



Vic budget: wasted opportunity?

By Jacqueline Ong, Monday 08 May 2017

The Victorian government has released its 2017-18 budget. But is it truly getting on with the job in the waste and resource recovery sector?



Released last week, the [budget](#) paper noted that Victoria's economy is "one of the strongest in Australia" and had experienced a 3.3% growth in 2015-16, which is above the national average of 2.7% over the same period.

In 2017-18, Victoria's operating surplus is estimated to be \$1.2 billion, with surpluses averaging \$2.4 billion over the forward estimates, which the government said put the state in a "strong financial position".

Some of the big winners in 2017-18 include road and rail infrastructure - \$1.45 billion will be invested in regional rail services for instance - and health, with the government spending \$26.5 million to improve ambulance response times, amongst other things.

But what about waste and resource recovery? Going through the budget, it appears \$162.5 million will be invested to modernise the EPA, which includes increasing the regulator's enforcement and environmental health capabilities. This is followed by a broad statement: "Greater investment will also be made in the waste and resource recovery sector, generating jobs in regional areas. Steps will also be taken to keep e-waste out of landfill and foster Victoria's emerging waste to energy market."

CEO of the Australian Council of Recycling, Grant Musgrove, said some \$20 million has been earmarked to be returned to industry, which is disappointing considering the state's budget surplus is being propped up by the landfill levy.

ACOR said in its [Victorian Landfill Levy Report](#) released this month, approximately 20% of the state's surplus comes from the Sustainability Fund or monies collected from the landfill levy, which should be returned to industry to drive recycling initiatives.

"It's a national disgrace with only \$20 million earmarked to be returned to industry and local government over the next four years, compared to hundreds of millions of dollars in other states." Musgrove said, adding that ACOR estimates the Sustainability Fund will have approximately \$500 million sitting idle by the end of this financial year.

"The waste and recycling sector is being taxed to prop up the state budget and not enough money is being invested in improving the waste and resource recovery industry in Victoria," Musgrove said.

"Victorians would be shocked at this budget trick. The community supports recycling, yet the government is taxing unavoidable residues from recycling."

Musgrove is urging the government to allocate the money sitting in the Fund to industry in order to drive development and implement resource recovery and recycling initiatives, pointing to the other states, namely NSW and SA, which has substantial funding by way of the latter's Waste to Resources Fund and the former's Waste Less Recycle More initiative.

"Victoria's resource recovery, recycling and re-manufacturing industry should not be effectively taxed to fund climate change initiatives, public servant salaries, government agencies or pork barrelling. Any initiatives in this regard should come from consolidated revenue or other government streams," Musgrove said.

And the Municipal Association of Victoria (MAV) agrees, questioning the government on its spending of the landfill levy revenue on unrelated waste reduction or recycling projects.

MAV President Councillor Mary Laliotis said while the original intent of collecting the landfill levy was to boost recycling rates and support waste reduction and sustainability initiative, a recent Independent Inquiry into the EPA found over the past 10 years, the average amount of waste attributable to each Victorian every year increased by 29% which "feeds into community concerns that the levy's purpose is to raise revenue, rather than reduce waste".

"Councils have been crying out for support with waste and resource recovery projects and the exorbitant cost of rehabilitating closed landfill sites, yet the state government has chosen to spend landfill levy revenue on totally unrelated purposes," Laliotis said.

"A 2014 Victorian Auditor-General's Report suggested that landfill levy revenue should be used 'to help fund the timely rehabilitation of high-risk landfills'. While we welcome the state government's long overdue willingness to spend the levy revenue, it's difficult to see how budget initiatives like a timber plantation, solar trams, a new website for a government agency, and remediating land at gun clubs will reduce waste to landfill."

She added that councils were concerned about the lack of transparency around the Sustainability Fund and councils have previously called for the Fund's income and expenditure data to be publicly disclosed.

"We believe the government needs to end the mystery around this fund. Councils and communities have every right to expect that landfill levies are being used to reduce waste. The government needs to be held to account via reporting that is clear, timely and publicly available," she said.

"The way the Sustainability Fund is currently being managed is obviously not working. Despite significant increases in the landfill levy in recent years, the amount of waste being generated by communities has risen significantly and this is unacceptable.

"It is also unsustainable given the government's own projection that the Victorian population will increase to 10.1 million by 2051. The way we manage waste in Victoria has to change.

"This issue will be raised again at the MAV's upcoming State Council meeting, because councils feel increasingly disappointed and misled by past and present governments about the spending of landfill levy revenue."

© Copyright Mayfam Media.