Parliamentary Debates
(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
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LEGISLATIVE COUNCIL

Tuesday, 12 March 2019

Legislative Council

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THE PRESIDENT (Hon Kate Doust) took the chair at 2.00 pm, read prayers and acknowledged country.

BILLS

Assent

Message from the Governor received and read notifying assent to the following bills —

1. Ports Legislation Amendment Bill 2017.
2. Residential Tenancies Legislation Amendment (Family Violence) Bill 2018.
3. Criminal Law Amendment (Intimate Images) Bill 2018.

USHER OF THE BLACK ROD AND ADVISORY OFFICER (PROCEDURE)

Statement by President

THE PRESIDENT (Hon Kate Doust) [2.02 pm]: As members may have noticed, today I was announced by John Seal-Pollard rather than Grant Hitchcock. The positions of Usher of the Black Rod and Advisory Officer (Procedure) are structured in such a way that they rotate from time to time for staff development purposes. These positions have been occupied by Grant Hitchcock and John Seal-Pollard respectively for over three years. I am pleased to announce that these staff members have swapped roles. Grant Hitchcock is now Advisory Officer (Procedure), and John Seal-Pollard will serve as the Council's eighteenth Usher of the Black Rod since the establishment of responsible government in 1890.

Under our Parliament's inherited privileges, the Usher retains the power of arrest and serves as the personal attendant to the Governor when on the parliamentary precincts. The Advisory Officer (Procedure) is involved in preparing business documents for the chamber, maintaining procedural precedents, serving as a clerk at the table and contributing to the valuable work of our committees.

On behalf of all members, I congratulate Grant and John on their new appointments and wish them every success in their roles.

Members: Hear, hear!

HANNA EMMA-LEA HITCHCOCK

Statement by President

THE PRESIDENT (Hon Kate Doust) [2.03 pm]: I also want to advise members that Grant Hitchcock, as they would have noticed, is not in the chamber. On behalf of the Legislative Council, I want to pass on our congratulations to Grant and his wife, Michelle, who, on 7 March, welcomed a new addition to their family—a baby girl, Hanna Emma-Lea Hitchcock, who is a lovely young sister to her siblings, Ethan and Ava. I am sure we all congratulate both of them on their new arrival.

Members: Hear, hear!

LOCAL GOVERNMENT — COMPLAINTS HANDLING

Petition

HON PIERRE YANG (South Metropolitan) [2.04 pm]: I present a petition containing 28 signatures, couched in the following terms —

> To the President and Members of the Legislative Council of the Parliament of Western Australia in Parliament assembled.
>
> We the undersigned support Mr McLerie's serious concerns about the Office of the Information Commissioner, the Public Sector Commission and the Parliamentary Commissioner for Administrative Investigations (Ombudsman), collectively the Oversight Bodies, and their individual and collective failures to properly address multiple complaints about the City of Melville over an extended period. It is possible that had the Oversight Bodies been coordinated and properly addressed the complaints, the current Department of Local Government Sports and Culture Authorised Inquiry may not have been necessary to address the community's ongoing concerns into the lack of transparency, accountability, governance and performance of the City of Melville.
>
> Your petitioners therefore respectfully request the Legislative Council inquire into the legislative framework and the performance of the Oversight Bodies in relation to their handling of complaints and other submissions put to them in respect of Local Government, particularly the City of Melville.
>
> And your petitioners as in duty bound, will ever pray.

[See paper 2454.]

ALBANY WAVE ENERGY PROJECT — CARNEGIE CLEAN ENERGY — FINANCIAL ASSISTANCE

Statement by Minister for Regional Development

HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development) [2.05 pm]: Last night, our government terminated its financial assistance agreement with Carnegie Clean Energy to deliver the Albany wave energy technology development project, following an assessment of the company's financial capability to deliver the project. In October 2018, the state government exercised its power under the agreement to require Carnegie to provide a comprehensive and detailed funding plan for its $25.6 million contribution to the project. That followed concerns about the company's finances, driven by uncertainty surrounding the future of federal research and development tax concessions, losses from other operations, and asset writedowns. The plan was submitted on 15 February 2019. The state government has assessed that the company is unlikely to be able to deliver the project in a reasonable time and has, with regret, terminated the funding agreement.

The $13.125 million in the budget for this project will be directed towards delivering radiotherapy services in Albany. The state government investment in the University of Western Australia's Wave Energy Research Centre will continue, focusing on marine renewable energy and initiatives to support enhanced coastal safety, ports and shipping operations, and marine aquaculture. Work completed by Carnegie with state government funding, such as geophysical and other surveys and mathematical models on wave conditions in Albany, will be made available to UWA and other interested parties.

Research and development projects always carry risk, and our government will not apologise for supporting local renewable energy R&D. We are committed to diversifying regional economies, and this project was just one in a suite of initiatives to drive new job opportunities in the regions. The unexpected proposal to change the federal R&D tax concessions created an environment of uncertainty that destabilised the company's finances. Carnegie's finances were in good order when the contract was signed, but these circumstances changed over the last 12 months. Our government remains committed to research and development to ensure that WA is a technology maker, not a technology taker. The University of Western Australia will continue its research work in Albany, which has already attracted scientists to the region. We understand the disappointment of the Carnegie team and hope that its technology finds a sustainable investor into the future.

IAN KING — TRIBUTE

Statement by Minister for Ports

HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Ports) [2.08 pm]: During the break, we saw the passing of Mr Ian King. Ian chaired Geraldton's Mid West Ports Authority for some 15 years, which was a very significant slice of the port's 50-year history. Ian brought both strong commercial and logistics capability and natural people leadership skills to the task. During his time at the port, tonnages grew from 2.5 million to nearly 16 million. The port enhancement project, which he so ably managed, saw off the double loading of grain and enabled the kickstart of an iron ore industry in the midwest. Ian built staff morale and great community relations. He loved his opportunity for public service. Our sincerest condolences to Dell, Michael, Margot and Jordan.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

STANDING COMMITTEE ON UNIFORM LEGISLATION AND STATUTES REVIEW

121st Report — "Child Support (Commonwealth Powers) Bill 2018" — Tabling

HON MICHAEL MISCHIN (North Metropolitan — Deputy Leader of the Opposition) [2.12 pm]: I am directed to present the 121st report of the Standing Committee on Uniform Legislation and Statutes Review titled "Child Support (Commonwealth Powers) Bill 2018".

[See paper 2455.]

Hon MICHAEL MISCHIN: The report that I have just tabled advises the house of the committee's findings and recommendation regarding the Child Support (Commonwealth Powers) Bill 2018. The commonwealth child support scheme was established in 1988 with the object of ensuring that separated parents shared equitably in the financial cost of supporting their children. The scheme operates under two commonwealth acts, which together are known as the commonwealth child support laws. The commonwealth Parliament can only legislate with respect to children of a marriage, as opposed to exnuptial children. All other states have referred power in relation to child custody, guardianship, access and maintenance of exnuptial children to the commonwealth Parliament. Western Australia is the only state that has not referred to the commonwealth its power to make laws about children whose parents are not married. Instead, Western Australia adopted the commonwealth child support laws in the form they existed at the time of the adoption by enacting the Child Support (Adoption of Laws) Act 1990.

Amendments to the commonwealth child support laws do not apply in the case of exnuptial children in Western Australia until they are adopted by the Western Australian Parliament. There is often a delay between amendments to the commonwealth child support laws and adoption of those amendments by the Western Australian Parliament. As a result, during this period two versions of the commonwealth child support laws apply in Western Australia—the amended version, which applies to children of a marriage, and the pre-amended version, which continues to apply only to exnuptial children. The government has advised that this misalignment of laws can disadvantage exnuptial children, especially financially. Historically, the Western Australian Parliament has always adopted, albeit with some delay, all commonwealth amendments made to the commonwealth child support laws. The bill seeks to address the inequities caused by this delay. It provides for Western Australia to adopt the commonwealth child support laws relating to the maintenance of exnuptial children and refer the matter of the maintenance of exnuptial children to the commonwealth Parliament.

The committee found that clause 4(1) of the bill has the potential to exclude parliamentary oversight and, as a result, derogates from Western Australia's parliamentary sovereignty. However, the committee concluded that given the purpose of the bill and the safeguards that have been identified and proposed to ameliorate the risk to the state's parliamentary sovereignty and lawmaking powers, those limitations on parliamentary sovereignty are acceptable, on balance, so as to enable the timely application of like laws to the maintenance of both children of a marriage and exnuptial children in Western Australia.

In conclusion, I note that the committee was required to report to the Legislative Council by 12 February 2019, which time was extended until 19 March 2019. I am pleased to be able to table the committee's report earlier than that date. I commend the report to the house.

BIODIVERSITY CONSERVATION (EXEMPTIONS) ORDER 2018 — DISALLOWANCE

Notice of Motion

Hon Robin Chapple gave notice that at the next sitting of the house he would move —

> That clause 4 of the Biodiversity Conservation (Exemptions) Order 2018 published in the *Government Gazette* on 21 December 2018 and tabled in the Legislative Council on 12 February 2019 under the Biodiversity Conservation Act 2016, be and is hereby disallowed.

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT (CONTAINER DEPOSIT) BILL 2018
WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT (CONTAINER DEPOSIT) BILL (NO. 2) 2018

Cognate Debate

Leave granted for the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018 to be considered cognately, and for the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 to be the principal bill.

Second Reading — Cognate Debate

Resumed from 21 February.

HON DR STEVE THOMAS (South West) [2.17 pm]: Thank you, Madam President, for this opportunity to address, I guess, a scheme that has been a long time in the making. I will have a little bit more to say about the time frame of this in a little while. The opposition will be supporting the containment deposit legislation before the house today but we will go into some details. Let me say at the outset of my address that the issues that need to be fleshed out in relation to the container deposit scheme will largely come under the purview of the regulations that will be developed later rather than the legislation as presented to the house today. We are going to ask the Minister for Environment for a little largesse during the debate to try to get an indication of where these regulations might take us because it is a bit difficult to oppose the bill when the regulations that define how the entire scheme is going to function will appear some months down the track. We will be fleshing out in some detail some of the issues and problems.

Let me start by saying that obviously waste management is going to be one of those, if not sexy issues, then constant issues that we are going to face over the next 100 years or so. It is not an issue that inspires people but when things go wrong, people become very passionate about it, in particular how it impacts on their environment and their capacity to enjoy that environment. We obviously want to try to make sure that we minimise the amount of waste going into landfill that is not managed or recycled as well as it might be. To that end, I thank the government for bringing forward this legislation. It is not dissimilar to the intent of the previous government when it announced some years ago that it would present container deposit legislation to the Parliament. In fact, the differences will be more in the operation than in the intent of the legislation. I do not think we will see a great level of disagreement between the opposition and the government over the intent of the legislation.

Let us go back over a bit of the history of this process. Many members, if they are old enough, will no doubt remember local bottle-return schemes. The first thing that happens when this topic is brought up is that we all remember a local scheme that existed many, many years ago. For me, in the 1970s in particular, the scheme that we partook of was called Finnemore's Cordials. We would receive a bottle of carbonated soft drink and then take it back to receive, at that stage, very small recompense for the effort of taking it back. Most people get quite confused when talking about this legislation because that scheme was always just a local scheme with a local producer. Particularly in rural areas—the major cities would be compartmentalised into suburbs—there tended to be a local supplier rather than the multinationals that now provide most of the carbonated soft drinks sold in Australia. Those local suppliers used to be able to encourage people to bring back the bottles and receive a small payment for that, and they would simply wash out those bottles and recycle them. In those days they could do that because, I guess, the occupational health and safety rules around the re-use of those bottles—the member is about to make a serious comment.

Hon Simon O'Brien: I was just going to suggest the key point is to refill them, as opposed to recycle them.

Hon Dr STEVE THOMAS: Yes, that is precisely right. In the 70s those bottles would be washed, refilled, recapped, and resold. Most of us who are old enough would have some experience with that process. Most of us from regional areas probably knew people who would sneak into the back of the various receival points, collect a few empty bottles, and go and put them back in a second time. I am not accusing anybody in the chamber today of such miscreant behaviour, particularly on a day when we have already seen a couple of Corruption and Crime Commission reports come down, Madam President. We do not want any war stories—do not admit anything, honourable member. Never admit a thing; that is one of the first lessons the member should have learnt. We all know stories of those less upright members of our local community who would go and grab a few extra bottles and wander back out the front, if they were smart, several days later. If they were not so smart, occasionally young people would go and pick up bottles and take them straight back around, and the guys would take the bottles out the back and suddenly realise that where they had placed a couple of bottles there was an empty space for them to place a couple of bottles again.

Hon Colin Tincknell: Honourable member, I wasn't admitting to it. I was remembering the people who did it.

Hon Dr STEVE THOMAS: Excellent! There is a fair bit of corporate knowledge in the chamber of those days when these things used to occur.

The re-use of soft drink bottles was very common. That will not happen in the scheme that will be eventually developed from the legislation before the Parliament. Before we get bogged down in that extreme level of nostalgia from our younger days, the washing out and re-use of those bottles is not part of the scheme that will be captured by this legislation. When members talk to constituents about the container deposit scheme, it will not be like a scheme that historically would wash, re-use and recycle in that way. Personally, I think that was a reasonable solution. I do not remember anybody getting significantly sick from that process. We all drank from washed and re-used bottles, and I like to think that we came out of that fairly unscathed at the end. We are not going back to those days; those days are gone and we have to accept that. This scheme will look very different.

The intent of the scheme is primarily to reduce the amount of waste that either goes to landfill or remains uncollected on the side of the road. Again, members who have been around for a long time will no doubt have heard stories from people who have driven the Nullarbor that on the Western Australian side of the border they saw rubbish, particularly cans and bottles, along the roadside, and in South Australia, which has had a statewide scheme for many, many years—decades—there is a significant difference in the litter component and the amount of litter, and that they attribute that to that state's container deposit scheme. I think there is genuine legitimacy to that view. This legislation has a twofold aim: to reduce the amount of waste that goes into landfill and to reduce the amount of litter on the road. I do not think there is a member in the house who would have a moral objection to the latter objective; that is, I do not think anybody would object to additional waste removal from roadsides. In the south west, we find that not infrequently rubbish is dumped in small state forest blocks and on crown land because sometimes it is easier to do that than to take it all the way to the rubbish tip. I think there is universal support for that component of the intent of the legislation and of the government.

The intention to reduce the amount of waste going into landfill is a noble cause. Perhaps in some circumstances—I know there is a variation in the use of the word "quixotic" or "kee-ot-ic" in Spanish—although it is a noble attempt, on occasions it is perhaps not the most efficient use of resources in relation to recycling. I will repeat that statement a few times during this address because I want to place on the record that the reality of recycling is not always exactly the same as the ideology and the rhetoric. That is not to say that we should not support the intent of the legislation or that the Liberal opposition is opposed to container deposit scheme legislation. We are not; we announced our own version of it some years ago. But we will have to have a fairly honest look at the effectiveness of recycling and be honest about when it is efficient and effective, and when it is somewhat ideological. I will go into a little more detail on that issue later.

Let me say at the outset that it is great to be in a debate about reducing waste. The minister and I are both passionate about that outcome. We would probably do so in a slightly different manner, and that is the normal good

functioning of the parliamentary process, and that is great. I do not have a lot of time for those who are directly opposed to this legislation on the basis that people should not have to make the additional effort. I place on the record, Madam President, that I kind of have a vested interest in this area. I have no roadside waste service where I live, in the middle of the sticks, between Donnybrook and Kirup, so I have to manage my waste. I take my waste to the rubbish tip. In order to facilitate that process at the Donnybrook–Balingup waste site, I stream my waste into seven or eight streams. My family has a whole bunch of old chicken feed bags hanging on the wall, one is for steel cans, one is for aluminium cans, one is for clear plastic, one is for milk bottles, another one is for coloured plastics et cetera. We have a section for glass, one for paper and cardboard, and a general waste section. I stream my waste, in the wild hills of Donnybrook, into eight streams for collection. As the shadow Minister for Environment, I look at and talk a lot about the waste management system, and a lot of people say to me that it is far too difficult to stream waste. To be honest with members, I have very limited sympathy for that position, because I stream my waste eightfold. If it is a little bit tough for people to have three bins out the side of their place, I am afraid that is not going to cut the mustard.

I will briefly go into waste collection and bins, because it is important and will become more important down the track in the process of how the container deposit scheme will work. We need to do that in a bit of detail. A push is on at the moment in various local governments to additionally screen waste from originally one waste stream, in which everything went into a 100-litre or 120-litre bin. Most people had a 100-litre bin that they chucked everything in and it was up to the local government to sort that waste as best it could and try to find some way to recycle it. In past years, China was generally happy to take whatever mix of rubbish we sent to it. That is because wages and the cost of labour were low, so China could afford to sort that waste. China is still happy to take a pure waste stream. However, China is no longer willing to take unscreened waste, and that has put us out of that marketplace. Therefore, waste has suddenly become a significant and major issue in not only Australia but also a number of other countries.

Under the current waste disposal system, with the green-top general waste bin and the yellow-top recycling bin, waste is often combined, because if people have filled one of their bins, they put their waste in the other bin, and it is picked up. It is now proposed that households be provided with a third bin for carbon-based waste, or food waste. I am not a great believer in the use of acronyms, but I believe the expression that is used these days is FOGO. That carbon-based waste is then turned into mulch or fertiliser, or another carbon-based resource, and put into the soil.

Another alternative that should be considered is the conversion of waste to energy. I know this is not the government's bent. However, we need to talk about this in more detail, because it will be a significant player in the future. The government is currently suggesting that is the lowest form of re-use of waste. However, the reality is that the removal of that waste produces a by-product benefit—namely, energy—bearing in mind that this state currently has an excess of energy. The reason waste to energy stacks up is that its business model is based on the removal of waste. People across Western Australia are already converting waste at the individual household level. I congratulate the people who have worm farms. Well done. I hope that is working for them very well. However, the fact that this is being done at both the micro level and the macro level should not exclude waste to energy as a component of the waste management solution. I would like waste to energy to be given a higher priority by this government. I am on record as saying that the proposed biomass plant that the government announced as an election commitment for Collie has fallen over, even though that has not been officially recognised. If we want to go down that path, we will make progress in a serious and sensible way only if we adopt waste to energy, rather than biomass. I believe the biomass plant is going the way—or the wave—of the wave energy plant. I would not be surprised if the proposed solar plant in Collie heads in the same way. Waste to energy needs to be a significant part of the discussion and the process.

I turn now to why a container deposit scheme has been so difficult to implement in this state. I am told that everybody loves the idea of adopting the South Australian container deposit scheme. In my view, that scheme is receiving a remarkable level of popular support. However, it obviously has a cost. We need to talk about that cost in some detail. A bit of history would probably be quite useful. I was the shadow Minister for the Environment well over a decade ago, in 2006 and 2007. The current Minister for Environment may even have been advising the then minister —

Hon Stephen Dawson: I was.

Hon Dr STEVE THOMAS: At that time, there was a debate about container deposit legislation. I went to a meeting with a major international beverage manufacturer. We were talking about a deposit of 10¢ a container. In 2006, 10¢ was probably worth a bit more than 10¢ is now, unless that was part of our wage packet, in which case it would probably be about the same. It was a significant amount of money. I said to this beverage manufacturer that because of its size, this would have an impact on its purchasers. That is because for a large group in the population, carbonated drinks, particularly ones that are also caffeinated, are the opiate of the people. Religion was the opiate of the people in Karl Marx's day. I suspect that from the 1960s onwards, it moved to television. Unfortunately, in the 1980s, 1990s and 2000s, carbonated and caffeinated drinks have become the opiate of the people.

Hon Colin Tincknell interjected.

Hon Dr STEVE THOMAS: It might be suggested by members that personal devices and screens have become the opiate of the masses in 2010-plus. However, we digress a little. In my household, that seems to be the fixation of the modern generation.

In the 1980s, 1990s and 2000s, carbonated and caffeinated drinks were a source of relief. I remember the enormous number of studies that were done on how many carbonated soft drinks schoolkids would consume in a day. At that time, there was a particular carbonated and caffeinated product that was the highest purchased item in supermarkets in Australia. The infusion of these particular products into the community was so high that they were the biggest seller in supermarkets. Funnily enough, the areas in which those products were the biggest seller were often low socioeconomic suburbs. That product literally became the opiate of lower socioeconomic communities.

In 2007, which is 12 years ago now, I said that surely a company that was large enough to be international would have done some research on the expected impact on its sales based on a 10¢ a can or bottle increase in price, even if it could claim back that cost at the percentage at which it expected to claim back. I found out that companies had done that research, but they would not give it to me. I accept that a container deposit scheme will have a financial impact on the companies that provide those products. However, that is not to say that that impact cannot be managed. Under this scheme, a person who buys a 30 pack of carbonated drinks from their local supermarket, in particular carbonated caffeinated drinks, will have to pay an extra $3. In certain communities, that extra $3 will prevent that customer from buying that product. Therefore, it will lead to a reduction in sales, because those people will not always take back those 30 cans for recycling and get back their $3. However, that is not a reason to not support this legislation. It is simply an acknowledgement of the history of this remarkably complicated issue and why it has taken so long to get this legislation to Parliament. That is the history. The previous government announced, I think in about 2015, that it would go ahead with a container deposit scheme and the government has presented the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018 before the house. The briefings provided by the department indicated that the differences between the two proposals were minimal. However, at that point nobody in either government had fleshed this out to the operational level, and that is where we need to get to.

I want to talk in a little more detail about the cost, because to some degree the price is a recycling tax, given that the price goes up on the original product. That is why two bills are before the house, the second of which is a small bill to acknowledge that, in effect, we are placing an additional tax on these products. The current proposal is that a price will be set at 10¢ a unit for a number of different units—effectively, cans and bottles up to three litres, and starting at 150 millilitres and up to three litres over a range of products. It will, basically, be funded up-front. The beverage producers will be charged an additional cost, which can, in theory, be reclaimed at the end of the process when the container comes back through the recycling system. There are a couple of specific issues here. The first is: what will this generally cost? Obviously, there will be an administration cost. If there were 100 per cent recycling of all these containers, 10¢ would come out and 10¢ would go back and it would be a simple curve. But the cost of operating this scheme has to be managed somehow. If there is 100 per cent recycling, which we will not get, the cost of running the program will not be 10¢ a unit. Based on the information I have been able to garner, I would think that around the world the average cost of this process is around 13¢ to 14¢ a unit, so an additional cost is involved. If there is 100 per cent recycling, the cost per unit will go up because all the additional costs of administration and distribution will have to come out of the pocket of the producers, unless the government puts significant additional money in, which is an issue I want to come back to later in this address. If the scheme is to be self-funded, it will rely upon a partial success rate. Obviously, we need to be very cautious that we do not reward success too highly; that is, if the operator does not work too hard to ensure that recycling occurs at a maximum level. If only half the containers that attract 10¢ each are returned—on the basis that it is too difficult, so people do not bother, or the distance to a store is too far—we do not want the market operator coming in with a 5¢ profit, less administration costs in the process, so we need to be fairly cautious. I suspect that when Hon Robin Chapple gives his address, he will be looking at that in some detail.

Hon Robin Chapple interjected.

Hon Dr STEVE THOMAS: It is not on your website, is it? No.

Although we need to make sure that we maximise the return of these products, it will have an impact. In my view, some government funding may well be required to make this scheme operate effectively and that is not what I see in the legislation before me. Admittedly, there is some way to go before we get to an operating scheme. In particular, the government will have to look at how it starts up.

I would like the house to consider the cost effectiveness of recycling across the tyranny of distance and whether, after the content has been consumed and the container is returned a short distance, there is some capacity to make sure that the container is recycled not only cheaper than the whole process of mining the aluminium or iron ore out of the ground, but also with a significant benefit to the community. The further people are away from that recycling process, the more difficult it becomes, and there are a few very good examples of that. Members who are old enough will remember that some years ago, glass in Western Australia was recycled, but that has not

occurred for quite a long time because it is a difficult process. Original glass is a fairly cheap product and the cost of recycling is not insignificant. Recycled products were therefore sent to the eastern states, which, to be honest, was just a little insane. The cost of trucking it across the Nullarbor far exceeded any potential environmental and cost benefit that occurred from recycling that product. At that stage, we would have been better off taking that product, putting it in the ground and using fresh product. The same thing will apply, I suspect, for the more remote collection points in this system. If the intent is to minimise the impact on the environment of aluminium cans, the cost of transporting them there and back is a consideration. The government will have to make sure that this scheme is available in the regions, which is important. We do not want regional Western Australians to be isolated from this scheme and unable to partake. However, we need to do so in an honest way, which is to make sure that we consider that the cost of returning that product may well make it less than economic compared with simply burying the product and a new one being manufactured through the system.

Recycling is not always the panacea that people think it is. It is sometimes quixotic but we have to accept that those additional costs have to be borne. Those additional costs will also impact on the overall cost of the scheme, so that a 10¢ refund on a glass bottle or a can may well cost 13¢. We need to reflect honestly on what that cost will be, and I expect the minister in his second reading reply to outline the levels of return and the actual cost. It may well be that the state will need to stump up funding to get this scheme going.

Western Australia is not the first state to jump down this road. South Australia has been at it for decades, but New South Wales and Queensland have also headed down this path.

Hon Stephen Dawson: And the NT.

Hon Dr STEVE THOMAS: Sorry, and the Northern Territory. It is always easy to forget the NT, is it not? Sorry.

I think it would be quite informative to look at the schemes in Queensland and New South Wales. They have introduced slightly different schemes, albeit there are a lot of similarities in them. One of the obvious differences between the two is that the market operator in New South Wales comes from the beverage industry and the market operator in Queensland does not. There are varying opinions about what impact that has. If the beverage industry is the market operator, it will potentially have a different set of drivers from a not-for-profit organisation that is operating in the same marketplace. In this state, despite the fact the legislation is before this house, the government has sought expressions of interest and a tender process. I will be interested in the minister explaining either in his second reading response or during the Committee of the Whole House precisely how far down that path the government is and where it sees that going. Given we are talking about the process of appointing a market operator for a scheme for which the legislation has not yet gone through the Parliament —

Hon Stephen Dawson: You've probably answered your own question.

Hon Dr STEVE THOMAS: That is right. Let us see. There is a fair bit of scuttlebutt floating around the industry, minister, on all sorts of topics—not just this one, but we will stick with this one for the time being. We need to know where we are in terms of the appointment of the market operator and the rules that will exist around the market operator.

We have not yet talked about how precisely this scheme will work. The consumer has gone and bought their carbonated drink or alcoholic beverage and they have paid the extra 10¢ on it. They have taken it home, and they then have to work out what they are going to do with it. There will be a range of collection points that need to be delivered and, again, when we look at the New South Wales and Queensland models, we discover that there is a fair bit of difference in the number of collection points, particularly per population. That also has an impact, but they will have to find a way for that to be delivered.

That is pretty easy for me because I stream them at the moment. I take them to my local waste management system, so my aluminium cans get tipped in with the other aluminium cans. But we then have to work out a way in which the 10¢ is claimed. In some cases the expectation is that individuals will potentially use a reverse deposit machine. Basically, every unit will eventually be barcoded and that barcode can be picked up by a reverse vending machine so that people can individually place their aluminium cans and glass bottles in the machine and I imagine that they would receive a voucher for their 10¢, calculated that way. I would expect that, as happens now, local councils would collect enormous amounts of these products in their waste management systems; the good thing is that they do not miss out. If a local council is collecting products that have simply been put into recycling bins by its ratepayers, the processing unit may well split large numbers of deposits.

I suspect that it will be impractical to have somebody standing there, trying to put these things into reverse vending machines by the thousand, so it is not my expectation that that will be the case. There will have to be mechanisms developed and put into place to make this a practical outcome. I suspect that some of that will involve measurement by weight, if we can stream these containers—particularly glass, because as those who have visited their local waste processing unit in whatever form it takes will know, a lot of glass comes in shattered. If it is not shattered before it comes in, it gets shattered pretty quickly. If a bucket full of glass bottles is tipped into a great big bin, not many of them will not get broken up. I suspect we will end up with some sort of weight management system for

larger collections, but it is going to get quite complicated. It is not going to be a simple system and, of course, there is going to be some fudging of the system, but it has to be as reliable as it possibly can be. At the end of that process one would expect that the waste management contractor and the shire will split whatever waste they can do, as well as it can be streamed. It is going to have to be a reasonably flexible system in the process.

There are going to be some businesses that will struggle with this scheme and its implementation. I note that various members, including me and, I suspect, the minister, have been approached by smaller producers—that is, boutique beer and cider companies. They will have an outlay at the start and if their profit margin per bottle on beverages is very small, their initial outlay in getting those bottles could have a significant impact on their viability. I know that a number of members have had issues put to them in this regard, and I think we need to take them seriously.

A second group of people that need to be considered in this process is the micro importers, particularly niche boutique sales; I am thinking Asian food sales, for example. Often one will find there is a specialist Asian food seller that has beverage bottles in small numbers. Everyone is supposed to put a barcode on their product so it can be recognised as a recyclable product, but if a company is importing a dozen bottles of a particular niche product for a specialist marketplace, it may well find it very difficult to partake in a container deposit scheme, and it may find itself inadvertently in breach of the law. If it is required to be part of that process but it has no capacity to deliver on it, it has a problem.

Both those things need to be taken into account, although not in the substance of the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018, because they really just set up the legislative framework through which a container deposit scheme can be run; they provide the skeleton around which the flesh of the container deposit scheme will come, in the form of the regulations. The regulations need to be able to adapt to and adopt processes for those difficult groups. I will be interested, when the minister responds, to talk about small microbreweries, the boutique brewery and cidery marketplaces, and small importers, and how they might be managed, because it will be very difficult to start granting exemptions, and I understand that. I expect the minister to say, "Granting exemptions is too difficult." I have great sympathy for that, because once we start granting one set of exemptions, it is very hard not to grant them much, much further. I absolutely understand that, and understand why the government might well be resistant to exemptions.

However, I am sure it is open to the government to find other ways to support these small businesses—microbreweries, micro cideries and small boutique shops. The government needs to be a bit clever and find other ways to support them as part of the process. Let me throw this out as an example: if the government were to calculate the cost of the first 10¢ impost on those small groups and, instead of asking industry to come up with that money initially, considered providing a kickstart to the scheme, it could help. I will probably raise this during Committee of the Whole, to go into a bit more detail. Can we find out what it might cost the boutique breweries and cideries and those types of markets, and what kickstart funding from the government might look like, at least in the first year, before we start to see a return from the system? This is supposed to cycle; it is a cyclical proposal. I think the government needs to look at a kickstart in the first year to give it legs at the beginning of the cycle, otherwise we will have to start talking about exemptions, and if we start talking about exemptions, where will we stop? Members probably all have a favourite brewery or cidery, particularly if they travel in the south west, which produces the best of both in Western Australia. I am sure the minister has a favourite he would like to look after in the process; he goes down to the south west not infrequently?

Hon Stephen Dawson: We've got hoocheries in the north west!

Hon Dr STEVE THOMAS: Yes, there are actually a couple of reasonable ones in the north west; there are a couple of breweries up there that are not too bad.

How that might be managed is critical. If we are going to be sensible about the introduction of a largely universally supported container deposit scheme, we have to take care to introduce it with the proviso that we watch the impacts and manage them. I put it to the government that a start-up injection of funds might make the difference between this scheme being either universally accepted or sending a few small companies through some difficult times. I will not say it will send them to the wall or send them broke; I would have thought that if 10¢ per beverage is going to send a company broke, it means that it was a marginal company when it started the process. It could have an impact on cash flow, particularly when the scheme is first instigated. In my view, there is absolutely an argument to suggest that some government funding in its initial stages is a good thing and is required.

Hon Robin Chapple: Does the member think that a rural brewery, such as Matso's with their ginger beer, would need to have that level of compensation?

Hon Dr STEVE THOMAS: It is a really good question. I think the member has had to look at each case on its merits. Is that the one the member drinks?

Hon Robin Chapple: Yes.

Hon Colin Tincknell interjected.

Hon Dr STEVE THOMAS: Everybody cannot interject with their preferred drop!

Regional areas will have a tyranny of distance issue. All that needs to be taken into account as we look at the details of the scheme. I do not have a moral objection. I do not know what Matso's turnover is, member. We would have to look at its turnover. A boost might happen based on turnover or cost. There are ways and means to look through that.

Hon Darren West: Member, this is sounding a bit like John Hewson's explanation of the tax on birthday cake.

Hon Dr STEVE THOMAS: I do not think it does. I can explain the tax on birthday cake. That is okay. This is simply a plug for the impact on those small producers. I can tell the member that there are a lot of small producers and small brewers with boutique and microbreweries who are concerned that they might face additional costs that they cannot manage. The government may argue that they can manage it and tell them to suck it up. If that is the government's position —

Hon Robin Chapple: They do with Matso's, that is for sure.

Hon Dr STEVE THOMAS: Yes, literally suck it up! If that is the government's position, that is interesting.

My view is that the government has an opportunity to smooth the passage and make this scheme work more efficiently and effectively with some investment. I do not think it would be a significant amount in the first year. We might find that we do not need to continue it after the first year. I think it is absolutely worth looking at.

I want to raise another issue—that is, the difficulty with recycling some of the products. Aluminium cans are obviously the easy one and are recycled at a pretty effective rate. I think 80-odd per cent of aluminium cans are recycled now. Scouts and Lions Clubs pick them up. It works fairly well. Certainly, a lot of glass gets recycled. Interestingly, as I said before, we do not recycle glass into glass much anymore. The recycled glass in Western Australia goes into road base. We have to be a bit original about how we might use it, because it is not economically or energy efficient to recycle it back into glass when we have to transport it across the Nullarbor to do so. It goes into road base, so at least it is getting recycled and re-used at a reasonable rate. It is not comparative with the rates of other states necessarily, but it is certainly not the case that it is filling up areas of forest in the south west like car bodies and used nappies are. There are certainly roles for that.

I will run through the list. Obviously, pure stream plastics are not too bad. Again, the more purely we can stream them, the better the recycling result. I think a lot of the recycling areas are very good at that now. However, we start to have real problems with mixed packaging and in particular when we have a cardboard–plastic mixed package. Those are very difficult to pull out to stream to recycle and, in my view, they pretty much go to landfill now. Some of those are on the list of recyclable materials that will be caught up in the government's container deposit scheme. I am very interested to see over time how the government manages those mixed cardboard–plastic items, because I think it is going to find that to turn that into a recycled material is nowhere near as easy as it thinks, particularly again when we add in the tyranny of distance. For example, those little fruit juice boxes and such things are cardboard coated with plastic because cardboard would disintegrate and the juice would seep through. Those products are going to be difficult to recycle. If we have to take them 800 kilometres to a recycle point that ultimately cannot use them, that is not a particularly efficient scheme. That is why recycling is difficult in regional areas.

When we have to travel that sort of distance, we already accept that the cost of transport outweighs the environmental benefit of the scheme, but we are going to suck that up because, in reality, everybody deserves the chance to partake in the scheme whether they live in Nedlands, Meekatharra, Karratha or Esperance. Everybody should have a chance to be involved with that. Bulk travel collection will try to minimise those costs. However, all those items will not be efficiently recycled. On top of that, if an item is plastic and cardboard or combines two or three different types of plastic in a smallish 300-millilitre or 600-millilitre unit, we are effectively transporting it—I suspect, ultimately, a long way—to end up in landfill. It will be a bit amusing because in the country regions and particularly in the south west, we notice a lot of waste trucks coming from Perth. I suspect that they are doing their utmost to avoid the waste levy, which, when I first became involved as a shadow minister, started at $3 a cubic metre and is now $105 a cubic metre. A lot of trucks move around to avoid that.

Hon Stephen Dawson interjected.

Hon Dr STEVE THOMAS: It is $70 a tonne, but $105 a cubic metre. The tonnage is an estimate. Just before the Minister for Environment raises the point, I will tell him the answer. The tonnage is an estimate. It is measured on cubic metreage. A cubic metre of dry non-compacted sand is somewhere between 1.2 and 1.4 tonnes. Wet compacted sand gets up to two tonnes per cubic metre. Concrete is obviously pretty heavy. Concrete that has lead in it, such as in Esperance, is heavier again. On the other hand, paper waste is not as heavy, so that is why we measure the cubic metre. The levy is $105 a cubic metre. I suspect that trucks with all sorts of waste try to avoid that levy. I am hoping that at some point we can have a much longer conversation in this house about the waste levy, how it is measured and how much of it may or may not be being collected, and whether we are getting good value for money in its expenditure. There will be an impost over distance on difficult-to-recycle products.

The government has been quite ambitious in putting 10¢ on some of those cardboard–plastic combined products, because we will potentially transport them a long way and not have them recycled at the end of it. It will have this reverse and perverse outcome, if you will. Instead of travelling out to the country to avoid a waste levy, the trucks will come back in and the products will end up in some sort of landfill here because there is an issue with being able to stream that product to a point at which somebody wants it. I know the legislation provides that it has to be recycled, but I think that we will have some very interesting outcomes on some of those more difficult products for which recycling is immensely problematic. It will not be a huge component by volume because, in my view, they are literally smaller products anyway, with some exceptions. There are a number of combined cardboard and plastic one-litre containers containing a range of things, so those items are also very difficult to recycle. The easiest ones to recycle are aluminium and steel cans; they kind of make sense. Glass goes to road base. All those are easy and simple to recycle. Newspaper and corrugated cardboard are easy and simple to recycle. Funnily enough, a lot of it does not go back into paper. We do not find that all this cardboard that we recycle is going into paper. Because it is carbon based, a lot of it can end up in our carbon-based stream. That is moving into mulches et cetera and, ultimately, perhaps, one day, it will have a reasonable use in waste to energy. They are the simple ones to recycle compared with some of the more difficult and ambitious products that are caught up in the bills before the house today. We need to have a few simple answers to some relatively complex questions. As much as we would like to know the nuts and bolts of precisely how the container deposit scheme will work, how many reception points there will be and in what form, how easy will that be to deliver? There is even a big difference between New South Wales and Queensland in how they have managed that process. The power of the overseers, in particular the government, the minister and the department, to oversee the market operator will be absolutely critical. The market coordinator will be absolutely critical in that process.

We cannot really debate at this point where containers are likely to be dropped off. At this stage I suspect the government is likely to have access to an existing drop-off point, but then it has to work out whether it is the recipient of the deposits or whether they will be picked up by somebody else. When a consumer pays 10¢ extra per can when buying a 30 pack of whatever they purchase and takes that to their local existing council-run recycling and waste depot, the council may have a scheme in place in which the depot operator and the council split that 10¢ refund—5¢ each—hopefully putting it towards the cost of the process. It does not necessarily go back to the consumer. This is an additional tax on consumers. I think we need to be brutally honest about the process. It is an additional tax on consumers. It is in place in the form of a user-pays system to manage that waste, which I think we all accept is a reasonable outcome, as much as we do not necessarily like additional taxes on anything. How much of that refund goes back to consumers will be an interesting thing under the government's proposal. How much of that is collected by existing waste stream operators, be it local government or private investors, is also a significant question that needs to be addressed.

The total cost of the system, in particular the total cost per container, is another critical question. It behoves us to try to ensure that this scheme is as effective as possible. There is no doubt that it will cost more than 10¢ for a 10¢ deposit scheme, but how much more? How will that be collected? At what point does the government put its hand in its pocket to support the scheme, particularly in its early days? Probably most importantly, acknowledging all the difficulties of mixed source waste, I think it is that group of small businesses at a micro level that are most at risk if we get the container deposit scheme wrong. They need to be looked after and protected in the process. I intend to say a bit more about that when we move into the committee stage of the bills, because I think there are ways that we can manage that that are not written into the bills. The bills before the house today simply set up the administration—as I say, the skeleton—but when we get to the regulation stage, if we have not had the conversation at the committee stage about how those will come together, it will be very difficult for us to hold the government to account going forward because we would not have raised it at the start.

Those are the issues that I intend to focus on going forward. The opposition supports the intent of a container deposit scheme. We were intent on introducing our own scheme, but we support a container deposit scheme. We look forward to going into more detail about how it might function, but in the thrust of where we need to go to reduce waste, particularly on the Swan coastal plain where watertables become a significant issue and our waste management over many years has been ad hoc, better waste management is an ideal outcome. For those reasons, we will support the bills before the house today.

HON COLIN HOLT (South West) [3.14 pm]: I sought the call straight after Hon Dr Steve Thomas because I really thought that he raised a lot of the issues that need to be raised in the implementation of the scheme. The National Party is supportive of the legislation, which really is enabling legislation. It has some very good aims and some reasons for doing. There is a real challenge in the delivery and implementation of the scheme, especially in regional Western Australia. I will reiterate some of the points that Hon Dr Steve Thomas raised in his speech.

The Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018 are aptly named because they are about reducing waste and, in this particular case, recognising that the containers that will be recycled make up a great deal of the litter stream around our state. They are the ones that end up in trash on roadsides or are thrown out car windows and end up in the bush or on the roadside. Forty-four per cent of that litter makes up the containers that

this scheme will target. Obviously, less litter means it will hopefully go into the recycling stream so it increases recycling rates. That is another great aim that we should be absolutely trying to get to. This is obviously one mechanism to ensure that that occurs with some of these more high value components of the litter stream going into recycling.

A couple of other opportunities were pointed out in the second reading speech. One was to create employment. I note that somewhere along the line at the briefings it was quoted that the scheme will create about 9.2 jobs compared with the existing 2.8, which is a good thing. If that occurs, that should be applauded. Other options include business opportunities for social enterprises as well as enabling charities and community organisations to raise money. It is worth exploring further how those opportunities will be created and how those organisations will participate in such a scheme.

This is a very popular policy and I think that is why we have come to this point. The community of Western Australia has asked for it. I am not sure that everyone understands the complete detail, and nor do I. I do not think the government does yet because this is really enabling legislation. There will be some detail that not everyone quite understands when the policy in these bills is implemented in Western Australia. Although it is very popular and the community has been asking for it, it is quite a big shift in the way that we recycle in this state. We have gone down the traditional route of ensuring that all those recyclable materials are put into the yellow bin. They were then taken to the recycling station to be sorted and put into the recycling streams. We are now talking about taking out of the yellow bin all the recyclable containers that are earmarked in this scheme and putting them into a completely new system with a completely new value. This is a massive shift in the way we have been recycling in this state. It will come with some hiccups, as all schemes do. Some of them are known. Although we can ask in this place for the minister to respond to the best of his ability, he will also know that it is impossible to give exact parameters in answer to some of the questions that have been raised. It is our duty to do those things and to get the best answers that we can.

I think from the viewpoint of a regional member, the issue is going to be access to participation in the scheme. If members think about how big, broad and wonderful our state is and the communities in it, including remote communities that are two or three days' drive from any regional centre, it is certainly going to be a real challenge for them and everyone in the state to have an equal opportunity to participate in this scheme, and I think ensuring that will be one of the biggest challenges for the government in its implementation.

We had a debate in this house not long ago to congratulate the government on bringing forward this policy. It raised the same sorts of questions. New South Wales has begun to implement its policy and its container deposit scheme, and it is getting to the point at which it has realised that it has missed a few gaps. I hope this government learns from those experiences because Western Australia is three times as big as New South Wales, and that will create three times as many logistical issues for the government. That is one of the biggest issues that needs to be answered—what plans are going to be put in place to ensure that all Western Australians have equal ability to participate in this scheme? I know that some responsibility will be put on the operator of the system, and that will involve some requirements. I think, minister, that it would be good to indicate the operator's requirements for accessibility to the scheme.

Hon Stephen Dawson: Sorry, member, do you mean accessibility for communities?

Hon COLIN HOLT: Yes—for everybody really. We are talking about someone who has bought a container from a shop, paid their extra 10¢, 20¢ or whatever it will end up being—that is another good question—and they have the right to expect that they can turn up to a recycling depot, a return depot, a machine or whatever it might be to get their 10¢ back. That should be the clear indication when we introduce a container deposit scheme. I know that parameters on what that accessibility will look like will need to be set for the operator. The minister needs to indicate in this place his and his government's expectations of that operator in the discussion on this enabling legislation.

When I was reading some material, especially from the frequently asked questions on the website, the second reading speech and the debate that occurred in the other house, it seemed to me that a return point can have two outcomes. It can have a commercial return point where someone turns up with their container, gives it to an operator or a vending machine and gets back their 10¢. If we are talking about opportunities for community groups and sporting groups to participate, potentially people will give their containers to them and they will get the 10¢ back. I may be interpreting this wrongly, but it seems to me that they will make money out of it by getting a container from someone for free and then get 10¢ for that container after depositing it in the scheme. There might be some slippage in that whereby there is negotiation, but I would hate to see a situation in which footy clubs in remote communities become the recycling point, but everyone is expected to give their containers to the footy club for free so that it can bulk them up, take them away and get 10¢ for each container. Again, that is not the way that we should be encouraging people to participate in this scheme. It should be recognised that everyone has equal ability to get the commercial return of 10¢ a container.

Hon Stephen Dawson: We are not going to be legislating or regulating to say, "You must give your cans to the local footy team."

Hon COLIN HOLT: I am sure the government is not, but if that is only way to get cans recycled—rather than bulking them up and traveling 300 kilometres to get it done—people are probably not going to do that. They will give them to the footy club so that it can do it. That would be a lack of a commercial outcome for them, which is not fair. They need access to a commercial outcome, the same as anybody else. It might be fine; a person may say, "Yes, I'm not too worried about the 10¢. I'll give it to the local sporting club or the guides or whoever else and they can treat it like a donation."

Hon Darren West interjected.

Hon COLIN HOLT: Are you mumbling about something, Hon Darren West?

Hon Darren West: Leave our sporting clubs alone.

Several members interjected.

The ACTING PRESIDENT: Order! I have the names of honourable members who wish to speak. Right now I am listening to Hon Colin Holt.

Hon COLIN HOLT: Hon Darren West, that is exactly what I am talking about—the ability for clubs to participate in the scheme. But it should not be at the expense of someone who wants to participate commercially, as set by the container deposit scheme. A person with a container should be allowed to make a decision: "Do I give it to the girl guides or do I take it and get my 10¢?" How will communities participate if that commercial option is not provided? That is a question that the government needs to answer. Hon Darren West should probably get a briefing on it to see how they could contribute to and participate in it.

I noticed that there will be a requirement in the regulations that scheme coordinators recycle and re-use the containers; they cannot be sent to landfill. I think that raises a lot of questions about the cost of doing that, especially for those who live in regional Western Australia. I know that people incur those costs now with the yellow bin system or scheme, but they will be taken out of that, so two schemes will be operating. If they are not allowed to send it to landfill and have to send it to a recycling depot or a re-usable depot, that will incur transport, bulking up, storage and processing costs, and all that has to be built into the cost of the scheme. As I pointed out, the government's estimate is that it will create more jobs than traditional waste management—from 2.8 jobs up to 9.2 equivalent. That is also a cost to the scheme. When we build all those costs into it, how will the 10¢ and the 10¢ refund wrap up into a cost to the company and a cost for the consumer, because at some point that cost will have to be transferred? I picked up one point made by Hon Dr Steve Thomas—that is, the up-front costs versus the retrospective costs. I think I read in *Hansard*—perhaps it was a response by the parliamentary secretary in the other place—that some businesses will be dealt with retrospectively and some —

Hon Stephen Dawson: All will be.

Hon COLIN HOLT: All will be; so it is not an up-front cost.

Hon Stephen Dawson: They will be dealt with in arrears. There will be a different time for small brewers to pay it back versus the larger ones, but it is in arrears.

Hon COLIN HOLT: That raises another heap of questions because I imagine that if it were an up-front cost with a bit of money in the system that allowed for slippage out of the stream, that would maintain some way of paying for all the costs incurred in the system. If 10¢ is charged for every can or bottle sold, but only 60 to 70 per cent of them are recycled, there is a bank of money for all those extra costs such as employment, transport collection depots and the rest of it, but if it is done retrospectively, there would not be that bank of money to deal with those sorts of things; there would have to be some sort of retrospective cost of more than 10¢ to deal with all that return. I am glad the minister made that interjection—I welcome it—because although it does give some clarity, it raises even more questions about the retrospective costs when all those expenses are taken into account. Although they will get their 10¢ refund, it seems as though the charge back to the beverage company is going to be more than that to ensure that it can pay for all those other extra costs. To get some indication of that would be worthwhile, because it seems to me that it has to be greater than 10¢. I wonder whether the government has done any modelling on how that will affect the consumer price index in Western Australia. It is usually based on a basket of goods, with rent being taken into account. I do not know how significant containers are in the basket of goods, but I assume that there would be quite a few when we think about cool drinks and other beverages. Even bottled water containers will be caught up in this. I cannot remember exactly how much it costs for a bottle of water in a supermarket. It is probably as low as 50¢ or 70¢. I reckon I could get a bottle of water in a supermarket for 70¢. If 10¢, 15¢, 20¢ or whatever it will be is added to that, it is potentially a 25 per cent increase in price, unless we are expecting every beverage company to wear all that expense. At some point that will change, so some indication of that retrospective charge back to the beverage company would be worthwhile. We must have some indication that the department has done some modelling to at least answer that question. Again, I wonder whether any modelling has been done on whether that charge will increase the consumer price index; and, if it will, what that will mean for the wages case. Will people say that because the CPI has increased from 1.5 per cent to 2.3 per cent because of the implementation of this policy they think they need a wage increase? I do not know whether that will happen, but the government with its resources behind it might be able to answer those questions and outline how it would mitigate against that happening.

I will talk more about costs. I am interested to know from the minister how increasing prices to customers will be monitored and how much of those costs will be passed on to the beverage companies. Is there an expectation that the beverage company will not pass on those costs or a percentage of those costs, and how will that be monitored at the supermarket level? I am interested in the impact of that. I would say that most people think that it is a great scheme because they will buy a bottle for 10¢ extra, put it into a depot or a vending machine and get their 10¢ back. It should be cost and expense neutral, but I am not exactly sure that is the truth of the matter, and we may not know whether that is the case until full implementation of the scheme. Some modelling must have been done on that because I notice that some of the debates and commentary refers to the 10¢ plus other charges for handling and operating the scheme—administration and those sorts of things. I think we need some clarity on that area.

Could the minister also provide some clarity on who will hold the money from that system? Will the money be held by the operator of the scheme or will the government hold some of those funds to use and then distribute? If a not-for-profit organisation holds the funds, how will we monitor the administrative costs of the scheme operator, and how will we assess whether it is a reasonable cost to the scheme and whether it will be passed on to the customer or to the beverage company? I am sure that the beverage companies would ask that question. The administrative cost to the government to monitor, evaluate and regulate the scheme would have to be built in somehow, unless the government is going to pay for the scheme without expecting any extra revenue. Again, how will that happen? What are the responsibilities of the department and of the operator of the scheme, and how will they be monitored? Also, how will Parliament and the community be informed of those situations? Will the process be transparent?

I notice that the second reading speech states that the minister has the ability to direct the operator. I interpreted that as a directive, but that may not be correct, and the minister may be able to set me straight on that. In a lot of situations in which a minister gives a directive, the directive has to be reported to Parliament. Is that the case in this scheme? If there is a directive, which is a fairly significant intervention, is that the expectation of this Parliament? I think it should be if that is the case, but, again, I am happy to seek clarification on that.

I have a couple of major concerns, including ensuring that all Western Australians have an equal opportunity to participate in the scheme. There is a whole series of questions on costs and how that will affect consumers that have to be answered. A remaining question for me is how the remaining recyclable trash stream, the old yellow bin, will operate in the future. If we will be taking some of the most valuable containers out of that stream and putting them in a new scheme, what will happen to the paper, cardboard, wine bottles and plastics that can go into that bin? How will that waste to be dealt with? It seems to me that that waste is the most low-value item in the yellow bin. How will local governments and contractors deal with that particular trash that is left behind, especially considering we really struggle to have a lot of local governments and communities participating in those schemes because of distance and pure economics? We know that schemes cost money. At the moment, I struggle to see how the government will monitor the recycling of that other material. Remember that one of the aims of this scheme is to increase recycling rates and to divert some of those recyclables from landfill into the recycling system. How will the government monitor and support local governments to take that less valuable trash in the yellow bins, and what systems will it put in place? If that plastic trash is diverted back into landfill, I think the whole purpose of the legislation will have failed. We need some answers to those questions. I know that the Western Australian Local Government Association has been calling for the introduction of a container deposit scheme for a number of years and I wonder whether it has done any work on how this scheme will affect the local government sector's use of the yellow bins. It raises a range of questions for me.

The scheme will not stop people putting these containers in their yellow bins, because they can still be separated and recycled. There is a suggestion that the local government and the contractor that picks up the yellow bins have come to some sort of commercial arrangement about who owns that 10¢ container. Can the minister give some indication of the thinking behind that arrangement to give more certainty to the local government sector about what it will mean if a bin with a few 10¢ bottles in it is picked up? Local governments will need to factor that into their arrangements for how they continue to subsidise the yellow bin collection. I think that is a very valid point. It seems to me that there is very scant detail about this and we would certainly like some indication for the local government sector about how that will work. Who will be involved in that process? Will it be an arrangement between the local government and the contractor? Will there be a mechanism to resolve disputes if that is what it gets to, or will they have to work it out themselves and then let the government know how they got on? Again, will those mechanisms be put in place or is there an existing mechanism to help deal with that situation? Those are worthwhile questions to ask.

Obviously, the bigger question, which has been raised in other places, is about when other people start going through a home owner's yellow bin on their property to get that valuable 10¢ container. If a person does go on to a property to take out a 10¢ container, firstly, they are probably trespassing on the homeowner's property, and there are concerns about that; and, secondly, who owns the container in the bin? Is it the local government or the home owner until it is recycled or picked up? Are they taking 10¢ from the local government's revenue stream? A range of questions need to be answered about that traditional trash stream and local government collections.

I think I have covered most of the major issues. I am sure that some questions will be asked when we get into Committee of the Whole. Although the community is definitely calling for this policy, I am not sure that it

understands the complexities of the implementation of a container deposit scheme. I do not understand the complexities, and I do not think the government will understand the complexities until the scheme comes into operation, as was the case in other states that have implemented such a scheme. There will be some challenges in the implementation of the scheme. We need some answers in the first instance to give us some indication of how the scheme will operate through this enabling legislation. I therefore welcome the comments from the Minister for Environment in his second reading reply.

HON ROBIN CHAPPLE (Mining and Pastoral) [3.40 pm]: The Greens (WA) are obviously delighted that Western Australia will finally get a container deposit scheme and are happy to support both the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018.

Western Australia is currently in a waste crisis. Research tells us that the majority of Western Australians have been calling for a container deposit scheme for a number of years, and I refer to attempts by previous members of this Parliament to introduce such legislation. Western Australia is one of the largest producers of waste per capita in the world, and the Western Australian economy is one of the most resource and energy intensive economies in the world. Waste is a major barrier to sustainability. If Western Australia is to have any chance of moving forward, we must find solutions to the waste crisis. It has always been the Greens' policy to have a society that is actively and collaboratively progressing towards zero waste and a circular economy. We can achieve this only by waste avoidance, reduction, re-use, repair, recycling and recovery. The Greens have always sought to motivate individuals and businesses to understand and support the environmental, social and economic benefits of waste minimisation, and to minimise the use of limited resources.

At this point, I want to the touch on some comments that were made earlier by Hon Dr Steve Thomas and Hon —

Hon Colin Holt interjected.

Hon ROBIN CHAPPLE: Yes—Hon Colin Holt. Thank you, Colin; you are a dear friend, and I apologise for forgetting your name.

Hon Darren West interjected.

Hon ROBIN CHAPPLE: Thank you for the distraction, honourable member.

I want to talk about the problem of getting recycled material from the regions back to Perth. In the 1990s, I was the organiser for LEAF, or the Local Environment Affinity Force. LEAF had come to an arrangement with the mining companies in Port Hedland, with the support of BHP, for the weekly collection of wastepaper from the mining industries in that area. We collected literally tonnes of paper each week, and it was compressed into wool bales and back-loaded to Perth, at no charge, on the empty trucks that were sent to the north west from the then State Energy Commission of Western Australia and the Water Authority of Western Australia. That was a very good economic model. At that time, a company in Perth called Austissue was turning that wastepaper into toilet rolls and other recycled paper products. It even produced A4 paper for photocopiers, although I must admit that the photocopier companies did not like us using recycled paper in their machines.

Hon Colin Holt: That is only one waste stream.

Hon ROBIN CHAPPLE: I know it is only one waste stream. The point I am making is that in the 1990s, it was possible to get that waste material back to Perth at no cost.

Hon Dr Steve Thomas: The issue might be that as soon as you make it a government-funded scheme, you lose that goodwill and voluntary component. Whilst you were able to negotiate free backhaul, which is basically what you are talking about, it might be more difficult for a government to do that. The minister might not go cap in hand to the trucking companies and ask them to bring that back to Perth for free. So although I absolutely agree that you did some good work, we may well find that that can't be replicated in a government scheme where a cost is involved.

Hon ROBIN CHAPPLE: I take on board what the honourable member is saying. The point is that at that stage, government utilities were taking the waste back to Perth; it was not private corporations. In the 1990s, this state had a developing recycling industry for cans and glass. We were fairly progressive.

I now come to the comment from Hon Colin Holt that the average cost of bottled water is $2.75 a litre, or approximately $1.35 for 500 millilitres.

Hon Colin Holt: You can get it much cheaper in supermarkets.

Hon ROBIN CHAPPLE: Yes, in some places, but go out to where I live, mate!

Hon Colin Holt: Sure.

Hon ROBIN CHAPPLE: Where I live, it costs over $2. According to the statisticians, the average price of water across Australia is $2.75 a litre.

We need to set specific targets to eliminate industrial and hazardous waste streams and drive clean production. In government, we need a policy and financial incentives to develop processes for recycling and recovery of domestic and industrial waste, and to remove economic drivers that encourage waste and wasteful practices.

On the outskirts of Karratha, there is a company called Toxfree. That company, which has now been taken over by somebody else, is recycling all of Fortescue Metals Group's surplus material, such as wood waste and oil. All the waste that is coming out of FMG is going into that facility. That is an industrial-sized system. It is interesting that that development is adjacent to the rail line. People who know the Pilbara would know that all the rail lines interconnect and it is possible to put a Rio loco down a —

Hon Colin Holt interjected.

Hon ROBIN CHAPPLE: I take the grin from Hon Colin Holt, but that can be done. It is now possible to get all that waste material out of the mining industry and to a facility such as that. That has been very effective. I did a tour of that plant four or five years ago. It was amazing to see the level of recycling from FMG.

The implementation of a container deposit scheme is a great opportunity to deal with our waste, because it places the emphasis on extended producer responsibility. I want to take this opportunity to acknowledge the incredible organisations that have been working hard to tackle this state's waste crisis, in particular the Boomerang Alliance for its research into a container deposit scheme and plastic waste, and the Sea Shepherd marine debris campaign for its tireless efforts in beach clean-ups and its studies of the amount of plastics entering the ocean. According to research by the Boomerang Alliance, the development of a container deposit scheme will deliver, surprisingly, for a relatively small part of the waste stream, the largest outcomes to Western Australia. Some examples of direct environmental benefits include a reduction in waste to landfill, and a reduction in litter. Other benefits are water supply savings, greenhouse gas reductions, energy savings, and air quality improvements. There are also substantial economic benefits in the creation of jobs in WA, opportunities for new plastics and glass reprocessing plants and, as I have already mentioned, hopefully, the reintroduction of a paper recycling facility here in WA. Interestingly enough—I do not know whether I mentioned it—the company that used to do that paper recycling was Austissue Pty Ltd. There would also be a reduction in the cost of kerbside and drop-off recycling.

The WA community is concerned about the environmental issues associated with waste, including single-use plastic waste and the impact on our oceans, wildlife and landfill. The WA consumer is taking the responsibility of our waste crisis seriously by avoiding the consumption of plastics, refusing plastic shopping bags and avoiding prepacked produce and bottled water. I want to deal with bottled water in another capacity shortly. However, as consumers we are still experiencing barriers. This is why the preferred scheme coordinator must deliver the highest customer service standards for not only the metropolitan area but also all areas of WA, including the Mining and Pastoral Region. The container deposit scheme will work if it is incentivised, has excellent customer service standards, is open to expansion into other commodities and diminishes the need to incinerate our waste in WA. To ensure its success, the scheme must take on an infrastructure approach and not be market driven. There must be incentives for not only the consumer to return their container for a refund, but also the scheme coordinator to ensure that the scheme works and works well. In providing the customer service standards and in determining refund points, consideration must be given to not just the population of an area but also beverage consumption within an area. I will come to that again in a moment. It is fundamental that the scheme be designed to maximise convenience at a sensible cost. The most expensive scheme for the community is a scheme in which people cannot get their refund back. The government should use this once-in-a-lifetime opportunity to create a structure that will eventually enable materials beyond just containers to be recovered from regional WA for recycling. We need to have a scheme that drives the container deposit scheme value deep into the community rather than big business capturing it. This is an opportunity to establish a local reprocessing industry that makes WA less prone to shocks from global recycling markets, as we have all recently seen with the issues around China and waste.

I would like to thank the following people from the Department of Water and Environmental Regulation and the minister's advisers for the briefing they provided on the bills, and very comprehensive it has been. They are Louise Holding, chief of staff; Shaun Meredith, senior policy adviser; and from the Department of Water and Environmental Regulation, Sarah McEvoy, Daniel Nevin and Chantelle Power.

In conclusion, I have a few concerns that I would like to raise. I would like to know whether the state is going to invest in infrastructure to ensure the success of the scheme and to ensure that we can recycle here in WA. Obviously, there is a significant amount in the waste avoidance and resource recovery account, which is being hypothecated into general revenue. It would be really good to see some of that money come back out of general revenue and go into dealing with the waste stream.

Another concern I have is that I do not think there is sufficient access for non-metropolitan areas to the scheme, as outlined in the two options provided in the Department of Water and Environmental Regulation's document, "Customer service standards for collection network". Also, it is unclear how remote communities that have access only to bottled water and are at times isolated due to hazardous weather conditions are to be supported to participate in the scheme. I would like to know what the guarantees are that the beverage industry is not allowed to interfere with the scheme coordination and customer service delivery. I am advised that these will all be dealt with in the regulations. Quite often we find the devil in the detail when it comes to regulations.

I would like to touch briefly on where we have been over time on this and commend the private member's bill introduced by Hon Eric Ripper in the Legislative Assembly on 19 October 2011, which, unfortunately, failed to

pass, and the Container Deposit and Recovery Scheme Bill 2016, which was also a private member's bill, introduced by Chris Tallentire, MLA, in the Legislative Assembly on 24 August 2016. The purpose of the two bills was to establish a beverage container deposit and recovery scheme to be administered by the Waste Authority WA and to impose a levy as part of the scheme and for related purposes. I, myself, gave notice on 20 October 2011 that I would seek to introduce legislation into this place. Unfortunately, at that time, the legislation I was putting forward was deemed to be a money bill and could not be introduced. Other places have different schemes, such as those in New South Wales, Queensland, the Australian Capital Territory and the Northern Territory. Victoria has not yet introduced a scheme but polling indicates that most Victorians support such legislation.

I think we need a process that is open-ended and unconstrained so that we can bring other elements into the recycling stream in the future. We must remember some examples of the debate in the WA Parliament on 14 November 2000, when Mr Paul Omodei advised the Legislative Assembly that —

Hon Dr Steve Thomas: It is said "Omoday".

Hon ROBIN CHAPPLE: I am sorry.

Hon Dr Steve Thomas: He was always here today; not to die!

Hon ROBIN CHAPPLE: There is another line, but I will not go there!

Hon Paul Omodei advised the house that a review by the Keep Australia Beautiful Council advised that a CDS would not be effective in WA. The Keep Australia Beautiful Council rejected the concept because it did not consider it to be an effective litter abatement tool. Fortunately, we have come a long way since then and the Keep Australia Beautiful Council is now firmly behind such a scheme. On 18 December 2001, Hon Jim Scott asked in the Legislative Council what the government intended to do to honour its commitment to consider the introduction of a CDS. Hon Tom Stephens replied that in late May 2001, the Minister for Environment and Heritage had approved a grant for the waste management and recycling fund to investigate the value of container deposit legislation. Again, later on, in 2002, Mr John Hyde, through a grievance in the Legislative Assembly concerned himself with the failure of government to introduce CDS legislation. In 2003, Mr Tony O'Gorman asked Hon Dr Judy Edwards where we were at with introducing CDS legislation and the minister advised the government was still working on it. There have been lots of attempts and questions over many, many years about a CDS. That is why we are very pleased to be here today to see the formulation of this legislation.

I want to touch on a couple of things. Given that, to some degree, this will affect local governments, it will be interesting to note how we will deal with the issue of container deposit systems on the Shires of Cocos (Keeling) Islands and Christmas Island. Interestingly enough, they are two of the most bizarrely over-represented areas. They have a Western Australian local government and their health and education departments are Western Australian, but they vote with the Northern Territory and are administered by a federal administration office. We actually do play a role there; the Shires of Cocos (Keeling) Islands and Christmas Island are part of the Western Australian system, so how we deal with issues in those areas will be very interesting. Again, I turn to the issues faced in some of the remote communities in Western Australia—Kiwirrkurra, Kunawarritji, Tjuntjuntjara and many others—and how they are going to participate in this scheme.

On that note, I again reiterate the Greens' absolute support for the legislation, but point out that the devil will be in the detail.

HON AARON STONEHOUSE (South Metropolitan) [4.00 pm]: The Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018—to which I will refer throughout my contribution as simply the container deposit scheme—aim to replicate what has been set up in other jurisdictions and has been operating in South Australia for several decades. I will quickly lay out how the scheme will function before I get into my critique of it.

Essentially, a scheme operator will be established—a not-for-profit organisation—that will procure the network for the scheme. From there, responsible suppliers will need to be determined and these will be, as I understand it, those suppliers that introduced the container into the market in the first instance. When there is some dispute over who the responsible supplier might be, suppliers can enter into an agreement to determine who will take responsibility. It may be a supplier that trucks containers across state lines, into a depot perhaps, before they are then distributed to retailers or other warehouses. For instance, Coca-Cola, which trucks containers to a central depot in Western Australia, could likely be a responsible supplier, as opposed to a fish and chip shop that sells a bottle of Coca-Cola. This ensures that it is generally the larger businesses and suppliers that are responsible for the registration of containers and the payment of a levy, as opposed to small, mum-and-dad shops.

Containers will also have to be approved or registered with the department to be compliant with the scheme. As I understand it, every unique container will have to be registered and approved and be compliant with the scheme, as long as it is an eligible container. The government has provided a list of which containers will be included, and we heard a little about that from previous speakers. They include containers of carbonated beverages ranging from 150 millilitres up to three litres, excluding certain types of glass containers, such as wine bottles and such. I will not go through the entire list, as it is quite long.

Containers will then presumably be returned to a collection point by the consumer, at which point the consumer will be paid a refund of 10¢. The collection points and the scheme operator will keep track of returned deposited containers and will keep an exact track of where the containers came from. For instance, if they are Coca-Cola cans, the operator will keep track of how many Coca-Cola cans have been returned. In other cases, it may use some kind of estimation of how many containers are collected in situations in which counting individual containers is impractical. I imagine those could include circumstances in which somebody comes along with a great big bag or crate of containers and returns them all at once; there may be some kind of method used to estimate where those cans came from and how many of them there are for each responsible supplier.

The responsible supplier will then pay the levy for the containers deposited. It was cleared up by the minister through an interjection that the payment of the levy is in arrears; the supplier does not pay in advance, as in other jurisdictions. In New South Wales, I believe they pay in advance. The model being proposed today is a model in which suppliers pay in arrears. For instance, if 10 000 containers are produced, the responsible supplier does not have to pay the levy at that time. Let us say that if 40 per cent of its containers—4 000 containers—are returned and deposited, the responsible supplier will then be issued with, I imagine, some kind of invoice or bill by the scheme operator to pay for the 4 000 containers that were returned and deposited. The minister, through his interjection, indicated that there may be a longer payment period for smaller suppliers, such as small craft breweries and the like. That was interesting; it was the first I had heard of that. There may be some leeway for smaller suppliers to pay those fees.

At the heart of the argument for the scheme is, I believe, that there are externalities for producers that produce containers that end up in our waterways, on our streets and in our litter. Landfill, I suppose, is less of an externality because people pay a waste levy to contribute to landfill, so presumably costs are already recovered for the externality of landfill. It is not really an externality; it is already a user-pays system, in some ways.

Hon Dr Steve Thomas interjected.

Hon AARON STONEHOUSE: Of course, so there is already a user-pays system for access to landfill. The environmental impact of landfill is really rather small; we live in an enormous state with a massive landmass, so having a cost-recovery system for landfill seems to negate any environmental impact, in my view.

For litter there is an externality, of course, so the logic here is that there should be a user-pays system for those who contribute to litter; someone—a responsible party—should have to pay for it. Somehow, we have landed at a point at which we think the responsible party is the party that produced the container in the first place. They are not the ones littering; they are not breaking the law by littering. They are merely producing a product. Some people who are irresponsible and perhaps lazy are discarding these containers in the street or in waterways, but we have decided that it is too hard to prosecute those people, so we are going to go straight after the suppliers.

This logic seems to get somewhat twisted in the levy system that is proposed. Let us take, for example, the scenario I painted earlier. The responsible supplier produces 10 000 containers; let us say that 40 per cent of those are returned to a collection point, so 4 000 containers. The supplier pays a levy on the containers that are returned and recycled. For the remaining 6 000 containers that end up in the ocean and get eaten by a dolphin or a turtle, it does not pay a levy at all. The responsible supplier is punished for its customers doing the right thing and recycling their containers, but it is not punished for all the containers that end up in litter. It seems that we are creating almost the opposite of an incentive here for producers and suppliers—that is, it is in the best interests of their consumers to litter, rather than to recycle and do the responsible thing.

It is interesting; I wonder whether the government has considered a reverse model in which perhaps track is kept of the number of containers produced and a levy is charged on the number of containers that are not recycled. We would then create a direct incentive for the supplier—the producer of these containers—to do everything in its power to encourage its customers to recycle their containers. Imagine the marketing power of a company like Coca-Cola to encourage its customers to recycle and do the responsible thing. Instead, we have created a kind of reverse incentive here. It is a very interesting system that we are putting in place.

In the briefing on the bills, there was a long list of containers that are and are not included, and that raised for me some concerns about the complexity of compliance, especially for smaller operators. We are talking about small craft breweries or distilleries, or a small company making non-alcoholic beverages, having to comply with a system in which each container has to be registered and approved. The number of containers sold has to be recorded, and then there is the possibility of having to pay a levy for each container that is recycled. The complexity here is for a small operation. I think of Whipper Snapper Distillery, which I visited in early 2018 or late 2017. That is a three or maybe four-man operation, from what I could tell. I think it had a female employee, so I misspoke. It has no time to employ a full-time regulatory compliance officer or something like that. It is a very small operation and the owners and the people who have a stake in this business are there working every day. I imagine they probably do not get much free time, and now we are piling on top of them an additional burden. It seems counterintuitive, given that this Labor government seems very interested in supporting a small bar and small pub culture through its recent liquor reforms. Premier Mark McGowan, at the time the Minister for Tourism, originally brought in small bar licences. Just last year, we saw further reforms to the Liquor Control Act to facilitate further

small bars and small pubs to grow this niche drinking culture. This legislation will layer additional regulations, red tape and burdens on small producers in this space. This scheme will impact on the small breweries and distilleries more than it will impact on anyone else. Once again, this kind of red tape is always regressive. Large soft drink and alcohol producers, such as Coca-Cola, have teams of lawyers and compliance officers. Large organisations have that structure in place to comply with government regulation. Those smaller operations do not, and it creates a real barrier to entry for smaller operators to pop up and enter this space. It disincentivises enterprises and entrepreneurial people from starting a business from the ground up and from innovating and creating new products to challenge those larger, almost monopolistic, entities in that beverage space.

Aside from the red tape and compliance issues, I think we have overlooked something here with small businesses—that is, their cash flow. We are talking about a levy that will have to be paid when containers are recycled, in arrears, which I think is probably a good policy. Paying in arrears as opposed to paying up-front should make it a little easier for some of these small operators, considering I believe that the recycling rate will be lower than what we are predicting. These schemes are notoriously over-hyped and under-deliver. Paying in arrears at least gives operators time to catch up and pay for the recycled containers. What if an operator is assuming 60 per cent of its containers are recycled, which I think was one of the targets thrown around—it is certainly the target used in New South Wales—and it turns out that 100 per cent of the containers are recycled? Suddenly, this producer has to come up with the cash required to pay for that levy. I suppose some producers can think ahead of time and earmark funds for paying that levy in the event that it arrives, but we are not taking into account the behaviour and the activity of the consumers who will be recycling these containers and their actions. We cannot count on a regular stream of recycled containers from one producer on regular intervals and say that every month however many containers will be recycled. No. Consumers who recycle their containers will not behave in a rational way that suits the producers or even government. Perhaps from the government's view or producers' view, consumers can be perhaps quite erratic, although they are working to their internal logic.

An article by Lily Mayers on the ABC website dated 14 February 2018 refers to the New South Wales container deposit scheme. Halfway through, the article has some comments from members of the public who have been using the New South Wales container deposit scheme. It states —

> Members of the public have told the ABC they are stockpiling their bottles until they have enough to justify a trip to the collection point.
>
> "A boot full of 1.25 litre soda bottles earned me $12, it took 30 minutes for the round trip to the bin and back, not a good use of time," one person said.
>
> Another said it was an effort to get rid of the bottles but a good job for children's pocket money.

That describes the behaviour of consumers recycling containers. They are hoarding and stockpiling them until they have enough to make it worth a trip to the collection point. That is completely rational behaviour in the eyes of a customer wanting to recycle containers, but that means that the stream of recycled containers and the frequency with which the producers will have to pay the levy will be almost seemingly random from the perspective of the government and the producers. Producers have to account for "Maybe today is the day or this month is the month that several thousand containers are returned and we have to suddenly pay this levy for all these containers". Keep that in mind in the context of a small producer who is maybe having a hard time just keeping their business afloat. Certainly, a lot of small businesses in this state have a hard time keeping their head above water, especially with the recent payroll tax increases. As members know, the $850 000 threshold before the payroll tax kicks in means that a lot of small businesses are paying that tax. Again, another additional sort of impost on small business that is infrequent and hard to predict certainly cannot help these businesses at all.

It is also worth pointing out that there are no exemptions for volume. The minister mentioned that there may be some leeway on the time allowed for producers or responsible suppliers to pay the levy, but there is no exemption for volume. This levy would apply to producers who are producing a few hundred to a few thousand containers. There is no distinction in the scheme. There is no threshold. A producer may be going through a rough time and not have the income to keep producing at large volumes, but it would still have to pay this levy just the same as everyone else. I understand the complexities of having to carve out exemptions. It was pointed out by a previous speaker that once we grant one exemption, rent-seekers come out from every which direction asking for their exemption too. That is understandable. Let us not forget that this scheme will be regressive. This will hurt the smaller producers more than it will hurt anyone else. The smaller producers do not have the large economy of scale that larger producers or larger suppliers have.

The proposed refund is 10¢. That is consistent with other jurisdictions. It is 10¢ across the board. How the government arrived at this number is a bit less clear to me. I think there is some historical precedence for 10¢. It is a nice easy round number. Bureaucrats and legislators alike seem to think that this is enough incentive for consumers to get out and recycle their containers. I have not had a chance to look at this yet, but I wonder whether a higher levy would provide a greater incentive to increase the rate of recycling of these —

Hon Stephen Dawson: I thought you were against this.

Hon AARON STONEHOUSE: No, I am not advocating; I am just wondering, because 10¢ is an arbitrary number. Is there any direct connection between the enthusiasm of consumers recycling and the levy or the refund for which they are eligible? Most people think that a 10¢ refund on top of whatever they pay for a can of Coke is no problem. A can of Coke, depending on where we go, is now $1.50 or $2; it used to be $1 when I was in high school. An amount of 10¢ on top of that seems reasonable; it helps the environment. However, we do not know the operating costs. In briefings I have received, it has been suggested that it may be 6¢. I am a little sceptical about that number. We live in a very, very large state with a very large landmass. Also, 6¢ is not in this legislation. It is not in the bill that we are debating right now. We are debating a bill that will allow an operating cost to be levied on responsible suppliers, but we have no idea what that operating cost will be. I think it has become evident through the debate so far that we are almost voting blind here. We are saying, "Set up the framework, establish a scheme operator, and let's just let the bureaucrats figure the rest out." I think that is very dangerous, especially when we are talking about taxes. This is a levy for an operating cost that is supposedly going to be based on cost recovery. We have no idea what it will be. Will it be 6¢? Will it be $1? Will it be $100? We really do not know. It could literally be anything. There are obviously some internal and external checks on what it could be—political pressure and things like that—and consultation will be required as they go through this. What checks are in place to stop that operating cost from ballooning? The government has gone down the route of establishing a not-for-profit scheme operator, which is interesting. What is the incentive for a not-for-profit scheme operator to provide an efficient service? What is their incentive to reduce the cost of their service to all the other businesses that they will interact with—the transport companies, the collection point operators, and the local governments? There is no downward pressure on their operating cost, aside from the oversight that will be provided by the board. If members trust that the board will be able to put enough pressure on the scheme operator to reduce the operating costs, sure, we have no problem, but I am concerned that with a not-for-profit operator like this, there is a real direct lack of incentive to reduce costs. Obviously, the incentive for a for-profit scheme operator is that they want to make more money, but I am afraid of a lack of direct incentive for a not-for-profit operator to reduce operating costs and to provide an efficient service for the taxpayer.

A moment ago I mentioned local governments. Local governments can partner with the scheme operator to provide collection points. They can also refund containers. A couple of previous contributors raised how this might work exactly. I am still a little fuzzy on how this will function. Will local governments go to their own yellow-top recycling bins and take out eligible containers and hand those over to the scheme operator for a refund? That seems to be the idea of how local government might benefit from this scheme. If that is the case, that is really interesting because, presumably, these containers are already being recycled. I am not sure I understand the merit of a scheme that provides an incentive for people to recycle in instances in which they are already recycling. That does not seem to be of any benefit to anybody, unless one likes the notion of rewarding people who are already doing the right thing. I would not mind having clarified exactly how this will interact with local government and how local government practices might change in light of a container deposit scheme.

I want to talk again about how this might impact on small business. I raised this during my briefing. Again, it is something I have not been able to fully nail down yet. Not having a full understanding of this scheme is a recurring theme with my criticisms of it because it seems to me that this scheme will pass, perhaps even unamended. I do not want to pre-empt what the will of the Legislative Council might be, but I am a little concerned about a lack of critical scrutiny of these bills. We really have no idea what they will do. I seriously doubt that every member in this chamber has read the bills or read the regulatory impact statement that came before the bills. I have not had a chance to read either in their entirety or to get my head around either of them yet, and I am asked to vote on this.

I was given a briefing last Wednesday. It was an effective briefing; it was very helpful. I appreciate the Minister for Environment making his staff and people from the department available to give me a briefing. I wonder whether anybody else has had a briefing on these bills. I asked a couple of fellow members of this chamber whether they had had a briefing and I have had at least one response so far that they have not had a briefing. Perhaps that is because they do not have much particular interest in this scheme. It is of great concern that we are about to vote on something, potentially tonight, to pass it into law when members have not read the bills or fully understood the implications.

I go back to a point about small businesses. It is not just small producers or suppliers who I feel might be impacted by this; it is small retailers, too. I have a few examples. In my electorate of South Metro, there are quite a lot of South African migrants and there are South African specialty stores that sell South African smallgoods—biltong and things like that. Quite often, they also sell packets of chips, lollies, and soft drinks—things that people who have migrated from South Africa to Australia may get a little nostalgic about. I think in South Africa they have Iron Brew or Irn-Bru or whatever they call it; it is a little different from the Scottish variant. They long for these soft drinks. Some of these small retailers may be using an established supplier to import these soft drinks, in which case that supplier would be the responsible supplier under this scheme. The supplier that imports South African goods for Australian businesses would pay the levy, register the container with the Department of Water and Environmental Regulation and do all the other things that may or may not be required in compliance with this scheme. If they do not use a supplier, it is the little store run by an old South African expat who now has to do all that compliance themselves. We are talking about the registration of the containers and the payment of the levy.

A British confectionery store not too far from where I live on Hokin Street in Warnbro sells lollies and things like that. I have not had a chance to ask this gentleman yet, but I dispatched my research officer to the task and I am waiting to hear back. If that gentleman and his wife who run that confectionery store on Hokin Street use a supplier, there is no problem; it is not their concern. If they do not use a supplier, this couple who run this business on their own—just the two of them—will have to go through all this compliance. They will get a bill from the Department of Water and Environmental Regulation at the end of every month or every quarter, or whatever it is, stating, "These are the fees you have to pay for compliance with this scheme for the refund of your containers." It is not just the payment of the scheme, because that is probably not too hard; it is the registration of each container. Each container needs to be registered and will have to be compliant with the scheme in terms of its packaging. These containers will have to have some kind of special label or sticker on them for recycling to make them compliant with the scheme. Again, this couple who run this little confectionery store would have to go to every single eligible container in stock and register it with the Department of Water and Environmental Regulation, and wait for that registration to come through. They would probably have to take the items off the shelves and keep them locked away in a back storage room somewhere where no customers can see them—heaven forbid! When they finally get approval, they will have to get their labels and label every single container. At what point do the operators of this small confectionery store say, "You know what? It's just not worth the hassle stocking these containers. We'll just take them off the shelves entirely"? Perhaps for some of the environmental zealots out there—some people are really passionate about reducing litter, and that is a good outcome—we have got containers off the shelves. But for all the British expats who live in that area who rely on that store to get that little taste of nostalgia, they will now be denied the choice of that one soft drink they enjoy from their home country that brings back all those fond memories. They will have to go elsewhere to try to hunt down that obscure soft drink from their home country.

It is not just confectionery stores and it is not just South African or British stores; a lot of small stores import smallgoods, soft drinks and the like, including those in Vietnamese, Chinese, Taiwanese and Singaporean communities. All these different migrant communities, wherever they are located, seem to stick together somewhat. We get almost enclaves of migrant communities springing up around WA, but they normally end up with these little specialty stores that provide these imported smallgoods, soft drinks and other things. All of those communities will be affected by this unless they are using a separate supplier who will be the responsible supplier. I am not too sure how many there are. I would hope that the Department of Water and Environmental Regulation has conducted some research on this and maybe can tell me how many stores might be affected. That would certainly be the responsible thing to do before passing legislation that will make changes to the way people import and consume goods. I thought it might be of some concern to our intersectional friends on the left that these small, non-white migrant communities will be affected and inconvenienced by government regulation. I hope they have done their research on this matter, too. I have been conducting research in my electorate trying to find out how many of these people might be affected. But, again, I was briefed on this legislation Wednesday last week and in the six days that have passed, I have been busy trying to conduct research and consult stakeholders and here we are discussing this bill already. I am only one guy. I do not have a spokesperson on this issue—I do everything.

Debate interrupted, pursuant to standing orders.

[Continued on page 826.]

QUESTIONS WITHOUT NOTICE

ALBANY WAVE ENERGY PROJECT — CARNEGIE CLEAN ENERGY — R&D TAX CONCESSIONS

127. Hon PETER COLLIER to the Minister for Regional Development:

I refer the minister to the Labor government's termination of its financial assistance agreement with Carnegie Clean Energy and that concerns with the company's finances were, according to both her media and ministerial statements —

> … driven by uncertainty surrounding the future of federal R&D tax concessions …

What evidence does the minister have that the previously proposed changes to the federal R&D tax concessions led to Carnegie's financial problems?

Hon ALANNAH MacTIERNAN replied:

I thank the member for some notice of the question.

It was quite clear that the company had structured its finances before there was a proposed cap of $4 million a year in R&D tax concession claims. It had structured its financial program and ability to contribute the $25 million or so that it was required to contribute under the project with a much higher rate of recovery of R&D tax concessions. But as I have said, it was one of the factors that led to the destabilisation. Obviously, as I said today, there were other elements, such as losses that it had on other parts of its operation, plus the write-down in its intellectual property value. I have no doubt that it was that major change that really made it very difficult for the company to regroup after it had also sustained some other losses.

PILBARA PORTS AUTHORITY — CHAIRMAN — RESIGNATION

128. Hon PETER COLLIER to the Minister for Ports:

(1) Has any member of the minister's ministerial staff had any discussions with the chairman of the Pilbara Ports Authority requesting him to resign his position as chairman; and, if yes, on what date?

(2) Has the minister had any discussions with the chairman of the Pilbara Ports Authority with regard to his role as chairman; and, if so, did she request that he resign his position as chairman; and, if yes, on what date?

(3) If yes to (2), why was the chairman asked to resign?

(4) If yes to (2), did the chairman of the Pilbara Ports Authority tender his resignation?

(5) If yes to (1) or (2), did the minister have any conversations with the chairman of the Pilbara Ports Authority requesting that he withdraw his resignation; and, if yes, on what date?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question.

(1)–(5) Approximately two weeks ago, I had a discussion with the chairman of the Pilbara Ports Authority following advice from a senior public servant that the chairman had been inquiring about his future. In that discussion, I raised my desire to bolster the level of commercial and operational experience on the board, given the number of significant commercial proposals under consideration in the Pilbara. Mr Pettit indicated an interest in other government board opportunities, and I undertook to investigate those opportunities. My chief of staff had a subsequent discussion with Mr Pettit about those options and a time frame that might mutually suit him to finish his task at the port. It was not something I was seeking to progress immediately. On 11 March 2019, Mr Pettit provided my office with a letter of resignation effective from 15 March 2019.

I have known Mr Pettit for a long time and I have a great deal of respect for him personally and professionally. Mr Pettit has served the Pilbara Ports Authority and the former Port Hedland port authority well for the past eight years, and I thank him for his service.

MINISTER FOR EDUCATION AND TRAINING — SCHOOL INFRASTRUCTURE OPENINGS

129. Hon MICHAEL MISCHIN to the Minister for Education and Training:

(1) Since Parliament last sat some two weeks ago, how many visits has the minister made to schools to open infrastructure?

(2) Has Doubleview Primary School been part of those visits?

(3) Given that whenever the minister opens school infrastructure she issues a media release that includes comments from local members, will she include any remarks from the local member when she opens Doubleview Primary School or are those media releases reserved for Labor Party propaganda?

Hon SUE ELLERY replied:

I thank the member for the question.

(1)–(3) I ask the member to put the first bit about how many schools I have visited on notice because there are so many that I cannot remember.

Hon Michael Mischin: What, in the last two weeks?

Hon SUE ELLERY: Yes. Put that on notice. The second bit was whether I have —

Hon Michael Mischin: Was Doubleview amongst them?

Hon SUE ELLERY: No, it was not.

The third bit about media releases and who gets a local comment, the member would be aware—if not, he should make himself aware and perhaps talk to the shadow Minister for Education and Training because she is aware of this—that local members from whatever party are invited to the openings. Indeed, I did one in Geraldton and the local member was there.

Several members interjected.

Hon Martin Aldridge: There's seven members representing Geraldton.

The PRESIDENT: Order! There is one person on their feet and that minister is trying to provide a response.

Hon SUE ELLERY: I think that members will find —

Hon Martin Aldridge interjected.

Withdrawal of Remark

Hon SUE ELLERY: I am not misleading the house and I ask you to withdraw. Madam President, I ask him to withdraw.

Several members interjected.

The PRESIDENT: Order! Leader of the House, because of the amount of noise that was going on in the chamber, I did not actually hear what you thought that member said. I will listen more carefully. I am sure that he will not make any further comment while you are on your feet providing a response.

Questions without Notice Resumed

Hon SUE ELLERY: Thank you, Madam President.

The point I was trying to make was in response to the language used by the questioner. He, I assume, was talking about Hon Liza Harvey, who is a lower house member.

Hon Peter Collier: You don't invite upper house members.

Hon SUE ELLERY: Honourable member, I am trying to answer the question. That is who I assume he was talking about—lower house members. The lower house member for Geraldton was certainly at the opening that I did in Geraldton and other members were invited. In respect of Geraldton —

Hon Peter Collier: You never invited me once.

Hon SUE ELLERY: Madam President, I am trying to —

Hon Peter Collier: You just don't like it, do you?

The PRESIDENT: Order! Leader of the Opposition, I did ask that people listen quietly, and that includes you, too.

Several members interjected.

The PRESIDENT: The more interjections that occur, the longer it will take for people to get a question and some people may actually miss out. If members want to get a question, they might listen actively, let the speaker finish their response and then we will move on.

Hon SUE ELLERY: In addition to Geraldton, I went to Dongara and the lower house member for Dongara—that is not the name of the seat, but that is the town—was not invited. That was a mistake by my office. As soon as it was brought to my attention, my appointment secretary contacted his office. My chief of staff rang his office to apologise for that mistake because it was unreasonable and should not have happened. I make this point as well: the shadow Minister for Education and Training is invited to all school openings. The other point I want to make is that with respect to upper house members, nothing has changed.

Hon Peter Collier: Yes, it has.

Hon SUE ELLERY: Madam President, I am trying to answer the question that was asked without notice so I am trying my best to remember the exact words of the question and provide an answer.

With respect to upper house members, nothing has changed in the policy of invitations. I have not changed a single thing and neither has the department. The responsibility of inviting members other than the Assembly members rests with the school. If members have a good relationship with their schools, I am sure they will be invited. I have seen upper house members invited to those sorts of events. I have changed nothing in the policy.

Hon Peter Collier: So you're blaming schools now.

Hon SUE ELLERY: I am not blaming schools!

The PRESIDENT: Order! I am finding it really difficult to hear the Leader of the House finish what she has to say when other people are raising their voices.

Hon SUE ELLERY: Thank you, Madam President. I am trying to provide as concise an answer as I can. This is the opposition's time to ask questions, so the more members opposite interrupt me, the longer it will take for me to give the answer. There has been no change by me or anyone in the department to the policies in respect to invitations to those sorts of events at schools.

Point of Order

Hon MICHAEL MISCHIN: I accept that the Leader of the House in her capacity as Minister for Education and Training was answering a question amongst interjections, but my actual question was also regarding media releases, and she did not seem to get to that point. Maybe she was put off, so I will give her the opportunity —

Several members interjected.

The PRESIDENT: Order! Member, I assume you are trying to make a point of order. You know from your own experience that although you might ask a question, the member responding will provide the answer they choose to provide. If you are asking a detailed question without notice, from time to time people miss the response.

SCHOOL VIOLENCE

130. Hon DONNA FARAGHER to the Minister for Education and Training:

I refer to the answer given to question without notice 4, asked on 12 February 2019, regarding the new alternative learning centres for the most violent students.

(1) On what date did each alternative learning centre open?

(2) For each centre —

(a) will the minister provide a breakdown of staff roles;

(b) have all staffing positions been filled; and, if not, what vacancies remain at each centre;

(c) what is the maximum number of students who can attend at any one time; and

(d) how many students are currently enrolled?

(3) What is the process for selecting students to attend these centres?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of this question.

(1) The alternative learning settings program is a trial. It started on 4 February 2019.

(2) (a) Each program is staffed with three FTE teachers and two FTE support staff.

(b) No. The following vacancies remain: one support staff in the north metropolitan setting; one teacher in the south metropolitan setting, because the teacher initially appointed decided to return to their substantive position; and one support staff in the regional setting. Processes to fill these positions are underway.

(c) The alternative learning settings program trial is only one option. It is important to note that students will not remain in the alternative learning setting indefinitely. Rather, the intention is to stabilise their behaviour and identify other options when it is safe to do so. The program will be tailored to the needs of each individual student in partnership with their parents or caregivers. Each of the three trial sites can cater for 10 students per program.

(d) Alternative learning settings are not schools and therefore do not formally enrol students. Students participate in the program through section 24 of the School Education Act 1999, alternative attendance arrangements. Eight students are currently participating in the programs. This number will increase over the coming weeks as schools continue to implement the action plan to address violence in schools.

(3) Students are recommended for the program through the regional education office or the School of Special Educational Needs: Behaviour and Engagement. Students excluded for physical aggression are automatically considered for the program.

ROEBOURNE POLICE AND COMMUNITY YOUTH CENTRE — PROGRAMS

131. Hon NICK GOIRAN to the minister representing the Minister for Police:

I refer to the media release on 27 February 2019 by the Minister for Police entitled "Groundbreaking PCYC program providing a safe space in Roebourne", which states that a variety of programs would be offered to at-risk young people aged eight to 15 years from Roebourne and other communities in groups of about 65 at a time.

(1) Will individuals who have a history of displaying harmful sexual behaviours be able to participate in these programs?

(2) If yes to (1), will their victims be able to attend the same program?

(3) If yes to (2), what measures will be put in place to manage this situation?

(4) If no to (1), how will the programs ensure that this does not happen?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of this question. The following information has been provided to me by the Minister for Police.

(1)–(4) As an independent not-for-profit organisation, the Federation of Western Australia Police and Community Youth Centres is responsible for the process undertaken for approval of participants into its programs.

WATER RESOURCES MANAGEMENT — LEGISLATION

132. Hon JACQUI BOYDELL to the minister representing the Minister for Water:

I refer to the minister's media statement dated 23 August 2018 entitled "State moves to secure water future with reform of century-old laws".

(1) At what stage of the drafting process is the new legislation?

(2) When does the minister anticipate the new water resources management bill will be introduced to Parliament?

(3) Why is this legislation not a priority for the McGowan Labor government?

(4) Will the government consider placing its cost-recovery regime for water licensing on hold until the water resources management legislation is considered by Parliament?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question. The Minister for Water has provided the following information.

(1) The government has approved the drafting of the water resources management bill.

(2) The bill will be introduced to Parliament once its drafting has been completed. The legislation is complex and drafting will take some time.

(3) The legislation is a priority for the McGowan government, unlike the former government, which despite announcing an intention to introduce such legislation to Parliament on multiple occasions, never got around to doing so.

(4) Cost recovery for assessment of water licences and permits is provided for under existing water legislation, and the government has introduced water licence application fees for only the mining and public water supply sectors.

RACEHORSE SYNDICATES

133. Hon COLIN HOLT to the minister representing the Minister for Racing and Gaming:

I refer to legislation and regulations in regard to racing in Western Australia.

(1) Under what legislation or regulations are thoroughbred horse trainers prohibited from advertising shares in horses?

(2) Do these rules also apply to standardbreds and greyhounds?

(3) What is the rationale for such a prohibition?

(4) When were these rules last reviewed; who conducted that review; is that review publicly available; and, if it is available, where can it be accessed?

Hon ALANNAH MacTIERNAN replied:

I thank the member for this very interesting question. The following information has been provided to me by the Minister for Racing and Gaming.

(1) Racehorse syndicates are managed investment schemes under the meaning of the commonwealth Corporations Act 2001 and are regulated under that act or the ASIC Corporations (Horse Schemes) Instrument 2016/790 in accordance with ASIC Regulatory Guide 91. Racehorse syndicates are also subject to the Australian Rules of Racing.

(2) Yes.

(3) Trainers are unable to advertise shares without a conditional relief granted by a lead regulator; in this case, it is Racing and Wagering Western Australia. This reflects the stringent requirements of the Australian Securities and Investments Commission in ensuring that those advertising shares in and other credentials of horses and greyhounds are qualified to do so. This is a consumer protection measure.

(4) The rules were reviewed in 2016 by ASIC in consultation with lead regulators, with new instruments and arrangements implemented. A media release titled "ASIC releases new instrument for horse schemes" is available on the ASIC website, as well as a report on the submissions received. I table the documents.

[See paper 2456.]

ANIMAL ACTIVISM — TRESPASS

134. Hon RICK MAZZA to the Leader of the House representing the Attorney General:

As a result of recent incursions and break-ins committed by vegan activists on the premises of primary producers, a number of farmers expressed their concerns relating to their rights in defence when presented with the situation of trespass.

(1) What options are available to primary producers when confronted on their properties by these trespassers?

(2) In the event that activists use aerial drones to infiltrate or surveil properties or landholdings, is there an entitlement for the owner or his agent to destroy or disable the drone when it is flying over their property?

(3) Is the Attorney General considering any new legislation, or amendments to existing legislation, that will protect the rights of property owners, primary producers and managers from trespass by animal activists?

(4) If no to (4), why not?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question. I think that last part of the question should be —

(4) If no to (3), why not?

So I will take that as being what the member means.

(1) Incidents of trespass should be reported to WA police. Further, an owner or occupier of land may take civil action against the perpetrator for trespass or nuisance. It is, however, recommended that independent legal advice be sought in respect of any civil action before embarking on this course of action. It would also be open to an occupier or owner of land to apply for a misconduct restraining order against a trespasser under the provisions of the Restraining Orders Act 1997.

(2) No, in the same way that an owner or agent cannot shoot down an aeroplane flying over his or her property. Any concerns surrounding drone activity should be reported to police and/or the Civil Aviation Safety Authority. By way of general information, a person who damaged or destroyed a drone could be civilly liable for trespass to goods, or criminally liable for an offence of criminal damage under the Criminal Code. Acts with intent to prejudice the safe use of an aircraft or unlawful interference with aircraft are also addressed in the Criminal Code. Further, the Civil Aviation Safety Act 1988 and the Civil Aviation Safety Regulations 1998 of the commonwealth also govern the use of drones. The commonwealth act and the regulations contain a number of offences relating to the use of drones. There is also state legislation that relates to aircraft that may cover drones. The Surveillance Devices Act 1998, for example, restricts the use of optical surveillance devices to record private activities. The Criminal Code contains provisions relating to trespass; and to using an object—for example, a drone—to cause fear or alarm to a driver of a conveyance.

(3)–(4) The Criminal Code adequately deals with the issue of trespass. I reiterate that any allegations of trespass should be reported to police. In such instances, the police can consider whether to charge the alleged trespassers with trespass contrary to section 70A of the Criminal Code, or other offences. The Attorney General is contemplating whether any amendments need to be made to the Restraining Orders Act 1997.

DECLARED PEST RATE

135. Hon AARON STONEHOUSE to the Minister for Agriculture and Food:

I thank the minister for her detailed, if somewhat opaque, answer to my question with notice 112 of Thursday, 21 February 2019, regarding the extension of the declared pest rate to homes in the south west and the Perth hills. The minister effectively gave me some maths homework to do, and I would appreciate her confirmation of my working.

(1) If 12 500 consultation letters were sent out to landowners as part of the recent consultation exercise, and 265 letters were received in response, and 1.6 per cent of those who received consultation letters replied in opposition to the rate determination, am I right in thinking that roughly 200 people wrote to the department to argue against the extension, as opposed to the approximately 65 people who were either neutral or in favour of the move?

(2) If yes, will the minister concede the simple mathematical fact that, by her own admission, three-quarters of all those who wrote to her did so to tell her she was wrong?

Hon ALANNAH MacTIERNAN replied:

(1)–(2) I thank the member for the question, and I completely reject his claim that my answer was opaque. I made it very clear that I thought the highly relevant statistic was that of the over 12 000 letters that were sent out, only 1.6 per cent opposed the rate determination. I do understand that the member is fairly new to politics, but he will learn —

Several members interjected.

Hon ALANNAH MacTIERNAN: Hang on!

Several members interjected.

The PRESIDENT: Order! I cannot hear the minister's response.

Hon ALANNAH MacTIERNAN: He was hardly playing entirely with a straight bat, and he is clearly capable of having a little bit of humour injected into questions —

Hon Peter Collier interjected.

Hon ALANNAH MacTIERNAN: — unlike the Leader of the Opposition, who is such a fragile and sensitive person.

The PRESIDENT: Minister, you might just respond to the question and not start to have a go at people around the chamber.

Hon ALANNAH MacTIERNAN: Thank you.

Member, it is true that when we send out 12 500 letters, and, of those, we receive complaints from around 165, yes, we do draw a conclusion that the majority of people are either neutral or support this particular rate determination. I will say to the member that it is very important to understand how these come about. These recognised biosecurity groups are actually set up by local communities. They are not set up by the state government; they are set up by local communities. They then apply for a rate determination, and they then seek the approval, as well, of their local council. I think it is entirely appropriate for us, as previous governments have done ever since this legislation was introduced in around 2007, to continue with the practice that when a very, very modest number of people raise an objection, we determine in favour of the recognised biosecurity group and impose these modest rates. I can say that by 28 February 2019, 83 per cent of all relevant landholders in the five RBGs have already paid their declared pest rate for 2018–19.

DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION — COST RECOVERY DISCUSSION PAPER

136. Hon COLIN TINCKNELL to the minister representing the Minister for Water:

I refer to submissions to the Department of Water and Environmental Regulation on the discussion paper on cost recovery for the Department of Water and Environmental Regulation. In an answer to question without notice 1293 asked on 4 December 2018, the Minister for Water said that the Department of Water and Environmental Regulation would publish the submissions on its website.

(1) Has the Department of Water and Environmental Regulation published the submissions?

(2) If yes to (1), can the minister please provide the URL link to the submissions?

(3) If the submissions have not been published, why not; and can we expect them to be published?

(4) Is the Minister for Water withholding publishing the submissions so that their content is not available for informed debate on the water licence fees disallowance motion later this week?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question. The following information has been provided to me by the Minister for Water.

(1) No.

(2) Not applicable.

(3) The Department of Water and Environmental Regulation is still analysing the submissions and finalising its consultation summary report. The submissions will be published when the analysis has been completed.

(4) No. The disallowance motion is with regard to regulation amendments that introduced a water licence application fee for the mining and public water supply sectors only. The consultation process that the department commenced last year was to investigate the potential for some form of cost recovery for water licence applications in other sectors. No decision has been made to introduce water licence fees in sectors outside the mining and public water supply sectors, and any decision to do so would require a further amendment to the regulations.

TRAINEE PSYCHIATRISTS

137. Hon ALISON XAMON to the parliamentary secretary representing the Minister for Mental Health:

I refer to the answer given by the minister to my question without notice 38 on Wednesday, 13 February 2019, which did not supply the information that had been requested. I confirm for the minister that the term "consultant psychiatrist" was not incorrect but describes a particular type of psychiatrist and, as such, I ask the question again: how many trainee "consultant psychiatrist" positions were there in —

(a) 2016;

(b) 2017; and

(c) 2018?

Hon ALANNA CLOHESY replied:

I thank the honourable member for some notice of the question.

(a) In 2016, six psychiatry trainees attained Fellowship of the Royal Australian and New Zealand College of Psychiatrists and became consultant psychiatrists.

(b) In 2017, 19 psychiatry trainees attained Fellowship of RANZCP and became consultant psychiatrists.

(c) In 2018, 13 psychiatry trainees attained Fellowship of RANZCP and became consultant psychiatrists.

The number of psychiatry trainees who attained the consultation–liaison certificate to become consultation–liaison psychiatrists, a sub-speciality of general psychiatry, was one in 2016 and nil in 2017 and 2018.

ALCOA — JARRAH FOREST REHABILITATION

138. Hon DIANE EVERS to the Minister for Environment:

I refer to jarrah forests rehabilitated by Alcoa after bauxite extraction, and the stipulation in Alcoa's bauxite mine rehabilitation program 2016 that the state does not inherit liability requiring input of extraordinary resources.

(1) Over the last 10 years, how much rehabilitated forest has been returned to the state government to manage?

(2) Will the minister please table any maps showing this area?

(3) Given that the rehabilitated juvenile jarrah forests returned to the government have high stem densities and therefore require thinning for their ecological health —

(a) does Alcoa perform thinning at any time, either prior to or after return to the state;

(b) does the state undertake thinning after resuming management of the forest;

(c) if yes to (b), what is the cost of this; and

(d) if no to (b), why not?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question.

(1)–(2) No rehabilitated state forest has been returned to the state over the last 10 years.

(3) (a) Alcoa is required to meet agreed rehabilitation completion criteria, which may include thinning. These criteria are reviewed every five years. Alcoa, in conjunction with the state, has undertaken thinning trials and trials planting at lower stem densities.

(b)–(d) The state may undertake thinning of forest after resuming management; however, as no forest has been returned to the state in the last 10 years, it is not possible to provide contemporary costs in relation to thinning in areas mined for bauxite by Alcoa.

LOCAL GOVERNMENT ACT — REVIEW

139. Hon SIMON O'BRIEN to the Leader of the House representing the Minister for Local Government:

I refer to the paper recently presented to a local government forum at the Town of Cambridge by former Labor MLA Larry Graham criticising the McGowan government's approach to the review of the Local Government Act.

(1) What action is the minister taking to modify the process of review of the act?

(2) What action, if any, is the minister taking to address the allegations of conflict of interest held variously by the Department of Local Government, Sport and Cultural Industries, the Western Australian Local Government Association and Local Government Professionals WA?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question.

(1)–(2) The McGowan government has committed to a comprehensive review of the Local Government Act, which includes an extensive consultation process with stakeholders, including ratepayers, community organisations, local businesses, the Western Australian Local Government Association and Local Government Professionals WA. Best practice requires this level of consultation during such reforms.

Feedback received will be considered following the close of the public submission period on 31 March 2019. To date, more than 1 500 responses have been received, with more than 100 workshops, forums and stakeholder meetings held across Western Australia to engage with the community on the future of local government. WALGA and LG Pro, along with ratepayers, community organisations and local businesses, are key stakeholders in this process. It is unclear how the member considers this to be a conflict of interest.

FORRESTFIELD–AIRPORT LINK — SOIL CONTAMINATION

140. Hon Dr STEVE THOMAS to the minister representing the Minister for Transport:

Has the minister, any ministerial staff or Public Transport Authority representatives met with, or had any contact with, the Shire of Waroona and/or the Peel Development Commission in relation to stockpiled soil, waste or PFAS-contaminated soil excavated from the Forrestfield–Airport Link for relocation to lot 3 Buller Road, Waroona; and, if so —

(1) What are the dates for each meeting or contact?

(2) Who was contacted and who made the contact?

(3) What was the nature of the contact?

(4) Where was each meeting held and who was present at each meeting?

(5) What was discussed at each meeting?

(6) Will the minister table any recordings, documentation, option papers or proposals from said meetings; and, if not, why not?

Hon STEPHEN DAWSON replied:

I thank the honourable member for some notice of the question. The following information has been provided to me by the Minister for Transport.

(1)–(6) On 13 July 2018, the Peel Development Commission chair, Paddi Creevey, requested a meeting regarding Forrestfield–Airport Link soil disposal. The minister declined the meeting and requested that the Public Transport Authority respond directly to the PDC. A telephone conversation occurred on 6 September 2018, the points of which were confirmed in an email from the PTA to the PDC on 11 September 2018. I table the attached document.

[See paper 2457.]

ANIMAL ACTIVISM — FINE PAYMENT

141. Hon COLIN de GRUSSA to the Leader of the House representing the Attorney General:

I refer to the recent case whereby an animal activist raised more than $4 000 in a matter of hours through a crowdfunding campaign to cover his fines.

(1) Is the use of crowdfunded campaigns to support criminal activities an offence, and under what act does it constitute an offence?

(2) If not, will the Attorney General review the laws so that criminals who are convicted of an offence are not allowed to use crowdfunding to pay for any fines they may have?

Hon SUE ELLERY replied:

I thank the honourable member for some notice of the question.

(1) The funding of criminal activity is an offence and may be captured under section 7 of the Criminal Code in regard to enabling or aiding another person to commit an offence. A further relevant offence is under section 563B of the Criminal Code in regard to a person who deals with any money or other property that is being, or is intended to be, used in connection with an offence. It is not an offence for a person to obtain lawful funding assistance to pay their fines.

(2) There are no plans to introduce legislation prohibiting the making of donations towards the payment of another person's fines. Crowdfunding using an online platform to elicit donations for this purpose is materially indistinguishable from simply asking others for help to pay fines, a ban on which would be virtually impossible to enforce. It is noted that the Charitable Collections Act 1946 applies only to the regulation and control of the collection of money or goods for charitable purposes.

BBI GROUP — RAIL INFRASTRUCTURE — PILBARA

142. Hon ROBIN SCOTT to the minister representing the Minister for State Development, Jobs and Trade:

(1) Can the minister confirm that on 4 September 2018, BBI Group wrote to the Premier asking that the date to submit the detailed proposals under clause 11(1) of the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017 be extended from 31 March 2019 to 30 September 2020?

(2) Was the requested 18-month extension granted; and, if so, why was it granted?

(3) Is the government aware of any agreement or agreements between BBI Group or an associated entity and Flinders Mines Ltd; and, if so, what is the substance of any and all of those agreements?

(4) Why did the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017 not mention Flinders Mines Ltd?

(5) What assurance did BBI Group give to the government on the subject of rail access for the Pilbara iron ore project?

(6) Will the minister table a report on her discussions at the China International Import Expo 2018 with BBI Group?

Hon ALANNAH MacTIERNAN replied:

Madam President, can I just get some guidance. I am sorry, I did not realise that at the end, the question was going to morph into a question to me in my other capacity. I will not answer part (6) and ask the member to ask that separately so we can deal with that. The answers are as follows.

(1) Yes. BBI Group wrote to the Premier on 4 September 2018, requesting a one-off extension of 18 months in which to submit its proposals under the Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017, the state agreement.

(2) The 18-month extension was granted under clause 28(2) of the state agreement to allow the company to finalise equity agreements and bank funding for the project.

(3) The Department of Jobs, Tourism, Science and Innovation is not aware of any current agreements between BBI Group or an associated entity and Flinders Mines Ltd.

(4) Flinders Mines Ltd is not a party to the state agreement. The Flinders Mines Ltd area is defined in the state agreement as the "PIOP mining area"—Pilbara iron ore project—being the subject of mining lease 47/1451 and exploration licence 47/1560.

(5) There was no assurance given because there were no commercial contracts in place at the time the state agreement was ratified. The function of the state agreement is to enable construction of the railway infrastructure. The rail project will not proceed until BBI is able to secure sufficient iron ore.

WORLD BANK — ZERO ROUTINE FLARING BY 2030

143. Hon ROBIN CHAPPLE to the minister representing the Minister for Mines and Petroleum:

I refer to a media statement made by the Minister for Environment on 7 February 2019, announcing that Western Australia would be the first Australian jurisdiction to join the World Bank's Zero Routine Flaring by 2030 initiative.

(1) Will the minister table documents and correspondence pertaining to consultation with industry while formulating this policy announcement?

(2) Does the new policy apply retrospectively to existing facilities, or will it apply from only now on?

(3) What regulatory or legislative instruments will be used to apply the policy?

(4) If the answer to (3) is none, how will the policy be implemented?

(5) Given that the Environmental Protection Authority's policy on climate change has for a long time required that proponents undertake best practice measures and all reasonable and practicable measures to minimise carbon pollution, and that the WA government has made commitments to ensure that all unconventional gas projects are assessed by the EPA, what additional environmental benefit or protection will this new policy confer that would not have otherwise been a normal requirement under the EPA assessment process?

Hon ALANNAH MacTIERNAN replied:

I thank the member for the question. The Minister for Mines and Petroleum has provided the following answer.

(1) No.

(2) The World Bank initiative applies to wells only, not to facilities, and will apply to new wells in the first instance. The government will work with industry to make every effort to end legacy flaring on existing wells into the future.

(3) This will be enabled through regulations under the Petroleum and Geothermal Energy Resources Act 1967 and the Petroleum (Submerged Lands) Act 1982.

(4) Not applicable.

(5) The benefit of the policy is that world's best practice for routine flaring is applied to all gas projects with routine wellhead flaring, and not just projects being considered by the Environmental Protection Authority.

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT (CONTAINER DEPOSIT) BILL 2018
WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT (CONTAINER DEPOSIT) BILL (NO. 2) 2018

Second Reading — Cognate Debate

Resumed from an earlier stage of the sitting.

HON AARON STONEHOUSE (South Metropolitan) [5.11 pm]: Before we broke for question time, I was outlining my concern that this scheme would regressively and negatively impact on smaller businesses, be they small breweries, small distilleries or, in fact, small retailers. As we know, the responsible supplier is the first one to introduce a container into the market here in Western Australia, so if a retailer uses a supplier to import a container, that supplier is responsible for compliance. If they are doing their own importing through perhaps online shopping or something like that, they may quite likely be the responsible supplier and have to go through compliance with this scheme—that being registration of the container with the department and payment of the levy for the refund and the operating cost, which is yet to be determined. The refund will be 10¢; the operating cost could be 6¢, 10¢, 20¢ or more—who knows? There is also a requirement to appropriately label containers, which would perhaps require retailers to take inventory from their shelves and quarantine it until they have approval for the container from, presumably, the department, and until they have labelled all their stock.

This may be a problem for retailers, but it is also going to possibly impact on consumer choice and the availability of products in the market for consumers. It was pointed out to me that for certain imported goods, it may not be worth the retailer's trouble to register the container, label it appropriately and earmark cash for when refund invoices come through from the department. For a niche product that may only sell a few units every month, it may be simpler for retailers to simply remove it from their shelves and not offer it at all, which will remove consumer choice in the end.

Aside from the impact on retailers, producers and suppliers, it will obviously have an impact on consumers. Let there be no doubt about this: the cost of the refund and the operating cost will be passed on to consumers. That has certainly been the experience in other jurisdictions. When we talk about imposing a cost on a supplier or a producer, and that cost being passed on to consumers, a lot of people are sceptical. They say, "No, no, no, they won't pass on all the costs; they'll absorb most of the costs." That idea would be at odds with the regulatory impact statement that was prepared during the drafting of these bills. The regulatory impact statement—which I have had an opportunity to peruse, but not read in full detail because the bills were brought on quickly, before members had an opportunity to fully comprehend the scheme's impact—quite clearly points out that the cost of the refund and the operation of the scheme will be passed on to consumers.

The example was raised earlier of a bottle of water; I think it was Hon Colin Holt. It may be 70-odd cents or maybe a dollar for a bottle of water, depending on where you get it and what brand it is. Add on top of that the 10¢ refund and the operating cost of the scheme. The central planners will tell you that the operating cost will be 6¢; I think it could potentially be quite higher. The experience in other jurisdictions has been of a much higher operating cost, or at least a little higher. In fact, I will briefly digress to look at the experience in New South Wales and read from an article by Anthony Klan that appeared in *The Australian* of 28 December 2018 —

> The NSW drinks container deposit scheme, which has provided a template for schemes in Queensland and the ACT, has cost consumers about $250 million in increased prices while appearing to deliver a negligible increase in recycling—a blow to proponents calling for a national rollout.

It goes on to say —

> The NSW government has said 54 per cent of eligible containers were now being recycled, up from 32 per cent before the scheme began—a 69 per cent increase. However, the government's own reports say pre-scheme bottle recycling rates were between 50 per cent and 60 per cent, …

So, before the scheme was even implemented, recycling rates, according to the New South Wales government, were already at 50 to 60 per cent. Now the government has said that 54 per cent of eligible containers are being recycled, up from 32 per cent. The article continues —

> The NSW Environmental Protection Agency's business case for the container deposit scheme stated the pre-scheme recycling rate—the proportion of cans and bottles sold that typically end up in home recycling wheelie bins—was 53 per cent, almost identical to the 54 per cent being achieved now.
>
> Another NSW government document, published three months before the scheme began and titled "scheme costs", stated its "current assumption" was 50 per cent of recovered containers were via kerbside collections.
>
> The 32 per cent baseline figure is based on a survey of the contents of yellow bins conducted by the NSW Environmental Protection Agency two to three months after the scheme began, when many consumers were "stockpiling" their empties while waiting for collection points to be opened.

The article goes on to say —

> A draft report into the NSW scheme by the Independent Pricing and Regulatory Tribunal said the price rises of drinks sold in NSW had fluctuated from 1c a container to 15c a container.
>
> IPART said that in the nine months to July, the price of eligible drinks had increased by an average 7.5c, while the scheme's "indirect costs" were currently 9.2c a container. There are about 3.3 billion eligible containers sold in NSW each year. Consumers have been charged about $250m under the scheme in the year to this month. Over the same time, one billion deposits were redeemed, giving back consumers $100m.

The New South Wales price increase on containers sounds rather modest—on average, 7.5¢, with an upper limit of 15¢ per container—which does not sound too bad, considering we are talking about a 10¢ refund and a 6¢ operating cost. I think that a 6¢ operating cost is a little overoptimistic, however, when we think about the sheer size of Western Australia, coupled with its relatively low population. I do not recall exactly what the New South Wales population is off the top of my head, but Western Australia's population is about 2.5 million or 2.6 million—somewhere around that mark. It has recently dropped a little. The economy of scale in a state with a large population quite densely packed into a geographically small area makes the operating cost of a scheme in which we haul truckloads of recyclable material across the state very low. It is a lot easier to truck containers around New South Wales than it would be to do so in, say, the top end of Western Australia, which has a very sparse population. Think about the operating cost of having to haul a truck full of containers from a town with a population of a few hundred or a couple of thousand as opposed to the operating cost of hauling around truckloads of containers in very densely populated areas. The government has worked to a model to come up with that 6¢ per container operating cost. I am deeply sceptical that that number is right, considering the trend in New South Wales has been a blowout of costs and under-performance in the returning and recycling rates. Let us not forget that we do not know what the operating cost will be at this point. We are not even arguing what it should be. We are merely giving the government the power to levy that operating cost and the refund. We have no idea what it will be. The government assures us that it will be 6¢, but there is no built-in check in this scheme to ensure that that operating cost does not balloon or blow out.

Let us not forget that this scheme has an obligation for the scheme operator to be the collection point of last resort. The idea is that the scheme operator would partner with local governments and private business to provide collection points and the logistical network to ship containers to recycling plants, but if it is not commercially viable to build a collection point in a remote part of the state, the scheme operator will have to do that. That should set off alarm bells to members, because if it is not economically viable to provide a collection point in a remote part of the state, the costs outweigh the benefits of that scheme, at least in that isolated area. According to the regulatory impact statement, this is a net benefit plan. There is a cost–benefit ratio of 1.35, I think, which again is overly optimistic, given the experience in other jurisdictions. The cost–benefit analysis of South Australia's model shows that it is a net cost to the state. That is certainly shaping up to be the experience in New South Wales. In isolated regional areas, it is not commercially viable to open a collection point for a private enterprise or even a local government. Clearly, that is because the costs outweigh the benefits in those areas, but in those cases the scheme operator will step in to provide a collection point or to provide the backhaul for that collection point. It is obligated to do it. Maybe the scheme operator will do that through a trailer or a truck that drives through that area from time to time, rather than having a permanent collection point established. It does not necessarily need to be a reverse vending machine or a station that is manned during business hours. It could merely be a vehicle that drives through to collect containers from time to time. That obligation is there for the scheme operator.

I assume that the government is following the logic that maybe we have to take a hit. There is a cost to operate a collection point in some of these remote areas, but over the whole state it could smooth out to be a net benefit across the state. How do we determine that, though? The actual network that the scheme operator will establish has not been worked out yet. It has to go out to a sort of pseudo tender process. People will make proposals. A not-for-profit will make a proposal on how the network could be established and then we will understand how the network would operate. We do not know whether it is commercially viable for people to establish collection points anywhere, let alone in regional parts of Western Australia.

I assume that we have done some economic modelling to say that in a certain number of satellite towns it would not be economically viable for a private operator to partner with a scheme operator to establish a collection point way out there in these truly remote areas. We do not know where those locations will be. We do not know what charitable organisations might step up to be part of this or community groups that might volunteer because they see the benefit of reducing litter, even if it is not commercially viable. We do not know. The scheme operator has the opportunity to become the collection point of last resort in circumstances that we do not fully understand yet. We talk about that operating cost of 6¢, but we do not know how many regional areas will have to be covered by the scheme operator alone without a commercial partnership. I am concerned about that 6¢ operating cost blowing out. If the scheme operator is obligated to provide a collection service in a remote town, regardless of the cost of providing that service, there is a huge potential for costs to blow out. When we say that a government agency has an obligation to provide a service regardless of the cost, we are almost writing them a blank cheque.

I understand that there will be some separation here. A board to which the government can appoint members oversees this not-for-profit organisation and the make-up of the board is laid out in statute, but there is a danger when we do not understand how the scheme will operate and the limitations and costs of the scheme. Government is saying that it will levy a fee and find some commercial partnerships with different operators and local governments, but if it does not, it will do it regardless of the cost. Now we will allow it to levy a fee for that cost. It is a very, very dangerous path to go down, especially as stewards of the public funds and the public purse. This is not our money. This is taxpayers' money that we will be facilitating the transfer of through a levy, and we do not understand yet what that levy will be. It is a very, very dangerous path to go down. There is also a concern here as well. Two paths are laid out in the regulatory impact statement. One is business as usual—do not implement a container deposit scheme. The other is to operate a container deposit scheme. When conducting the cost–benefit analysis for this scheme, the business-as-usual scenario is used as a benchmark from which to measure the CDS. The problem is that the business-as-usual scenario assumes that nothing changes. It assumes that recycling rates stay the same. It assumes that the consumption of containers and the material from which those containers are made stays the same. It assumes that the consumption of carbonated beverages, soft drink and alcohol and such stays the same. We have set ourselves that benchmark. We are saying, "Okay, let us assume that consumer trends do not change over the next 10 to 20 years and then let us compare that with a scheme in which we have some impact on consumer trends through a price mechanism, a levy and an incentive for them to recycle." I think we are setting ourselves up to be overly optimistic, because consumer trends do not stay the same. People are actively becoming more engaged with recycling and environmental stewardship. People are becoming more conscious about how their activity impacts the environment and affects the world around them. I do not have any data in front of me right now, but I would hazard a guess that the rate of recycling has been increasing over recent years as people are more mindful of their impact on the planet, yet the regulatory impact statement, when looking at the container deposit scheme, benchmarks us off a frozen point in time, from what I can tell. I may be wrong about this, and I am happy for the minister to correct me, but it seems to me we are looking at this scheme compared with right now in 2019 based on nothing changing and it staying the same forever. That seems like a false equivalency to me.

There was something else that was interesting in the regulatory impact statement. I am not so sure it is relevant to recycling and waste management, but members might find it interesting: 96 per cent of any GST raised as a result of this price rise would benefit other states. That is just another sore point for me! Western Australia will not receive whatever GST revenue from price increases is received through this scheme. We are going to disadvantage consumers, we are going to raise the cost of living for all consumers across the state, we are going to severely limit consumer choice, we are going to create a regulatory impost on producers and manufacturers in Western Australia, and we are going to give some of that GST to our competitors in this federation over east, which is great!

Throughout this debate, one thing that has been consistent in the remarks made by other members, and perhaps even in my remarks, is that we do not really know all the details yet. The principal bill is pretty lengthy. It is a pretty complex topic. I was fortunate enough to receive a briefing on Wednesday, and I am grateful for that. This is a lot of information to digest. We have had a recess, but this bill was read into this place during the last sitting week. Now we are here, six days later, expected to vote on this matter. The comments from Hon Dr Steve Thomas and Hon Colin Holt seemed to highlight a lack of clarity about how this scheme will operate. We seem to have a framework—a skeleton perhaps—of a scheme that puts in place the heads of power and a few other things, but mostly leaves the detail to regulation. The day in, day out function of how this scheme will operate will be left to subsidiary legislation. To me, that seems rather worrying, especially when we are talking about taxes.

We are discussing these bills cognately. There are two separate bills. The reason for that is a constitutional requirement for tax bills to be separate from the machinery of a bill. Changes to function must be kept separate from the actual tax levied. That is why we have two separate bills here today. We are talking about a tax increase on Western Australians, which the Western Australian Constitution views as a very serious matter; serious enough to put a requirement on legislators to deal with these matters separately. Mind you, that does not stop us from debating them cognately—it seems to be the convention. Even though there is a constitutional requirement to discuss and consider these bills separately, the convention seems to be that we always debate them cognately. We are being asked to put in place a very serious matter—to tax Western Australians in a manner that has never been done before. This is a new scheme for us at least. No-one really knows how this will work—not really intimately. Perhaps the minister does; I would certainly hope so. No-one understands how this scheme will function. Most of the detail is left to subsidiary legislation, which we cannot review at this time. The regulations are not in these bills. The regulations have not been provided to us in the explanatory memorandum or in any other appendix or attached documents. We have to take a blind step forward to give the government the power to levy a tax, and then we will wait and see what it thinks that tax ought to be based on the scheme operator's proposal to government, I suppose. That is also interesting, because it will not even be up to the executive branch of government to directly determine what the operating cost of the scheme will be; that will be up to the scheme operator, which will be a not-for-profit organisation. Executive government will not determine exactly what that should be. The scheme

operator, who is almost somewhat removed from the minister, will determine what that should be. There is obviously still control and oversight from executive government, but allowing government to tax and then deferring consideration on what the tax ought to be until a later date is a very dangerous path to go down, in my view.

We have seen this before with subsidiary legislation—with regulations. The argument is always put, "You can disallow regulations." Sure, yes, we can—the Legislative Council can disallow regulations; it has that power. My experience in the last almost two years of being here has been that disallowance motions are debated within about maybe 10 to 20 minutes, if we are lucky, on the very last day on which they can be considered. When we debate primary legislation, we have a first reading and a second reading. Every member gets an opportunity to contribute to the second reading. Leaders of parties get unlimited time, non-leaders of parties get 45 minutes, designated lead speakers of major parties get unlimited time, and then we get a ministerial response to the second reading debate. Normally, ministers go to some effort to address matters that were brought up during the second reading debate. Then we go to Committee of the Whole. The Chair of Committees presides, advisers advise the minister, and we get to go through the bill clause by clause, line by line. We interrogate every aspect of the bill until every member is satisfied with what we are passing. Only then do we proceed to the third reading. Members have an opportunity to scrutinise every single line of a bill. The minister and their advisers sit there quite patiently. They sometimes answer question after question—they are barraged at times—but ultimately the effect is that members of this place can be satisfied about what they are voting on when it gets to the third reading.

There is also an opportunity to make amendments. When it comes to a disallowance motion on a regulation, if I understand my standing orders properly, the regulation can be disallowed in part. I believe we can disallow aspects of a regulation, maybe a clause, but nothing new can be inserted—nothing can be replaced. Only a part or the entire regulation can be deleted, but that is it. The entire regulation can be blocked, or a part of it. There is no opportunity for further scrutiny. There is no opportunity to go line by line through that regulation and interrogate the minister. There are no advisers here for the minister. If the minister is unsure of an answer to a question, they do not have an opportunity to confer with their adviser and provide a fulsome and accurate answer. Like I said, we are lucky to get 20 minutes to interrogate.

There are seven political parties here representing their constituencies. Quite often, on contentious regulations, all parties have concerns and want to ask questions. A member who is limited to a 20-minute debate on a disallowance motion is lucky to get two, or maybe five, minutes to raise their concerns. They probably will not get a full answer from the minister—there is not enough time to give it—and it has to go to a vote. More than likely, it is brought on on the last day for debate for that disallowance motion. It is not the level of scrutiny that this place normally gives primary legislation. It is not the level of scrutiny that a house of review should be carrying out for something as serious as a tax increase. A tax increase should be getting more scrutiny than anything else in this place. Really, we are talking about imposing a cost—taking money from hardworking people for what is, perhaps justifiably, a good environmental cause. Perhaps it is a good idea to implement this scheme. There are certainly arguments for it. If it is true that the benefits outweigh the cost, fantastic—let us go. But if we are going to impose a tax on Western Australians, as their elected representatives we have an obligation, a duty, to scrutinise what that tax will be. What will the rate of the levy be? What will the operating costs be? We should not be deferring this and leaving it up to regulations. It will be lucky if anybody even notices when the regulations are tabled. How many times are regulations placed on the table and members are not paying attention or do not get a chance to read them? I do not read everything that goes into the *Government Gazette*—I simply do not have the time, given the volume of local laws and myriad regulations that are tabled. The *Government Gazette* is a horrible thing for a layperson to try to read. It is incredibly hard to get your head around how that works and to look up gazetted regulations. This skeletal framework will be put in place for a tax increase and a rather complex scheme, which will involve keeping track of every container returned, trying to determine and match it up with its supplier and then organising this logistical black hole network across an enormous state, the biggest state in the Federation and one of the biggest jurisdictions in the world. I think we might be the second or third largest jurisdiction in the world—we are up there. It is a very, very large jurisdiction. Trying to organise an immense logistical network that will be figured out in regulations—"Don't worry about it; just pass the thing so the government can figure it out. We'll get the scheme operator to figure it out"—is a very, very dangerous precedent.

The Standing Committee on Legislation looks at bills on a regular basis. Bills are referred from the Legislative Council to the Standing Committee on Legislation and one of the things it looks at is whether the bill is skeletal. Does the bill merely put in place heads of power and leave all the detail up to subsidiary legislation? That is a criticism made by the Standing Committee on Legislation on, I think, a fairly regular basis. I would have thought that clauses that leave too much up to regs are a constant bugbear of that committee, yet here we are being asked to vote on a bill of just that nature. It is not just the skeletal nature of the bill either; I would say it is the complexity of the scheme that I still do not fully understand. Perhaps that is my fault; I am no expert on waste management. But I ask anyone who wants to criticise me for not fully understanding the scheme whether they fully and intimately understand the scheme. Does anybody really understand this scheme intimately? Has anyone actually read this bill from start to end? Has anyone read the regulatory impact statement from start to end? Because if they have not, they are in the same boat as me and should not be voting for this. Unless members fully understand all

the implications and consequences of the scheme, they should not be supporting it. If members cannot say honestly that they have read this bill from start to finish, we should be deferring debate on it to a later time. There may be two or three speakers after me—maybe that is it. We may resolve this debate tonight—who knows? We may be in Committee of the Whole by the end of the night; I do not know. But unless members can say confidently that they understand intimately the impact of this legislation, they should not be supporting it. To say that we can scrutinise the regulations later is not sufficient; they will not get the same level of scrutiny that primary legislation does.

This is also with the experience of other jurisdictions. The impetus for this is that there is a litter problem, there is pollution, containers are ending up in the ocean and hurting the sea critters, there is a cost on local government and we have to do something. Other jurisdictions have already led in that regard. That may be the case, but the lesson from other jurisdictions is that it is never quite as smooth as they thought it would be and costs more than they thought. The recycling rates do not increase quite as much. I read from an article in *The Australian*, again by Anthony Klan, titled "NSW recycle deposit scheme fails to hit customer target", which states —

> The NSW government's anti-litter can and bottle deposit scheme has collected less than a third of containers expected in its first three months, with the program hitting less than 10 per cent of its target during the first month of operations.
>
> Under the government's Return and Earn scheme, 120.4 million bottles and cans were dropped off at "collection points" between December and February, just 28 per cent of the 428 million containers forecast.

I know that we are not implementing the same scheme as that of New South Wales. It has a different model with an almost reliance on reverse vending machines. One of the biggest criticisms of that scheme is that shop owners have unsightly, big reverse vending machines in car parks. They are difficult to operate and there are long lines waiting at them because people stockpile containers to return them when there are enough of them to make a decent amount of money. We are steering away from some of the aspects of the New South Wales scheme; we are not following New South Wales' lead on this one completely. But that begs the question: if this is the experience of New South Wales and we are following a different route, how do we know our model will be effective, especially when most of it will be left up to regulations? Our scheme will not be the same as the New South Wales scheme. Okay; what will it be? We do not really know yet—not exactly. We have an idea, the general outline, but we do not know all the finer details. Yes, we can learn from other jurisdictions, but we do not know exactly what we will be doing differently. We will do something differently but we are not sure exactly what it will be. The same article from *The Australian* continues —

> The NSW government has suggested those waste companies will share those windfalls with the councils, but Minister for Environment Gabrielle Upton and the NSW Environment Protection Authority declined to comment when asked to explain how such a system would work.

This goes to something I raised earlier. How will the scheme work with local government? The partnership of the scheme operator with local governments sounds like a good one, but how will it actually function? Will local governments be paid for containers that they would have recycled anyway? Given that there is already an economic incentive for local governments to recycle, does it make economic sense to pay them again through a levy on consumers?

Hon Colin Holt: And pay them more.

Hon AARON STONEHOUSE: Yes, we could pay them more. But is that the intention and does that make economic sense? These are the questions that, again, I do not think the primary legislation addresses. These are things that will probably be worked out in the regulations when the scheme operator proposes a network. We do not know what the scheme will look like. Perhaps that is a little confusing. We do not know what the network will look like. We have a rough idea of the overall structure of the scheme, but what will the network actually be like? Outsourcing to an extent the creation of the network to a non-profit organisation sounds like a pretty good idea, but the network operator or scheme operator will determine what the operating costs will be, which will then be passed on to suppliers and, in turn, on to consumers, and that should concern us all.

Not fully understanding the more technical detail of how the network and the scheme will operate, I feel that there is only one responsible thing to do; that is—aside from my ideological opposition to such a scheme—we should give this scheme and these two bills the level of scrutiny that they deserve. If we are going to give the government the power to levy a tax that will be done through regulation at a later time, this deserves a level of scrutiny that I think this house at this time cannot give. My suspicion is that few members have fully read and understood the legislation or have fully read and understood the supporting documents, such as the regulatory impact statement, and probably have a very superficial view of how similar schemes operate in South Australia and New South Wales. Given that, I think we need an opportunity for the members of the Legislative Council to hear from experts on these schemes in other jurisdictions. I am sure that the Minister for Environment and his department have done their due diligence and a lot of research around this, but members of this chamber need to fully understand what they are doing and what powers they are giving the government in creating this network and levying the tax.

I raised a few concerns earlier. I raised a concern about small retailers that import speciality or niche containers, soft drinks from their home country—for example, for migrant communities. How will this scheme impact upon

them? Are we going to fine the owner of a South African deli for selling a can of Irn-Bru they did not put the appropriate sticker on? Do we want to go down that path? Obviously, protecting the environment is an important goal and those who create externalities, as opposed to third parties, should pay for them. I absolutely agree that if someone is polluting, they should bear the cost of that pollution and pay for the clean-up, but how far are we willing to go with compliance? Are we willing to fine small business owners for failure to put a sticker on or register a container? How will we ensure compliance with that? Are we going to have agents of the Department of Water and Environmental Regulation going to every retail store to ensure that they got their containers from a responsible supplier and that those containers are registered and have the appropriate stickers? I feel these questions need to be answered. Maybe the minister can give us an answer in his reply to the second reading debate. Maybe answers to these kinds of questions would be better sought through a committee that can call forward witnesses and hear testimony from the beverage industry, importers, suppliers and perhaps professional testimony from regulators of the beverage industry in other jurisdictions where schemes like this have already been implemented to hear about their experiences. Perhaps that would be for the benefit of not the government, which I am sure is absolutely certain of every detail of this scheme, but of the loyal opposition, for members of the crossbench, the Greens and One Nation, to fully understand and appreciate the consequences of what we are doing today, especially when it comes to depriving members of this state of their hard-earned money.

Discharge of Order and Referral to Standing Committee on Legislation — Motion

HON AARON STONEHOUSE (South Metropolitan) [5.52 pm] — without notice: With that, Mr Acting President, I move —

(1) That the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018 be discharged and referred to the Standing Committee on Legislation for consideration and report no later than Tuesday, 17 September 2019; and

(2) the committee has the power to inquire into and report on the policy of the bills.

I will briefly address the motion while that document is circulated around the chamber. This is not new; we have done this before. We have referred legislation to the Standing Committee on Legislation in the past. It normally has been based members' concerns that legislation may be rather complex and that the full impact of that legislation is not fully understood. That was certainly the case the first time I did this with the no body, no parole legislation. If members recall, I moved a motion to refer the no body, no parole legislation to the Standing Committee on Legislation. At the time, the government roundly condemned that motion. In fact, at the time, the Attorney General used some very colourful language to condemn the Liberal and National Parties for my motion. I have no idea why he condemned the Liberal and National Parties for my motion.

Hon Simon O'Brien: You're right; you should've been condemned.

Hon AARON STONEHOUSE: Exactly, I should have been condemned. I put in so much hard work and the Attorney General failed to condemn me.

At the time, the Attorney General used very flippant language. He accused supporters of the motion of being in league with murderers. It is a horrible, horrible accusation to make, and of course not true at all. Ultimately, most members of this chamber indicated that they would support a no body, no parole framework; we merely had concerns about the implications of that new framework. I raised concerns about unintended consequences that were perhaps not fully understood at that time. Ultimately, the Standing Committee on Legislation looked at the bill and broke it down piece by piece, heard expert testimony, looked at experience in other jurisdictions and produced a report. The committee's report made several recommendations and some findings, including addressing my concern about unintended consequences. It addressed concerns that innocent people incarcerated may have no opportunity for parole because they cannot cooperate with police to locate the body of a deceased person. The committee assuaged my concerns by pointing out that at the time a person is incarcerated, as far as the law is concerned, the assumption is that they are already guilty, and that to use parole as a way to get a not guilty person out of jail is a false premise because the Prisoners Review Board's assumption is that they are already guilty and the law has already determined that at that time.

It is good that the committee addressed my concern about unintended consequences—fantastic—but it also made a couple of recommendations that enhanced the bill. It made a recommendation that homicide should be included in murder-related charges to make somebody fall under the no body, no parole provisions. As most members probably know by now, many times a person who is suspected of committing a murder is convicted of the lesser charge of homicide. My understanding is that it is harder to prove the intent, or mens rea, required for a murder conviction and homicide is the lesser charge.

The ACTING PRESIDENT: Honourable member, before you continue, I make the point that when you moved your motion, you then limited the time frame you have available to debate it. It is at the largesse of the Chair, and you no longer have unlimited time. I suggest that you plan to speak for a couple more minutes potentially, but you will not necessarily have the capacity to come back after the dinner suspension and continue to debate the motion.

Hon AARON STONEHOUSE: Thank you, Mr Acting President, I was just wrapping up.

The ACTING PRESIDENT: Excellent.

Hon AARON STONEHOUSE: The recommendation that homicide-related charges be included enhanced the bill and addressed an aspect of the bill that had been overlooked.

Point of Order

Hon COLIN HOLT: I seek clarification on what the Acting President just said. Are we now debating the motion to refer the bill to a committee?

The ACTING PRESIDENT (Hon Dr Steve Thomas): Yes.

Hon COLIN HOLT: It is a time-limited debate. What is it?

The ACTING PRESIDENT: The advice I am given is that the member is in the act of moving the motion and there is some largesse on behalf of the President or Acting President to allow some debate following the moving of the motion, but it is limited, and I was simply applying those limits.

Debate Resumed

Hon AARON STONEHOUSE: I suppose we can see the difficulty we fall into when boundaries are perhaps not clear or rules are not clearly set out, such as with the Waste Avoidance and Resource Recovery Amendment Bills we are debating today.

The point I was closing in on is that the referral of the no body, no parole bill to the Standing Committee on Legislation came back with recommendations that were ultimately adopted by the government. These recommendations enhanced the bill and made the bill address the government's concerns at that time that people who had killed another person, whether it was a murder or a homicide conviction, would not be eligible for parole unless they cooperated or were shown to be cooperating with police to locate the remains of their victims. That enhanced the bill; it made for a better and more coherent bill that addressed the government's policy despite the fact that the government opposed the referral in the first place. The government opposed the referral to the committee. The bill was referred and it came back with recommendations that made the bill better, and the government adopted those recommendations. We are doing the same thing with this legislation. The government will say that it does not want to refer this bill to the committee, because it has to be dealt with urgently. Whether we deal with this legislation now or in six months, it will make no tangible difference to the environment in any sort of measurable way, but it will help members understand fully what they are voting for and will implement. It is quite possible that the committee will come back with recommendations that will enhance the scheme and make it more effective in reducing litter and increasing recycling, but let us at least have the opportunity to properly scrutinise the legislation to fully understand what we are voting on today rather than deferring decisions about tax increases to subsidiary legislation.

Sitting suspended from 6.00 to 7.30 pm

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [7.32 pm]: I indicate that the government will not support Hon Aaron Stonehouse's motion. He made an expansive contribution on the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018 and also on his motion and it became fairly apparent that he has an ideological opposition to a container deposit scheme in Western Australia. Frankly, I do not see any change happening to that. Knowing that the member does not support the bills, this seems to be a bit of a stunt to send the bills to a committee, and he would not support the bills when they came back even if they were referred to the committee.

There is no denying that the time has come for a container deposit scheme in Western Australia. When we surveyed the community on the scheme, we had a 97.1 per cent support rate. Of the 3 200-odd surveys that were completed, over 97 per cent of the responses indicated support for a container deposit scheme in this state. This legislation can be compared with the legislation in New South Wales and Queensland, except that we have learnt from both those schemes. We recognise that it is a challenging space. The major parties—the government, the Liberal Party and, indeed, the National Party, which has had its policy on a container deposit since its conference in 2013—support this scheme. It is a significant change that is demanded of us by the community. Because we are late to the process, we have been able to learn from the New South Wales and Queensland schemes, which have been in operation for over a year and for a number of months respectively. We have designed our scheme. We have an advisory group in place that includes representatives of the Australian Food and Grocery Council, the Western Australian Local Government Association, the Western Australian Hotels Association, the Australian Beverages Council, the Waste Management and Resource Recovery Association of Australia, conservation groups, the Liquor Stores Association of WA, the National Association of Charitable Recycling Organisations, the Boomerang Alliance and some others. They helped design the scheme from the outset. We are very conscious to ensure that the scheme in operation in Western Australia is the best, but also has the support of the various stakeholders that will be impacted

by it. We also established a number of technical working groups that delved into the detail to make sure that groups like small brewers had their voice heard at the table and that their concerns were addressed. Retailers associations and a range of people helped design the scheme and those groups will help us design the regulations that are decided upon.

Hon Aaron Stonehouse suggested that the legislation is skeletal. I disagree with the member. At over 63 pages, the legislation is not. The legislation provides heads of power and the regulations will have a number of the details. The reason that some of the details of the scheme will be in regulations is that key stakeholders asked us to do it that way to make sure that we learnt from the experience in New South Wales and Queensland and that we could be dynamic to change over time, recognising that the scheme will change. Recycling rates will get better or be different or we will recycle more or national legislation will change. As the environment ministers agreed at a recent meeting, we will get tougher in this space, we will want to recycle more and we will want to increase targets. By ensuring that things like performance targets are in the regulations, we can be nimble. I assure members in this place that the regulations will be developed in consultation with the CDS advisory group and that the issues that it raises will be aired at a further time in this place.

Essentially, we need to get through the legislation before us. We are keen to get this scheme in operation in early 2020. If we were to refer the bills to a committee, quite frankly, I know the committee's recommendations would not change Hon Aaron Stonehouse's mind. Many of us have lived through talk of a container deposit scheme for a very long time. It is time to get on with it.

Hon Martin Aldridge: Nine and a half months.

Hon STEPHEN DAWSON: Nine and a half months. We want to create this properly. Members have raised issues about ensuring that regional Western Australians and regional communities can benefit from the scheme. We need to get a scheme coordinator in place so that we can tackle those issues over a period. I think it will probably take up to 12 months to make sure that we get it right, that it works for regional Western Australians and for industry and that we have the best scheme in operation in Western Australia. With those comments, I indicate again that we will not support this referral motion. I urge members of the house to vote accordingly.

HON ROBIN CHAPPLE (Mining and Pastoral) [7.37 pm]: The Greens, unfortunately, will not support this motion. I know that Hon Aaron Stonehouse spoke with a great deal of passion about the referral of the bills to the committee. It is something that we will not contemplate.

HON COLIN HOLT (South West) [7.38 pm]: The Nationals WA, unfortunately, will not support the referral motion either. I have a great deal of sympathy for what Hon Aaron Stonehouse has said. The job of this house is obviously to scrutinise legislation as best we can to improve legislation and to deliver on the policy outcome as outlined by the government. The referral motion specifically refers to the policy of the bill. I think the policy is well established. The community wants it. There is a large expectation by the community; it wants this legislation implemented. Like the member, I have asked many questions about the implementation, but sometimes that is the nature of enabling legislation in this place. We cannot design every part of legislation or subsidiary legislation and we need to try to garner some commitments from the government in response to the second reading debate or in Committee of the Whole House to clearly indicate to the house and the public of Western Australia exactly what will be rolled out in regulations to deliver on that policy. I think this is one of those situations in which it is enabling legislation. We cannot get it all exactly right, but let us give the government and the minister the ability to implement the scheme, and at the same time try to get some commitments about all the issues we have raised. In a perfect world, it would be great for the minister to lay it all out on the table right here and now, to say exactly what it all means, but we do not have that. Sometimes—having served on both sides of this house—we need that ability to go back, implement, and do subsidiary legislation. I take the point Hon Aaron Stonehouse made about the no body, no parole legislation. In the not-too-distant future we will be talking about the sale of the TAB, and that will be enabling legislation with no guarantees except the ability to sell the licence. Although I would really like the legislation to preserve the benefits for racing in Western Australia and regional Western Australia, again, that is going to be through enabling legislation and we will need commitments from the government, but with the faith of enabling legislation so that it can move ahead. That is one of these situations now. With those words, we will not support the referral motion.

HON DR STEVE THOMAS (South West) [7.41 pm]: The Liberal Party will also not be supporting the motion before the house to send this bill to a committee. I also have a great degree of sympathy with the statements of Hon Aaron Stonehouse that this is a skeleton bill that will have to be fleshed out through regulation; he is absolutely correct, although that is not unusual. It is neither unusual for us to peruse those sets of regulations nor unknown for us to disallow them if we do not think that they are adequate. From my perspective, the fact that it has been raised and debated in the chamber means that we will be watching very carefully the set of regulations that will go forward. Our constituencies expect us to do exactly that. A lot of regulations will come from this that we will have questions about. I would expect the minister, as he has provided briefings in this skeletal legislative component, to also provide adequate briefings when the regulations come down, and I am sure that he will give an undertaking that that will be the case. If they are inadequate, insufficient or not up to scratch, I am sure that

Hon Colin Holt and I would join the member in a disallowance motion. The government is on notice merely by us having the debate. The things that the member raised are really questions about the functioning of a system that is yet to be designed, and he is absolutely right that much is still yet to come. It is a difficult but not an unknown way to legislate and we will have to make sure that all of us are on the job that we are expected to do, to make sure the regulations are up to scratch. It will be, in a lot of cases, like it is in all those other jurisdictions, something of a suck-it-and-see process. We do not know at this point what all those outcomes are going to look like, the total cost of this scheme in Western Australia or all the efficiencies. The member is quite right to raise the tyranny of distance and efficiencies as question marks, because they do exist. I said in my second reading address that there will be places where a container deposit scheme is quite quixotic. Basically, there will be places where it will be ideological rather than practical, but we accept that as a part of this process, and for that reason the Liberal Party is willing to, if it is a bad set of regulations, give the government enough rope to hang itself with. The pressure will be on the government to make sure that it does the job properly. I undertake, as I am sure Hon Colin Holt and Hon Aaron Stonehouse will, to scrutinise the regulations in some detail. For those reasons, we will not be supporting the motion before the house.

Question put and negatived.

Second Reading Resumed

HON COLIN TINCKNELL (South West) [7.45 pm]: I thank all honourable members for their contributions today to the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018. It has been a very good debate, starting from Hon Dr Steve Thomas to Hon Colin Holt, Hon Robin Chapple and, of course, the more recent contribution from Hon Aaron Stonehouse. They brought up some very important points and if people have lived as long as I have—when I was younger there used to be a deposit scheme—they would probably say, "At last! Thank God, we have a scheme being planned." I have not heard anyone in this house at this stage have a go at the ultimate outcome of the scheme, which is to clean up our streets, oceans and country and help with waste reduction around the world. All people are in agreeance with that. I was one of those kids Hon Dr Steve Thomas talked about, who used to go to football matches and collect all the bottles, tins and cans—you name it—and take them to the local Claremont pub bottle shop where they would give me a refund. That virtually doubled my finances. Dad was a carpenter and mum was a nurse, so we did not have a lot of money and my pocket money was a very small amount. I lived in Claremont and all my mates used to get about 10 times more than me, so I supplemented my income by collecting bottles and taking them to the Claremont pub. That was from about seven or eight years old through to about 12 or 13 years old. It has irked me all these years why South Australia has a scheme and we got rid of ours, so this legislation makes a lot of sense. We have seen what waste has done to the oceans. In those days, plastic bottles were not around, but now we know the evils of plastic. A lot has happened since those days. I commend South Australia in keeping its scheme going.

We know that New South Wales, and more recently Queensland, have schemes, and that New South Wales had a lot of teething problems. Hon Aaron Stonehouse's motion was very wise. It made us really look at all aspects of this legislation and ask: How do we really know? How do we back this? How do we vote for this? We all want a container deposit scheme, but we do not know all the details. It was a worthwhile motion and I commend him for that. We have heard that specialist suppliers will have some issues because they are small businesses and the costs may be restrictive for them. We have heard that the collection points will be very important, especially in a state the size of WA and the difficulty that comes with that. The registration of these containers is an important issue. Can small businesses afford the extra impost?

There are many questions. I still ask why we do not have a bit more information. I do not accept that that is the way it was done in the past; it does not make it right. They are the things I am looking at. A shift of attitude is needed in the minds of Western Australians. They may vote for something but it is another thing to make them act and pick up cans and bottles, and put them into containers. Saying they are going to do it is one thing but doing it is another. We know of many schemes in Australia that have gone wrong. I hope this scheme goes really well—I am sure we all do. It will require a shift in attitude, because we can drive along any regional road in Western Australia and see bottles and cans on the side of the road. We do not have a good record in looking after our litter.

In the old days, we used to put out milk bottles. As I said, we turned in soft-drink bottles. We did not even have plastic bags in those days. In so many ways, we were more environmentally conscious in the 1950s and 1960s than we are now. Over the years, we have looked at everything as a convenience and all the problems have come from that convenience, which we are retreating from with plastic bag bans and schemes like this. I am also glad that we will be offering an incentive to younger people and other people to do the right thing, as well as punishing people who do the wrong thing. I love the idea of incentives for people who do the right thing. I think that is a very positive approach and I commend the people who have planned this scheme and that aspect.

The minister mentioned that the government has taken its time and looked at other schemes and that it has learnt a lot from that. I hope that is the case. I think it is important that we learn from the unintended consequences of the scheme in New South Wales and what it has been through. New South Wales did not do the proper consultation

and planning and it paid a price for that. I can only take the minister at his word that that is what the department has done and that this is a well-planned scheme. I am glad to hear that the minister will consult widely with the industry on this. In the future, if any of these containers end up in landfill, we know that people will stop recycling. People are very disappointed with recycling. Over the years, every one of us has wanted recycling to work, but it has not happened for a lot of commercial reasons. We heard from Hon Dr Steve Thomas about the Chinese. If, in the long term, these containers end up in landfill, we will find that Western Australians will lose interest in the scheme.

Hon Colin Holt: It's not allowed.

Hon COLIN TINCKNELL: Yes, but schemes change when they do not work. That is what I am saying. We have had schemes in the past that have not worked. I am really hopeful that this scheme will work, because the minute the public sees that it has not worked, it will be gone; it will crash very quickly.

Of course, we have talked about the cost to small businesses. Obviously, the bigger businesses can handle this and they have teams of people who can put the scheme into place. Will there be costs to the government in the future that we were not planning on? Will taxpayers have to fork out more money in the future to keep this scheme going? They will if the scheme is successful. Of course, there are also the consumers. If the cost on industry is too much, that will go back to the consumers and the cost of products will go up. These are good bills. We want the scheme to do well. We will support the bills. I thank all the other members who have made a contribution. I am very interested to hear what the Minister for Environment has to say. It has been a good debate. I am looking for some answers from the minister; most of those questions were asked by previous speakers so I thank them.

HON SIMON O'BRIEN (South Metropolitan) [7.55 pm]: My colleague Hon Dr Steve Thomas has already indicated that we will be supporting the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018. The government has campaigned on it and everyone is in furious agreement that it is a very positive thing that we need. Surveys have been done that obtained the results that the Minister for Environment read out—110 per cent of people think this is a terrific idea and so on.

I want to offer some assistance to the minister as he wrestles with what will very quickly become something of a tiger he will find he has by the tail. This is the sort of policy that is very easy to adopt in sentiment but, when it comes down to delivering, the minister will find it is very difficult indeed. I would like the minister to contemplate several questions, which I will come to in a moment. I do not know whether we have the answers to all these questions yet, but it is imperative that the minister gets a good handle on them before we embark on a particular course.

To set the scene, many years ago in another life, in the early 1980s, I was a customs officer in the north west. It was back in the day when the Australian Customs Service had a very wide range of duties to perform. I think we administered 49 different bits of legislation in whole or in part. Of course, in an out port, a person had to be a jack of all trades and do a bit of everything. These days, it is called the Australian Border Force and it has a narrower field of activity. Back then, not only did we have the border functions in the out port that I was involved in, where we had a long-range, ocean-going patrol vessel and a long-range surveillance aircraft, but also I was a part-time radar operator, of all things. We also had an international airport, which met once a week or when there were itinerant flights. We had lots of ships and we also had some other functions that were directly to do with containers. Containers are what these bills are about. Putting aside all our petroleum and other functions, we had to perform a range of excise duties with licensed warehouses back in the day. As I said, customs is not doing this anymore; it has been replaced by GST, tax office functions and so on. Things have moved on, but back in the early 1980s, we had licensed warehouses in the place where I was located. One day, I was dispatched to do a bond store check on the amount of beer that a particular bond store had in its warehouse. I will ask the minister a series of questions shortly about the number of containers we are contemplating will be captured by this scheme, but let me give members some feel for the number of beverage containers. I am sure there are members in this place who live very sheltered and abstemious lives, but they may be aware that there is a thing called a carton of beer. There is a certain number of cans of beer in a carton—typically, it is 24. These days, there is also something called the block, which has 30 beers, but that is a far more advanced speech I will give members on another occasion. I will go with the basic slab of 24 cans in a carton. In the north west at the time, there was also a bottle half the size of a long brown, called a stubby. These are not extinct either. They can still be found. They come in cases of 24 as well. Maybe a couple of these have come to members' knowledge over the years, but when we come to bulk quantities, beer tends to be shipped on things called pallets, which are basically wooden frames. As much as possible is stacked on the pallet. Does the minister know how many cartons of stubbies make up a pallet?

Hon Stephen Dawson: I don't have that information at hand.

Hon SIMON O'BRIEN: I will give it to the minister because I am here to help. It is 70 cartons of stubbies or 100 cartons of cans that make up a pallet. This was the case in 1983 or 1984 anyway; construction may have changed a bit. That is a substantial amount of beer. In the north west town in which I lived, that would have been a week's supply for some of my colleagues at the time!

Anyway, I went down to this warehouse. It was a big old corrugated iron place—an enormous thing that had been there for 100 years. I forget the exact number of beer cartons I was expecting to see in that bond store—it does not matter—but I think it was about 1 963 assorted cartons of stubbies and cans. As the huge sliding iron door was rolled back by the chap I was with, who was in charge of the bond store, I expected to see 1 963 cartons of beer on umpteen different pallets. I expected a virtual Aladdin's cave to open up in that vast warehouse in front of us, but there was a vast yawning space and over in the corner was a single pallet with seven cartons on it. I was the customs officer and he was the bond store proprietor. I said to him, "I was expecting to see a little more than this", and he said quite disingenuously, "Oh! Hasn't that paperwork come through to you yet?" I said, "I imagine it is probably back at the office by now, is it?" He said, "I'm sure it is." I said, "I won't be back at the office for another 10 minutes", and, lo and behold, when I got back to the office, there was a heck of a lot of paper and a very large cheque to catch up. This was the way a lot of business was done in the north west in the 1980s and these are the unexpected things I would sometimes encounter. I am sure the minister will also encounter unexpected territory in connection with beverage containers and, if he has expected it, perhaps he can tell us how he is going to deal with it. I wonder how many containers of all types this legislation is likely to capture. What sort of containers are they likely to be? Are they likely to be aluminium cans? Are they likely to be substantial glass containers, substantial plastic containers, flimsy glass containers, cardboard and so on? I do not know whether that has been assessed or whether it is capable of being assessed. I imagine that could be done through industry sources, but I would be interested to find out the scale of the job we are talking about. I am sure some of that research has been done.

What I would also like to know, if I may—I think Hon Dr Steve Thomas alluded to at least some of this—is the percentage of containers that are currently being disposed of by being recycled. Everyone is very enthusiastic about a container deposit scheme because it will reduce litter and encourage recycling, but I would like to know how much of various categories of containers are already being recycled. I would also like to know, if the government knows, what percentage of containers as defined in this bill is currently being disposed of by going to landfill. I think that would be worth knowing as well, in part to know how we are going to measure our success. In making this observation, I think most members will get the point that I am making. There are also many other types of litter about our landscape. What is to happen to all that? I am not being critical of the bill for not capturing empty crisp packets, for example. I am not saying that at all, but I am saying that the overall litter problem, the waste management problem, has a lot more aspects to it than just beverage containers. There are lots of other containers—all those plastics and so on. What should we be doing about all that?

I genuinely want to see a better outcome here, but I want to the canvass one other aspect of this. I think a lot of people are just saying, "It's a great idea to have a container deposit scheme", but they are not able to envisage what it will mean to them and to everyone else. I think there may be some consequences, and we may have to say to some people in due course that sometimes they have to be a bit careful about what they wish for, because the reality may turn out to be rather different from what they thought. We have already heard a number of nostalgic stories from members about the old days when there were deposits of soft drink and beer bottles. I remind members that milk bottles were also retrieved, washed and refilled. That was done not because there was some law prescribing it—not that I am aware of anyway—but because it was the practice of the producer of the drink, whether it was the dairy company with milk bottles, which had other aspects of regulation around them, or soft-drink manufacturers and breweries. Back then, of course, there was one major brewery outfit here in Western Australia, and that was it. It had deposits built into its bottle costs. Depending on whom we listen to in this debate, some say that a halfpenny was the deposit on a beer bottle. That is going back a bit before my time. I turned six in 1966, so the halfpenny for an empty beer bottle was a little before my time. I think it was a couple of cents by the time I obtained my majority. Of course, it was also a heavily regulated area, and bottle-ohs who retrieved the bottles and acted as the conduit to make sure they were collected and taken back to the brewery did so as a real business. Indeed, they had to be licensed, and if a person was not, bottle-ohs would get really snarly if they thought someone was taking their bottles and doing something else with them.

Of course, Coca-Cola, by way of one example, and Cottee's, by way of another, also had deposit schemes on their bottles. Why did they do it? It was because they wanted their bottles back. It was part of their business model that people would gather up the empty bottles in good condition—not broken or cracked—and bring them back to some sort of collection point, which was typically the retailer, delicatessen or wherever it might be, which would be happy to take them and give some money for them. In my time as a kid, as others have reminisced, I remember for smaller drink bottles, whether a Coca-Cola bottle or a Cottee's soft drink bottle, I would get 1¢ or 2¢, whereas, of course, a big bottle of soft drink could garner me 5¢, which was a lot more impressive then than it is now.

Hon Martin Pritchard: The wine flagons were 20¢ per bottle. They were the ones you would look for.

Hon SIMON O'BRIEN: I did not know that.

Hon Dr Sally Talbot: You wish you had, though?

Hon SIMON O'BRIEN: I do not think I ever encountered a wine flagon.

Several members interjected.

Hon SIMON O'BRIEN: I am not casting aspersions. I was using terms such as "cool drink" and other nostalgic terms we used to have for soft drink in Western Australia. Heck, I might even mention Passiona.

Hon Alison Xamon: I love Passiona!

Hon SIMON O'BRIEN: Yes, I still do. It came in little bottles that kids could get from the school canteen. There was a 1¢ or 2¢ deposit on it, so when they took the bottle back, they got 1¢ or 2¢. I am sure that some members who are older than me could bore us for hours about how they could get many different sorts of lollies for 2¢ back in those days, but I do not want to get on to the lollies.

Hon Dr Steve Thomas: You used to get multiple lollies for 1¢.

Hon SIMON O'BRIEN: You did, indeed.

I seem to have teased a dragon out of its den. I know that the minister wants to get to the Committee of the Whole House stage, so I will not allow it to come out any further except to say that for Cottee's, for example, it was part of its business model. It worked for Cottee's to have a price that included a deposit and made allowance for all the administrative and logistical costs of getting those bottles not only delivered to the retailer in the first place, but also back to the factory at the end of the day, rehabilitated by washing or any other processes they had to go through—sterilisation and so on—and then refilled, having paid kids 2¢ a piece along the way for bringing them back. That is how it worked for Cottee's then. That does not seem to happen anymore, because the business model has changed. When people get all misty-eyed about bottle deposit schemes, they need to understand that we are not talking about the bottle deposit schemes of yesteryear—the 2¢ worth of lollies, which was about a bagful, and all the rest of it. This will be something quite different, and we do not as yet know the full scale of it and how much it will cost. We have heard a lot of reference to a 10¢ refund being applied. That sounds to me like a rather round figure that has been plucked out of the air. Could the minister give us the benefit of his advice about how that figure has been arrived at? Is it a very likely figure that we are going to see? Will it apply to all containers or, as we used to have with different sizes of soft-drink bottle in days of yore, will we see different amounts for different containers? I would suggest that we will need to. I cannot imagine, given questions of weight, mass, fragility, proneness to disintegration and all these matters, that one size would fit all. I know that we are largely talking about products being recovered in order to be destroyed—hopefully as part of a recycling process. We are not talking about a re-using process; nonetheless, the cost of transport, collection, storage, treatment and all the rest of it would not, I respectfully suggest, be the same for all types of product. Members should think of the differences, for instance, in weight between glass bottles, very thin plastic bottles and cardboard cartons. Is the 10¢ refund just a working figure that may end up quite different? Will we have 5¢, 10¢ and 20¢ refunds? It seems to me that if the refund for a milk carton was 10¢, it would be quite incongruous to give Hon Martin Pritchard only 10¢ when he comes in with armfuls of empty flagons most mornings. To me, that just does not add up. I do not know whether that has been thought through, but if it has, what is the answer?

Hon Colin Tincknell: Honourable member, Schweppes bottles were double the price.

Hon SIMON O'BRIEN: They were good value—and good mixers!

That leads me to the next question, which does not seem to be at all clear at the moment: how much deposit will people pay up-front? I am not sure whether that has been arrived at, but if the minister can let us know the government's broad intentions, that would be very helpful in providing some detail that might assist those members who supported the recent unsuccessful motion to refer this bill to committee. I think in some ways this system may be unpopular, but one thing I know is that this system will be popular with people who make money from it—that is, by gathering up containers and going back and getting refunds. I am not sure how that will occur in practice. I cannot see it happening through every retail outlet, though perhaps that is what is anticipated. The question of collection points is obviously one that the government will have contemplated seriously. If the minister could tell us a bit more about that for the record, that would be particularly helpful. We will need to facilitate the easy return of these items that might otherwise become litter or landfill.

What problems does the minister think the attractiveness of a 10¢ refund might produce? Everyone thinks it is a great idea. Does that mean people will be able to take a single container back to a single point and get 10¢ worth of lollies? That is a happy memory for a lot of members here. How will that work and what are the downsides? Will we have too few collection points, so that people will be gathered in long queues trying to get different categories of containers sorted and assessed individually—weighed and all the other processes that will have to be gone through? It strikes me that it will be a very labour-intensive process. It is with that in mind that I earlier asked how much the up-front cost will be. If anyone thinks that it will be only a few cents more than the 10¢ refund, I would be very surprised if that is the final outcome. If the minister could contemplate those questions, I am sure other members, as well as myself, would appreciate it.

I will close on this point. What about the question of ownership of containers as defined in these bills? At the moment, not too many people crush aluminium cans and take them back to scrap recyclers. It is just not worth it. I think a lot of households are increasingly far more conscientious about disposing of recyclables in a way that they can be recycled. At this stage, people put them in their recycling bins and do not care. A truck can come along

and empty their bin with an enormous great crash and rattle as bottles, cans and flagons all go into the recycling bin and everyone waves bye-bye. But if money is involved for every one of those containers, I see a different dynamic happening. Will we end up with people going around houses to rifle through people's bins to see whether they can take containers out of them? I do not know whether that question has been seriously contemplated by the government, but, if not, it needs to be. I certainly do not want to see the sort of problems that we could have in residential areas if people go onto other people's property, rifle through their bins and, in effect, steal from them. We know the potential altercations that could occur and the security risk that would pose to people's homes, pets and families. I would hate to see our society having a problem such as the one I have asked members to contemplate just now. There are a few questions there for the minister, on which I would appreciate his guidance.

There is too much more to these bills to get down into the detail. I do not propose to go any further during my second reading remarks. We will have to see what happens in due course. I have already raised enough serious concerns that I hope can be addressed. If not, I do not know what the government will do about it. It may find that it is creating more of a problem than it is fixing. We will all see what happens in due course. Hopefully, we will find that this scheme does not become some very expensive, overly bureaucratic and difficult exercise. We live in a time when life is meant to be getting easier for people. I am not sure I see that happening very often. The risk that this scheme will not make life easier but make it more expensive and difficult without achieving the outcome that it purports to achieve is something that concerns me. Nonetheless, this is the course that the government says it was elected on, so we will watch its progress with great interest.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [8.21 pm] — in reply: I thank all those members who have made a contribution to the debate so far. Hon Dr Steve Thomas, thank you for indicating your support for the bill. Hon Colin Holt, thank you for your contribution and your support. I thank Hon Robin Chapple, who is busy elsewhere, for his support. I thank Hon Aaron Stonehouse for his contribution and for getting some debate going in this place. I thank Hon Colin Tincknell for his contribution and his support of the bill. I also thank Hon Simon O'Brien for his contribution and the questions he has posed.

It is very pleasing that we have broad support for the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill 2018 and the Waste Avoidance and Resource Recovery Amendment (Container Deposit) Bill (No. 2) 2018. I touched on this earlier but it is worth remembering that this idea, this concept, has been around for a very long time. Hon Dr Steve Thomas pointed out that he was the shadow Minister for the Environment some 12 years ago. I was an adviser to the environment minister at the time. I started off in the environment minister's office in 2002. This issue was an issue then. It has been fought by various sectors of industry for a very long time. I applaud the fact that industry has been at the table in the design of this scheme. Perhaps it is because New South Wales, Queensland, the Northern Territory and the Australian Capital Territory have embarked on a container deposit scheme that people who were previously against it recognise that there is benefit in having the scheme.

Hon Donna Faragher made the point when she made a contribution during a debate a couple of weeks ago that the intention was to have a national scheme at one stage. Some of the states held out for that, but it did not happen. People waited for a very long time. It was regularly mentioned at environment ministers' meetings. Work was done.

Hon Donna Faragher: I sat through many of them.

Hon STEPHEN DAWSON: I bet Hon Donna Faragher did. A national scheme never happened. States did act alone and they went on with their own schemes in their own states. It is important to make the point that South Australia has been doing this for a very long time, albeit its scheme is not as advanced as the schemes in Queensland and New South Wales and, indeed, the one that we hope to pass this week.

We have made our scheme nationally consistent. In 2016, the then Liberal government announced that it would introduce a container deposit scheme in Western Australia, including a 10¢ deposit and a range of possibilities to return containers, whether to a reverse vending machine or to drop-off places. Those things that were key to the Liberal Party's policy are essentially what we have in the scheme before us. The detail had not been worked out by the previous government. As I mentioned earlier, we have designed this scheme with industry at the table to make sure that all the players are involved, and, partly from our perspective, recognising that a variety of views are held in this place. Government needs to get legislation passed and we need to have support from other parties. Having all the key players at the table during the design process phase has hopefully meant that there is universal support for it. It will essentially make for a better scheme once we know what all the other players think. We can potentially mitigate the pitfalls. Much of the debate has been focused on the issues that will be covered in the regulations, as members have pointed out. I will certainly try to address those concerns anyway to ensure that we have a full debate on this important issue.

As I mentioned earlier, in response to Hon Aaron Stonehouse's motion, the reason some of the details of the scheme are in regulations is based on feedback from those key stakeholders in industry, local government and community groups who have experience of the scheme in New South Wales and Queensland. The bill sets the broad framework for the scheme, but regulations will provide details of how the scheme is to operate. Again, that

will be done in collaboration and conjunction with those key players to make sure that the regulations work for them. As I said, having the detail of the scheme in the regulations will allow aspects of the scheme that need to change over time to be changed more easily.

Hon Colin Holt and Hon Dr Steve Thomas raised some concerns about the cost of the scheme to consumers and government. The scheme is an extended producer responsibility scheme. The beverage industry will be required to pay 10¢ plus a handling fee to the scheme coordinator for each beverage container returned. Because the scheme operates in arrears, beverage suppliers are invoiced only for the containers returned rather than those that are sold. It is anticipated that, based on experience in other jurisdictions, the beverage industry could raise the cost of beverages sold in eligible containers by about 10¢.

New South Wales did a review of the price impacts. The draft report of the New South Wales Independent Pricing and Regulatory Tribunal, "NSW Container Deposit Scheme: Monitoring the impacts on container beverage prices and competition", showed that the overall average price increase due to the container deposit scheme was about 7.5¢ per container compared with the scheme cost of 9.2¢ per container. Obviously, there was no direct impact on the prices of wine and spirits. That report also showed that there was no evidence of a reduction in competition. It is also important to note that these costs include employment and other costs like those mentioned by Hon Colin Holt in his questions.

It was found that the price increases in the jurisdictions of Queensland and the ACT are in line with the 10¢ value of the refund, so there has been a 10¢ increase in those jurisdictions. The government is considering options for monitoring price impacts of the scheme. We are working through those details at the moment. If there is potentially a government agency that may well monitor prices already, we might look at giving it a role in monitoring prices and moving forward to ensure that price gouging will not occur. That work continues. Given that other jurisdictions have confirmed that price increases are consistent with the 10¢ refund amount, consumers can choose whether to obtain a refund and avoid the additional costs.

In addition, the reduction in litter and increase in recycling will have benefits for the community. Hon Simon O'Brien spoke in his contribution about the fact that there is a broader litter issue in the community. One issue that is worse in Western Australia is the growing number of cigarette butts littered by members of the community. Keep Australia Beautiful WA, which is a statutory authority of government, is about to embark on a campaign about the littering of cigarette butts. Hon Simon O'Brien would be aware, too, that we have had conversations in this place about single-use plastic bags. That work is happening. We are about to start a dialogue with the community about other pieces of single-use plastic that we might talk about phasing out over time, again to stop that littering. Hon Robin Chapple talked in his contribution about some of the environmental or community groups involved in either litter collection and monitoring or beach clean-ups. It is a significant issue in Western Australia, as it is around the country. We are focused on reducing litter and increasing recycling. This will of course have benefits for the community, including reducing the cost to communities and local governments of addressing litter. These benefits are captured in the modelling undertaken as part of the 2018 consultation regulation impact statement, which Hon Aaron Stonehouse mentioned. It is estimated that this scheme will generate a net present value of about $153 million at a benefit-to-cost ratio of 1.37. I have a level of confidence that this scheme will be not only a boon for everyone who brings a can or container back to a collection point, but also a net benefit for the state—there will be a significant impact for all of us.

I am told that the experience in Queensland is that the administration cost for the scheme is about 6¢ per container. Hon Dr Steve Thomas and Hon Colin Holt in particular mentioned issues in relation to small beverage suppliers, but Hon Aaron Stonehouse touched on them too. I am pleased to say that we have been doing more at an early stage in this space, and certainly more than Queensland and New South Wales have done. I have to give credit to Dean Nalder in the other place, who asked me to meet with some of the small brewers. I had a good visit. In fact, the President and I went and met with some small brewers, not in Malaga, but south, down past —

Hon Dr Steve Thomas: Down Baldivis way?

Hon STEPHEN DAWSON: No. It begins with "m". It was in the southern suburbs. I will think of the name later. We had a tour of the small brewery and a good chat to a number of the brewers.

Hon Colin Holt: Mandurah?

Hon STEPHEN DAWSON: No, not that far. I will think of it. It is not material to the debate. It was good. Dean Nalder arranged that meeting. As a result of that meeting, that conversation, that visit, we ensured that small brewers were on the technical advisory group. That was great; that was a really good and positive thing to do. Small beverage suppliers are classified as suppliers that produce less than 300 000 units per annum. There are many small craft brewers and small-batch soft drink and juice suppliers that would be covered by this threshold. The Department of Water and Environmental Regulation has engaged with the beverage industry through that technical working group and the advisory group forums and has taken the concerns raised into account. The meeting was in Myaree, I am told; I thank one of our learned colleagues who is listening. We have taken the concerns raised into account in designing the container deposit scheme.

Is it foolproof? Will unforeseen things arise as we roll it out? Will challenges arise? Absolutely—most likely. Challenges have certainly arisen in other states and jurisdictions that have brought in schemes. Again, I think we need to be nimble and able to adapt and react, to ensure that those issues are ironed out in a timely fashion. That is certainly something that is alive to me. I again make the point that having had the benefit of watching what has happened in New South Wales and Queensland, we have learnt from both those jurisdictions. As a result of industry feedback—from not just the beverage industry but also other key players, including local government—we have slowed down the ambitious time line that we had, to ensure that those advisory groups and technical working groups could iron out any issues that might arise. I am not saying today that there will not be any problems or issues when this rolls out, but having invested some time into the design of the scheme and having had those people around the table, we will have hopefully mitigated some of the potential risks. We have to be alive to the fact that problems may arise. My role as minister is to make sure that we react to any problems that arise and fix them as quickly as possible.

Industry feedback and the experience from schemes elsewhere indicated that cash flow problems have been a concern to small beverage manufacturers. As I alluded to earlier, the scheme in Western Australia has been designed to minimise the impact on small beverage manufacturers through things like invoicing in arrears to avoid cash flow pressures, whereas in some states, they have to pay in advance. Some states have required a registration fee for each new container that is registered. We are not doing that in Western Australia. Again, this issue was raised with us by the small brewers. I think in some jurisdictions they pay a $90 registration fee for each type of container that they sell. We have taken that on board, so we are not requiring or charging a registration fee for new containers. Small brewers will have quarterly reporting and quarterly payment of supply amounts, instead of the monthly reports that will be required of the large beverage suppliers. We are also allowing boutique beverage companies to supply refillable containers. These are commonly known as growlers and squealers. Members who have spoken to the beverage industry will be aware that a squealer is half the size of a growler. Essentially, they are jugs in which brewers sell their liquid and which can be brought back and re-used. That is the issue Hon Simon O'Brien touched on.

Hon Simon O'Brien: What size are these?

Hon Colin Holt: Half the size of a growler!

Hon STEPHEN DAWSON: A squealer is half the size of a growler. I have the exact measurements. Maybe the member can ask me in Committee of the Whole; I do not have that information in front of me. The point I was making is that the brewers raised this issue with us. If they have refillable bottles that customers bring back, they do not want to fall foul of the scheme. We have learnt from their feedback and views on that.

Hon Simon O'Brien: Alluding to my comments earlier, it would be a good outcome if this scheme provided encouragement for business models that went down that refillables track that used to exist 50 years ago.

Hon STEPHEN DAWSON: I am not sure that it necessarily will, but I know that some small brewers in particular have such schemes in operation at the moment. Customers can take back the jug in which the brewer sold the liquid and have it filled again to take home. That is happening currently. We wanted to make sure that that did not fall foul of the scheme. We have learnt about that from those small beverage suppliers.

We are also undertaking further assessment of assistance options for small beverage suppliers. The department continues to have those conversations and dialogue with that industry. For example, we will be working closely with the scheme coordinator to simplify the scheme agreement requirements for small beverage suppliers, and information packs will be provided to help small beverage suppliers comply with the scheme. Financial modelling and data advice, as well as legal advice, is being sought before any recommendations can be made. I note Hon Dr Steve Thomas's view that exemptions are not likely, but that kickstart for the first year would be well received. That is essentially what he said. We are looking at that now.

Hon Dr Steve Thomas: You may have to and you may not. If you are open to it, that is a big step.

Hon STEPHEN DAWSON: We are in a dialogue with those small beverage suppliers at the moment to make sure that they are not adversely impacted by that. We should be proud of our small brewing industry in Western Australia. We have some good small breweries around the state. The member mentioned some of them in the south west in his contribution. I do not get to spend much time down there. We have a good industry in operation in Western Australia. We have to make sure that those industries continue, so we are alive to that issue. I want to make the point that small importers already have to put stickers on the cans and containers that they import, but by adding the nationally approved return mark to that sticker, they will be able to participate in the scheme for no extra effort.

I am taking a long time, but I want to try to address all the points that members raised.

Hon Dr Steve Thomas: I've seen bills go longer, it's okay.

Hon STEPHEN DAWSON: Just in case anyone is getting restless, I want to make sure that I am responding to the issues that members have raised.

Hon Colin Holt and others talked about the accessibility of the network to consumers, particularly in small regional and remote communities, and that is an issue that I am alive to, as a member for Mining and Pastoral Region. I put that issue on the table early on in the conversations. The scheme has to work as well in Balgo and Bidyadanga as it does in Broome or Bicton, or wherever we are from. We continue to address issues around how small and remote communities will be engaged to deliver the Western Australian container deposit scheme. A key objective of the CDS is to ensure good services for those regional and remote areas. The draft customer service standards alluded to earlier on—I think Hon Aaron Stonehouse mentioned them—outline the minimum requirements for the container collection network in Western Australia. They were published online late last year, and have been the subject of public consultation over the past few months. That is being landed on at the moment. The standards for the collection network have been developed with consideration of the size, remoteness and population density of Western Australia. A range of different fit-for-purpose collection points will be provided across the state. Some of them may be permanent new installations, some add-ons to existing businesses, and some mobile return operations. I expect that the finalisation of these customer service standards will happen shortly, and once they are landed on, they will be a requirement for the scheme coordinator. There will be an opportunity to discuss these issues in greater detail with members when the standards are finalised and the regulations are tabled.

Hon Colin Holt raised the issue of donation points. They are not within the customer service standards, but at a minimum they are additional points. Any sporting club et cetera is welcome to open a donation point, and these donation points will be above and beyond the commercial return points required by the customer service standards.

Hon Colin Holt: My point was that they should not be in place of the commercial return points.

Hon STEPHEN DAWSON: My point is that they are extra. The standards will dictate who and where the collection points will need to be, and the NGO option is on top of that. I agree with the member and understand his point.

Hon Dr Steve Thomas and Hon Robin Chapple, in their contributions, had things to say about the potential scheme coordinator. Hon Robin Chapple expressed concern about the beverage industry running the scheme. The selection of the scheme coordinator is subject to procurement, and that is done in accordance with the State Supply Commission guidelines and the Department of Finance standards. The scheme coordinator will be appointed once the legislation is in place. That is because any potential scheme coordinator will need to see what the legislation says, and quite likely at least a draft of the regulations, to make the final decision. We are in the process at the moment, and people have applied, but for them to make a final decision, they will want to know what the legislation says and what the regulations are likely to say to be in a position to be able to say that they are in. I am confident that the legislation, and the regulations that will come into this place soon, will provide an appropriate level of oversight to deliver on the objects of the new legislation. Key targets of the scheme coordinator include refund point numbers and distribution, and the return rate—the percentage of returned containers over sold containers. There will be a suite of reporting requirements that address each of the statutory objectives of the scheme, as well as the statutory functions of the scheme coordinator. The bill provides the capacity for ministerial directions to ensure that the scheme coordinator meets the targets. I am not sure who it was, but I think Hon Aaron Stonehouse, in his contribution, talked about ministerial directions.

Hon Colin Holt: It was me.

Hon STEPHEN DAWSON: It was Hon Colin Holt. There is no requirement in the bill for those ministerial directions to be tabled, but I give an undertaking to look at that as part of the regulations. I do not see why, if the minister gives a ministerial direction to the scheme coordinator, it should not be made public, whether in the annual report or in some other way.

Hon Colin Holt: Using the Minister for Water as an example, if he gives a direction to the Water Corporation, he has to report it to Parliament. There needs to be a structure for what we are operating.

Hon STEPHEN DAWSON: Any of us do, so if I give a written direction to the Department of Water and Environmental Regulation now, the process is that it is reported in the annual report. We will discuss, during the regulation drafting phase, how we might deal with the issue of making directions, and whether there is an easy way or a different way, but I give the member an undertaking that we will look at that.

Another issue to raise is that the scheme coordinator is a not-for-profit private company under the commonwealth Corporations Act, and is subject to all the requirements of that act. The scheme coordinator has a board of directors drawn from a wide range of stakeholders, and the bill ensures that the board represents a diversity of views. The chair must be independent of both the beverage and waste industries, and be approved by the minister, and at least four additional directors must be independent of the beverage industry, and five additional directors are to be independent of the waste industry. As well as the chair, the Minister for Environment can also appoint a director representing the community who is independent of both the beverage and the waste industries.

Hon Colin Holt and Hon Dr Steve Thomas both talked about the impact on the value of recyclable materials from kerbside yellow-top bins. I think Hon Colin Holt raised some concerns about the impact of the container deposit scheme on the yellow-top bins and kerbside recycling. The container deposit scheme complements existing kerbside collection systems. The recyclables collected in yellow-top bins by local governments as part of the kerbside collection services are provided to materials recovery facilities. These facilities will receive a 10¢ refund for each eligible container they process for recycling. There will be revenue-sharing arrangements between the facility operators and local governments, and I believe those conversations are underway at the moment. The container deposit scheme is expected to enhance the value of kerbside recycling because of the additional revenue received for eligible containers. I know, from discussions with some of the state's MRF operators and the Western Australian Local Government Association, that they look forward to the commencement of the scheme.

How will the revenue-sharing arrangements between local governments and materials recovery facility operators work? The state has established a forum for local government and the representatives of the MRFs to advise on revenue-sharing arrangements, and discussions have been positive and constructive. Both local government and the MRF representatives see the scheme as providing a net benefit in the future because there will be revenue-sharing arrangements between both, and the scheme will increase income for local governments. The revenue arrangement can be set in regulations in the event that agreement is not reached, but it is not our intention to do that at this stage, and the conversations are good and positive. The scheme complements existing collection and recycling activities for recyclable waste. It is anticipated that the value of kerbside recycling will be enhanced by the scheme, and that this increase in value will outweigh any reduction in the number of containers that consumers choose to return to refund points.

An issue that has been canvassed in this place over the past while has been the China National Sword decision, and the fact that China has decreased the thresholds for contamination of the materials that it accepts. It was 1.5 per cent previously, and it is now down to 0.5 per cent. That has made it challenging for recyclers in Western Australia, and indeed in Australia and around the world, to have a market for the material that they have to sell. A container deposit scheme will take a level of contamination out of certain products. There will be multiple benefits from the scheme. It will hopefully mean for some of the MRFs a more cost-effective way of dealing with contamination issues, and therefore an opportunity to sell that material overseas.

I think one person raised the issue of how the costs to beverage suppliers are calculated. The container deposit scheme costs to beverage suppliers are based on actual container returns over time. Costs are initially allocated to suppliers based on the market share of beverages for each material type. Suppliers need to know how much to charge per container months ahead and the scheme uses an estimated number of containers to be returned to calculate this cost. As I have mentioned, scheme costs are charged in arrears to reduce the cash flow burden to suppliers, and any differences between estimated and actual returns are corrected in the following pricing period.

Hon Colin Holt asked what the state's role will be in administering the scheme. The department assists me in administering the Waste Avoidance and Resource Recovery Act and will oversee the performance of the scheme coordinator to ensure that there is a high level of accountability and transparency and that the scheme achieves its objectives and its targets. As has been mentioned previously, the Minister for Environment has specific powers to intervene in the case of unsatisfactory performance. The minister is responsible for appointing the scheme coordinator, for giving directions, for approval of the scheme coordinator business plan, and for appointing an administrator in the case of scheme coordinator noncompliance. The department is responsible for container approvals, enforcement of penalties, auditing of the coordinator and reporting performance to the Minister for Environment.

A number of members asked who will fund the scheme. Beverage suppliers will fund the scheme, including the refunds and other costs of the scheme, but it is likely that the state will—we are looking at this now—look at providing not a loan but a line of credit essentially at the very beginning to get the scheme up and running.

Hon Dr Steve Thomas: Will it be interest free?

Hon STEPHEN DAWSON: No, some interest will be payable.

Hon Colin Holt: Does the scheme pay for departmental expenses?

Hon STEPHEN DAWSON: No. For departmental expenses, we will use the waste avoidance and resource recovery account. Money comes in from the landfill levy and that money will be used to fund what we do.

A number of members, including Hon Simon O'Brien, asked what will be the price impact of the scheme. The experience in New South Wales showed that the overall average price increase due to the CDS was 7.5¢ compared with the scheme cost of 9.2¢ per container, and I have touched on that briefly already.

Hon Robin Chapple asked about expanding the scheme to cover batteries and e-waste. There is no intention to expand our scheme to look at those things. I know that South Australia is looking at wine bottles at the moment, but the materials that will be collected in this scheme will be the same as those that are currently collected in the

schemes in the other states—that is, New South Wales, Queensland, the Australian Capital Territory and the Northern Territory. It is not our intention to include wine bottles. We have not consulted on that. Would we look at it in the future? We will see what South Australia does. The issue with wine bottles is that they are not the containers that end up strewn along roadsides or in regional communities. For the most part, they end up in recycling bins.

Hon Dr Steve Thomas: We're a bit worried about all those Perth people driving back from the Leeuwin Concert and strewing them along the side of the road!

Hon STEPHEN DAWSON: That is not the intention. There are opportunities for refund points to accept other recyclable materials, and that occurs in South Australia at the moment; some of the collection points accept other valuable recyclable materials. Collection points in Western Australia could do that; we are just not mandating that. We support product stewardship so that those who benefit from the production and consumption of products take responsibility for their end-of-life management. We are working with other jurisdictions to develop national approaches, including the national television and computer recycling scheme. We are also working on a battery stewardship scheme through the Meeting of Environment Ministers, but it is not our intention to capture it with the scheme.

Hon Robin Chapple raised the issue of transport costs. The scheme coordinator will be responsible for arranging transport of the collected and returned containers from refund points and materials recovery facilities. The cost of this service will be charged to beverage suppliers. Flexible arrangements are expected to be made for servicing remote communities—for example, opportunities for the backhaul of recyclable containers on transport delivering goods to the area. In our debate a couple of weeks ago, I raised the Marra Worra Worra Aboriginal Corporation in Fitzroy Crossing as an example. It is collecting these containers already and sending them back to the metropolitan area for processing. It is working in places like Fitzroy Crossing at the moment. We have to make sure that it works everywhere else as well.

Hon Dr Steve Thomas asked about outlining targets for recycling. This will be done in the regulations. We expect that the targets will be in the order of 80 to 85 per cent, which, I am told, is in line with South Australia's current rate of recycling after three years.

Hon Dr Steve Thomas: So it's not a big increase on the cans currently, but it will be a big increase on everything else.

Hon STEPHEN DAWSON: It will be, but it will still make a difference.

A couple of people raised the issue of problem items for recycling and said that mixed packaging and other mixed plastic will remain very hard to recycle. The short answer is: no, they will not. Source separation will improve recyclability. No container will be registered unless it is recyclable. It is an issue for industry. The scheme coordinator and network operator will be required to recycle all containers or there will be significant penalties. The other point to make is that a body of work is being done by the environment ministers at a national level, and I have mentioned it previously. We are working with the Australian Packaging Covenant Organisation to see how we can ensure that this material is recyclable, re-usable and compostable, so that will help with the scheme as well.

To what extent is the government going to put its hand in its pocket to support the establishment of the system? I have touched on that briefly. Hon Colin Holt asked who holds the funds. The scheme operator will hold the funds, so it will be at arm's length from government, but the scheme operator will need to report to government. As I have said, at the moment we are looking at having a third party monitor costs to make sure that people are doing the right thing by the scheme. The functions of the scheme coordinator are outlined in proposed section 47Z of the legislation.

Hon Robin Chapple mentioned the logistics of recycling. That will be organised and facilitated by the scheme coordinator. Costs will be included in the handling fee, as it is in New South Wales and Queensland, where recent schemes have resulted in a cost of approximately 10¢ or less to consumers per container. The Cocos (Keeling) Islands will not be included in the scheme at this stage. I corresponded with the federal government about a year ago to ask whether it was open to that and it declined, but certainly the regulations will allow for Christmas Island or the Cocos (Keeling) Islands to come into the scheme in the future if the federal government changes its mind.

Hon Aaron Stonehouse raised the issue of the number of small stores that may sell foreign-sourced beverages. I am advised that many of these stores purchase their products through importers who would be deemed the first suppliers under the legislation, so they will be responsible for putting the extra stickers on eligible containers. I am told that this issue is not unique to Western Australia, and we have not had advice to indicate that this is an issue in Queensland or New South Wales. But it is certainly something that we will be mindful of.

Hon Aaron Stonehouse talked about recycling targets. They will be set in the regulations. If the targets are not met, it is open to me, as the minister, to require the collection network to be expanded to meet the targets. I can also give a direction to the scheme coordinator to ensure that they are meeting the objects of the act. The scheme coordinator must run refund points as a last resort. Although the intention is to get third parties to run the refund points, the option is there; if a third party does not take this on board, we could potentially get the scheme

coordinator to run them. That has not been an issue so far in the other states. It is also worth noting that commercial operations are economically incentivised to collect the maximum number of containers, so some might say long live the free market.

In terms of how many businesses or stores will be affected, it is not clear; we do not know. But, as I said, the issue is not unique to Western Australia.

I am getting towards the end. I thank Hon Colin Tincknell for his support and his comments. Hopefully, other issues he raised have been addressed in the other things that I have said.

Hon Simon O'Brien said, to paraphrase, that it is very easy to have a container deposit scheme adopted in terms of sentiment, but it might be difficult to implement. That is true. Certainly what we are seeing from the other states that have a scheme in operation is that people want to do this, they want to recycle and they are happy to participate in the scheme. New South Wales, in the first instance, had a lack of collection points. We have learnt from that. They need to be accessible to members of the community, including in regional Western Australia, on which the member made the point very clearly. It will be challenging to roll out the scheme in a place like Western Australia. Although Queensland has done it, and it has remote communities like us, it also has big regional cities with hundreds of thousands of people that we do not have. There are many differences, but I think we can learn from those and we are certainly committed to ensuring that the scheme works for Western Australia in total.

How many containers do we think will be captured? Hon Simon O'Brien, there are about 1.3 billion containers out there, annually, in Western Australia. We do not have figures on how many of those are currently recycled, but we do know the tonnage of the different materials that are currently recycled in Western Australia and it is about 46 500 tonnes of glass and over 16 000 tonnes of plastic. We can use those numbers to measure our success, but once we have the scheme in operation, we will have better data. Some of this stuff is not measured at the moment, so we will have the data and that data will then appear in annual reports and we can measure it from that day forward. The only total we have is that amount for glass and plastic, but we do not know how many of the containers themselves are recycled.

Why 10¢? Again, it will be a nationally consistent scheme so that the beverage operators that are captured by the scheme in New South Wales, Queensland, the Australian Capital Territory, the Northern Territory or South Australia are all captured by this 10¢ deposit amount. We want a nationally consistent scheme, so it is 10¢ in Western Australia. Someone made a point—Hon Simon O'Brien might have made it—that 10¢ is now very different and a lot less than the 10¢ that was talked about many years ago, or the 20¢ a few years ago. It is a nationally consistent amount, but something that all states and territories will monitor as the scheme progresses.

I touched on other forms of litter. Essentially, how much will people be paying up-front? It is about 10¢. We can go into further detail on collection points later if we need to.

What problems will a container deposit scheme produce? That is a pretty poignant question to ask! There are challenges with the scheme. Will recycling rates reduce? No, they will increase, which is a positive, a benefit. To be honest, I am not sure what problems the scheme will produce. I think there will be a benefit to local government as a result of the scheme. There will be a benefit to the recycling industry in Western Australia as a result of the scheme. There is a potential benefit by opening markets, by being able to sell some of this stuff elsewhere, because it is less contaminated. Ideally, at the end of the day, we would like to see recycling facilities on the ground in Western Australia or indeed Australia. We are not yet in place to do that, but hopefully once we have schemes in operation, across borders and across Australia, we can work with industry to ensure that there are opportunities onshore to process this stuff. Three times more jobs are associated with recycling than with landfill; that is based on 10 000 tonnes of material. That is pretty significant. It is about three jobs per 10 000 tonnes going to landfill, and about 9.2 jobs, I think, from when material is recycled. There is a benefit to the economy.

Hon Dr Steve Thomas: That is why landfill is cheaper.

Hon STEPHEN DAWSON: That is why landfill is cheaper, but that is not an option moving forward.

I might leave it there, members. Hopefully, I have answered if not everything, nearly everything that members have raised.

Hon Colin Tincknell: Minister, you mentioned 500 jobs in total. Where are the bulk of those coming from?

Hon STEPHEN DAWSON: Let us delve into that during the Committee of the Whole stage. Modelling has been done that is based on figures from New South Wales and Queensland. Some of them will be at collection points and some of them may well be expanded jobs in the transport sector. The stuff is going one way, so it will probably come back on those same trucks, but in the metropolitan area and other places, jobs will be created. Jobs will be created as part of the scheme, for marketing and whatever else, but I can give the member a further response in committee. With all of that, I commend the bills to the house.

Questions put and passed.

Bills read a second time.

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT (CONTAINER DEPOSIT) BILL 2018

Committee

The Deputy Chair of Committees (Hon Matthew Swinbourn) in the chair; Hon Stephen Dawson (Minister for Environment) in charge of the bill.

Clause 1: Short title —

Hon STEPHEN DAWSON: I want to go further into the issue of growlers and squealers; Hon Simon O'Brien had an interest in those two. A growler is typically a 1.9-litre receptacle and a squealer is a 950-millilitre jug. That is the growlers and squealers some of the small craft brewers use. They are brought back, liquid is put in them again and brought home by people.

Hon Dr Steve Thomas: Should we ask how quickly they get drunk?

Hon STEPHEN DAWSON: Probably very quickly in some households. I just wanted to cover off that issue to make sure the member is aware of that.

Hon Dr STEVE THOMAS: If I could start, minister, with probably the most obvious question; that is, the time frames on regulations. When can we expect to see regulations formed up, in what form will they be presented, how will we get to see them, how soon will we get to see them and what sort of time frame is the minister looking at between the tabling of the regulations and the implementation of the scheme? When will we expect to see the regulations and how long will we have to look at them before we expect the scheme to be up and running? That will be pretty critical for a scheme in which the legislation is the skeleton but the regulations flesh out the process, which will be critical for the functioning of the scheme.

Hon STEPHEN DAWSON: I am advised that the regulations around the scheme coordinator and things like civil penalties will be ready fairly soon after the passage of the legislation, bearing in mind that we need to have the legislation first before we make the boundaries. It will probably take until about September for the other regulations to be finalised. I am happy to give a commitment that there will be an opportunity for members in this place to be consulted on the regulations.

Hon Dr Steve Thomas: So it will be in September for an introduction three months later?

Hon STEPHEN DAWSON: Yes.

Hon ROBIN CHAPPLE: Regarding, say, a Coke, which costs on average $2.85 for a normal bottle, it will go up to $2.95 or thereabouts with the 10¢ mark-up. When a Coke is provided, for example, in a hotel environment and the bottle is retained by the hotel, how is the person who receives that drink enabled to understand that they are not being charged the 10¢ and that the 10¢ is going to be returned to the hotel proprietor? I am trying to work out whether there will be any double dipping in this process and how it will be managed.

Hon STEPHEN DAWSON: I am advised that if a person buys the bottle in a restaurant or at a hotel, it is absolutely their right to take it away with them. Certainly, there will be no double dipping. There will be only one refund per container. The option is there for a person at a restaurant or hotel who purchases a drink to take the bottle away with them and get back the 10¢.

Hon Martin Aldridge: Will they give you a plastic bag to take it with you?

Hon STEPHEN DAWSON: No! The honourable member knows that will not happen.

Hon ROBIN CHAPPLE: If I go to a restaurant and I have my Coca–Cola, because I do not drink a lot of alcohol, at the end of the evening, can I ask the restaurant to provide me with the bottle so I can take it and get my 10¢ back on the bottle or, do I get the drink at 10¢ lower than the recommended retail price with the 10¢ extra and the hotel keeps the bottle?

Hon STEPHEN DAWSON: That is a matter for the restaurant at the end of the day. We are not legislating for restaurants.

Hon Robin Chapple: Do you understand what I'm talking about?

Hon STEPHEN DAWSON: I do understand what the member is talking about. It could potentially happen, but the 10¢ refund is payable only once.

Hon Robin Chapple: What processes will you put in place?

Hon STEPHEN DAWSON: We are not putting anything in place. The small business owner, the hotel or the restaurant could decide to charge the customer the extra 10¢ or they might decide not to because the customer may or may not be getting it.

Hon ROBIN CHAPPLE: One would assume, minister, that when the person sees the price of a Coca–Cola listed in the schedule of drinks they can buy in the hotel or at a restaurant, it will have on there "plus 10¢" or "not plus 10¢". If not, how is the patron going to be assured that either they are paying the 10¢ or not paying the 10¢ and when is the right time for them to ask to get the bottle back if they have been charged the 10¢? Some transparency is needed around that.

Hon STEPHEN DAWSON: The price is the price and the patron makes the decision on the price point. There will be no requirements to have a price and then another box next to it that says "plus 10¢" for this scheme. That is not what the scheme requires. The person who purchases the bottle in the first place will pay the 10¢ and they can recoup the 10¢ at the end of the day when they bring back the bottle. It may well be in a restaurant. I cannot see this being a big issue, honourable member.

Hon COLIN HOLT: Perhaps I can have a crack at clarification. When a restaurant buys a bottle of Coke from the distributor, the distributor will charge it the extra 10¢ for the bottle. The restaurant then makes a decision: if the Coke is bought for $2.85, the restaurant may well sell it for $3.50 with a mark-up. At that point, if the customer buys a bottle of Coke, it is their bottle and they can take it home with them. It is not the restaurant's responsibility to talk about the 10¢ because it has already been charged by the distributor. I do not think there is any real issue with that. When a person gets to a restaurant, they pay what they pay but it is their bottle.

The DEPUTY CHAIR: Hon Dr Steve Thomas.

Hon Dr STEVE THOMAS: After that interesting side journey, I will take members back to the regulations. If the expectation is that the regulations for the major part—I assume Hon Colin Holt answered —

Hon Colin Holt: You got the call but I wasn't sure whether the minister was going to respond.

Hon Dr STEVE THOMAS: I assumed he was not, so I was not going to let it go without somebody standing up. I will make this short so Hon Colin Holt can get another crack. I thought he was looking for a job at the big table.

Hon Stephen Dawson: I thought you were explaining it and you did explain it properly.

The DEPUTY CHAIR: I think Hon Dr Steve Thomas has the call.

Hon Dr STEVE THOMAS: Thank you. I will just go back to the regulations. That is a really short time frame from the dropping of the regulations to potentially the implementation of the scheme, which will be an issue if this house decides that the regulations are not up to scratch. A disallowance motion would then eventually, perhaps, be debated midway as the scheme is operating, which will be a little problematic from the government's perspective. The minister said in his second reading speech that he would look at some financial modelling as he got to the regulation stage of the scheme. It was part of his response to the second reading. Does the minister expect to have additional economic modelling that comes through as a part of the process of developing regulations; and, if so, is that modelling likely to be available during an examination of the regulations that might happen in September and October, towards the end of this year?

Hon STEPHEN DAWSON: We are not proposing to do any further modelling, but we are looking at engaging a third party—potentially a state government agency—to look at the cost and what is being charged by the scheme coordinator as part of the container deposit scheme. That work will not happen until the scheme is in operation.

The member's earlier comment about the regulations was absolutely right. There will be an opportunity or potential for the regulations to be disallowed very late in the piece. That is why we are designing the regulations in conjunction with advisory groups and technical working groups to ensure that the regulations will be supported by the various arms of industry. Hopefully, that will negate the need for a disallowance motion here. Normally with disallowances, an interest group will reach out to a member of Parliament and say that it is not happy with the regulations for this or that reason. We hope that that does not happen in this case because we are drafting those regs with the people at the table in the first place to make sure that they are happy with what is in them.

Hon ROBIN CHAPPLE: One can assume that the proverbial bottle of Coke will be advertised at $2.95 on the shelf with 10¢ added on top of that.

Hon STEPHEN DAWSON: The proverbial bottle of Coke can be advertised at whatever the person selling it wants to sell it at, but the product price will have 10¢ within it. We are not legislating or dictating what amount it will be. That amount is inclusive. Whatever a person pays at the shop, they will pay that 10¢ as part of the price.

Hon ROBIN CHAPPLE: What I am trying to get at is that that 10¢ will be included in whatever the sale price is—correct?

Hon Stephen Dawson: That is correct.

Hon ROBIN CHAPPLE: If I go into a deli or something like that and want to buy a Coca-Cola, as one does in Thailand or Indonesia, and it is provided to me in a plastic bag, which is the way it is done over there because the bottle is more valuable than the drink, what price would I be paying for that Coca-Cola?

Hon STEPHEN DAWSON: I have absolutely no idea what the member is asking me. I am not being rude or unhelpful or anything. We are not selling anything in China or Thailand. This scheme is purely about Western Australia. If a person buys a container that falls within part of the scheme, they will likely pay 10¢ and that 10¢ will be refunded to them when that bottle is sent back. In terms of plastic bags or anything else, I do not know what the point is there other than we have banned single-use plastic bags in the state. Hopefully, nothing is getting handed out in a plastic bag, but even if it is, the plastic bag will not be captured by this scheme.

Hon ROBIN CHAPPLE: If I go into my deli with my keep cup and I get Coca-Cola in my keep cup —

Hon Stephen Dawson: You can't.

Hon ROBIN CHAPPLE: Yes, you can.

Hon Stephen Dawson: How do you get your Coca-Cola in a keep cup?

Hon ROBIN CHAPPLE: They take the top off, pour the Coke into your keep cup and they keep the Coke bottle.

Hon Stephen Dawson: You still wouldn't pay for it.

Hon Dr STEVE THOMAS: Before I hand over to Hon Colin Holt, when talking about the proverbial regulations, can the minister give a commitment that there will be adequate briefings? He has offered briefings on this legislation, but the reality is that this is skeletal legislation. It will be far more useful for members to be briefed on the regulations as they come through. I hope that the minister will commit to significant briefings on the regulations, including whatever modelling et cetera he arrives at when he starts to flesh these things out.

Hon STEPHEN DAWSON: I am very happy to give an undertaking to the chamber that there will be an opportunity for members to be briefed on regulations prior to them being gazetted. As the honourable member knows, from the outset, we have been very happy to brief any member on the scheme and the bill as it has progressed. I will certainly continue to do that. As I said, it is important that the regulations are passed and that they are not disallowed. For that reason, it would be very prudent of me to ensure that members are briefed before gazettal.

Hon COLIN HOLT: We have been jumping all over the place, so I wanted to make sure that Hon Dr Steve Thomas had finished his line of inquiry before I moved onto something else. If he has, I will ask a couple of other questions. The minister's reply to the second reading was very good and I thank him for taking the time to do that. However, at one point he said that in other jurisdictions the average price increase per container was 7.5¢. That indicates straightaway that there is some slippage or loss from the system, otherwise it would have been at least 10¢ and probably more to ensure that it included all the administration, transport and employment costs. What sort of recycling rate is that 7.5¢ increase based on?

Hon STEPHEN DAWSON: I am advised it is about 60 per cent. Those figures relate to New South Wales.

Hon COLIN HOLT: That is a good ballpark figure, but I assume that the government would like to see an increase above 60 per cent through this scheme, so let us aim for 80 or 90 per cent.

Hon Stephen Dawson: In my earlier contribution that is what I said we were aiming towards. The regulations will say that.

Hon COLIN HOLT: We can expect then that that 7.5¢ across-the-board increase for the resale of a container is going to increase; have I got that correct?

Hon STEPHEN DAWSON: My earlier point was that the overall average price increase due to the CDS was 7.5¢ per container. That is the price people paid, but they still got back 10¢. What was your question?

Hon COLIN HOLT: Hon Aaron Stonehouse pointed out in his contribution that the more that gets recycled, the greater the cost to the scheme because there is an increase in refunds and transport, administration and employment costs. The greater the participation rate, the greater the cost. For 60 per cent, there will be a 7.5¢ increase in the cost of a container. If we aim for 80 per cent or 90 per cent, what sort of cost can we expect the price of the container to go up to? Does the minister have any idea?

Hon STEPHEN DAWSON: It is entirely up to the beverage industry what costs they will pass on. In other states and territories, it has been a 10¢ increase only. Anecdotally, they have not increased the amount any more than that. That commercial decision has been taken by them. Earlier, an honourable member talked about a 70¢ bottle of water. They found after doing a search of the Coles website in New South Wales that the price of that bottle of water had increased to 80¢ in that state. I am also aware that some beverage suppliers have not increased prices; they have made a commercial decision not to do that. The container deposit amount is 10¢. I did not mention earlier that we are looking at using another organisation to monitor prices to make sure that there is no profiteering from the scheme.

Hon COLIN HOLT: It is important to point out that the greater the participation in the container deposit scheme the greater the increase in the cost of the scheme, simply because more containers will be recycled. There will be inherent costs there. It is important to mention that for a couple of reasons, and I might get to them later on. I imagine that a beverage company may keep the cost as low as possible. They may not pursue activities that they could pursue to promote recycling of that material. I was going to raise my next point in clause 6, which is about barcodes. I could leave it until then, but it is probably pertinent right now. Where will companies have to print a barcode? Will it be on the label, the bottle or the can? What if it is on the label but the label comes off? It seems that the bottle will be lost to the system, which might not be a bad idea for a beverage company. What if the barcode is damaged and cannot be read because it has been rattling around in a car, crate or box? What will happen then? Will that be lost to the system? I can imagine but those may be areas of slippage. Heaven forbid, but if

a beverage company ever decided that it would be sneaky enough to do that sort of stuff, there is a potential for containers to be lost to the system if a barcode is damaged because the scheme will not know which company to charge it back to. If the barcode has been printed only on the label and the container has been in an esky so the label has come off, if the bottle is taken back, will the purchaser be told, "Sorry, mate. I can't take your bottle because the barcode is missing"? I was going to leave this question until clause 6, but the minister can have a crack at it now if he likes.

Hon STEPHEN DAWSON: In terms of recycling, the legislation before us states that companies have to recycle material. The scheme coordinator will need to make sure that the scheme is advertised and that people know about it. We will try to reach the highest recycling rate possible. As I alluded to earlier, in this state we are aiming for a rate of 80 per cent to 85 per cent, based on South Australia's previous rate. That rate will come out in the regulations. The 10¢ mark will be printed on the label. Obviously, cans do not have labels. If members look at cans and bottles that are for sale now in Western Australia, they will see that they have labels that state "10¢ refund in SA/NT". The label will likely change, so it will be a nationally consistent label in the next little while.

If the label comes off, the container may well still be eligible for a refund. Although a label-less bottle will not be able to be put in a reverse vending machine, it could potentially be brought to an over-the-counter or other facility to get the 10¢ back. The scheme requires that material that is brought back have the mark on it, but in the early stages in other states we saw that the beverage industry essentially accepted material that was given back to it, whether or not it had a mark on it. The cost for each beverage container will not be charged specifically back to each supplier. A methodology will be used to calculate the supply amount for each supplier based on the market share and overall return ratio.

Hon RICK MAZZA: My question follows on from a question that Hon Colin Holt asked earlier about return rates. I think the minister suggested that in New South Wales a bit over 60 per cent of containers are returned. What is the estimated percentage of containers that are collected through the current recycling system?

Hon STEPHEN DAWSON: The member was probably out of the chamber on urgent parliamentary business when I addressed this earlier in response to Hon Simon O'Brien's questions. We do not have that information at the moment. The data has not been collected and is not there. The scheme will allow us to know exactly what is being recycled—what has been sold, first of all, and what has been recycled. Moving forward, we will have that data. At the moment we know that 1.3 billion containers a year are sold in Western Australia, but we do not know how much of that is recycled. We have some tonnage amounts for glass and cans, which I alluded to earlier. Glass is in the order of 46 000 tonnes a year and cans are 16 100 tonnes a year or thereabouts. That is all we have at the moment. We do not have the data on what is recycled and what is not recycled, purely because it has not been collected up to this date. Once the scheme is in operation, it will be collected and can be measured.

Hon RICK MAZZA: I was outside the chamber when the minister covered off that issue, so I apologise for that. Just to be clear, the estimated return is going to be 60 per cent or thereabouts—let us hope it is higher—and we do not know at the moment what is being collected in the current recycling system. If the current recycling system is collecting 20, 30 or 40 per cent, the entire scheme we are putting in place is not really about the recovery of 60 per cent or thereabouts; it is actually a much lower amount, because we are already collecting a percentage, whatever that may be.

Hon Colin Holt interjected.

Hon RICK MAZZA: We can aim for 80 or 90 per cent, but I suggest that in New South Wales it is a bit over 60 per cent. This scheme will not recover 60-plus per cent because we do not know at the moment what we are collecting in the current recycling system anyway.

Hon STEPHEN DAWSON: The member has made his point. Recycling rates in Western Australia are not particularly high in comparison with the other states. Aluminium cans are valuable at the moment, so a significant number of those are recycled, but glass and other things are not. Although the recycling rate is 60-odd per cent in New South Wales, it is our intention to aim for 80 to 85 per cent, and we will stagger that over a number of years. Even anecdotally, the member just needs to go to regional Western Australia, particularly to some of our communities, to see the amount of cans and bottles littered, which is a significant resource that will be part of the scheme and collected. We have seen significant benefits in the states that have brought schemes into place, but we are at a disadvantage because we do not have proper data at this stage. As I said, the scheme will allow for collection to happen and for us to be able to measure it as we move forward.

Hon ROBIN CHAPPLE: The Department of Health supplies thousands of bottles of water to a number of communities in the regions and one assumes that the Department of Health will be paying the 10¢. Will the health department be arranging to collect the bottles to recoup that 10¢ or will the bottles become the property of the people who are given the bottles, and will they be able to reclaim the 10¢?

Hon STEPHEN DAWSON: The short answer is that I have no idea, member. It will be up to the Department of Health. This legislation will not mandate the health department to do anything. If the health department is supplying water to some of these communities, I suspect it will give the water to the communities and it will be

an opportunity for the communities. Again, this is an issue for the health department that is not captured by this legislation, other that when the container is bought in the first place, 10¢ will be captured. I suspect somebody will end up collecting the money, but I cannot say whether it will be the health department or members of a regional or remote community.

Hon Robin Chapple: We're talking about thousands and thousands of bottles of water.

Hon STEPHEN DAWSON: Maybe I can raise with the Minister for Health the member's suggestion that he might want to collect back those bottles and potentially offset some of the health department's expense in delivering services to those communities. If the member would like, I can bring that to the minister's attention. But certainly that will not be mandated by this legislation before us.

Hon Dr STEVE THOMAS: I wish to continue with a matter raised by Hon Colin Holt, particularly in relation to glass. He talked about cans et cetera rattling around in a car. If there is a requirement to process a recyclable beverage container made out of glass, how does the government propose to deal with parts of broken bottles, particularly those that might go through a larger recycling unit? Most glass is picked up as a bulk commodity. As I said during my speech on the second reading, I have seen that process occurring, and bucketloads of glass bottles are tipped into a receptacle. That will obviously not work in any kind of reverse vending situation, but the measurement of that product will be interesting. Can the minister tell us how that might be processed and treated or is there an issue with broken bottles being somehow excluded from the system?

Hon STEPHEN DAWSON: I am told that there will be protocols for estimation at the materials recovery facilities. That will happen. It is challenging because wine bottles can be smashed up and be part of a pile of glass, and obviously they are not captured by the scheme. I am told that work is happening at the moment for those protocols of estimation at those MRFs.

Hon Dr Steve Thomas: That might be potentially by weight. You will have to be cautious that other glass is not coming in as part of the process. There is obviously some work to be done in that sphere.

Hon STEPHEN DAWSON: Work has started on that. That is how it is done in New South Wales and Queensland at the moment. The likelihood is that we would do the same here because at least a couple of the materials recovery facilities in operation here are in operation in those states. We are learning from what is going on over there. It is a challenging space.

Hon COLIN HOLT: I seek clarification. The barcode is only about getting a refund; it is not about tracing it back to who supplied the bottle because the charge back to the beverage company is based on market share of sale. Is that correct? Is that what the minister said?

Hon Stephen Dawson: That is right.

Hon COLIN HOLT: How is that determined and on what sort of time frame is that determined? Little Creatures is an example. It just got a big contract for Optus Stadium. I assume that its sales have increased in the state and maybe it has a greater market share because of that opportunity. How will the change in market share be monitored? Will it be monitored through sales figures from their distributors or at the point of sale? How will the government get those figures to charge them back?

Hon STEPHEN DAWSON: It will be the responsibility of the scheme coordinator to work out how it will happen. Further advice is on the way, so I ask the member to stay tuned.

Progress reported and leave granted to sit again, pursuant to standing orders.

ALBANY WAVE ENERGY PROJECT — CARNEGIE CLEAN ENERGY

Statement

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [9.45 pm]: Today saw the culmination or conclusion of a disgraceful episode on the part of this government—that is, Carnegie Clean Energy. I have made numerous speeches about this disgraceful episode, and I am sorry to have to repeat myself, but it has been absolutely disgraceful. The disdain that the Minister for Regional Development has shown for this Parliament is contemptible. Members will remember that about two weeks ago, I asked a question without notice of the Leader of the House representing the Premier about whether any minister has declared a conflict of interest in the western rock lobster industry. After a juvenile response to that first question that I had asked, I got the following response from the Premier —

> In accordance with the Ministerial Code of Conduct, all ministers and parliamentary secretaries are required to make declarations concerning conflicts of interest. These declarations remain cabinet-in-confidence.

That answer was about the rock lobster industry but the same standards were not adhered to with regard to Carnegie. Twelve months ago, I asked exactly the same question about Carnegie, and the response was no—no-one has declared a conflict of interest. The Minister for Regional Development did not declare a conflict of interest with regard to Carnegie. That is absolutely disgraceful. It is contemptible.

The Ministerial Code of Conduct states the following about conflicts of interest —

> Any conflict between a Minister's private interest and their public duty which arises must be resolved promptly in favour of the public interest. The same is as true for a perceived conflict of interest as an actual conflict.

In response to the question that I had asked, the Premier directed me to a document from the Integrity Co-ordinating Group titled "Conflicts of Interests: Guidelines for the Western Australia Public Sector". Members should look at this. If members do not think this is correct, they have no concept of what is meant by parliamentary integrity. I want to refer to three items that are listed under the heading "The 6 Ps". The first is public duty versus private interests, and it states —

> Do I have personal or private interests that may conflict, or be perceived to conflict with my public duty?

The second item I refer to is perception. It states —

> Remember, perception is important. How will my involvement in the decision/action be viewed by others?

I will tell members how it is perceived by others. The minister clearly had a perceived conflict of interest. The third item I refer to is presence of mind. It states —

> What are the consequences if I ignore a conflict of interest? What if my involvement was questioned publicly?

I will tell members what the consequences are. The company goes under, and the minister has exposed not just herself, but also this government.

What actually happened with regard to conflict of interest? In 2011, Hon Alannah MacTiernan was appointed to the board of Energy Made Clean. At that time, the then chief executive officer of Energy Made Clean, John Davidson, said —

> "Alannah, as a former long serving Minister for Planning and Infrastructure, brings a wealth of experience and a reputation for getting difficult jobs done and we are extremely pleased that she has taken on this role," …

I might add that is the same John Davidson who was a director of Carnegie. There were glowing accolades for Hon Alannah MacTiernan. Energy Made Clean was then consumed by Carnegie, of which Davidson is a director, yet the minister does not have a perceived conflict of interest? As I have said, I have not asked too much here. I do not want to know what is going on in cabinet. However, if the Minister for Regional Development sat in on the decision and made comments when that tender process went through and was ticked off by cabinet, how can she honestly sit over there and say that is not a perceived conflict of interest? Give me a break! This same man—the executive director of Carnegie—appointed Hon Alannah MacTiernan to the board of Carnegie, and it is not a perceived conflict of interest?

As I have said on numerous occasions, even before the state election, Hon Alannah MacTiernan was sitting with the director of Carnegie and the now Premier. She was the candidate for North Metropolitan Region. What was she doing there? She was not even a shadow Minister for Energy. Do members know why? Because she knows this guy. They are great mates. They have sat at the board table together. Yet there is not a perceived conflict of interest? I find that extraordinary. That is the issue.

I say at the outset that after the Bolsheviks won government in 2017, a month later—let us not forget this—the now minister initiated a meeting with Carnegie. Carnegie did not initiate the meeting with the minister, she initiated it; she asked for a meeting. Five companies submitted a tender document for that contract. How many did the minister meet with? One! She met with one company, which was Carnegie. Which company got the contract? Carnegie. The minister tried to fend me off by saying that she had met with all the renewable companies down in Albany. Members will remember that she took a taxi down to Albany—the jet goes down there quite frequently. She met with them down in Albany. Do members know what happened in Albany? There were 26 people at that meeting. How many came from renewable energy companies? Three. How many of those three people from renewable energy companies actually submitted a tender document? One. Do members know what company that was? It was Carnegie; Carnegie got it. Did any of the other companies have any chance at all of getting that contract? Of course not. The minister had a clear conflict of interest. If these are the standards the government is adhering to, it will be a one-term government. There was a roundtable meeting with these 26 people, most of whom were bureaucrats. Three individuals were from renewable energy companies. As I said, five companies put in a tender. I put another question to the minister: did she meet with any of the other five companies? She said no, because she did not know which companies they were. Nonsense! She did know which companies they were, which I found out through a freedom of information document, as I have mentioned before. The minister did know who they were, so she had to stand up in this house and apologise because she had misled the house. She is getting caught out all over the place.

Immediately after the contract was provided to Carnegie, it all started to go pear-shaped. From October 2017, it started to go pear-shaped because Carnegie was having financial difficulties. I asked dozens and dozens of questions and put in FOI application after FOI application. I got the hand every single time. The default position was: do not tell them anything. One of the FOI documents I got showed that the minister knew exactly what five companies they were. She met with one. I ask any member of this house to stand up and say that that is legitimate or appropriate. It is absolutely disgraceful for a minister of the Crown to say, within their portfolio, "Here's a contract. I'll meet with one of you and I'm not meeting with the rest of you, and you actually get the contract."

The minister then decided to blame the federal government—that the problem was the changes to the R&D concessions. That is garbage. I asked over and over: How much did that cost Carnegie? Why was Carnegie affected by the R&D changes? She said that the cost was $12 million. That is rubbish. It was even in this announcement today on the termination of the contract that it was the federal government's fault. It was not. These figures came from Carnegie's own annual report. As a standalone project, the only impact would be a reduction to the rate of the R&D rebate from 43.5 per cent to 41 per cent in 2018–19, 39.5 per cent in 2020–21, and 38.5 per cent in 2021–22, as the project had not hit the $4 million cap per annum. This equates to a loss of $477 500 over four years in R&D grants. This is still well below the $12 million alluded to in the comments. It was not $12 million. This situation is not the federal government's fault. It was a loss of $477 500 over four years. The minister should not blame the federal government. That makes for good politics, but it is false.

Hon Alannah MacTiernan has yet again misled the house. I have asked her about this about five times. I asked her again today. She repeated that it is $12 million. It is not $12 million. What I am saying is that there is a clear conflict of interest here. It is not Carnegie's fault, although it has its financial issues. It is not the federal government's fault. It is not the waves lapping along the Albany foreshore that are the problem. It is not the opposition's fault. All roads lead to one minister, and that is Hon Alannah MacTiernan. Every time I have tried to get answers to this, she has had the hand up. She has seen this thing falling. She has seen it collapsing around her. She has thrashed around, trying to find a way out. There is no way out. She gave Carnegie an extension to its time frame, to try to give it a little more time. The company was going under. She knew she was exposed. She could have easily resolved this situation from day one. When that contract went to cabinet, she should have said, "I have a conflict of interest", or, at the very least, a perceived conflict of interest, mindful, of course, that a perceived conflict of interest is exactly the same as an actual conflict of interest. She could have stood up and exited herself from that cabinet room and none of this would have been an issue. Carnegie Clean Energy may have had financial issues, but then it would have happened. But she did not. Would any of those other four companies have done a better job? No-one will ever know because they were never given a chance; they were never in the game. No-one ever had a chance because this minister had a clear conflict of interest and, therefore, it is absolutely disgraceful that this thing has collapsed and all roads lead directly to the Minister for Regional Development.

INTERNATIONAL WOMEN'S DAY

Statement

The PRESIDENT: The very stylish Hon Kyle McGinn.

HON KYLE McGINN (Mining and Pastoral) [9.55 pm]: Thank you, Madam President. I rise tonight to talk about an event that happened last week—an event I enjoy every year. This year was probably one of the best I have celebrated. The theme for last week's event was "More powerful together". Of course, I am talking about International Women's Day. Last week, we celebrated quite a few events; it was not just one day for us out there. I want to share with the chamber some of the stories I heard and some of the things I noticed in the goldfields that make that place very special.

On the Wednesday evening of the sixth, we attended a Women in Mining event at the WA School of Mines, and Minister McGurk came out to address the congregation. Women attended from throughout the industry, from some who had come straight from work, still in their hi-vis clothes and still wearing their work boots, to women who are studying geotechnology. There were women from overseas who are studying in Australia as well as local women.

It was amazing to see how they all rallied around and listened when the minister spoke, particularly when she was speaking about the Women's Plan and that we now have a minister specifically looking into domestic violence. We know it is a massive issue in Western Australia. When Minister McGurk talks about it, it is very powerful, knowing a minister in Western Australia is handling domestic violence issues directly. We could see in everyone's eyes that they were glad to see that she had gone out to the goldfields to deliver that speech.

A young lady from Women in Mining, whose name I believe is Nicole, and who is a sparky, delivered an amazing, powerful speech. As happens at these events, the microphone went dead halfway through her speech, but she battled on and delivered a great speech about how she decided one day that she would become an electrician. She was working in human resources for a mining company at the time but decided that she wanted to be an electrician. She did not let anything get in her way; she went out and fought for it. She is now a qualified sparky working in the resource sector. That event was really inspiring and kicked off what was to be a really good week.

The following morning I hosted an International Women's Day event—unfortunately, not on the day but the day before. I hosted that event because last year the Goldfields Women's Health Care Centre invited me and the whole town along to its International Women's Day event. Over 300 women attended in the town hall. I heard some of the best motivational speeches and stories I had ever heard at an event. The amount of respect shown in the room for each other was amazing. It inspired me to ensure that these types of events keep going in the goldfields.

Another event is coming up this month. Rosie Batty will be coming over to speak in the goldfields. I know from personal experience that she is a very powerful speaker to listen to, with one hell of a story. This year they decided to postpone the event until Rosie Batty was there, so there was a risk that there would not be an International Women's Day event. We could not let that happen, so we put that on in the morning and, unexpectedly, way too many people applied to come along. Women from different industries and backgrounds attended. We had to cap the number at 50, unfortunately, so there were 50 women in the room, from CEOs and aspiring CEOs to council women, teachers and community groups—a broad spectrum of women.

One thing I am learning to do better now as a politician is to listen to a bit of advice, particularly from these women. It is a bit awkward for a man to be emceeing an International Women's Day event in the morning. I thought, "Do you know what? You're right; I think that's probably wrong." I want to give huge accolades to my electorate officer, Georgia Foukes-Taylor. She did a lot of work organising this event and engaging members to ensure that it was done properly and appropriately, and was delivered as professionally as possible. Me being me, I put her on the spot and suggested that she be the master of ceremonies. Typically, Georgia, in her fashion, absolutely nailed it, and we had probably one of the best breakfasts I have seen this year, if not since I have been in politics. It was enjoyable and engaging, and it was in a safe space, which was critical as well. The minister delivered a speech about women's planning, and we talked about what women in the goldfields want to see happen for the future planning of women in this state. It was a massive thing for these women to give direct input to the minister, write it down on a sheet of paper and read it all out. I was sitting in the back listening to it, and it was powerful stuff.

We had an Aboriginal elder doing the welcome to country. I had not met her before, but her name was Joyce Nudding, and she delivered a beautiful welcome to country. She is Maddawonga, and she not only delivered the message in language, but also then explained her life and that of her mother, the connection to land and her story, which to me is so powerful and moving. We are talking about a culture that is 60 000 years old, if not more, and I had this lady here talking and sharing her story with all these women in the room. It was powerful and it was much appreciated. I could tell that Joyce enjoyed the day as well, sharing her experiences with the minister.

Obviously, we held this event in the morning because a lot of these women had to go to work, so we managed to wrap it up. It was a healthy breakfast as well, by the way. We had yoghurt, granola and all that hippie stuff that we have nowadays for breakfast, instead of bacon and eggs. It was a great breakfast, and I feel as though this event may take off, and hopefully I will be able to hold it again and again.

One thing I need to say for International Women's Day is that what inspired me most about these goldfields women is that they want to do this for the future generations. They want to do this to make it an equal playing field. They want to be respected in their jobs and in the opportunity of progressing in these jobs. It is not a tokenistic day for these women; it is an opportunity to get in the room and start talking about the real problems. As it was a safe space, I am not going to talk about the stories that were told, but I definitely want to put across to members in this chamber that they were powerful, and every woman in that room left there with an idea of what they are going to do harder, better and stronger this year to achieve their goals. To those women, and all the women around the world who celebrated International Women's Day, if I had a hat, my hat is off to you.

SWAN VALLEY RURAL ZONE — LOCAL PLANNING SCHEME AMENDMENT

Statement

HON AARON STONEHOUSE (South Metropolitan) [10.02 pm]: We began today's sitting, as we always do, with prayers and an acknowledgement of the Aboriginal contribution to both our history and our modernity—a combination that surely serves to highlight the multicultural nature of Western Australia in the twenty-first century. Our early European settlement was, of course, principally Anglo-Celtic in nature, which is why, if we walk down St Georges Terrace or through Fremantle or any other of our long-established suburbs, we see old stone churches in the Catholic and Anglican traditions. Those faiths were able to build at the very heart of our communities simply by dint of being the first ones there. Many thousands of others have since joined them. According to data gathered as part of the 2016 census, Western Australia is now home to almost 53 000 Buddhists, more than 38 000 Hindus and almost 12 000 Sikhs, not to mention a range of smaller denominations, each equally important to their adherents.

It is a central tenet of our society that each of those groups has an inherent right to practise their religion and to associate freely with their fellow practitioners without fear or favour. However, today, not 20 kilometres north-east of us, one city council is playing fast and loose with that concept, to the significant detriment of the Indian community in Perth. In 2016, Radha Soami Satsang Beas Australia—I am sure I butchered the pronunciation of that—began an application to open a place of worship in the Swan Valley. It bought a recently subdivided piece

of land that had little or no agricultural, horticultural or viticultural use and proposed to build on it an understated, relatively low-key centre for the practitioners of its faith to gather and worship. I will provide a little information about Radha Soami Satsang Beas for those who are unfamiliar with it. Inherent in the society's philosophy is the concept of selfless service. It looks, amongst others, to Ghandi and his statement that the best way to find yourself is to lose yourself in the service of others. That is doubtless one of the reasons it proposed to build an orchard behind its Swan Valley centre, and to give freely of the fruit of the orchard to the poor and to local charities.

Regardless of the altruism of RSSB's practitioners, the City of Swan's planners saw sufficient merit in the proposal to recommend last year that it proceed. They doubtless took into account the city's own rural smallholding guidelines, which lists places of worship as an acceptable land use. The council, however, saw fit to disregard that expert advice and to refuse the application. The City of Swan is set, on Wednesday evening, to debate proposed amendment 176 to the City of Swan local planning scheme, which would introduce a series of new classes and modify use permissibility within the Swan Valley rural zone. That scheme, if passed, will change a place of worship from its current discretionary zoning to one that is simply not allowed.

Let us look at that in more detail for a moment. An unassuming, single-storey building, which does not dominate its neighbours or impinge upon their enjoyment of their own adjacent plots of land, would not be allowed to be built for the purposes of worship—full stop. But let us look at some of the other categories in the same zoning table. The same building in the same location could be used as club premises. A motorcycle club could legitimately set up there under this zoning table, but peaceable worship would not be allowed. Similarly, an exhibition centre could open up and host Sexpo in the Valley; that would be entirely permissible under the council's proposals. It seems that people can worship Cupid in the Swan Valley, but not Christ or Krishna, according to the city council.

This fascinates me: immediately above the line item on the zoning table for "Place of Worship" is another entitled "Place of Assembly". Assembly is to be allowed by the City of Swan, but worship is not. The same single-storey building in the same location could be used to assemble for, let us say, a Communist Party meeting, but the self-same edifice could not be built for people to quietly worship in their chosen faith. What is that if not blatant discrimination against our freedom of religion? That I am worried about this situation should not surprise those members who know me, or have listened to me in this place in recent years. My own Christian beliefs, combined with my deep-seated commitment to freedom and to liberty, propel me to speak out about this type of barefaced injustice and inequity.

Even if the Swan Valley were filled to overflowing with places of worship—it is not; at last count it had far fewer than in similar rural areas, such as Serpentine–Jarrahdale, for example—I would be extremely reluctant to encourage this type of short-sighted, exclusionary world view. It is not up to a local council to determine whether current spiritual needs are being met within its local government area. It is up to the people living in that area to determine whether they need a new church, mosque, temple or other place of worship.

Let us be very clear: when RSSB purchased the land in question, no-one objected to taking its money. Objections were made only when it attempted to make use of that land—land that the previous owners, in their application to subdivide, had already conceded was not suitable for the principal uses of viticulture, horticulture or agriculture. RSSB's understated proposal would have seen 100 people at most using a portion of otherwise unattractive land on a weekly basis, and perhaps as many as 200 people attending a larger gathering there once a year. A festival at the Oakover Wines vineyard on the other side of the road can regularly attract a few thousand people, yet no-one bats an eyelid or claims that it is an inappropriate use of the land. Bring together 200 people to pray and apparently, according to the local council, the community is up in arms against it.

What we have in the Swan Valley is a case of shifting goalposts being undertaken by and on behalf of a few influential local figures intent upon ensuring that they, and only they, will dictate what can and does go on within their local community. I, for one, value the freedom of religion and the equality before the law that all Western Australians enjoy, and I make no apologies for that. If these changes proceed and instruments are introduced to Parliament to make amendments to zoning in the Swan Valley to restrict the construction of places of worship, I will do everything I can to stop those instruments from passing. I believe there are still a few people in Western Australia who value freedom and liberty, and that extends to religious freedom.

ENVIRONMENTAL PROTECTION AUTHORITY — GREENHOUSE GAS EMISSIONS — GOVERNMENT RESPONSE

Statement

HON ALISON XAMON (North Metropolitan) [10.09 pm]: I rise to make some comments. This is the first opportunity that I have had to respond to what I think has been a disgraceful response to the Environmental Protection Authority's "Technical Guidance: Mitigating Greenhouse Gas Emissions" and the "Environmental Factor Guideline: Greenhouse Gas Emissions". Together, these two documents solidify the approach that the EPA has been taking towards large greenhouse gas–emitting projects for nearly the last 20 years. The Greens welcome the focus on greenhouse gases and climate change as a distinct environmental factor that needs to be addressed outside of air quality.

Climate change is caused by greenhouse gas emissions and it is an emergency. It has been an increasing emergency for decades and we have failed to address it for decades. The impacts of our failures are being felt now. We keep having the hottest summers on record and extreme weather events are happening more regularly and with more power behind them. If anyone here has bothered to read the technical guidance, they will see exactly how useless our current regulatory framework is. There is a void where we need to have national action. One-third of our non–electricity generating facilities have applied to increase their baseload rate of carbon emissions, and two-thirds of those applications have been approved. So instead of reducing our carbon emissions, we are increasing them, and Western Australia's have been increasing at the fastest rate. We are the only Australian jurisdiction to see a substantial increase in greenhouse gas emissions between 2000 and 2016. I am talking about a 27 per cent increase. This is the outrage. This is what we should all be losing our minds over, not the absolute garbage that people have been coming out with. Governments have been letting people down on this issue for far too long.

Quite simply, the EPA is acting because—guess what?—somebody has to. The reaction that we have seen reported over the last few days makes it quite clear that this government, despite all its claims about taking climate change seriously, still is not going to do it either. The technical guidance simply says that big emitters—we are talking about 100 000 tonnes per annum of the equivalent of carbon dioxide—must offset their net direct emissions with verifiably effective offsets. We are not talking about some sort of imaginary, hand-waving, magical technologies that do not even exist yet. We should be asking why this has not been done yet. The outrage should be about why this has not been done already, not promising them that they will not have to spend what constitutes a few per cent of their reported annual profits on getting their annual emissions under control.

The other part of the technical guidance is about increasing transparency. We are talking about requiring companies to report their greenhouse gas emissions and what they are doing to reduce and offset those emissions. Why would anyone object to that? They would have to be out of their mind. If we are taking climate change as seriously as we absolutely need to, this is another essential requirement. We need to know that rules are in place that will make a difference and that the big companies—or should I say the big donors—will be held to those rules. We have seen the government fall over itself this week to avoid doing anything about climate change. We have seen front pages emblazoned with promises to do nothing and to change nothing: "It's okay everybody; we will not be doing a thing about climate change. Nobody needs to panic." We have seen the government promise industry that it will ignore the best available science to ensure that everybody can continue as normal with no change: "Do not worry; everybody can continue to have their heads in the sand."

We must have a reality check around this issue. For coming up to 30 years, these companies are meant to have been already complying with the rules designed to limit greenhouse gas emissions built into their risk assessment frameworks. The United Nations Framework Convention on Climate Change was signed in 1992, when a couple of members in this place were still toddlers. The Kyoto Protocol was signed in 1997 and entered into force in 2005—14 years ago. The Paris Agreement was signed in 2015. None of this should be a surprise. The only surprise in any of this, quite frankly, is that, finally, the Environmental Protection Authority has stood and done something in 2019, which is 27 years after the UN framework was signed. For that, I do not condemn it. I applaud it. About time, I say. Whilst everyone else might be happy to watch the world burn, I am not. We are already so far beyond the point at which soft measures are appropriate that we even have our kids coming out and rallying to protect their futures, which this lot is apparently hell-bent on denying them. I am telling members that we need to get a grip on this and protect the future for which our kids are striking out. We need to bring clear eyes and the support of our best minds to this matter. The EPA apparently understands this and it is about time that everybody else in this place and the government and the federal government understands it too.

ALBANY WAVE ENERGY PROJECT — RADIOTHERAPY FUNDING

Statement

HON DIANE EVERS (South West) [10.16 pm]: I am almost hesitant to rise after that impassioned plea by my colleague Hon Alison Xamon. I would like all members to go home this evening feeling a bit uncomfortable about what she just said, because we should be feeling a bit uncomfortable about our lack of action on climate change.

I rise today to speak passionately about a particular issue. Upon entering here, in the first 10 minutes of being in the room today, I found that I would not need to do that. I commend the government for listening to the residents of Albany and agreeing to supply them with radiotherapy health measures in Albany. That will make many people very happy. It will stop that long travel time and people having to spend their last few weeks of life living away from home and their family and friends. I thank the government for that.

Unfortunately, the other side of that is that the money is coming from the wave energy project. I could not be sadder about that. In 2007, when they first came to Albany and tested the water to find out what it would be like, they said it would be an excellent place for wave energy infrastructure, but they had to test out the equipment first because it is very difficult to get to and from the site where they wanted to put it. Nothing has changed with that. The water by Albany is still the same. Taking that money out of the budget and now giving it to the radiotherapy services, which I applaud the government for doing, leaves a big hole in the budget where that wave energy money

should be. I am really hoping that when the budget comes out, we will see that there are continuing plans to install a wave energy facility near Albany, because the waves are still there waiting for this opportunity to provide us with clean energy. There is no need to put in a resource continually to keep that energy going. Once we put in the clean energy infrastructure, such as the wind farms and all the solar panels in Albany, the energy lasts for the life of the equipment. We need to look at this type of clean energy, not the type that spews carbon into the atmosphere, kills our animals, our plants and us, heats the environment and causes so much damage that we have yet to figure out how to address it. If we put it all together, please continue with the wave energy down in Albany.

I thank the government for helping out the people who need radiotherapy in Albany.

House adjourned at 10.19 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

PREMIER — MEETINGS — SOUTH METROPOLITAN REGION

1803. Hon Nick Goiran to the Leader of the House representing the Premier; Minister for Public Sector Management; Federal–State Relations:

I refer to the email from the Premier's office, dated 29 November 2018 and received at 5:04pm from the Minister's appointments secretary, and I ask:

(a) for what period of time was the Premier in the South Metropolitan Region;

(b) further to (a):

(i) how many meetings, events, functions or similar did the Premier attend;

(ii) who attended each of the meetings, events, functions or similar with the Premier; and

(iii) did the Premier receive or create any documents during or in preparation for the meetings, events, functions or similar;

(c) if yes to (b)(iii), what were those documents;

(d) further to (c), will the Premier table those documents;

(e) if yes to (d), when; and

(f) if no to (d), why not?

Hon Sue Ellery replied:

(a)–(f) For the Member's information, the Premier had three public engagements on the 30th of November in the South Metropolitan Region.

He attended Melville Senior High School with the Member for Bicton; Santa Maria College with the Member for Bicton and the Minister for the Environment; and then visited a Royal Australian Navy memorial in Fremantle.

He was in the South Metropolitan Region for approximately three hours.

For the benefit of the honourable member, that email contained contact details if he required further detail.

Emails of this nature are sent as a courtesy. If the member finds them a nuisance, he can reply asking to be removed from future correspondence.

COMMUNITY RESOURCE CENTRES — TRAINEESHIPS

1804. Hon Martin Aldridge to the Minister for Regional Development; Agriculture and Food; minister assisting the Minister for State Development, Jobs and Trade:

I refer to Legislative Council question without notice No. 697 in relation to Community Resource Centre (CRC) traineeships, and I ask:

(a) which Local Government Authorities (LGA) who do not have a CRC will be eligible for a trainee under the program;

(b) how much funding will be made available to each LGA;

(c) which LGA's will not be eligible for funding for a trainee position arising from their classification as a 'regional capital';

(d) who did the Minister consult with prior to making an announcement in relation to this initiative to provide trainee funding to LGA's without a CRC; and

(e) what will be the total cost of providing trainees to LGA's identified in (a)?

Hon Alannah MacTiernan replied:

(a)

Shire of Capel	Shire of Carnamah	Shire of Carnarvon
Shire of Chapman Valley	Shire of Chittering	Shire of Collie
Shire of Cuballing	Shire of Dardanup	Shire of Esperance
Shire of Exmouth	Shire of Kojonup	Shire of Mount Magnet
Shire of Murchison	Shire of Narrogin	Shire of Northam

Shire of Sandstone	Shire of Tammin	Shire of Three Springs
Shire of Trayning	Shire of Victoria Plains	Shire of Wiluna
Shire of Woodanilling	Shire of Yalgoo	

(b) Each traineeship has a maximum payment of $30,000. One traineeship per organisation per funding round can be requested.

(c) City of Bunbury

City of Busselton

City of Kalgoorlie–Boulder

City of Karratha

City of Mandurah

Town of Port Hedland

(d) The decision was made following a review of the CRC program in 2018, and was designed to increase opportunity by allowing regional local governments to apply. A number of regional councils have expressed interest in participating.

(e) Two million dollars has been allocated to the program per annum. This is a competitive grant program for Community Resource Centres and Local Government Authorities.

MENTAL HEALTH — DIFFERENTIAL OVERHEADS

1805. Hon Alison Xamon to the parliamentary secretary representing the Deputy Premier; Minister for Health; Mental Health:

I refer to the calculation of differential overheads for mental health services across the five area Health Service Providers, and I ask:

(a) what is the percentage of differential overheads for:

(i) North Metropolitan Health Service;

(ii) South Metropolitan Health Service;

(iii) East Metropolitan Health Service;

(iv) Child and Adolescent Health Service; and

(v) WA Country Health Service; and

(b) what percentage of mental health service overheads, in addition to the amounts quoted in (a)(i)–(v), is reserved for funding of Royal Street specifically for:

(i) North Metropolitan Health Service;

(ii) South Metropolitan Health Service;

(iii) East Metropolitan Health Service;

(iv) Child and Adolescent Health Service; and

(v) WA Country Health Service?

Hon Alanna Clohesy replied:

(a) (i) 10.9%.

(ii) 10%.

(iii) 10%.

(iv) 10%.

(v) 10%.

(b) (i) Nil.

(i) Nil.

(ii) Nil.

(iii) Nil.

(iv) Nil.

(v) Nil.

ALBANY WAVE ENERGY PROJECT — CARNEGIE CLEAN ENERGY

1809. Hon Colin Holt to the Minister for Regional Development; Agriculture and Food; Minister Assisting the Minister for State Development, Jobs and Trade:

(1) Is the Minister aware that Carnegie Clean Energy's CETO 6 Project was to be 'commercial' following previous CETO projects that were research and development focused?

(2) If yes to (1), when did the Minister become aware?

(3) Is the Minister aware when Carnegie Clean Energy changed its position on the commercial status of CETO 6 and turned it into an research and development project?

(4) If yes to (3), when did the Minister become aware?

Hon Alannah MacTiernan replied:

(1) The objective of the State Government's Albany Wave Energy Technology Development Project is to develop wave energy technology that could be developed into a full-scale commercial wave energy generation system in the future. This objective was set out in the Request for Proposal issued by the Department Primary Industries and Regional Development to the market.

I am aware that Carnegie has publicly stated its plans to deliver its CETO 6 technology in stages, beginning with an initial commercial prototype of a 1MW unit followed by a 20MW commercial scale wave farm.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

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