2021

Dear Ms Andrews

Re: Cost Recovery for Part IV Environmental Protection

The Waste Management and Resource Recovery Association of Australia (WMRR) appreciates the opportunity to provide feedback on the Department of Water and Environmental Regulation's (DWER) draft pricing model for fees and charges on environmental impact assessments.

WMRR is the national peak body for all stakeholders in the \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members across Australia, representing the depth and breadth of the sector within business organisations, the three (3) tiers of government, universities, and NGOs. Our members are involved in a range of important WARR activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable products from resource recovery, energy recovery, community engagement and education, and responsible management of residual materials.

The draft pricing model follows amendments to the *Environmental Protection Act 1986* (EP Act) passed in September 2020 to allow for cost recovery, with the stated intention of improving the EPA's capacity to provide timely and effective environmental impact assessments for WARR infrastructure proposals.

WMRR recognises DWER's ongoing legislative reform efforts towards improving waste and resource recovery in WA, and supports the case for improving the efficiency and effectiveness of environmental impact assessments. However, the cost of achieving these outcomes should not be borne by WARR industry proponents whose capital-intensive projects build essential infrastructure and services that are required in WA to strengthen sustainable material management. These projects will drive greater processing, recycling, and remanufacturing capacity, and in doing so, continue to safeguard the community and improve environmental outcomes, as well as realise significant domestic economic and jobs growth. This is particularly important as the state, much like the rest of Australia, continues its post-COVID economic recovery.

WMRR submits that adding unfair financial burdens on WARR project proponents in WA may work against the stated intention of cost recovery – which is to ensure environmental protection – by deterring applicants and thus incentivising the continuation of less sustainable material management. To this end, the proposed complexity fees outlined in Table 3 of the Cost Recovery Discussion Paper

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(pp. 13-15) are inappropriate. It is, for example, unreasonable to charge proponents additional fees for higher numbers of public submissions to scoping documents. High submission volumes are beyond the control of project proponents. They are also common in response to new proposals and are key to achieving social license to operate. This is particularly the case when it comes to significant, large-scale WARR projects such as energy from waste facilities. Increasing the cost of environmental impact assessments based on units of time – WMRR is aware that these costs could range from ~\$180,000 to ~\$500,000 per proposal – is also unreasonable, given that delays can be outside the control of the proponent, and would disincentivise complex or innovative proposals being developed in WA..

In addition to the above points, WMRR is seeking clarity from DWER on when the new cost recovery framework will come into effect, as well as reassurance that the new cost recovery framework will not be applied retrospectively to projects that are already in the process of environmental impact assessment. Retrospective cost recovery would lead to further delays on essential WARR infrastructure projects, as well as being potentially financially prohibitive for proponents that have not factored these additional costs into original budget forecasts.

Ultimately, the cost of improving the EPA's provision of timely and adequate environmental impact assessments should not be incurred by WARR industry proponents that are seeking to provide essential infrastructure that is needed in WA and key to maximising a number of economic, environmental and social benefits for the state. For example, recycling 10,000 tonnes of waste creates 6.4 more jobs than is created by sending this waste to landfill.¹

As a general note, the WARR sector contributes considerably to the WA budget by way of the waste levy (of the \$83 million raised by the levy in 2020-21, \$62.25 million of this was retained by the state government)², which should be used to a greater extent to fund this essential infrastructure. At a time when WA needs to grow this essential infrastructure to achieve 80% diversion by 2030, additional financial imposts on the WARR sector such as these proposed cannot and should not be supported.

Please do not hesitate to contact the undersigned if you would like to discuss WMRR's feedback in further detail.

Yours sincerely



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WMRR



Lia Barnett
WA Branch President
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¹ Access Economics 2009

² Waste Authority Business Plan 2021-22