

## Recycling support package welcomed

**23 February 2018**

The Municipal Association of Victoria (MAV) has welcomed a \$13 million support package from the Victorian Government to help cover new fees set by local recyclers following China's ban on certain recycling imports.

Mr Rob Spence, MAV CEO said he expected the State's funding would cover part of the increased costs being imposed on councils by the recycling industry until 30 June.

"We are pleased the Victorian Government has stepped in with short-term assistance to help ensure recycling can continue to be picked up from households.

"This will assist councils to avoid withdrawing funds from other essential community services to pay the increased recycling fees.

"However beyond 30 June, affected councils will need to pass on the new costs imposed by the recycling industry to residents through the waste management charge that appears on rates notices or through the rate for those councils without a waste charge.

"The recycling crisis will equate to a rate rise of between 1.1 and 2.5 per cent for ratepayers. This will be on top of any annual rate rise, which cannot exceed the State's rate cap.

"For councils that do not have a waste management charge, we are hopeful the Essential Services Commission will grant them an exemption to increase their rates to cover the new recycling fees.

"We anticipate that the impacts of the China ban will be felt by all Victorians. The priority for state and federal governments should now be on significant investment into our local recycling industry to help strengthen our system, and protect jobs and the environment," Mr Spence said.

Prior to the China ban, many councils received a fee from recyclers for each tonne of household recycling. This fee was often used to offset collection costs. The material was then sold to China at a higher price where it was processed.

Rather than pay councils for recycling collected from kerbside, the recycling companies plan to charge councils a fee to take the materials. This will leave many councils with unbudgeted costs of more than \$120 per tonne.

Mr Spence said around \$200 million in landfill levies was being collected each year by the State to invest in sustainable use of resources, best practice waste management and emissions reduction.

"For more than a decade, successive state governments have underinvested landfill levies from the Sustainability Fund back into Victoria's waste and resource industry.

"Now there is an urgent need for landfill levy funds to support innovation in waste management and resource recovery, such as more advanced sorting systems, better processing technologies and new end markets for recycled materials.

"The most important action that households can take is to ensure they follow the instructions provided by their council about what can go into their recycling bin.

"Buying products with recycled content – such as recycled copy paper and toilet paper – is also a great way to help close the recycling loop," Mr Spence said.

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