



Waste Levy Policy Statement

March 2024





Policy Statement

A Policy Statement to outline the WALGA position on Levies charged on the weight or volume of waste received at sites undertaking licensed activities and the application of those funds to waste management activities.

Background

The Waste Avoidance and Resource Recovery Levy (the Levy) was first established in WA in 1998, through the *Environmental Protection (Landfill) Levy Act 1998* (EP Levy Act) where money raised through the Levy was only used to fund programs relating to the management, reduction, reuse, recycling, monitoring or measurement of waste and administering the fund. The current Levy is applied to putrescible waste and inert waste generated in, or disposed of, in the metropolitan area.

The Levy was originally intended to fund strategic waste management activities. In 2009, the EP Levy Act was amended to allow the Levy funds to be used to support the core activities of the State Government Department responsible for Levy administration. This means only 25% of the collected funds are retained for strategic waste management activities, with a significant proportion of these funds used to fund ongoing operations of the Department relating to waste management, such as salaries and overheads.

This Policy Statement provides comment on the existing Waste Levy as an existing mechanism.

Statement of Policy

1. Support for Waste Levy

- a) The Waste Levy should be fully hypothecated to Strategic Waste Management Activities.**

Local Government strongly opposes the application of the Levy to non-waste management related activities, such as funding State Government core activities and ongoing operations.

- b) The Levy should not be applied to waste generated in the non-metropolitan area.**

It is not feasible, or appropriate, to implement the Levy in non-metropolitan areas with a limited rate base, access to markets for recycled materials, economic growth and resources to manage such a change. The Levy's application to these areas would have negative environmental, social and economic outcomes.

- c) The Levy should not be applied to waste received at premises undertaking licenced activities whose primary purpose is resource recovery.**

Local Government strongly opposes the application of the Levy to waste delivered to sites undertaking licenced activities, where those activities have, as a primary purpose, resource recovery (such as materials recovery facilities (MRFs), green waste processing facilities and waste to energy facilities (WTEs)). Local Government will consider the appropriateness of the Levy being applied to waste delivered to other types of licenced activities (for example mine dumps) on a case-by-case basis.

2. Strategic Waste Management Activities

Levy funds should be expended on programs that:

- a) **Support the achievement of targets, and reflects the priorities, within the State Waste Strategy**
- b) **Provide adequate funding and support for Regional Councils, non-metropolitan and metropolitan Local Governments, ensuring the difference in regional priorities are recognised**
- c) **Fully fund the life-cycle costs of infrastructure and services**
- d) **Facilitate the development, implementation and ongoing operation of Product Stewardship Schemes.**

3. Basis for setting Levy

The Waste Levy rate should be determined by reference to following criteria:

a) **Capacity to fund the State Waste Strategy**

It is necessary that the Levy rate(s) is/are supports the implementation of the State Waste Strategy. Local Government recognises that total annual expenditures may sometimes exceed and at other times fall below the total revenues raised by the Levy.

b) **Capacity to achieve any other stated objectives**

Any proposal from the State Government to use the Levy to achieve objectives, other than the generation of funds for strategic activities, must have valid reasons to show how a change in the Levy will support those objectives before Local Government would support the use of Levy funds.

c) **Capacity to pay the Levy**

In setting the Levy rate, the State Government must consider the capacity of Local Governments and their communities to pay the Levy.

a) **Capacity to Plan**

To ensure Local Government can plan and budget for changes to the Levy, and has a firm basis for business cases to change service provision, at least a 5 year rolling schedule for the Levy is required.

4. Regulation of the Levy

The Levy must be supported by a comprehensive regulatory regime for activities that are, or should be, licenced.

Without effective regulation, the Levy's ability to raise funds and act as an economic instrument to reduce waste to landfill is negated.

