



Waste Levy and Strategic Waste Funding Policy Statement

PREPARED BY THE



MUNICIPAL WASTE ADVISORY COUNCIL
"Getting the Environment Right"

November 2009

Status of this Policy Statement

This Policy Statement has been prepared by the Municipal Waste Advisory Council and adopted by the Western Australian Local Government Association. The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

The Municipal Waste Advisory Council has been formed through collaboration with Regional Councils who are not ordinary members of the WA Local Government Association. The resulting body effectively represents the views of all Local Government bodies responsible for waste management in Western Australia.

Policy Statements adopted by the WA Local Government Association represent a consolidated viewpoint from local government and may differ from the positions adopted by individual member organisations. The Municipal Waste Advisory Council and the WA Local Government Association will strive to promote this Policy Statement and to act consistently with its contents. Individual Local Governments and Regional Councils are encouraged to support them in this but are not bound by the document.

Policy Statements adopted by the WA Local Government Association are reviewed and new Policy Statements are developed regularly. The latest WA Local Government Association Policy Statements can be obtained from the website: www.wastenet.net.au

In-line with standard MWAC policy, this policy statement will be reviewed 6-months after its endorsement by the State Council. It will be reviewed again at least every 2-years subsequent to this; with any significant developments acting to instigate an earlier review.

The Municipal Waste Advisory Council's member organisations are:

City of Geraldton-Greenough

East Metropolitan Regional Council

Mindarie Regional Council

Rivers Regional Council

Southern Metropolitan Regional Council

Western Australian Local Government Association

Western Metropolitan Regional Council

Policy Statement on the Waste Levy and Strategic Waste Funding

<p>Title:</p>	<p>Municipal Waste Advisory Council Policy Statement on the Waste Levy and Strategic Waste Funding (2009)</p> <p><i>“A Policy Statement to enunciate the Local Government position on Levies charged on the weight or volume of waste received at licensed premises and the application of those funds to waste management activities.”</i></p>
<p>Statement of Policy:</p>	<p>1. Context This policy statement has been developed in a context which includes the following constraints, intentions and insights:</p> <ul style="list-style-type: none"> a. Coverage of consensus views In line with the MWAC Policy Development Framework, this Policy Statement is intended to cover issues where there is substantial commonality of views within Local Government. b. Ongoing work in absence of Consensus Where this commonality of views is absent, MWAC will work to explore and communicate the issues and perspectives and seek to reach consensus. c. Limited Lifespan This Policy Statement will be reviewed again within two years subsequent to its endorsement; with any significant developments acting to initiate an earlier review. d. Alternative mechanisms are recognised A range of alternative instruments could be used to capture funding for waste management that use waste generating behaviour as the fundamental criterion for contribution to the funds. These could include levies directly upon waste sent to landfill, ESL (Environmental Services Levy) style levies, and advance disposal fees. The potential advantages of some of these instruments over aspects of the Waste Levy instrument are recognised. e. Policy Statement speaks to Existing Mechanism This Policy Statement provides comment with respect to the existing Waste Levy. Hence certain comments should be taken to reflect upon this particular method of implementation rather than acceptance of the principle of taxing waste generation per se.

	<p>2. Conditional support for Waste Levy Continuing Local Government support for the Levy is subject to the provision (on an ongoing basis) of robust evidence, made available to the public, demonstrating the Levy is achieving its broad objectives, and on a number of conditions regarding the Levy’s operation and the application of Levy funds.</p> <p>a. Support for a Levy that is 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. Local Government supports funds from the Levy being applied to strategic waste management activities.</p> <p>b. There is no support for the Levy to be applied to waste received at licensed premises whose primary purpose is resource recovery Local Government strongly opposes the application of the Levy to waste delivered to licensed premises which have, as a primary purpose, resource recovery (such as materials recovery facilities (MRFs), green waste processing facilities and alternative waste treatment (AWTs) facilities). Local Government will consider the appropriateness of the Levy being applied to waste delivered to other types of licensed premises (for example mine dumps) on a case-by-case basis.</p> <p>c. There is no support for the Levy to be applied to licensed landfills outside the metropolitan area Application of the Levy to licensed landfills outside the metropolitan area would prove to be a significant logistical and financial impost on Local Government landfill operators and potentially have severe environmental impacts. Levy application in these areas could increase the frequency of illegal dumping and provide a disincentive to the regionalisation of landfills.</p> <p>3. Rationale for the Waste Levy A clear rationale for the Levy is essential for assessing the appropriateness of all policy decisions which relate to the Levy, such as how it is charged, the rate applied and where the money is spent.</p> <p>a. Primarily for raising strategic funds The primary rationale for the Levy is that it provides a means of generating secure funding for strategic activities in waste management.</p>
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	<p>For the purposes of the Levy, appropriate strategic activities must be identified by a current State Waste Strategy.</p> <p>b. Alternative rationale/s Where State Government identifies an alternative rationale for the Levy, Local Government will only support the alternative rationale to the extent it agrees that the alternative rationale is valid.</p> <p>c. State Government rationale/s to be clarified and supported State Government must clearly state, explain, justify and publicly communicate the rationale/s for applying the Levy, particularly if the State Government intends to apply the Levy to non-metropolitan regions.</p> <p>4. Inter-regional Transfers of Funds The application of Levy funds to projects in areas where the Levy is not raised may be acceptable to Local Government where there is a justified business case consistent with the State Waste Strategy. In determining that the transfer of funds from levy-paying residents to fund waste management projects outside their community is justified, the State Government should consider whether projects have the capacity to deliver substantial benefits to the State in terms of environmental impacts and efficiencies.</p> <p>5. Local Government Claim on Funds A fixed proportion of monies collected from Local Government should be made available to Local Government on a first call basis in the form of project money to support the objectives of the State Waste Strategy. Currently, under Section 4 (2 d) of the Waste Avoidance and Resource Recovery Levy Act 2007, Local Government can claim “reimbursement of administrative costs incurred by the person, organisation or licensee collecting the levy”.</p> <p>6. Differential Levies Local Government supports the use of different levy rates between putrescible and inert wastes and considers that other distinctions might be considered such as commercial vs domestic, vs contaminated (including Hazardous waste).</p> <p>a. Differential Levy for residual waste resulting from resource recovery facilities Local Government supports the application of a reduced Levy to residual waste produced by facilities whose primary purpose is resource recovery.</p>
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	<p>This is consistent with the Levy rationale for supporting strategic waste activities; whilst maintaining an economic driver to reduce residual waste.</p> <p>7. Basis for Setting Levy Rates Consistent with its views regarding the appropriate rationale for the Waste Levy, Local Government considers that the rate of the Waste Levy should be set by reference to a well defined set of criteria. The criteria which Local Government would support are:</p> <p>a. Capacity to fund the State Waste Strategy It is necessary that the Levy rate(s) is/are set such that the annual objectives identified under the State Waste Strategy can be funded. Local Government recognises that total annual expenditures may sometimes exceed and at other times fall below the total revenues raised by the Levy. It is also appropriate that funds from Consolidated Revenue be used to achieve State Government objectives</p> <p>b. Capacity to achieve stated objectives The State Government may indicate that it will use the Levy to achieve objectives other than the generation of funds for strategic activities. If so, then the State Government must give valid reasons to show how a change in the Levy will support those objectives before Local Government would support the use of Levy funds. For instance, State Government may consider that at a higher rate, the Levy will discourage landfilling of some waste types, but this belief should be supported with something more than anecdotal evidence and also demonstrate that there would not be other financial imposts on Local Government such as an increase in illegal dumping that would need to be cleaned up.</p> <p>c. Capacity to pay the Levy The State Government must take into account the capacity of Local Governments and their communities to pay the Levy. This capacity to pay the levy is affected by social, economic and political constraints.</p> <p>8. Administration by Dedicated Waste Agency Consistent with MWAC's <u>Position Paper on Preferred Structures for Waste Management in Western Australia</u> (Sept 2001), Local Government support for the Levy is predicated on the funds raised being administered by an independent statutory body.</p>
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	<p>9. Funding Scope The scope of activities and projects able to be funded through the Waste Levy must recognise differences in regional priorities. Such recognition should include acknowledgement that activities of high priority in urban areas may justifiably be ascribed secondary priority in many rural and regional rural areas.</p>
Date of Adoption	<p>2005 Amended February 2008 Amended November 2009</p>
Associated Policies:	<p>Policy Statement on Waste Management Legislation (2004) Policy Statement on Extended Producer Responsibility (June 2008)</p>
Definitions	<p>ESL style levies</p> <p>The <u>Emergencies Services Levy</u> (ESL) raises funds to pay for the operations of the Fire and Emergency Services Authority and is charged against landholders. The ESL is calculated as the Gross Rental Value of the property multiplied by the rate applicable to that region of the state. Regions of WA have been divided into categories based on the level of emergency services available in those regions. The rate is higher in regions which enjoy a higher level of emergency services.</p> <p>Resource Recovery</p> <p>Resource recovery is defined as any waste management operation that diverts a waste material from the waste stream and which results in a certain product with a potential economic or ecological benefit. Resource recovery mainly refers to the following operations:</p> <ul style="list-style-type: none"> - material recovery, i.e. recycling; - energy recovery, i.e. re-use a fuel; - biological recovery, e.g. composting; - re-use. <p>State Waste Strategy</p> <p>Refers to the Western Australian waste management strategy. Currently this is largely encapsulated by the <u>Strategic Direction for Waste Management in</u></p>

Western Australia. It is intended that the term *State Waste Strategy* will apply equally to any new instruments which might supersede these documents before the end of the life of this Policy Statement.

The Waste Levy

References to “the Waste Levy” are references to the existing instrument established under the *Environmental Protection (Landfill) Levy Act 1998* and the *Waste Avoidance and Resource Recovery Levy (WARRL) Act 2007*. The existing Levy is charged on the basis of tonnes of waste received at Metropolitan landfill sites plus tonnes of Metropolitan waste received at non-Metropolitan landfill sites. In addition, the existing Levy is charged at different rates according to whether the waste is received at putrescible or inert landfill site.

End of Policy Statement