

CONTAINER DEPOSIT AND RECOVERY SCHEME BILL 2011

Second Reading

MR E.S. RIPPER (Belmont — Leader of the Opposition) [4.00 pm]: I move —

That the bill be now read a second time.

Those of us who are committed to making Western Australia a world leader in the race to create a zero waste society were saddened by the news earlier this year that WA has the worst recycling rate in the whole of Australia. We currently recycle about 20 per cent of our empty drink containers, which means that about 80 per cent of our bottles, cans and cartons end up either in landfill or littering our roadsides, beaches and parks. The community has had enough. People have looked at what happens in other parts of Australia and the world and know that we can do much better when it comes to cutting the high levels of waste we send to landfill and reducing the amount of rubbish dumped in our public areas.

The good news is that there is a way to take immediate action that will dramatically improve WA's recycling rate. Research shows that establishing a container deposit scheme is the single most significant step we could take to get us back on the road to a zero waste future. That is why WA Labor is today introducing our Container Deposit and Recovery Scheme Bill 2011 into Parliament and asking for the support of this Parliament to pass the bill without delay.

Container deposits schemes are not new to Australia. As members would know, South Australia has had deposit refunds on bottles and cans for about 35 years. In the Northern Territory, plans are in place to start a cash for cans scheme at the end of this year. Many parts of Europe, the USA and Canada have well-established container deposit systems involving a variety of organisation principles and practices. When it comes to container deposit schemes, we do not need more research, more reports or more inquiries. There is a wealth of evidence that such schemes work, and that the benefits to the environment and to the community in WA will be very significant.

We have the information collected in 2007 by the Stakeholder Advisory Group established by the previous Labor government to investigate best practice container deposit systems for Western Australia. The group was chaired by the member for Perth, John Hyde, and produced an extremely comprehensive final report. We have a wealth of material brought together by members of the Boomerang Alliance who have been advising governments for many years about all the aspects of extended producer responsibility and product stewardship and the impacts of various practices on reducing waste and increasing recycling.

What the evidence shows is that where a container deposit scheme is in place, recycling rates increase dramatically. In South Australia, that rate is a proud 80 per cent. According to Ian Kiernan, the founder of Clean Up Australia, 40 per cent of the rubbish collected on Clean Up Australia Day consists of bottles and cans. In South Australia, that figure falls to just 8.4 per cent.

The bill I am introducing today provides for a scheme that is established and administered by the Waste Authority. We have very deliberately adopted an approach that ensures openness and accountability in the way the scheme operates. South Australia has an industry-controlled system, and that scheme certainly produces good results in recycling levels. However, the Stakeholders Advisory Group found that industry-run schemes do not necessarily provide transparent, open and accountable mechanisms to govern and track the movement of deposit moneys and quantities of recycled materials. Boomerang Alliance's 2008 report on container deposits says that industry-run schemes have "limited transparency and a poor audit trail." Placing the governance and administration of WA's scheme in the hands of the Waste Authority ensures the openness and accountability that was one of the guiding principles of Labor's 2007 waste avoidance and resource recovery legislation.

The scheme established by this bill includes empty plastic and glass bottles, aluminium and steel cans and liquid paperboard and composite cartons that have contained soft drink, juice, water, milk and alcohol. The refund is set at 10c. This is the same as South Australia and the proposed Northern Territory scheme. The bill provides for the amount to be increased in the future. The term "recognised jurisdiction" is used throughout the bill to open up the possibility of the scheme operating across state borders.

The model provided for by the bill is colloquially known as "hub and spoke", with the spokes consisting of authorised collection depots in places like supermarkets, service stations and convenience stores, and large authorised transfer stations or hubs operating on a regional basis. These hubs receive all the containers collected by the depots in their region as well as all the material from large-scale redeemers like councils, community groups and businesses. This organisational model is another aspect in which the scheme proposed by this bill is better than the scheme in South Australia, where industry operates only a limited number of collection points that are often located more than five kilometres away from points of sale and convenient drop-off places like supermarkets.

Once WA's container deposit scheme is established, we would expect a number of depots to operate in the form of reverse vending machines. These machines, common in other parts of the world with container deposit schemes, are usually set up to dispense vouchers which can be redeemed for money or discounts at local stores and are popular with both consumers and retailers.

The basic operating principle of the scheme proposed in this bill is that the Waste Authority collects the deposit from producers and importers and refunds the deposit via depots and hubs. Worldwide evidence is that an estimated 14 per cent of deposits are unredeemed, and this unredeemed amount is used by the Waste Authority to pay for operating costs, wages and education. Unredeemed deposits are the main funding stream for the scheme. The other two are sale of recyclate and advertising by retailers wanting to have their product associated with recycling measures by, for example, offering incentives and vouchers via reverse vending machines.

The bill sets penalties for breaches of the requirement for producers and importers to pay the levy and for operators of depots and transfer stations who fail to keep records. These penalties reflect equivalent penalties specified in the WARR act. They are set relatively high in order to reflect the fact that as the beverage container recycling industry develops, potentially there will be large sums of money involved in transactions. The bill provides for a 12-month transition period and is not retrospective.

Community support for a container deposit scheme is overwhelming. Some reports put that support as high as 90 per cent, and that is certainly borne out by the work WA Labor has been doing in local communities. I commend the members for Albany, Collie, Mandurah, Gosnells and Warnbro for giving voice to their communities' concern, through the petitions they have brought into Parliament. What those community voices have said is that it is time to tackle our ongoing litter problem and take action to lift our poor recycling rate.

Let me remind anyone who thinks the problem is trivial of the number of bottles, cans and cartons currently thrown away in landfill or litter. It is estimated that WA uses nearly 1.2 billion containers each year. That is about 500 containers every year for each Western Australian. At our current recycling rate of 20 per cent, that means 960 million empty drink containers end up in landfill or littered around our environment each year.

Does WA Labor's support for a container deposit scheme mean that we are walking away from kerbside recycling? Not at all. In fact, the reason that local governments all over our state are so strongly in favour of container deposit schemes is that such schemes increase the value of kerbside recycling collections. At the moment an appallingly high percentage of the material so carefully sorted into recycling bins by householders ends up in landfill because it is contaminated, and the most common contaminant is broken glass. By removing glass from kerbside recycling bins, container deposit schemes increase the value of the recycled material and lower the cost of recycling services to local government. For example, the cost of kerbside recycling per household in South Australia is estimated to be \$24.18 a year, compared to WA's \$107. Councils also welcome the reduced clean-up costs that go with giving empty containers a monetary value. Of course, this is the key to the success of container deposit schemes. Giving empty cans, cartons and glass and plastic bottles a value means that even if a container is discarded by the person who bought it, it is likely to be recycled by someone else. This is another reason why community support for this scheme is so high. Plenty of WA community groups know that the South Australian scouts make about \$7 million a year from collecting containers. Why would we want to deny our scouts and other groups that opportunity? The other benefits of recycling are well documented. Recycling creates jobs. Latest estimates are that for every 1 000 tonnes of waste, recycling creates 36 jobs compared to six jobs if it ends up in landfill. Recycling saves water. In WA the water saved by recycling bottles, cans and cartons would supply about 4 000 homes—a very important consideration in a state concerned about water security.

It is not only WA Labor that supports the measures contained in this bill. While the government continues to keep us waiting for a final state waste strategy, the second draft of the strategy released in March 2010 includes the following as a priority action for delivery in the early years of its operation —

The Waste Authority will recommend that government legislate to enable up-front charges including a container deposit scheme; ...

We know that there are some industry voices who object to container deposit schemes. To them, I simply say this: all the Australian research suggests that the cost of this scheme to the beverage industry is minuscule, being in the region of half a cent per container. Compare that to the average saving per household, which is estimated at between \$8 and \$11 a year because of reduced waste and recycling charges. That way we start to get things in perspective and realise why such schemes attract such a high level of support from all sectors of our community.

The government has gone on record saying that it wants to wait for a national approach to container deposits. The commonwealth and state governments have been trying to get agreement on a national scheme for years. The reality is that it is not going to happen fast enough. We cannot sit around tinkering at the edges while

960 million empty drink containers pollute and damage our environment every year. We need action, and we need action now.

In summary, WA Labor's bill puts in place a scheme with multiple benefits. Our container deposit scheme will relieve the pressure on landfill, reduce clean-up costs, make kerbside recycling more efficient, provide millions of dollars to community groups, create jobs and save water. It is supported by more than 90 per cent of the community and by local government. Nobody is suggesting that a container deposit scheme is a magic bullet that will solve all WA's waste management problems. What we do know is that removing such a significant amount of rubbish from our tips and from our beaches, parks and roadsides will represent a quantum leap towards reducing waste and recycling costs, reducing litter-related costs and conserving precious resources.

Our community wants this scheme. Our environment needs this scheme. I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.