

TREASURER TOM KOUTSANTONIS

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Solid Waste Reform to grow jobs and increase recycling

The State's Solid Waste Levy will be increased across the next four years and reinvested into industry development to grow jobs, promote recycling and lower carbon emissions.

The levy will increase in stages from \$62 to \$103 a tonne by 2019-20, raising an additional \$64 million over the four years.

All extra funding received will be reinvested into waste, environmental and climate change programs including funding initiatives to help recycle waste into more valuable commodities, accelerating new business opportunities in the resource recovery sector and creating up to 350 jobs.

Additional funding will go to local government waste and resource recovery infrastructure, waste education and new solutions for problematic waste.

Putting a higher price on waste will incentivise councils and industry to dump less in landfill and expand and create new industries in processing and reuse, furthering South Australia's reputation as the nation's leading recycler.

The investment, which was called for by the waste and resource recovery sector, will help the industry capitalise on opportunities associated with collecting and separating waste and turning it into construction materials, biofuels, and other products.

Similar reforms in New South Wales have seen an increase in employment in the sector and an improvement in recycling and reuse of waste.

Background

The waste and resource recovery sector currently employs about 5,000 people. These reforms and new investment will expand the sector, creating more than 350 job opportunities and helping maintain the State's position as Australia's leading recycler.

The metropolitan Solid Waste Levy will increase from \$62 per tonne on 1 July 2016 to \$76 on 1 September 2016, \$87 in 2017-18, \$100 in 2018-19 and \$103 in 2019-20. The solid waste levy in non-metropolitan areas is half the metropolitan levy.



If or where Local Government choose to pass on the full costs to ratepayers, the impact is expected to be about \$3 next year, increasing to \$7 per year in 2019-20. For businesses, the increase next year is expected to be around \$14, rising to about \$44 in 2019-20.

The Solid Waste Levy only applies to the disposal of waste. It is not charged for waste that is not sent to landfill and is instead recycled. Dumping charges (excluding the levy) are set by operators at their discretion.

Scrap metal recyclers will be protected from the levy increase and the cost of disposing of asbestos will also be halved.

From the \$64 million raised from the levy increase new funding will be provided for:

- \$14 million towards grant programs in consultation with the LGA to support local Government infrastructure investment, waste education programs and household hazardous waste collection
- \$12.4 million towards grant programs for the waste sector for infrastructure investment and innovation as well as levy rebates for scrap metal recyclers

Other measures to be supported by the Solid Waste Levy include:

- \$15.7 million over four years for the EPA to deal with the management of existing contaminated orphan sites, as well assisting with compliance and implementation of reforms
- \$21.9 million for climate change initiatives to transition the State's economy to a low-carbon future and make Adelaide a carbon neutral city.

Quotes attributable to Treasurer Tom Koutsantonis

This funding will help grow what is already a very important, \$1 billion industry in South Australia, and help us maintain our enviable position as Australia's leading recycler.

South Australian companies are already capitalising on the opportunities in waste diversion – businesses like ResourceCo in Wingfield turn demolition waste into aggregates and asphalt for construction while Muradel in Whyalla transforms used tyres into Biofuel.

These reforms will see more businesses like these diverting waste from landfill into reusable commodities and jobs.

Every additional dollar raised from the solid waste levy will be invested back into the recycling and re-use of waste and meeting our Carbon Neutral Adelaide objectives.



This investment can also create a revenue stream for councils that chose to explore ways of adding value to the waste they collect.

Global water and waste management company SUEZ has also welcomed the announcement.

Quotes attributable to Environment Minister Ian Hunter

We know the waste and resource recovery sector turns over some \$1 billion each year and contributes more than \$500 million to Gross State Product, and we are backing industries of the future such as this one.

Jobs are our first priority, and economic research shows this investment in waste infrastructure could lead to 350 full time jobs for South Australians.

We also know we can do more to create a brighter economic future and these measures announced today will lead to more jobs, more opportunities for waste sector expansion, and strengthen our nationally- and internationally-recognised leadership in this area.

Quotes attributable to SUEZ Executive Director Emmanuel Vivant

Our customers are increasingly looking for ways to put their waste to good use and divert waste from landfill.

An increase to a waste levy provides a unique opportunity for companies like ourselves to invest further in new resource recovery technology.

We look forward to exploring opportunities to build on our international experience and technologies in South Australia.

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