



OPEN LETTER

To: Ingrid Stitt, Minister for Environment, Victorian Government

Re: Please intervene to stop your government penalising charity shops

Date: 3 May 2023

Dear Minister Stitt,

In May 2021, your predecessor Minister D'Ambrosio intervened to stop DEECA (formerly DELWP) from withdrawing the Victorian waste levy protections for charity shops – and averted a crisis.

DEECA has re-loaded and is again planning to penalise charity shops with \$1.5 million in unfair annual extra cost burdens from 1 July 2023 – so we need you to intervene urgently to stop this.

Why should you intervene? Both on principle and in practice, to safeguard the environment which your Ministry is responsible for. If you don't stop DEECA, landfill in Victoria will increase.

The principle is that charities don't own or create or want the waste. It is illegally dumped on them by lawbreakers. And it is un-Australian to tax organisations on something they don't own or create. All of the other State Government jurisdictions in Australia understand this and protect charity shops from their waste levies. It is only Victoria that will be isolated in its regressive stance if you don't act.

In practice, the waste levy has a perverse effect on charity shops. People will illegally dump on charities regardless of whether you tax them or not, and forcing charities to pay the waste levy will cause an increase in landfill, not a reduction. If you penalise charity shops with an unfair tax on 1 July 2023, they will have to find the savings somewhere – which means a reduction in capacity.

If charity shops are forced to cut costs on resource recovery to pay your tax, it means more waste to landfill for Victoria. They will be unable to divert the 242,000 tonnes from landfill they did last year – which means you, as Minister for Environment, will have caused an increase in waste to landfill.

If charity shops are forced to cut costs from their mission goals to pay your tax, it means the most vulnerable people in Victoria will be hurt directly. Your \$1.5 million tax equates to 428,571 meals that cannot be provided by charities to Victorians who will go hungry, at a time when calls for help are increasing as more Victorians struggle with rent stress, electricity bills and rising costs of living.

Charity shops provide \$232 million in avoided costs for your government, in food and shelter for Victorians in need, mental health services, crisis support and a wide range of illness and disability support, right down to the wellbeing of our pets. Without charity shops, your government would need to pay for these services – or let Victorians in need go without essential support.

Charity shops also save 214,000 tonnes of CO2 emissions and 21,000 Mega Litres of water a year to help the environment, for which your ministry is responsible. Without charity shops to divert the



242,000 tonnes of household items from landfill, your government and Victorian councils would also need to pay for these services – or let Victoria’s streets be littered with waste.

Given the massive contribution charity shops make to Victoria’s environment, society and economy, we are absolutely dumbfounded by DEECA’s insistence to penalise them. This is especially pertinent, given the failure of DEECA’s *Recycling Victoria* policy in respect of charity shops, and their lack of proactivity, transparency or even information to keep their position frozen in time since 2018.

Charitable Recycling Australia’s Report Card for DEECA reads as follows:

| | | | |
|--------------------|------|------------------------|-------------|
| Recycling Victoria | Fail | e-Waste | Fail |
| Supporting Reuse | Fail | Circular Economy | Fail |
| Transparency | Fail | Waste Levy Protections | Please Save |

We can easily provide more details on how DEECA’s policies and position have failed charity shops, and how their documented behaviours have threatened our sector. Let me know if you’d like this.

Systemically pertinent is that a recent gap analysis of all Australian government waste policies shows Victoria’s *Recycling Victoria* as the most imbalanced, with its heavy focus on interventions at the bottom of the Waste Hierarchy like recycling, at the expense of higher order interventions like reuse.

Your government’s Circular Economy credentials will be tarnished if you penalise charity shops by hampering reuse in Victoria. A transition to a Circular Economy is impossible if you regress reuse, which is a fundamental higher order intervention critical to achieving circularity. While the rest of Australia is moving forward with reuse to a Circular Economy by 2030, Victoria is going backwards.

Clause 4.1 of your *Recycling Victoria a New Economy* claims your government’s “Support for Charities: reducing charity waste costs and that you are working with our sector on a strategy to reduce waste”. Both claims will be untrue if you increase charity waste costs by \$1.5 million on 1 July 2023, and nobody would want to see the Victorian Government accused of greenwashing. At the very least, you would need to immediately remove your ‘Supporting Charities’ claim.

The solution is very simple, Minister Stitt.

Please intervene to stop charity shops being penalised on 1 July 2023, and maintain the 100% protections for charity shops from the waste levy.

The environment will thank you. Society will thank you. And the economy will thank you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Omer Soker", with a horizontal line underneath.

OMER SOKER
Chief Executive Officer