

Feasibility study for a Landfill Disposal Tax



Despite the intentions of the National Waste Management Strategy to implement the waste management hierarchy, the vast majority of waste volumes in South Africa continue to be landfilled because landfill charges are very low, and are frequently not representative of the actual, direct costs of landfill. In addition, the broader costs of landfill, including the social and environmental externalities, are not considered.

PDG led a team, including COWI and Atrenew, to undertake research to support the introduction of regulatory instruments to minimise waste to landfill for the national Department of Environmental Affairs. This research included a literature review of suitable regulatory and policy measures for general and hazardous waste management in the South African context, an assessment and review of existing landfill fees, and investigation of the possibility and mechanism for the introduction of a landfill disposal tax as a disincentive to landfilling.

The team combined COWI's extensive international experience of waste regulatory instruments and alternative waste disposal technologies with Atrenew's local experience of regulatory and financial issues around waste disposal PPPs and PDGs experience of the municipal solid waste and municipal finance environment. The study focussed on the feasibility of implementing a landfill tax in the South African context and the preconditions that would need to exist, or the barriers that would need to be overcome, in order to use landfill taxation as a policy tool.

The study found that while landfill taxation is entirely consistent with the national environmental legislation and policy, its introduction would be premature due to the poor



state of waste management systems in South Africa. If the tax (and associated complementary measures) are to be implemented prior to the resolution of some aspects of the solid waste management service, it may have worse environmental impact than prior to its implementation. Instead, a waste management reform process was proposed which would put in place the pre-requisites for other regulatory measures (including landfill taxation, but that may even begin to achieve the environmental objective in their own right.

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LDS PROJECT:

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