NATIONAL PRICING STRATEGY FOR WASTE MANAGEMENT

ANBEN PILLAY
INTRODUCTION

• Aim:
  – Provide a framework for the implementation of economic instruments in the SA waste sector

• Objectives:
  – Mainstream the Polluter Pays Principle
  – Reduce the generation of waste
  – Increase the diversion of waste away from landfill towards reuse, recycling and recovery
  – Support the growth of a southern African (regional) secondary resources economy from waste
INTRODUCTION

- The NPS-WMC is based on the following underlying Principles:
  - The implementation of waste management charges is based on sound evidence.
  - The social, environmental and economic benefits of implementing waste management charges outweigh the costs of implementation.
  - Implementing waste management charges should not result in the reversal of social, environmental and economic benefits achieved through existing systems.
  - The selection of waste management charges and their methods of implementation must ensure maximum returns to the waste management sector.
  - The implementation of waste management charges is about correcting market failures and internalising externalities and funding the increased diversion of waste away from landfill.
  - Transparency with respect to the collection and disbursement of charges and their use.
ECONOMIC INSTRUMENTS

UPSTREAM INSTRUMENTS
- Material taxes
- Virgin materials
- Resource extraction
- Taxes on extraction
- Input taxes

Production
- Product taxes

Advance recycling fee
Deposit refund
EPR Fees

DOWNSTREAM INSTRUMENTS
- Volumetric tariff
- Disposal tax

Consumption
- Recycled materials
- Waste
- Recycling subsidy / DRS

Recycling
- Recycling subsidy

Disposal
- Waste
- Disposal
IMPLEMENTING DOWNSTREAM INSTRUMENTS

Volumetric tariffs

Municipality (or Municipality's representative)

Disbursed

Households / Business

Disposal Taxes

SARS

Treasury

Bureau

Landfill or Facility owner

Disbursed
IMPLEMENTING UPSTREAM INSTRUMENTS

Product, material and input taxes

SARS → Treasury → DEA / Bureau → Disbursed

Payment

Obligated industry

Deposit-refund systems

Distributor or Bottler

Deposit → Refund

Retailer (or designated representative)

Deposit → Refund

Consumer
IMPLEMENTING THROUGH EPR SCHEMES

Extended Producer Responsibility Schemes

**EPR ‘fee’ (Industry managed)**
- DEA / Bureau
- PRO(s)
- Payment
- Monitoring
- Producers / Importers
- Disbursed

**EPR ‘tax’ (Government managed)**
- SARS
- Treasury
- DEA / Bureau
- Payment
- Monitoring
- Disbursed
- Producers / Importers
- PRO(s)
STATUS QUO

- Published in the GG on 2 February 2015
- 60 day commenting period
- Commenting period closes on 2 April 2015
- Consolidate comments
- Develop comments & response document
- Amend the draft Pricing Strategy Document
- Publish Final document in GG for implementation
For more information

• Mr Kgauta Mokoena
  Chief Director
  Email: Kmokoena@environment.gov.za

• Mr Anben Pillay
  Director
  Email: apillay@environment.gov.za