



The Hon Steven Marshall MP
Premier of South Australia
Department of Premier and Cabinet
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4 March 2022

Dear Premier

Re: South Australia waste and resource recovery election priorities

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for the essential \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members Australia wide, representing over 500 entities that operate across a broad range of business organisations, the three (3) tiers of government, universities, and NGOs.

WMRR's members are involved in the breadth and depth of waste management and resource recovery, engaging in significant activities within the Australian economy, including community engagement and education, infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery, and responsible management of residual and problematic waste.

An integrated WARR system safeguards human and environmental health, while driving jobs and economic growth. In South Australia, the WARR industry is a significant contributor to the state, providing:

- an annual turnover of more than \$1 billion¹ and Gross State Product (GSP) of \$1.08 billion;²
- employment for at least 4,800 full-time equivalent persons³; and
- greenhouse gas (GHG) emissions reductions of 1.32 million tCO₂-e annually, through recycling activities alone⁴.

SA has historically been at the forefront of recycling and resource recovery – its initiatives, programs, and policies have driven consistent growth in resource recovery – and the state government continues to show leadership on this front and in its ambitions to build a circular economy. WMRR recognises this leadership and is excited about the prospect of further growth and development of the WARR sector to future-proof SA's environmental, human health, and economic landscape.

As South Australia heads into its 2022 state election on Saturday, 19 March 2022, WMRR is seeking commitments to a range of initiatives from all parties, which will help SA go from strength to strength in its journey to build a more circular economy and keep materials and resources that end up in the WARR system circulating, ensuring the state meets and exceeds its environmental, human health, and economic objectives.

To that end, WMRR is calling on all parties to commit to the following:

1. *Committing to and establishing genuine extended producer responsibility (EPR) schemes*

¹ South Australia's Waste and Resource Recovery Infrastructure Plan, Green Industries SA 2018

² 2019–20 Recycling Activity Survey for South Australia, Green Industries SA, 2021.

³ Ibid.

⁴ Ibid.

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Nationally, WMRR has been calling for regulated EPR to manage hard-to-recycle and/or problematic materials, including packaging. Ideally, this action is driven first and foremost by the federal government; however, WMRR is seeking commitment from the SA government to modernise its container deposit scheme as a start and lead the way nationally by moving beyond the original objectives of minimising litter and improving recycling and resource recovery rates, to fostering genuine EPR outcomes. WMRR is seeking parties to commit to requirements for manufacturers to produce containers that are made with Australian recycled materials and can be genuinely recycled in Australia, including setting a minimum amount of recycled Australian content in containers that are registered within the scheme.

Doing so will both foster circular product design and create new employment opportunities for SA by incentivising local re-manufacturing from domestically recovered and recycled materials. Further, WMRR is advocating for an expansion of the scope of containers included under the CDS to make wine and spirit bottles, as well as fruit juice cartons, eligible for return; all of which would foster demand for Australian recycled materials (which cannot be exported) and create Australian jobs.

SA needs to then build on the success of this scheme as well as the infrastructure that has been successfully implemented to develop schemes for problematic materials that require separate collection pathways to maximise opportunities to resource recover. Potential materials/items that could be considered include soft plastics (keeping them out of the kerbside bin), e-waste and solar panels.

2. *Infrastructure development and investment*

In 2020, Green Industries SA (GISA) floated the idea of a precinct approach to establishing WARR infrastructure in its draft waste strategy, which WMRR supports. WMRR is seeking a commitment from the government to require greater collaboration between all relevant government agencies, including the EPA, GISA and the Department of Infrastructure and Transport, on economic modelling for essential industry infrastructure that captures all material streams and flows, and takes into consideration the need for, and viability of, WARR precincts within metropolitan and regional areas that will drive reprocessing and remanufacturing.

In order to drive infrastructure investment from stakeholders, infrastructure planning and approvals must be fast-tracked and streamlined, and must complement ongoing policy and regulatory reform, which the state is currently pushing forward with, and consideration must be given to appropriate land-use planning as part of this reform.

3. *Action towards reducing greenhouse gas emissions*

The SA government has set ambitious goals to reduce the state's greenhouse gas (GHG) emissions by more than 50% below 2005 levels by 2030, and to achieve net zero emissions by 2050. While WMRR recognises that in the 2019 financial year, SA had the third lowest per capita emissions (14 tonnes of CO₂-e per person) compared to other jurisdictions, and this is lower than the national average of 21 tonnes of CO₂-e per person, the government can and should strive for greater improvement.

The WARR sector plays a significant role in mitigating greenhouse gas emissions through greater landfill diversion as well as effective landfill management, with WARR projects in the Emissions Reduction Fund, including alternative waste treatment and landfill gas capture. For example, up till 2020, some

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24.5 million Australian Carbon Credit Units (ACCUs) were delivered by the WARR industry and of this abatement, 92% was delivered by landfill gas capture and combustion, and 8% from sending mixed waste to alternative waste treatment.

WMRR is calling on parties to commit to tangible actions that will assist the state in maximising carbon emissions mitigation through the WARR sector, including encouraging the take-up of direct, end-of-pipe mitigation solutions, e.g., landfill gas capture and landfill management practices that enable maximised gas capture, and importantly, the development of a framework for WARR organisations that assists them in contributing to global neutrality. This framework should detail metrics for reporting, common language around climate action, sector-specific carbon emissions reduction targets, and pathways. This framework should be complemented and supported by a state government program of funding for low carbon solutions and projects that will assist the WARR sector in reducing both direct and indirect emissions.

Further, to build on the great work in organics recovery to-date in SA, WMRR would again argue that more could be done sooner on combatting GHG emissions by accelerating the introduction of weekly Food or Green Organic (FOGO) collections from households (MSW), building from the highly effective trials that have been undertaken; this is largely a missed opportunity in SA at present. This move would be supported by an amendment to the Environment Protection (Waste to Resources) Policy to provide flexibility for the introduction of a weekly FOGO service that would have the additional benefit of increasing MSW diversion in SA, which is well below the current target of 70%. We also know that organic waste is by far the greatest emitter of GHG emissions.

4. *Government-led, mandated sustainable procurement*

Building a circular economy, reducing carbon emissions, and mandating EPR are all intertwined, as is the WARR sector with all other industries, meaning we have a vast opportunity to assist the entire supply chain in reducing its carbon footprint. In addition to mitigating our end-of-pipe emissions through landfill diversion, organics processing, and methane recovery, a regenerative economy that is bolstered by recycling, resource recovery, and remanufacturing will further enhance the reduction of indirect emissions, e.g., through the reduced extraction of virgin materials for product manufacturing, consumption of fuel for import-related transportation, and more.

However, there must be greater market demand for reprocessed and recycled products, including as inputs into manufacturing. As such, WMRR is calling on the state government to set and enforce sustainable procurement specifications on all public sector entities in SA, including mandatory targets for a minimum percentage of Australian-recycled materials to be used in materials across all new publicly funded projects. These can be passed on to government contractors working on building, civil, public place, and infrastructure works as KPIs, and importantly, filtered down to local government. To reinforce sustainable procurement requirements, penalties should be introduced for non-compliance. WMRR is also seeking the introduction of incentives such as awards and tax breaks to encourage sustainable procurement practices in the private sector, and community education on the benefit (local jobs as well as environmental) of preferencing and purchasing products that are made from recycled materials.

5. *Continuation and improvement of the waste levy*

South Australia's waste levy is an important policy lever that places a price on the value of material, therefore discouraging landfilling and incentivising resource recovery. Since its purpose is to stimulate job-creating higher order material management, including practices such as repair, re-use and

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recycling, funds raised by the levy should also be reinvested in the development of new resource recovery markets, technologies, as well as harmonised WARR education initiatives.

To support these goals and ensure the levy is serving its proper function, WMRR advocates for a minimum of 50% of funds raised by the waste levy returned to industry through a transparent and balanced process (according to the GISA's 2021–22 Business Plan, less than 24% of the \$92.398 million forecasted to be raised will be reinvested in the WARR industry through grant programs and other initiatives⁵). We are also calling on SA to re-institute the practice of providing levy certainty by administering five (5)-year forward estimates of levy rates, which would ensure infrastructure and planning certainty. This will be vital in achieving 70% diversion by 2030 as per the state and national target.

6. *Lead a national, entire supply chain policy response to Per- and Polyfluoroalkyl Substances (PFAS)*

While SA initially took the lead on an upstream approach to addressing the issues related to PFAS in 2018, being the first state to ban the use of PFAS in firefighting foam, more recent attempts to introduce end-of-pipe interventions – such as a bill proposing banning landfill disposal of PFAS in certain areas of the state introduced in late 2020 – represent a regressive and ultimately ineffective approach to protecting public health and safeguarding the environment, which moreover, violates the proximity principle for best practice sustainable material management.

While the WARR industry is adequately equipped to manage end-of-life PFAS, it has no control over the materials that are generated, consumed, or presented for disposal; these materials originate at the top of the supply chain. At present, the federally administered PFAS National Environmental Management Plan (NEMP) that governs Australia's national approach to PFAS management focuses heavily on treatment and disposal options. This, again, is insufficient and inappropriate, and places disproportionate focus on end-of-pipe solutions with no consideration of product design and manufacture.

WMRR is calling on the SA government to once again take national leadership on PFAS management by committing to a prioritised phase-out that bans the use of these substances as raw materials in products in the first instance. This should include an election promise to abandon landfill bans (there needs to be consideration of where PFAS-contaminated materials, which are prevalent in numerous materials in society, will be disposed of, if not at a highly engineered landfill), at least until a source-level phase out of PFAS is instigated, ideally nationally.

Thank you for your consideration of WMRR's South Australia election priorities for the WARR industry. WMRR welcomes the opportunity to discuss these policy positions further. Please do not hesitate to contact WMRR CEO, Ms Gayle Sloan, to set up a meeting ahead of the 2022 state elections.

Yours sincerely



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⁵ Green Industries SA, 'Business Plan 2021–22'; WMRR, 'Australian state and territory waste levy factsheet 2020–21'