



CALCULATING THE LANDFILL LEVY AND RECYCLING REBATES

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1. INTRODUCTION

The *Environment Protection Act 1970* ('the Act') requires the holder of a licence for a landfill to pay a levy for each tonne of waste deposited onto land at the licensed premises. The landfill levy was introduced in Victoria in 1992 in metropolitan and provincial centres and extended to the whole of Victoria in 1996.

Landfill levies play an important role in providing funding assistance to establish waste management infrastructure, support programs for industry, education programs and the resourcing of the bodies responsible for waste planning and management in Victoria. The levies also act as an incentive to minimise the generation of waste and promote investment in developing alternatives to disposal to landfill.

The landfill operator must ensure that levy payments are made in accordance with the requirements of the Act. In particular, the landfill operator needs to make an assessment of the type of waste being deposited (i.e. municipal or industrial). The Act defines municipal and industrial wastes according to the type of activity generating the waste. The following bulletin is designed to clarify EPA's requirements for landfill levy collection and payment. All previous guidance in relation to landfill levies should be disregarded and this bulletin's considered the summary of current requirements. The current levy rates for are listed in

Table 1, below. The Act defines landfill levy rates and will include any future increases in landfill levies. In addition the EPA website (www.epa.vic.gov.au) will detail any future landfill levy rates.

2. WASTE CLASSIFICATION FOR THE PURPOSES OF LEVY CALCULATION

Municipal waste

The Act defines municipal waste as '*any waste arising from municipal or residential activities, and includes waste collected by, or on behalf of, a municipal council, but does not include any industrial waste*'.

Therefore municipal waste is associated with the day-to-day activities of households and the maintenance of a clean municipality and includes, for example:

- garbage & domestic household waste
- residential kerbside collections
- residential hard waste collections
- residential waste delivered to landfill by residents
- residential garden waste
- municipal litter collections
- municipal street sweepings
- park waste.

Table 1: Landfill levy rates

Year	Levy (\$/tonne)						
	Rural municipal	Rural industrial	Urban municipal	Urban industrial	Asbestos	Category C	Category B
2007-08	7	13	9	15	30	50	130
2008-09	7	13	9	15	30	70	250

Note that 'urban' refers to municipalities listed in Schedule C to the Act. 'Rural' refers to all other municipalities in Victoria.

* This replaces publication 332d, issued June 2002.

Industrial waste

Industrial waste is defined in the Act as:

- (a) any waste arising from commercial, industrial, or trade activities or from laboratories; or
- (b) any waste containing substances or materials which are potentially harmful to human beings or equipment.

Commercial, industrial, and trade activities, include:

- manufacturing activities;
- wholesale/retail trade;
- commercial services including services provided to households (e.g. gardening services, skip/bin hire, etc.);
- accommodation, cafes, restaurants;
- building construction, renovations or demolition;
- road construction and maintenance; and
- primary industries, including agricultural, forestry and fishing.

Prescribed industrial waste

Schedule 1 to the *Environment Protection (Prescribed Waste) Regulations 1998* (as amended from time to time) lists those wastes that are considered as prescribed wastes for the purposes of the Act.

Each landfill licence stipulates which (if any) prescribed wastes can be accepted at the landfill.

3. WHEN LANDFILL LEVIES SHOULD BE APPLIED

A levy must be paid for all wastes that are deposited onto land at the premises, as defined in the licence. Should a site operator intend to deposit waste to land on the premises without collecting and paying the landfill levy, written approval must be obtained prior to receiving the wastes concerned.

3.1 Transfer stations and landfill levies

The landfill levy applies to all wastes that are received at transfer stations on the landfill premises (as defined in the licence).

Transfer station wastes that are levied and then removed from the licensed premises for recycling may be eligible for a recycling rebate, as discussed in section 4.

Where a transfer station is located off-site from the landfill premises, and the transfer station sends wastes to the landfill, the levy is required to be paid. It is the responsibility of landfill operator to collect and pay the landfill levy to EPA. The landfill operator will need to determine the origin of any wastes coming from transfer stations (i.e. municipal or industrial). To

facilitate this, transfer station operators should provide waste origin information to the landfill operator so the landfill operator can calculate the correct levy to be paid as discussed in section 5.2.

3.2 Cover material classification and landfill levies

All cover material brought onto the licensed premises (from external sources) is subject to levy. Materials sourced from on-site excavations are not subject to the levy and should not be included in the calculation of levy liabilities.

Where soils classified (according to EPA publication 448) as 'fill material' are used as cover, the municipal levy rate applies.

Where materials other than 'fill material' are used as cover, eg. Category C contaminated soil, then the levy rate for Category C prescribed industrial waste is applicable. Note that in order for materials other than 'fill material' to be used as cover material, the landfill operator must have obtained written approval from EPA.

4. LANDFILL LEVY REBATES

4.1 Rebate for recycled waste

Where a landfill operator can demonstrate that waste has been recycled, a rebate on the landfill levy may apply.

To claim a rebate, the licence holder must supply details of the amount of waste (in tonnes) removed for recycling and the date when it was removed from the premises.

Documentation required to support any recycling rebate claim must include:

- copies of third party receipts, or annual summaries thereof issued on letterhead, detailing the waste stream tonnage and date of removal from the licensed premises.
- the destination of the recycled material and the intended reuse of the material.

Receipts must specify the tonnage of waste materials recycled and declared in levy statements (i.e. not the final weight of blended products containing some wastes and some 'new' materials).

Internal memorandums, self-generated spreadsheets or reports will not be accepted.

Note: Provision of false or misleading information is an indictable offence which carries significant penalties, imprisonment for two years or both (Section 50W of the Act).

For **municipal and industrial wastes** to be eligible for the recycling rebate, the wastes must be removed from the premises for recycling within 12 months of

being deposited. Landfill operators who are licensed to receive **prescribed industrial waste** must contact the EPA if they intend to recycle this type of waste prior to undertaking the activity.

4.2 Levy rebate for cover material

The Act specifies that all material deposited onto land at the premises is subject to the levy. A fixed rebate of 15% of all waste deposited onto land at the premises (from external sources) is provided for in the Act. This rebate is to be claimed on the quarterly and annual payments at the municipal levy rate.

All cover material used must be included in the levy calculations. The only exception is any material excavated on-site.

5. STATEMENT SUBMISSION AND PAYMENT OF THE LEVY

Statement submission and payment of the levy is made quarterly as follows:

- July–September quarter – statement and payment received by EPA on or before 31 December
- October–December quarter – statement and payment received by EPA on or before 31 March
- January–March quarter – statement and payment received by EPA on or before 30 June
- April–June quarter – statement received by EPA on or before 1 September. Payment received by EPA on or before 30 September.

Landfill levy statements can be lodged via the EPA website by visiting:

www.epa.vic.gov.au/waste/landfill_levies.asp

Payments can be made by electronic fund transfer or by cheque. Electronic fund transfers must include the payer reference number as provided by the on-line statement. Cheque payments are to be accompanied by a printed copy of the on-line statement. Accompanying documentation must be submitted with statements where specified.

A separate payment must be made for each licence.

The April–June payment is calculated by reviewing the whole year's operation and calculating the net amount owing, taking into account the payments made the first three reporting periods and any rebates owing. The on-line lodgement facility performs this full year calculation automatically.

5.1 Late payments

If any payment is not made when it is due:

- EPA may take enforcement action in line with enforcement policy.
- EPA may suspend the licence until such a time as payment (plus interest) is made.
- EPA may seek a Magistrate's payment order for the full amount owed.
- Interest will accrue from the date that a payment is due at a rate determined by the Treasury.

5.2 Municipal vs industrial waste levy payments

Each site must have clearly documented evidence to quantify the split between municipal and industrial wastes received onto the site. Where the site cannot demonstrate how the two waste streams are identified and segregated EPA will expect the payment of the industrial levy on the total tonnage received.

6. CALCULATING THE LEVY BY WEIGHT

Where a weighbridge is available for measuring material deposited during a quarter, the weighbridge weight measurements must be used to calculate all levy payments, including that for prescribed industrial waste.

All cover material used on the site (unless generated from on-site excavations) is to be included in the amount of municipal waste deposited.

Where Category C contaminated soils are approved for use as cover material the tonnage must be included in the amount of Category C contaminated soils deposited.

7. CALCULATING THE LEVY BY VOLUME

Landfills located within municipalities in Schedule C **must** use a weighbridge to calculate landfill levies. For sites in other municipalities and where a weighbridge is not available, EPA has approved methods that may be used to estimate the weight of waste. It is essential that the landfill licence holder separately and accurately record the volumes of municipal and industrial waste received at the premises.

A volume-to-mass conversion tool, using the approved methods, can be found by visiting the EPA website at:

www.epa.vic.gov.au/waste/landfill_levies.asp

The methodologies approved are discussed below.

7.1 Quarterly statements – volume to mass conversions

For quarterly statements there are two approved methods for converting volume to tonnage, discussed below.

Method 1: Volume-as-delivered method

Where the volume of waste was recorded as delivered (trailer loads, truck loads by m³ volume), the volumes must be converted to weight using the conversion factors detailed in the volume to mass conversion tool.

Method 2: 'Divide by four' method

This method allows a quarterly estimate to be made by dividing the previous year's gross volume deposited (including cover material volume) by four. The resultant estimated volume is then to be multiplied by a density of 1.1 tonnes/m³ unless a different site-specific density has been established. This density allows for the higher density of cover material included in the volume.

The 'divide by four' method is only to be used where the landfill was operational for the whole of the previous financial year. In addition, the licence holder must provide accurate information to EPA that verifies the relative proportions of the different waste streams received.

Important: A volumetric survey must be completed for the annual assessment to correct this estimation over the full financial year.

7.2 Annual statements – volume to mass conversions

For all annual statements where a weighbridge is not available a volumetric survey must be completed.

All volume calculations require at a minimum an annual volume survey (either aerial or ground based) to be undertaken (ie: covering the financial year period 1st July to 30th June of the following year).

- Surveys must include the following detail:
 - o entire licensed premises
 - o all stockpiles, excavations and areas filled
 - o specification of all materials by type, volume and designation of location on survey plans.
- Any cutting (excavation of materials) that has taken place during the period must be declared and excluded from calculations.

The decrease in airspace over the period is to be calculated using a reliable survey technique. The weight of deposited materials is to be calculated using the site specific densities approved in writing by EPA. In the absence of site-specific information, a figure of 1.1 t/m³ is to be used.

Records must be kept to determine the proportion of the volume occupied by municipal and industrial waste so the appropriate levy rate may be applied.

The approved method for estimating the weight of prescribed industrial waste is described in 7.3.

7.3 Prescribed industrial waste

For guidance on completing transport certificates that accompany prescribed industrial waste consignments, refer to EPA Publication 395 (as amended from time to time) *Instructions for Completion of Waste Transport Certificates*

Landfill operators are to record the amount of waste actually received on Part C of the certificate, i.e. separate from the amount entered by the waste producer in Part A of the certificate. A landfill operator must only record the amount of waste in kilograms, using the following factors to convert volumes to weight.

- For friable asbestos, 1 m³ is equivalent to 0.4 tonnes.
- For asbestos contaminated soil or asbestos sheeting, 1 m³ is equivalent to 1 tonne.
- For all other prescribed industrial waste, 1 m³ is equivalent to one tonne.

The prescribed industrial waste levy payment for that quarter must then be calculated using the total of the weights of waste entered in Part C of the transport certificates.

8. THE ANNUAL ASSESSMENT

The annual assessment relates to the waste deposited onto land at the premises during the whole financial year. The balance of levy owing is calculated, taking into account payments made the first three reporting periods and any rebates owing. The statement is to be lodged on or before 1 September, and the subsequent levy payment (if applicable) is to be paid by 30 September.

EPA undertakes annual audits of landfill levy. This allows EPA to identify issues with materials recording and documentation.

EPA audits all sites across the state and an independent external auditor also audits a select number.



9. RECORDS TO BE KEPT

Sufficient records must be kept to enable the levy payable to be calculated. These records are to include:

- operational measurements of waste deposited onto land at the premises quarterly
- annual assessments of:
 - o total weight of municipal waste deposited
 - o total weight of industrial waste deposited
 - o total weight of prescribed industrial waste deposited
 - o space won via extraction
 - o airspace remaining
 - o materials stockpiled

- third-party receipts or summaries thereof to substantiate recycling rebate claims
- any data used to determine site-specific values for the compaction factor or the site-specific density.

10. POWERS OF THE AUTHORITY

Where the Authority determines that a levy payment for the tonnage of waste deposited onto land at the premises was incorrect or has not been paid by the due date, the following may apply:

- suspension or revocation of licence
- recovery of levy through the courts
- application of penalty interest.

APPENDIX 1

Metropolitan and provincial municipalities

Ballarat	Casey	Hobsons Bay	Melbourne	Port Phillip
Banyule	Greater Dandenong	Hume	Melton	Stonnington
Bayside	Darebin	Kingston	Monash	Whitehorse
Greater Bendigo	Frankston	Knox	Moonee Valley	Whittlesea
Boroondara	Greater Geelong	Manningham	Moreland	Wyndham
Brimbank	Glen Eira	Maribyrnong	Mornington Peninsula	Yarra
Cardinia	Golden Plains	Maroondah	Nillumbik	Yarra Ranges

All other municipal districts are classified as rural for the purpose of the landfill levy.



FURTHER INFORMATION

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EPA website

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