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Project Manager
Waste Reform Project
Department of Water and Environmental Regulation
Locked Bag 33
CLOISTERS SQUARE WA 6850

22 Parkland Road
Herdsman Business Park
Osborne Park WA 6017
PO Box 1494
Osborne Park DC WA 6916
t (08) 9492 9200
f (08) 9492 9293
hia.com.au

Dear Sir/Madam

Waste Reform Project – Proposed approaches for legislative reform

The following comments are provided by the Housing Industry Association (HIA) in regards to the Waste Reform Project – Proposed approaches for legislative reform Discussion paper. HIA is committed to working with all sectors of government to support a regulatory environment that facilitates growth in the economy, reduces red tape, and enables the delivery of affordable housing.

The Waste Reform Project Discussion Paper makes suggestions as to how the legislative and regulatory frameworks could be amended to make improvements, yet the need for and intent of these improvements is not outlined, and the concern not apparent.

It is also noted that the scope of the consultation was directed to 'Local governments, licensees or occupiers of landfills or recycling or reprocessing premises'. HIA, as the leading peak-body for the housing industry in Australia, will make comments on the impact of the suggested reforms on housing affordability.

It is understood that in the housing industry approximately 60 percent of waste collected from building sites is recycled, predominantly into road base or fill sand. It is typical practice to store this product until there is a market demand, which due to some constraints on use, can be an extended period of time. The suggested framework changes would have a significant impact on housing affordability as a result.

By applying the landfill levy to stockpiles that stand for more than 12 months, all waste collected from building sites will effectively be hit with the levy. At an estimated 60m³ of waste per new home, this would increase the landfill levy liability from \$2100 to \$6300 per home. This amount is ultimately paid by the homebuyer, and given the materials are mostly ultimately recycled, would be an inappropriate tax on housing. Increases in cost of this order are significant enough to devalue new homes against existing homes such that finance cannot be justified and the new home ultimately will not be built. Such an increase could cause a reduction in homebuilding activity and have a devastating effect on the Western Australian economy. It is suggested that stockpiles should be allowed to stand for 36 months to reduce the potential impact of this control measure.

Waste reform should be developed to consider the overall outcomes for the state, rather than for waste in isolation. By increasing the amount of landfill levy due, there may be an increased tendency for illegal dumping. By removing the incentive for recycling, there is potential that recycling rates will reduce, effectively increasing the rate of landfill. Both of these outcomes would be of significant detriment to the environmental outcomes for the state. Furthermore, the increased cost of demolition will become a barrier to infill development, hampering the State Government's attempts to increase density in our inner suburbs, and demanding further sprawling suburbs.

An opportunity to address this could be found by allowing an offset in the landfill levy where an existing home is demolished and replaced with multiple new dwellings. A mechanism could be created through the demolition license issuing to remove the need to pay the levy for a certain volume of material.

Overall, simplification of the legislative framework is supported in order to remove red-tape, however it is important that these changes are not considered in isolation and their impact on the overall community are duly considered.

It is hoped that these comments provide some guidance at the early stages of the review process. Please do not hesitate to contact Rachelle Gill on 9492 9219 or r.gill@hia.com.au should you have further queries at this stage.

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

A handwritten signature in black ink, appearing to read 'John Gelavis', with a stylized flourish at the end.

John Gelavis
Regional Executive Director