

Local government the big winner in levy hike: Musgrove

Tuesday, 13 October 2015

The current waste levy in South Australia for solid waste disposal - \$57 per tonne - is not reflective of the full social and environmental costs of landfill, says the Australian Council of Recycling, and increasing the levy to \$100 per tonne would benefit local government.



ACOR CEO Grant Musgrove.

inject "hundreds of millions of dollars" into the SA economy, facilitate investment in resource recovery facilities and create 600 new direct jobs.

Interestingly, LGASA's beef with the suggestion was that doubling the levy would not encourage better recycling rates.

In fact, LGASA president Mayor Dave Burgess said the experience across Australia "showed that the size of the waste levy was not an accurate indicator of recycling rates," adding that "South Australians are already national leaders in recycling with a far lower waste levy rate than in NSW which had less effective outcomes."

However, Musgrove explained that a key finding of the study showed how a levy hike could support employment growth and solve issues such as stockpiling.

"We know what we know about the industry and how employment intensive it is. We actually wanted to

ACOR CEO Grant Musgrove was responding to a Local Government Association of SA (LGASA) [statement](#) rejecting ACOR's recommendation that the levy be increased.

Earlier this month, ACOR submitted a [response](#) to the state government's [Reforming Waste Management Discussion Paper](#), which included novel ideas such as a save as you throw pricing system and enforcing mandatory food recycling (see Related Stories).

While ACOR threw its support behind several proposals, including introducing mass balance reporting, an upfront levy liability, and a differential risk-based levy system, the association also called on the government to consider increasing the waste levy.

Musgrove pointed to a Deloitte Access Economics report commissioned by ACOR at the invitation of the SA government, which showed a higher waste levy would among other things,

know what the optimal levy is in terms of employment given our industry has very comparable skillsets to the manufacturing industry," Musgrove told *Inside Waste News*.

"There have been large closures [of manufacturing plants] in Australia and there is a surplus of those skills. SA has a good recovery rate and stockpiling problems. So ACOR has been having a long conversation with the government and we've said, look, we can see your problems and we think we can help."

Musgrove went on to question if LGASA had read the report - *Inside Waste News* contacted the association but had not heard back at time of press - saying LGASA was "offered personal briefings but they chose not to take them up."

"Local government is the big winner here. For instance, you don't see local governments in NSW complaining about the levy because they do so well out of the Waste Less Recycle More package. And that's where SA is contemplating going, and where that report demonstrates more than 600 new jobs if SA goes to \$100 per tonne," Musgrove said.

"The minister is considering it [the levy increase] and we've certainly received a positive response from everyone we've briefed so far, other than local government, which I'm disappointed about."

Although Burgess said local government would certainly support schemes that increased employment opportunities, LGASA would "prefer to see the state spending the income raised through the waste levy on innovative recycling initiatives and education/awareness", adding that some \$66 million of taxpayers' funds were "sitting unspent in the state's coffers".

"We know that the main barrier to improving kerbside waste management outcomes is lack of investment by the state government after the closure of Zero Waste SA and withdrawal of investment of funds generated by the waste levy," Burgess said.

"Most of the levy currently raised is used to prop up 72% of the EPA's budget or sits untouched in the Waste to Resources Fund, to shore up the state government's bottom line. All that doubling the levy will achieve for kerbside waste is an increase in rates bills. Commercial waste dumping will also increase, as will illegal dumping, which councils must deal with, with the state government reaping the rewards from levy payments.

"Because the levy is currently included in rates bills there is no price signal for domestic waste when people put rubbish in their landfill bin. The size of the waste levy is not the issue, rather how that levy is invested to educate and change behaviour is key."

Musgrove said he shared LGASA's concern about accumulated levy funds not being expanded but is urging people not to "play dirty politics" or use the levy issue for "point scoring".

"We don't want this to be politicised. We don't want to play political games. There is a whole bunch of very legitimate issues in SA, from unemployment to stockpile fires," Musgrove said.

"We'll be meeting with the opposition - it's a hung parliament in SA - so getting bipartisan support is where we want to be," he added.

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