

Parliament of South Australia – Inquiry into the recycling of soft plastics and other recyclable material

LGA Response

October 2023

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Introduction

About the LGA

The LGA is the voice of local government in South Australia, representing all 68 councils across the state. The LGA is recognised in the *Local Government Act 1999* (SA) and is a constituent member of the Australian Local Government Association.

The mission of the LGA is to provide leadership, support, representation and advocacy on behalf of all South Australian councils, for the benefit of the community.

The LGA response to the Committee's inquiry has been informed by existing policy positions, information regarding our member council's waste, recycling and resource recovery endeavours and feedback and comments from our member councils.

A key principle that underpins the LGA response to this inquiry, which is based on an existing LGA policy position is that local government should determine, in consultation with their community, what services they provide, for the benefit of their community, without being unreasonably hindered by conditions imposed upon them by state/federal government or industry.¹

Circular economy enabling the net zero transition

Together with its member councils, the LGA has developed a Policy Manual based on robust research and evidence, to recognise the roles of local government and identify how local government can be an important partner in government. Two relevant policies that are considered in this response are articulated below:

Managing the Risks of Climate Change Policy 4.4.8 Integrity states as follows:

Local government supports the Glasgow Climate Pact (2021), the Paris Agreement (2016), and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emissions targets, and Net Zero Carbon by 2050.

Waste & Resource Recovery Policy 4.2.5 Circular Economy states as follows:

Local government recognises that the ultimate goal for waste management is the achievement (as far as is practicable) of a circular economy. Councils shall continue to work with local markets and reduce their reliance on overseas commodity markets to develop sustainable waste management practices in South Australia, including via the procurement of recycled materials.

To achieve national carbon emissions targets, and Net Zero by 2025, South Australia ("SA") needs to reduce the amount of material and products consumed and progress its transition towards a more circular economy.

It is understood that 45% of global Green House Gas ("GHG") emissions can be attributed to "products", the production of materials, products and food (including the management of land), while the remaining 55% of global GHG emissions are attributed to energy systems and energy for buildings and transportation.²

¹ LGA Policy Manual, 1.1.4 *Autonomy* < <https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/the-local-government-sector/1.1-promoting-the-interests-of-local-government> >.

² Ellen MacArthur Foundation, "Completing the Picture: How the Circular Economy Tackles Climate Change" (2021) page 16 < <https://emf.thirdlight.com/file/24/cDm30tVcDDexwq2cD1ZEczIU51g/Completing%20the%20Picture%20-%20How%20the%20circular%20economy%20tackles%20climate%20change.pdf> >.

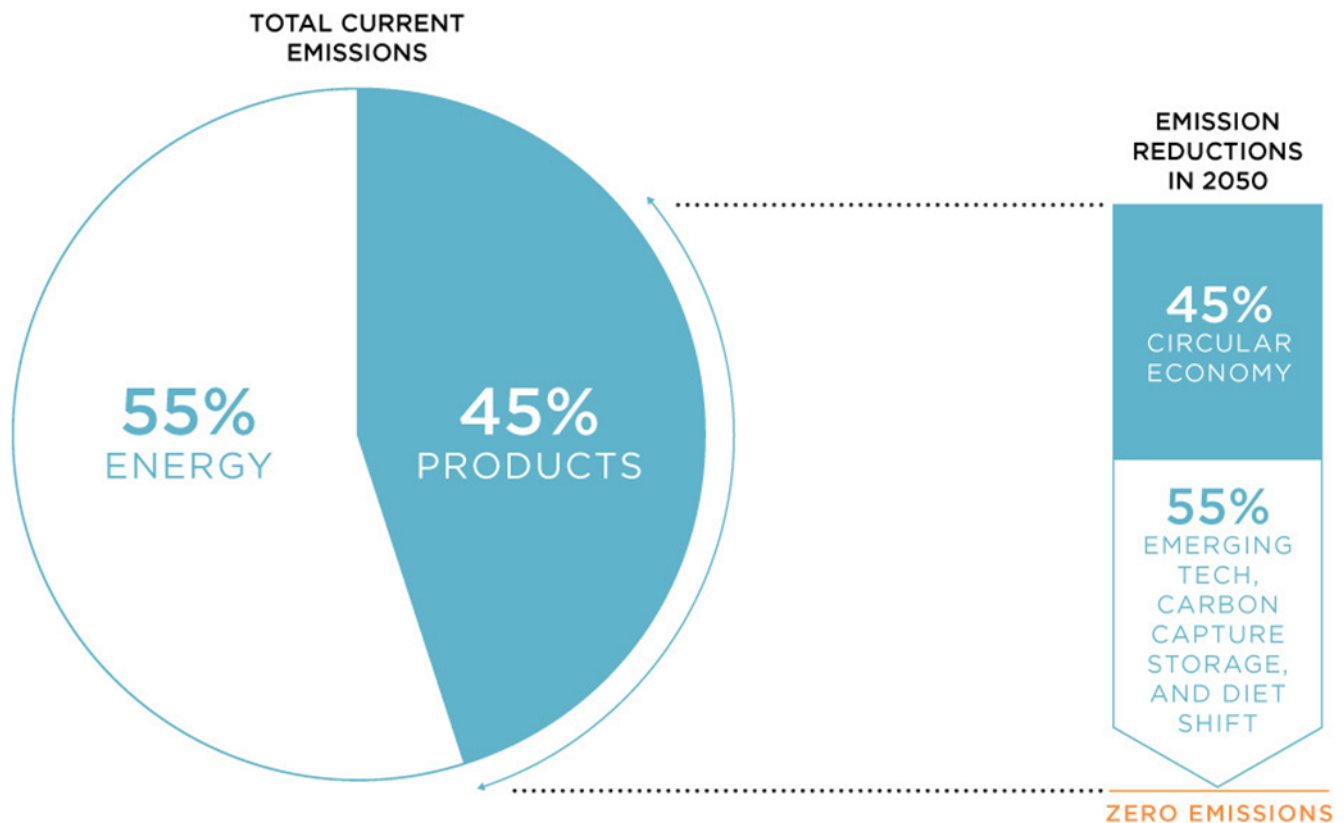


Figure 1: Ellen MacArthur Foundation, "Completing the Picture How the Circular Economy Tackles Climate Change" (2021)

SA's efforts to mitigate climate change has mainly focused on the critical role of renewable energy and energy efficient measures. Figure 1 shows that meeting climate targets will also require SA to tackle emissions relating to "products" to address the remaining 45%.³

Local government in SA formally recognised the climate crisis and declared a Climate and Biodiversity Emergency.⁴ Councils in SA acknowledge that urgent, ambitious and immediate action is required at all levels of government to address the climate crisis by reducing emissions⁵ and are committed to advancing waste management practices to provide high quality, innovative and sustainable waste management services that comply with environment protection requirements and support the transition towards a more circular economy.⁶

Local government acknowledge their integral role in the "back end" of the waste management process.

³ Ibid page 10.

⁴ LGA, *Ordinary General Meeting* (14 April 2023) Agenda item 8.2 < https://www.lga.sa.gov.au/data/assets/pdf_file/0028/1325278/ECM_790396_v4_LGA-OGM-Draft-Minutes-14-April-2023.pdf >.

⁵ LGA Policy Manual, 4.4 *Managing the Risks of Climate Change* < <https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/environment-and-natural-resources/4.4-managing-the-risks-of-climate-change> >.

⁶ LGA Policy Manual, 4.2 *Waste & Resource Recovery* < <https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/environment-and-natural-resources/4.2-waste-and-resource-recovery> >.

Councils play an important role in waste management that extends beyond kerbside collection including facility management, ownership of landfills, transfer stations and Material Recovery Facilities (MRFs), undertaking programs to increase recycling and resource recovery rates, acting to reduce waste disposed to landfill and leveraging procurement capacity to stimulate recycle “end market” development. Councils also play a part in educating the community in relation to the recycling of materials.

Despite the significant investment (just under \$250 million in 2020/21) and resources councils dedicate to improving recycling and resource recovery in SA (the “back end” of waste management) the amount of household waste sent to landfill and the amount of waste diverted from landfill has plateaued in SA, *Figure 2* (below).

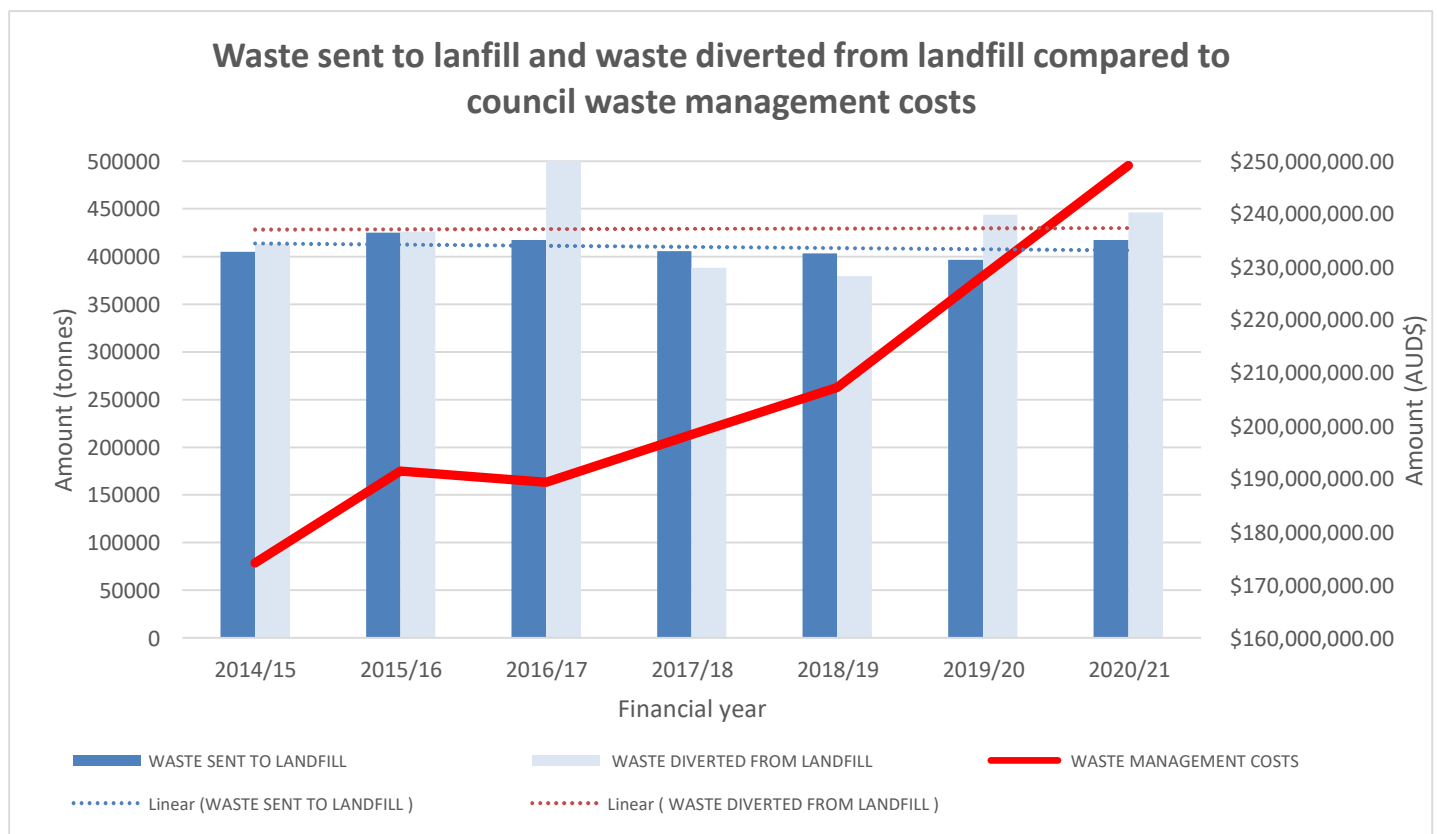


Figure 2: Total amount of domestic waste sent to landfill compared to the total amount of domestic waste diverted from landfill and council waste management costs.

Additionally, the amount of waste disposed of to landfill in SA increased in 2021-22 to 885 kilo tonnes (kt, or thousands of tonnes) from 840 kt in 2020-21⁷ and the average South Australian is generating 24% more waste since 2003-04.⁸

The plateau of waste diverted from landfill and the 2021/22 trends of increased waste generation and waste disposed of to landfill, suggests that something needs to change in the way the community consumes and uses materials if we are going to achieve our net zero target.

⁷ Green Industries SA, “Circular Economy Resource Recovery Report 2021-22” (2023) page 9 < <https://www.greenindustries.sa.gov.au/documents/gisa-cerrr-2021-22.pdf> >.

⁸ Ibid page 17.

A circular economy offers a systematic and cost-effective approach to tackling this challenge. A circular economy reduces reliance on natural and raw materials, keeps products in use longer and designs out waste and pollution.⁹

The foundations of a circular economy include avoiding creating waste, maximising material usage over multiple product lifetimes and extending the use of materials, articulated in Figure 3 (below), the 10 Rs of the Circular Economy represent various strategies that can be employed to reduce product generation.

Circular economy: more than recycling

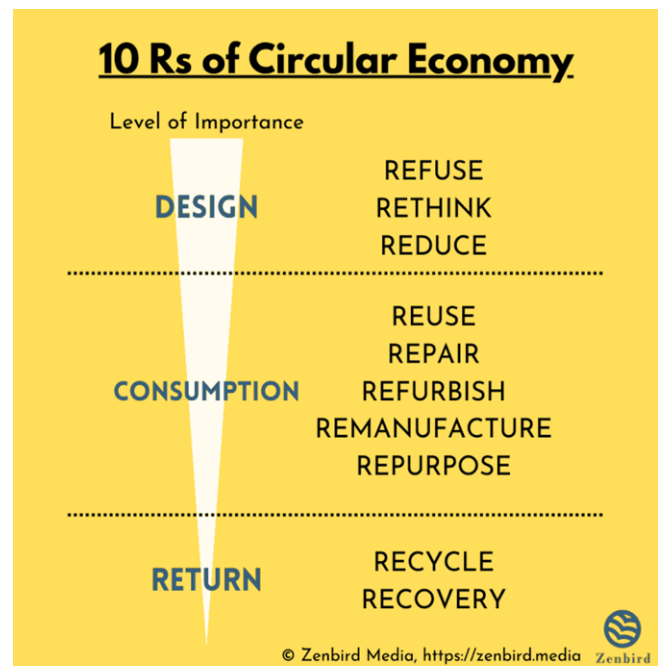
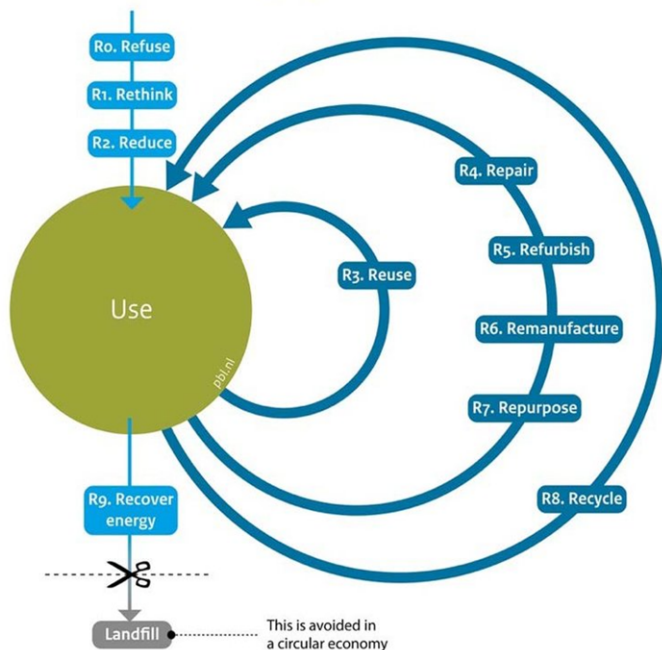


Figure 3: Circular Economy 10 Rs

To transition to a circular economy the focus needs to shift from the “back-end” of the process to the “front-end” and whole of material cycle. A focus on how and what types of products are manufactured, sold and consumed in the first place is the first step towards transitioning towards a more circular economy.

To achieve net zero, it is necessary to rethink product design to enable higher order “consumption” activities and to avoid waste generation and enable “return” activities.

The current policy settings in SA do not enable higher order “consumption” activities or “return” options (see Figure 3). Except for the South Australian Container Deposit Scheme there are few examples where responsibility is extended to the producer to enable circular flow of materials through the economy.

⁹ Green Industries SA, *Driving the Circular Economy* < <https://www.greenindustries.sa.gov.au/driving-the-circular-economy> >.

The soft plastics challenge

There are approximately 3.5 million tonnes of plastics in circulation in Australia,¹⁰ of which 449,000 tonnes (a third of all plastic packaging placed on the market) are soft plastics¹¹ and 45% of all plastic is used in packaging.¹² Soft plastics are the fastest-growing plastic packaging category and are almost always single-use.¹³

Soft plastics are a low value, highly complex material stream. This complexity makes the material challenging to recycle resulting in a large amount of this material going to landfill. Limited end market options for this recycled material also contributes to the low number of Australian recycling facilities that accept and process this material.

Prior to its collapse in November 2022, and formal closure in February 2023, the REDcycle drop-off scheme, involved the community collecting their soft plastics and packaging (which was usually from products bought from the supermarket) at home and returning it back to the supermarket. REDcycle was supported by major supermarket retailers Coles and Woolworths. It is estimated that REDcycle captured around 5% of consumer soft plastic in Australia.¹⁴

The REDcycle recycling service was targeted at households and other industries and businesses that utilise soft plastics like hospitals, restaurants and cafes were outside of the scheme's purview.

A combination of a lack of access to infrastructure, inadequate processing capacity and reduced demand for recycled products contributed to REDcycle's recycling partners being unable to continue accepting and processing the rapidly increasing volume of soft plastics.¹⁵

Following the collapse of REDcycle, and to meet the ambitious 2025 National Packaging Targets, the Federal Government formed the Soft Plastics Taskforce ("the Taskforce").

Chaired by the Department of Climate Change, Energy, the Environment and Water ("DCCEEW"), the Taskforce consists of the major supermarket retailers - Aldi, Woolworths and Coles.

The Taskforce has engaged the Australian Packaging Covenant Organisation ("APCO")¹⁶, and the Australian Food and Grocery Council ("AFGC") in the development of a Roadmap¹⁷ that outlines the process and milestones required for the resumption of collection services. This Roadmap identifies a phased reintroduction of the supermarket collections of soft plastics in late 2023 (at limited locations) and more broadly in 2024.

The objectives of the Taskforce and the focus of the Roadmap is on the "back-end" of the process, the resumption of household soft plastics recycling and the recovery of the material.

For this model to be successful it needs to learn from the challenges faced by REDcycle (lack of recycling infrastructure and end-markets for the secondary-raw material). For this model to achieve net zero targets, it should be reviewed to better align with circular principles which can support overcoming the challenges faced by REDcycle.

¹⁰ Australian Government, Department of Agriculture, Water and the Environment, National Plastics Plan 2021, (2021) pg. 2.

¹¹ APCO, Our Packaging Future (April 2020) pg. 19.

¹² Economist Impact for Back to the Blue, Peak Plastics: Bending the Consumption Curve (2023) pg. 5.

¹³ Clean Up Australia, Soft Plastics: What has happened and where are we up to now? (2023) < <https://www.cleanup.org.au/soft-plastics-what-has-happened> >.

¹⁴ Soft Plastics Taskforce, "Roadmap to Restart" (7 March 2023), page 23. < <https://www.aldiunpackaged.com.au/storage/2023/03/Soft-Plastics-Taskforce-Roadmap-20230307.pdf> >.

¹⁵ REDcycle, "A Red Hot Go" (27 February 2023) < <https://redcycle.net.au/> >.

¹⁶ APCO is a not for profit organisation that is responsible for facilitating the delivery of Australia's 2025 National Packaging Targets < <https://apco.org.au/> >.

¹⁷ Soft Plastics Taskforce, "Roadmap to Restart" (7 March 2023) < <https://www.aldiunpackaged.com.au/storage/2023/03/Soft-Plastics-Taskforce-Roadmap-20230307.pdf> >.

Soft plastics are prevalent and used by industry and throughout our community and any recycling system needs to consider how material outside of the home can be captured.

The opportunity: product stewardship

Product stewardship is a key enabler of a circular economy – it is the responsible management of the environmental impact of a product, at all stages of the product life cycle; from design to use to reuse to recycling and disposal.

Principle two of the National Waste Policy¹⁸ is to improve resource recovery. Product stewardship has been identified as a key strategy to achieve this goal¹⁹ to ensure ownership and responsibility for action to minimise the negative impacts from products is shared across government and business.

On 9 June 2023 Australia's Environment Minister's agreed to take action now, and for future generations, to: *"Shift Australia towards a safer, circular economy by putting in place a new packaging regulatory scheme that will for the first time, develop mandatory packaging design obligations, so packaging is designed to minimise waste and be recovered, reused, recycled and reprocessed."*²⁰

The LGA is highly supportive of the development of a national mandatory product stewardship approach to packaging that covers all costs including collection, transport and recycling of material.

SA has long recognised the need for both producers and the community to take responsibility for both the products that they used, but also the waste they create. 46 years ago the Container Deposit Scheme ("CDS") was introduced in SA. The financial incentives included in the CDS has enabled clean streams of material to be returned for recycling, and funded the collection and recycling infrastructure that supported this scheme. The CDS has progressed beyond the litter reduction focus of the 1970's to being a nationally recognised approach for high level material recovery and recycling. The LGA is supportive of expansion of the types of containers included in the CDS, this is explored further in the LGA response, below in part (e).

Greater emphasis on design and producer responsibility, through a mandatory product stewardship scheme for packaging, would capture the approximate 499,000 tonnes of soft plastics used in packaging that are placed on the market annually, this includes packaging that is utilised by businesses and industry.²¹

This approach aligns with SA's long history of producer responsibility that started with the CDS almost 50 years ago, and could empower South Australian's to make decisions in the "design phase" (refuse, rethink, reduce) that avoid waste generation and enable businesses to produce higher quality product in the "return phase" (recycle, recovery).

¹⁸ Australian Government, *National Waste Policy: Less Waste, More Resources* (2018), p. 14.

¹⁹ *Ibid.*

²⁰ Australia's Environment Ministers Meeting, "Agreed Communique" (Agreed Communique, 9 June 2023) < <https://www.dcceew.gov.au/about/news/stay-informed/communiqués#environment-ministers-meeting> >.

²¹ APCO, *Our Packaging Future* (April 2020) pg. 19.

LGA response

The LGA has used the Committee's Terms of Reference to structure this submission.

a) How South Australia has responded to REDcycle being unable to process soft plastics

The REDcycle recycling scheme was focused on the "back end" of the recycling process and did not impact upon design of the packaging nor did it leverage the buying capacity of the major retailers to buy back the secondary raw material once recycled and processed.

The scheme was limited to some Woolworths and Coles stores and it did not provide a recycling service to the whole of SA. Despite this, REDcycle was a major recycler of household soft plastic material and its collapse has impacted the South Australian community.

Some Foodland supermarkets briefly continued a limited collection service following REDcycle's collapse, however, high volumes of soft plastics and increased contamination (because of different material collection requirements to REDcycle) made this service unmanageable and it ceased to operate soon after the REDcycle collapse.

Councils received no warning from industry that the soft plastics recycling system was struggling and have been provided with limited information explaining how State and Federal government are managing the situation going forward. This left individual councils to handle enquires and educate the community without state-wide consistency in messaging.

Feedback from councils has indicated that there has been an increase of soft plastics material collected in kerbside general waste bins, this is following a general increase of soft plastic material arising from the COVID-19 pandemic.

Community reaction

Following REDcycle's collapse, many councils received (and continue to receive) numerous enquiries, expressions of complaint, concern, and frustration at having to landfill soft plastics from residents.

Residents have indicated a loss of trust with the recycling industry and REDcycle's collapse has negatively impacted residents' perceptions of councils' kerbside recycling.

Despite REDcycle being an industry-led recycling scheme, the community has turned to councils for a solution to this recycling problem. This is likely due to local government's role in offering kerbside recycling and other waste and recycling services to the community.

The community call for councils to "step-up" and collect soft plastics demonstrates a lack of understanding about how a recycling system operates. Collection is one part of a recycling system and without infrastructure to process the material and end-markets for the secondary raw materials being produced, a recycling system will fail to operate.

There is a lack of understanding within the community about the value and impact the materials they consume have on the economy and environment. Education is required to support the community to recognise the value of materials consumed and how minimisation, avoidance and activities that maximise resource efficiency are necessary to achieve net zero.

Council action: Soft plastics kerbside collection trial

Following the collapse of REDcycle, the Central Adelaide Waste and Recycling Authority (“CAWRA”) in collaboration with the Cities of Adelaide, Charles Sturt and Port Adelaide Enfield partnered with the Australian Food and Grocery Council (“AFGC”), to commence a trial to collect household soft plastics through kerbside co-mingled bins.

The trial has involved residents being provided with “starter kits” containing specially designed bags to be filled with eligible soft plastic packaging (eg. bread and frozen vegetable bags, ice cream wrappers etc). Full bags go into the household recycling (yellow lid) bin for regular kerbside collection. After which, the bag is separated, processed and sent to one of two locations, APR plastics in Victoria or IQ Renew’s facility in NSW to be recycled.

The purpose of this trial is to investigate differences in uptake by residents, quality and quantity of material, safety, handling and other “back end” MRF considerations with this method of collection for recyclable soft plastics. These considerations will be important, if participating councils in the future seek to undertake a broader roll-out of kerbside soft plastics recycling collections.

The AFGC has coordinated a limited number of trials across multiple states as part of their development of a National Plastics Recycling Scheme (“NPRS”).²²

Other SA councils sought to participate in the AFGC kerbside collection trial, unfortunately the lack of reliable end markets for this material and the lack of local reprocessing options for this material, resulted in MRFs being reluctant to participate in this trial (due to the material stockpiling risks).

Currently, there is not sufficient end markets for the secondary raw material produced from recycled soft plastics nor is there sufficient recycling capacity (infrastructure), nationally, for this collection method to be rolled out more broadly across the SA.

Initial learnings from the trial

1. Residence accept the “bag in bin” kerbside soft plastics recycling (evidenced by take-up and few complaints received).
2. Residents prefer the convenience of kerbside collection to drop off at supermarkets.
3. Distribution by a voluntary “opt-in” approach by residents provides better use of the starter kits than blanket distribution to mapped areas.
 - a. Production, packaging and distribution of starter kits cost \$13-\$15 per dwelling (this cost could be reduced by requiring households to collect the bags rather than mailing them to each home).
4. Random lab testing has demonstrated that the quality of material put into the bags is good.
5. Orange coloured singlet bags at 45 microns have performed best during the trials (minimal split bags, easily recognised for handpicking).
6. Minor upgrades to the CAWRA MRF’s equipment and setup would significantly improve handling efficiency and reduce risk of cross-contamination.

²² Australian Food & Grocery Council, *National Plastics Recycling Scheme*(2023)<<https://www.afgc.org.au/industry-resources/national-plastics-recycling-scheme>>.

Outstanding questions

Remaining questions about AFGC's NPRS:

1. What is the proposed cost model beyond the trial – who pays? What is the role of councils, packaging manufacturers and others in each proposed model?
2. How does kerbside soft plastics collection fit within the broader NPRS?
 - a. Households are just one of the many generators of soft plastics waste in our community, how will the soft plastic waste from other generators be captured?
 - b. Consultation is required to share learnings from trials and to determine the preferred way forward.
3. What alternatives are there to “bag in bin” kerbside soft plastics recycling and what are the opportunities and challenges associated with them? For example:
 - a. Collection at supermarkets (utilising reverse logistics to transport the collected material).
 - b. Collection at CDS depots.

The LGA understands that no “bag in bin” trials have been undertaken by regional/remote councils where low material yields and long transport distances to a recycling facility (MRF) are challenging and cost prohibitive for councils.

It is common practice for kerbside recycling (yellow bin) collected by regional/remote councils in SA to be taken and consolidated before being transported to a MRF. It is unclear what impact this process would have on contamination (increased bag split?) or on the proposed collection cost model. Councils require more information to assess the viability of this approach before they can consider offering this type of service to the community.

The LGA questions how this proposed collection model fits within Commonwealth Government's project to harmonise kerbside collections nationally.²³

Additional remaining questions:

4. How to best manage any future expansion to ensure yields are manageable within the MRF environment and matched by market demand and capability.
 - a. Currently material is being transported interstate for recycling as there are no local recycling options for this material.
5. Availability of capital funding to improve efficiency of on-site handling at the MRF (dedicated chute and baler under the pre-sort room).

²³ Australia's Environment Ministers Meeting, “Agreed Communique” (Agreed Communique, 9 June 2023) < <https://www.dcceew.gov.au/about/news/stay-informed/communiques#environment-ministers-meeting> >.

b) Investigate how supermarkets and other collection points have ceased collections and what can be done to re-establish these services

Establishing large-scale collection systems in isolation of the effort and investment required to create the demand pull to recover, recycle and remanufacture this material back into the marketplace will only result in further stockpiling of material.

A recycling system extends beyond the collection point of the system. As demonstrated by REDcycle's collapse and stockpiling of material, a recycling system is unsustainable without access to infrastructure, adequate processing capacity and demand for the recycled material.

The CAWRA kerbside collection trial (discussed above in part a of the LGA response) demonstrates that collection options can be efficiently established but the construction of the infrastructure required to recycle the material and the development of markets that utilise the recyclate being produced are much more challenging to establish.

Soft plastics are a low value material, products made from this material are often designed for single-use with little or no consideration given to product reuse or recycling.

To avoid waste generation and improve the circularity of this material stream, the development of a mandatory product stewardship scheme is required to mandate product design requirements with consideration given to:

- a reduction of material usage (avoid or reduce generation of soft plastic products, and indeed all hard to recycle materials)
- enabling recyclability at end of life
 - the design of products (for example using less complex materials or fewer material types in packaging can support recycling processes)
- priority of use of recycled content
 - prioritising use of recycled content can ensure markets are circular and can keep materials in circulation – for example food grade soft plastics are turned back into food grade soft plastics.
- a coordinated and consistent approach to community education to promote the new service
 - transparent and productive end markets can be utilised to re-build community confidence lost following the collapse of REDcycle.

Like the CDS, a mandatory product stewardship scheme can fund the required investment in building new and upscaling existing infrastructure to process and recycle this material as well as investigate and implement the most effective collection process for this material.

c) Determine whether funding from the state government (including Green Industries SA funding) has been sufficient to support South Australian businesses and local government councils within the soft plastics and other recyclables industry, including aluminium.

State Government funding to support SA's transition towards a more circular economy has been insufficient. Greater investment in infrastructure, education and worthwhile initiatives that focus on higher order – “design” and “consumption” activities and actions are required.

Greater hypothecation of the Solid Waste Levy (“SWL”) to local government to support the delivery of worthwhile waste, recycling, resource recovery and circular economy initiatives has been a key focus of LGA advocacy.²⁴ In addition to hypothecation of the SWL, the LGA has also sought greater transparency around the Green Industry Fund, including details on expenditure, and for the amount of the SWL to be articulated in advance to provide security to the waste, recycling and resource recovery industry.

The SWL is a state government tax payable on waste sent to landfill.²⁵ The purpose of the SWL is to incentivise increased recycling through making it more expensive to send waste to landfill, while raising revenues to support complementary measures.²⁶

Section 17 of *Green Industries SA Act 2004* (SA) provides that at least 50% of the money paid by waste depot licence holders by way of the SWL²⁷ goes into the Green Industry Fund (the Fund).²⁸ Additionally, it is understood that 5% is paid to the Environmental Protection Fund and 45% is directed to the SA Environmental Protection Authority (EPA) to deliver its regulatory and administrative functions.²⁹

The SWL was introduced in 1994 at \$2.07 per tonne for metropolitan Adelaide and \$1.07 per tonne for regional SA.³⁰ Since this time the SWL has increased dramatically. The graph below demonstrates a 231% increase in the SWL that has occurred over the last 10 years.

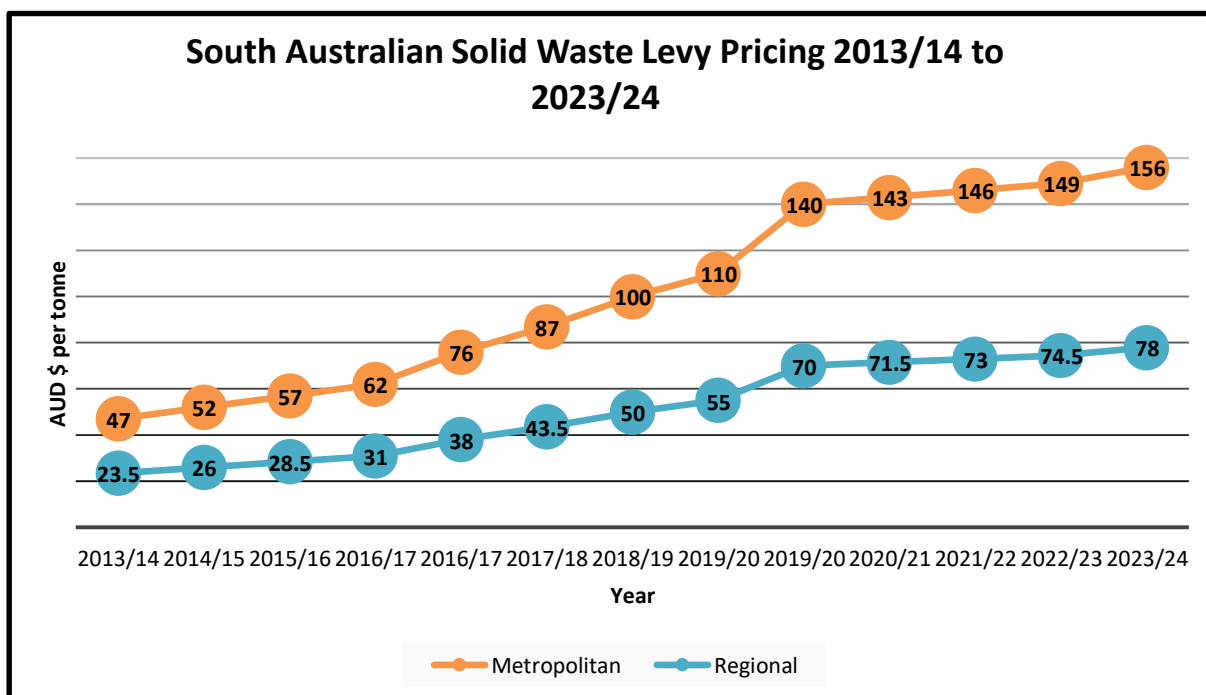


Figure 4: South Australian Solid Waste Levy Pricing 2013/14-2023/24

²⁴ LGA Policy Manual, 4.2.2 *Solid Waste Levy* < <https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/environment-and-natural-resources/4.2-waste-and-resource-recovery> >; and or example, LGA Submissions < <https://www.lga.sa.gov.au/news-and-events/news/submissions> >.

²⁵ *Environment Protection Act 1993* (SA) s113.

²⁶ Allen Consulting Group, *Report to Zero Waste SA: Review of the South Australian Solid Waste Levy* (February 2012) < <https://www.greenindustries.sa.gov.au/documents/Levy%20Review%20Analysis%20-%20ACG%202012-02-23.pdf?downloadable=1> >.

²⁷ *Environment Protection Act 1993* (SA) s113.

²⁸ *Green Industries SA Act 2004* (SA) s 17(3)(a).

²⁹ Parliament of Australia, Senate Standing Committees on Environment and Communications, *Waste and Recycling Industry in Australia* (26 June 2018) Chapter 4: Waste Levies, page 64 at 4.97,

<https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/WasteandRecycling/Report>.

³⁰ EPA SA, *Historic Waste Levy Rates* < <https://data.sa.gov.au/data/dataset/64f00c77-a872-4c9b-8208-4a382a0baa6a/resource/f66fe586-d14f-4327-b869-03d57a3b59a8/download/waste-levy-pricing-20190715.csv> >.

When the *Green Industries SA Act (SA)* was first established the purpose of the Fund was to enable Zero Waste (now Green Industries SA) to apply the fund in accordance with its business plan or in any other manner authorised by the Minister that aligned with the purposes of the *Green Industries SA Act*.

In 2017 the *Green Industries SA Act (SA)* was amended, and section 17(5)(b) was included which expanded the purpose of the Fund 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.*

Since this change monies in the Fund have been utilised for various projects that do not have a circular economy, waste, recycling or resource recovery focus including the home battery scheme, sand carting and other environmental projects. Green Industries SA's Business Plan 2023-24 highlights that from 2023 – 2026 around \$50 million will be utilised from the Fund for "Climate Change Initiative Funding".³¹

While this expenditure aligns with the legislative requirements of the *Green Industries SA Act (SA)*, these activities are not examples of reinvestment into the waste, recycling and resource recovery industry.

Green Industries SA estimates that since 2017 it has provided around \$75 million in grant funding to "build and improve waste, recycling and resource recovery equipment and infrastructure"³² and of that \$75 million around \$37million had been provided to local government.³³

Since 2017 the LGA conservatively estimates that councils have paid around \$244 million to State Government via the SWL.³⁴ Only 15% of these contributions have been hypothecated back to local government to improve recycling and resource recovery outcomes.

SA needs \$166 million worth of new or expanded waste and resource recovery infrastructure by 2025/26.³⁵

The current level of reinvestment is insufficient to manage the projected volume of waste, recycling, resource recovery and landfill, let alone to undertake activities to reduce consumption and generation of waste or to achieve net zero targets.

d) identifying short and long term opportunities and solutions to ensure soft plastics can be recycled in South Australia.

As highlighted previously in the LGA response, the development of a national mandatory product stewardship scheme for packaging is a key, long term, opportunity to ensure the reduction and circularity of around 449,000 tonnes of soft plastics that enters the market annually.

³¹ Green Industries SA, *Business Plan 2023 -24* < <https://www.greenindustries.sa.gov.au/resources/business-plan-2023-24> > pages 11 - 12.

³² Green Industries SA, *Projects Funded (2023)* < <https://www.greenindustries.sa.gov.au/projects-funded> >.

³³ Green Industries SA, *Metropolitan Adelaide's Kerbside Waste Performance Report 2021-22 (2023)* page 9 < <https://www.greenindustries.sa.gov.au/documents/GISA-MetroAdelaideKerbsideReport-2021-22.pdf> >.

³⁴ *These estimations are based on Local Government Grants Commission data and excludes other Solid Waste Levy payments made to state government by industry.

³⁵ Green Industries SA, *South Australia's Waste and Resource Recovery Infrastructure Plan (2018)*, pg 6 < <https://www.greenindustries.sa.gov.au/resources/south-australias-waste-and-resource-recovery-infrastructure-plan-2018> >.

Design issues relating to the use of virgin, low value and non-recoverable materials can be addressed through mandatory product stewardship. This scheme can also prioritise the use of recycle materials and increase demand for recycled plastic. Increasing the demand for recycled plastic will increase the value of recycled plastics which in turn increases support for industries to have recycling systems in place.

Finally, a mandatory scheme ensures that the costs associated with transporting and recycling this material are the responsibilities of the producers of the material, not passed onto the community as a whole.

Reduction of soft plastics

The current volume of soft plastics in SA cannot be managed appropriately without significant investment in the reduction of this material stream.

Investment in education and initiatives that support businesses and consumers to recognise the value of the materials they use and how their behaviour can reduce the use of this material is a short-term and ongoing opportunity. State Government could also support innovation in business that reduces the use of soft plastics.

Further research and trials

Despite soft plastics being generated across the community by businesses and industry, household soft plastics has remained the focus for most recent research and trials conducted.

Research needs to be undertaken to determine where else in the community (e.g. hospitals, cafes, restaurants etc) this material is being generated and disposed of to inform the development of targeted education and initiatives to reduce use of this material. This information could also inform the development of a recycling scheme that can facilitate state-wide collection of this material as part of the mandatory product stewardship scheme.

As previously mentioned in Part A of this response, kerbside collection trials have generally been limited to metropolitan councils. An identified barrier for regional and remote 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.

SA lacks large regional centres that can be utilised to help achieve size and scale for general economic activities as well as for the management of waste for recycling and resource recovery. This barrier was highlighted as a national challenge by the Australian Government in its most recent Infrastructure Audit where it found, *“Large transport distance between regional and remote communities and end-markets also make the recovery of some waste types cost-prohibitive.”*³⁶ Further the Infrastructure Audit determined that, *“A lack of scale and access in remote communities means waste freight is inconsistent and not cost effective for consumers and tax payers.”*³⁷

Further research is required to determine the best and most economically viable models for regional and remote communities. Reverse logistic and alternate waste collection infrastructure (like CDS depots) opportunities should be considered and explored through economic modelling so all South Australians have access to any recycling scheme that may come online.

³⁶ Australian Government: Infrastructure Australia, *Australian Infrastructure Audit 2019* (13 August 2019) <
<https://www.infrastructureaustralia.gov.au/publications/australian-infrastructure-audit-2019> > page 361.

³⁷ Ibid page 362.

e) examining strategies more broadly to reduce soft plastic waste generation and better management of commercial and residential waste

Education and initiatives that support higher order “design” and “consumption activities

As mentioned throughout this response, increased investment in education and initiatives that encourage higher order “design” and “consumption” activities is required to reduce waste generation.

Removal of the weekly general waste collection requirement for metropolitan councils in the Environment Protection (Waste to Resources) Policy 2010 (SA)

Councils should determine, in consultation with their community, what services they provide, for the benefit of their community, without being unreasonably hindered by conditions imposed upon them by state/federal government or industry.³⁸

Research and kerbside audits undertaken by SA councils have demonstrated that general waste bins can contain anywhere from 35-60% organics, much of which is food organics.³⁹

Councils are exploring opportunities to increase food waste diversion to improve environmental outcomes. Metropolitan councils have identified an opportunity to increase diversion of organic material through changing the collection frequency of their kerbside services to weekly FOGO (Food Organics and Garden Organics) and alternating fortnightly collection of general waste and comingled recycling bins.

Section 10(2) of the *Environment Protection (Waste to Resources) Policy 2010 (SA)* requires metropolitan councils to provide a weekly general kerbside waste collection service. This clause is a barrier for councils seeking to increase diversion of food waste through a transition to a higher performing kerbside system. Removal of this clause will enable councils to have the flexibility to transition, in consultation with their community, to higher performing kerbside collection models.

Inclusion of glass wine, spirit, and cordial bottles into the Container Deposit Scheme

The LGA is supportive of the proposed expansion of the CDS to include glass wine, spirit and cordial bottles in order to achieve high value material recovery objectives and to increase the circularity of glass.

Glass presents challenges in kerbside recycling, including the additional weight of the containers in the bin and issues associated with recovery of materials resulting from glass breakage, namely:

- difficulty in achieving high value recovery of glass (85% recovered as low-value mixed glass with around 4% unable to be recovered and disposed of to landfill); and
- broken glass causing contamination of other material streams in the kerbside bin (degrading other materials).⁴⁰

³⁸ LGA Policy Manual, 1.1.4 *Autonomy* < <https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/the-local-government-sector/1.1-promoting-the-interests-of-local-government> >.

³⁹ Green Industries SA, *Metropolitan Adelaide's Kerbside Waste Performance Report 2021-22* (2023) page 16.

⁴⁰ EPA SA, *Improving South Australia's Recycling Makes Cents* (2021) page 29 < https://www.epa.sa.gov.au/files/15078_cds_discussion_paper_sep2021.pdf >.

Inclusion of glass bottles up to three litres aligns with state government priority actions aimed at maximising the effectiveness and performance of the CDS including “*where inclusion within the CDS will maximise the amount and value of the recovered resources.*”⁴¹

High value recovery of these glass materials will support the beverage industry in achieving Australia’s 2025 National Packaging Targets,⁴² while maintaining the high standard of packaging consumers and customers in the state and across the world have grown accustomed to. A major outcome of the CDS is providing an efficient way to collect high value (colour sorted and uncontaminated) materials that can be recycled back into glass bottles.⁴³

Inclusion of wine, spirit and cordial bottles in the CDS will increase the amount of high-value cullet available necessary for industry to achieve the packaging targets while maintaining customer packaging expectations.

Conclusion

Mandatory product stewardship is required to reduce the amount of soft plastics entering the market, increase higher order “consumption” options for these products and enable “reuse” - the recyclability of this material through better product and packaging design, investment in processing and end-market development.

Contact

Please direct any queries about this submission to Brianna McGee, Senior Policy Officer.

⁴¹ Government of South Australia, *Supporting the Circular Economy: South Australia’s Waste Strategy 2020-2025*, p. 36 < <https://www.greenindustries.sa.gov.au/resources/sa-waste-strategy-2020-2025> >.

⁴² APCO, *Australia’s National Packaging Targets* < <https://apco.org.au/national-packaging-targets> >.

⁴³ EPA SA, Hudson Howells Addendum Report (January 2021), p. 7 < https://www.epa.sa.gov.au/files/15057_cds_econanalysis_review_addendum_jan2021.pdf >.

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