

# **Financing of Waste Management - Different Approaches and Examples**

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# Financing Options - Overview

- Tax system
  - For any waste type
  - For special purposes (e.g. landfill tax for contaminated site remediation)
- Fee system
  - In general (e.g. municipality sets certain fee and charges residents for residual waste per household, per square metre living space)
  - For specific purposes (e.g. integrated disposal fee for refrigerators, fluorescent tubes)
- Deposit System
  - For certain waste types (e.g. glass bottles, plastic bottles)
- Full cost system (all services covered)
  - For certain waste types (e.g. Producer responsibility driven systems for packaging, electric/electronic waste)
- Additional Cost system
  - For certain waste types (stakeholders share costs involved for packaging waste)

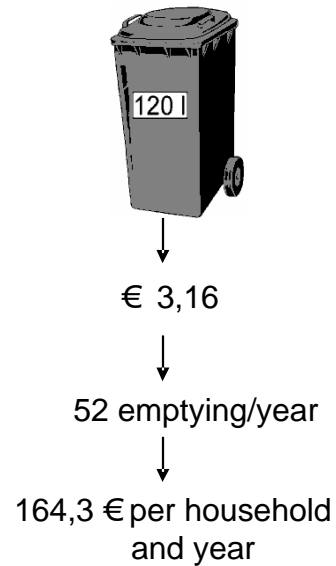
## Tax system - Examples

- Waste taxes can be cost covering charges where the revenues are used either to pay for waste disposal services, such as the Dutch household waste tax, or to finance recycling services, such as the Swedish battery charge.
- Or, they can be incentive taxes levied to change environmentally damaging behaviour. Revenues are often used to further encourage behavioural change. One example is the German toxic waste charge.
- The third way that a waste tax can be used is as a fiscal environmental tax, whereby surplus revenues from the tax can be used to finance budget deficits or shift taxes from labour to resources. Such a change in the tax system which shifts taxes away from labour and capital and onto the use of resources is known as an ecological tax reform (ETR).

# Fee system - Example Vienna



Municipal solid waste charge



With the municipal waste charge the following services are included:



Hazardous Waste Collection under supervision



Info-Hotline



Recycling centres (for large amounts of different waste fractions from households and bulky waste, compost for free)



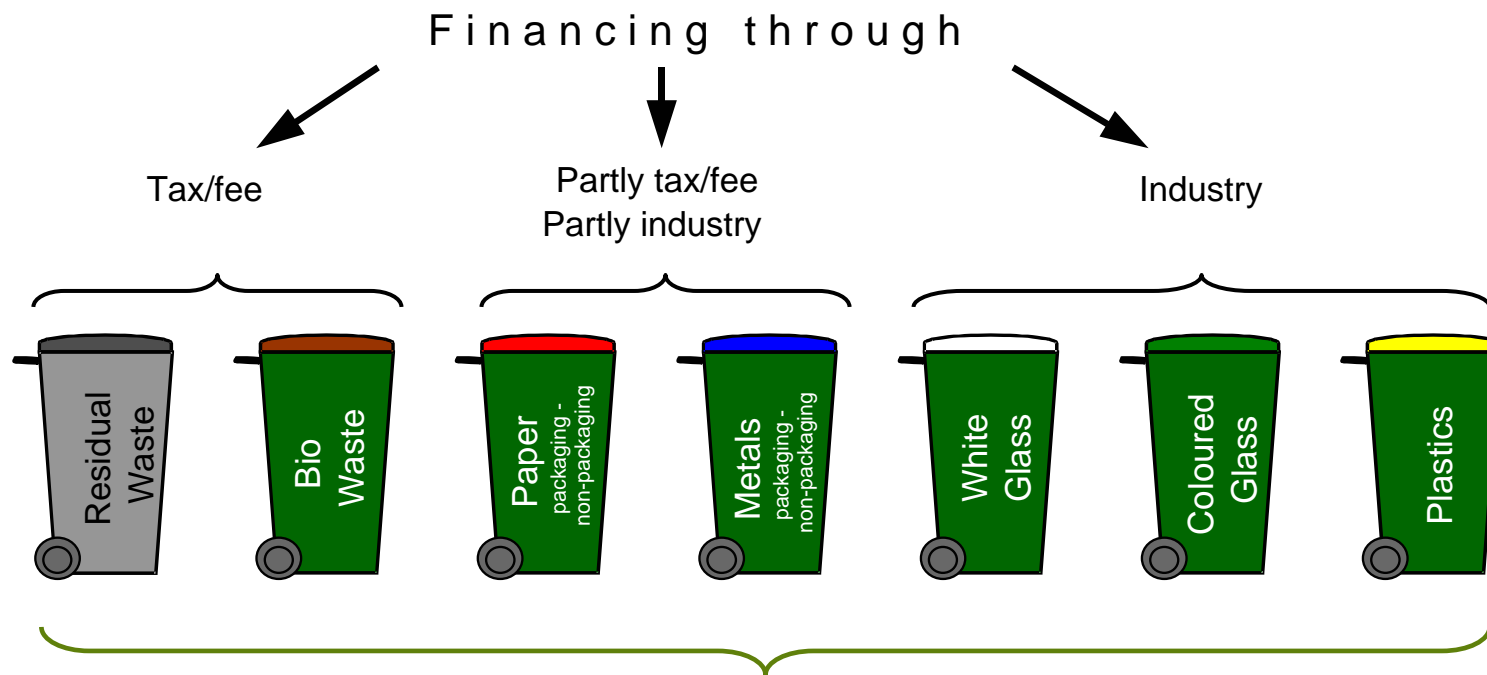
## Deposit system - Examples

- Deposit systems can be established for different waste types, particularly for packaging waste. The objective for this measure is to reduce littering of waste and to promote reusable packaging.
- There is a tradition for deposit on refillable/reusable packaging. Consumers have to pay a deposit for refillable/reusable packaging when they purchase it. When they bring back the empty packaging to supermarkets or stores they receive the deposit back. This system particularly works for glass bottles or PET bottles (they can be refilled 20-50 times).
- There are also a few examples for deposit systems for one way beverage packaging. In contradiction to refillable packaging the one way packaging are recycled/recovered after use and not refilled.

## Full cost system/Additional cost system - Examples

- On the basis of producer responsibility, which is set in the law, producers have the obligation to fulfil the legal requirements. This also means they have to carry at least partly the costs needed.
- Such systems are established particularly for packaging waste.
- Either the system carries the total cost for collection/sorting/recovery of packaging waste. Or the municipalities pay part of the cost and the system pays part of the cost.

# Various Options for Financing Waste Management Services



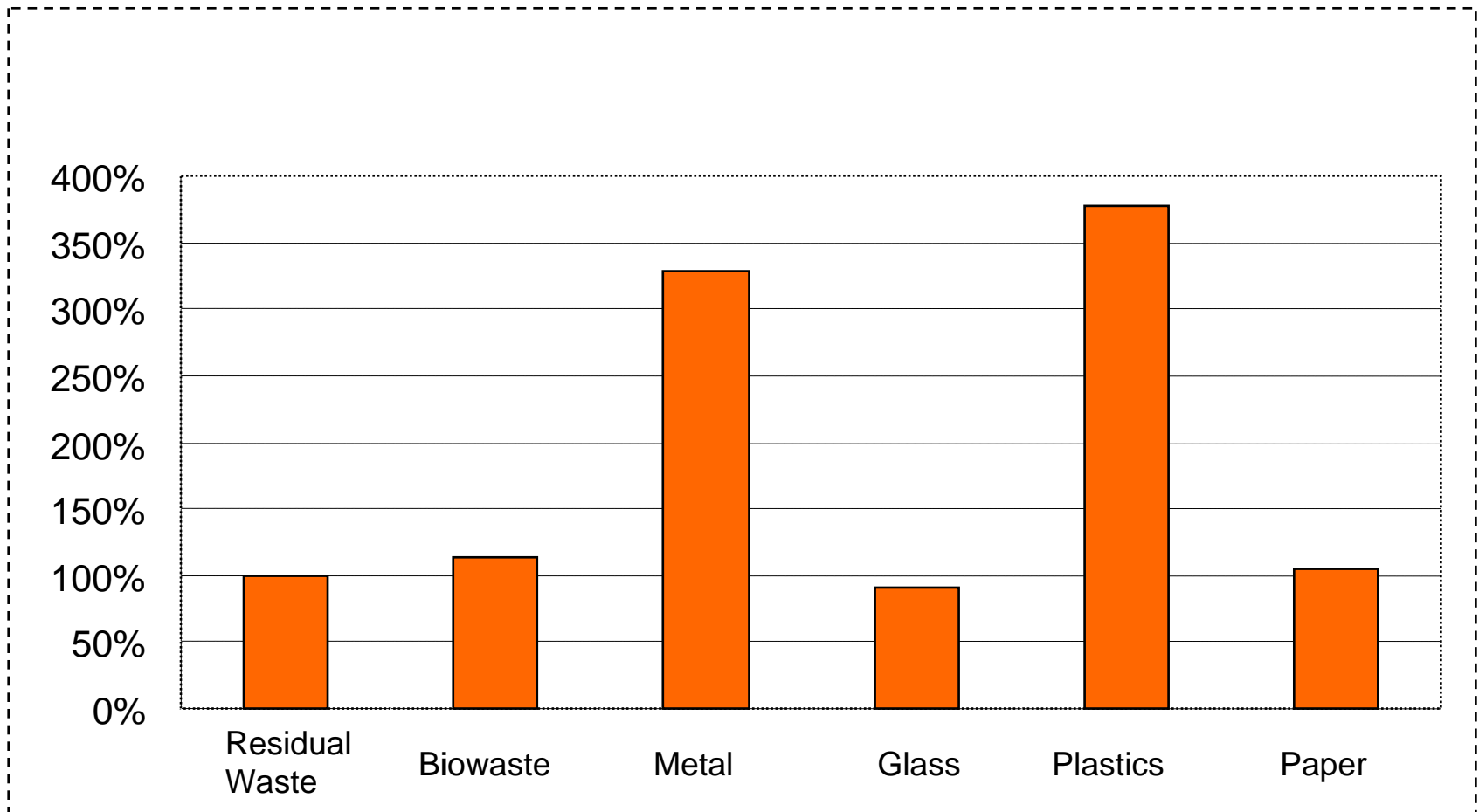
Consumers are provided with a comprehensive and convenient collection system for all materials

## Cost for waste management (example Vienna)

Inhabitants of Vienna	1.752.365
approx. inhabitants per household	2,21
specif. costs per household and year (without offices, small trade etc.)	164 €
specif. costs per household and day (without offices, small trade etc.)	0,45 €
specif. costs per inhabitant and day (without offices, small trade etc.)	0,20 €



## Balance of cost – collection (example Vienna)



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