

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT BILL 2009

Second Reading

Resumed from 22 September.

HON SALLY TALBOT (South West) [7.58 pm]: Here we are at last. This bill was introduced into the other place many months ago—I think it was the day that we had estimates in this place on 18 June. I was looking at the calendar and wondering what special occasion it would be when we eventually got to debate it in this place. I knew that there would be a degree of tension on the part of the government about this because, after all, one of the effects of this bill—whether it is one of the intended effects remains to be seen—is that it fills a massive black hole at the heart of the budget of the Department of Environment and Conservation. I would imagine that a good five months into the financial year there would be a degree of nervousness amongst the people at DEC and in the minister's office. Around the middle of June when this bill was introduced into the other place, I wondered when it would get here. I thought that perhaps it would be around 6 September, which was the anniversary of the election. I thought that would be fitting because there are many ways in which this is a fitting marker of the first year of Liberal government. I will go through those matters in the next little while. I will go into them in a bit of detail.

This bill is a fitting marker because it generates an enormous cost impost, a cost slug, on Western Australian families. It is also a fitting marker because it has put offside every single stakeholder from one end of the political spectrum to the other. Third, and perhaps most tragically, it is a fitting marker because it is taking an enormous backward step for the environment. However, we missed by a mile debate on the bill on 6 September; it was not even out of the other place at that stage. I thought that it might be in this place on 23 September, which is the day we were all sworn in—we surely all remember that. But we missed that too, even though it had actually come into this place by then; it had come into this place and was second read on 22 September.

Hon Ken Travers interjected.

Hon SALLY TALBOT: Hon Ken Travers has just asked me on which date we ran out of legislation. It was the date that we were all sent home because there was nothing left on the notice paper. Hon Ken Travers is absolutely right, and I believe other members are now seeing another piece of the jigsaw fit together. At that stage the bill was pretty much stuck in the other place—I will have to be a bit careful how I express this—partly because it took the minister who had carriage of the bill in the other place almost an hour to table a document because he was so very embarrassed by the contents of it.

Hon Ken Travers: Was it an hour to table the document or an hour trying to avoid tabling the document that he had to table?

Hon SALLY TALBOT: That is a very good point, and I thank Hon Ken Travers. It was indeed an hour during which he was hanging on to one side of the piece of paper while the Clerks were trying to pull it away from him with their hands on the other side. He was resisting; indeed, he was resisting the inevitable.

We therefore missed the opportunity to debate the bill on 23 September. At that stage we had already been sent home for the day because we had nothing to do in this place. All the while I imagine that the tension must have been ratcheting up on the other side as far as the minister was concerned and as far as her staff were concerned.

Hon Donna Faragher: I don't get tense; don't worry about it.

Hon SALLY TALBOT: Is that right? I am very pleased to hear that because I tell the minister that the heat is right on her at the moment.

Hon Simon O'Brien: Ooh!

Hon SALLY TALBOT: I am sure honourable members opposite do their best to help the minister survive this debate. They are very good at doing that, as they have had an awful lot of practice over the past 12 months.

Hon Simon O'Brien: Are you seriously saying there was a tug of war in the other place between the Clerk and the minister?

Hon SALLY TALBOT: Hon Simon O'Brien might want to read the *Hansard*. It is actually quite funny. I have shared the joke with several of Hon Simon O'Brien's colleagues too; they were quite amused by it.

We therefore missed debate on 23 September. We then got to this sitting period. I thought that 6 November, our first sitting day with the new government, would be a good day for the bill to be debated in this place, as it was a fitting marker of one year. We missed that but I am very happy to tell members that we have made it on 11 November. How about that? Perhaps the government does have a plan. It is very hard to put a finger on

exactly what that plan is, but here we are on 11 November with a bill that, as I say, is a fitting marker of one year of this government.

There is one other anniversary that I want to mark. I am sure the minister would have made some sort of acknowledgement, had she been informed, that this is actually National Recycling Week. I say that with rather mixed feelings because there is a certain tragic implication to being in a Parliament talking about such a very poor, disappointing piece of legislation that essentially wrecks something that the whole of the former Labor government was very proud of. I took particular pride in it because as the parliamentary secretary I took the bill through this place, which is now the Waste Avoidance and Resource Recovery Act. We are essentially seeing the destruction of the WARR Act, and it is sad that we are doing it in the middle of National Recycling Week. However, I acknowledge that that is the week we are in and I pay tribute to the good folk at Planet Ark and all who sail in her. I tell all those political tragics in the community this evening who are live-streaming the Western Australian Legislative Council that if they go to —

Hon Ken Travers: As the word goes around that you are on your feet, there are more hits being made every second!

Hon SALLY TALBOT: I thank Hon Ken Travers. I am so glad that he is on my side!

Hon Ken Travers: People are texting their friends!

Hon SALLY TALBOT: I am so glad he is on my side. I tell people that if they go to recyclingweek.planetark.org they will find lots of information about the terrific things being done this week for National Recycling Week.

I will digress for a second. I was a bit intrigued at some of the names of Planet Ark's events. There are four events. There is the Big Aussie Swap; the Friday File Fling; the Recycle Right Quiz, a recycling quiz; and Recycling Near You, an information website and hotline. Planet Ark really does a good job. One of the reasons I wanted to mention these events in my introduction to this debate is that in the themes picked up there—the Big Aussie Swap is about re-use; the Friday File Fling is about recycling; then there are recycling quizzes and information pages—those themes very much pick up on two of the aspects that are central to the contemporary way of looking at the whole question of waste management. The reality is that we have moved a long way beyond the days when we simply disposed of waste. We now have a much more modern way of looking at things, at least some of us do. Some people—I put in that category all members on the other side of this house and all members who make up this government—want to return us to the early years of the twentieth century when all we did was look for more and more landfill sites.

As I say, this bill is a fitting first anniversary marker for this government in that it slugs families, puts every single stakeholder offside and takes a very retrograde step backwards for the environment. It is a truly appalling piece of public policy. It is a disgrace. As I move around other states talking to members of governments and members of political parties in other states about what we are doing in Western Australia, I am embarrassed on behalf of this state at this move we are making under this conservative government.

I have made the point a couple of times in previous debates and on other topics to do with the environment that it is hard to work out whether this environment portfolio is being driven by the minister and her advisers and colleagues around the cabinet table in a way that is just naive. I wonder at this total disregard not only for stakeholders in the field, but also for expert advice. It leads me to think that there might be a degree of naivety here; or is it just crassness? Are we looking at an environment portfolio that is being driven by ministers for state development, industry and resources and mines and petroleum? I do not know the answer to that. I suspect that during the course of this debate we will be better placed to make that judgement as a result of contributions from members opposite. However, there have truly been moments when it has been more like watching an episode of *Yes Minister* than dealing with a serious political agenda from this government.

I will trace some of the history of how we got to this place as I move through my comments on the bill. At this early stage, as the lead speaker for the Labor opposition, I make it absolutely clear that we will be opposing this bill every single step of the way. The minister and others opposite will have noticed that at the moment there are no amendments on the supplementary notice paper from the Labor opposition. That is because we start from the fundamental position that this bill is not salvageable. This bill is so bad that all its measures take waste management in this state backwards.

Hon Ken Travers: It is a metaphor for the government then.

Hon SALLY TALBOT: Absolutely, Hon Ken Travers. I thought very carefully in choosing that point to make in my introductory remarks.

There are some amendments on the supplementary notice paper standing in the name of Hon Robin Chapple, who is leading the debate for the Greens, and we will look very closely at those. I and my colleagues on this side

of the house will be listening very carefully to the second reading debate as we move through it over the next few hours. We will then make a decision about how we try to amend things. Everybody on this side of the house can do the numbers and so, if we are not able to get some indication from the government and its National Party colleagues that they are prepared to make some substantial changes, we shall take the debate clause by clause as we move through the committee stage.

It is actually a very short bill. It has only 12 clauses, and a couple of those are just housekeeping clauses, while a couple of others are just tidy-ups from the legislation that I took through this place about two years ago. Nevertheless, in a few short clauses the government has succeeded in essentially trashing the whole Waste Avoidance and Resource Recovery Act 2007. I will take the government to task on that point, and I will be expecting very detailed engagement with the specific clauses of this bill.

I made three points in my opening remarks about why this is a fitting bill to mark the government's first anniversary in power, and I will elaborate on those three points. The first point is that the government is increasing the landfill levy by 300 per cent. I need to make it very clear at this stage. This is not a point on which I have been able to get the minister to engage at any stage since 14 May, when the budget was brought down, but that is not what this bill does. We need to be very clear about that. I will go into that in more detail later and show that this is not just something I have made up or misunderstood. We do not need legislation to increase the rate of the landfill levy. Strictly speaking, that provision was not in the act as it was passed by this house a couple of years ago. Provision is made in the regulations for increasing the levy. This is a very important point because one of the things that I notice is missing from the amendment bill is any indication about where we are going after this. Even assuming that this bill passes through this house, where do we go after that?

I refer to a document entitled "Waste Avoidance and Resource Recovery Levy Regulation Administration Policy 2009". I think this has been revised a couple of times over the past 12 months or so, but this version is dated July 2009, and is version 3. It is a 14-page document. On page 4, under heading 1, "Calculating the Landfill Levy", the levy rates are laid out, by implication, right through to 30 June 2011. All the stakeholders, amongst whom I include not just the industry players but also, centrally, local governments, knew where we were intending to go with this. There is no equivalent provision, as far as I can see, in what the minister is bringing us today. If there is, I would like to know where it is and what the intention is. Under the heading "Calculating the Landfill Levy" we see two columns of not terribly complicated formulae. I am looking at the column headed "Category 64 and 65 (Putrescible) Landfills", where the formula is laid out as follows —

$$L = (W \times 92\%) \times R$$

That sounds a bit daunting, but in fact even somebody like me, who classifies herself as numerically dyslexic when it comes to algebra, can work it out. The document explains it —

L is the landfill levy payable;

W is the number of tonnes of waste which is received at the licensed landfill during the return period determined in accordance with regulation 8 or 9; and

R is, if the first day of the return period is:

- a) before 1 July 2008, \$6; or
- b) on or after 1 July 2008 and before 1 July 2009, \$7; or
- c) on or after 1 July 2009 and before 1 July 2010, \$8; or
- d) on or after 1 July 2010, \$9.

Assuming that the last category d) was scheduled to last for 12 months, one can say that there was a very high degree of certainty amongst all the stakeholders about what they would be paying at each point during the next four or five years. I am happy to table this document at some point if it makes it clearer to people.

[Quorum formed.]

Hon SALLY TALBOT: Thank you, Mr Deputy President.

I have just been talking about the fact that when the Labor government introduced this act, there was a carefully thought-through and clearly laid-out schedule of increases to the landfill levy that took us through to the middle of 2011. I know that the minister has, on occasions in debate in this house, resorted to the standard response of members of the government—that is, blaming the previous government and pointing the finger at members on this side. Members opposite do that across a range of topics. As I have noted before, they were told to cease and desist by the Premier about six months ago, but that message has not quite got through to this place. When the minister does that to me, as she has on a couple of occasions about this act, she and her colleagues in the government need to be reminded that although we passed the two WARR bills—the principal bill and the levy

bill—in November 2007, the legislation did not actually come into effect until 1 July 2008. That effectively means that this minister and this government have overseen the first 12 to 15 months of operation of this act. It has not taken them long to trash it.

I turn now to the 300 per cent increase. I mentioned that all the stakeholders have been alienated by what the minister is trying to do with this bill. When it comes to the actual rate of increase, that is not strictly true, although I make the point again that the 300 per cent increase is not part of the bill that we are considering here. Perhaps I should explain that a little more. The way that the previous Labor government conceived the act put the increase in the levy firmly in the realm of regulation, as I believe it should be. Therefore, at any point the Waste Authority could have brought about a change by regulation. Of course, regulations are subject to scrutiny by the Parliament and there may well have been a point at which disallowances were moved, but I make the point that we did not need this bill and that the 300 per cent increase is not one of the measures that we are considering when we debate this bill. Nevertheless, in the minister's mind the two things are firmly woven together, so I will talk about the 300 per cent increase and the impact that it has had on households.

As I say, some stakeholders have welcomed the 300 per cent levy increase. I think that we will hear in Hon Robin Chapple's contribution to the debate that the Greens are one of the bodies in this state that were happy to see the 300 per cent increase. The Conservation Council also does not object to it and I think it has gone as far as welcoming it. There is a body of thought that levy rates are one of the things that have an impact on the amount of waste going to landfill. I do not dispute that for one moment and I will listen very closely to Hon Robin Chapple talk about this. I have of course talked to several people at the Conservation Council and the groups who involve themselves under that umbrella about exactly what this increase means and how sensitive a trigger levy rates are. However, the point I make at this stage of the debate is that increasing by 300 per cent costs that will clearly and unequivocally be passed on to Western Australian households is utterly unacceptable at this stage of the economic cycle. We need to remember that for all the talk about Western Australia having been cushioned from the worst effects of the global financial crisis and how Western Australia seems to be recovering more quickly than other states and other parts of the world, the fact nevertheless remains that a significant section of our community has been hit right between the eyes by all sorts of factors connected with the global financial crisis. They have been hit with everything from the massive reduction in people's investment in superannuation to property prices, which are very important things. I have introduced a private member's bill about mortgage fire sales to try to prevent them, because all the evidence presented to me about housing stress shows that many Western Australian families are facing that stress to the extent of actually losing their houses, and lenders putting their houses up for sale in what are essentially fire sales, to recoup their money. This being the case, why are we looking at such a massive increase at this stage? As I say, I am sensitive to the arguments that the Greens and the Conservation Council run about the desirability of a higher rate, but I just point out that when Labor conceived the act, we were talking about introducing increases incrementally because in our view and on the basis of all our experience that is a much fairer way to impose this kind of cost impost on families. Indeed, at the moment that the Treasurer brought the budget down on 14 May—I know that the minister is aware of this because she had to very quickly write to the Waste Authority and put it on a different track—the Waste Authority was working on recommendations for increases. It was not working on anything like 300 per cent because I think that one of the things that is clear from reading the legislation that Labor brought into this place, and part of the heart and soul of the act as we conceived it, is that we were committed to increasing the levy incrementally, so of course the Waste Authority was not working on a 300 per cent increase; I think it was working on a 100 per cent increase. I understand, from what I have gleaned about the way in which these things were working, that the Waste Authority was preparing to go to the Governor with a recommendation for a 100 per cent increase. The minister rode straight over the top of all that and cut the Waste Authority off at the knees, but I will explain that in detail a bit later in my comments.

Finally, on the point about the 300 per cent increase, I ask the minister seriously whether an increase of this magnitude looks like a government that is working to a plan. To me it does not. It reminds me of that great scene in the latest *Batman* movie when the Joker sort of slithers to the ground, dripping with blood and gore, and someone comes up to him and says, "So, do you have a plan?" The Joker says, "Do I look like a man with a plan?" It is a great moment. I think it is one of Heath Ledger's finest actually and it warmed me to the *Batman* movies yet again. That is what this government looks like: it is just all over the place. The government is riddled with incompetence and contradictions and it muddles its way through, not week-by-week, not day-by-day but on occasions, particularly in this place, hour-by-hour. To suddenly rush in here with a 300 per cent increase in the levy simply looks like how Heath Ledger looked when he slithered down the wall and said, "Do I look like a man with a plan?" No, this does not look like a government with a plan. I will explain to those members who are wondering what is going on, my construction of what the government's lack of a plan looks like, certainly from this side of the chamber. The second point that I want to make is about the alienation of the stakeholders. One of the first things that we learn in campaigning 101 is that whatever we do will work better if we can find a third-party endorsement. A third-party endorsement by definition is not anyone of whom it could be said, "Well, they

would say that, wouldn't they?" Therefore, it is no good wheeling out a best friend, somebody who is in the same political party or somebody who has some kind of personal interest in what we are doing. It has to be somebody who is either a stakeholder with interests in aspects of what we are doing and who is prepared to come out and say, "Yes, my consideration as a stakeholder is that this is a good move," or somebody with some kind of standing on the issue—some form of expertise. The person does not need to be the world expert on something, but has to be somebody who has a little professional experience or expertise to bring to a comment. Let us look at the stakeholders involved in waste management in this state and start at one end of the spectrum. It is a little hard to say this because everybody at the moment is so united in their horror at what the government is doing that really they are all sticking together in quite a cohesive group. I suppose on perhaps the more traditionally progressive side—that sounds like a bit of an oxymoron, does it not?—the Conservation Council has historically been more progressive. I will go into details a bit later about precisely what the Conservation Council's objections are. However, I had a conversation with the director of the Conservation Council the night the budget was brought down. We quickly compared notes about it and there was a degree of disbelief on the part of both of us that we were seeing not only an increase of this magnitude but also a series of things that were not fitting together. One of those things was that the line notes that we read in budget paper No 2 were all about how this increase in the landfill levy was going to reduce the amount of waste going to landfill; yet, when we looked at the out years, there was no reduction in income from the landfill levy. We went back to what we had read first, as we thought we had missed something. That was a conversation that Piers Verstegen and I had on budget night. Some days later, the full horror of what the government had done became evident. The Conservation Council of Western Australia has played a very prominent and constructive role in bringing the concerns of the environment and conservation movement to the fore in this debate. I take my hat off to the work that it does, with increasingly meagre resources under this government.

Everybody is sitting very firmly together on this issue at the moment, but at the other end of the spectrum, historically, is the Western Australian Local Government Association. I experienced a slightly disconcerting situation when Troy Pickard—who, in the past, has been a candidate for the government's party—expressed his extreme unhappiness about what the government is doing. I met Mr Bill Mitchell some days after the budget came down. I know that my colleague in the other place the member for Warnbro, Paul Papalia, has had a great many dealings with WALGA over this issue. Fundamentally, what WALGA said to me and my colleague in the lower house was, "We believe that the accord that was struck between WALGA and the former government for a cooperative working relationship has just been shredded by what this government has done." It was not just this measure. As I say, this government is riddled with moves that reek, at best, of inconsistency, and, at worst, incompetence. The government's representatives in the other place made a sterling job of putting local government offside before we even got to this matter, but this was the straw that broke the camel's back. Frankly, I was very surprised to see the lengths that WALGA was prepared to go to make its concerns about this bill very, very explicit. Again, I will go into that a bit later.

Then, of course, we have industry. I have had a lot to do with the waste management industry in the past 12 months. I must say it is an area that I did not come to this shadow portfolio with any particular experience in. The depth of knowledge and understanding of this issue that I have been introduced to, or that I have observed in the main industry players, has, to be frank, awakened in me not just an interest in a personal sense, but a very keen awareness that this is probably the next big step that we are going to take as a community on the environmental front. It is not the only step. I am not saying that the whole issue of waste management is more important than protecting the Kimberley or more important than devising a sound policy for the Great Western Woodlands or for dealing with climate change. What I am saying is that waste management and our whole conception of what that waste cycle consists of is going to be one of the most important issues on the environmental agenda over the next decade.

I have been talking to the people from the Waste Management Association of Australia, particularly their Western Australian branch. I know that the Minister for Environment took part in its conference recently in Fremantle. I also went down and had some lengthy discussions with its leaders, particularly the chairs of some of its working groups. While some of them are certainly prepared to countenance the 300 per cent increase—for much the same reasons as the Greens (WA) and the Conservation Council are—they are horrified at the proposal to end the hypothecation to the waste account. As much, if not more than local government, they understand the brink on which we are balanced at the moment. We are on the brink of being able to make some revolutionary changes to the whole field of waste management. But it is very expensive. That is what it boils down to. We are not just talking about changing community attitudes, we are not just talking about getting people to fill their yellow-topped waste recycling bins with more dedication, we are talking about things like resource recycling facilities. Each facility costs about \$100 million to build. They are not just donged up down the road at the site of the waste. They are very, very expensive facilities.

The minister only last week announced something that is very significant for Western Australia—the glass recycling plant. We have needed the glass recycling plant for a very long time. The plans have been in development for a very long time. There was a huge cost impost in establishing that plant. Industry leaders have told me that the ending of the hypothecation effectively has left all these major projects in limbo. Fortunately, the glass recycling plant scraped through at the last minute. It is like the drawbridge is coming up. I want to hear the minister's responses to all these points. It seems to me that we have got a very real danger now that the glass recycling plant was the last one to make it across the drawbridge before this lot pulled the drawbridge up.

Hon Robin Chapple: It may not even survive.

Hon SALLY TALBOT: And it may not even survive, absolutely. I know that those concerns are being expressed. Obviously, we have got people who have very significant commercial interests at stake here. Those people are not going to be walking up and down the Terrace saying, "Guys, we've got problems" but, as Hon Robin Chapple said, there is a very big question mark hanging over the viability of some of those major projects.

Obviously, one has to put the community down as the stakeholder. Ordinary Western Australian families find themselves at the front line of this debate. There is a very strong argument for saying that they should not be. I will come to a point further on in my comments where I really want to question the way that the government has organised this amendment bill so that Western Australian families are taking the full-on, full-frontal slug of the increase. The reality is that while local governments have the carriage of waste management in this state—indeed it has been said that they are the heroes of waste management—the reality is that local governments have to recoup the costs. It is local governments that pay the landfill levy. It is not actually householders who pay the landfill levy. In a minute I am going to go through the life cycle of waste and how that all works. Of course local governments, when they saw what was happening in the budget, had to quickly put provisions in place to recoup some, if not all, of that 300 per cent increase. When the rates notices went out a few months ago, people found that there was a significant increase in their rates as far as money specifically for waste disposal.

I come back to that topic again now, because it is too big to finish with it quickly; that is, the 300 per cent increase that has been passed on to families. That increase comes on top of a whole series of other increases that this budget slugged families for; it is just one more cost. I have heard estimated figures that the rise will be between \$24 and \$28 a year. If the minister will clarify that, or show that it is a lower impost, it would be very welcome news. I think members will find, when they start adding up the way Western Australian households have been slugged by this budget, that we are now running at close to \$1 000 of extra costs a year because of what this government has done, and somewhere around \$24 to \$28 of that is directly attributable to the increase in the landfill levy.

During my introductory remarks I noted that the third casualty, if members wish to put it that way, of this bill—the first casualty being households; the second casualty being stakeholders—is, of course, the environment. That is why there is such broad community concern about what the government is doing. I think that the government has misread the Western Australian community very seriously if it assumes that the community only complains when its hip pocket is hit. I will make some more comments about that later on. From what I have picked up, both in my electorate office and from the enormous amount of correspondence I have received as shadow Minister for Environment from people all over the state about what the government is doing, people are at least equally—if not, more—concerned about what we might call the philosophical or ideological implications of what the government is doing. People understand that we need to move away from the old-fashioned ways of thinking about waste disposal. They understand that when we talk about the way that we have historically dealt with waste, we are talking about the implications of terrestrial pollution and the effect on water quality at landfill sites, and we are, of course, talking about air quality, which has been a very hot topic over the past few years in relation to one particular resource recycling facility.

Even more importantly, the community understands that climate change issues are right front and centre in the waste equation. One of the things that industry leaders have pointed out to me is that if and when we get an emissions trading scheme measure from the commonwealth, it will have a very, very serious cost impact on the whole recycling and waste management industry. The community understands this, and it understands that one of the problems is lack of landfill sites. Members have to only go down to the City of Rockingham and ask about what is going to happen to the landfill site that has historically been used by the City of Rockingham, and the money it will have to outlay over, I think, the next five decades to mitigate the climate change effect of that landfill site.

The community understands that there is a waste cycle that Australia, as a whole, has yet to deal with. We have yet to close that circle. We have yet to really grapple seriously with what happens after we put stuff in the bin. That is the debate that I sense the community is ready to have, and it is the debate that I sense industry is ready to engage in, both in a theoretical sense in terms of concepts, but also in a practical sense in terms of putting its

money into places that it knows will have a real effect on changing the way we do things. I think the government has misdiagnosed the community concern if it thinks that it is only about the \$24 to \$28 cost increase, because I think the public is very, very unhappy with the fact that the government is dismantling the waste avoidance and resource recovery legislation.

The second sense in which I think this is a fitting marker of the government's first year in office is that we saw, as this whole sorry saga unfolded after 14 May, something of the arrogance of this conservative government. It is not new; those who have worked politically in this state for some time will remember that this is one of the hallmarks of conservative governments. I remember that after we won office in 2001, the comment made to me most often by business leaders in this town was that the conservative government had stopped listening to them. They reckoned that the government had stopped listening during its second term of office. I can tell members now that the same industry leaders are saying that the government has already stopped listening. This is a point we have made several times to this house. It is not clever observation on our part; it is there before our eyes every day that we come into this place. When we look across the chamber, we look at a government that is quite happy to sit on its born-to-rule laurels. It is arrogant; it is out of touch; it is not listening; and it is not talking to people. Nowhere has that been more evident than in the way that this measure, and the Waste Avoidance and Resource Recovery Amendment Bill 2009, was brought before us.

As I said in my opening remarks, it is hard to tell whether it is just incompetence, or whether it is just arrogance taking over, but to end up in the position of having not a single stakeholder willing to come out and advocate publicly for the government's moves is an extraordinary turn of events. What can it be put down to? Not a single stakeholder in this state is prepared to talk about any element of this move that indicates that the minister is dealing competently with the issues in front of her. They are all using the word "incompetent"; some of the kinder ones are saying "inexperienced" and things like that. The bottom line is that the minister does not have the competence to be able to deal with sophisticated legislation of this kind.

It also shows a complete lack of planning. As I recount the events, which I will show actually started before 14 May—when the budget was brought down—members will see that there was a complete lack of planning. What is happening, I suspect, is that agencies are playing off against each other—a bit of power play, a bit of empire building, a bit of tit for tat—and in the middle of it is a minister who I think has been well intentioned.

Hon Donna Faragher: Is that on *Hansard*? You're saying something nice!

Hon SALLY TALBOT: I have no problem with that, minister. I think the minister has done a couple of things that show that she is, at least, aware of some of the complexities of the politics of this. I think one of the things she did—I am happy to put this on *Hansard*—was to take some steps to intervene in the war between her department and the Waste Authority. I think the appointment of those five positions was very symbolic, and I congratulate the minister for doing that. There is ever so much more that she should have been doing, and I hope she will take note of some of the comments I will make.

There has been a complete lack of planning. All the indications are of a complete lack of confidence on the part of the minister in the agencies involved, and, I have to say, on the part of the people we know are advising her. We know that she is being advised by the Premier because we see it almost every day. She will stand next to the Premier whilst he makes the environment announcements. We know that Hon Norman Moore, as Minister for Mines and Petroleum, is one of the people who suggests ways the minister should act. What is emerging is this complete lack of confidence in her agencies. Barry Carbon is one of the most experienced, most highly regarded—both nationally and internationally—figures in the field of environmental management, and yet she has done things that have totally sidelined him. Why would she do that? There must be some fundamental problem, not just in the government's capacity to plan, but in its capacity to put people in its agencies whose advice it trusts. The result of this is that the Department of Environment and Conservation's budget is in tatters. The department's budget has a huge black hole at its heart. When I put that to the minister and her advising officers on 18 June in the estimates committee in this place, I said that obviously there had been a massive budget cut to the Department of Environment and Conservation, and that has been admitted by the minister and her director general. The cut is in the order of \$40 million a year. I put it to the minister in the estimates committee that if this bill did not go through, there would be a black hole in the middle of DEC's budget that would more than likely be \$90 million, because it is like a double reduction in DEC's budget. Her response to me was absolutely extraordinary. I read it again when I was putting together my notes for this debate. Her response was that the question was hypothetical. I am sorry, but this house has a role to play in scrutinising legislation. It may be that what the minister was doing was indicating to me that she can also do the numbers in this house. Maybe it is hypothetical in terms of who has the numbers to get legislation through this place. However, if we are going to start saying that the outcome of legislative change is a foregone conclusion in the sense that it is hypothetical, my goodness we are in trouble.

As recently as tonight, members heard what Hon Norman Moore thinks, and I jotted down his comments. I thought it was something that I needed to get on the record somewhere near the beginning of my remarks. It was in response to something that Hon Giz Watson said when she was commenting on another bill. She talked about the fact that this is a house of review and that there have been many occasions in the past on which this house, in undertaking its detailed forensic scrutiny of legislation, has found poor drafting, mistakes or, if members would like me to phrase it more positively, a better way of doing things. There have been many, many occasions on which that has occurred. We are not here to rubber-stamp legislation; we are not even here to rubber-stamp legislation that has been carefully drafted; and we are not here to rubber-stamp legislation of which we agree to the basic premise. We are here to take it apart and then put it together again and ensure that it withstands our scrutiny. That is what we are paid to do. That is our role as professional legislators.

Hon Ed Dermer: It seems we have a great deal of homework to do on this bill.

Hon SALLY TALBOT: We need to do an enormous amount of homework on this bill. I repeat that this bill contains everything that is bad about this government, everything that it does that affects Western Australian households in an adverse way, everything that it does to put the community offside, everything it does to put the major stakeholders offside, and everything that it does to bring about effects that degrade our environment.

Hon Ed Dermer: So many bad decisions are contained in one bill.

Hon SALLY TALBOT: Absolutely. I am genuine in saying that I am looking forward to hearing the contribution to this debate by members on both sides. The government backbenchers must be concerned. They are not deaf to the concerns of their communities. I know that they have seen much of the correspondence, both written and emails, because I see the “CC” list at the bottom of the letters. They must be worried when they see such a bad piece of legislation before this chamber.

I make it very clear that I absolutely endorse the comments made by Hon Giz Watson earlier tonight. I absolutely condemn, without reserve, the comments made in response to Hon Giz Watson by the Leader of the Government in this house. I do not think he was talking only about the Greens (WA). I think he may have had the Labor Party in his sights as well when he talked about turgid repetition. I am sorry, but it is something that members opposite, including their leader, Hon Norman Moore, have to get used to. If we have to say these things several times to get the mob opposite to listen to the points we are making, we will keep saying them until they give an indication that they are listening.

If members opposite want a lesson in the difference between filibustering and expressing a concern about an appalling piece of legislation, I am happy to give them that. I will not do it now because there is too much to take apart in this bill for me to devote time to that.

The result of the past few months of this government’s ducking and weaving and, I suppose, trying its best to get this right is that the department’s budget is in tatters. It is not hypothetical whether this bill goes through this place. If it does not go through this place, I do not know what the minister will do about her department’s budget. I do not know whether she has a contingency plan, because she will not engage with any of us on those questions. I hope to goodness that she has, because if she is relying on the fact that she will force this bill through on the numbers, it is a very sorry state that we have arrived at.

The Department of Environment and Conservation’s budget is in tatters and waste management is in tatters. I watched the minister respond, in what, for her, was a relatively animated way, to my comments about the major investment projects that are now teetering on the edge because of what she has done. I hope that she can give the house an assurance—maybe they are telling the minister a different story from the one they are telling me and Hon Robin Chapple, as the Greens’ spokesperson on this bill. Certainly, what they are telling me is that although they celebrated the passing of the Waste Avoidance and Resource Recovery Act in 2007, they are now looking at a waste management strategy that is essentially in tatters because of what the government is trying to do.

I will go over the history—that is, the development of where we are up to tonight. This sorry saga began on 14 May 2009, which was budget day in this Parliament. It was, of course, the Liberal-National government’s first budget. It was on that night that the announcement—I put “announcement” in scare quotes—was made that the waste levy would increase on 1 July 2009. In other words, the government announced on 14 May that there would be a 300 per cent increase in the waste levy in something like 10 weeks, or about 70 days. I note for Hansard that I have placed scare quotes around the word “announcement”, because it actually was not an announcement at all. I have with me the minister’s media release which was put out on the night of the budget and which is entitled “State Budget 2009-2010: Focus on environment in Budget”. I do not mind going through this press release in some detail.

Obviously, there is a lot of sense in the usual practice that one never mentions his or her opposition by name, and one certainly never mentions specifically what one’s opposition is doing, unless it is extraordinarily bad. I have

pointed out to the minister a number of times in this place, but she clearly needs my reassurance on this, that I do not think that everything she is doing is bad. I must qualify that by saying that one of the reasons that I do not think that everything she is doing is bad is that she is doing a lot of things that we would have done had we not lost the election. I will go into that in more detail shortly. I will quickly skim this press release, and I have a specific reason for doing that. I want members to listen for this, in scare quotes, “announcement” that the waste levy would increase by 300 per cent in 70 days’ time and that the hypothecation to the waste account would be terminated. It states —

The State Budget includes a \$30million capital works program for the Department of Environment and Conservation (DEC), and \$9million over four years to develop an integrated Kimberley Science and Conservation Strategy —

We were going to put a lot more than \$9 million into that but we were certainly committed, and remain committed, to a Kimberley strategy —

to ensure the region’s natural and cultural values were protected.

Environment Minister Donna Faragher said today that the Liberal-National Government had made responsible economic decisions to safeguard the environment and conserve Western Australia’s native flora and fauna.

The minister went on to talk about conservation initiatives in the Kimberley and the great western woodlands. Both of those were central to the policies of the two major parties when we went to the last election. We had a couple of pages of other things and the Liberal Party essentially had only four dot points. I concede that the Kimberley and the great western woodlands were central to both our platforms.

The minister went on to talk about the completion of the new Biodiversity Conservation Science Centre and Herbarium at Kensington. She cannot blame me for taking credit for that. She might get to open it, but that was our project. The budget provides for \$3.8 million over four years for the management of the great western woodlands, covering 16 million acres. Then she talked about \$4 million over four years to strengthen environmental monitoring and compliance programs. She said that environmental investigators would be located in key regional centres—two in Bunbury to service the south west, south coast and Manjimup regions, one to service the Pilbara, one in Geraldton, two in the Swan region, and two additional officers will be appointed to the environmental enforcement branch. The minister then went on to talk about the development of a state-of-the-art environmental data system for WA. I do not think anything has happened about that yet because I asked the question of the government a few weeks ago and was told that nothing had happened. That is not a bad little project to have on the backburner. Then the minister said in her media release that significant government and industry resources had been committed to environmental investigations, monitoring and research across the state, which is often costly and uncoordinated.

Then she talked about the herbarium again and the south west. She said that the budget included \$6 million over four years for the environmental community grants program. There are several paragraphs about that. Then there was mention of funding for Kimberley Toad Busters, again something that the government has just picked up and carried on from the programs that we had in place. There are a couple of paragraphs about that. Then there is the fire management fleet replacement program, for which \$8.9 million has been allocated. Visitor facilities in national parks and other conservation reserves will be further improved. Under “Key projects included” are seven dot points about parks and reserves, and then we get the final statement about total expenditure.

Did you hear, Mr Deputy President, anything in there about a 300 per cent increase in the waste levy? No. Did you hear anything in there about ending the hypothecation to the waste account? No. The reason you did not hear it was that it is not there.

What did we do after that? We went to the budget papers. We found a couple of line items tucked away in the budget papers. On page 888 of budget paper No 2, volume 3, a line item about halfway down the page under “Economic Audit”, says “Waste Management Landfill Levy”. The budget estimate was \$39 million for 2009-10 and each of the three out years. There is a footnote there that states —

- (a) The increase in the landfill levy will create a disincentive to dispose of waste to landfill and, at the same time, create an incentive to re-use or recycle.

That is the first one. I refer to the fifth dot point on page 889, under “Significant Issues Impacting the Agency”. This was the first sign that there might be something happening here that we were not told about. It states —

Changes to the *Waste Avoidance and Resource Recovery Act 2007* —

It does not tell us what the changes are —

and significant increases in the landfill levy have been proposed to reduce the amount of waste going to landfill and support the adoption of environmentally sustainable management practices.

There is a mention there of changes to the act but no detail. There are only about four of these; it was not a detailed account of what is going on. Note 4 on page 891, the second point from the top of the page under “Explanation of Significant Movements”, states —

The expected increase in waste diversion from landfill reflects the effect on consumer behaviour from the landfill levy.

That is just a restatement of that earlier remark. The final comment about the increased levy is on page 895 under “Income Statement”. Under “Income” it states —

Total income for 2009-10 is budgeted at \$135.5 million including a budgeted increase to revenue from the landfill levy of \$39.0 million per annum.

That was all that was included in the budget statement itself. Again, I suggest to members that this does not constitute an announcement of either an increase in the waste levy or the fact that the money was going to be taken away from the waste account.

Talk about being hidden away at the end; there is a section at the end of budget paper No 3, appendix 10, called “Tariffs, Fees and Charges”. I will come back to that later in my remarks. Right at the end, on page 288, the very last paragraph in the entire appendix, under “Department of Environment and Conservation—Landfill Levy Fee Increase”, it states —

As part of the Economic Audit Stage 1 process, the Government has endorsed an increase in landfill levy charges of 300% —

This is the explanation —

Hon Robin Chapple: Is that the last page?

Hon SALLY TALBOT: It is the very last page of appendix 10 on page 288.

Hon Robin Chapple: It could have been missed.

Hon SALLY TALBOT: It could, indeed, have been missed. I put it to this house that that is exactly what the government is hoping. That is why it excluded it from its own press release. Maybe the minister herself did not know it was here. The paragraph states —

As part of the Economic Audit Stage 1 process, the Government has endorsed an increase in landfill levy charges of 300% in relation to putrescible and inert waste from 1 July 2009. The levy increase will create a disincentive to dispose of waste to landfill, and at the same time, encourage the reuse or recycle of waste.

I do not think that is quite English but we will skip lightly over the grammar. It continues —

The impact on local government authorities, if passed on in full, will result in the average householder being charged an estimated extra \$24 per year through their local council rates.

That is what the budget papers contained. No wonder it took a few days for the full horror of what was going on to dawn on people.

To put this in context, based on the comments that were being fed through to me by the people coming into my electorate office, who are not all Labor voters in Meadow Springs, expectations were not high for this first Liberal-National budget. As I said just now when I was making my positive comments about the minister’s press release and some of the budget measures announced on budget night, there were some areas of overlap between the promises made by the Liberal Party and the undertakings that we put to the electorate.

The Liberal Party put out a document before the election entitled “Liberal Plan for Environmental Sustainability and Water Management”. It is the most extraordinary document. I keep it on my desk because it is amazing how frequently I have to refer to this document when I am trying to work out what is going on. It is never of any use but I keep it there because it is very short. When I think the answer might be there, it does not take me long to find out that it is not. One of the funny things about this document is that there is a very short paragraph called “The WA Liberal Record”, which will be no surprise whatsoever to people on this side of the house. The section under “The WA Liberal Record” in the plan consists of three lines of text and four dot points. I have to say that if I had been putting this document together and that was the best my drafters could do for me, I would have said, “Let’s not draw attention to how sparse this paragraph is. We might just leave it out and just go on to what we are promising.” It is not even three full lines of text; it amounts to about two and a half lines of text and four very short dots points.

Hon Simon O'Brien: What are they, just as a matter of interest?

Hon SALLY TALBOT: That is not why I wanted to refer to the document. What I want to say is that the document goes through a number of measures that overlap with the undertakings that we were making. There are sections in the plan headed “Meeting the Challenges on Water” and “New Funding for Initiatives to boost Environmental and Water Sustainability”. That is very interesting, is it not? I do not know who wrote this document, although I have a suspicion about who wrote it. That person is no longer a member of the Western Australian Parliament, which I think is probably so much the better for the environment. However, it is interesting that one of the Liberal’s big announcements in this plan regarding funding is set out under the heading “New Funding for Initiatives to boost Environmental and Water Sustainability”. One of the first things the Liberal Party did when it came to government was cancel the Waterwise program. That was a great move, was it not? The plan then contains a section headed “Climate Change”.

Hon Robin Chapple: Does it have anything on climate change?

Hon SALLY TALBOT: It does, yes. It is curious, is it not? I think there are still people in the department who are deeply committed to climate change and finding a resolution, although I think it is a bit like what I am told happened in the early days of the previous conservative government. People in the department were issued with an edict to not use terms such as “Indigenous people” and “stolen generation”. I believe a similar sort of edict has been issued to the people who have the misfortune to be still working in the very small climate change section in DEC.

Then the plan goes on to a section headed “Protecting the Kimberley”. The major difference between that section and the section of our policy document is that the Liberals were promising much less money. The same has to be said for the section under the heading “Protecting the Great Western Woodlands”—much less money. Then the plan goes on to a section headed “Maximising the Potential of Wellington Dam”. I am not entirely sure how that got into the statewide document; anyway, that is fine. Under a paragraph headed “A Second Desalination Plant” the Liberal Party remains committed to the second desalination plant and says that it will continue the proposed construction at Binningup. There are paragraphs headed “Recycling and Aquifer Recharge”, “Sustainable Catchment Management” and “Water Table Management”.

I will give credit where it is due: there is an announcement about the new \$6 million environmental community grants program. That is actually a topic for another speech. There are very serious implications for the way the government is administering that fund. I do not have time to go into that issue, otherwise we will be having breakfast on Christmas Day in the Parliament, and so I will leave that for another speech. There is also a section headed “Better Environmental Laws”. Again, that is a topic for another speech, as we have seen that “better environmental laws” mean anything but better environmental laws. It might suit the miners and the industry players very well, but the direction the Liberal Party is going in does not suit anybody who cares about the environment.

That was, therefore, the Liberals’ policy document. Again I ask whether anyone in this house has heard anything about gutting the WARR act or setting different directions on waste and recycling. No; waste and recycling do not even exist in that policy document. Were we being naive when we thought that such a major announcement would have been canvassed in some way that would immediately engage the community’s participation in the issue? I do not think we were being naive. I think it was an entirely reasonable expectation, and it is one on which the government has betrayed the community by trying to hide what it was doing. It may be that the government was not trying to hide what it was doing; it may be that it simply did not know what it was doing. We have to keep returning to this point, sadly.

There is no talk in the budget documents and no talk in the minister’s media releases about the redirection into consolidated revenue of the money being raised from the waste levy. That, I put to honourable members, is a deception perpetrated on the Western Australian community, and it is the first of many deceptions on the part of this government. That was hidden in the budget papers. The cuts to DEC’s budget were not hidden. That is abundantly clear from the moment one opens the budget papers at the environment section. In the headline items we can see that the budget has been slashed ruthlessly.

How could all this have happened? I have no way of knowing whether this is how it actually happened, but it seems to me that there is a reasonably coherent narrative to be woven around this. I do not come entirely from the realms of fiction to construct this, because we were all acutely aware—indeed anybody who has been involved in government and politics should be acutely aware—that when there is a measure like a landfill levy, it is like having a bag of lollies hidden in a drawer: people know it is there and every now and then they will sally forth and try to raid it. We therefore knew that the landfill levy was something that various people were eyeing off in rather a jealous way. Therefore, here is the story that I have put together. If there is another story, I am sure the minister will tell us when she gets her chance to contribute to this debate.

It seems to me that there were people in various departments who were looking at the landfill levy and at the amount that it raised, both in practice over its first few months of operation and potentially over the years. They would have said, "What are we doing giving this money to the Waste Authority?" One of the important things that the WARR legislation did was establish the Waste Authority—an independent entity that could devise its own policy settings, had a great deal of autonomy and control over the delivery of its services and was to be in charge of its own budget. Its budget was to accrue directly from the landfill levy. We therefore had the hypothecation of 100 per cent of the landfill levy into the waste account. There is always that question about what was going to happen to the penalties. It seemed to me that it was abundantly sensible to legislate for the penalties to also be paid into the WARR account. I understand from the briefing I had that no penalties have been incurred so far; we therefore have not been able to test that. Essentially, it remains true to say, the Waste Authority was to get its money for its projects from the waste account, and the waste account was to take 100 per cent of the money accrued from the landfill levy. That then sits there and is obviously the subject of some envy by other people in the department who say, "Why should the Waste Authority have access to all this money?" I think it is true to say that it is unique among Australian states that we were hypothecating 100 per cent of the levy into the waste account. Having said that, it was not an oversight that we did that; it was a very carefully considered move. It was hailed internationally at the time, as I remarked in the second reading debate when we took the WARR act through Parliament, as world's best practice that we had undertaken to do this. However, I think in the early days of this government there would have been people—I am not pointing the finger at any particular individual—going to the minister's office, shutting the door and saying, "Look, there is all that money going into the waste account." They may even have said, "And they are not spending it." I noted in debate in the other place lots of little snide comments—nobody took the matter on directly—about the fact that the Waste Authority had not been expending that money; I will come back to that a little later. There is a very good reason for much of that money not having been expended to this point, and the fault lies directly at the feet of the minister. However, people would have been shutting the door and saying to the minister, "All that money is sitting over there and it is all going into the waste account. If we could get our hands on some of that, think of what we could do. We could even put a lot of it into projects that are to do with waste and recycling. Surely everybody will be happy if we do that."

Hon Robin Chapple: That is where it should be going.

Hon SALLY TALBOT: Of course that is where it should be going, but I am saying that they would have been suggesting to the minister that hypothecating led to all sorts of complications, and the Waste Authority would end up with so much money that it would not know what to do with it; give the department some of the money and let it be in control of what happens to it. I think the minister bought that story; I think she was impressed by that argument. She may have looked at other examples of hypothecation and thought that it does not really work.

Hon Donna Faragher interjected.

Hon SALLY TALBOT: I concede that I have no basis for this story other than a bit of experience and a bit of insight. If it is a different story, I am sure the minister will tell us when it is her turn to speak. The minister was clearly persuaded by that story, because that is actually what she has done. She has ended the hypothecation and taken all the money into the Department of Environment and Conservation budget. What is the next bit of the story? If we take it this far, maybe there is a bit of an argument—I can see that it would have been an attractive proposition. I can at least see why she did not reject it out of hand. The next step is that those big bad people at Treasury, about whom we learnt a lot in our eight years in government, said, "Jolly good idea; let's do this. End the hypothecation and take all the money into the Department of Environment and Conservation." So they get the big tick, but then what happens in the budget process? Treasury turns around and takes \$39 million away. Fancy that! Anybody could have seen it coming; it must have looked like a big black truck bearing down on the minister's office. They thought they had been so clever in taking the money away from the Waste Authority and then what happens? Treasury says, "Yes, great idea; let's do that, and by the way we'll have the \$39 million back. We don't have to give you that anymore." The result is a gaping black hole at the heart of DEC's budget.

This is indicative of something that we have seen developing over the past 12 months. The question must be asked: where does the environment stand in the government's priorities? This is just one of several measures that suggest that the environment stands in a very lowly place on the government's list of priorities. The fact is that DEC was the only department that copped this kind of savage cut. All the other ministers were able to hold their heads up. Okay, they copped the three per cent efficiency dividend. Three per cent would have been like a Christmas present if it were the only cut that DEC copped. Every department copped the three per cent efficiency dividend, but this department got its heart cut out by the government.

Of course, this is not the only indication we have had of how far down the list of priorities the environment sits for the government. Over the past 12 months we have seen DEC blamed for all the ills of the planning and approval process. The whole debate is an artificial one, and we have had some significant concessions from

various ministers along the way that they know that there is no real substance to their arguments about things needing speeding up. They have been generous enough to concede that they are making a political point out of all this, and, in fact, when the fact that we were in the middle of the boom is taken into account, along with the increase in the number of approvals and applications before the government, it was being dealt with in a pretty effective way by Labor ministers. Nevertheless, they do not resile from blaming DEC for all these problems. That is why DEC finds itself right in the firing line with all this talk of cutting—it is a phrase I find utterly distasteful, but it is used over and over again by the government—red, green and black tape. That is the second indication of where the environment stands in the list of priorities for the government.

The next issue is that we have had that extraordinary campaign against the Director General of the Department of Environment and Conservation being waged, it seems, by another minister's senior staffer. It is an extraordinary thing. I think that the Minister for Environment has confidence in her director general. I have seen that being played out when I have seen them together in this place during estimates, and also some of her public statements show it. The same thing can certainly not be said for some of her colleagues around the cabinet table. Again, DEC finds itself being played out of the main game; it is being undermined and blamed, and it is having its funding cut. What are those 2 000 people who work for DEC supposed to think? Hon Norman Moore obviously finds this very amusing.

Hon Norman Moore: I find it very amusing that you think you know what goes on around the cabinet table.

Hon SALLY TALBOT: I have already said that I am trying to construct a coherent narrative. I, for one, will be hanging on the edge of my seat listening to what Hon Norman Moore says. I am really genuinely looking forward to his contribution to this debate; I am looking forward to hearing him defend what is absolutely indefensible. He knows how bad this bill is, and if he does not know, he should be ashamed of himself. He should talk to some of the people who understand what is at stake here.

I am coming to the end of this section. I said that I would acknowledge some of the good things that the minister has done. There is one thing that was flagged in the election promises, but it is certainly a direction in which the previous government was going; I refer to the independent Environmental Protection Authority.

Hon Donna Faragher: It is very interesting to hear you say that that is what you were doing anyway. I tell you what; I asked a few people about that, and they had never heard of it. I was quite pleased that you are very positive about it.

Hon SALLY TALBOT: The minister was not listening; it was not her portfolio. She was doing disability, which is probably what she should be doing now.

Hon Donna Faragher interjected.

The DEPUTY PRESIDENT (Hon Jon Ford): Order! There will be plenty of time for this discussion in committee. At the moment this is the second reading debate. It is late in the evening, and Hon Sally Talbot has the call. Maybe she should address her comments through the Chair.

Hon SALLY TALBOT: I am happy to do that, Mr Deputy President. I just want to make one more point about what is being done to the Department of Environment and Conservation. While I publicly welcomed the government's announcement that the EPA would be made an independent authority, I noted with enormous concern some of the small print in that announcement saying that the EPA would take staff from other agencies. At the time I asked a question, which has not been answered by the minister, about whether that means that people with expertise other than in environmental protection would be asked to contribute to the EPA's processes. I think such a move would be a very retrograde step in environmental protection.

I move along now to the next stage of this unfolding history of how we got to where we are tonight in looking at this bill. We had the budget, and we looked for information about what was happening. We had all the problems that were thrown up by the hole in the middle of DEC's budget. I concede that right at the back of budget paper 3 a tiny line commenting on changes to the Waste Avoidance and Resource Recovery Act alerted us to this problem, but finally we had the admission from the government that this measure needed legislative change. As I have said before, and I will keep making the point, the legislative change is needed to end the hypothecation of the waste levy. It is not needed to increase the rates levied by any amount, be it 100, 200 or 300 per cent; that can be done by regulation. However, the government was forced to respond, and the terms in which it responded were very interesting.

On 16 June—about four weeks after the budget—the Western Australian Local Government Association put out a press release entitled “Now Uncertainty Over New Tax”. In the press release WALGA talks about the ending of hypothecation. Therefore, although WALGA is still expressing concerns about the 300 per cent increase, it is now talking about this other measure. I will read the salient parts of the press release, which states —

Imposing exorbitant increases in the landfill levy on communities and industry may not be within the Constitutional powers of the State Government.

As more local communities demand plans to increase the levies by 300% be abandoned, it is now emerging that the State Government may not even have the authority to effectively impose a new tax.

The WA Local Government Association has received conflicting legal opinion as to whether the State Government could impose the increases and allocate the funds to general departmental revenue.

The rest of the press release is about WALGA taking more legal advice about that matter, the specific local governments that have passed motions condemning the increases being used for general department expenditure and the cost to the community of the sudden changes. Therefore, about a month after the budget, everybody was coming together in the way they expressed their unhappiness about what was happening. It is important to note that at this point attention turns to the ending of hypothecation. It is significant because obviously what hit local governments between the eyes in those first few weeks was the fact that they faced that invidious position of having to pass the cost increases on to their constituents. One month later, local governments were focusing on the allocation of funds to general departmental revenue, and that is indeed what councils such as the City of Melville and the Town of Kwinana, and WALGA itself, talked about.

The Minister for Environment clearly saw that release, and then came into this place on 23 June—about a week later—and cancelled the increase. I want honourable members to listen very carefully to the terms the minister used, remembering that WALGA's press release was headed "Now Uncertainty Over New Tax". The minister said —

I wish to advise the house that, as announced in the budget, the state government has decided to introduce a 300 per cent increase in landfill levy charges on 1 January 2010 to ensure certainty for local governments.

The minister certainly saw WALGA's release because she was dressing up the cancellation of the 1 July increase in language about certainty for local government; to do that was another act of deception. It is another trick that has been played on the community. It had nothing to do with increasing certainty for local government. After several lines of questioning that went nowhere, I managed to get the answer from the minister that indicated she did in fact know what was happening out there in local government land. Most local governments have been charging the increase since 1 July. They simply do not have the mechanisms to wait and see what happens to a piece of legislation during the financial year, so they have been collecting the increased levy. That means ratepayers have been paying it since 1 July, although it may not literally be since 1 July, because obviously local governments increased the amount they were charging ratepayers at a certain point in time, but I can tell members that today, and as of the moment about a month ago when the minister conceded to me that she knew this was happening, most local councils are, and were already, charging the increase. Therefore, to dress this up in language about ensuring certainty for local governments is simply a nonsense. What the minister is doing again is aligning this difference between the 300 per cent increase in the levy and the ending of hypothecation. It is the ending of hypothecation that she has problems with, and it is the ending of hypothecation that we are dealing with tonight, as well as a number of other measures that are included in the 12 clauses of this amendment bill. However, the minister will not address this matter; every time we talk about it, we slip back into talking about the 300 per cent increase, which is exactly what she did in the statement to which I referred. I have made several speeches since that moment in an attempt to unpick some of the deceptions. However, I can tell members that although the government obviously either does not understand or does not care about this level of deception, nobody out there is fooled. There is not a local councillor in this state, whether in the metropolitan area or the regions, who has not pointed to this deception and said, "Does this minister know what she is doing? Does this government really believe it can get away with this?"

I will summarise the timeline from 14 May to 23 June. We had about 40 days from budget to backdown. It was 40 days for the whole thing to start unravelling. Forty days is a long time actually. Members would have thought that with so many stakeholders as upset, angry and frustrated as they are that we might have been able to achieve that slightly faster, but the reason it took so long became apparent to me when I started unpicking the story before 14 May, because it actually did not start then; it started some time before 14 May. That first became apparent in the letter that was posted on the Waste Authority website a few days after the budget. The letter was written after the budget; it is dated 15 May, so I presume it was written on budget night but dated 15 May. The letter is from the minister to Barry Carbon, the chair of the Waste Authority. It reads —

Dear Barry

CHANGES TO THE WASTE AVOIDANCE AND RESOURCE RECOVERY LEVY REGULATIONS 2008

That is, changes to the regulations —

Hon Robin Chapple: “Regulations”—very important.

Hon SALLY TALBOT: Absolutely, well spotted Hon Robin Chapple! We are on the same page here.

The letter continues —

As you are aware, the Budget Statements for 2009/10 reflect changes to the landfill levy, effective from 1 July 2009. New levy rates of \$28 per tonne for liable putrescible landfill sites and \$12 per cubic metre for liable inert landfill sites are intended. These new rates must be given effect by amendment to the *Waste Avoidance and Resource Recovery Levy Regulations 2008* (WARR Levy Regulations).

Hon Robin Chapple: That would have been a tax, wouldn't it?

Hon SALLY TALBOT: I will actually come to the whole question of a tax a little later in my remarks because we have seen the most extraordinary slipping and sliding in the government's attitude to this matter. I do not think there is any doubt that this is a tax. There is no doubt at all. It is currently clearly a levy and it is hypothecated. It becomes a tax if it is not hypothecated; if it goes into general revenue. What we heard in debate in the other place so far—maybe members in the other place missed out on part of the briefing or maybe the briefing was not provided for them—is that the government did not even try to defend that point. It went straight to the accusation that it was a tax when we imposed it! The government did not even try to defend itself on this matter, so its members all bought the fact that it is a tax. It clearly was not a tax when we imposed it, but it clearly is now. However, I will have a little more to say about that later.

The letter to the chair of the Waste Authority refers to changes to the WARR levy regulations and continues —

In accordance with the Budget Statements, 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 (DEC). To ensure that priority waste management actions continue to be supported the Waste Authority will continue to receive funding consistent with existing revenue from landfill levies.

So now we are getting to the crunch point —

The Budget Statements reflect an anticipated change in the expenditure rules for revenue from the landfill levy, which would allow funds from the Waste Avoidance and Resource Recovery Account (WARR Account) to be applied to a broader range of environmental and conservation purposes. This will require legislative amendment which the Government is proceeding with.

As you will appreciate, these changes will have significant implications for the Waste Authority's own agenda for making changes to the levy and aspects of its administration and enforcement.

I'll say! That was an aside; that is not in the letter —

The previously proposed changes to the levy rate, resolved by the Waste Authority on 22 October 2008 and updated by resolution on 18 February 2009, are now superseded by the rates assumed in the Budget Statements. In view of the changes, I request your assistance in giving effect to this new development in Government policy.

Firstly, I ask that as a matter of urgency you seek a recommendation from the Waste Authority to the Governor in Executive Council, to increase the levy to \$28 per tonne for liable putrescible landfill sites and \$12 per cubic metre for liable inert landfill sites. This recommendation should refer to a set of draft regulations which are being prepared and will be provided to the Waste Authority shortly.

Secondly, I ask that the Waste Authority discontinue its current preparation of a Cabinet Submission and progress the matter associated with the definition of waste separately.

What a bombshell! Here we have the whole disaster explained in five or six paragraphs. I must say in passing that I am still mystified about what this reference is to —

This recommendation should refer to a set of draft regulations which are being prepared ...

If the minister is able to explain what those are and where they are, that might be helpful to this chamber. It is an understatement really, is it not? In this letter, the Minister for Environment says —

In view of the changes, I request your assistance in giving effect to this new development in Government policy.

We now know that this new development in government policy contains much, much more than we ever suspected at the time. That letter is dated 15 May.

We now go back to 11 May 2009. This is a memo, rather than a letter, from the Minister for Environment to the Treasurer. This is pre-budget—11 May was three days before the budget. It is headed “Shortfall in Landfill Levy Revenue—2009/10 and Ongoing”. This is how it reads —

The *Waste Avoidance and Resource Recovery Act 2007* and the *Waste Avoidance and Resource Recovery Levy Act 2007* make provision for the collection of a levy, and the payment of that levy into the Waste Avoidance and Resource Recovery Account. The legislation currently specifies that levy funds can only be used for waste management, recycling and resource recovery programs.

Yes, my word it does; and that is exactly how it should stay after tonight. The memo continues —

Total revenue from the levy in 2007/08 was approximately \$12.2 million, with revenue in excess of \$13 million forecast for 2008/09.

The 2009/10 Budget Statements are based on a 300% (four-fold) increase in the levy and its use for broader environment and conservation purposes.

In other words, going into the Department of Environment and Conservation’s consolidated revenue —

The approved Budget also includes a \$39 million reduction in the Budget appropriation to the Department of Environment and Conservation (DEC) in 2009/10 (and ongoing) in anticipation of increased annual revenue of \$39 million from the levy commencing in 2009/10.

In other words, the money was not taken away for just the first year; the money was taken away in perpetuity—\$39 million a year. That is what this memo says —

The approved Budget also includes a \$39 million reduction in the Budget appropriation to the Department of Environment and Conservation (DEC) in 2009/10 (and ongoing) in anticipation of increased annual revenue of \$39 million from the levy commencing in 2009/10. The appropriation reduction has been applied across DEC’s services and has not been restricted to waste functions.

This is the memo from the Minister for Environment to the Treasurer. It is obvious that she is going to ask the Treasurer for something. It continues —

The approved \$39 million reduction to DEC’s budget is based on the assumption that the quantity of waste going to landfill will not reduce. However, I am advised that the 300% levy increase will encourage increased recycling. Furthermore, it is anticipated that a number of additional alternative waste treatment facilities will become operational in the next few years. Also, legislative amendment is required to give effect to the intent of the Budget decisions.

I can hear pennies dropping all over the place —

Therefore, DEC predicts that the 300% levy increase may not yield the full \$39 million per annum revenue increase. The Department of Treasury and Finance has accepted this view.

At a Departmental level, DEC needs to plan its annual staffing and service delivery levels based on the approved expenditure budgets incorporated in the 2009/10 Budget Statements.

Should the full \$39 million per annum revenue increase not be achieved, I expect that DEC will need to process revenue and appropriation adjustments in the 2009/10 mid-year review and will require supplementary funding for the annual shortfall in 2009/10 and the outyears.

I seek your acknowledgement and agreement to this approach.

Three days before the budget the minister knows that she is in terrible trouble. She has a big black hole at the heart of her department’s budget, so she writes to the Treasurer asking for help.

What becomes evident, if you read that letter carefully, is that what is hidden is a much bigger black hole than the \$39 million because, as I have already said, there is no reduction in the out years. When we got to the estimates hearings, I tried to tease this out. Was it a mistake? How could the minister include comments in the budget that this measure is going to reduce the amount of waste going to landfill and keep the amount at \$39 million a year? What that will do to DEC’s budget is very, very serious, because if the measure works, the funding deficit will increase. We now have not just a big black hole in DEC’s budget, but a very, very big problem with all those things I mentioned in my introductory remarks about planning and competence in the way this is being handled.

Once I got hold of a copy of that letter, it was explained to me why there was such a weak performance on 18 June in the estimates hearing. When we went into the estimates hearing, I asked what I thought were pretty straightforward questions. I started by asking —

The government's rhetoric about the 300 per cent increase in the landfill levy refers to expected behaviour change that will result in an increase in waste diverted from landfill, and note 4 reflects that.

Note 4 is one of those notes I read out earlier when I was going through the budget papers —

I have two questions. The figures in the table on page 890 show the actual for 2007-08, the estimated actual for 2009-10 and the budget target for 2009-10 as 40 per cent. Where is the expected increase in waste diversion ...

First of all, I was coming at it from the other point of view about the waste diversion—namely, where was that shown in the budget. The minister said that the information was not complete. She then referred the question to one of her officers. I said —

Is the minister saying that the figure of 40 per cent refers to household and domestic waste?

Hon DONNA FARAGHER: ... yes, it does.

Hon SALLY TALBOT: Is the minister not expecting any decrease in waste going to landfill?

Hon DONNA FARAGHER: We expect that there will be. As I said, we will be doing surveys, principally through the Waste Authority. Obviously, they are indicative figures.

That is okay; we can still follow what was going on then. I then said —

That means that note 4 is effectively redundant, because it does not actually apply to the table.

Then I tried another angle. I said —

I refer the minister to page 888 and the line item under “Economic Audit” — “Waste Management Landfill Levy”. There is an expected income of \$39 million for each year. There is also a footnote that states —

- (a) The increase in the landfill levy will create a disincentive to dispose of waste to landfill and, at the same time, create an incentive to re-use or recycle.

If the levy is designed to change consumer behaviour, why is there no reduction in the amounts of money collected in the out years?

To which the minister replied —

That will be looked at each year. It is certainly fair to say that evidence suggests that an increase in the levy will provide an incentive for people to recycle.

She then gave a couple of examples. She then said —

We have budgets each year, and these things will be looked at, but the projections from the Department of Treasury and Finance are \$39 million.

We know that she was not responding fully to us; we know that because she has since been sprung. The government obviously never expected that memo to see the light of day. Yet, a month before she gave these answers during estimates week, she wrote to the Treasurer stating that they had blown it and somebody had made a big mistake.

I continued by saying —

Perhaps I need a more technical answer to that question, because I cannot see why the estimated income in the out years does not reflect any sort of behavioural change, even if the argument is that most of it will occur in a sector that is not accounted for in the budget papers.

To which the minister replied —

These things will obviously need to be looked at on a yearly basis, as will every other area within the portfolio. The projections at this stage are \$39 million. These things will be looked at over the year, and they will be looked at in the course of the budget process, but that is the advice I have from the Department of Treasury and Finance, and obviously it will be looked at in the coming year.

I then asked her whether she had serious doubts about the accuracy of the out years, and she said —

No, I am saying that those are the projections that we have in place, but each year the projections are looked at ...

She was simply not giving honest answers to very straightforward questions.

Let us ask the question. The minister wrote to the Treasurer on 11 May with, really, a heartfelt plea for help. She needed an assurance, before the budget was brought down, that the Treasurer was going to come to her rescue and guarantee some funds. Did she get that assurance before the budget? I will get to the answer.

During my introductory remarks, I referred to the fact that this debate took many, many hours in the other place, and that the best part of one of those hours was used up by the minister who had carriage of the bill refusing to table a document, or claiming that he did not have to table a document. No wonder he did not want to table it, because it was the response from the Treasurer to the Minister for Environment's memo. Remember that the memo is dated 11 May—three days before the budget.

When did the minister get the assurance that she sought? She most definitely did not get it before the budget was brought down; she, in fact, got it on 22 June. She did not even have it during estimates week! On 22 June she received a reply from the Treasurer, addressed to the Minister for Environment and headed "Shortfall in Landfill Levy Revenue". The memo should go down in the annals of history; I would love to give this to the scriptwriters of *Yes Minister*. I wonder if they are still writing *Yes Minister*; I do not think they are. The memo stated —

Thank you for your memo dated 11 May 2009, which sought my consideration in relation to potential shortfalls in landfill levy revenue and a subsequent reduction of the Department of Environment and Conservation's (DEC) budget.

I acknowledge that revenues to be generated from changes to the *Waste Avoidance and Resource Recovery Act 2007* and *Waste Avoidance and Resource Recovery Levy Act 2007* will be influenced by a number of factors, such as delays in legislative changes and likely increases in waste recycling.

The impact of these factors on the DEC's budget will be reviewed by the Department of Treasury and Finance as part of each budget process, including the annual mid-year review process. The need for supplementary funding will be addressed as part of these processes.

She finally got the assurance that she had asked for—the bailing out that she had asked for—from the Treasurer.

The reason I made the comment that these documents should go down in the annals of history of this place is that I find it absolutely extraordinary that ministers are corresponding with each other in this way. It is the most remarkable thing. I do not know, really, what it shows—is it incompetence; is it lack of experience; is it the breakdown in those relationships? Given that there were ministers around the cabinet table trying to destabilise the director general of DEC, maybe it was just the breakdown in relationships that meant that they had to write to each other in these terms. But, because they did this, we now know that the minister made responses in this place, and she came into estimates and she talked in terms that she knew were not true. She did not have the assurance that she was going to be bailed out by the Treasurer when she came in and made those contributions to the estimates process. These are extraordinary documents, and I do not blame the minister who had carriage of this bill in the lower house for doing everything he could to postpone the moment when he had to hand over that document and have it placed on the public record, because it blew the minister's cover right out of the water.

That just about completes the history of how we have ended up in this place tonight with this atrocious bill under consideration. But I do want to keep going backwards in time, because I think that one of the important things about the past few months is that the public debate and the debate among the stakeholders about the government's moves to pull the WARR act apart really shows how significant the WARR legislation was in the first place. As I have said, I took the bills through this house, and I remember the officers with whom I worked during that process, and they were very, very impressive people in terms of their commitment to the issue and their understanding of both the forensic detail of the bills, and the very broad policy implications of what we were trying to do. I will give a personal reflection on that night. I walked out of that door on the other side of chamber with three or four officers who had been in the chamber with me during the committee stage, and with whom I had been working for several weeks on briefings and dealing with amendments and such. I was very moved when, in the moment after we had got the bills through, I saw the expression on their faces; they were absolutely joyful that we had got the legislation through. One of them turned to me and said, "Thank you for doing that", and bear in mind that this was towards the end of November, "I'm going home now to spend the whole of my Christmas holidays writing the regulations." I said, "Do you have to do that?" He said, "There's nothing I want to do more. I have been working on this legislation for 25 years." In other words, this was a person who had spent most of his professional life talking about the ideas that were encapsulated in the WARR bill, and talking about how we could take another step towards completing that cycle of resource recovery by

treating waste as a resource, rather than something to be buried. I have seen the distress of people such as him, and many others, about this attempt to dismantle the WARR act.

Before I get into the next topic, 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 in this state. 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?

Debate adjourned, pursuant to standing orders.