

WASTE AVOIDANCE AND RESOURCE RECOVERY AMENDMENT BILL 2009

Second Reading

Resumed from an earlier stage of the sitting.

HON SALLY TALBOT (South West) [4.34 pm]: Earlier I had reached the point in my remarks at which I was going to look at the full life cycle of the waste process. I wanted to do that for a particular reason and I was in the process of outlining that reason when we moved to another item on the notice paper. I wanted to do that because I think there is some misunderstanding about the way the system works; we have made the transition from the days when we used to rock up to the tip with our tip passes, to the new way of charging the waste levy by the amount of waste that a person deposits.

There is, of course, a direct impost on householders as a result of the government's 300 per cent increase in the levy but it is not actually the householders who pay the increased levy because that is paid for at the gate of the tip. We all know about the yellow-top bins and the green-top bins. They are collected by the waste collectors who are employed by local government. Those waste collectors pay to dump the waste at the landfill sites. What is the question to the answer that the government is giving about its intention to increase the rates of recycling? The minister is enormously muddled when she tries to get her head around how these things are progressing. The question cannot be about ending the hypothecation. There can be no way that taking money away from the Waste Authority will increase recycling. I doubt whether the answer relies on some of the other technical provisions of the bill—some of which I have outlined—about making the Waste Authority pay its own costs or taking away the power of the Waste Authority to determine the levy increases and giving it to the minister, which is something that I have not referred to yet. It cannot be that, so it must relate to the 300 per cent increase, even though the 300 per cent increase has nothing to do with the amendment bill that is before us, because that can be done by regulation. Teasing out exactly what the minister's rhetoric means starts to get very complex. What I have to conclude is that the question must be: what will the 300 per cent increase do? The minister's answer to that, presumably, will be that it will be used to help increase the rates of recycling. How exactly will it do that? I think that the minister is making the mistaken assumption that the landfill levy rate is a sensitive mechanism used to control the amount of waste that goes to landfill. I think that she has been told it is a trigger and that she is overestimating the sensitivity of that trigger. Think about it. When a householder goes home and cooks dinner and unwraps the mail, what happens to the envelopes that the householder does not keep? Presumably the householder would put them in the yellow-top bin. What happens to the householder's plastic that is wrapped around the newspaper in the morning, and what happens to the cat's food tins? They either go in the yellow-top bin or the green-top bin. The householder then puts the bins outside. At that point the householder has not paid the waste levy. A truck picks up the bins and takes away the rubbish. That truck is paid for by the local council and the operator pays the landfill levy. At what point does the householder stand at the bin and think about the landfill levy before putting something in it? I put it to honourable members that householders do not do that. The reality is that all those bins are the same size. The householder is paying for the truck to empty a bin that is the same size for householder A, who has made certain decisions about trying to not generate waste—however they might be doing that; I will go into that later—and householder B, who could not give a flying about what goes into either bin —

Hon Peter Collier: A flying what?

Hon Simon O'Brien: She did not specify a flying what.

Hon SALLY TALBOT: No, I did not. Occasionally I have to modify my instinct to use language that is perhaps slightly stronger than that which the standing orders allow. I am sure that Hon Simon O'Brien managed to fill in the gap.

Hon Simon O'Brien: I am thinking of a lot of such words as every hour that you speak goes by!

Hon SALLY TALBOT: It is nice to know that the member is following so closely what I am saying; I am impressed. I know that Hon Simon O'Brien takes a great interest in these things.

Hon Simon O'Brien: I do.

Hon SALLY TALBOT: Is the minister following my basic point? Maybe in his contribution to the debate he can give me his views about how sensitive this trigger is. Is it not a fact that all the bins are the same size? People are not putting out a tiny wheelie bin in the morning as a result of the increase in the landfill levy. It does not work like that.

Hon Robin Chapple: It is irrelevant whether the bin is full or empty.

Hon SALLY TALBOT: That is absolutely my point, Hon Robin Chapple; it is irrelevant how much material is in the bin, because the process is that the bin is emptied into the truck that picks it up. I thank the member. I am glad that somebody in this chamber is following my reasoning.

I put it to members that it is a very blunt instrument to use the levy in this way, and later I will go into much better ways of achieving these outcomes. That brings me back to the point that I was making yesterday about the way that we use this chamber. Nobody on this side of the house would argue that the stated objectives at the beginning of the minister's second reading speech are not in any way objectives that we want to endorse. No-one on this side of the chamber thinks that the objective of reducing the amount of waste going to landfill and increasing the rates of recycling is not a laudable objective that we want to support. But this is not the way to do it. There are much better and more effective ways of doing it, and they are all ways that start from the fundamental perception that assuming that the landfill levy is a sufficiently sensitive trigger to modify individual behaviour is a misunderstanding about how that trigger works; it overestimates how sensitive that trigger is. Again I ask: what sort of funding model have we been presented with? Is there any integrity pertaining to a funding model that funds the department from a levy that is raised from the amount of waste going to landfill? As I mentioned earlier, another way of putting that is: what sort of financial model uncouples the levy from waste reduction? I am not being at all mysterious about my responses to these questions. They are not hypothetical questions. Can a model that does that have any integrity? My answer is: no, it does not have any integrity at all. I am suggesting that the reason that such a messy and appalling piece of public policy has come before us in the form of an amendment bill is that the minister has essentially made it up. She does not have her head around the issues, and she did not consult the people who could have helped her find a better way to do what she is trying to do. As I say, we would endorse what the minister is trying to do, but the mechanism by which she has chosen to do it is deeply flawed, and we are here to try to suggest better ways.

We are not the only people who could suggest better ways of bringing about these outcomes. Plenty of people in our community have direct experience with waste management through their roles in both local government and the industry. I will start by talking about the hero of waste management, local government. The reality is that the minister did not have one conversation with anybody in local government before she made her decision. Indeed, to add insult to injury—we all know the way that government works; we all know about the importance of building relationships if members are to be effective parliamentarians—the minister effectively thumbed her nose at the state government's relationship with local government because not only did she not talk to local government, but also it was something like a week after the budget was brought down before local government was formally notified about the increase in the waste levy and the end of the hypothecation. It took the minister a week to do that. I do not know how the minister has organised her office, but if I were running an outfit that took a week to inform key stakeholders about an important change in policy settings, I would be having a serious look at the efficiency of that outfit. It simply cannot take a week to communicate with key stakeholders. It could have been done by telephone that very night, as soon as the information was made public. Instead, Councillor Mitchell told us that it was something in the region of a week before he was formally contacted by the minister. That is simply not acceptable. If that is not the case, the minister will have ample opportunity to put the record right.

I have already gone into some detail in this house in other debates on this topic about the reaction from local government, so I will not reiterate any of those points because they are already on the public record. I will not reiterate any of those points in detail, but I again draw the attention of honourable members, in case they have forgotten, to the front cover of issue 29 of *Western Councillor* from June 2009. There are three headline items on the front cover and the second one states "Landfill Levy Outrage" and has the subtitle "State Council United". I do not think I need to go into any further detail about the editorial in that edition of *Western Councillor*. "Landfill levy outrage" just about sums it up. Local government was absolutely speechless with rage about not only the measure that the government put in place, but also the way that it implemented that measure and the lack of communication.

I want to pay particular tribute at this point to an exceptional person involved in the waste and recycling industry in Western Australia, Rebecca Brown, who is the Western Australian Local Government Association's manager of waste and recycling. I do not know whether any other honourable members have had the opportunity to speak to Rebecca —

Hon Robin Chapple: I most certainly have and she is a remarkable person.

Hon SALLY TALBOT: I find her to be quite extraordinary. If I were ever in a position, as the minister is, to employ expert advice on these topics, she would be at the top of my list. She is a young woman who obviously has a passionate interest in the topic of waste and recycling, which is not the sexiest of subjects for a young person to be interested in. Rebecca brings to her work a degree of expertise and understanding that I think would be extraordinary in a person three times her age. I pay particular tribute to the extent to which she has been able to help me get my head around these issues. WALGA is extremely fortunate to have her on its staff. I know that

she is also very active in the Western Australian branch of the Waste Management Association of Australia. I think that association also benefits from the sort of advice that she has been giving it. She was WALGA's representative at some of the recent committee hearings that have been conducted into these issues. The transcripts of those hearings only enhance my admiration for what Rebecca is doing. Clearly, there is no shortage of good advice around.

When I originally spoke about the reaction of local government, I quoted the message of the Mayor of the City of Mandurah in the local paper. I read virtually the whole content of the mayor's message into *Hansard* at the time. I also note that Mayor Paddi Creevey was recently re-elected with an overwhelming majority in Mandurah. Mayor Creevey is clearly on the right track. She picks her issues well and argues very coherently for them, and she did that in the mayor's message about local government's determination to fight the cost hike in the landfill levy, which is essentially the title of the mayor's message of 18 June 2009.

In putting my notes together, I found another contribution to the debate from Mayor Creevey in the form of a letter to the Minister for Environment, copies of which were sent to other members. This is what I mean when I say that both front and back benchers in the government would have their heads truly across these arguments if they read the mail that comes across their desks. I can see that Hon Nigel Hallett received a copy of this letter dated 7 July from Mayor Creevey, as did Hon Dr Kim Hames. The letter is addressed to the Minister for Environment. The letter reads as follows —

Dear Minister

Landfill Levy Increase

I am writing to express the City of Mandurah's strong concern at the Western Australian Government's proposed 300% Landfill Levy increase.

The City understands that from 1st January 2010, —

This is after the minister delayed the increase —

the WA Government intends to increase the levy on putrescible waste from \$7 to \$28 per tonne, and from \$3 to \$12 per cubic metre for inert waste. We understand that this increase will provide the Government with an additional \$39 million per annum. Whilst I acknowledge the Government's recent decision to delay the levy increase from July 2009 to January 2010, I nonetheless have serious concerns about its implementation.

So much for the minister's claim that local government had welcomed the delay. It clearly indicates here that that is not the case. It continues —

Whilst the City of Mandurah generally supports incremental landfill levy increases to act as a catalyst for landfill diversion and recycling strategies, we are strongly opposed to this levy for several reasons:

1. The size and timeframe of the levy increase—a 300% increase should occur over several years, rather than all at once, to minimize the financial impact on residents
2. The beneficiary of the increase—funds should be used exclusively by the Waste Authority for recycling and landfill diversion programs, and policing of illegal dumping, rather than for DEC general revenue and meeting the State Government's 3% efficiency dividend
3. Lack of consultation—Local Government was unaware of the levy increase until it was announced in the May State Budget, and neither the City nor WALGA were consulted over the proposal

The minister has indicated by interjection that somehow WALGA and the City of Mandurah misunderstood that. I am sure that they will be waiting to see her put them right on that. It continues —

4. Local Government should not become the State Government's tax collector—if the State wishes to impose a tax, then it should be levied directly by the State, and not forced upon Local Government.

I understand that the WA Premier, Hon. Colin Barnett, has publicly acknowledged that whilst the Landfill Levy increase is designed to bring WA's waste disposal fees into line with those imposed by other states, it is also being used as a 'tax measure' to increase the Department of Environment and Conservation's revenue. Premier Barnett has indicated that whilst a proportion of the levy funds will be used for landfill and waste treatment, the balance will be used for DEC 'general environmental measures'.

I bring to your attention that, at its 16 June Council Meeting, the City of Mandurah resolved the following:

That Council:

- 1. Supports the Western Australian Local Government Association in its challenge to the legislative power of the State Government to increase the Landfill Levy, when the funds generated from the levy are not being used to support waste minimisation or reduction**
- 2. Writes to the Premier, Treasurer and Minister for the Environment to express its strong concerns over the proposed increase in Landfill Levy**
- 3. Takes measures to ensure that the Mandurah community is made aware of the increase in the City's rates and charges that are the result of State Government policy, and is being paid to the State Government to fund its operations**
- 4. Expresses its support for landfill levies, where the revenue generated is used to fund waste minimization or reduction.**

We estimate that the Landfill Levy increase will cost the City approximately \$871,000 each year, or an \$26 extra per household per annum. Furthermore, in addition to the household rate increase, the levy hike will also result in fees at the City's Waste Management Centre rising significantly to cover the increased costs of disposing of local trailer-load waste. Trailer load waste at the Mandurah Waste Transfer Station is transferred to the City of Rockingham's Millar Road landfill site, within the metropolitan region.

I did make reference to that site last night when I noted that the mitigation costs, as far as carbon emissions go, for that site at Millar Road will be an enormous burden on ratepayers in that area for several decades to come. The letter continues —

In addition to causing additional financial hardship for City of Mandurah residents, the landfill levy increase will result in a dramatic increase in illegal dumping, already a serious problem in Mandurah. Experience tells us that the City's residents and ratepayers are extremely sensitive to fee increases at the Waste Transfer Station, and Council is expecting a significant backlash from residents as a result of the levy hike, and a corresponding increases in incidences of illegal dumping.

I note that you recently announced increased penalties for illegal dumping, from \$1000 to up to \$62,500 for individual offences. Whilst in theory, this measure should act as a disincentive for people to illegally dump their rubbish, it will be counterweighed by the landfill levy hike, and would also need to be strongly policed by the DEC and relevant Councils for it to be effective.

In fact, I am advised that over the past four years, the DEC has only made two successful illegal dumping prosecutions in Western Australia. Therefore, it appears highly unlikely that higher penalties will significantly reduce illegal dumping

I understand that on 18 June, the Government introduced the *Waste Avoidance and Resource Recovery Amendment Bill 2009*.

I also understand that the Waste Authority, which was created in July 2007, is unable to fulfill its charter under the *Waste Avoidance and Resource Recovery Act 2007*, because it has no staff. It is understood that officers who were initially designated to the Waste Authority were instead seconded to the Department of Environment and Conservation, with up to 50 DEC staff currently funded from the Levy.

I point out at this stage that Mayor Creevey speaks with a great deal of personal and professional experience in this area, having been a longstanding member of the predecessor to the Waste Authority, the Waste Management Authority. I always defer to Paddi's views on these matters, because she does not speak simply as somebody who is involved in local government; she has been involved in the state government body for many years. Mayor Creevey goes on —

We would like to pose these questions:

1. What proportion of the additional funding to be raised under the Landfill Levy increase will be used to increase the policing and prosecution of illegal dumping by either the Waste Authority or DEC?

I think it is worth the minister working on the assumption that these are the sorts of questions that we will raise in committee, so she may like to give them some consideration before we get to that stage. It continues —

2. Will funding for existing landfill waste reduction and resource recovery programs be increased in line with the Landfill Levy increase?
3. Will a proportion of the Landfill Levy increase be specifically used to employ Waste Authority staff, to allow it to fulfill its charter under the *Waste Avoidance and Resource Recovery Act 2007*?
4. Who will hold responsibility for the *Extended Producer Responsibility* program, and how will it be funded?

I reiterate that, whilst the City of Mandurah is not specifically opposed to an increase in the Landfill Levy, we are opposed to your Government's policy on the grounds that:

- The levy will be directly imposed on ratepayers, rather than as a State tax
- The majority of levy funding will be used to finance the DEC's 3% efficiency dividend
- The levy will be imposed all at once, rather than incrementally over several years
- Without specific resource allocations, the levy will not address the issue of illegal dumping

In the interests of fairness and equity for City of Mandurah residents, I ask that you seriously reconsider the WA Government's current Landfill Levy increase policy. I shall also write to the Premier, Hon. Colin Barnett MLA, and the Treasurer, Hon. Troy Buswell MLA on this matter; however, I would be grateful if you would agree to meet with me to discuss this issue at your earliest convenience.

This letter from Mayor Creevey is I think worth the detailed attention I have given it by reading into *Hansard* for several reasons. One, as I have just pointed out, is that Mayor Creevey comes at this issue with a great deal of experience in the issue of waste management. Two, she speaks for a very large local government authority and a substantial proportion of the population of Western Australia. Three, we can see in the way that she has canvassed those issues that she not only raises the issue of the bin collection, which I have been into in a little detail in this section of my contribution of the debate, in talking about the yellow-top bins and the green-top bins, but also brings in that extra dimension of the problem that has been created by the government's move; that is, the sense in which individual taxpayers and ratepayers will be directly slugged by what the government is doing when they turn up to a tip with their trailer-load of stuff that they want to dump. There also we are seeing a 300 per cent increase in the levy rates for the cubic meterage of what they are taking to the tip.

The problem here was brought home to me in graphic detail only a few weekends after the budget was brought down on 14 May when I was talking to a couple of very close friends who moved house at that time. Inevitably, in moving house, people clear out a couple of things that they have been hanging onto that they do not really need, and they clear out a couple of things from the shed that are not worth moving with. They load up their trailer and off they go to the tip. My friend was telling me that he had an old fridge on the back and when he got to the tip, the people at the particular tip he went to—I do not know which tip it was—said they were not taking it. They did not have the facilities at that tip to deal with disused whitegoods. My friend drove away and went to the next tip where the guy said, "We can't take that, but if you want to give me \$50 I will take it off your hands for you". My friend did not want to do that and he drove off. At that point, were my friend not an activist in the conservation movement, he could have done what a large number of ordinary human beings would do; that is, to ditch it especially when for my friend it was at the end of an extremely long weekend and the last thing he wanted to be doing was carting a broken fridge around the outskirts of Perth looking for somebody to take it from him. He did not do that and I was very proud of him for not doing that. I knew why he did not do that. It is not an environmentally sustainable way of dealing with these things. My goodness, we are making it very difficult for people to act in a responsible way.

Debate adjourned, pursuant to standing orders.