

20 November 2020

WARR Act Review
Department of Water and Environmental Regulation
Locked Bag 10
Joondalup DC WA 6919

Sent via email: warractreviewqueries@dwer.wa.gov.au

To Whom It May Concern,

RE: REVIEW OF THE *WASTE AVOIDANCE AND RESOURCE RECOVERY ACT 2007*

The Chamber of Minerals and Energy of Western Australia (CME) is the peak resources sector representative body in Western Australia (WA). CME is funded by member companies responsible for more than 86 per cent of the State's mineral and energy workforce employment.¹

CME welcomes the opportunity to provide a submission to the Department of Water and Environmental Regulation (DWER) on the 'Review of the *Waste Avoidance and Resource Recovery Act 2007*' Discussion Paper (the Discussion Paper) released 2 September 2020. The Discussion Paper proposes reforms to improve the efficacy of administration of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act) and address selected findings and recommendations of the Auditor General's Report 23 of 2016 *Western Australian Waste Strategy: Rethinking Waste*² and the 2018 Public Accounts Committee's *Report 6: No (More) Time to Waste*.³

Waste policy development

A defined and transparent governance framework provides clarity of expectations for all stakeholders and greater certainty of outcomes. **CME supports amendments to the WARR Act to clarify the roles and responsibilities of DWER and the Waste Authority, ensuring the autonomy of the Waste Authority.**

Administering the WARR Account

Under section 52 of *Financial Management Act 2006*, the CEO is responsible to the Minister for financial management of the WARR Account, with annual reporting obligations imposed on the CEO under section 61. However, under section 79 of WARR Act, the Waste Authority is responsible for 'administration' of the WARR Account.

Although acknowledging this inconsistency, and hence the rationale for this amendment, CME considers the autonomy of the Waste Authority must be retained. CME therefore request clarification as to how autonomy will be preserved long-term if the WARR Act is amended to clarify that the CEO has responsibility for administration of the WARR Account. Decisions regarding expenditure from the WARR Account will significantly affect the ability of the Waste Authority to exercise its autonomy.

CME notes the term 'administer' is not defined under either the WARR Act or *Financial Management Act 2006* and it may be that clarification of this term will address potential implications for autonomy.

¹ Full-time employees and contractors onsite in 2019-20, excludes non-operating sites. Government of Western Australia, *2019-20 Economic indicators resources data*, Safety Regulation System, Department of Mines, Industry Regulation and Safety, 25 September 2020.

² Available at: https://audit.wa.gov.au/wp-content/uploads/2016/10/report2016_23-Waste-Strategy.pdf

³ Available at: [https://www.parliament.wa.gov.au/Parliament/commit.nsf/\(Report+Lookup+by+Com+ID\)/CCD94F8621B1BDE448258323000A9C62/\\$file/20181009+-+PAC+Report+No.+6+-+No+\(More\)+Time+to+Waste.pdf](https://www.parliament.wa.gov.au/Parliament/commit.nsf/(Report+Lookup+by+Com+ID)/CCD94F8621B1BDE448258323000A9C62/$file/20181009+-+PAC+Report+No.+6+-+No+(More)+Time+to+Waste.pdf)

CME supports measures that will further increase the transparency of expenditure from the WARR Account including more detailed disclosure to illustrate how annual expenditure has contributed to achievement of specific aspects of the Waste Strategy.

Provision of services to the Waste Authority

CME support actions to ensure the Waste Authority is properly resourced to perform its functions, as required under section 16(1) of the WARR Act.

Waste legislative issues

CME do not oppose the proposed legislative amendments to the WARR Act to improve operational and administrative aspects of the Container Deposit Scheme.

Other

A detailed review of barriers and enablers for waste avoidance, reuse, recycling and recovery in WA is vital to enabling informed development of effective policy and legislation. This must include the assessment of existing legislative barriers to cost-effective reuse, recycling and re-processing of mineral resource by-products.

Between 2013 and 2020 revenue from the waste levy totalled over \$476 million,⁴ with only 25 per cent hypothecated to waste and recycling activities in Western Australia (Figure 1), the second lowest percentage in Australia – well below the national average of 36.9 per cent.⁵

Despite only 25 per cent of levy monies being credited to the WARR Account, the Account is accruing more funds than it expends, with a balance of \$39.8 million as at 30 June 2020 – a 218 per cent increase from June 2014 (Figure 2). The operation of the WARR Account should be reviewed to determine whether the percentage of hypothecated funds is appropriate, whether its expenditure to date has been effective in improving waste outcomes for WA, and to determine how to maximise benefits from future expenditure from the Account.

CME strongly recommend a review of operation of the WARR Account and the effectiveness of waste levy expenditure in stimulating investment in waste recycling and reuse markets in WA.

Waste levy expenditure should be trackable and transparent, with industry, government and community stakeholders able to clearly discern where levy monies are spent, and how these investments directly contribute to improved waste outcomes.

CME support a waste levy that is hypothecated to strategic waste avoidance, recycling, reuse and energy recovery activities with this expenditure transparently reported against the relevant components of the Waste Strategy.

Conclusion

CME thanks DWER for the opportunity to comment on the Discussion Paper and looks forward to continuing to work with DWER and the Waste Authority through this review process.

Should you have questions regarding this letter, please contact Kira Sorensen, Senior Policy Adviser – Environment, on 0448 468 632 or via email at k.sorensen@cmewa.com.

⁴ Data sourced from DWER (and Department of Environmental Regulation (DER), as previously known) Annual Reports.

DER Annual Reports for 2014-15 to 2016-17 <https://www.der.wa.gov.au/about-us/annual-report>.

DWER 2017-18 Annual Report <https://www.wa.gov.au/government/publications/water-and-environmental-regulation-annual-report-2017-18>.

DWER 2018-19 Annual Report <https://www.wa.gov.au/government/publications/water-and-environmental-regulation-annual-report-2018-19>.

DWER 2019-20 Annual Report <https://www.wa.gov.au/government/publications/water-and-environmental-regulation-annual-report-2019-20>.

⁵ Serpo, A. and Read, R., *White Paper – Review of Waste Levies in Australia*, National Waste and Recycling Industry Council, 2019, p. 7.

Yours sincerely,



Robert Carruthers
Director – Policy & Advocacy

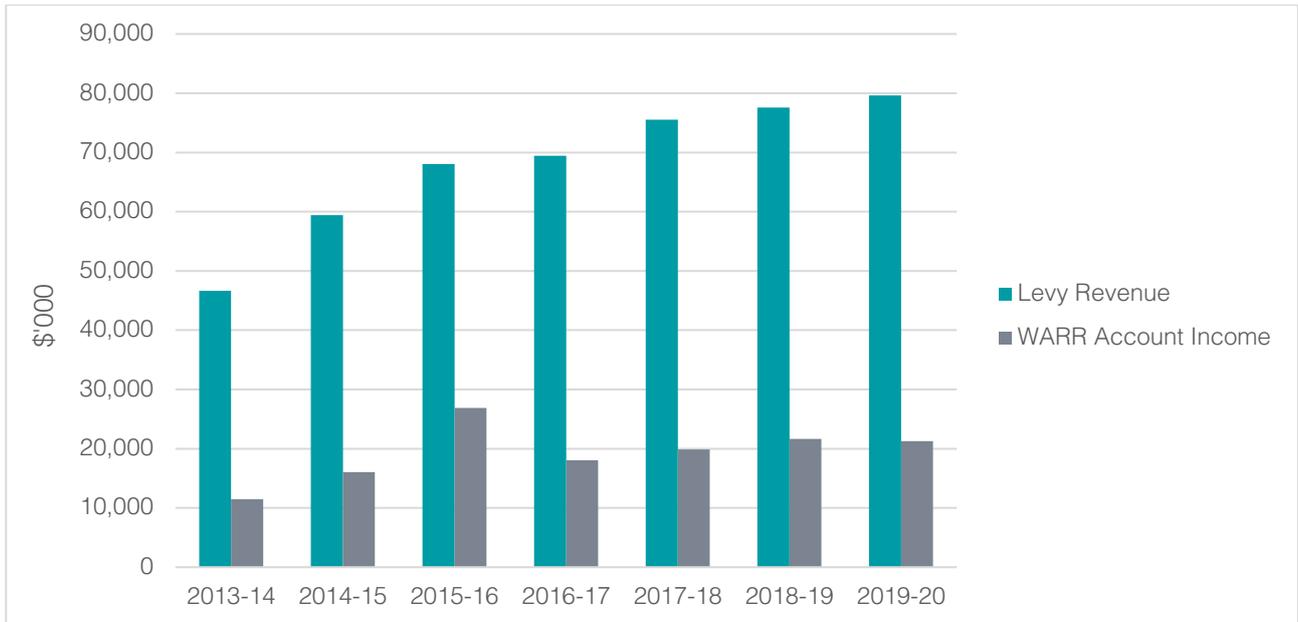


Figure 1: Waste levy revenue compared to WARR Account income.⁶

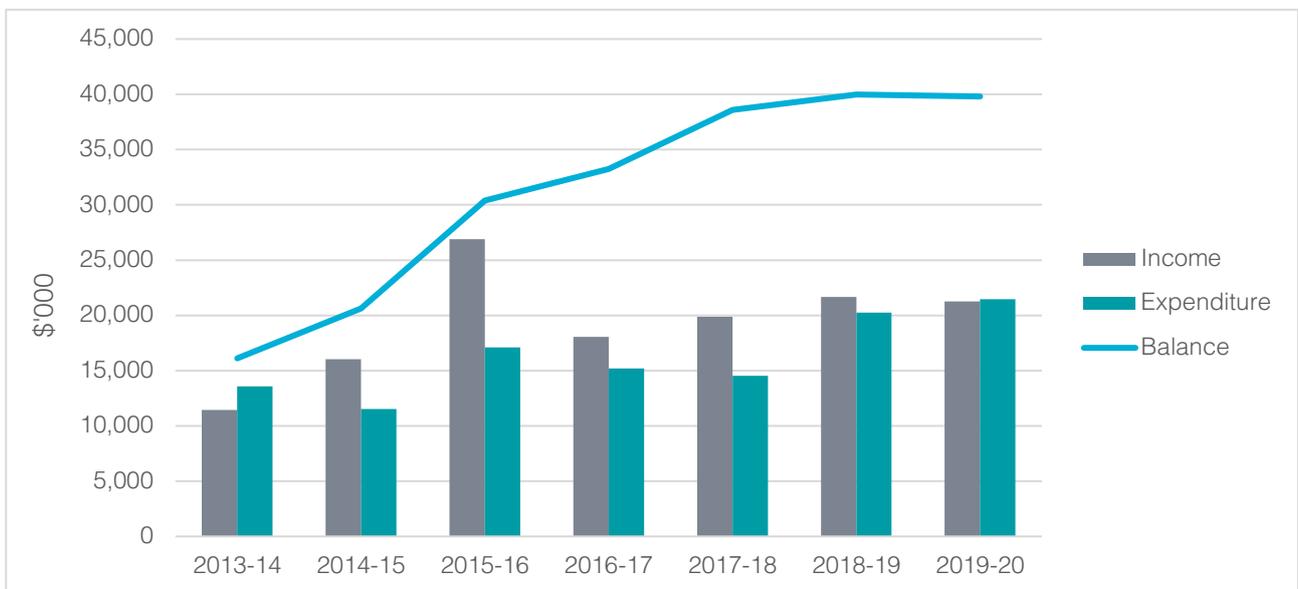


Figure 2: WARR Account balance.⁷

⁶ Data sourced from DWER (and Department of Environmental Regulation (DER), as previously known) Annual Reports.

⁷ *Ibid.*