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18 October 2017

Ms Christine McDonald
Committee Secretary
Environment and Communications Reference Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

email: ec.sen@aph.gov.au

Dear Ms McDonald

Inquiry into the Waste and Recycling Industry in Australia

Thank you for providing the Local Government Association of South Australia (LGA SA) with the opportunity to make a submission on this important Senate inquiry.

The LGA SA is a membership organisation for all councils in South Australia and is the voice of local government in this state. The LGA SA is created by councils and endorsed by the South Australian Parliament through the *South Australian Local Government Act 1999*. All 68 councils in South Australia are members of the Association. The LGA SA provides representation, quality service and leadership relevant to the needs of member councils.

LGA SA would like to raise the following matters for the consideration of the Senate Inquiry.

Waste Levy

Local government recognises the use of fees, charges and levies as legitimate tools to influence waste management and resource recovery policy.

South Australian local government believes that the revenue raised must remain in the waste management and resource recovery sector, and be used to reward and encourage waste reduction initiatives and further develop and refine waste management practices and technologies.

While supportive of a waste levy and its use to improve recycling and waste management outcomes, the levy rate in South Australia is now such that it imposes a huge cost on councils and communities. Since 2001, the waste levy has increased by nearly 1,450%.

Independent research commissioned in South Australia suggests that a waste levy rate above \$50 per tonne is a net economic cost to the community. It is now \$87 per tonne and rising to \$103.

In South Australia, only a small portion of money raised is invested back in the sector. The South Australian state government has collected approximately \$90 million over the past 10 years and this remains unspent in the Waste to Resources Fund, with no clear forward path for the expenditure of these funds.

This reinforces the notion that the levy and fund are being used as a revenue raising mechanism that is being altered without sufficient scrutiny.

Recycling Markets

The emerging 'circular economy' in Australia is subject to unpredictable price fluctuations in the global market. Currently, glass has a marginal value, and plastic prices are at a historic low. The stockpiling of materials prior to recycling is a normal process in the recycling market.

In order to stimulate recycling markets the landfill levy money should be used to support regulatory enforcement, statewide waste management and recycling infrastructure planning, and the creation of viable, long-term markets for recycled products.

Recycling

It is widely acknowledged that South Australian's are the best recyclers in Australia. However it is acknowledged that further improvement can be made both within South Australia and Australia. These improvements include:

- councils to continue to move, as much as possible, towards nationally consistent kerbside collection services and communication;
- continual improvement in the efficiency and environmental sustainability of the waste and resource management sector, and the further development of waste sector markets; and
- evidence-based interventions and education. Councils can partner with state government funding agencies and research institutions to rigorously evaluate interventions and activities and establish a strong evidence base for effective education activities. Councils can then share this evidence and lessons learnt through regional waste groups.

Thank you again for providing LGA SA the opportunity to provide input into this Inquiry. Should you require further information please contact Stephen Smith, Director Policy at

Yours sincerely

Matt Pinnegar
Chief Executive Officer