

**WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT BILL 2009**

*Second Reading*

Resumed from an earlier stage of the sitting.

**HON LJILJANNA RAVLICH (East Metropolitan)** [5.34 pm]: I want to spend a bit of time talking about the challenges in waste management. I am referring to page 6 of the draft strategy document published by Your Say: Waste WA entitled “Draft Waste Strategy for Western Australia”. It basically states —

The quantity of total waste generated in WA (i.e. waste disposed to landfill and recycled) has risen markedly in recent years, mainly due to a rapid increase in waste from the commercial and industrial sector and from construction and demolition activities. The increase reflects the historic boom in commodity prices. Between 2005/06 and 2006/07 alone, these waste streams grew by around 10% to 4.5 million tonnes. Waste generation from households, on the other hand, has remained relatively stable, increasing only a few percent between 2000/01 and 2006/07 to reach 1.35 million tonnes per year. Around 75% (by weight) of total wastes are disposed of as landfill material. Waste to landfill in Western Australia increased by almost 40% in the seven years to 2006/07, mainly due to growth in the commercial and industrial and the construction and demolition sectors ...

It will be a challenge because it is simply not sustainable to continue to have that level of waste. That statement also says to me that we need to apportion a better costing structure as to who actually creates the waste and perhaps a user-pays arrangement should be put in place. I only say that because at the end of the day, we do not necessarily want households cross-subsidising big business and carrying the can for the waste that they create whilst businesses are generating millions of dollars. There are many challenges around this whole area of waste.

It concerns me that everything relating to the amount of waste generated is all trending upwards. That would suggest that this bill should be more than it actually is. If it is going to impose a levy, that levy should be expended in its entirety on this very serious problem. The bill provides for the levy to be paid into an operating account of the Department of Environment and Conservation. At least a quarter of the levy will then be transferred, on the direction of the minister, to the waste avoidance and resource recovery account, which will continue to be administered by the Waste Authority for a range of purposes relating to waste avoidance and resource recovery. The balance of the levy will be used across a broad range of environmental and conservation purposes within the department. I simply think that this is not the right instrument to be doing that. If levies need to be imposed for a range of environmental and conservation purposes, clearly, the government should have come up with a more transparent way of achieving that rather than being deceitful and shifting revenues from a waste avoidance and resource recovery levy to use across a range of environmental and conservation purposes of the department. I do not know who the department or the agency thinks that they are kidding but this will really be seen for what it is—nothing more than an absolute grab for revenue by a cash-strapped agency, one of many in a cash-strapped government.

Many things are of concern in this bill, including a provision under clause 10, “Schedule 2 amended”. That will provide for an additional function for the Waste Authority to seek advice from other entities to enable it to provide advice to the minister about setting and varying the amount of the levy. This is an instrument in the making. There is nothing static or stable about this levy because this legislation will, firstly, create the mechanism to impose the levy. Secondly, it will give the minister the authority to adjust, reset or vary the amount of that levy.

**Hon Donna Faragher:** You are talking as though it is a new levy. It is not; it is already in place. I say that by way of clarification. There is a levy there now.

**Hon LJILJANNA RAVLICH:** If it was already in place, why did we not hear people screaming about this two years ago?

**Hon Donna Faragher:** I just wanted to clarify for you that it has existed since 1998.

**Hon LJILJANNA RAVLICH:** It may be an existing levy, but the minister is giving it new functions and she is giving herself new powers in relation to it.

**Hon Sally Talbot:** The bill takes the power away from the Waste Authority.

**Hon LJILJANNA RAVLICH:** Yes; it takes the power away.

**Hon Donna Faragher:** There was reference in terms of it being a new levy.

**Hon LJILJANNA RAVLICH:** Hang on! It should not be taken away.

**Hon Donna Faragher** interjected.

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**Hon LJILJANNA RAVLICH:** That is right; why is the minister taking away that power?

**Hon Donna Faragher:** That is a discussion we can have, but I just wanted to clarify that.

**Hon LJILJANNA RAVLICH:** It is a discussion I am having right now. I cannot understand why the minister would raise that point by interjection. We are saying that the levy should be left as it is. It was set up for a specific purpose and it was used for a specific purpose. We know that about \$15 million was in the account because we heard that from Barry Carbon in the Standing Committee on Estimates and Financial Operations. What worries me is that the bill will enable not only the \$15 million, but also new moneys in the account to be transferred to other functions within the agency. Clearly, that is not acceptable. In addition, the point I have just made is that over and above that, the minister will have the right to make adjustments to the levy.

I must say to the minister, if this was all so kosher, we would not have heard the sort of response we heard from all the sectors who will be impacted on by the bill or who have an interest in waste recovery. As a former local government minister, I can tell the minister that the immediate response by local government was one of absolute abhorrence.

**Hon Sally Talbot:** And still is.

**Hon LJILJANNA RAVLICH:** Yes. They could not believe the betrayal of them by this government. I think it would be fair to say that they clearly had higher expectations of this government. I note that the minister put out a media release on 7 September claiming that local government supported the 300 per cent increase in the waste levy. Clearly that was simply not true. I do not know why the minister would have made a statement to the effect that an organisation representing local governments and, indeed, local governments themselves, agreed to passing on a 300 per cent increase in the waste levy. On what basis would a minister of the Crown actually believe that was a good news story? Honestly, one would have to have rocks in one's head. One would have to be dumb as—simply dumb. Anyone with half an ounce of commonsense would know that the imposition of a 300 per cent levy —

**Hon Sally Talbot:** It's a tax.

**Hon LJILJANNA RAVLICH:** — tax is not a good thing. Of course, the Western Australian Local Government Association ran a series of newspaper articles and newspaper advertisements saying that it did not like it and would not support it because it thinks it is wrong. WALGA is aware that it is simply the government buck-passing a problem it has made by digging a black hole because it cannot control its spending; therefore, it is shifting the cost across to local government. Local government does not like it. I can tell the minister that I have lots of friends in local government and I cannot remember —

**Hon Peter Collier:** You don't have any friends.

**Hon LJILJANNA RAVLICH:** Says the Minister for Energy—that is pathetic!

**Hon Ed Dermer:** It is a case of taking his problem and making it someone else's problem.

**Hon LJILJANNA RAVLICH:** He is absolutely pathetic.

The point is that local government does not like it. I do have friends in local government and I speak to them frequently. Their position on this matter has certainly not changed. It was an extraordinary claim by the minister to suggest that local governments were supportive of a landfill levy hike.

One thing we can guarantee is that if something does not look right and does not seem right, the chances are it is not right. There is also, I guess, concern at the ratepayer level because, at the end of the day, ratepayers know this is something that is not good for them. They know it will hit them. It is part of that user-choice model, and they will have no other choice but to be hit with these increased costs. Certainly, the City of South Perth councillors were very concerned that the government had proposed such a massive increase in the levy so that it could divert funds to activities other than waste management. The City of South Perth put out a press release dated 23 September. It was not the only council to release a press statement, but I will not take the time to read all of them because I think there are still 139 councils. The forced amalgamation turned out to be not the forced amalgamation but the model amalgamation of whatever was flavour of the day, thanks to the cheeky man opposite! Are there still 139 local governments?

**Hon Nigel Hallett:** Yes.

**Hon LJILJANNA RAVLICH:** Very good, honourable member. It is not a very good situation to have 139 councils jumping up and down. They are jumping up and down about not only the waste levy but also the position they find themselves in concerning local government reform, thanks to our friend Hon Nigel Hallett

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over there, who stood up for local government and said reform was not a good thing. He might well have stood up and said also that this levy is not right because he knows in his heart of hearts that this is a bridge too far.

I would like to spend a little bit of time putting on record the concerns of the City of Bayswater. Like the City of South Perth, it is very concerned about this bill and the government's clear intention to drastically increase the landfill levy and utilise those funds from non-waste related activities. It is believed that all the funds gathered through the levy should be utilised for waste management, particularly investigation and subsidisation of alternative waste treatment options. I have to say to members that I fully support the City of Bayswater's view because that, after all, is not a challenge for individual councils, nor is it a challenge just for state governments; it is a challenge for each and every one of us, because, quite frankly, unless we can find a solution to these problems, we will end up living in a rubbish dump. We will be surrounded by our own waste in all manner and form. That is certainly not an outcome we want. We want the money to be spent in the most appropriate way to ensure that that does not happen. The City of Bayswater is also seeking greater state and federal involvement in the development of alternative treatment facilities. It clearly points out that the development of those facilities is beyond the capacity of many local governments, and even regional councils, as is evidenced by the problems experienced at the South Metropolitan Regional Council facility in Canning Vale. This issue about how waste management should be delivered is becoming so complex that it is beyond any one individual council to find a solution to those challenges. It is not surprising that many councils have formed a regional structure. There are now regional councils across the whole state. A key area of responsibility that is emerging for regional councils, of course, is how they deal with the waste management problem in a cost-effective manner on a regional basis. Many councils have moved to models where waste is converted to energy. Some have been very successful, and some probably not as successful as they would like to be. We need to think positively about the challenges of waste. For every negative there is indeed a positive. We need to get our head around what we can, in fact, convert and what we can convert it to. Waste to energy is one thing—for example, there is waste to recyclable products, be they rubber or a range of different products that are now emerging on the market as a result of innovation and the scientific evolution of science to meet some of the more complex challenges. I think that that would be a much better way to spend the money from this fund rather than to disburse it to other areas of the department in accordance with a minister's prerogative. I do not think that would achieve much at all.

The City of Bayswater is also concerned about the illegal dumping of waste; the argument of course being that if the charges for dumping waste at waste depots becomes cost prohibitive, people will find other places to dump their waste. That used to be easier once upon a time when we had the Gngangara pine plantation. People not only dumped their rubbish there and got away with it, a few bodies have been dumped there over a period of time so that really has a history of being a dumping ground. Ever since the trees were felled there, it has become much harder to dump waste. We do not want to see illegal dumping of waste simply because the government has increased the levy to the extent that people cannot afford to pay. People will look for cheaper and more cost-effective options.

**Hon Jock Ferguson** interjected.

**Hon LJILJANNA RAVLICH:** At the end of the day I assume it will come back to the taxpayer. It is a very good point, honourable member. This is a vicious cycle that we could find ourselves in on a grand scale if this is not addressed.

**Hon Sally Talbot:** Another cost for local government to clean up.

**Hon LJILJANNA RAVLICH:** It is another cost for local government. This really is about cost shifting. It is about taking what is a state government responsibility and handing it to local government.

The other thing that is already happening—I have this on good authority from the City of Bayswater but of course it could be any council in the state—is that people are dumping their waste on verges. Conversely, people will also want to pick something up from somebody's verge. I do a bit of painting in my spare time. I put a couple of my big paintings out to dry and this fellow came along in a great big van and thought it was rubbish and wanted to pick them up and take them away! I said, "No! This is not rubbish. This is my art work!"

**Hon Sally Talbot:** I am sure he was going to recycle them!

**Hon LJILJANNA RAVLICH:** I am sure he was.

I will take a couple of minutes to put into perspective just one council's challenge with waste. These figures will be multiplied by 139 councils because we have not had reforms in local government. When members hear the sorts of figures that councils are dealing with, it puts it into some sort of perspective. In terms of rubbish collection for 2008-09, the City of Bayswater collected 4 561 tonnes of green waste, 3 562 tonnes of domestic waste, 12 928 tonnes of transfer station rubbish, and 6 242 tonnes of waste from bulk bins. I imagine that is those great big blue bins. That is just from rubbish collections. That is not the recycled waste figures.

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In terms of the recycled waste figures for the same period, the City of Bayswater collected 2 669 tonnes of newspaper, 634 tonnes of cardboard, 448 tonnes of mixed paper, 389 tonnes of glass, 40 tonnes of PET plastic, 60 tonnes of HDPE plastic, 33 tonnes of “other plastic” and 67 tonnes of steel cans. Maybe the council does not get as many steel cans because some people already recognise the value of that resource. People probably do something else with them. I do not know what. The City of Bayswater also recycled 35 tonnes of aluminium cans and 19 tonnes of bulk steel. That is a total of 4 397 tonnes. That is an incredible amount of rubbish really. No doubt that is very, very challenging. This is just one council in the metropolitan area. If we multiply that by 139, we are talking about significant amounts of generated waste.

I will clarify that the recycling volume tonnage of 4 397 was in fact just for the recycling component. If we add the rubbish collection together with the recycled volumes, we have 10 500 tonnes in one local government authority alone. That is an incredible challenge, I have to say.

I do not want to say too much more, apart from how disappointed I am that the government should introduce the Waste Avoidance and Resource Recovery Amendment Bill into this place in the form in which it has been introduced. My own view is that it is yet another betrayal of Western Australians in a long list of betrayals. I am sure that those people who voted for this government by now would be thinking to themselves, “My goodness—what a stupid thing I have done!” That is what I believe they would be thinking. They could rightly have expected much, much more.

This is no more than a money grab by a government that is out of control financially. It promised it would be a responsible financial manager. The government has proven itself to be anything but. The government is an irresponsible financial vandal. This is yet another indication that this government is in desperate and serious financial trouble. I put on record that this is not the way to deal with those broader economic and financial challenges that the government finds itself in. This is simply not the right way to go. Not only is it not the right way to go, it actually sets a very, very poor precedent for what is yet to come. I feel a sense of sadness about the lack of accountability in this issue, and indeed other issues as they arise down the line, that will be put through this place with a view to mask the challenges faced by this government because of some of the policy positions that it has taken and because of its lack of financial rigour and lack of ability to keep its spending in check.

I am very disappointed by this legislation. I do not like it. I do not think Western Australians like it. We certainly will not be supporting it.

*Sitting suspended from 6.00 to 7.30 pm*

**HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary)** [7.30 pm]: I support the Waste Avoidance and Resource Recovery Amendment Bill. I was quite honoured when Hon Sally Talbot mentioned a couple of days ago—perhaps it was a week ago; actually, it feels like about three weeks ago—that she would be interested in my contribution to this bill, as I had been a member of the Standing Committee on Environment and Public Affairs.

**Hon Max Trenorden:** She’s going to have to read it!

**Hon WENDY DUNCAN:** However, given the length of time that has been spent on this debate, I will not speak at length because I am looking forward to debating the Royalties for Regions Bill. Nevertheless, I support the bill.

Although many of us have some difficulty with how this bill came about, the underlying philosophy of increasing the levy for waste going to landfill to provide a disincentive for, and to reduce the amount of, waste going to landfill is contained in the bill and will work towards achieving that aim. The purpose of the Waste Avoidance and Resource Recovery Act, which will be amended by this bill, was to create a disincentive for waste going to landfill, while at the same time generating income for the special purpose of encouraging businesses and local governments to recycle rather than dump waste in ever-expanding landfill sites. That was the intent of the act. Under the act, the levy funds go wholly to the Waste Authority to allow it to work on finding innovative ways of dealing with waste.

The purpose of this bill is to increase the waste levy from \$7 to \$28 per tonne for household rubbish and from \$3 to \$13 per tonne for inert industrial waste. When I was a member of the Standing Committee on Environment and Public Affairs, one of the points we highlighted at the time was the incredibly low charge of \$7 per tonne of waste going to landfill in Western Australia. In Victoria, it is \$9 per tonne; in South Australia, it is \$24.20 per tonne; and in New South Wales, it is \$58.80 per tonne. Western Australia has a very poor record on the amount of waste going to landfill. In 2006-07, Western Australia generated 5 247 000 tonnes of waste, of which 3 539 000 tonnes were disposed of and 1 708 000 tonnes were recycled. This equates to a diversion rate of 33 per cent, which is the lowest rate of all the mainland states. South Australia diverts 68 per cent of its waste, and

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Victoria diverts 63 per cent of its waste. We have a fair way to go to achieve the desirable outcome of reducing waste going to landfill.

Another interesting point is that not only does New South Wales have the highest levy for waste going to landfill, but also it has an increasing levy rate for waste going to landfill. The New South Wales government indicates that its landfill levy will rise to \$128 per tonne by 2016. What we are talking about in Western Australia is not out of the ordinary as far as the other states of Australia are concerned. We have a fair way to go to reduce the amount of waste going to landfill. At the same time, Western Australia certainly has a very good record of using advanced waste technology. Our regional organisations of councils need to be congratulated for the work they have done. The Waste Management Association of Australia, the peak body of waste management, supports an increased levy because it will discourage landfill and encourage recycling. This is also supported by the Conservation Council of Western Australia and the Boomerang Alliance. Leading environmental groups are working towards zero waste in Australia and managing the products that we use from conception to disposal to ensure that responsibility is taken all along the production chain.

This bill provides that a minimum of 25 per cent of the levy funds raised will go to the waste avoidance and resource recovery account and 75 per cent of the funds will be paid into the revenue account of the Department of Environment and Conservation. Twenty-five per cent of the levy funds raised will be channelled towards waste avoidance and recovery. The fact that 25 per cent of the funds will be for waste activities and 75 per cent will be for general government activities also is not unique in Australia. In New South Wales, there is no specific requirement that the levy funds that are collected go to waste avoidance and resource recovery activities, although approximately 50 per cent of the levy funds raised go to the city and country environment restoration program and 50 per cent of the funds go into consolidated revenue. South Australia's Environment Protection Act stipulates that there be a 50-50 split of funds—50 per cent goes to waste avoidance and 50 per cent to general revenue. In Victoria, there is an option that the levy funds collected can go either towards waste avoidance or into a fund, from which the minister decides where to distribute the money. In Victoria, the norm is that most of the levy funds go into waste avoidance. This shows that there is precedent in Australia for the division of the distribution of these funds.

The Forum of Regional Councils has argued that its member councils should be exempt from paying the landfill levy for the portion of their waste residue that has first been processed by its advanced waste technology or resource recovery processes. I have been told by the minister that under the act there is the ability to provide exemptions. However, if exemptions are provided for large resource recovery organisations, it takes away the incentive for them to endeavour to continually reduce the amount of waste they send to landfill. Perhaps a more appropriate place to use those exemptions would be for situations such as for charitable organisations such as St Vincent de Paul Society or Good Sammy's and so on, which, I think, find themselves with overgenerous donations of items that perhaps are not that useful to them at times, and have to dispose of them. Personally, I think that would be a possibility whereby an exemption could arise.

Another issue raised with me by local governments was that of accessing some of the fund to assist them with developing their resource recovery and recycling programs. The Waste Authority has a grant program and funding is available for capital works, and there are quite a few ways local governments and regional councils can access funding to assist not only with enhancing their projects, but also in research and development.

The amount of funding that goes to local government varies each year. The Waste Authority will allocate \$13 million this year, subject to this bill passing, approximately \$5 million of which will be allocated directly and indirectly to local governments through programs such as the regional funding program, which has an estimated expenditure of \$1.5 million, the strategic waste initiatives scheme and community grants scheme, which has about \$1.5 million, and the household hazardous waste and used oil management programs, which provide funding to local government to assist in the management of waste streams. There are direct partnerships with the Western Australian Local Government Association, the National Packaging Covenant funding, and other programs funded by the Waste Authority that have an indirect benefit to local government through reduction in waste costs such as the new glass recycling facility announced by the minister recently, Infrastructure Planning Initiative, the Waste Wise WA schools program, and litter prevention strategies through the Keep Australia Beautiful Council. An anticipated amount of \$4.6 million will be allocated to local government programs via the collection of the levy and through the Waste Authority.

The issue of perceived conflict of interest has been raised, and it has been suggested that the Department of Environment and Conservation, because it will receive some of the levy, may then perhaps have an interest in the continued dumping of waste into landfill. That argument, although it may on the surface seem to have some merit, is really a furphy. If that were so, then arguments would have to be extended to other parts of government activities, such as tax on cigarettes: would the government want to support and encourage cigarette smoking because it wants to receive the tax? Perhaps, thinking about the proceeds of crime, would the government want

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to encourage crime so that it could then increase its revenue by using the proceeds of crime act? Although it is a nice glib line to say that there is a conflict of interest, I actually think that this government, in particular, is better than that.

**Hon Max Trenorden:** We used to put 100 per cent of the revenue from speed guns into road safety; Labor took it away. They didn't believe in that argument in their time.

**Hon WENDY DUNCAN:** I appreciate the honourable member's clarification. I have lost my place.

**Hon Donna Faragher:** It was a pertinent point!

**Hon WENDY DUNCAN:** Yes, it was a pertinent point; thanks very much.

One of the concerning issues for me and many other members of this Parliament has been the lack of strategic planning and forward planning that has perhaps been involved in this decision, but the draft strategic plan of the Waste Authority has been put out for public discussion. Local governments really need to know what the future intention is as far as the levy is concerned; it is probably good to have a strategic plan that will state the level at which the levy will remain for X number of years, or whether it will go up for a period of time. Local governments and resource recovery facilities—those dealing with waste—really need to have an idea of what the levy will be in the future, so that they can factor that into their budgets.

Another issue that was raised was the possibility of increased illegal dumping in forests or native bush, or even in unmanaged tips in regional areas close to the metropolitan area. This is a real concern and I have raised it with the minister; she assured me that she and her department are very aware of this and that they will be increasing the fines for the illegal dumping and increasing resources to monitor and police illegal dumping. Also, assistance is available for local governments to undertake legal proceedings if they find people undertaking that activity and they proceed to prosecution.

As this bill progresses and as this levy is implemented, there are considerations that we need to keep a good eye on. I think the minister and the government are well aware of the concerns raised, but the bottom line is that we need to reduce the amount of waste to landfill, not only because it takes up precious land, but also because that waste generates toxic chemicals and greenhouse gases. One of the most enjoyable parts of my time with the Standing Committee on Environment and Public Affairs, believe it or not, was spent visiting advanced waste technology sites in the eastern states in the heat of January. There is nothing nicer than going into a waste disposal site on a stinking hot, humid day in Cairns to inspect waste being dealt with. We all came out stinking, but we also came out really impressed with the work being done whereby putrescible waste—waste that is not recyclable as such—not the glass bottles, plastic or paper, is disposed of. A description given by one of fellows in the eastern states stuck in my mind. He said, "This is the disposable nappies and dead dogs." That sort of waste is converted into useful products such as mulch. We saw one site in Sydney where they were actually generating power for 50 000 homes using putrescible waste. The great advancements are out there, and this financial disincentive is what we need to encourage greater use of these technologies and to reduce waste to landfill.

One of the issues raised in the Standing Committee on Environment and Public Affairs was that waste disposal really should be considered to be an essential service. Failure to adequately provide this service can have serious implications for the physical and economic wellbeing of a community, and I think that suggestion has merit. I believe the minister is considering that, but it is something that cannot be achieved overnight.

That covers the comments I wanted to make tonight. I really believe that this is one of the ways to ensure that we reduce the amount of waste that goes into landfill. The Waste Authority is getting the same amount of funding as it always has, if not more, and it has good programs in place. One of the other issues raised during the committee process was that the Waste Authority felt that it was not adequately staffed and did not have staff who were sufficiently at arm's length from the Department of Environment and Conservation. The minister has assured me that that issue has also been resolved. With those assurances from the minister, I am happy to support the Waste Avoidance and Resource Recovery Amendment Bill 2009.

**HON MATT BENSON-LIDHOLM (Agricultural) [7.50 pm]:** Like my Labor Party colleagues, I will not be supporting the Waste Avoidance and Resource Recovery Amendment Bill 2009. Before I begin my comments, I will address a couple of issues raised by Hon Wendy Duncan. I will not go into any issue in great detail because of the time factor, but I was interested to pick up on her earlier point that she does not have any great concern about the legislation. I put it to members of the Legislative Council that they may be deluding themselves if they do not have any concern about legislation such as this. I hope that this does not come back one day to bite the honourable member; I certainly have concerns. Hon Wendy Duncan also said she had some difficulty with the way in which the bill came about. She did not elaborate on that point, but she certainly mentioned the issue of

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hypothecation and the 25-75 per cent split. Hon Wendy Duncan may not be concerned, but the Western Australian Local Government Association certainly is. In fact, WALGA has given consideration to that particular issue in various press releases it has put out. It is very much concerned about the legality of the government's proposal. Hon Wendy Duncan mentioned the disincentive to go to landfill, which is a fair enough statement, as basic economics can tell us. What is of concern is where the waste will end up if it does not go to landfill. That is another issue that the various councils I have spoken to, particularly those in the rural urban fringe areas, have mentioned. I will not go into any further detail other than to say that there are some serious concerns with this bill, and the opposition certainly intends to elaborate on them.

I also make mention of the excellent contributions made by Hon Sally Talbot, Hon Helen Bullock and Hon Ljiljanna Ravlich. I will briefly quote Hon Sally Talbot from the *Hansard* of Wednesday, 11 November. The questions that she asked in her speech represent the crux of Labor's concerns with this bill. She stated —

...let us just go back for a moment to the minister's second reading speech. She started by saying —

This government is committed to increasing rates of recycling in Western Australia and reducing waste to landfill.

Honestly, the government is probably in favour of motherhood as well. There was no way that the minister's second reading speech was not going to start by saying that, because Western Australians are committed to increasing rates of recycling and reducing waste to landfill. I ask honourable members: What on earth have the measures in this bill got to do with increasing the rate of recycling and reducing waste to landfill? What has the extra money raised by the increase of the levy got to do with reducing waste and increasing waste recovery?

I will return to those two questions towards the end of my comments. When one considers the issues associated with hypothecation, what the minister has said in the second reading speech clearly indicates that this bill is about the imposition of a tax. This tax will hit ordinary, everyday Western Australian families in the hip pocket. I intend to present some figures later, but members opposite need to understand that the Waste Avoidance and Resource Recovery Amendment Bill is not an environment bill; it is all about taxation and revenue raising.

**Hon Max Trenorden** interjected.

**Hon MATT BENSON-LIDHOLM:** I would love to have a detailed discussion with the honourable member, but time is at a premium.

As Hon Sally Talbot has mentioned, this bill has absolutely nothing to do with zero waste strategies and goals or sustainability of resources. This is particularly disappointing, given the community acceptance of Labor's 2007 legislation and the work of previous environment ministers, even including former minister Cheryl Edwardes in the Court government. A common thread in the work done by ministers at that time was the issue of zero waste. As was indicated in the minister's second reading speech, the Waste Avoidance and Resource Recovery Act 2007 and the Waste Avoidance and Resource Recovery Levy Act 2007 included provisions for waste avoidance and resource recovery, the establishment of the Waste Authority and levies on waste. On the other hand, this bill has as its prime focus an attempt to shift the government's responsibility for the Department of Environment and Conservation's funding black hole onto ordinary, everyday Western Australian families, thanks to the three per cent efficiency dividend. In that respect, the 2007 act and the 2009 amending bill are very different animals.

I say from the outset that Labor's objective of zero waste appears to have disappeared into the ether as a result of this bill. This was confirmed recently in the other place by the Minister for Water when speaking on behalf of the Minister for Environment. I will quote again from *Hansard*. He said —

By way of a little background, the Minister for Environment requested the Waste Authority to recommend increased landfill levies as a means to reduce the amount of waste going to landfill sites and thereby increase the amount of recycling in Western Australia, particularly in the case of inert construction and demolition waste. Consistent with this reform, the government has as part of stage 1 of the economic audit process endorsed the increase.

The next part is the crux of the speech —

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.

What an acknowledgement! The point to be made from the minister's speech is obvious: people will resort to many and varied means of disposing of waste, but not necessarily to landfill. Zero waste indeed!

The legislation before the house will see a reduced volume of waste going to landfill simply because of a massive price hike; that is what it is about. The intent and the outcome of the legislation will be very different,

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however, because the government will spend only 25 per cent of the increased levy on landfill solutions. There are no alternative disposal options—certainly not any that are lawful. The Minister for Water's remarks should have the government on tenterhooks, because he is disturbingly right; dumping will be inevitable. What will happen then? Members will be able to imagine what will happen with the Department of Environment and Conservation. One certain outcome will be the impact on the department's budgetary bottom line. The reduced income stream will see the department treated as a second-class citizen, rather than as one of the pre-eminent components of the public sector. It will go from watchdog to sacrificial lamb. There will be a situation in which some \$13 million of the estimated \$52 million collected will be spent on waste purposes—25 per cent. The remaining 75 per cent will simply maintain the department's budgetary status quo after the three per cent cut. There will be no change; the levy will simply top up the department's operating budget, and normal operating issues will be paid for by the mums and dads of Western Australia. The levy will come on top of other increased costs, such as the increased costs of fishing, boating, public transport, water and electricity—increases that we have all had to endure in recent days. This is not a particularly impressive scenario at all. The government's approach is somewhat predictable, but the 300 per cent tax hike is alarmingly ill-conceived and poorly targeted. It will not assist in the attainment of zero waste. Even the government acknowledges the generally held view that illegal dumping will occur.

I will turn my attention briefly to what the state government and the minister should be focusing their attention on. The central theme of that is undoubtedly sustainability. That is what any bill about waste avoidance and resource recovery must be about. Labor believes that sustainability is the key to a better future; all western economies do. Anybody who gives serious thought to this bill would agree with that comment. In this day and age waste is representative of a non-sustainable future, hence our focus, when in government, on a 2020 zero waste policy, whereby the by-products of industry and the waste of today's society become the inputs for the future production of goods and services. The classic example is South Australia. There is no better example than South Australia, and I will say more about that in a while.

There is a need for the government to take the lead by facilitating change and creating a vision for what the future society should look like—that is what we are here for—and to understand that the market will not necessarily be interested. If we consider firms in the past polluting the environment and using natural resources, we realise that they did that because they could. That mentality has to change, and governments need to give a lead in that respect. No costs were imposed and there were no incentives to change. Thankfully such thinking has been, or should be, consigned to ancient history. The question is simple: what does a modern, socially responsible state focus its long-term future on? The answer must surely be a zero waste society. It is a society in which ultimately no waste is created in the production process; a society where a long-term sustainable future is observed and practised by everyone.

I recall growing up as a young fellow near Ascot racecourse, where the housing development of Ascot Waters now stands. I must be honest—I used to occasionally frequent the rubbish tip of the Belmont Road Board, as it was then. There was everything from batteries to cars to dead animals. Anyone with a trailer full of rubbish took it down to the tip. There was no need to watch what they did. They chucked the rubbish into a hole in the ground, and a bulldozer came by that afternoon or first thing the next morning and filled it all in and flattened it out. Those days are obviously gone, but that was the attitude in society. Now a significantly upmarket housing estate has been built on the old Belmont rubbish dump. It is scary. We are certainly not there yet in terms of a zero waste society, but this bill will put back that ideal or plan for 25 years or more.

I ask members to consider some fairly compelling statistics about Western Australia and Australia. The statistics are proof of the need for governments to show that leadership I was talking about. It does not matter which party is in power, we all need to give consideration to these issues. These statistics are compelling. With 1.7 tonnes of waste per capita, Western Australians send more waste to landfill than their cousins in other states. It cannot go on forever and it cannot be allowed to continue. Just ask local governments across the state of Western Australia. The second significant point is that Western Australia has one of the country's lowest recycling rates—only 811 kilograms per capita per annum, as opposed to the Australian Capital Territory, with a figure of 1.7 tonnes per capita. Fairly obviously, significant increases in landfill rates are not necessarily a solution. That is a financial decision. We need to get to the crux of the issue. Another interesting fact is that Australians produce roughly 40 per cent of waste in the form of plastics, which are usually made from fossil fuels. It is important to note that making plastic from recycled materials uses only 30 per cent of the energy required to make plastic from fossil fuels. Obviously, it is incumbent upon governments and members of Parliament to facilitate progress along that pathway, so that we can conserve our scarce resources. What are we waiting for?

We should be aiming at recycling. As far as I am concerned, recycling appeals as one way of addressing the enormous issue of waste in our society. Is it not odd, then, that we do not have a universal container deposit system operating in Australia, like the one I have mentioned before in South Australia? South Australia has



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operated its system since 1977 and, if I am not mistaken, is in the process now of expanding the system even more and increasing the rates of return on items that are disposed of. We are living in ancient history with what we do in Western Australia. Many countries in Europe, many of the states in the USA and other countries around the world do exactly the same.

**Hon Robin Chapple:** Thailand does better than us.

**Hon MATT BENSON-LIDHOLM:** There we are.

This government's plan will create more waste. I would like to see a greater concentration and effort put into something like a zero waste plan, as was contained in Labor's 2007 act. We are not necessarily all that bad. One positive aspect of the recycling issue is that Australia leads the world in the recycling of old newspapers. In 2007, nearly 80 percent of newspapers were converted into egg cartons, insulation, cardboard and more newspapers. But that is only 80 per cent. There is much more to be done, especially with goods such as batteries. I understand that batteries are the most common form of hazardous waste. Fairly obviously, with the number of cars around the place, there are plenty of them around. Batteries contain dangerous chemicals and substances. Toxic and corrosive chemicals can leach into precious groundwater supplies if not disposed of properly. Given that Western Australia, particularly suburban Perth, relies heavily on treated groundwater, there are significant issues in that regard. Batteries containing lead are particularly toxic and we need to develop appropriate solutions. We cannot have people dumping them in the bush, rivers and wherever else. That may well occur, as the Western Australian Local Government Association has suggested, if we go down the pathway of imposing these significantly increased levies.

The planet is constantly being depleted of its natural resources, from natural gas to vegetation, soil, minerals and, dare I say it, even uranium, as we attempt to satisfy our insatiable wants and needs. I get back to the point of having a system of zero waste, in which what we create today becomes a resource for tomorrow. Recycling looms as one of the more important steps we can take to make this planet a more sustainable place, hopefully delivering on the idea of zero waste. I would suggest that members take a minute or two to consider some of the significant benefits associated with recycling. We are saving energy and reducing waste products in landfill—they end up becoming the housing estates of outer metropolitan regions. It helps mitigate against global warming, pollution is reduced, we save money and, more importantly, we save planet Earth. Why should we not go down that recycling pathway? What is required? Again, I get back to the issue of governance. Governments need to focus on issues such as recycling and understand that from where I stand, increasing levies by 300 per cent and denying the Department of Environment and Conservation its rightful place in the hierarchy of important state government departments hardly appear to be the answer.

There has been much criticism of the bill all around the place. I now intend to focus on some of the particular criticisms, especially from a number of the outside organisations that I have been in contact with. I know this email has been quoted to a certain extent already in the debate, but I have been in contact with Ms Rebecca Brown, who is manager of waste and recycling for the Western Australian Local Government Association. I would like to quote from the email I received, dated 6 October. Rebecca Brown comments on behalf of Mayor Troy Pickard, chair of the Municipal Waste Advisory Council and deputy president of the Western Australian Local Government Association, and Councillor Bill Mitchell, president of the Western Australian Local Government Association. Rebecca Brown writes —

On behalf of the Western Australian Local Government Association and its 139 member Local Governments, I am writing to you to encourage you to amend the Waste Avoidance and Resource Recovery Bill 2009, soon to be before the Legislative Council.

Obviously, it is there —

The Association expresses extreme concerns about this Bill and its implications.

I will just quickly go through the five significant points that Rebecca Brown makes. The first one is under the heading "Proposed amendments to the Waste Avoidance and Resource Recovery (WARR) Act 2007". She writes —

Currently funds raised through the Landfill Levy are hypothecated to waste management activities. During the development of the Waste Avoidance and Resource Recovery Act, there was extensive consultation with the Local Government, the waste management sector and the community. The WARR Act received bi-partisan support in Parliament and no amendments regarding the Act were suggested in relation to the hypothecation of the Levy to waste management activities. The Government is now proposing to change the WARR Act to direct funds from the levy to the Department of Environment and Conservation core activities.

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Under the heading “Local government does not support the amendment of the WARR act to change how the levy can be used”, Rebecca Brown writes —

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 the agreed State Waste Strategy (currently the Strategy is in draft form).

The third point she makes about her concerns is under the banner of “Local Government supports the Levy being used to achieve strategic waste management objectives”. She writes —

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.

On the second last point “Impacts of Proposed increase”, she writes —

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 increasing in costs for Local Governments running landfills in these areas.

The final point is under the heading “Support is needed for local government and recycling”. She writes —

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

That is a fairly comprehensive and, in some respects, compelling email from WALGA. I put it to members that the particular points I made about recycling, about sustainability and about zero waste lie very much at the core of that email.

As I indicated earlier, I took the time to talk to a number of councils. One particular council in the metropolitan area, however, caught my eye because of its concerns with this amendment bill. The Town of East Fremantle, like many others, has formally expressed its displeasure with the actions of the government. It held a special council meeting on 23 June 2009 at which its chief executive officer, Stuart Wearne, had much to say about the proposals to increase the landfill levy by 300 per cent. I do not want to quote all of the CEO’s speech. However, a number of remarks do warrant attention. They can be found under the heading “WA Landfill levy Increase”, on page 4 of the minutes of the special council meeting. In relation to comments made by Waste Authority chairman Barry Carbon, Minister Faragher wrote to Mr Carbon saying —

The intention is that additional revenue derived from the increase in the levy will be used to offset a reduction in the appropriation from the consolidated fund required by the Department of Environment and Conservation.

Stuart Wearne, the CEO, says —

It is worth noting that if a local government raised a levy for a specific purpose, for, say, underground power and used that levy for other purposes, it would be unlawful.

That is a fairly damning sort of comment. Secondly, he goes on to say —

The Chief Executive Officer believes it is incumbent on the State Government to demonstrate that the uses of the levy to date have been entirely lawful.

Stuart Wearne then goes on to talk about the issues that the Town of East Fremantle has with this amendment bill. I will not go through them in any great detail, other than to list the issues that were raised at that special council meeting on 23 June of this year. He talks about the lack of consultation and the financial implications. As an example of the financial implications, he cites the City of Nedlands estimate of \$111 000 in increased costs,

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and the City of South Perth estimate of \$325 000 in increased costs—and the list goes on. Perhaps this is even more compelling: the City of Swan, being an outer metropolitan rural urban fringe area, estimates increased costs of \$1 million. Who will pay? It will be the ratepayers and the taxpayers.

**Hon Max Trenorden:** That is not necessarily true.

**Hon MATT BENSON-LIDHOLM:** Maybe in debate afterwards the member and I can have a bit of chat about that issue.

**Hon Max Trenorden:** When we decide to get up on 26 December, I am going to make a speech.

**Hon MATT BENSON-LIDHOLM:** Fine. He also talks about the financial implications for the Town of East Fremantle. I will admit he does make mention of the benefits of the increase. There are some benefits according to Stuart Wearne. However, he goes on to say —

However it is highly arguable that the current increase was too sudden and too extreme to allow time for local governments not doing enough to divert waste from landfill and industries such as the construction industry to develop suitable alternatives—hence the current concern regarding increased illegal dumping.

He then goes on to talk about illegal dumping, the transport of wastes and a legal challenge. He concludes that comment by saying —

It should go without saying that the State Government has handled this matter in a very disappointing matter—nevertheless, given the Government’s current approach to local government “reform”, this should come as no surprise.

In conclusion to its special council meeting, a number of points were forthcoming in the resolution. The Town of East Fremantle minutes state —

**Mayor Ferris — Cr Dobro**

**That in response to the State Government’s increase of the landfill levy by 300%, the Town of East Fremantle advise the Premier, the Minister for the Environment, the Minister for Local Government and all local state parliamentary members of the Town’s position regarding this matter:**

There are seven points and I will go through them all. The minutes state —

1.     **the Town is greatly concerned at the complete lack of consultation and notice provided by the State Government prior to increasing the landfill levy by 300% and further noting that the local government sector had every reason to have expected an increase to only \$8/tonne as per the current regulations.**
2.     **the Town is greatly concerned that the increase was introduced after most local governments had finalised their draft budgets consistent with the above situation and this lack of time to plan for this considerable cost increase has caused a significant administrative burden to many local governments in addition to the financial burden which must now be passed on to the community.**
3.     **the Town strongly condemns the use of landfill levy funds for consolidated revenue purposes, noting this is inconsistent with the current legislation and the advice given to parliament at the time the legislation was adopted. accordingly the Town requests that the State Government revoke this position.**

These are fairly compelling points of view from a well-educated, focused council.

**Hon Ed Dermer:** Obviously well thought out.

**Hon MATT BENSON-LIDHOLM:** Absolutely! This certainly did not happen overnight. This is a very, very special meeting of the Town of East Fremantle and these particular issues need to be taken on board by the minister. I would like to know from her summing up what she thinks about them. The minutes continue —

4.     **the Town strongly believes that all funds raised by the landfill levy generated from domestic municipal waste streams and local governments should be hypothecated back to local government to support recycling and resource recovery activities and the associated infrastructure, consistent with the clearly stated purpose of the levy pursuant to the waste avoidance and resource recovery act. The Town notes that at the time of the**

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**introduction of the levy, commitments were made to local government that a rebate scheme would be introduced to return funds to local government for materials diverted from landfill.**

That is a point for the minister. The minutes continue —

- 5. the Town strongly supports an exemption from the landfill levy for all residual wastes from resource recovery facilities such as the SMRC —**

That is, the Southern Metropolitan Regional Council —

**thus providing further incentive for the development of such facilities.**

- 6. the Town recognises that the levy increase should assist with helping divert some waste from landfill, however notes that without the infrastructure or cost support for alternative waste processing systems, any positive impact of the increased landfill levy in terms of diverting waste from landfill will be greatly reduced, particularly if most of the levy is used for purposes unrelated to diverting waste from landfill, as intended under the current legislation.**

Finally —

- 7. the Town supports WALGA's seeking of legal advice on the legality of the proposed amendments to decouple the use of the levy from the objectives of the Waste Avoidance & Resource Recovery Act however requests WALGA also seek advice on whether the use of the levy to date has been consistent with the legislation.**

Members, these are fairly compelling points of view from the Town of East Fremantle.

I will now move to the Conservation Council of Western Australia. I have some interesting information here as well. The Conservation Council has also bought into the argument of the levy and its method of introduction. As part of its 15 May media release, the Conservation Council included a document of its analysis of the state budget that stated —

Increases to the landfill levy included in this budget are strongly supported in principle by the Conservation Council; —

Very interesting —

however, it appears that the Treasury allocation to the Department of Environment and Conservation has been reduced by an amount greater than the \$39million that will be raised each year by the levy. The increased levy is simply being used to help plug a \$50m hole in the DEC budget.

In previous years the Landfill Levy has appeared in a separate budget to the Department of Environment, and has been quarantined for waste reduction and recycling projects under the *Waste Avoidance and Resource Recovery Act*.

Just what it should do! The Conservation Council finishes off by stating —

This significant cost-shift which will require changes to legislation and the Conservation Council is strongly opposed to the use of the Landfill levy in this way. By forecasting this in the budget, the Treasurer and Minister for Environment are taking the Parliament for granted.

I will repeat that for emphasis —

... the Treasurer and Minister for Environment are taking the Parliament for granted.

Members opposite might like to give consideration to that. It will not change their point of view but they need to understand where the opposition is coming from because these are very important points that the minister needs to address in her response.

**Hon Ed Dermer:** It could be, honourable member, that they are also taking for granted the hard-working local government authorities.

**Hon MATT BENSON-LIDHOLM:** That is precisely, Hon Ed Dermer, the reason that I have gone to the trouble of talking about at least the Town of East Fremantle.

**Hon Ed Dermer:** As an example.

**Hon MATT BENSON-LIDHOLM:** As an example of a municipality that is very, very concerned.

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**Hon Robyn McSweeney:** You're really concerned, aren't you? All your members are so concerned they're not here!

**Hon MATT BENSON-LIDHOLM:** I am glad to see that the minister is here; that gives me great comfort. At least she is listening.

**Hon Robyn McSweeney:** I am certainly listening—I always listen to the member!

**Hon MATT BENSON-LIDHOLM:** The minister and I are talking to the converted here. The minister is here and that is important and I am glad to see her here.

The point to be made is that the Conservation Council, the Western Australian Local Government Association, the opposition and many more people in Western Australia in all communities oppose the levy increase because it represents a 300 per cent hike with only 25 per cent going to where it should go and it is not targeted. It is a tax, first and foremost; it is not a levy. The hypothecation question needs to be addressed. The bill does not do what it purports to do; it is all about taxation. If, as members opposite suggest, this landfill levy increase is successful, what will happen to the budget of the Department of Environment and Conservation? What will happen? I think we all know what will happen—it will start to go backwards. Therefore, the Waste Avoidance and Resource Recovery Amendment Bill 2009 stands condemned as a very poor piece of legislation. It sets us back 25 years and it is something on which this opposition will vote no.

**HON ED DERMER (North Metropolitan) [8.28 pm]:** I am very concerned that the Waste Avoidance and Resource Recovery Amendment Bill 2009 is before the Legislative Council. I am certainly without any doubt that it is a bill that should never become law and one that the Legislative Council should reject. I will endeavour to explain why this is the case.

The bill was introduced in the normal fashion with a second reading speech, this time presented by Hon Norman Moore on behalf of Hon Donna Faragher, who is the Minister for Environment. Matters that we need to look at in the second reading speech are the matters that are implied but not asserted clearly, and there are very good reasons why they are not asserted clearly. The second reading speech at its very beginning states —

This government is committed to increasing rates of recycling in Western Australia and reducing waste to landfill.

That is a very worthy objective and if one were to go no further than to listen to the minister's opening remarks, one might think this bill was worthy of support. The problem of course is that that opening line explaining what the bill is about implies that it is about encouraging the act of recycling and the reduction of landfill. However, when we examine the bill it does no such thing. Hon Sally Talbot, Hon Helen Bullock and others today have made it very clear that the bill in fact does quite the opposite.

The bill is about raising revenue for the government to help the government get out of the financial difficulties it has as a result of its own mismanagement, because only 25 per cent of the levy to be increased by 300 per cent is committed to go to the purpose of reducing landfill and achieving the recovery of resources through recycling. The money is going to go into a government department—a government department that would normally receive its finances from consolidated revenue. Obviously, if that government department is receiving money from this levy rather than from consolidated revenue, the money in consolidated revenue can be spent on other purposes. This is a direct substitution of the money that would be spent by that department from consolidated revenue. It is very clear, no matter how we may choose to look at this proposition, that what we have in this bill is not a levy to assist in waste recovery and recycling; it is simply a tax—a fiscal fix—to help the government cover up its irresponsible financial management.

I will refer further to the minister's second reading speech —

Levies in Western Australia are well below those in other jurisdictions. Currently, the levy for waste to putrescible landfills is \$8 per tonne and \$3 per cubic metre for waste going into inert landfills. In comparison, in New South Wales the levy for the Sydney metropolitan area is currently \$58.80 per tonne. Furthermore, compared to other Australian jurisdictions, Western Australia has one of the lowest rates of recycling, particularly for construction and demolition waste, which makes up almost 50 per cent of the state's waste by weight. New South Wales, for example, recycles over 65 per cent of its construction and demolition waste. Western Australia recycles less than 20 per cent.

I was very pleased to hear from the minister's second reading speech that New South Wales is doing so well. If we took a superficial look at this bill, or if we did not look at the bill but just trusted what is said in the minister's speech, we could reach the mistaken conclusion that only 25 per cent of the levy in New South Wales is expended on resource recovery by the recycling of waste and a reduction in waste to landfill. It is implied in the

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second reading speech that there is a linkage between this increase in the levy—an increase to a level that is higher than now, and therefore more similar to the levy in New South Wales—and the achievement of waste recycling and a reduction in waste to landfill. It is implied. But, when we look at the facts, we see that that is not the case.

I am very grateful to Hon Wendy Duncan for the comments that she has made on this bill, because at least she had the honesty to make it very clear that in New South Wales, 50 per cent of the revenue that is raised from the levy is applied to the recovery of resources and the reduction in waste to landfill. The proposal in this bill guarantees only that 25 per cent of the levy will be used for that purpose. The minister has had the audacity to imply that Western Australia will be like New South Wales, in that we will increase the levy, and we will achieve greater levels of recycling and a reduction in waste to landfill. The minister has overlooked the need to explain to us that only 25 per cent of the levy in this state will be committed to that purpose, as opposed to 50 per cent in New South Wales, as Hon Wendy Duncan explained to us tonight.

**Hon Robin Chapple:** And the dollar figure associated with that 25 per cent could actually reduce quite significantly, because that has not been calculated into the forward projections.

**Hon ED DERMER:** It is very interesting to examine the detail, and to see that what we have before us in this bill is very different from the proposition that was suggested by the minister in the second reading speech. I would appreciate a further explanation of that, member. I would like to ask Hon Wendy Duncan, who unfortunately has had to leave the chamber on urgent parliamentary business, whether she would be prepared, given that she is very impressed with the New South Wales model, to support an amendment to increase the proportion of this levy that will be used for the stated purpose from the 25 per cent that has been committed in this bill, to 50 per cent. Hon Wendy Duncan has said that New South Wales is a good example to adopt. Therefore, perhaps she would support an amendment to increase the amount to 50 per cent. I personally think that 100 per cent of the levy should be committed to the waste management purpose, but 50 per cent would obviously be a big improvement on 25 per cent.

The minister's second reading speech continues —

This bill provides for the levy to be paid into an operating account of the Department of Environment and Conservation, rather than directly into the waste avoidance and resource recovery account, and for the broadening of the purposes for which the levy imposed under the Waste Avoidance and Resource Recovery Levy Act 2007 can be applied.

The minister goes on to say —

Under the amendments, the minister will direct an amount to be credited to the WARR account each year to fund specified waste management purposes. This specified amount to be credited must not be less than 25 per cent of the forecast levy revenue for that financial year.

The minister will be directing the amount of this levy to be credited to the account. In light of the way this government is so badly managing its finances, I would be very surprised if, under the administration of the Barnett government, this levy proportion was ever any more than 25 per cent. It is clear that the government is endeavouring to cover up for its own inadequacies in financial management by disguising this tax in another form and seeking to use it to obtain a source of revenue. The pity about that, of course, is that the very good work that is being done by many people in Western Australia—as so very thoroughly described by my colleague Hon Matt Benson-Lidholm with respect to East Fremantle council—to achieve the recovery of resources from waste and a reduction in waste to landfill, will be impeded. This government, in seeking to impose this tax to cover its financial mismanagement and fiscal incompetence, will be impeding that very good work by those people.

The minister goes on to say —

The balance of the levy moneys not credited to the WARR account may be applied by the Chief Executive Officer of the Department of Environment and Conservation for broader environment and conservation purposes of the department.

What the minister is saying is that that higher proportion of the levy—up to 75 per cent—will be used to cover expenses that would normally be incurred by that department and would be paid for out of consolidated revenue.

The minister's speech continues —

Furthermore, amendments to the WARR Levy Act 2007 transfer from the Waste Authority to the minister the responsibility for making recommendations to the Governor on the amount by way of levy

that is to be payable for waste received at disposal premises. The amendments provide for the Waste Authority to provide advice to the minister for the purpose of making such recommendations; however, the responsibility to recommend a levy amount will rest with the minister.

Therefore, the minister of the day will recommend the levy amount, and the Governor will, quite sensibly under the Westminster system, probably take the minister's advice, even though in this instance I think the Governor will be needing to work on advice that has been directed by very poor ministers.

It is very clear that the minister will determine the amount of the levy. I fear that the already evident financial mismanagement of the Barnett-led government will become more serious as time goes on. I can imagine that the Minister for Environment will be tempted to look at sources of revenue that can help her solve her fiscal difficulties. I can imagine that the Treasurer will be guiding the minister and will be saying, "We are spending money here and there, and it is being diverted in other directions. We need to find some more money. Why not just up this levy a bit?" I can imagine that the government may bring forward other taxes under the guise of levies for specific purposes, but actually use those so-called levies to meet its core needs, therefore reducing the demand on consolidated revenue. The levy that is proposed in this bill is a thinly disguised tax. Sadly, I fear that it will impede the good work of so many Western Australians who are working tremendously hard to achieve real gains in the recovery of resources and a reduction in waste to landfill. We have a government that cannot manage its finances. The government is pretending that its purpose is to encourage waste avoidance and resource recovery, but its real purpose is to cover its own financial mismanagement and incompetence. I remember reading the analysis that was provided by the shadow Treasurer, Mr Ben Wyatt, in the other place. He said that he found many fallacious assumptions in the last budget that was presented by the government. Those weaknesses in the budget will become more apparent as time goes on. What we are seeing in this bill is attempt to raise revenue in the guise of a levy.

I now want to refer to some good news, because, sadly, we are getting bad news from this government with this bill. Some terrific work is being done in Western Australia in the field of waste avoidance and resource recovery. This is an appalling bill and it is very important that the Legislative Council oppose it, but it is interesting that even the most appalling proposal such as this bill leads people—it certainly led me—to investigate the whole field of waste avoidance and resource recovery more thoroughly. I was excited by what I learnt from those investigations. Dealing with this bill has led me to investigate more thoroughly the tremendous work that is occurring. I am also very pleased to say that the leading edge—maybe I am slightly biased in this matter—is emanating from the North Metropolitan Region, and I will explain why.

The North Metropolitan Region is served by two excellent regional councils—the Mindarie Regional Council and the Western Metropolitan Regional Council—through which the local government authorities work together to provide services, including the most important service of dealing with waste. I have learnt a great deal from discussions with Mr Ron Norris, who, as well as being the chairman of the Western Metropolitan Regional Council, is the Mayor of the Town of Mosman Park. The Forum of Regional Councils represents each of the regional councils. We have these levels of administration, and an excellent example is local government authorities working together to achieve waste avoidance and resource recovery, initially by neighbouring councils combining to work together as regional councils, such as the Western Metropolitan Regional Council and the Mindarie Regional Council. Then of course these regional councils combine to work together at another level of cooperation with the Forum of Regional Councils. Mr Norris sent me an email, which in part states —

... FORC members already have, or are moving towards the construction of, Alternative Waste Treatment [AWT] plants. The purpose of the AWTs is to divert MSW —

That is, municipal solid waste —

from landfill. FORC members are investing in AWTs because they are the right way forward for the management and disposal of MSW and they provide economic certainty in our operating costs.

Economic certainty in planning such important work is absolutely vital, but what do we get from the Barnett government? We get a tax imposed on that excellent work when it should be encouraged. The Barnett government is impeding this work. Not only is this a tax, but also it is a tax that the minister could change at her discretion from financial year to financial year, so these councils cannot even predict the scale of this impediment to their important work. At the same time, these councils are making very important investment decisions for which a degree of predictability is very important, yet this is being denied them by this outrageous government, which is endeavouring to cover up its own financial mismanagement. The more I think about it, the more angry I become. But I will become less angry because it is very important that the house learn about the excellent work of the Western Metropolitan Regional Council, the local governments involved and the other regional councils represented on the Forum of Regional Councils.

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Mr Norris's email continues —

Therefore, FORC members do not need the increased landfill levy to achieve that objective.

The government should listen to the people who are doing the work. They know what they need and they know what they do not need; they do not need this false proposition of a levy for a specific purpose when the real purpose of the levy is a tax designed to get this government out of trouble arising from its own financial irresponsibility. The people doing the real work to achieve real goals, real progress, in waste avoidance and resource recovery make it very clear that this bill, should it become law, will not assist in achieving their worthy objectives. I keep losing my focus. When I think about the nature of this bill, it makes me angry. I am sorry for that, Mr Deputy President. I will endeavour to again focus on the very good work of Mr Norris and his colleagues and to think about something positive at the local government level, when the state government is so appalling and disappointing. At least we can take confidence in the very good work being done at a local government level. The email from Mr Norris followed a meeting I had with him. His email continues —

You have asked for an explanation of the direction being taken by my Council, the Western Metropolitan Regional Council ... We are substantially down the path of constructing a DiCOM plant at our Shenton Park Transfer Station. DiCOM is a process invented by a local company, Anaeco, which converts the organic component in MSW to compost. The WMRC plant is the first in the World.

I think that is wonderful, and it should be encouraged. We have world leadership in solving this very important problem in Western Australia. It should be encouraged. Sadly, the Barnett government is doing the opposite by imposing a tax under a false guise. The email continues —

I have attached a copy of a PowerPoint presentation —

I have a copy of the PowerPoint presentation, which I draw to the attention of all members. I seek leave to table a copy of the presentation.

Leave granted. [See paper 1542.]

**Hon ED DERMER:** The email continues —

I have attached a copy of a PowerPoint presentation which I jointly presented with Anaeco to a conference in China ... last year. The presentation explains how the DiCOM process works and why WMRC chose it as our AWT. At that time WMRC had just finalised a Waste Supply Agreement with Anaeco which provided for the project to proceed in 2 stages. Stage 1 involved the construction of a simplified Materials Recovery Facility ... and a single vessel to prove the DiCOM process worked to the satisfaction of WMRC. Stage 2 involves the construction of an additional 2 vessels and the commencement of a 20 year contract for the delivery of MSW to Anaeco. It is anticipated that the full plant, which includes a much larger MRF, will be operational by late 2010.

It will be operational by next year. Is it not encouraging to see such tremendous progress led by real community leaders in local government in Western Australia? I am very pleased to say that my electorate of the North Metropolitan Region is leading the way. I am very disappointed that the Barnett government is trying to impede this work to cover up its foolishness and its inability to manage the state's finances. There is some very important information in Mr Norris's email. It continues —

At the time of the PowerPoint presentation the Stage 1 plant had not been constructed and the images showing how the Stage 1 vessel was to be incorporated in our Transfer Station are computer generated. Construction of Stage 1 was achieved in November 2008 when the plant was officially opened. I have attached 2 photos of the Stage 1 plant taken at that time.

As I have said, I recommend that members, particularly those who might be contemplating the very foolish and unwise act of voting for this bill, look at the printout of the PowerPoint presentation that I have tabled. They need to be aware that this so-called levy—this real tax—can only impede the terrific work that is being done. Mr Norris's email continues —

Stage 1 has now successfully demonstrated the conversion of MSW to compost by DiCOM. The trial has revealed a number of engineering changes which Anaeco intend to incorporate in Stage 2.

A constant review is being conducted of the actual application of this wonderful technology, which review, I am sure, will lead to further improvement, and it is a review that should be encouraged by the government, not impeded by this tax that is an excuse for its own incompetence. The email continues —

WMRC is about to commence negotiations with Anaeco for Stage 2 of the project.



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I trust this brief explanation and the attachments adequately demonstrate the path already being taken by the FORC members in regard to the responsible disposal of MSW. I would be happy to meet with you again to explain the above details ...

I am sure this gentleman, who is a very wise and clear advocate for the work that he and his colleagues are doing, would be happy to hear from any member of the Legislative Council who might—if unconvinced by me—wish to take the opportunity to speak to him.

Mr Deputy President, when Hon Ken Travers and I contemplated this bill, we thought that it appeared to be at the local government level where most of the good work was occurring. Good work is being done by the two regional councils within our North Metropolitan Region electorate, so we thought the sensible course of action was to write to the chairman of both of those regional councils and the mayors of each the local government authorities within the North Metropolitan Region to seek their opinion. The responses were insightful and considered, and I would like to personally thank each of the officers, the chairman and the mayors in some instances, but more often chief executive officers wrote back to us on behalf of the mayors, and I would just like to share some of those with the house tonight. I am hoping that their very articulate words will convince people of the foolishness and irresponsibility inherent in the Waste Avoidance and Resource Recovery Amendment Bill 2009 that we are considering.

I received a letter from Heather Henderson, Mayor of Subiaco. She sent to Hon Ken Travers and me a copy of a letter that the City of Subiaco had sent to the Minister for Environment on 29 June 2009. I hesitate to leave out any of the interesting words in these letters, but I am aware of the time. Anyway, she sent the letter to the minister. I am sorry the minister is not in this place to hear it again, but I am sure the minister read it thoroughly at the time. It is a pity that she did not listen more carefully and was not suitably discouraged and is persisting with this dreadful bill.

**Hon Robyn McSweeney:** The minister's just gone to the bathroom actually.

**Hon Kate Doust:** We probably didn't need that sort of information!

**Hon ED DERMER:** Has she? Okay; that is fine. But I certainly do not want to be distracted because I have got very important things to say, and I hope that the minister's colleague who sits next to her will make sure that the message is rammed home that if she had listened to the City of Subiaco and its wisdom at an earlier time, I do not think she would have persisted with this outrageous bill.

The City of Subiaco's letter to Hon Donna Faragher reads, in part —

The city was very disappointed to receive your letter dated 18 May 2009 regarding your decision to increase the metropolitan landfill levy by 300% from 1 July 2009 ...

I regularly meet people who are very distressed by increases, for example, in their power bills and other aspects. The sad thing, of course, is that if this levy is imposed on local government authorities, the local government authorities, responsibly, in many cases will have no alternative but to pass that on to the residents. It will be a further imposition, and it is a sneaky tax, the real purpose of which is to cover up the incompetence of the government. But of course the people who will pay the price for it will be the people who have no choice, being the people who, through their rates, provide the normal revenue to local government authorities. When the local government authorities are confronted by a 300 per cent increase, what choice do they have but to pass it on? Sadly, there will be a very serious imposition on all those Western Australians to whom this levy, effectively, will be passed on.

The letter to the minister included a council resolution of 23 June, which reads —

That a letter signed by the Mayor and the CEO be sent to the Minister for Environment and Youth

- a) Expressing Council's disappointment at the increase to the metropolitan land levy by 300%, from \$7.00 to \$28.00 per tonne as of 1 July 2009.
- b) Doing so without consultation.

I suppose when the government has a sneaky plan to present a new tax under the false guise of being a levy, with the false claim that somehow it will enhance waste avoidance and resource recovery, if it is doing something sneaky it would probably not consult about it, it would probably just try to do it without people noticing as best it can. It is little wonder that there was not any consultation. These, of course, are my comments; they are not actually written in the City of Subiaco's letter; it is much more polite. But my comments do make the point that the proposal came through without consultation.

I will continue to read from the City of Subiaco's resolution, which states —

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- c) That the city opposes the decision to change legislation allowing the extra revenue to be diverted to consolidated revenue to fund anything other than waste and recycling.

Of course, if the City of Subiaco had the 300 per cent levy, it might actually achieve some purpose in the hands of Mr Norris, Ms Henderson and other sensible local government officers who would probably use it to advance waste avoidance and resource recovery. But in the hands of Barnett government ministers, it is very unlikely to be spent responsibly, in my view. As I have said before, I think it is a thinly disguised tax designed to cover its own financial incompetence. The resolution continues—

The intent of the levy was to fund waste and recycling as part of the WARR act 2007.

Obviously, that was the very sensible act passed in 2007, which was adopted by the Parliament under the guidance of a very sensible government, but that is all history. The resolution continues —

- d) To request that the minister urgently reviews these decisions.

The City of Subiaco is pleading—not pleading in an undignified way; that is my emphasis—and asking the minister to urgently review these decisions, and if she had read and paid due attention to what was in this letter, she would not have presented the bill, in my view, or she would certainly have withdrawn it if she already presented it at that point. The resolution continues —

- e) That the minister be requested to clarify what steps, other than an increase in fines, she will put in place to combat the increase in illegal dumping in our parks and vacant land which will inevitably occur. Will she set aside funding to support Local Governments in the removal and disposal of such waste?

I do not know what the minister's answer was to that; that would be a very worthy way to spend the revenue to achieve a better environment not only for Subiaco and the North Metropolitan Region, but also for the whole state. I do not know whether the minister ever had the courtesy to answer that question; perhaps she will let us know whether she did in her response to the second reading debate.

The letter continues —

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

That is a process of consultation, communication, participation, cooperation, collaboration, none of which are inherent in this tax bill. The letter continues —

The Agreement therefore requires consultation between State and Local Government when any action contemplated by either party would have an impact on the other party.

Clearly, that courtesy was not extended to the City of Subiaco. The letter continues —

Clearly there was no consultation prior to the announcement on this particular decision and as a result we believe that a breach of the Agreement has occurred.

My own view is that if the government was planning to present a tax to cover its own financial incompetence and it wanted to put it forward as a levy, then it would not consult because it would try to do it in a fashion as sneaky and underhand as possible. I think that is what happened on this occasion.

I received an interesting letter from Mr John Giorgi, chief executive officer of the Town of Vincent, which begins, “Dear Ed and Ken”. I will not read out all of the letter because, unfortunately, I am running out of time, but these letters make very important points. In referring to the levy, Mr Giorgi's letter, in part, states —

This provides a financial incentive to reduce the level of waste going to landfill, albeit a modest one compared to landfill levies in other states.

We have already discussed New South Wales and other jurisdictions. The letter continues —

The revenue from the landfill levy must be deposited into a Waste Management and Recycling Account and may be applied by the responsible Minister.

He was referring to the current situation under the existing act, which this bill will unfortunately damage if it is passed. The letter continues —

- To fund programs relating to the management, reduction, reuse, recycling, monitoring or measurement of waste that are approved by the Minister; and

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- In payment of the costs of administering the Account (including the costs of collecting levies and penalties and support and evaluation services).

They are very sensible ways to spend the money, and the money would actually be spent for the purpose of avoiding waste and recovering resources. They are very different ways from the propositions placed before us in this outrageous bill. Mr Giorgi's letter continues —

The proposed changes to the Waste Avoidance and Resource Recovery Act to allow the Landfill levy to provide operating funding for the Department of Environment and Conservation is strongly opposed by the Town —

That is, the Town of Vincent —

as it is contrary to the original intent of the levy.

The government is changing the ground rules in an underhand way at a time when people working in regional councils and local governments are making such terrific progress and leading the world from Western Australia; and, I am proud to say, leading the world from the North Metropolitan Region. The government is changing the ground rules and introducing new unpredictabilities into investment decisions; we do not know what the minister might decide to levy from year to year, or what proportion will be given. All we have is a commitment to provide 25 per cent. There are too many changing variables. The good work that is being done, based on the sensible assumptions of the existing act, is being changed to cover up the financial incompetence of the Barnett government. I am sorry, Mr Deputy President; when I get angry about this matter, I distract myself from the very important words of Mr Giorgi. His letter continues —

In addition, the proposed 'exponential' increase in the Levy which will result from the possible passing of this legislation —

I certainly hope not, Mr Giorgi; I am not at all sure that my colleagues across the chamber are listening to your wise words, but I will persist as best I can —

is considered totally unacceptable to Local Government as it is merely another revenue raising exercise and not in the interest of ratepayers or the original intent of the Landfill levy.

Hon Sally Talbot made it very clear recently that the application of this tax to the waste avoidance and resource recovery initiative will only diminish its economic viability if no more than 25 per cent is to be contributed to the stated purpose of the initiative. It will inflate the cost and make it more difficult for the waste avoidance and resource recovery initiative to match the volatile prices for the commodities that are actually created by resource recovery. This tax, in the guise of this bill, will have the effect of changing for the worse the economic structure of the waste avoidance and resource recovery initiative. Mr Giorgi's letter concludes —

The Town therefore strongly opposes the proposed bill and any substantial increase in the value of the levy.

Doug Forster, the acting chief executive officer of the City of Perth also courteously wrote to me in response to the letter sent by Hon Ken Travers and me. His letter is also very insightful. It states in part —

During the development of the Waste Avoidance and Resource Recovery (WARR) in 2007 extensive consultation with the community, waste management sector and Local Government, including the City of Perth was undertaken. Throughout this consultation period there were no suggested amendments regarding the Act particularly in relation to the levies.

There was a very responsible government in Western Australia in 2007, dealing honestly and consulting openly with the local government authorities concerned; that is evident from each of these letters. The letter continues —

When the State Government through the 2009/10 budget announcement increased the waste levy by some 300%, local government including the City of Perth opposed this increase particularly given that only 25% would be directed to waste recovery and avoidance activities. The City of Perth does not therefore support such an amendment.

That is, the amendment entailed in this bill. The letter continues —

For the levy to work as a disincentive to taking materials to landfill there needs to be higher levels of strategic planning in place. Western Australia has limited end markets for its recyclables.

I refer to the very clear explanation given by Hon Sally Talbot; we need to have a low enough cost when recovering resources for the resources to be self-financing when sold on the market. The commodity value varies, and that is referred to in this very interesting letter. Leadership is coming from the local government

**Extract from Hansard**

[COUNCIL - Wednesday, 18 November 2009]

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level, and it has to be met at the state government level. However, the state government is impeding rather than leading. The letter continues —

Increasing the levy but not directing the funds into development of end markets will not therefore achieve the desired outcome of greater participation in recycling. Instead, it is likely that the price increase will be passed onto consumers, collected by local government and directed to off-setting the costs of a government department, namely Environment and Conservation.

Mr Forster very clearly explains why this is an offset for money that would normally be derived for the department from consolidated revenue. His explanation can lead to only one conclusion: that this bill proposes a tax rather than any strategy for waste avoidance and resource recovery. Mr Forster's letter concludes —

While it is recognised that more needs to be achieved in the waste management area and that Western Australians pay less than other States, income collected from the general public should be directed to identifiable objectives and outcomes, a result which is not evident from the information provided to date.

Hon Ken Travers and I sent copies of the bill, the explanatory memoranda and the second reading speech to these local governments along with our request for their comments.

I received another interesting and informative letter from Mr Graham Foster, chief executive officer of the City of Nedlands. It states in part —

The City of Nedlands has been proactive in its efforts to improve the rates at which the City diverts its waste material from landfill. The City has introduced initiatives such as kerbside greenwaste recycling where audits have clearly demonstrated the City's successes in tackling this important issue.

The City of Nedlands commissioned an audit in 2004 to determine the level at which material was being diverted from landfill. This was completed in anticipation of the significant impact that the Landfill Levy would have on the City's residents. The audit determined that the City was diverting 40% of waste material from landfill utilising the mobile garbage bins, although where bulk hardwaste, bulk greenwaste, bulk metals, contaminated recycled materials, public litter bins and illegal dumping are included this figure fell to 32%.

That is interesting, but it was not left at that. The City of Nedlands is monitoring the situation, which is part of good leadership and understanding what needs to be done. I am very impressed with the City of Nedlands. The letter continues —

A subsequent audit was commissioned in 2007 in order to evaluate the success of the City's Waste Minimisation Strategy. This audit concluded that the City was diverting 65% of waste material from landfill utilising the mobile garbage bins, although where bulk hardwaste, bulk greenwaste, bulk metals, contaminated recycled materials, public litter bins and illegal dumping are included this figure fell to 46%.

Between 2004 and 2007, the revised figure, including variables, went from 32 per cent to 46 per cent. The audit concluded that 65 per cent of waste material was being diverted in 2007, without accounting for the other variables listed. Comparing like with like, the diversion goes from 40 per cent in 2004 to 65 per cent in 2007. It is a very modest period in which to achieve such a great improvement. When the other variables are accounted for, such as illegal dumping et cetera, the improvement was 32 per cent in 2004 to 46 per cent in 2007. That is great progress. That careful auditing demonstrates to ratepayers and to us the successes that were being achieved by the City of Nedlands. This is great work. Does the state government recognise that? No. It endeavours to make local councils responsible for this tax to cover its own financial incompetence, and it pretends that it is a proposal designed to assist waste avoidance and resource recovery. It will be an impediment to the excellent work that is happening at local government level. Further along, the letter continues —

I also recognise that the use of the landfill levy is an effective tool in achieving this aim. I do not however, agree that funds collected from the levy initiative should be utilised to fund the operational requirements of the Department of Environment and Conservation.

Mr Foster is absolutely correct; that department should be funded from consolidated revenue and normal established taxes, rather than this new tax that the government is putting forward under the false pretence of being a waste avoidance levy. Mr Foster's letter continues —

This is in my opinion, a cost shifting initiative, where any increased imposition on the City or its residents must be transparently declared to the public —

Of course, being a responsible local government authority —

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so as to ensure that local government is not subjected to unnecessary and unwarranted criticism regarding these imposed substantial increase in rates collection.

This is very interesting. The City of Nedlands makes it very clear to its residents that this increase in the imposition on the citizens of Western Australia does not come from the City of Nedlands, because it has been imposed by the Barnett government in a very underhand way. Citizens will respond to any financial imposition on them by the government, and the Barnett government is trying to make this look like an imposition by the local government authority when in reality it is just an extra tax imposed by the Barnett government. The City of Nedlands will make that very clear to its residents; it clearly understands what the government is up to, from my interpretation of Mr Foster's letter. The letter continues —

It is my opinion that waste levy funding should be spent totally on local, regional and state government recycling initiatives that are aimed at achieving the goal of zero waste.

This goal has been very much advanced by the Western Metropolitan Regional Council and the other hardworking regional councils and local government authorities in the state. Mr Foster's letter continues —

I would like to reiterate my concern that the new levy proposal will inappropriately cause the City to directly fund the operational budget of the Department of Environment and Conservation.

Mr Foster clearly understands what this bill introduces. It is a tax designed to finance a government department that should be financed out of the consolidated account. It is a desperate effort to cover up for the financial inadequacies of the Barnett government.

It is a pity that I may not get time to share with the house a letter from Mr Norris, the chairman of the Western Metropolitan Regional Council. He explains that the Forum of Regional Councils is not opposed to an increase in the landfill levy but is seeking some amendments to the Waste Avoidance and Resource Recovery Amendment Bill 2009 to assist further investment in research and infrastructure in resource recovery facilities, or RRF. This is not an unreasonable proposition. He understands the levy and he understands that the work that is being done is important, but he wants the levy spent on that purpose. His letter reads —

Over the next five years, FORC members are looking to increase RRF capacity by about 430,000 tonnes at an estimated cost of \$450 million.

I seek your indulgence, Mr Deputy President, of an extra minute to conclude this very important comment from the chair of the Western Metropolitan Regional Council.

[Leave granted for the member's time to be extended.]

**Hon ED DERMER:** I thank members; I will seek to stand by my indication of not taking more than about a minute. This comment needs to be shared with the house. The letter continues —

This would effectively mean that all or nearly all metropolitan household waste and recyclables collected by local government would be processed with only residue going to landfill, increasing the diversion rate to over 70 per cent.

This is an extraordinary achievement, and with appropriate support it will be achieved by people like Mr Norris. The last thing they need is the impediment of this bill and the tax it imposes. The letter continues —

This would be a major environmental step forward but help from the State Government is needed to achieve it. The attached suggested amendments to the WARR Amendment bill would significantly enhance the prospect of achieving this objective.

I note the very many amendments and other suggestions that Hon Sally Talbot is studying in detail with a view to endeavouring to most effectively use the committee stage, if the house is unwise enough to support the second reading of this appalling bill; this thinly disguised tax pretending to be something it is not.

**HON MAX TRENORDEN (Agricultural)** [9.15 pm]: I begin with two apologies. One is to the Leader of the National Party in the upper house, to whom I said that I would not contribute to this bill, but I have had enough. I have had it up to here, so I am going to have a go. My second apology is to the minister, who has been very resilient in this debate. I am sorry that she will have to put up with another bout. I have had a gutful of this debate, and I am going to say what I feel, and that is it, so let us have a go.

The reality here is that the Labor Party has deserted the environmental ground. We have been listening for three days to a roll out of tripe. Listening to the lead speaker for the Australian Labor Party, Hon Sally Talbot, is like listening to 1080 on the radio: I think that I know that tune, but I just cannot catch who wrote the song and who the band was. And then I think: I have got it! I know who wrote her speech. It was Aristotle, and if it was not Aristotle it was Ramses II. That is how far back the ALP policies go. Members opposite are in the Dark Ages.

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They need to understand that the drivel they have been giving us for the past three days is yesterday's news. They have deserted the environmental flag, if they ever had it.

**Hon Adele Farina** interjected.

**Hon MAX TRENORDEN:** I am going to have my say, and I am going to have a little bit of fun; I am going to have a go, because I have been sitting here for a week listening to members opposite, and now they can listen to me, and that is it. I love interjections. When I was in the other house, I would go all day on interjections, so if members want to interject, I would love them to do that as well. I enjoy that game.

**Hon Ed Dermer:** Have you read any Aristotle?

**Hon MAX TRENORDEN:** Of course I have; I love history.

**Hon Ed Dermer:** He shows great wisdom.

**Hon MAX TRENORDEN:** Yes, he was a very intelligent man, but did the member read his letter about youth? Does he agree with that?

**Hon Ed Dermer:** I didn't pick up that particular letter.

**Hon MAX TRENORDEN:** He said that youths were useless, and the world was going to finish because youths cannot handle today. That is a very famous letter from him, but we will not worry about that.

Several members interjected.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** Order! I am sure that the honourable member wants to use up as much time as possible. The interjections across the floor from members who have already had the opportunity to speak need to cease.

**Hon MAX TRENORDEN:** The real story here is that we must do some of the things that the Labor Party purportedly wanted to do. How many times did we hear about zero landfill?

**Hon Robin Chapple:** That is our policy as well.

**Hon MAX TRENORDEN:** I have to say that the honourable member is a fair bit better than those people he occasionally associates with. We might battle over the environmental ground with the Greens in the future, I think, but that is another issue.

We hear a fair bit about zero landfill. This issue is about an asset; it is not about a liability. This issue is about a positive; it is not about a liability. I was in Alberta, Canada, 15 years ago, in a small country town called Olds. In that town, they were taking green waste and producing an environmental product of a positive nature, which they sold, and guess what? They actually made a dollar out of it; they actually made a buck out of it. Not only that, it was great for the environment and it was great for the country, and there was no-one standing on the hose. Part of the problem here is that previous ministers, including Hon Cheryl Edwardes, for whom I have a lot of time, were acting on information of the time. That time has passed. It is time to consider this whole matter as a positive. It is time to get it out of the environmental portfolio. It is time to take it away from the negative. If Alberta could do that 15 years ago, why cannot we do that now? I was in Adelaide this year with Hon Nigel Hallett. We spent half a day there with a recycler who is taking waste—I would call it produce but other members would call it waste; they would call it a negative—from 480 000 houses and turning it into a magnificent product. Why do we not do that? It is because a range of people, including those in local government, have their foot on the hose. I would also argue that includes these two houses, which in the past decade have passed a range of bills that have their foot on the hose. In South Australia, across the road from a shed for landfill, a plant was taking concrete, bricks and rubble and turning them into a useful product, it being cement. Adelaide is a significantly smaller city than Perth, yet people there have been doing that for quite a few years. Why can we not do it? It is because we have our foot on the hose. We are living in yesterday and looking upon this issue as an absolute negative instead of an absolute positive. The shed was taking landfill, but the amount of landfill in the shed was miniscule in comparison with the amount in the organic and reusable heap on the other side of the road. I do not know what percentage in the shed would have gone to landfill, but it was significantly small. People in that shed were still pulling items out of the rubble for landfill, to make sure that only what was required would go to landfill. We should be miles in front of Adelaide. I will not keep kicking Adelaide but, nevertheless, South Australia is recognised as not being as progressive as our state. However, in this area it is leaving us for dead.

The organic part of refuse is a very valuable product. We should be turning that product into an alkaline-based fertiliser, which would be highly saleable. Hon Philip Gardiner will know what fertiliser is worth because he is still farming.

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**Hon Philip Gardiner:** It is worth about \$550 a tonne.

**Hon MAX TRENORDEN:** Organic fertiliser could be sold for \$550 a tonne. What do we do? We might turn that organic matter into maybe a bit of environmental mulch, but we do not get anywhere near achieving the best outcome for the environment. If all that product was going into an organic fertiliser, we would be way out in front. It could involve not just what goes into a rubbish bin, but also chicken fertiliser, pig manure, restaurant waste and all those things.

**Hon Adele Farina:** I agree, but how is this bill going to get us further down the track on the path you want us to take? It seems it will take us further away.

**Hon MAX TRENORDEN:** If the member agrees with me, why did she not stand and say so? I did not intend to speak on this bill but I am going to have a go. If the Labor Party wants to come into this place and say that the government is incompetent and throwing money away, I am happy to sit here and say nothing, because opposition members have every right to say that, and I will support their right to say that for as long as they like. However, after six hours with the lead speaker and many hours with other members all on the same subject, and all negatives and no positives among them, I have had enough. I will tell members what I think the positives are. Three firms in Western Australia are trying to create a natural fertiliser. Do members know why they do not do it? It is because we will not let them. That is right; we have a whole raft of regulations and rules that keep them away from the product.

**Hon Adele Farina:** This bill is not going to address any of those issues.

**Hon MAX TRENORDEN:** Yes, it is.

**Hon Adele Farina:** No, it is not.

**Hon MAX TRENORDEN:** I have only 36 minutes. Have we got until 26 December? I am very happy to have a go. The key point I want to make is that farmers are paying \$550 a tonne for fertiliser, which is a significant amount of money. A whole raft of people involved in golf clubs, race clubs, parks and gardens, farms and other organisations are in trouble. They desperately need an alkaline-based fertiliser that they can use near water. The non-use of such fertiliser may be why there have been six dead dolphins in the Swan River, which we talked about this morning. I look at Ascot Racecourse and Belmont Racecourse, which I must admit I have a fair association with, and all the fertiliser and chemicals that are used in those places. Who knows what is going into the Swan River? People could have around 3 000 tonnes of an alkaline-based natural fertiliser, which is not a lot of fertiliser in the Western Australian context, which could be positively applied for use in this state.

The issue should not be, as I have been hearing all week, that this is a matter for the environment portfolio. I apologise to the minister. It should be out of the environment portfolio and out of the negative; it should be in the positive and out there as a product. Some of the regional councils have been on my back to see some of the arrangements of metropolitan councils because they understand that what I am saying is correct. They knew it long before I knew it. They want to get the whole of the Western Australian negative mechanism to react by turning this whole question into a positive. If we changed our attitude and moved it from the negative and put it into the positive, we would end up with a very limited amount of waste going to landfill. It needs an attitude, a change and a different culture. We cannot be telling the people of Perth and the people of Western Australia that what we are dealing with is dynamite and disgusting and that it is a huge negative, because it is just not true.

**Hon Adele Farina:** I agree with you. Introduce a bill that does that.

**Hon MAX TRENORDEN:** I cannot have a fight with the member if she is going to agree with me, so I wish she would stop doing that. I will sit down, because I do not want to be in this house until 26 December. But an army of people want to get on with this matter. Our responsibility is to get out of their road. Our responsibility is to get the issue out of the negative. Our responsibility is to make it happen. I would love to go on for another 30 minutes and tell members what I would do if I were the minister. Not only am I not the minister, but also I have no prospects of being the minister, so I will not do that. I do have a bit of agreement from the current minister, however, that she will talk to me in the new year about these matters, which I have a great passion to do. I also have a great passion for those three firms that are desperately trying to get hold of this product and do the right thing for Western Australians, but we will not allow them to do it.

**HON JOCK FERGUSON (East Metropolitan)** [9.28 pm]: I rise to oppose this bill. In my opening remarks I would like to say that, like the rubbish we collect, the bill stinks. A mayor in the east metropolitan area said that to me when I rang around and asked the opinion of various local governments. The first one I rang said, "It just stinks, Jock." He then laid out the reasons, and I will come to them very shortly.

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I must say that I congratulate the previous speakers, particularly my honourable comrades Hon Sally Talbot and the others who have contributed to this debate. I think it was in Hon Sally Talbot's opening remarks that she said that this bill is not salvageable. I agree; this bill is not salvageable. I think we could call it a Humpty Dumpty bill because all the king's horses and all the king's men could not put this bill back together again—no matter what happens!

Obviously, the legislation was put in place by the previous Labor government and now the current government is trying to uncouple the waste levy from the original purpose of spending it on waste management. This is a misuse of these funds, which should be used to improve recycling initiatives and other waste purposes. My understanding of Hon Max Trenorden's contribution is that he was saying that we are well behind places like Adelaide and that we have not done enough. However, with all due respect to Hon Max Trenorden, we cannot do this without putting the money into this activity, and this bill will not assist in that process whatsoever. I do not think that is a negative; it is factual and I think that is a positive fact. I think that it simply indicates the contempt that this government has for the environment in Western Australia and the department itself. The government has cut nearly \$39 million from the Department of Environment and Conservation and it seeks to make up this shortfall with a tax grab—a greedy grab at a handful of tax dollars. That is how the government wants to make up the shortfall.

This tax charge comes on top of a raft of other increased state charges. In the latest budget we saw increased electricity charges, increased charges for water, increased charges for public transport and extra charges for boats. Now there are fishing taxes and exorbitant charges for parking in the city—it goes on. We have debated some of those charges in the past and they all add up. In fact, this government has cost most people in my electorate, which is also the electorate of the Minister for Environment, an additional \$1 000 a year. These imposts are on average families working and living in my electorate, also the Minister for Environment's electorate, and we all know that the cost of living in Perth is skyrocketing. There are people out there who are doing it really tough.

**Hon Ed Dermer:** They are facing \$1 000 a year in extra costs and some of them are being offered 40c an hour as a wage increase.

**Hon JOCK FERGUSON:** Hon Ed Dermer is quite right; it is a miserable 40c an hour wage increase. That does not work out very well.

As far as people doing it tough goes, I will refer to a couple of parts in the report entitled "The Rising Cost of Living in Western Australia" from August 2009 by the Western Australian Council of Social Service. In the executive summary on page 3 under "Key findings", it states —

This paper shows that from 2007 to 2009, **household expenses** have **increased by approximately \$105 per week, or 17.7%**. During the same period, **income levels** for minimum wage earners in WA have **increased by \$41, or 5.15%**.

There is an obvious imbalance. As I say, people out there are really doing it tough. The conclusion on page 12 states —

For low-income earners and people experiencing disadvantage, the cost of living in WA is rising much faster than incomes, creating significant financial hardship ... the **family's net position has deteriorated by \$64 per week over a two year period**.

All these extra charges, including the charge set out in this bill, will add further hardship to those families who are doing it tough. Whilst I was talking to a number of the mayors in the East Metropolitan Region, the Mayor of Gosnells told me a story about how tough people are doing it. She had been out shopping and met a male single parent, whom she had met before, who has three kiddies. He was at the shopping centre in a great state of distress. When she asked him why, it turned out that this single parent, who is really struggling and trying hard, had \$10 in his pocket on a Monday and he was at the shops trying to work out how he could stretch this \$10 to feed his family. The mayor is a wonderful person. She gave him \$50 and took him into the shops and they spent the money on reasonable foodstuffs to keep his family going until the end of the week when he got paid. I think that is an indication of people doing it tough, and I think some people on the other side of this place forget that there are working poor out there and that people are really struggling.

As I say, I have spoken with a number of local mayors and I have not come across one in the East Metropolitan Region who has anything good to say about this levy. They all oppose it vehemently. I will make reference to some media reports to give members an idea of just how opposed local government is to this bill.



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Before I do so, I think Hon Ed Dermer spoke about the three major waste management bodies that lobby the state government, such as the Municipal Waste Advisory Council. An article in the *Wanneroo Times* dated 11 August 2009 stated —

MWAC chairman Troy Pickard said the State Government would need to spend money on research into alternative waste management arenas now, to prevent a “huge bump” in landfill increases in the future.

“The council’s stance is that we want all monies collected from the levy to continue to be used exclusively on waste management,” he said.

“Only when we as a State have a firm grasp of how we can efficiently and effectively dispense or reuse our household and commercial waste, can we even think about using some of the funds for other purposes.

“But the reality is, at this stage, we need every dollar we can get to research alternative waste management options to become sustainable in the future.”

*Point of Order*

**Hon LIZ BEHJAT:** As much as I enjoy hearing the words of Troy Pickard, the Mayor of Joondalup, who does a fabulous job, I think this is about the third time we have heard these words in the course of this debate. It is repetition.

**The DEPUTY PRESIDENT (Hon Matt Benson-Lidholm):** I think I am right in saying that every member who gets to his or her feet is fully entitled to make a particular speech. This member is doing that; he is addressing the issue and I think he needs to continue with those remarks.

*Debate Resumed*

**Hon JOCK FERGUSON:** Maybe the more times members hear what people are thinking out there, it might sink in eventually.

The article continues —

Mr Pickard said it was a conflict of interest to allow the Department of Environment and Conservation access to the fund.

“The department is meant to be pushing for a zero waste management program, meaning that they want to cut down the landfill intake as much as possible.

“But in 10 years’ time if zero waste does its job, they will be effectively eliminating the need for the landfill levy itself and diminishing the current cash stream.

I think that is along the same lines as what Hon Ed Dermer was saying.

**Hon Ed Dermer:** It is a different mayor and a different quote but again it shows the leadership that is evident in local government.

**Hon JOCK FERGUSON:** That is quite correct, Hon Ed Dermer.

As far as the East Metropolitan Region is concerned, I will quote from the *Eastern Suburbs Reporter* dated 14 July 2009 and a letter that states —

This 300 per cent waste levy increase is no more than a shameful grab for money by the State Government, using local government as the collector, with the proceeds going to areas other than waste reduction initiatives.

...

The Barnett Government also needs to look at itself closely and consider the hardship that many people are suffering, rather than hitting them with extra charges via the back door of local government.

That was said by councillor Marlene Robinson, west ward, City of Bayswater.

I have another quote. This is from the *Eastern Suburbs Reporter* of Tuesday, 7 July 2009. The article is headed “State levy forces rates hike”, and it says —

Bassendean Town councillors were furious when the levy increase was announced in the State Budget in May and wrote to the minister in protest.

We need to bear in mind that the Minister for Environment also represents the East Metropolitan Region. That means that the minister also represents these local councils. The article continues —

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Councillors said it was unfair ratepayers should pay the additional costs, especially when most were experiencing financial hardship.

There are a number of bodies in the community that recognise that people are suffering financial hardship. But I do not think this government realises that. The article goes on to say —

They also said the timing of the announcement was inconsiderate as it came without warning and when most councils were finalising their yearly budgets.

I have another quote. This is from the *Comment News* of Tuesday, 23 June 2009. The article is headed “Tax hike row grows”, and it says —

The State Government’s controversial decision to hike waste levy fees by 300 per cent is a tax by stealth and is turning councils into tax collectors for the Government, Gosnells Mayor Olwen Searle said.

The article quotes Councillor Searle as saying —

“I am deeply concerned about statements from Donna Faragher, Minister for the Environment, that these massive increases will be used to fund Department of Environment and Conservation activities outside the area of waste management.”

Councillor Searle said ratepayers needed to know that the increased costs were being forced on them by the state government, not by councils. That is the same issue as the one that was raised by Hon Ed Dermer when he said that the local governments that he had contacted had said that the real problem was that ratepayers were under the impression that it was the local governments that were putting this tax on the community, when in fact it was the state government. The article goes on to say —

“The City is already facing an extra \$629,000 on its power bills next year and we are facing a huge battle to maintain services without a big rate increase,” she said.

Cr Searle’s comments followed an announcement from the WA Local Government Association that it was considering spending \$30,000 on legal advice ...

We need to remember that this was back in June. The article goes on to say —

WALGA President Bill Mitchell said councils were outraged at the way the Government had gone about ramping up revenue from the community to cover holes in departmental budgets.

We have heard from Hon Helen Bullock about black holes being filled, and about magic puddings. Maybe it is a black pudding that this government has got, instead of a black hole.

The article goes on to say —

“This whole business has been handed very clumsily,” Cr Mitchell said.

“First there was no consultation with the sector or industry; —

That is an absolute disgrace.

**Hon Ed Dermer:** This has come through from council after council after council.

**Hon JOCK FERGUSON:** Yes—from council after council after council.

The article continues —

— then the increases were too excessive to be absorbed; and now we are not even certain it is within the powers of the State Government to make the changes.”

The Mayor of the City of Armadale, Linton Reynolds, has said that while the council has not yet decided on its official position, he has little doubt that it will strongly oppose the imposition of the waste levy, which he says completely contradicts the original intent of the levy.

So far, we have had comments from the local governments of Bayswater, Bassendean, Gosnells and Armadale. I want to quote another article. This is from the *Hills Gazette* of Saturday, 30 May 2009. In this article, the Shire of Mundaring makes comments about how it will be affected by this levy. The article says —

The shire is set to increase rates to cover the increase in landfill and street lighting fees imposed on local governments in the May Budget.

Mundaring Shire is facing a 300 per cent increase in the landfill levy and a 32 per cent increase in street lighting.

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Shire chief executive Jonathan Throssell said the landfill tax was predicted to rise from \$7 to \$8 a tonne this year, but the State Government revealed the levy would increase to \$28 a tonne.

He said that would cost the shire about \$365,000 a year, and the street-lighting taxes would cost a further \$270,000.

“The lack of prior consultation was disappointing ...

Some of the local governments have used much stronger words than that.

**Hon Adele Farina** interjected.

**Hon JOCK FERGUSON:** I will restrain myself, honourable comrade Adele Farina.

**Hon Nigel Hallett** interjected.

**Hon JOCK FERGUSON:** Do not worry about that, comrade!

**Hon Robyn McSweeney:** That is an insult! Do not call him that!

**Hon JOCK FERGUSON:** I was not calling the honourable minister comrade. I was calling my comrade over there comrade! Far be it from me to insult the minister! He did not take it as an insult, I can assure the minister.

**Hon Nigel Hallett:** I am a good friend, comrade! I assure you of that!

**Hon JOCK FERGUSON:** That is right. Thanks, comrade!

Several members interjected.

**Hon JOCK FERGUSON:** I have just lost my place! Where was I? I was in Mundaring a couple of minutes ago, comrade, and I am heading down the road to Armadale. That is right. I am in Armadale now. The Mayor of the City of Armadale, Linton Reynolds, said in a press release that the waste levy increase is immoral. He described the state budget as disappointing, and he expressed his concern about the negative impact that the budget will have on the City of Armadale. He commented on the impact of the levy on the city’s waste services plans and said —

“The City is prepared for the hike and we are already recycling to the fullest extent of our waste facilities, as well as working with the Rivers Regional Council to develop an alternative waste treatment plant for which there will be no levy. However, this is still two years away from being operational.”

He also commented on the fact that electricity costs are set to rise by 30 per cent from July 2009 and said —

“The City’s annual street lighting bill is more than \$600,000 per annum. This means that the City faces an increase of around \$200,000 for street lighting alone, without even taking into account other electricity costs.”

**Hon Nigel Hallett:** Can you tell us that again?

**Hon JOCK FERGUSON:** Which one? Does the member want me to start again? Did the member miss it?

**Hon Nigel Hallett:** Just the Armadale one.

**Hon JOCK FERGUSON:** The Armadale article talks about the street lighting. All the member needs to know is that the council is opposed to it. Just bear it, comrade.

**Hon Ed Dermer:** He will pick it up the second time.

**Hon JOCK FERGUSON:** That is fine! I will send him a copy!

The next quote is from a press release from the WA Local Government Association. It is headed “WALGA attacks new tax”, and it says —

Illegal dumping of waste will increase in Perth parks and reserves as a direct result of an exorbitant increase in landfill levies.

WA Local Government Association President Cr Bill Mitchell said the State Government’s 300% increase in landfill levies would also result in affected households paying on average an extra \$26 in Council rates.

Cr Mitchell said the hike in levies detailed in the recent state budget seemed to have more to do with meeting departmental financial targets than protecting the environment.

The Department of Environment and Conservation is set to reap an extra \$39 million as a result of the increases at the same time as being allocated \$33.3m less funding in the recent State Budget.

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“The \$5.7m difference is 3% of the Department’s total budget appropriation which is exactly the same as the Treasurer’s efficiency target for all departments,” Cr Mitchell said.

Is that not a coincidence?

**Hon Ed Dermer:** It is an amazing coincidence.

**Hon JOCK FERGUSON:** It is an amazing coincidence, Hon Ed Dermer. It continues —

“Rather than look at how it can reduce expenditure and find efficiencies, —

One would think that it would be the government’s job to do that.

**Hon Ed Dermer:** It is a worthy objective.

**Hon JOCK FERGUSON:** It would be its objective, but it seems to have forgotten it. It continues —

“Rather than look at how it can reduce expenditure and find efficiencies, the Department seems to have decided it is easier to impose exorbitant fees and make the community pay for their 3% efficiency target.

**Hon Ed Dermer:** They are passing their problems on to someone else.

**Hon JOCK FERGUSON:** That is right; the government is passing it on to the community and the working poor and the people who can least afford it. It continues —

“The State Government currently wants to shine a light on Local Government inefficiencies with the reform process but endorses getting its own house in order by simply ramping up charges to the community.

That is outrageous. The government sees that as the easy way out. It continues —

“On one hand Environment Minister Donna Faragher claims the increases are to help reduce waste going to landfill while on the other hand admitting the extra revenue would fund other departmental activities.”

What a disgrace! It continues —

Cr Mitchell said Local Government accepted that higher levies could provide an incentive for greater recycling, particularly of construction and demolition waste, but said the extent of the planned increases without any lead time would most likely have the opposite affect.

“The increase is simply too extreme to be absorbed by industry and gives no time for recycling practices to be changed which consequently is most likely to lead to increased illegal dumping,” Cr Mitchell said.

A member: Is he a comrade?

**Hon JOCK FERGUSON:** No, he is not comrade Mitchell. He is not like comrade Hallett sitting on the other side. It continues —

“It just seems to be a decision that has been made to meet a budget target rather than that of a properly thought through initiative that would have come with consultation with Local Government and industry.

What he is saying is that had there been consultation with local government and industry, the issue could have been resolved. Instead, the government has just imposed this absolutely ridiculous tax. It continues —

“There was no consultation with Local Government over these latest increases. We found it in the detail in the State Budget papers and then a week later received a letter from the Minister to inform us of the changes.”

Local governments found it in the budget papers and then the minister thought, “I’ll send them a letter and tell them about the changes”, and that is the first that local governments knew of it. There was no consultation. This government is using local governments as its tax collectors to collect this tax from the people who can least afford to pay it. As I say, it is just an absolute disgrace.

There are a number of other quotes I could read but —

**Hon Ed Dermer:** They’re very interesting.

**Hon JOCK FERGUSON:** They are very interesting.

**Hon Kate Doust:** We’re enjoying listening to you.

**Hon JOCK FERGUSON:** Thank you, comrade.

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**Hon Sally Talbot:** And of course this is all in the minister's electorate.

**Hon JOCK FERGUSON:** As I said before, the East Metropolitan Region is the minister's electorate as well as mine, and all these criticisms are expressing the same opinion—that it is just a greedy grab at a fistful of dollars to plug up the black hole that has been left by the three per cent cuts required by the Treasurer.

**Hon Ed Dermer:** I wonder whether the minister will have a vote deficiency at the next election.

**Hon JOCK FERGUSON:** A vote deficiency? We will see.

**Hon Jon Ford:** Maybe it'll be a six or seven per cent cut.

**Hon JOCK FERGUSON:** I congratulate previous speakers, particularly Hon Sally Talbot for the research she has done. She has been criticised by government members about the length of time —

**Hon Liz Behjat** interjected.

**Hon Ljiljanna Ravlich:** She had to get it on the public record. It is very important.

**Hon JOCK FERGUSON:** Yes.

**Hon Nigel Hallett:** How many trees did it take to record it all?

**Hon JOCK FERGUSON:** Not too many at all; it was all recycled paper. As Hon Ed Dermer told members, we do a lot of newspaper recycling and we use it for all sorts of things.

**Hon Ed Dermer:** Hon Sally Talbot's extensive speech demonstrated an enormous amount of research and work, and I found it very informative.

**The PRESIDENT:** Order! This sounds more like a team effort than one particular member's contribution. Hon Jock Ferguson is on his feet.

**Hon JOCK FERGUSON:** Thank you, Mr President. I am glad that the team is trying to give me some assistance—even though some of them have changed jerseys halfway through the game! I will conclude my remarks—not Karl Marx—at this point and finish where I started by saying that this bill is like the rubbish we collect: it just absolutely stinks.

**HON JON FORD (Mining and Pastoral)** [9.55 pm]: I rise, like my colleagues on this side of the chamber, to oppose the Waste Avoidance and Resource Recovery Amendment Bill 2009. I want to talk about a couple of issues. I listened to Hon Max Trenorden and he left me a little confused about his position. I think he agrees with us, because he said that we should stop talking about this as a waste management issue and look at it as an opportunity and a product. That is what we want to encourage people to do.

**Hon Ed Dermer:** It was very kind of Hon Max Trenorden to help us out!

**Hon JON FORD:** That is right.

Increasing the levy by 300 per cent, while at the same time taking away a proportion of that money to use on things other than incentive projects or assisting local authorities to look for initiatives, is not the way to make the most of these opportunities. I would like to refer to a company called Sims Metal Management Ltd. It is a pretty important company because it does a lot of recycling, particularly from a regional perspective. Not that long ago in communities such as Geraldton, Albany, Esperance, Kalgoorlie and Jigalong, it was removing car bodies and waste metal and recycling them at no cost. It has a fairly strong argument that there should not be an increase in the levy; in fact, it does not believe in levies at all. However, if there is to be a levy, companies such as Sims Metal should be exempt from the levy because of what it does. It put forward a proposal that if there is to be a levy, it should be proportionate to what a company achieves with recyclables. I will read an extract from the submission that it made recently in New South Wales on the adverse impact of the waste levy. It states —

Residual wastes from bona fide recycling operations should receive levels of exemption from waste levies. This needs to be a directive on a National level to avoid the continuance of State and Territory reliance on levy revenues as simply an income source. The level of exemption should be equal to the verifiable level of diversion of waste from landfill achieved at the penultimate licensed recycling site. For example—a **75% recovery/diversion = 75% rebate**. This will create the right 'incentive' for recyclers to aim for 100% diversion and ensure those not genuinely involved in recycling receive no benefit at all. In its broadest sense, with regards to recyclers—the polluter pays principle is still very much a factor.

Companies such as Sims that have seized on opportunities in regards to waste and refer to waste as opportunities and product are exactly the sorts of companies we should be assisting in developing these opportunities. If we

**Extract from *Hansard***

[COUNCIL - Wednesday, 18 November 2009]

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increase the levy across the board, we should look for other opportunities to fund and encourage people and companies to recycle.

I return to an area that is near and dear to me, which is where my office is in Newman: the East Pilbara shire has embarked on a recycling operation that is pretty sparse at the moment and is not hugely successful, but with a little extra funding it could develop that into a much better recycling facility. It currently has an uncovered area that is open to the heat, and it basically wants some cash to assist it.

Debate adjourned, pursuant to standing orders.