

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT BILL 2009

Second Reading

Resumed from 12 November.

HON SALLY TALBOT (South West) [7.53 pm]: I had got to the point in my remarks when we rose on Thursday of canvassing some of the opinions that I believe are fairly representative of the local government sector. I had placed on the record most of the letter from Paddi Creevey, the Mayor of Mandurah, who I note has just been re-elected with a stunning majority. That probably means that Paddi was on the right track when she gave her detailed critique on behalf of the councillors and the community of Mandurah on what the government is doing with this amendment bill. One reason I paid such close attention to her letter was that earlier in my remarks I had made the point that the 300 per cent increase in the waste levy would not impact directly on ratepayers, in the sense that the levy will be paid at the gate of the tip; therefore, the cost for domestic household waste processing will be picked up by the shires and councils who contract out those services to the people who will actually pay when they take their big trucks to the tip. Paddi helps us to understand the one sense when that will not be true; that is, when people take their own vehicle and trailer to the tip after cleaning out their garage, doing some gardening or whatever, then, of course, they will pay the increased rate. The point I was making at the end of my remarks on Thursday was that this touches on yet another area of very real concern to the Labor opposition in that there is bound to be an increase in illegal dumping as a result of this cost impost.

As I pointed out several times already in my remarks, we are not dealing in this bill with the actual 300 per cent increase, but I say again that the measures in this bill will have a direct impact on people who take their domestic vehicle and trailer to the tip, and that will increase illegal dumping because more and better facilities for processing waste are needed. Therefore, the end result of this bill—the concrete measures to remove the moneys from the waste account and put them into the consolidated account, instead of leaving them dedicated to providing better facilities—will be that we will fail to see over the next decade the number of improvements and expansions to waste processing and recycling facilities that we once expected. I will have a little more to say about that as we move along.

I also spoke previously about the distress of the Western Australian Local Government Association, but I will not go into detail on that aspect, as I have already put the concerns of WALGA on record in earlier debates in this place—as I have done with the Town of Kwinana and Mayor Carol Adams, who has also expressed very eloquently her council's and community's extreme disapproval of what the government is doing. Since previous debates in this place, I have had correspondence from a couple of other sources, and correspondence to the minister has been passed on to me for information. Lest members of the government are tempted to say that the concerns about this bill are from only Labor councils or people with an association with the Labor Party, it is worth putting on the record a couple of other comments. The first is a letter from the City of South Perth. Again I say that members of the government cannot be unaware of some of these concerns. As I have said before, these letters are not coming just to me, and I am not the only person who has been sent copies of letters sent to a third party. This letter from James Best, the Mayor of South Perth, has been cc'd also to a number of members of the Labor Party, such as Kate Doust and Paul Papalia, the shadow Minister for Local Government; and a couple of Independents in the other place. The letter has also been cc'd to John McGrath, the member for South Perth. I cannot believe that members in the government's party room have not been vocalising some of this extreme disappointment that local governments are expressing. The letter dated 3 June 2009 is to the Minister for Environment. It is headed "CHANGES TO THE LANDFILL LEVY", and in handwriting the word "LEVY" has been crossed out and the word "tax" has been written. The letter is addressed to the minister; therefore, I assume she has seen it. It reads —

Dear Minister

...

I was very disappointed to receive your letter dated 18 May 2009 in connection with your decision to increase the metropolitan landfill levy by 300% from 1 July 2009 from \$7.00 to \$28.00 per tonne. I am disappointed in a number of areas which I would like to detail as follows:

You would no doubt be aware of the Agreement signed by the Premier, Minister for Local Government, WALGA President and LGMA President in 2002.

Mayor Best's letter continues —

The Agreement sought to improve co-operation between State and Local Government through consultation, communication, participation, co-operation and collaboration at both strategic and project levels. The Agreement therefore requires consultation between State and Local Government when any action is contemplated by either party would have an impact on the other party. Clearly there was no

consultation prior to the announcement on this particular decision and as a result a breach of the Agreement has occurred.

The extent of the increase in the landfill levy is unprecedented at \$21.00 per tonne or 300% and has not been justified in your correspondence. This will have a significant impact on the City's waste management levy. The increase in levy comes on top of an increase in the collection rate per tonne charged by the City's recycling contractors of \$11.30 per ton or 72% with effect from July 2009. This rate increase is largely due to the collapse of the markets for recyclable material as a result of the Global Financial Crisis. These two charges alone therefore will cause a significant increase for our ratepayers when Council adopts its budget for 2009/10 excluding any other increases that may arise such as transport and normal waste disposal costs.

Mayor Best was pointing out the appalling timing of this measure. There had already been several prominent media stories about the fact that the recycling industry in Western Australia was in crisis. We had graphic pictures of the fact that storage was all but exhausted in Western Australia because of the collapse of overseas markets. At the time, I went on record calling for the government to explore the possibility of encouraging and expanding domestic markets for recycled material. Doing nothing would have been better than what the government actually did—that is, taken a big swing the other way and at least doubled the impact that recyclers were feeling as a result of the collapse of overseas markets because of the global financial crisis. The letter from the City of South Perth continues —

The purposes to which the proceeds of the increased levy will be used is disgraceful.

This is strong language, given that one would not normally have expected the Mayor of the City of South Perth to make comments like this about a conservative government. This is very strong language. The letter continues —

You have indicated in your letter that the proceeds will be used “to fund other activities of the Department of Environment and Conservation (DEC) beyond those relating to Waste Management”. It is understood that the DEC will receive an extra \$39M as a result of the waste levy increases. Local Government has therefore become a general revenue collection agency for the State. This action is unprecedented and must be reviewed as a matter of urgency.

The City operates a Waste Transfer Station at its Operations Centre in Como. It is one of only a few waste transfer stations that operate in the inner metropolitan area. I fear that the increased charges will result in increased illegal dumping of material on verges, parks and reserves and vacant land which will then become a local responsibility to clean up. This is clearly not satisfactory, and as the Minister for the Environment you should be very concerned at this likelihood.

I am sure that Local Government would accept reasonable increases in the waste management levy with consultation and with the knowledge that the proceeds would be used to provide assistance to minimise waste disposed at landfill including the provision of alternative waste treatment facilities. This I understand was the original objective for introducing the landfill levy.

I cannot accept and nor do I understand the reasons for your decision in this matter. The decision, on the surface, seems to be unjustified, illogical and without precedent to the detriment of Local Government and its ratepayers.

I would therefore seek your agreement to urgently review this decision.

Yours sincerely

JAMES BEST
MAYOR

I think that is very well expressed. I could not have put it much better myself. What Mayor Best pointed to is exactly the crux of the argument that I am advancing in my remarks; that is, we are looking at something that is unjustified, illogical and without precedent in the way that it has managed to alienate every single stakeholder in the field.

Hon Peter Collier: Are they all letters?

Hon SALLY TALBOT: My objective is to give substance to my claim that every stakeholder is offside. I want to alleviate any suspicions on the government's part that the people who are offside are just the green ratbags. That is why I thought it was worth looking at some —

Hon Robin Chapple: Hey!

Several members interjected.

Hon SALLY TALBOT: No, Hon Robin Chapple knows exactly what I mean. He knows about green ratbags. I know that many, many people in this city wear their green ratbag tag with a great deal of pride—do they not, Hon Robin Chapple?

Hon Matt Benson-Lidholm: He is giving it due consideration. I do not know whether he is yet convinced!

Hon Robin Chapple: An honourable member who used to be in this place referred to us as watermelons—green on the outside and red on the inside!

Hon SALLY TALBOT: That is very nice. I can relate to that.

I move now to the Shire of Capel, which is in my electorate. The Shire of Capel wrote to me on 2 July. The letter is headed “Waste Avoidance and Resource Recovery Levy” and it makes the following points —

Council recently considered the decision by the State Government to substantially increase the Waste Levy as part of its 2009/10 State Budget and resolved to strongly voice its opposition to this proposal. The lack of consultation with local government and adequate notice on the proposed increases is extremely disappointing as it has allowed only minimal time for local governments to plan for the increase.

The waste levy as introduced in 1998 was on the basis of providing support to the introduction of waste resources recovery facilities to significantly reduce waste to landfill as a key platform under the then WA State Government Policy “Zero Waste to landfill by 2020”.

At the introduction of the legislation and the levy, the parliament was told that:

Remember that this letter is talking about the original introduction of the levy in 1998, when of course we had a Liberal government. The quote the Shire of Capel found, presumably from the second reading speech, states —

The primary purpose of the establishment of the landfill levy was to provide resources to fund projects for advancing waste reduction and recycling.

Who could take exception to that? Who could find any problem with that? Who would look at that statement and say, “We’ve got to change this; let’s do it as soon as we get into government”? The letter goes on —

The proposed changes to the levy for the 2009/2010 State Government budget sees a significant departure from the initial principle behind this levy.

The main change to this legislation will see the revenue, creating many millions of dollars, derived from this levy increase, being used to offset administrative costs for the Department of Environment and Conservation.

The levy was never designed to offset State Government administrative costs or fund the running of a government department. Local Government will have to pass these additional costs, effectively government taxes, directly to the end user, the members of the community. The decision to use this levy to provide for anything other than *for advancing waste reduction and recycling*, is not appropriate.

I interrupt myself again to point out that these letters from non-metropolitan shires need to be taken very seriously. These people do not pay the waste levy. These people are not upset about the 300 per cent increase. These people are upset about the violation of the principle that was enshrined in not only Labor’s waste avoidance and resource recovery legislation, but also the original legislation supporting the levy in 1998. The letter continues —

Representatives from the Western Australian Local Government Association recently met with the Minister for Environment, the Hon Donna Faragher to raise concerns regarding the proposed increase in the Landfill Levy.

Specific points which were raised with the Minister included:

- Lack of consultation with the sector regarding the increase;
- Local Government opposition to the removal of hypothecation for the Levy;
- Likely increase in illegal dumping as a result;
- Likelihood of increasing transport of waste from the metropolitan to non-metropolitan areas (and dumping in non-manned landfills); and
- Needs of the waste industry (such as support for recycling).

The response from the Minister included:

- That WA needs to improve recycling, particularly construction and demolition; and she sees an increase in the Levy as one way to do that;
- Under the proposed WARR Act Amendments waste related issues would receive about \$13 million/year (as with the current Levy rates); and
- The Department of Environment and Conservation is drafting changes to the Environmental Protection Act to significantly increase the fines for illegal dumping.

Waste disposal is a critical issue for all levels of government, and if the State Government wishes to extract additional funds from this levy, then the funds collected should be invested back into waste management technologies and practices, as was the agreed basis as to why the levy was first introduced. Without this support the continued diversion of waste from landfill will be put in jeopardy as the levy increase only penalises resource recovery facilities.

Council also strongly supports an exemption from the levy for all residual wastes from the resource recovery facilities thus providing further incentive for the development of such facilities.

While Council is not currently impacted by the proposal, being outside of the levy area, it would be if the area covered by the levy is extended to regional areas and the fact that the Minister will give no assurance that this will not happen provides little comfort to Council.

I will have more to say about that later in these remarks.

Hon Robin Chapple: I thought the Mayor of Kalgoorlie had been advised that he got a rock-solid guarantee.

Hon Donna Faragher: He did.

Hon SALLY TALBOT: It is very, very confusing. That was the point I was going to make a little later. Sometimes it is yes, sometimes it is no, sometimes it is maybe. It is worth looking at exactly what the Waste Authority is doing in this regard as well, which the minister may or may not be aware of —

Council as a matter of principle is strongly opposed to local government becoming effectively a tax collection agency for the State Government and for funds raised for a specific purpose being diverted elsewhere to supplement the lack of State allocated resources.

Council would therefore strongly urge you to oppose the introduction of this levy increase and to especially oppose the amendment to the Waste Avoidance & Resource Recovery Act to allow for these funds to be used to offset administration costs for the Department of Environment and Conservation.

Council trusts that the State Government will give serious reconsideration to its current position on this matter in regards to the level of increase proposed and that the funds are being directed away from the original intended purpose.

That letter is from Murray Scott, the shire president of the Shire of Capel.

The unifying feature of these comments is not just that they are all about the same topic, but also that they all very eloquently express in cogent terms the reason for the belief that the minister is taking a retrograde step in putting this bill before us.

I also draw honourable members' attention to an entire section in *Western Australian Business News* of 16 July. I refer to a special report by Dan Wilkie entitled "Landfill levy no solution". It draws on a lot of material that I have already canvassed. I am keen to not go over any old ground in making these remarks. The article in *Western Australian Business News* was very substantial.

WALGA itself has developed its arguments. I paid tribute on Thursday to the estimable Rebecca Brown, who is a member of staff at WALGA and who also works for the WA branch of the Waste Management Association of Australia. I have a letter, forwarded to me, from Rebecca on behalf of Mayor Troy Pickard. I have noted before that this is another person whom we would normally count as being in the ranks of the government but who is pretty fed up with the way that the minister has done this. The letter is written on behalf of Mayor Troy Pickard in his capacity as chair of the Municipal Waste Advisory Council and deputy president of the Western Australian Local Government Association, and councillor Bill Mitchell, who, as we know, is the president of WALGA. This letter is addressed to me. It states —

Dear Sally

On behalf of the Western Australian Local Government Association and its 139 member Local Governments, —

I think I have noted before, but it is worth putting on record again, that WALGA now covers 100 per cent of local government authorities in Western Australia —

I am writing to you to encourage you to amend the Waste Avoidance and Resource Recovery Amendment Bill 2009, soon to be before the Legislative Council. The Association expresses extreme concerns about this Bill and its implications.

The association then canvasses an amendment. I will not go into that here because we will have ample time in committee to consider that sort of stuff.

I believe that the minister met with WALGA on at least one occasion and that the Premier was also present at that meeting. I am not sure that there is a consistent message coming from government on some of these issues, because every now and then since 14 May I have sensed a lifting of spirits in the local government sector and amongst industry players who think they have had an encouraging sign from government that some of these amendments might be considered or, indeed, that some fundamental rethink of this direction might be underway. Sadly, every time the minister responds to my questions it becomes evident that no change is proposed and there is no rethink of this disastrous direction that she is putting in place. That is a matter of dreadful disappointment. I ask that if changes are being contemplated, particularly by way of amendment from the government, they be shared with the non-government parties in this place so that we have ample time to consider them. I certainly am working on the basis that there are no amendments proposed by government at this stage.

The communication on behalf of Mayor Pickard and Councillor Mitchell under the heading “Local Government does not support the amendment of the WARR Act to change how the Levy can be used” goes on —

Local Government strongly supports an amendment to the Bill which ensures 100% of funds raised through the Levy be directed to strategic waste management initiatives—in line with an agreed State Waste Strategy (currently the Strategy is in draft form).

Local Government supports the Levy being used to achieve strategic waste management objectives

The Levy was put in place to fund strategic waste management objectives, not as a general tax to fund core government functions in the environment area. Local Government supports the Levy as a tool to raise funds for strategic waste management initiatives. For the Levy to work as a disincentive to landfill, as was identified in the State Budget papers, there needs to be higher level strategic planning in place. If there is no alternative end market for material, an increase in the Levy will not affect diversion—instead the likely outcome is the price increase will just be passed on to consumers. The State Waste Strategy is still in draft form and without an agreed Strategy it is difficult to know the amount funding needed.

They go on to talk about the impacts of the proposed increase —

Some potential impacts of such a Levy increase, without supporting systems, include:

- Potential increase in illegal dumping in metropolitan areas; and
- Increased amount of waste moving from the metropolitan to non-metropolitan landfills and consequent increase in costs for Local Governments running landfills in these areas.

Support is needed for Local Government and Recycling

The Association considers that there are a range of projects that could expend current and any additional Levy funds. The Association has developed a range of strategic waste management initiatives which show some of the areas funding from the Levy could be applied.

I think that should read “which show how some of the areas funding from the levy could be applied”. It goes on —

Key areas for expenditure include Household Hazardous Waste, Strategic Waste Management Plan implementation, Alternative Waste Treatment facilities, State-wide recycling public education and support for regional waste management.

That is only a short list of the full list that I will go into a bit later. It continues —

The Association has provided these initiatives to the Environment Minister and looks forward to discussing them with the Minister in due course.

That is that communication. It is also worth noting, from the other end of the political spectrum, that an alliance of activists has come together to put forward a summary of these issues. They sent a copy to me and to the member for Belmont, the Leader of the Opposition in the other place. This letter is signed by Piers Verstegen,

Director of the Conservation Council, and Bruce Bowman, President of the Waste Management Association of Australia. The third partner is Boomerang Alliance, about which I will have a little more to say as we move along.

Hon Robin Chapple: It's a very good organisation

Hon SALLY TALBOT: It is an excellent organisation; it does very good work and it is powering the debate along about extended producer responsibility.

Hon Robin Chapple interjected.

Hon SALLY TALBOT: Indeed it has. When I was speaking on this bill last week I was pleased to put on record some of the acclamation of Peter Garrett's moves in that area.

I will not go into this in any great detail because I know that the same points have been communicated to every member of the government. I am sure that when they make their contributions to this bill, they will have to address these issues. We need to hear—not just from the minister—members' responses to this letter and to those people who interact with members as parliamentarians in other areas of their operations. Covered in this letter is the fact that, as we would expect, this alliance is not opposed to raising the landfill levy; in fact, it supports an increase because it believes it is necessary to reflect more accurately the environmental costs of landfill and to create an economic incentive to divert recyclable materials from landfill and raise funds for promoting better waste management practices and increasing recycling. I like the way the alliance expresses that.

Without drawing you into this debate, Mr Deputy President (Hon Max Trenorden), last week, by interjection, you talked about putting a cost on some of this material—similar to the way the federal government is treating carbon—and the fact that, once we put a cost on it, it can be factored into the economic cycle. The letter states —

At present, the WARR Act requires that moneys raised as a result of the WA landfill levy are hypothecated for waste avoidance, recycling, and related purposes as determined by the Waste Authority. The Bill, if passed would allow the levy funds to offset very significant reductions in the Treasury allocation to the Department of Environment and Conservation ... The effect is that Landfill Levy funds would be providing an increase to the State Governments consolidated revenue base, and as such, any claims that the Landfill Levy funds would be used to support environmental programmes cannot be supported.

This is a very interesting point. It has been made to me by a number of people in a number of different forums, but I think it is particularly well expressed in this letter from the Conservation Council and the WMAA. It states further —

In recent history, when the state's forest products agencies came under the umbrella of the environment agency, revenues from forestry operations were used to fund the department's regulation and environmental management activities, including the regulation of forest industries. You can see how this funding arrangement created a serious structural conflict-of-interest within the environmental agency.

We believe that the effect of the WARR Act amendment Bill will be to introduce a new conflict of interest into the DEC which is as serious as that referred to above. Funding a large proportion of the DEC budget through the landfill levy not only creates a fiscal dependency on an unsustainable practice (landfilling) within the DEC, but also compromises one of the core functions of the agency under the *Environmental Protection Act*, that is to regulate waste management industries (including landfills) and to develop and implement policies that seek to reduce waste to landfill.

In a recent inquiry into waste management in Western Australia established by the Liberal-National Government, the Parliamentary Standing Committee on Environment and Public Affairs made some important recommendations with respect to the use of the landfill levy funds. We provide relevant excerpts below from the Committee's report:

I will provide the source of them so that interested members can look up the reference for themselves. The Conservation Council and the WMAA quote finding 23 and recommendation 3. I have already put recommendation 3 on the record in this debate. The letter continues —

Rather than following these important recommendations, it seems that the WARR Amendment Bill has been introduced with the opposite intention.

An important election commitment of the Liberal Government is to review Western Australia's environment legislation to ensure that it meets best practice standards. This is a commitment that the non-government conservation sector takes very seriously. As such, we are extremely disappointed that

the first Bill the Government has introduced in the environment portfolio is so dramatically inconsistent with that commitment.

It is therefore with the above considerations in mind that we seek your support to prevent the passage of the WARR Amendment Bill.

This letter is to the member for Belmont, the Leader of the Opposition. Again, that is a very eloquent expression of the concerns that I have been pointing out. The point of putting that on the record was to seek an answer to the question: who did the minister consult? She clearly did not consult local government. Did she consult the Waste Authority?

Hon Ed Dermer: With a process of elimination we can see who the minister didn't consult, then identify who she did consult.

Hon SALLY TALBOT: Yes, and I think we will end up with a big, fat, round number at the end of it.

Hon Ed Dermer: It will be very interesting to find out from the minister in due course whom she has consulted.

Hon SALLY TALBOT: It will indeed. The minister clearly did not consult the Waste Authority. The chair of the Waste Authority, Barry Carbon, is quite specific about that. At a public hearing of the Standing Committee on Estimates and Financial Operations on 29 June, I asked him the following question —

Was that change recommended by you or by the Waste Authority board?

I was asking Mr Carbon about the change from the Waste Authority being the decision maker on levy increases to the minister being the decision maker. Mr Carbon replied —

It was a decision of the government. There is a package of changes in the bill that is part of the budget processes; it came to us as part of the budget papers, and they were decisions of government in the absence of input from the Waste Authority.

There is no equivocation there; the minister did not talk to either local government or the Waste Authority—surely two of the biggest and most important stakeholders in the field of waste management and recycling.

The third group of stakeholders is industry itself. It occurred to me that the minister might have received some input from industry. Members of industry have divergent opinions. During the committee stage we will canvass very carefully the approaches people in the waste industry are taking that are different from the approaches of people in local government and people whose interest in recycling has a darker tinge of green. However, it appears that the minister did not speak to industry either. A series of letters that very clearly indicate that have been passed to me or are directly addressed to me. The first letter, dated 9 June, is from Warren Watkins, an individual as opposed to a representative of a company or a collection of industry operators. He signs himself as a Western Australian resident and small business operator. He wrote as follows —

I write to express my opposition to the substantial and unaffordable increase in the Waste Avoidance and Resource Recovery Levy ... proposed in the 2009/10 State Budget by the Department of Environment and Conservation.

Opposition to the 300% increment in the Levy, is based on a number of reasons. These are as follows:

I point out that this letter was copied to the Premier, Hon Donna Faragher, Troy Buswell and John Castrilli. I hope that, once again, these views and others like them have been carefully canvassed and considered in the party room. Mr Watkins' letter continues —

Opposition to the 300% increment in the Levy, is based on a number of reasons. These are as follows:

There are six of them —

1. In view of the economic climate, an increase of this proportion is unsustainable for many small operators. The general public, whilst aware of the need to recycle their daily wastes, do not appreciate the costs associated with rubbish removal fees. As a result, operators are often faced with carrying additional costs as they refuse to meet the costs borne by the operators. There is a need to initially educate the public and gradually increase fees. The sudden increment will only see many operators faced with burdensome costs resulting in many to close operations or reduce their workforce.
2. Furthermore, in view that many Western Australians are facing tighter household budgets, fees such this Levy will result in more 'good citizens' resorting to bad behaviour as they struggle to meet daily basic expenses. Additional costs of rubbish removal will not result in the positive behaviour sought under this policy position. The reality is illegal dumping will be the likely consequence, especially in view that the use of recycling plants attract even higher fees.

Incidentally, Mr Watkins lives in Hamilton Hill. The letter continues —

3. Private waste sites have been in operation to relieve pressure from Local Government owned facilities, though little incentive has been offered to reduce the costs of recycling plants. A focus should be placed on making these facilities more affordable for residential and commercial use.
4. There does not appear to be any analysis of the ramifications of this increase upon businesses as well as local residents. Rubbish removal is a fact of all businesses.
5. The process of introducing this significant increment does not reflect open and transparent Government. With such a significant increment which will have a flow on effect for most parts of business and all residents, an open and consultative process should have been undertaken.
6. All Government Agencies have been requested to meet a 3% efficiency target. It though is questionable whether any efficiencies have been met with the prospect of \$39 million in extra revenue claimed from the public.

We are in support of sustainability and ensuring that our resources, including land use is responsibly managed. However, common sense and a reality check are needed, in view of this sudden spike in costs imposed upon the community.

Whilst, it is agreed the Government has a responsibility to ensure sustainable management of resources, it needs to be understood that sustainability has three aspects—economic, environmental and social elements. Clearly this policy does not meet all three aspects of good, sound sustainable policy.

I would go a step further and suggest that maybe Mr Watkins meant that it does not meet any of those objectives, in my view. He goes on —

This matter is also managing business exposure to sovereign risk. The Government is asked to provide some certainty to local businesses and all Western Australians that further substantial cost increases will not be introduced.

To indicate that there is significant support for this position, a petition is being collated as well as a number of operators from various businesses in industries will be contacting the Minister for the Environment, the Department of Conservation and Environment, Zero Waste and the Opposition.

We trust that serious consideration be given to this petition ...

That really interested me. That is representative of a number of small business operators who have contacted me and some of my colleagues in the opposition to point out that they will suffer not only as ratepayers who will be forced to pay the extra levy, but also as small business operators in the recycling and waste resource recovery industry.

I met with Sims Metal Management Ltd, which is one of our biggest operators in the area of waste resource recovery. I certainly would not call it a small business operator. The people from Sims Metal were able to explain to me exactly what the facts of life are as business tries to incorporate the effects of what the government is doing. For members who have not come across Sims Metal, it is one of the biggest processors of scrap metal in Western Australia. It is an Australian publicly listed company that has been in operation since 1917. It is a big outfit and it knows what it is doing. Some of the documentation that it has provided to me informs me that it has grown from an Australian recycling operation into the world's largest secondary metal provider and metal recycler, with operations in not only Australia, but also North America, New Zealand, Papua New Guinea, Canada, China, Malaysia, India, the United Kingdom and the rest of continental Europe. It is one of the top 50 companies listed on the Australian Stock Exchange. It is a big company and it is absolutely furious about what the government has done. It believes that it will impose an extremely significant cost imposition on its operations. I am talking about a company with a turnover that is in the hundreds of millions of dollars a year. Sims Metal helped me understand how this move will send the processing of scrap metal in this state backwards.

I will tell honourable members a bit about the way that Sims Metal operates. It has a machine called a shredder. That immediately conjures in my mind a picture of the shredder in my office. However, the shredder in my office does not cost \$20 million, whereas Sims Metal's shredder does. Its shredder is like a giant food processor. There are only two such shredders in Western Australia. The shredder shreds light-gauge material. I had to ask what that was and was told that it does not shred things such as railway lines; it shreds the lighter type of pliable metals and turns it into a cube of metal. Sims Metal takes out of the scrap metal the steel that is valuable and the mixed non-ferrous material; that is, aluminium, copper and stainless steel.

Hon Ed Dermer interjected.

Hon SALLY TALBOT: That is right. There is steel and also mixed non-ferrous material. A car body contains material that Sims Metal and other scrap metal processors classify as having no value. The name given to the material of no value is “flock”. Flock consists of foam, glass, plastic, rubber and general dirt. The windows and dashboards are removed from the cars. Sims Metal has refined that process over many years. When Sims first started doing it, about 30 per cent of the material ended up in landfill. Sims Metal tells me that it has reduced the amount of material that goes to landfill to about 20 per cent of the total scrap material. In other words, about 80 per cent of the scrap metal is recycled. To pick up the point Hon Max Trenorden made by way of interjection last week, the scrap metal is given a value.

Some members have the conceptual mental apparatus to deal with numbers. I must say that I do not; I tend to need things to be translated into concrete terms. Sims Metal processes about 120 000 tonnes of waste material a year by this method. I have referred a couple of times to the fact that the global financial crisis has had a very serious impact on the recycling industry, and nowhere is that more evident than in the operations of industries working on the scale of Sims Metal. To give members an idea of the way in which the relative value of this material has fallen since the start of the global financial crisis, Sims Metal was getting something in the region of \$US700—I will find out whether that was the figure per tonne—before the economic downturn, but it is now getting \$US200. I will clarify at a later stage what unit that figure refers to. That is obviously more than a 30 per cent fall in value. The approximately 20 per cent of material that goes to landfill will now accrue a much greater cost. The calculation is that the cost will be so much greater that it is likely that some of the recycling might literally become financially unviable.

Hon Ed Dermer interjected.

Hon SALLY TALBOT: Absolutely.

What impact will this have? Would another company just move in? It turns out that Sims Metal is the main contractor for most of the state. The landfill levy obviously applies only to metropolitan councils, but a lot of concern is being expressed by non-metropolitan councils for the reason that Sims Metal has contracts in Geraldton, Albany, Esperance and Kalgoorlie. When I spoke to Sims Metal, it had just finished clearing the scrap metal from the tip at Jigalong. It does a lot of work in regional areas; it actually goes out there and collects scrap metal from landfill. This is a very good thing. As Hon Ed Dermer pointed out by way of interjection, this is exactly the direction this state should be going in.

When this cost is imposed on Sims Metal, it will have to do a serious re-evaluation of whether it will still be economically viable to undertake this operation. I put it to honourable members that this is a very serious factor that we must consider as we work our way through this bill. I am certainly looking forward to hearing the minister respond to this concern.

Sims Metal has provided me with numerous bits of material and I will very briefly refer to two of them. Towards the end of last week Sims Metal sent me a document that the minister may not have seen, which is why I want to draw it to her attention and to the attention of her colleagues in government.

[Quorum formed.]

Hon SALLY TALBOT: In case the minister is not aware of this document, it is an executive summary of a report commissioned by the Environmental Protection Authority in Victoria. I will quote one sentence from it. It states —

This report has found that:

“the imposition of the landfill levy on the flock generated through the steel recycling process could lead to a reduction in recycling rates and a commensurate increase in the quantity of waste going to landfill.”

We need an answer to that. We need to know whether that will not be the case in Western Australia, whether this report has got it wrong, and what circumstances exist in Western Australia that make us different. If it is true, we clearly need to make substantial changes to the bill before us.

Sims Metal does not want to work against the government; it very much wants to work with the government. I will run through some dot points from a document it has given me. It states —

- Simsmetal appreciates that the WA Government is committed to changing the attitude of waste generators and ultimately reducing the amount of waste sent to landfill.

That is a good cooperative statement with which to open its comments. Further along, the document continues —

b) Why The Waste Levy Fails:

A couple of points are made that are worth putting on the record. The document states —

- **FORCES UP THE COST OF RECYCLING TO THE POINT WHERE IT CAN EXCEED THE VALUE OF THE RECOVERED MATERIAL.**

This makes recyclables not worth being recycled. Already we are seeing much recyclable product being buried in landfill, particularly in regional areas. The very instrument that was introduced to enhance recycling is now actually having the opposite effect.

- **FORCES RECYCLABLE PRODUCT TO BE BALED AND EXPORTED OFFSHORE.**

This is very often in Third World countries, where waste levies and landfill costs are nil. The effects of this are as follows:

1. Governance over these landfills mean environmental outcomes are poor.
2. Australian jobs in the recycling and related downstream industries (steel production and sales) are being exported overseas.
3. Finally, the State Government is missing out on its waste levy taxes due to this product going offshore.

The minister is going round and round in circles, and we know what happens to people who do that! Eventually they end up going down the plug hole.

Hon Ed Dermer interjected.

Hon SALLY TALBOT: Precisely, and what about the uncontrolled landfills in other countries? We know that landfills are major contributors to carbon emissions.

The fourth point states —

- **AN INSIGNIFICANT PORTION OF RECOVERED LEVIES ARE USED TO FUND RECYCLING AND WASTE MINIMISATION INITIATIVES.**

The initial concept for the use of waste levy revenues was to fund waste and environmental projects/initiatives/governance etc. Clearly it is now viewed as a substantial revenue stream somewhat removed from its original intent. In WA the State Government propose that only 25% of such revenues be used as originally intended!!

The final point is that the state government is double-dipping; that is particularly interesting. It states —

- **STATE GOVERNMENT IS “DOUBLE DIPPING”.**

When recyclable material eg; a car body, initially makes its way to landfill the State Government charges and receives its waste levy. Recyclers, such as ourselves, spend a lot resources in extracting this material from landfill for recycling purposes. As not all of the material is recoverable, a small percentage ends up back in the landfill and the waste levy charged on this material again!!

I leave members of the government to contemplate those points, all of which are very serious and suggest that this bill is not worth a cracker; it is a waste of the paper that it is printed on. The bill actually needs to be withdrawn, but if the government refuses to withdraw it and the opposition can see its way to amending it, it certainly will.

A number of other points have been put to me by industry players. A member of the Waste Management Association of Australia has given me a number of dot points. I will not reveal his name at this point, but he was an active participant in some of the consultations the Waste Authority undertook when devising the draft waste strategy. I am sure that as I go through some of these points his identity will become apparent to members who have taken a close interest in this. He points out that the key issues of concern are the size of the increase and the end of hypothecation. He states —

1. Key Issues of concern

- 1.1** Size of increases (without consultation or warning)
- increased tax on households in recessionary times (putrescible);
 - local government's increased role as unpaid tax collectors for State (putrescible);
 - many small operators (e.g. disposal bins) locked into contracts at existing and previously announced new price increases before the budget — but not the budget increases (inert);

That particularly applies to inert waste —

- increased tax on new houses/first home buyers as this is where the market activity is currently (inert);

Again, that refers to inert waste —

- alternative waste technology systems can cost up to \$100m capital investment. Abrupt rule changes do not foster positive decisions by companies (putrescibles).

He makes another series of points to do with the ending of hypothecation, which he entitles “DEC to keep increased levy funds to offset budget cuts”. Again, there are five points —

- direct conflict of interest;

This is the same point the Conservation Council made in the letter that I quoted —

- former CALM was split into Forest Products Commission and CALM because of a comparable conflict;
- akin to Police keeping multi-nova fines to offset budget cuts;

Again, that is a point I have made and elaborated on —

- why would DEC do anything to help direct waste from landfill if it means reduced revenue and a budget hole?

Again, a point I have canvassed in some detail —

- recognise reluctantly that the 2009-2010 financial year may need re-dressing. Therefore no legislative amendments supported but a one-off bail out only through the Consolidated Fund ...

That is obviously not a course that any of us would welcome. I think I have said enough on that topic to give members on both sides a flavour of the fact that industry is very unhappy—as unhappy as local government and the people at the Waste Authority, who feel that their advice and expertise have been totally bypassed by the government in bringing us to this unhappy point.

Before I move off this topic I will quote one final letter from the Waste Management Association of Australia. Again we find, in this letter, a cooperative approach. The association indicates conditional support for a levy increase, but there is no support for the bill before the house. and no support for the ending of the hypothecation. It is worth going over those arguments in some detail. The letter starts off by saying that WMAA conditionally supports the landfill increase—making much the same points that the Conservation Council made—but it does not support on this occasion the process undertaken by the state government to propose amendments to the landfill levy. It is not supportive of levy moneys being used for initiatives that are not waste related. This is worth putting on the record —

Funding is required to further the development of the waste industry through the implementation of the mechanisms embedded in the WARR Act including but not limited to Extended Producer Responsibility Schemes such as Container Deposit Systems.

Local Governments across the State are in the process of submitting to the Department of Environment and Conservation (DEC) Regional Investment Plans (RIP) in order to implement waste reduction strategies identified during the preparation of Strategic Waste Management Plans initiated by the Waste Authority.

Again, if the minister is not aware of the material I am talking about, I urge her to have somebody dig it out for her so that she can be properly informed when she makes her contribution to this debate. The letter continues —

WMAA has in its letter to the Waste Authority in November 2008 identified waste related initiatives “Big Ideas” that without external funding will most likely not be implemented. WMAA’s “Big Ideas”, where still relevant, were included in the WMAA submission to the Parliamentary Inquiry during February 2009. A copy of WMAA’s submission to the Inquiry is attached.

The WMAA wants all the moneys collected through the landfill levies to remain hypothecated to waste-related initiatives. Finally, the letter makes the point that the association does not know what is happening with future levy increases. Those are all points that we need to look at in some detail as we move through the second reading debate and into the committee stage.

I will go back briefly to budget paper 3, because I noted at the beginning that it is hard to call the community a stakeholder in this, but it affects every ratepayer in Western Australia, everybody who has an interest in waste, and indeed anybody who has ever cleared out a shed. I mentioned at the beginning of my remarks the cost impost on them, and how this 300 per cent increase in the waste levy will bring that cost slug onto ordinary

members of the community up to about \$1 000 a year. In appendix 10 of budget paper 3 I found the comments about the proposed changes to end hypothecation. I will read the introduction to appendix 10 —

The Department of Treasury and Finance has produced, for a number of years, a model that estimates the costs incurred by a ‘representative household’ through the consumption of certain State government goods and services. The model’s parameters are outlined in this appendix.

It should be noted that calculating the effects of changes in State government tariffs, fees and charges for a single ‘representative household’ can never capture the enormous diversity in household structures or the widely differing patterns of usage of State government goods and services.

The model simply seeks to highlight the impact of changes in major State government tariffs ...

I am looking here at the government’s own list of charges that have been increased: water, including both consumption and annual supply charges; sewerage; drainage; electricity, including both consumption and annual supply charges; public transport; compulsory third-party insurance; motor vehicle licence fees; driver’s licence fees; stamp duty on both compulsory third-party insurance and general insurance; and the emergency services levy. Those are all cost hikes. On top of that, there are the things that have been taken away. The government has taken away the It Pays to Learn program. Why any government would do that is a mystery to me. It Pays to Learn was one of the most basic forms of assistance that we could think of to give ordinary families some help with the cost of education, yet the first thing this government does is remove it. It is not in my portfolio, and it does not have to be answered by this minister, but it all adds up to the explanation of why the community is so unhappy. Not included on that list, of course, is the increase in the waste levy and, of course, the fishing tax that the government is stumbling around with at the moment.

However, this is not the only reason that the community is unhappy. I have mentioned before that we should not assume that the community is only unhappy when its hip pocket is hit. It is also very unhappy about the philosophical direction that the government is going in. I have referred already to the Boomerang Alliance, which periodically surveys the community to find out its attitudes to recycling and waste avoidance, and how those attitudes are changing. As a result of the data from the Boomerang Alliance we can see that there is a deep ideological commitment in our community to avoiding and reducing waste and changing the whole way that we deal with waste. Just a couple of months ago I took delivery of either a sofa or a fridge—I have replaced both recently. It was a piece of furniture of that size. I was absolutely staggered when the people who delivered it—who were incidentally not the people I had bought it from, because they all employ contractors now—unpacked it for me and then removed the packaging and took it with them. That is the first time that has ever happened to me. I thought that it was very interesting, and it showed me that community attitudes are indeed changing. I have checked with some of my friends and colleagues, and I have found that most people have never experienced this, so I think it is something that has changed in recent months. Deliverers of big items of furniture now know that often the packaging the customer is left with is bigger than the item itself, because it goes around it. So they took the packaging away. My problem of course is that I have no idea where it went. They may have just taken it to the nearest landfill site. There was no guarantee that they were actually going to recycle it.

As a mark of changing community attitudes, I have also used several times the example of water restrictions in Queensland. Interestingly, after many years of drought and very severe water restrictions, once it rained the government relaxed some of those restrictions. Queensland got to a point at which there was actually a community backlash against removing the water restrictions. The community turned around to the government and said, “Now we understand what a scarce resource this is, we don’t want the restrictions removed, because we have learnt to live with less water.” The government seriously underestimates the extent to which community unhappiness is to do with the ideological trashing of the policy of Towards Zero Waste by 2020.

I said briefly in my earlier remarks that the government appears to have abandoned the argument about this levy being a tax. It appears that the minister is now perfectly prepared to concede that it is a tax. If that is the case, I would like to hear her talk more about it openly. Certainly if members have followed the debate in the other place, they would know that the government’s only response to the accusation that it was a tax was that it was a tax when we introduced it. That is patent rubbish and will not be stood for in this house. I shall therefore be interested to hear what the minister has to say about that.

I have referred briefly to the regions and how we were a little surprised when we started getting comments back from the regions expressing their concerns. I have said that it is partly to do with the problem of the increase in illegal dumping, which the minister herself has conceded will occur once these measures take effect. We know that she thinks that will occur, because a couple of days after we raised that as a major issue connected with the legislation, she came into this place and said that she was going to significantly increase the penalties for illegal dumping—I think through an amendment to the Environmental Protection Act. That of course is a move that we welcome, but will that make a difference? Yes, of course it will make a difference. Will it make enough of a difference to make the measures contained in this bill palatable? Absolutely not! It will do nothing to mitigate

the effects of this bill, because the reality is that the cost of cleaning up illegal dumping is still being duckshoved onto local government, and that adds to the concerns being expressed by local government.

We could summarise the problems in the regions as follows: an increase in illegal dumping; metropolitan waste being carted to unstaffed tips; and the Sims Metal problem with the removal of scrap metal from regional landfill sites. When people think in a personal sense about that second point about metropolitan waste being carted to unstaffed tips, they may ask themselves whether it really arises, or whether it is not just a little contrived, as there is no way that people are going to drive their trailer to Geraldton to get rid of waste for free or more cheaply than they can get rid of it at Red Hill or somewhere. Clearly, on the level of the individual, that will not be an issue. However, I suggest that when members consider the major industries that are working in this area, they can give themselves no such assurance that this will not occur. When we look at the millions of dollars of extra impost that will be put onto the cost of taking the leftover product from waste recycling to landfill, we then get an idea of the scale of this problem—the dimensions of the cost impost in relation to the amount that recycling costs. I suggest to members that it then does become an issue that needs very careful consideration. It is yet another reason why we need to chuck out this bill.

On the topic of illegal dumping, there was a very curious reaction from the minister who had carriage of this bill in the other place. On the topic of illegal dumping, reinforcing my suspicion that the government came to realise that one of the effects of this bill would be an increase, he said —

The government recognises that the levy increase may be seen to encourage some unscrupulous individuals to illegally dump their waste in beautiful forests, parks, rivers or wherever.

He got quite poetic about it, but clearly the government knows it is a problem. If the government thinks that it has taken adequate steps to address it, I suggest that it is seriously mistaken.

I want to give one more illustration about the effect that ending the hypothecation to the waste account, as proposed in this bill, will have in regional areas. I recently met with officers from the Shire of East Pilbara in Newman. I asked them how they organise their waste collection services in Newman. I asked them because I wanted to know whether, being so far away from the metropolitan area, they were in a sense immunised from the effect of what the government is trying to do, particularly the intent of this bill in ending the hypothecation and, therefore, providing less money to spend on waste recovery and recycling. The answer I got made it absolutely crystal clear that they are going to suffer as a result of less money going to those projects. Newman has a fortnightly yellow-top bin collection; every fortnight people's recycling is collected. There is no yellow-top bin service in Nullagine. As far as the East Pilbara shire goes, it is only in the town of Newman that this service operates. Up to 90 per cent of that material goes to landfill. Members will realise, if they recall my earlier comments, that communities such as Newman are still operating on that old-fashioned mentality that it is a big country and we will never run out of landfill. This, I point out to members, is happening at the same time as this government is talking about massive expansions of communities in the north west, such as at Karratha, Port Hedland and Kununurra; yet it is still working on the basis that there will always be enough space for landfill.

I make it crystal clear here that I am not having a go at the East Pilbara shire. The members of the East Pilbara community have gone above and beyond in taking all the reasonable provisions that they could have attempted to take to recycle the products that they do manage to recycle. They have an open area for manual sorting. At the moment they manage to extract basically glass, tin and paper. This is all done out in the open in the full glare of the sun. They do not even have a shed in which to carry out this operation. When I asked them what they need not only to expand the operation but also to undertake the current operation more effectively, they said they need a shed, a weighbridge and power to the site. At the moment they are talking about only \$300 000, which I do not think would be anywhere near enough to supply those three projects. My point is that those are all projects that could have been funded out of the waste account, if only the government had continued to resource the waste account from the waste levy. I think the Shire of East Pilbara does a sterling job and it is very sad that all funding to those sorts of projects is likely to dry up as a result of what the minister is doing in this bill.

I want to say just a little more about this conflict of interest that has been pointed out by me and by several stakeholders whom I have quoted in my remarks. I ask: what are some of the programs that will get more money if the income from the waste levy rises? I will run through these programs very quickly, as none of this issue is a mystery to any member in this chamber. I have looked for specific examples of programs that are absolutely essential. They lie at the heart of DEC's activities, and they lie at the heart of community concern about the environment. These are the programs that, presumably, will have their funding reduced if the waste strategy works. When the waste strategy is working there will be less money from the waste levy, and therefore less money for programs such as the recovery of threatened species, and the establishment of fauna and habitat zones. I raise those two programs as the first examples, as we have just received a very troubling report from the Auditor General about how the state government handles those two important programs for the protection of threatened species. This is all out of the latest Department of Environment and Conservation report, so I have not

had to go trawling through the archives to find these examples. The third example is forest monitoring and auditing—in other words, the monitoring of all the effects of harvesting, regeneration, burning, rainfall and water quality. The last example I will give is the management of contaminated sites. We will get more money for all those programs as we get more money into the waste account, and we will get more money in the waste account as more waste goes to landfill. In summary, we will either be knee-deep in cane toads or knee-deep in rubbish, because we cannot have it both ways. That is the fundamental flaw at the heart of what the government is attempting to do.

This might all be hypothetical, because according to —

Hon Helen Morton: Oh, no!

Hon SALLY TALBOT: Yes, I am afraid so, but this will not come as any surprise to Hon Helen Morton.

Hon Helen Morton: We have been sitting here on a hypothetical!

Hon SALLY TALBOT: I know how closely the member follows these things and I know that she has a very important role as a parliamentary secretary—a role, incidentally, that I think she severely misunderstands if she considers that she has any responsibility for budget line items, which was the distinct impression she gave to me this afternoon in her comments about an earlier debate in this place. Nevertheless, I know she takes a great interest, so I will refer her and other honourable members opposite —

Hon Ljiljanna Ravlich: I think you should repeat it all!

Hon SALLY TALBOT: That is very, very tempting, Hon Ljiljanna Ravlich! It is very tempting to do some kind of summary of what I have said.

Hon Ljiljanna Ravlich: I think so.

Hon SALLY TALBOT: Fortunately, I have the pleasure on this side of the house, which sadly the minister does not have, of having such able colleagues and comrades —

Hon Donna Faragher interjected.

Hon SALLY TALBOT: — that I know this will all be considered in significant detail by people who are waiting very, very patiently to make a contribution to this debate. Mr Deputy President (Hon Michael Mischin), would you send that renowned glare of yours down onto some of your colleagues in the government and stop them interjecting so that I can get through this with a little more speed?

Several members interjected.

Hon SALLY TALBOT: I refer members first to the minutes of the Waste Authority meeting held on Wednesday, 5 August 2009, and to item 7.16, headed “Financial Report 2008/09”. This is where we begin to get to some of the real failings of the minister, and the trick that she has played on all government members in making them think that this scheme will ever work, because in item 7.16 we will find the following, and I will quote from those minutes, which are public documents —

Staff presented a report detailing the levels of expenditure and revenue for the 2008/09 financial year. The overall result of budget against expenditure is that expenditure and revenue are both lower than expected due to reduced activity. The WARR Account as at 30 June 2009 is \$16,048,189.

Staff advised —

This is the bit I would particularly like members to listen to —

that the April – June —

Several members interjected.

Hon SALLY TALBOT: Mr Deputy President, I am actually asking them to listen; I am not inviting interjections; I am trying to discourage them from interjecting. The minutes state —

Staff advised that the April – June 2009 levy returns shows inert landfill down by \$82,000 on the previous quarter and putrescible down by \$168,000 on the previous quarter. The total levy for the quarterly period is \$2,779,053.

Therefore, income is already falling due to those very factors that I have outlined—namely, the global financial crisis, and maybe even a change in consumer behaviour. It is already falling, yet the government is relying on this measure to fill up the black hole at the heart of DEC’s budget. This next quote is already on the public record, which is lucky because I may not be able to find it.

Hon Ljiljanna Ravlich: That is most unfortunate—please find it!

Hon SALLY TALBOT: Fortunately, I know it by heart and it is very short! I know where it is; it is the yellow paper. Again, I am referring to 29 June, when I took part in the public hearings at which Barry Carbon reported to the Standing Committee on Estimates and Financial Operations. Mr Barry Carbon, the chair of the Waste Authority, illustrated that a link between what consumers put in their own rubbish bins at home and the direct charge for what goes into landfill does not exist and that he would not expect there to be much change. This is the key. Barry Carbon stated —

In my view there are two things operating right now—an increased charge, which is going to hit the biggest fraction, which is C and D waste; and we have a significant economic downturn anyway, so there is much less demolition for construction happening.

Point of Order

Hon HELEN MORTON: I would like to know whether the member is reading from uncorrected *Hansard*; and, if so, I do not think that is appropriate.

The DEPUTY PRESIDENT (Hon Michael Mischin): Hon Sally Talbot, can you identify the document that you are quoting from, please?

Hon SALLY TALBOT: Yes. It is the uncorrected *Hansard* of the transcript of the hearings.

The DEPUTY PRESIDENT: Can you just identify which page you are dealing with?

Hon SALLY TALBOT: Page 5.

The DEPUTY PRESIDENT: Of what date?

Hon SALLY TALBOT: It is 29 June—I have already said that.

The DEPUTY PRESIDENT: Thank you. I do not believe there is a problem with quoting from the uncorrected *Hansard* in light of a recent ruling that I recall. It is simply that it has to be identified.

Debate Resumed

Hon SALLY TALBOT: I will not requote that because I do not want to use up too much time.

Mr Barry Carbon said —

One would have to be a wild optimist to think that the levy would deliver four times what it previously did.

A wild optimist. I am sorry, but being a wild optimist is not a qualification for being a state government minister.

The reality is that we do not need this bill to get the 300 per cent increase in the landfill levy. I have canvassed that point several times. It cannot be stressed too often that that is not the case because the minister would have members believe otherwise. However, the simple fact is that we could have been getting the extra money now. That levy could have been increased at any point between 14 May and now. We could have been getting that extra money into the waste account. We are not getting the extra money into the waste account because the minister has delayed the increase. It seems that what the government has said is that it does not want the extra money to go to the waste account. That is the simple reality of what is happening. The government could have been charging the increased levy now. It would have been going into —

Hon Donna Faragher: Did you ever listen to the ministerial statement that I made? I will respond to this.

Hon SALLY TALBOT: That will be good. The minister will get her turn; I can promise that. The government does not need this bill to increase the waste levy amount; that can be done by regulation. It has been confirmed by Barry Carbon and by every stakeholder that we do not need this legislation to increase the waste levy. Most local authorities are already charging the 300 per cent increase. That money at the moment is sitting with local government; it could have been going into the waste account. The government is saying, “If we can’t have it, no-one else will.”

All the figures, with which the minister I know is very familiar, suggest that we are not doing very well in Western Australia compared with what happens in the other states. It is an open question I suppose as to whether this is due to our failure to grasp those new concepts—the new foundation principles that I have gone into in some detail. I suspect that it is not. I suspect that it is because the whole issue is much more complicated than has traditionally been imagined to be the case. That is exactly why the previous Labor government set up the Waste Authority with real authority—it is not called a waste “authority” for nothing. It was supposed to be a very practical driver in helping the community realise its expectations about the way that waste is handled and the way that we move towards increasing the amount of recycling. I suspect it is not because we failed to grasp those

basic principles but because other things have not been put in place. I will quote from a Department of Environment and Conservation document. There are several versions of this, but the version I will quote from is called version 1 and is dated June 2008. I refer to page 19 of this report prepared for DEC by a company called Cardno. I will quote from section 2.4, which is the benchmarking of recycling activity. This analysis shows that Western Australia is lagging behind other states when we do a per capita comparison of recycling activity per state. I was particularly interested to read the commentary that went along with those figures and most particularly interested in the list of reasons we might be lagging behind. One of those reasons is indeed low landfill gate fees. As I have already pointed out, the previous Labor government had put in place incremental increases in the landfill gate fees to redress that part of the problem. My point is that a number of other things are mentioned here, including —

... the small manufacturing sector, the high number of strategically placed putrescible and inert landfills
... sparse population, relatively underdeveloped C&D recycling sector, long distance to markets and the poor education amongst government and the commercial sector compared to the Eastern States.

The reason I wanted those items put on the public record is that those are exactly the sorts of problems that the Waste Authority has been set up to tackle. It is ridiculous to suggest that we can use a blunt instrument like increasing the gate fees for landfill to bring about substantive change when none of those other issues is being addressed. The data is moving very fast. Some of the results in the data that shows Western Australia at the bottom of the heap depends upon how one asks the question.

I want to alert the minister to another document that may or may not have come her way. It is a report—I believe it may not have been published yet—dated October 2009 by Paul Oakes of Quadro Australia Pty Ltd. I believe that this is going to be published in an American waste recycling journal towards the end of this year. I bring it to the attention of honourable members because it points out that the latest data shows that WA outperforms all other Australian states when it comes to processing waste in resource recovery facilities. That might come as a bit of a surprise to members, who have been told that Western Australia is a bit of a basket case. I will share a couple of lines of the report with honourable members. The paper says, towards the very beginning —

The primary focus for waste processing implementation has been in New South Wales (population 7.1m) and Western Australia (2.2m) with an additional example in Queensland (4.3m).

I know the minister will be interested in this because she constantly uses New South Wales as her model of where we want to get to in this process. There is a very useful table in this paper that tracks chronologically the implementation of waste processing facilities across Australia. What interested me particularly was the number of these that are in Western Australia. The first one is at Port Stephens in New South Wales, and the second one is in North Perth. Others are listed. The Bedminster system is used at the Southern Metropolitan Regional Council in South Perth, and the Dicom system is used at the north metropolitan regional council in Shenton Park. One of those facilities has had interrupted operations since 1999; this is the one that my colleague in the other place Hon John Kobelke has expressed his forthright opinions on—the Atlas system, which seems to be less than ideal. A number of facilities exist in Western Australia. Here is the part that I want to quote and share with honourable members —

The installed facilities and those within the approvals process yield by state a tonnes per capita processing ratio as follows;

- Western Australia 0.150 tonnes per capita.
- New South Wales 0.086 tonnes per capita, and
- Queensland 0.023 tonnes per capita.

That means that New South Wales has about half the capacity per head to put waste through resource recovery facilities. That is an extraordinary achievement. It shows that local government has embraced wholeheartedly the development of resource recovery facilities without the need for a large landfill levy. It is not the case in New South Wales. That is why I particularly wanted to draw the minister's attention to this research. It is not the case in New South Wales. Why on earth would we want to be using New South Wales as some kind of model when in this state we have made such a remarkable achievement in terms of available capacity per head? It shows that WA is providing nearly twice the amount of waste processing capacity on a per capita basis compared with the situation in New South Wales. That is a remarkable achievement. If I have not succeeded in making government members interested in considering some of these arguments against the bill, surely that piece of information on its own will convince them.

We can take those interstate comparisons to pieces. I am happy to do that at some length but I am also happy to leave my comments in this regard to the committee stage. When we start taking those interstate comparisons apart and splitting them into their three components of domestic household waste, construction and demolition waste and industry waste, we see that Western Australia is not badly placed in relation to other states.

I had some comments about the national waste strategy, but, fortunately, between the time that I put those comments together and a meeting of the ministerial council in Western Australia, at which the federal minister displayed his great capacity for getting results, he has moved us quite substantially down the track of having a national waste strategy, which is a very significant move.

I also want to make some comments about product stewardship. Again, I am happy to leave those comments until we get to the committee stage.

As I have said, New South Wales has been the model for many of the minister's comments about the direction we need to move in, as the C and D stream of waste has been a major focus for the minister, yet all the material that DEC has put together shows the contrary. A DEC report states that a 50 per cent diversion of C and D material from landfill would bring WA's per capita recovery rate up to a rate comparable with that in other states. This could be easily achievable with a push from government and industry towards the recycling uptake of recycled building products in construction activities. Of course, with a landfill levy rate that is set at a realistic level, the demands on government to respond to improve the situation are compelling. It is a demand that this government is not showing itself up to meeting.

I summarise at this stage. In my remarks on this truly dreadful bill I have substantiated my judgement that it is an appalling piece of public policy and one that this house should reject out of hand. It shows a complete lack of planning and a complete lack of confidence on the part of the minister in her agencies. We have seen the minister hide behind the advice of experts in the argument about the health of the Swan and Canning Rivers, yet she blatantly disregarded expert advice available to her when drafting this bill. I simply cannot understand how she can show her face in this place given this amazing fundamental inconsistency that lies at the heart of her attempt to manage these very difficult issues. She has shown her complete lack of confidence in the agencies; she speaks with no authority; she has no support from any of the experts; she is not prepared to take advice; she is presiding over a department the budget of which is in tatters; and she is presiding over a waste management strategy that is in tatters. She is an incompetent member of an incompetent government. Thank you, Mr Deputy President.

Debate adjourned until a later stage of the sitting, on motion by **Hon Norman Moore (Leader of the House)**.

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