

CONTAINER DEPOSIT AND RECOVERY SCHEME BILL 2016

Second Reading

MR C.J. TALLENTIRE (Gosnells) [4.00 pm]: I move —

That the bill be now read a second time.

An incentive-based container deposit scheme will increase recycling, reduce waste, and reduce the number of beverage containers that litter roadsides across the whole state. It will help spare our public spaces from dangerous smashed glass and our marine environment from the scourge of plastic pollution.

Overwhelmingly, the Western Australian community supports a container deposit scheme—published research shows this. WA Labor has long championed it. Indeed, I acknowledge the extensive work done by my predecessor, Hon Sally Talbot, and the former Leader of the Opposition, Hon Eric Ripper. In 2011, they presented a very similar bill to the thirty-eighth Parliament, only to find that their efforts to make container deposit schemes law were thwarted by the conservative Liberal and National Parties. At the time, the main argument of the Liberal and National Parties was that we should wait for a national scheme. That approach taken by the Barnett Liberal–National government failed. Now the government says that it supports a WA CDS. Here is the opportunity for the Liberal and National Parties to show that they are genuine. The Liberal and National Parties must support this legislation or stand accused of putting no substance behind last week’s media announcement.

Without a container deposit scheme, Western Australia’s current waste management system is failing us. The WA Treasury announced recently that household recycling rates had dropped by one per cent in the 12 months to 30 June 2016, down to 40 per cent. This is 20 per cent lower than the 2015 target set in the Western Australian waste strategy. According to Clean Up Australia, Western Australia’s bushland is the most littered in Australia, impacted by 21 per cent of the state’s total litter. Beverage containers accounted for 26.9 per cent of the litter collected in WA on Clean Up Australia Day 2015, with beverage containers and their associated components claiming six places in the top 10 list of individual rubbish items collected that year.

Part of the problem is attributed to the introduction of non-refillable beverage containers in the 1970s, signalling the end of an era in which drinks were sold in refillable bottles. Adopting a polluter-pays principle, South Australia’s Beverage Container Act 1975 was enacted in 1977 to address an increase of beverage containers in the litter stream, and as a response to the failure of beverage companies to act on the consequences of their changed production systems.

South Australia’s record over four decades clearly demonstrates the benefits of a container deposit scheme, having consistently reported return rates of around 80 per cent and low levels of beverage container litter. A similar benefit is being reported in the Northern Territory. The Northern Territory government implemented container deposit legislation in 2012. Between 2011 and 2015, beverage container return rates increased from nine per cent to 52 per cent—a rise attributed directly to the application of a 10c deposit. This is despite the Northern Territory having “not yet developed the conventions and cost efficiencies that currently operate in South Australia”.

In contrast, other Australian states, including Western Australia, have found alternative approaches inadequate. Beverage container litter is generating small-scale problems ranging from high clean-up costs for councils, strain on landfill capacity and the associated toxic threat, through to much larger issues such as depleted global resources and marine plastic pollution. A recent report of a Senate standing committee, “Toxic tide: the threat of marine plastic pollution in Australia”, cites that beverage container waste is the largest contributor to marine plastic pollution and represents 60 per cent of all plastic rubbish recovered from waterways and beaches. The operation of a CDS results in a drop in plastic pollution by a factor of three.

On 8 May 2016, the New South Wales government, having faced similar issues as WA has for decades, and in response to the visual, environmental, resource, economic and human impacts of littering, confirmed the 2017 commencement of a state-based container deposit scheme. The Queensland government has also confirmed the commencement of a comparable scheme in 2018.

Based on the available evidence, and consistent with the guiding principles of Labor’s 2007 waste avoidance and resource recovery legislation, the bill I am introducing today provides for a container deposit scheme that will be 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 satisfactory recycling levels. However, various studies indicate that industry-run schemes do not necessarily provide the most transparent, open and accountable mechanisms to govern and track the movement of deposit moneys and quantities of recycled materials. The Boomerang Alliance’s 2008 report on container deposits states that industry-run schemes have “limited transparency and a poor audit trail.”

An obvious question to ask is: what containers will be covered by the legislation? The most littered products by volume are beer, water, sports drinks and soft drink containers. The containers targeted in the South Australian scheme range in size from 100 millilitres to three litres, with some exclusions. It is proposed that the scope of beverage containers included in the scheme should replicate that of the South Australian, Northern Territory and New South Wales schemes—that is, those identified as most prevalent in the litter stream. Adopting the same scope of approved containers across states will minimise costs to industry and the need for different labelling, and will reduce community confusion. The scheme established by this bill includes empty plastic and glass bottles, aluminium cans, liquid paperboard, and composite cartons that have contained soft drink, juice, water and alcohol. The refund is set at 10c, as it is in other states. 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 reverse vending machines in places such as supermarkets, service stations and convenience stores. Reverse vending machines scan container barcodes and perform materials separation and crushing, and issue a receipt that can then be redeemed for cash or in-store purchases. RVMs also collect financial and product data, adding to the efficiency of the system. Large transfer stations or collection depots are referred to as hubs. Hubs will accommodate beverage containers from RVMs, kerbside collections, litter clean-ups, the commercial sector and events.

Infrastructure provided to consumers will vary depending on population size and locality. Regions in which high levels of beverage consumption occur will require a combination of reverse vending machines and larger collection depots. Remote regions or those with smaller populations may elect to adopt a manual system of collection. The option to discard beverage containers in kerbside recycling will remain. Container deposit schemes complement rather than compete with kerbside and other established recycling systems. Councils will generate income through redemption of beverage containers found in kerbside recycling bins. In addition, by removing most of the glass currently present in commingled recycling bins, it will dramatically reduce the contamination of recycle, particularly cardboard and paper, which often requires expensive decontamination processes or is rendered unusable. Indeed, the quality of all beverage container materials can be improved thereby increasing the value of the recycle.

The organisational model proposed in this bill is superior to the scheme in South Australia, where the beverage industry operates a limited number of collection points that are often located more than five kilometres from points of sale, and no RVMs are located in convenient drop-off places like supermarkets. It is expected that at some point over the first three decades of a CDS, the 10c deposit will need to be increased to reflect inflation and to respond to a fall in redemption rates. However, South Australia has had to implement only one increase in 40 years, lifting the deposit amount from 5c to 10c in September 2008. The Western Australian scheme would be governed by a scheme administrator responsible for the integrity of the scheme and for mandating the redemption rate targets. Compliance breaches would be the domain of the Waste Authority.

A CDS that is principled around the use of RVMs and collection depots will be cost effective and convenient for consumers, will offer major fundraising opportunities for the charity sector, and will increase commercial and industrial beverage container recycling while imposing negligible cost per container onto consumers. Beverage containers from clubs, pubs, restaurants, entertainment and sporting venues will be redeemed when they may otherwise have been littered or landfilled.

An outline of the operation of the system and some of its key elements are as follows. A beverage container deposit and recovery scheme will be established. It will be administered by the Waste Authority. The Waste Authority will impose a levy on producers and importers of beverage containers. The levy will be 10c for every unit sold, the levy must be paid within days of the product being sold and beverage containers must be labelled as refundable in Western Australia. The money will go into a beverage container environmental levy account. The system will use community recycling depots and reverse vending machines. Various premises can be authorised as a transfer station or a community recycling depot. An authorised collection depot or transfer station that accepts the return of an unbroken empty beverage container must pay the person who returns it the refund amount. The collection depot is entitled to draw an equivalent amount from the beverage container environmental levy account. Ownership of the recyclable material and the right to sell it rests with the community recycling depot.

There is widespread community support for a container deposit scheme. It will have significant environmental and social benefits and it will demonstrate how effective extended-producer responsibility schemes can be. I commend the bill to the house.

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