



Government
of South Australia

16SEC800503

Mr Max Spedding
Chief Executive Officer
Australian Landfill Owners Association
Level 13, 200 Queen Street
MELBOURNE VIC 3000

Dear Mr Spedding

Thank you for your letter of 12 July 2016 to the Minister for Sustainability, Environment and Conversation, the Hon Ian Hunter MLC, regarding changes to the waste levy. The Minister has asked that I respond on his behalf.

The solid waste levy has provided financial incentives to promote waste minimisation and resource recovery in the State. Since July 2003, over \$97 million of levy funds have been invested from the Waste to Resources Fund, which has incentivised and facilitated investment into waste management infrastructure, technologies, processes and resource recovery systems and market development. Achievements over this time include the roll-out of high-performing kerbside recycling systems, investment in important waste infrastructure, improvements in the recovery of materials from regional areas, industry resource efficiency, and commercial recycling incentives.

This has assisted South Australia in establishing and consolidating the State as a national and global leader in recycling with 79 per cent of waste diverted from landfill in 2013-14.

The recent increases in the waste levy and associated reinvestment programmes are part of the State Government's 2016-17 Budget measures. The timing of the increases aligned with the Government's Budget processes and as such, no greater advance notice to industry could be provided. I am advised that approximately two months' notice was provided for the second levy increase in 2016-17 (to \$76 per tonne from 1 September 2016). I am further advised that this is more than what has occurred in the past. Notification of the timing of further levy increases through to 2019-20 has also been provided to assist in providing certainty to industry.

Over the next four years the State Government will invest all of the funding received from the levy increase back into the industry and community to provide:

- \$26.4 million to support waste infrastructure, local government, innovation and job creation in the waste sector;
- \$7.9 million for waste regulation reform implementation and compliance;

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Minister for Sustainability, Environment and Conservation
Minister for Water and the River Murray
Minister for Climate Change

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- \$7.8 million for site contamination assessment and remediation of orphan sites; and
- \$21.9 million to tackle climate change.

Increasing the solid waste levy will encourage industry investment in alternative resource recovery treatments and be as financially competitive as landfill.

Everyone in the community benefits from this reinvestment of the solid waste levy through access to new or improved recycling services, creation of jobs to construct, operate and maintain new and expanded re-processing and sorting facilities throughout the State, industry-focused programmes resulting in less waste produced and reduced operating costs.

The Minister has asked Tony Circelli, the Chief Executive of the Environment Protection Authority to meet with you to discuss concerns regarding the recovery of levy monies from clients going into liquidation and the overall cost of administering the levy collection. Tony will also be able to discuss the scale of risk and management options as well as the costs faced by landfill operators in an increasing levy environment to help determine future policy in this regard. Please contact Jeanette Collins on 8204 2002 to arrange a meeting.

Thank you for taking the time to write to the Minister. We trust the above information is of assistance.

Yours sincerely



Belinda Marsden
Chief of Staff to the

MINISTER FOR SUSTAINABILITY, ENVIRONMENT AND CONSERVATION

19 / 8 / 2016