

Parliament of South Australia – Inquiry into the Recycling Industry

LGA Submission

July 2019

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Summary of Recommendations:

The LGA asks that the Environment, Resources and Development Committee consider the following recommendations in conducting and reporting on its Inquiry:

1. That federal and state governments seek to apply circular economy principles to all stages of production and consumption by:
 - a. encouraging circular-use products (both recycled and recyclable) by developing an accreditation system for these products and by supporting investment in them; and
 - b. discouraging linear-use products (that follow the “take, make, dispose” model) by building the true cost of these products into their prices and through gradual phase-outs.
2. That all spheres of government seek to increase transparency in the waste and recycling industry and improve “waste literacy”:
 - a. by providing for increased reporting requirements either for recyclers or for manufacturers/producers, or both in the short term; and
 - b. providing a basis for consideration of new legislative obligations either for recyclers or for manufacturers/producers (to ensure recyclable materials are managed responsibly) in the long term.
 - c. through consistent and ongoing community education programs.
3. That the South Australian Government amend the Container Deposit Scheme to introduce a positive obligation on sellers of beverage containers, to ensure that containers returned through the scheme are managed responsibly (i.e. that they are recycled where it is practicable to do so).
4. That the South Australian Productivity Commission, or another body, investigate the potential costs and benefits of regulating waste and recycling as “essential services” in South Australia.
5. That the South Australian Government:
 - a. freeze the solid waste levy for 2019-20 and beyond at its 2018-19 level of \$100 a tonne for metropolitan councils and \$50 a tonne for regional councils; and
 - b. commit to making 50% of the money paid into the Green Industry Fund by local government each year available to councils for worthwhile waste and recycling initiatives;
6. That federal and/or state governments partner with industry to develop a clear and credible national accreditation system for circular-use products that can underpin efforts to increase responsible purchasing of recycled-content products and materials by governments, business and industry and the broader community.
7. That the South Australian Government explore action to achieve statewide consistency in waste management services by financially supporting all councils to provide a landfill, recycling and food and green organics (FOGO) service to their communities.
8. That the South Australian Productivity Commission, or another body, review the efficiency and effectiveness of the kerbside-collected three bin system including consideration of how to manage municipal waste afresh, in light of the global movement towards the circular economy.

Introduction

About the LGA

The LGA is the voice of local government in South Australia, representing all 68 individual councils across the state. Our mission is to provide leadership to councils for the benefit of the South Australian community.

The LGA is recognized in the South Australian *Local Government Act 1999* for the purpose of promoting and advancing the interest of local government and is recognised in 29 other South Australian Acts of Parliament.

The LGA provides leadership, support, representation and advocacy relevant to the needs of our member councils. We also operates specific units/entities providing:

- all public liability and professional indemnity cover for all South Australian councils;
- all workers compensation cover for all South Australian council employees and associated local government bodies;
- asset cover for South Australian councils;
- extensive education and training, procurement, online services, and a research and development scheme.

As a constituent member, the LGA also advocates on federal issues through the Australian Local Government Association.

This submission has been informed by consultation with our member councils.

Local government's waste management role

Local government plays an important role in waste management in South Australia through providing municipal waste and resource recovery services, seeking to increase recycling and resource recovery rates and taking action to reduce waste disposed to landfill.

Councils also play a part in educating the community in relation to responsible waste management, in particular, in relation to the recycling of materials.

Local government, and by extension resident and business ratepayers, also makes a significant investment in the management of waste and recycling. The increased cost of waste management and recycling services has become one of the most difficult financial challenges for the local government sector over the last 12-18 months, meaning that councils have a key interest in waste reduction methods.

In May 2018, an independent report commissioned by the LGA estimated that councils were facing increased costs of \$8.8 million per annum as a result of the implementation of the China National Sword Policy. It is likely that this amount would be even higher today as the flow on impact of the policy are further compounded.

Councils are also facing additional costs by responding to increasing community expectations around ensuring the sustainability of waste management practices.

Local government's role in the policy development process

The LGA welcomes the Parliament of South Australia's Inquiry into the Recycling Industry. The local government sector is proud of South Australia's record as both a leader in waste management and the state with the highest recycling rate in Australia. The local government sector is keen to see South Australia maintain its advantage in this regard, and to undertake the action required to meet the current challenges in the waste and recycling sector.

The LGA notes that all three spheres of government have been active in seeking to respond to these challenges and, given that waste management falls to local government to implement, the LGA has sought to ensure that the sector has a strong voice in all of these discussions. The LGA has previously made submissions to the following reviews:

- [Australian Government development of the 2018 National Waste Policy: Less waste, more resources](#) (submission dated October 2018);¹
- [South Australian Government reviews of Single-use Plastics and Container Deposit Scheme](#) (submission dated February 2019).²

The LGA's submission to the Parliament of South Australia's Inquiry into the Recycling Industry (this submission) is a consolidated summary of the LGA's work on this issue to date. The views expressed in this submission represent the views of the local government sector as a whole, which have been identified through:

- The LGA's participation on the Green Industries SA (GISA) "China Import Bans Working Group" (from early 2018) and subcommittees along with representatives from the Environment Protection Authority (EPA), Waste Management and Resource Recovery Association of Australia (WMRR) and local government waste subsidiaries;
- The GISA/LGA Waste Pathways Workshop "Beyond China Sword" (June 2018) that explored the implications of the China Sword Policy for the recycling industry and possible solutions;
- The LGA information session for councils on the South Australian Government reviews of Single-Use Plastics and Container Deposit Scheme (February 2019);
- The LGA's representation on the EPA Container Deposit Scheme Stakeholder Reference Group (2019); and
- The sector-wide discussions held at the 2019 LGA Showcase event (April 2019) and a Waste Essentials training session for elected members (May 2019).

¹ https://www.lga.sa.gov.au/webdata/resources/files/ECM_665962_v9_Submission%20to%20Discussion%20Paper%20on%20updating%20Nationa.pdf

² <https://www.lga.sa.gov.au/webdata/resources/files/LGA%20Submission%202019%20-%20State%20Government%20Waste%20Reviews%20-%20single%20use%20plastics%20and%20CDS.pdf>

LGA submission

South Australia is facing a waste management crisis as a result, at least in part, of China's National Sword Policy.

While some action has already been taken, there is an urgent need for governments to work together for the benefit of our local communities to re-think waste management practices and the concept of sustainability in our economy more generally.

There is an opportunity for South Australia to take the lead and drive positive change.

The LGA's response to the Inquiry's specific Terms of Reference and our recommendations are outlined in the following discussion.

How South Australia has responded to China's recent restriction on its importation of recyclable material.

The South Australian State Government has responded as follows:

- State Government Recycling Industry Support Package – May 2018;
- Various grants programs including Waste and Recycling Infrastructure Grants, Circular Economy Market Development Grants and regional transport subsidies;
- GISA "China Import Bans Working Group" (from early 2018) and subcommittees;
- State Government reviews of Single-Use Plastics and Container Deposit Scheme (commenced January 2019);
- Statewide Recycling Education Campaign (launched May 2019); and
- State Government Waste Management Package – June 2019.

The adequacy of these actions are discussed in later sections of this submission.

The South Australian local government sector has responded as follows.

The LGA has:

- shared the results of the LGA commissioned "Market Analysis of South Australian Recyclables" report (May 2018) to assist councils in understanding their exposure;
- held a Waste Pathways Workshop "Beyond China Sword" (June 2018) to explore the implications of China Sword for the recycling industry in SA and possible solutions;
- worked to understand the position of councils in re-negotiating waste management contracts and developed a model "rise and fall" clause to provide for risk-sharing arrangements in council contracts (October 2018);
- secured funding from Green Industries SA for a pilot project to trial the adoption of circular procurement targets by councils (December 2018) and commenced the project;
- enabled councils to share learnings in the waste space through the 2019 LGA Showcase event (April 2019) and a Waste Essentials training session for elected members (May 2019); and

- through LGA Procurement is in the process of establishing a Panel of Preferred Suppliers of bitumen and minor civil works that will specifically include suppliers of recycled-content in road construction materials.

South Australian councils have:

- maintained the uninterrupted provision of waste management and recycling services to communities in South Australia throughout the last 18 months despite the cessation of operations of SKM Recycling in February 2019, one of the three major recyclables processors operating in South Australia. For the councils who had contracts with SKM Recycling, this meant negotiating alternate arrangements in a tight and volatile market. It should be noted that the difficulties experienced by SKM Recycling led to a number of councils in other states sending recyclables to landfill which did not occur in South Australia and which has helped to maintain community trust in our recycling system;
- invested in numerous infrastructure upgrades and taken up opportunities presented by the State Government Waste Infrastructure Grants and other grants programs;
- explored development of a second local government owned Materials Recovery Facility (MRF) to service Adelaide's southern suburbs;
- strengthened sustainable procurement practices including through exploring and trialing the use of recycled-content in local road construction and maintenance;
- continued programs aimed at increasing the diversion of food waste from the red/blue household waste bin into the green food and green organics (FOGO) bin (achieving increased diversion of food waste from landfill remains the biggest opportunity councils and communities have to reduce waste management costs);
- continued to inform and educate their communities about the importance of continuing to recycle materials; and
- participated in numerous reviews, discussions and processes to explore possible solutions to the current challenges in waste and recycling (ongoing).

Current policy and legislative frameworks (and potential for desirable reforms) that govern resource recovery, in the context of China's National Sword Policy.

Recommendation 1: that federal and state governments seek to apply circular economy principles to all stages of production and consumption

In recent years, both the Australian Government and the South Australian Government have adopted as a policy position the need to move towards a "circular economy" (see for example, *2018 National Waste Policy: Less waste, more resources* and *South Australia's Waste Strategy 2015-2020*).

The LGA agrees that Australia and South Australia must move towards the establishment of a circular economy to ensure our waste management practices (and our way of life) remains sustainable into the future. The environmental imperatives for establishing a circular economy are well accepted and the National Waste Policy notes the global movement towards applying circular economy principles.

The Ellen MacArthur Foundation cites the following definition of circular economy:

What is a circular economy?

Looking beyond the current “take, make and dispose” extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimizing negative impacts...”

For the purposes of this submission, products designed and manufactured according to the current “take, make and dispose” extractive industrial model are referred to as “linear-use” products. Products designed and manufactured to be reused, repaired and recycled are “circular-use” products.

The LGA’s position is that policy and legislative frameworks should adopt similar concepts and language. Current policy and legislative frameworks are too focused on the back end of the process (waste management and resource recovery). Policy and legislative frameworks should seek to apply circular economy principles to all stages of production and consumption.

The biggest opportunity to tackle Australia’s waste problem is at the front end of the production process (at the point of decisions being made about design, manufacture, packaging, marketing, retail and consumption) rather than at the back end (at the point of waste disposal).

Encourage circular-use products

The LGA’s submission to the review of the National Waste Policy recommended that circular-use products (both recycled and recyclable) should be encouraged by developing a clear and credible national accreditation system for circular-use products.

The submission considered that it would be possible for the Australian Government (or indeed state and territory governments collectively) to partner with industry groups such as the Waste Management and Resource Recovery Association (WMRR) and the Australian Packaging Covenant Organisation (APCO) to develop a voluntary scheme for the accreditation of circular-use products and materials.

An accreditation scheme could consider all aspects of product development including design, manufacture, packaging, and sales (and potentially even take-back or other product stewardship schemes), and require circular economy principles to be applied at all stages, to achieve accreditation.

An accreditation system could underpin efforts to increase responsible purchasing of recycled-content products and materials by governments, business and industry, and the broader community. Once products and materials can be independently verified as being “circular-use” products, it becomes much easier to set targets or mandate requirements for their purchase.

Discourage linear-use products

The LGA’s submission to the review of the National Waste Policy also recommended linear-use products should be discouraged by building the true cost of these products (including environmental and other externalities) into the price of the products.

This could be done through numerous mechanisms available at the federal level including taxation, import/export restrictions, product stewardship schemes or consumer laws. However, it could also be done in some circumstances at the state level, for example, through product stewardship schemes including the Container Deposit Scheme.

The LGA also agrees we should be discouraging linear-use products through gradual phase-outs. The LGA’s submission to the State Government review of Single-use Plastics supported the option of a dedicated legislative instrument *“to address all single-use plastic and other single-use products*

targeted in one Act of Parliament by defining specific objectives and measures with a view to preventing and reducing their impact on the environment...”

The LGA recommended that the legislation establish clear and justifiable criteria for the products to be considered for restriction. The LGA recommended that a product be considered for restriction if:

- it is made of plastic or predominantly plastic and is designed for disposal after one use;
- there are suitable alternatives (with a lower environmental impact) in the market; and
- the product is unable or unlikely to be recycled (together, the proposed criteria).

These criteria should be flexible enough to adapt overtime as new products and processes are developed and as consumer preferences change.

The LGA’s submission to the State Government reviews of single-use plastics recommended that the legislative framework should also provide for other policy responses.

Consideration should be given to whether changes to reporting requirements for all those involved in the production and consumption of products and materials could improve transparency in the waste and recycling industry (discussed further below). The legislative framework should also allow for product labelling requirements describing how to recycle or dispose of a product and product labelling requirements to allow consumers to identify products with recycled-content in the marketplace.

The legislative framework should also support increased engagement with industry, businesses and consumers by supporting voluntary action to reduce plastic and other waste. For example, the legislative framework could support the adoption of voluntary codes of practice by industry or business groups that encourage moves away from plastic and other problematic materials. Codes could require such simple actions as asking consumers whether they would like a bag/packaging when purchasing products rather than simply giving out bags by default.

Recommendation 2: that all spheres of government seek to increase transparency in the waste and recycling industry and improve “waste literacy” through consistent and ongoing community education programs.

The above proposed criteria highlight the importance of improving transparency in the waste and recycling industry in Australia and that there is a need to increase “waste literacy” in the community in this regard. For policy-makers, regulators, industry stakeholders and the community to meaningfully engage in the debate about linear-use products, they would need to understand:

- Which products are recyclable and recycled;
- How products are recycled and what the (recycled) end use is; and
- What alternative products there are available and their different characteristics.

Despite being Australia’s best recyclers, there is generally a low level of understanding by the community of the waste and recycling industry in Australia and consideration needs to be given to how this can be improved. It can be very difficult even for motivated community members and consumers to be well informed. This is because, generally speaking, once recyclable materials are conveyed from household yellow bins to recyclables processors, there is no longer any reliable method of ascertaining what happens to them after that. Recyclable materials may be sold to local re-processors (for example, for glass beneficiation), transported interstate, exported overseas or (if contaminated or if no market is available) sent to landfill.

The LGA considers that there is the need for consistent and ongoing community education programs that are coordinated and funded by the State Government level in consultation with local government and MRF operators to ensure consistent and clear messaging.

The LGA appreciates the current “Which Bin Campaign”, and recommends that campaigns such as this are continued to ensure broad and repeated engagement across the community.

The South Australian Regional Organisation of Councils (SAROC) has also identified the need for the State Government to develop targeted educational material to support increased recycling and reduce waste to landfill in regional communities.

There are currently no legislative or regulatory obligations on recyclables processors to ensure that recyclable materials are managed responsibly. Further, there are no legislative or regulatory obligations on recyclables processors to ensure recyclable materials are in fact recycled. Until now, this has been left entirely up to market forces to determine. The implications of the China National Sword Policy may signal the need for change in this regard.

A legislative framework that provides for increased reporting requirements (either for recyclers or for those operating at the beginning of the production process such as manufacturers) could improve transparency in the industry and contribute to the quality of public awareness and debate in this area. Improved transparency in the short term could also possibly provide a basis for consideration of new legislative or regulatory obligations on recyclables processors in the long term.

It is also necessary to consider the difference between products and materials that are “infinitely recyclable” and products and materials that can be re-used in another product but once that single re-use has occurred the product or material then reverts back to being a linear-use product that, at end of life, will be disposed to landfill. There are many examples of this type of “recycling” in the market and there may be a need for better or more specific definitions of terms such as “recyclable” and “recycled”.

Recommendation 3: that the South Australian Government amend the Container Deposit Scheme to introduce a positive obligation on sellers of beverage containers to ensure that containers returned through the scheme are managed responsibly

The South Australian Container Deposit Scheme (CDS) provides a good case study in this regard. The LGA’s submission to the review of the CDS noted that there is very limited understanding in the community regarding what happens to containers that are returned through the CDS and that this “back end” of the scheme should be subject to increased analysis and scrutiny.

The CDS works so that those who wish to offer beverages for sale in South Australia must apply to the EPA for approval of the containers. At present, the only obligations placed on sellers at the point of applying for approval, is that they ensure there are arrangements in place to enable consumers to return the containers and receive their 10 cent deposit back. Similarly to recyclables processors, there are no obligations placed on sellers to ensure that the returned containers are either managed responsibly or that they are actually recycled.

The LGA submission noted that whilst the CDS was designed and implemented as a litter reduction mechanism, it is now more widely viewed as a resource recovery mechanism. The LGA considers that resource recovery should not be viewed as an end in itself and there should be increased scrutiny of what happens to these resources following recovery.

The Scoping Paper for the review of the CDS simply stated that “aluminum, steel, liquid paperboard and plastic containers are recycled through markets sourced by the super collector”. Again, similar to recyclable materials placed in the yellow bin, what happens to returned containers after their recovery

has been left entirely to market forces to determine? In light of the implications of the China National Sword Policy, this is problematic.

It is necessary for policy makers to consider what these markets are and where they are, whether they are in Australia or only overseas, where the costs and benefits of this system lie (both economic and environmental) and whether the system is sustainable or not. The LGA considers that resource recovery efforts should be focused on materials that are, or are likely to be, reprocessed within Australia. This will ensure both the economic benefits remain in Australia and the environmental impacts are managed according to the Australian standards.

The LGA's view is that the legislative framework that establishes the CDS should be amended to introduce a positive obligation on sellers of beverage containers to ensure that containers returned through the scheme are managed responsibly (i.e. that they will be recycled where it is practicable to do so).

Recommendation 4: that the South Australian Productivity Commission investigate the potential costs and benefits of regulating waste and recycling as "essential services"

One way to improve transparency in the waste and recycling sector and to provide additional legislative or regulatory obligations on participants may be to strengthen government oversight of waste and recycling as "essential services". The Victorian Waste Education Strategy describes an essential service as "a service that is recognized as a basic right for the community. Any failure to deliver this service results in risks to the community". The risks could be health, environmental or economic risks.

The Essential Services Commission of South Australia regulates the following industries as "essential services": water, electricity, gas, ports and rail. The Victorian Essential Services Commission regulates similar industries. The role of both the South Australian and Victorian (and other) Essential Services Commissions is to "protect (SA)/promote (VIC) the long term interests of consumers with respect to the price, quality and reliability of essential services".

A policy and legislative change to regulate waste and recycling as an "essential services" could provide the opportunity for more targeted and effective mechanisms in providing these services. However, a thorough review of the potential benefits and costs of making this change would need to be undertaken to determine if regulating waste and recycling as "essential services" would be a positive move for South Australia.

Whether funding from the state government (including Green Industries SA funding) has been enough to support South Australian businesses and local councils affected by China's National Sword Policy.

Funding for programs announced by the State Government is sourced through the Green Industries Fund established under the *Green Industries Act 2004*. The fund (Green Industries Act Section 17(3)) consists of the following money:

- a) *50 per cent, or such greater percentage as may be prescribed, of the amount paid by waste depot licence holders by way of levy under section 113 of the Environment Protection Act 1993 in respect of solid waste received at the depots;*
- b) *any money appropriated by Parliament for the purposes of the Fund;*
- c) *any money paid into the Fund at the direction or with the approval of the Minister and the Treasurer;*

- d) *any money received by way of grant, gift or bequest for the purposes of the Fund;*
- e) *any income from investment of money belonging to the Fund;*
- f) *any money paid into the Fund under any other Act.*

When the Green Industries Act was first established the purpose of the fund was to enable Zero Waste to apply the fund in accordance with its business plan or in any other manner authorized by the Minister:

In 2017 the purpose of the fund was expanded to not only include activities identified by the Green Industries Business Plan but also to enable the Minister to use the fund:

- (i) *towards the payment of costs of climate change initiatives, including research and development, education, innovation or business activity, in relation to initiatives for mitigating the effects of climate change, minimising carbon emissions and adapting to climate change; or*
- (ii) *towards the payment of costs of managing waste or debris, or harm to the environment, following an identified major incident, a major emergency or a disaster, declared under Part 4 Division 3 of the Emergency Management Act 2004.*

The State Government has provided two funding packages to support South Australian businesses and local councils affected by China's National Sword Policy (one in May 2018 and one in June 2019). The funding packages have been sourced from the State Government Green Industry Fund there is approximately \$120m available within the fund currently.

Money accumulates in the Green Industry Fund through payments made to government by way of the Solid Waste Levy as identified above. The Solid Waste Levy is a state government tax payable on waste sent to landfill. It is intended to incentivise increased recycling through making it more expensive to send waste to landfill. Based on the provisions of the Act, half of the money collected through the Solid Waste Levy goes towards funding the EPA, and the other half goes into the Green Industry Fund.

The Solid Waste Levy has increased exponentially over the past 18 years. It was \$5 a tonne in 2002/03, and \$100 a tonne in 2018/19 (this is for the metro area, the price is half this amount in regional SA). Despite the fact that there is around \$120 million in the Green Industry Fund (confirmed by the Minister during Estimates last year), the levy rose again on 1 July 2019 to \$110 – and it will rise again to \$140 a tonne in January 2020 – a 40% increase since 2018/19.

The impact of the Solid Waste Levy on councils – and therefore their ratepayers – is significant. It cost South Australian councils an estimated \$34 million in 2018/19 – about \$4 million more than it cost them in 2017/18. It is estimated that the waste levy will cost local government around \$42.5 million in the coming 2019/20 financial year. At the same time, councils are paying more to process their kerbside recycling due to the China National Sword policy. The LGA commissioned a market analysis report which indicated (in May 2018) that the immediate additional cost to councils to process kerbside waste is \$8.8 million per year. This amount is likely to be even higher following the closure of SKM Recycling (one of three recyclables processors in SA) in February 2019.

The State Government has provided two funding packages to assist with managing the implications of the China National Sword Policy in the amount of \$24.4m (total), which have been funded through the Green Industry Fund. However, almost all of this funding has been provided to the waste industry and not to councils to help shield ratepayers from increased waste management costs.

The package announced prior to the 2019/20 State Budget provides \$12 million over the next four years, with \$2 million going to the EPA. That leaves councils and the waste industry competing for a share of \$2.5 million of grant funding each year. Considering councils will pay an estimated \$42.5 million through the Solid Waste Levy each year, the State Government's funding package of \$2.5 million is inadequate and inequitable.

The funds collected through the Solid Waste Levy and accumulated within the Green Industry Fund could play a very significant role in securing South Australia's position as a national leader in the circular economy and generating new industries and employment opportunities. Initiatives such as the creation of an innovation hub to support new technologies in waste and recycling warrant further consideration. However, the government's policy to use these funds for environmental projects such as the home battery scheme and coastal sand replenishment is considered to be a missed opportunity for South Australia.

Recommendation 5: that the South Australian Government freeze the solid waste levy for 2019-20 and beyond at its 2018-19 level and commit to making 50% of the money paid into the Green Industry Fund by councils each year available to councils for worthwhile waste and recycling projects

The LGA has long advocated for a freeze on increases to the Solid Waste Levy and for the money that has been collected through the Levy and is stockpiled in the Green Industry Fund to be spent on worthwhile waste and recycling industry projects that will deliver tangible environmental and economic benefits.

The LGA 2019-20 State Budget Submission called on the State Government to commit to making 50% of the money paid into the Green Industry Fund by councils each year available to councils for worthwhile waste and recycling projects. The Levy will be \$110 a tonne in the first half of the year and \$140 a tonne in the second half (metro areas) and is projected to cost SA councils around \$42.5 million in 2019-20.

The recent sudden increases to the solid waste levy announced in the 2019 State Budget has created further uncertainty in the sector and placed additional financial strain on local government at a time when it is trying to navigate a market that is still yet to stabilise from the repercussions resulting from the China National Sword Policy.

This sudden and significant increase to the waste levy contained in the State Budget did not allow local government an opportunity to factor these additional costs, which equate to an average 0.5 – 1% rate increase, within the 2019/20 annual budgets.

Identifying short and long term opportunities and solutions in response to China's restriction on the importation of recyclable material.

The impacts of the China National Sword Policy present a significant opportunity to re-shape Australia's recycling industry by developing local markets for recyclable materials and establishing a truly circular economy. There is general acknowledgement of the need for all levels of government to help develop local markets for recyclable materials by increasing their own purchasing of recycled-content products.

The process of considering the environmental impacts of products and services in government purchasing is generally referred to as "sustainable procurement". The LGA has come to refer to the process of prioritising recycled-content products and materials in government purchasing as "circular procurement". This is because circular procurement is focused on promoting circular-use products and materials and is narrower than sustainable procurement, which can refer to all potential environmental impacts of a product or material including water and energy usage, carbon emissions, transport, etc.

Recommendation 6: that federal and/or state governments partner with industry to develop a clear and credible national accreditation system for circular-use products that can underpin efforts to increase responsible purchasing of recycled-content products and materials

The LGA's view is that it will not be possible to achieve sustainable (circular) procurement practices that support development of a circular economy without the establishment of a clear and credible accreditation system for recycled products. Establishment of such an accreditation system could underpin efforts to increase responsible purchasing of recycled-content products and materials by governments, business and industry and the broader community.

Whilst the LGA accepts that the establishment of an accreditation system is more suited to a national approach, this does not mean that state jurisdictions must wait for Australian Government action. The national "GreenPower" accreditation program is a good example of a national accreditation program established by the states and territories in partnership with industry. The LGA submission to the State Government review of Single-use Plastics encouraged the Minister for Environment and Water to raise this option through the Meeting of Environment Ministers forum.

Examining strategies more broadly to reduce waste generation and better management of waste.

Recommendation 7: that the South Australian Government explore action to achieve statewide consistency in waste management services by financially supporting all councils to provide a landfill, recycling and food and green organics (FOGO) service to their communities

The LGA recognises that councils take different approaches to the provision of waste management services and this can be a barrier to consistent community education programs to improve waste management practices. The LGA recommends that the State Government financially support all councils to provide a landfill, recycling and food and green organics (FOGO) service to their communities, where feasible and considered best practice.

Recommendation 8: that the South Australian Productivity Commission review the efficiency and effectiveness of the kerbside-collected three bin system including consideration of how to manage municipal waste afresh, in light of the global movement towards the circular economy

Further, all around the world governments are investigating different systems to achieve the most sustainable waste management outcomes for their communities. As stated above, the LGA recommends that the South Australian Productivity Commission investigate the potential costs and benefits of regulating waste and recycling as "essential services". The LGA would like to see this investigation include consideration of how to manage municipal waste afresh (in particular, how to incentivise behavior change effectively), in light of the global movement towards establishing a circular economy.

This review should also take into consideration specific fit for purpose regional waste management considerations that address the challenges regional councils face with transport, cost for disposal and infrastructure for waste management. An identified barrier for regional councils in circular waste management is the cost of transport of local waste resources to recycling facilities. The transport costs often far outweigh the return on recycling the product. This review should consider waste management on a regional basis to explore opportunities beyond individual council limitations and provide regional councils with options for improved circular waste management investment options.

Conclusion

The LGA believes that the implementation of the China National Sword Policy has provided an opportunity for policy makers and regulators to re-think waste management practices and the concept of sustainability in our economy more generally. South Australia has always been a leader in waste and recycling and the industry transition that is currently underway provides another opportunity for South Australia to take the lead and achieve positive change.

We need to act now to maintain our advantage and leverage it into a new, high-value circular economy that can support advanced manufacturing and high-technology industries. We need to work towards a way of life in which we only use materials that circulate through our economy again and again, providing ongoing value, efficient use of resources and knowledge-based jobs for the future.



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