



Infrastructure SA
Government of South Australia
GPO Box 2343
Adelaide SA 5001
Email: infrastructure@sa.gov.au

31 July 2019

Dear Sir/ Madam

Re: 20-year State Infrastructure Strategy Discussion Paper

Thank you for the opportunity to provide feedback on Infrastructure SA's *20-year State Infrastructure Strategy Discussion Paper*. The Waste Management and Resource Recovery Association of Australia (WMRR) is the peak national body for the \$14 billion waste and resource recovery industry. We have more than 2,000 members representing over 500 individual entities nationally, operating in a broad range of business organisations, the three tiers of government, universities, and NGOs.

The essential waste and resource recovery industry drives both jobs - employing up to 50,000 people - and investment in the economy. WMRR's purpose is to lead the success of the industry while ensuring the environment and community are protected through the safe and responsible management of waste.

WMRR agrees with government's sentiment that infrastructure, both new and existing, plays a critical role in unlocking economic opportunities in SA by providing access to markets and improving productivity, as well as creating jobs. This infrastructure also plays a key role in ensuring our community and environment thrive.

SA's waste, recycling, and remanufacturing industry provides an essential service. Further, the state has historically been at the forefront of waste management and resource recovery in the country. The industry continues to protect both human and environmental health, and remains a significant contributor to the SA's circular economy and environment, contributing through:

- a turnover of over \$1 billion¹;
- Gross State Product (GSP) of \$500 million²;
- the employment of 4,800 full-time equivalent persons³; and
- reduction of greenhouse gas emissions by 1.25 million tonnes of CO₂-e in South Australia through recycling activities⁴.

Thus, WMRR supports the consideration and inclusion of the waste management and resource recovery industry in the government's long-term asset planning as an indispensable component of a robust and transparent framework that would enable decision-making that underpins and supports SA's economic and social systems.

An essential industry

WMRR acknowledges the rightful inclusion of waste management within 'Utilities', which provide essential services to community, and the consideration of waste management and resource recovery in broader infrastructure planning.

¹ RWA, Review of South Australia's Waste Strategy 2011-2015, February 2014

² Green Industries SA 2016-17 Recycling Activity Survey

³ RWA, Review of South Australia's Waste Strategy 2011-2015, February 2014

⁴ Ibid.

WMRR NATIONAL OFFICE
SUITE 4.08
10 CENTURY CIRCUIT
BAULKHAM HILLS NSW 2153
(02) 8746 5000
INFO@WMRR.ASN.AU

WMRR.ASN.AU

Waste management and resource recovery services and infrastructure are absolutely essential to the community and environment, and they need to continue to be regarded as such. This recognition must also be extended within the planning and development system to preserve and ensure necessary land-use and access rights (more below), as well as to adequately provide for new services and infrastructure.

In improving this strategy, WMRR suggests that Infrastructure SA considers clarifying some of the terminology used within the “Utilities” section on page 34, as the references to water, waste, and wastewater may appear confusing and do mean different things to different industries. For instance, the term “waste” should not be used to encompass both solid waste and wastewater as they are generally always two separate entities.

Future planning and mapping

It is important that moving forward, Infrastructure SA considers how it can and should continue to collaborate with the whole of government, including Green Industries SA (GISA), which released a waste and resource recovery infrastructure plan in 2018.

GISA’s plan is particularly important as structural change is occurring both domestically and overseas, which will drive the management and remanufacturing of waste and recyclables onshore. In Australia, industry is committed to building a sustainable and viable remanufacturing industry and WMRR is continuing to work closely with all stakeholders in the supply chain, including all levels of government, to make this happen.

GISA’s plan models projections for future trends in waste generation, recovery, and landfill, as well as the infrastructure needs and associated investment for two (2) scenarios: the next 10 and the next 30 years. This document, along with the state’s 2015–2020 waste strategy, provides a vision where waste is managed as a resource, reuse and recycling are economically attractive options for all sectors, and more materials are recycled according to their highest beneficial use and quality standards. The waste strategy is on the cusp of being released for consultation and will no doubt focus on circular economy principles, the state’s new mandate on plastics, as well as food organics and garden organics (FOGO) and waste collection.

GISA’s projections bode well for the economy – a scenario based on moderate diversion over 10 years is estimated to add \$113.9 million in GSP and an additional 1,035 full-time equivalent (FTE) jobs. Meanwhile, a 30-year high diversion scenario is forecasted to add \$660.5 million in GSP and 4,969 FTE jobs. GISA has mapped out the infrastructure needs based on these two scenarios:

- 10-year moderate diversion: an estimated \$166 million in new/expanded waste and resource recovery infrastructure that includes \$49 million for municipal solid waste (MSW) infrastructure, \$88 million for commercial and industrial (C&I) waste infrastructure, and \$29 million for construction and demolition (C&D) waste infrastructure.
- 30-year high diversion: an estimated \$990 million of investment in new/expanded waste and resource recovery infrastructure comprising \$385 million for MSW infrastructure, \$459 million for C&I waste infrastructure, and \$146 million for C&D waste infrastructure.

With waste and resource recovery playing a key role (and a role that will continue to grow in value and importance) in driving SA’s economy, and in considering GISA’s projections, it is imperative that Infrastructure SA prioritises the state’s waste and resource recovery infrastructure and acknowledges that the industry is an emerging pathway to growth as well as employment opportunities. To capture this, WMRR encourages Infrastructure SA to include the waste and resource recovery as one of the growth opportunities listed on page 9 of its *20-year State Infrastructure Strategy*.

Land-use planning

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Land-use planning is a critical part of planning for waste and resource recovery infrastructure. As part of this infrastructure plan, Infrastructure SA must consider and address the significant and ongoing encroachment into buffer areas that has a profound negative effect on the waste and resource recovery industry.

In siting and operating waste and resource recovery facilities, the availability of land with adequate buffers and the protection of those buffers throughout the operating life of these facilities are important. Often, land with adequate buffers is only available at locations that are at a significant distance from the source of materials to be processed or disposed of; in inner city suburbs, retention of land with buffers that is close to the source of generation is not always possible, viable, or sustainable. Additionally, as it is cost prohibitive for most operators to own the required buffers, incompatible development may occur in the buffer zones.

Thus, WMRR urges Infrastructure SA to protect and safeguard suitable buffer distances and identify long-term locations (waste and resource recovery precincts) to ensure that infrastructure can be built to meet future demands and the needs of a resource efficient economy. Infrastructure SA should also consider a requirement of new applications for sensitive land uses within the buffer to demonstrate that they will not be impacted by existing operations, or at the very least acknowledge and accept that on occasion, their amenity may be impacted and that they waive any rights to action in this regard.

Funding, financing and procurement alternatives

The waste levy continues to be a significant driver of change in the waste and resource recovery sector, given it can impact the costs of waste management and decisions surrounding infrastructure developments.

WMRR is calling on the government to hypothecate a minimum of 50% of the levy back to industry, as well as commit to sustainable procurement for government including infrastructure projects. As part of this work, SA should develop a five-year outlook for the levy in order to provide much-needed certainty to industry and local government, allowing them to push through with their long-term planning, infrastructure investments, and budgets. This ongoing discussion should be reflected in Infrastructure SA's strategy as it has cross-sectoral impacts.

Future focus

As Infrastructure SA notes on page 34, "waste volumes from cities are forecasted to increase, however this may be offset by new technologies and processing methods. There will need to be investment in new resource recovery centres and waste management systems to reduce reliance on landfill, with organic waste links to bioenergy generation solutions and other circular economy strategies."

WMRR supports the statement above and further advocates that SA, which has always led the country's recycling, resource recovery, and remanufacturing efforts, has an opportunity to continue leading in this space by being a first mover in sustainable procurement. SA can do so by ensuring that all state and local government infrastructure investment is supported by mandated targets to drive the procurement of recycled content in all new infrastructure. Importantly, sustainable procurement must be supported by robust specifications and standards.

Please do not hesitate to contact the undersigned if you'd like to discuss WMRR's submission.

Yours sincerely

[DELETED]

Gayle Sloan
Chief Executive Officer
WMRR

[DELETED]

John Phillips OAM
SA Branch President
WMRR

WMRR NATIONAL OFFICE
SUITE 4.08
10 CENTURY CIRCUIT
BAULKHAM HILLS NSW 2153
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