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Department of Water and Environmental Regulation
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Submission by email to: warr_reform@dwer.wa.gov.au

16 November 2017

RE: Discussion paper – Waste levy and waste management: Proposed approaches for legislative reform

Thank you for the opportunity to comment on the Discussion Paper – Waste Levy and Waste Management. Holcim (Australia) Pty Ltd (Holcim) has reviewed the discussion paper and offer the following comments for consideration by the Department of Water and Environmental Regulation.

About Holcim

Holcim has been delivering construction materials since 1901, originally serving the industry under the well-known Readymix and Humes brands. Today, Holcim continues to supply essential construction products such as aggregates, sand, premixed concrete, concrete pipe and precast concrete products, to help Australia build roads, bridges, rail, homes, schools, hospitals and much more.

Holcim operates across the Australian continent supplying construction materials from a network of more than 150 concrete plants, 900 mixer trucks, 60 operating quarries (an additional 25 non-operating quarries), 12 manufacturing plants and mobile and on site project facilities. Holcim directly employs almost 3,000 people in Australia along with many more contractors and local service businesses where we operate.

Our mobile and on-site batching operations service major mining and infrastructure projects as well as provide much needed access to construction materials in remote rural communities – giving us the ability to go anywhere construction materials are needed.

Holcim is part of LafargeHolcim, a global leader in construction materials created by the 2015 merger of Lafarge and Holcim. LafargeHolcim has operations in over 80 countries and employs over 90,000 people worldwide. This global network and support provides Holcim in Australia with access to world class best practices in operations, innovation, technical expertise and sustainability.

Holcim within Western Australia

Holcim is a key player within the construction materials market within Western Australia and operates 15 operating quarries and 36 premixed concrete plants.

LafargeHolcim Sustainability Strategy – The 2030 Plan

LafargeHolcim has a Sustainability Strategy - The 2030 Plan for its global operations which covers Climate, Circular Economy, Water & Nature and People & Communities.

It sets quantitative targets related to our direct and indirect impacts, positive and negative, over the whole life-cycle of our products and services: from the sourcing of raw materials till the end-of-life of our products, through the manufacture and use phases. These targets tie-in with the values and goals of the *Environmental Management Policy Statement* of Cement Concrete and Aggregates Australia (CCAA).¹

In terms of circular economy, it sets the following targets:

- Holcim will use 80 Million tonnes of waste globally derived materials per year
- Holcim will provide end of life solutions for our products and will supply four times more recycled aggregates from Construction and Demolition Waste/Recycled Aggregate Product
- Holcim will provide innovative solutions on recycled aggregates, urban mining solutions and waste management solutions.

The benefit of recycling construction materials avoids depletion of our virgin materials ensuring that these are managed sustainably for future generations.

It has been demonstrated in industry that the appropriate entry price point in the market is sensitive and needs to be competitive for a successful circular economy.

Challenges of Concrete Waste Management and Quarry Rehabilitation in Western Australia

A key challenge for Holcim operations in Western Australia centres is around the management of concrete waste for our concrete operations and the successful closure and rehabilitation at our quarry sites. The ability to provide high quality and innovative outcomes in this regard relates to economically viable solutions.

Holcim produces 50,000 tonnes of concrete waste per year and is actively exploring options to reduce, reuse or recycle this concrete waste. This concrete waste is produced from the manufacturing of concrete where not all concrete is utilised by the customer and remains within the agitator and returns to Holcim as internal concrete waste. Holcim currently has one licenced site (Category 62) at the Gosnells Quarry in Martin where concrete waste is stockpiled for recycling into aggregates. However, the cost of production and the lack of incentive to use recycled aggregates in WA create a very limited market for these materials. Although Holcim recycles material onsite, the lack of market for these products results in some of the materials currently being stockpiled on site for a period of years. The introduction of a levy for stockpiling of concrete would not serve to incentivise the market, but conversely would further inhibit Holcim's ability to sell these recycled materials economically and sustainably. This is a concern shared by our industry colleagues. In our view, the concerns about the potential cost to government of abandonment can be addressed differently, for example by an environmental bond system.

¹ Available at

http://www.ccaa.com.au/iMIS_Prod/CCAA/Public_Content/INDUSTRY/Policy_Priorities/LEADERS_AGREE_ON_ENVIRONMENTAL_VISION_FOR_THE_EXTRACTIVE_INDUSTRY.aspx?WebsiteKey=4998d6ce-2791-4962-b1e2-6b717f54a8d3

Also, Holcim complies with stringent conditions of approval in respect to quarry closure and rehabilitation. Rehabilitation plans are a key aspect of the life of a quarry and are discussed, developed and implemented with all stakeholders, including the community and the regulator. Dependent on the requirements of the approved plan, the successful rehabilitation plan might require fill or other material to be imported onsite, for example to recreate safe and stable batters, or raise the profile of the quarry floor. Materials that may be used are clean fill or inert materials such as concrete waste. However, the quarry is not a premises that is used for the “dominant purpose” of waste disposal. The removal of this requirement and the introduction of a levy to these types of materials would have unintended consequences by imposing greater financial costs on rehabilitation. This could prevent the development of innovative rehabilitation plans, which ultimately benefit the broader community at the end of life of the quarry.

Proposed Reform	Implications to Holcim	Solution
<p>1. Reforming Schedule 1 Categories 61A and 62 under the EP Regulations and expanding the scope of the levy under the WARR Regulations to apply to long-term waste stockpiling. The levy being payable upfront, with a 12-month time limit for rebates on recycled material.</p>	<p>From our view of the market as an industry leader, we do not agree that imposition of the levy on stockpiled waste will act as an incentive for re-use and recycling. Introduction of the levy for Category 61A and 62 will result in increased financial expenditure for Holcim at those sites where concrete waste is stockpiled for recycling into aggregates. This translates to a higher cost to the end-user of recycled product, and therefore an even weaker market for such products. Where Holcim anticipates being unable to utilise the stockpiled concrete waste within the 12 month rebate timeframe, there will be little incentive to retain it for recycling as opposed to disposing of it to landfill upfront, especially considering the increased administrative and reporting requirements that are also proposed.</p> <p>Increased waste disposal costs for concrete as the current Construction & Demolition recyclers Holcim uses for the disposal of concrete waste will pass on levy fees for stockpiling under Category 61A and 62.</p>	<p>Request that the definition of waste is explored such that waste used for a different purpose, where it is useful and wanted, such as rehabilitation or recycling to a new product would not be defined as a waste and not attract levy fees. Holcim's returned concrete is a premium product for recycling different to C & D recyclers where we can pinpoint the source of all materials used to manufacture the concrete.</p> <p>Request better regulation and monitoring of Construction & Demolition recyclers waste stockpiling through current licence conditions and potential prosecution, especially in regards to maximum capacity, than to introduce a levy for Category 61A and 62.</p> <p>Request that the new levy and waste recording proposed for Category 61A or 62 does not apply to existing concrete waste stockpiled.</p> <p>Request that a longer rebate period be more appropriate for Category 61A and 62 given the campaign operations of Holcim and the market difficulties selling recycled aggregates.</p> <p>Question whether introducing a levy to Categories 61A and 62 would result in greater production of recycled materials due to the increase of the production cost. It has also been demonstrated that the appropriate entry price point in the market is sensitive and needs to be competitive. Request that a multi-agency Governmental approach is</p>

		<p>initiated to promote recycled aggregates by:</p> <ul style="list-style-type: none"> • Amending specifications for construction projects • Consider that a percentage of recycled product must be used for future products • Not adding financial burden on recycled material manufacturers • Investigating the opportunity for financial incentives for both waste reduction at the user (not producer) level and use of recycled materials.
<p>2. Applying the levy to waste generated at licensed waste premises (non-third-party waste).</p>	<p>The movement of concrete waste internally within Holcim would attract the levy and result in increased financial expenditure. That is against the principle of promoting optimal waste management strategies within the construction industry.</p>	<p>Request that the new levy and waste recording proposed for Category 61A or 62 does not apply to internal company concrete waste storage ie waste that is not third-party waste. This can be adequately addressed through additional licence conditions, canvassed in the discussion paper at paragraph 6.1.3.</p>
<p>3. Expanding the scope of landfilling activities (e.g. spreading, ploughing) and removing the requirement for waste disposal to be the “dominant purpose” of licensed premises in order to attract the levy.</p>	<p>Increased cost and ability to maintain rehabilitation standards where the broader definition of waste disposal activities may have implications to Holcim where backfilling or rehabilitation is undertaken at quarry sites. It is Holcim’s understanding that the levy would even apply to clean fill used for rehabilitation backfilling – which is a legitimate re-use of the material, not an attempt to dispose of it otherwise than to landfill.</p>	<p>The introduction of a broad range of disposal activities may detrimentally affect or lower rehabilitation efforts due to increased costs as a result of levy fees (ie. the inclusion of fill and other materials used in backfilling during rehabilitation activities at non-landfill sites). Request that material legitimately used for rehabilitation activities be carved-out as an exemption to the levy and that DWER should support innovative and successful quarry closure plans.</p>
<p>4. Introducing new waste measurement, record keeping and reporting requirements for licensed waste premises that are liable</p>	<p>Increased administration and costs related to the introduction of increased record keeping</p>	<p>Request that the DWER utilise a case by case methodology approved at the time of licensing to monitor compliance of waste stockpiling in</p>

for the levy (e.g. compulsory use of weighbridges, monthly reporting).

requirements.

Categories 61A and 62. At Holcim, we survey all our stockpiles using aerial photogrammetry undertaken by a third party and any other additional records would not add value and be a financial burden.

Thank you for the opportunity to comment on the Discussion Paper – Waste Levy and Waste Management. Please contact the undersigned on 9212 2146 or jenny.moro@lafargeholcim.com should you have any queries or require further information.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jenny Moro', written in a cursive style.

Jenny Moro
Planning & Environment Manager WA