

Submission on the Western Australia Container Deposit Scheme Discussion Paper

October 2017



Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Submission therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

This Draft Submission has been endorsed out of session by the Municipal Waste Advisory Council.

Executive Summary

The announcement that a state wide Container Deposit Scheme (CDS) will be introduced in early 2019 has been welcomed by Local Government, as advocacy for a CDS has been an ongoing priority for the sector. Western Australia is well placed to learn from the experiences of other states that have, or are in the process of introducing, Container Deposit Schemes. This Submission draws on information relating to the Schemes being developed in NSW and QLD in particular, as these schemes have a range of objectives broader than just litter reduction.

Objectives of the Scheme

A well designed Scheme could bring many benefits to Western Australia, such as improved local resource recovery and a reduction in waste to landfill. The Scheme could also reduce litter, increase the level of community participation in waste management and provide demonstrable benefits back to the community. To ensure these benefits are realised, the Scheme needs to have objectives which are clearly articulated and measurable. The Association considers that the suggested Objective of 'Protecting the environment' will be an outcome of the Scheme but not necessarily a measurable objective.

Recommendation 1: That the objectives for the Scheme include:

- **Litter Reduction**
- **Resource recovery and reduction of waste to landfill**
- **Community participation and benefit**
- **A more appropriate distribution of the costs associated with container management.**

Agreed Arrangements

The decision to align key features of the Scheme with those of other jurisdictions is broadly supported as this means the focusing for developing the Scheme is on issues associated with implementation. However, to simplify communication associated with the Scheme, the Association requests that the Government consider expanding the Scheme to include wine bottles. Establishing the Scheme through regulation will allow future amendments to the Scheme to be made more easily.

Recommendation 2: That the agreed arrangements of the Scheme:

- **Are established through Regulation**
- **Are reviewed within two – three years, to determine if:**
 - **The refund amount and handling fees should increase**
 - **The scope of eligible Containers should be increased**

- Different handling fees should be applied to problematic materials
- Are expanded to include wine bottles as an eligible container for the Scheme.

Other design features

The Association supports the general approach identified in the Government's Discussion Paper regarding Scheme structure and Governance, however has some suggested refinements to ensure high level accountability for the Scheme's performance.

Recommendation 3: Include a requirement in the Regulations for the Minister to publically report on the performance of the Scheme, within a set timeframe.

Recommendation 4: Include a measurement of the Scheme performance in the State Waste Strategy, when the Strategy is reviewed in 2017.

Recommendation 5: That the Department of Water and Environmental Regulation:

- Receives funding from the Scheme to ensure dedicated resources are available to undertake its regulatory role relating to the Scheme
- Shares information and enters into reciprocal arrangements with other jurisdictions
- Engages with Local Government and other stakeholders to develop and implement a communications approach for the Scheme, underpinned by Regulation.

Recommendation 6: That one Scheme Coordinator should be established to deliver the Scheme and its responsibilities should include:

- Operating the Scheme in line with the Scheme objectives
- Commissioning, and funding, audits of material delivered to Material Recovery Facilities.

Recommendation 7: To ensure the timely implementation of the Scheme, a Scheme Coordinator should be established:

- With a board structure similar to the Queensland Model
- With a board membership not dominated by the beverage.

Scheme access

In determining what is 'reasonable access' to the Scheme an evidence based approach needs to be taken to ensure the balance between cost and convenience is addressed. Western Australia is a large state with populations in different areas, to ensure reasonable access is delivered for all an area specific approach should be used. The results of the Government's community survey, and regional data on beverage sales, will inform more specific measures of reasonable access.

Recommendation 8:

- That an evidence based approach is used to define reasonable access.
- In line with the Extended Producer Responsibility approach, refund points are to be delivered through a range of locations.
- In defining 'reasonable access,' an area specific approach should be considered, that encompasses:
 - Metropolitan Perth and Peel
 - Regional centres
 - Remote
 - Indigenous Communities
 - Island Communities.
- That a measure of the Scheme's success is how well refund points are utilised.

Refund Options

Feedback from Local Government has been consistent that the full cash value of the refund must be offered – in cash or through electronic transfer. Electronic transfer of funds offer a way to reduce the chance of fraud but needs further exploration. Commercial amounts of material dropped off also needs further investigation. To encourage participation in the Scheme by shopping centres, for example, other refund options for the full cash value can include vouchers for particular shops.

Recommendation 9: Refund points cannot contribute towards reasonable access targets unless a full cash refund is provided to consumers.

Recommendation 10: That the Department provides information on the options and costs associated with the electronic transfer of funds.

Recommendation 11: That the Department develops and consults on a definition for 'commercial volumes', and compliance measures, during the detailed design phase of the Scheme.

Recommendation 12: A range of additional refund options should be offered, that are location specific.

Retail sector participation and access options

The retail sector is well placed to participate in the Scheme and meet community need in relation to convenient drop off points. In locating drop off sites there may be environmental and planning considerations which will need to be addressed. Donation points are another potential part of the Scheme, where the community can drop off their eligible containers to support a charity or community group.

Recommendation 13: That refund points are established using a variety of approaches to service the needs of the community. Approaches could include:

- **Collection depots**
- **Reverse Vending Machines**
- **Mobile refund points.**

Recommendation 14: That the Scheme Coordinator ensures refund point operators obtain relevant planning and environmental approval prior to commencing operations.

Recommendation 15: That donation points are clearly marketed as such to the community.

Commercial drop off

It is important to ensure that there are drop off options for 'commercial amounts' of eligible containers. These sites need to be available for the community, commercial operators and those operating donation points.

Recommendation 16: Establish a convenient network of refund points, accessible to businesses and the community, where commercial volumes can be returned.

Verification approaches

Existing material recovery facilities could have a significant role in the operation of the Scheme, as they are existing sites already expert in the sorting and sale of recyclable materials. Verification processes will be important to ensure confidence in the Scheme's integrity, but a risk based approach should be taken for smaller volumes of material from regional and remote areas. For example, allowing containers to be crushed in the region.

Recommendation 17: That the Department considers the potential role of Material Recovery Facility operators, in acting as a material aggregation points.

Recommendation 18: That verification processes do not impede the efficient operation of the Scheme in regional and remote areas.

Barcode Systems

Barcodes provide a way of assessing whether containers are eligible under the Scheme. However, there will need to be flexibility to ensure that old or damaged containers can also be returned.

Recommendation 19: That the Department considers establishing a default verification system, for situations where barcode scanning technology is not appropriate.

Recommendation 20: That the Department provides further information on what mechanisms can be used to ensure refund point operators accept containers and provide returns.

Handling Fee

The handling fee is the primary mechanism for funds to be raised to run the Scheme. To ensure the Scheme has sufficient funds to cover regulation, administration of the Scheme Coordinator, communication activities and other research an approach is suggested where the handling fee is applied to all containers sold – not just those returned. The costs associated with recovering eligible containers will vary depending on location, so the handling fee needs to be variable to account for this. It is suggested that the handling fee be set by the Scheme Coordinator and monitored by the Department.

Recommendation 21: Apply the handling fee to all containers sold, not returned, to fund the Scheme Coordinator and the Regulation of the Scheme.

Recommendation 22: Establish different handling fees for different regions.

Recommendation 23: The Scheme Coordinator can only set the handling fee, if it can demonstrate its independence from the beverage industry. A failure to demonstrate its independence must result in an alternative approach to setting handling fees.

Cost allocation to beverage suppliers

To ensure the Scheme is administratively simple, the Association considers that costs should be allocated to beverage suppliers based on the market share of the suppliers (on containers sold). Sales data, on a regional basis, will assist in ensuring that the market share information is accurate.

Recommendation 24: Costs should be allocated to beverage suppliers on a market share basis.

Recommendation 25: Sales data should be collected on a regional basis.

Kerbside Collection and Scheme payments

As identified, the Association considers it is the role of the Scheme Coordinator to commission and fund the audits of the material going to material recovery facilities. To ensure the audit system is robust and has statistical validity further discussion with material recovery facility operators will be vital. For Local Government a significant factor will be the potential cost saving associated with the kerbside collections. It is anticipated that material recovery facility operators and Local Governments will come to terms on the contractual arrangements. However, if this is not the case then the Department needs to have the power to ensure that it occurs. It should also be noted that although the Scheme will potentially reduce the costs of kerbside recycling, over time this will need to be balanced against international commodity price fluctuations.

At the commencement of the Scheme the Coordinator will need sufficient funds to pay drop off points in a timely manner. Therefore it is suggested that a 'float' be established so this can occur.

Recommendation 26: That the Department ensures that Local Government and Material Recovery Facility operators come to terms on changes to contracts to reflect costs and benefits associated the Scheme implementation.

Recommendation 27: Establish a 'float' for the Scheme operations to ensure cash flow.

Redemption of containers from other states and territories

The Association strongly supports the development of reciprocal arrangements with other jurisdictions, as some Local Governments in Western Australia may send their eligible containers to another state. For example, those Local Governments located in the far north of the State where sending material to the Northern Territory is a more cost effective approach.

Recommendation 28: That the Department shares information and enters into reciprocal arrangements with other jurisdictions.

Targets, Measure of Performance and Baseline Data

The Objectives identified for the Scheme need to be measurable and the Association agrees with the Department that a range of Targets and Performance measures are necessary. The Association also considers that prior to the Scheme's implementation, baseline data needs to be measured.

Recommendation 29: That the Targets for the Scheme include:

- **State wide return rates for each class of container material**
- **Regional return rates for each class of material**
- **Changes to beverage container volume in the litter stream**
- **Accessibility and geographic coverage to the Scheme**
- **Appropriate sharing of costs associated with the Scheme**

Recommendation 30: That the Measures of Performance for the Scheme include:

- **Resource recovery and reduction of recyclable material to landfill: including reporting on local market development options for materials to ensure long term sustainable markets**
- **Community participation and benefit: including reporting on the number of people accessing drop off points proportional to the population of the area and the amount of funding provided to community groups through the Scheme**
- **Jobs created: reporting on job created through the implementation of the Scheme**
- **Compliance with the Scheme: reporting any instance of non-compliance and enforcement actions undertaken.**

Recommendation 31: That baseline data be collected before the Scheme commences to determine current levels of:

- **Litter in the range of different areas which will access the Scheme**
- **Eligible containers in the kerbside system.**

Local Government looks forward to continuing to work with the Government as it begins work on the detailed design of the Scheme – through the CDS Advisory Group and technical working groups. It is vital that the Scheme is designed with community benefit, access and understanding first and foremost in mind, as the cost of the Scheme will be ultimately be borne by the community.

Further consultation is required on a range of issues such as communication and consistent branding of the Scheme, handling fees, accessibility, how the Scheme interacts with the kerbside system and the establishment of sustainable, local markets for recyclable product. The Department of Water and Environmental Regulation has a pivotal role to play in bringing together stakeholders to work through variables and expectations associated with the Scheme.

1 Introduction

Local Government has long advocated for the introduction of a Container Deposit Scheme (CDS) in Western Australia. In 2006, the Association adopted a Policy Statement on Container Deposit Schemes, formally identifying the Association's support for a CDS which:

- Reduces litter
- Improves resource recovery
- Achieves a more appropriate distribution of waste management costs
- Increases community awareness and involvement in waste management.

The Premier and Environment Minister released the Container Deposit Scheme Discussion Paper on Monday 28 August, for an 8 week consultation period. The Government has indicated the Scheme will be introduced in early 2019. The implementation of a CDS in NSW and QLD provides useful information that can inform the development of a Western Australian Scheme.

Local Government contributes significant resources to waste management. There are many challenges associated with managing waste in Western Australia, including distance to recycling markets, low population densities and limited resourcing. A successful CDS will assist in addressing these issues, by providing incentives to increase resource recovery and reduce litter, funding to assist with transport costs and resourcing for collection.

This Submission follows the structure of the CDS Discussion Paper, responding to the objectives, agreed arrangements, design features and the questions posed in the Discussion Paper.

2 Objectives of the Scheme

The Scheme's objectives will guide the development and implementation of the Scheme. As such, the objectives need to be clearly articulated and measurable. The Government has highlighted the importance of maintaining consistency with other Schemes under development, therefore, it is useful to consider the objectives of the NSW and QLD Schemes.

NSW Waste Avoidance and Resource Recovery Amendment (Container Deposit Scheme) Act 2016:

19 Objects of Part

(1) The objects of this Part are as follows:






- (a) to recognise the responsibility that the beverage industry shares with the community for reducing and dealing with waste generated by beverage product packaging,
- (b) to establish a cost effective State-wide container deposit scheme to assist the beverage industry to discharge that responsibility and to promote the recovery, reuse and recycling of empty beverage containers.

QLD Waste Reduction and Recycling Amendment Bill 2017:

99H Objects of Part

- (a) Increase the recovery and recycling of empty beverage containers; and
- (b) Reduce the number of empty beverage containers that are littered or disposed of to landfill; and
- (c) Ensure the manufacturers of beverage products meet their product stewardship responsibility in relation to their beverage products; and
- (d) Provide opportunities for social enterprise, and benefits for community organisations, by –
 - (i) Making funds available through the payment of refund amounts for empty beverage containers; and
 - (ii) Creating opportunities for employment in activities related to collecting, sorting and processing containers for recycling; and
- (e) Complement existing collection and recycling activities for recyclable waste.

The Objects of both the NSW and QLD Schemes are drafted in such a way that they provide clarity on the direction the Scheme must take, the outcomes to be achieved and how parties are to undertake activities. In comparing the objectives of the two States, those of the QLD Scheme more closely align with the WALGA Policy Statement. Table 1 provides commentary and suggestions on the Scheme objectives for Western Australia.

	Current objective	Association comment
	Litter reduction	The Association supports this objective.
	Recycling	<p>The Association suggests this objective is reframed to encompass resource recovery. While it is important that the Scheme complements the existing kerbside recycling system, it must also prioritise resource recovery. As outlined in the WALGA Container Deposit Systems Policy Statement, a CDS can be designed to address the issue of composite packaging that cannot be recycled through the kerbside system. In the long term, establishing sustainable local markets is also important, as material not only has to be collected but also recycled.</p> <p>The Association suggests the objective is amended to encompass resource recovery and a reduction of waste to landfill.</p>
	Community participation	<p>The Association agrees that one of the Scheme's objectives should be community participation. However, a Scheme should also provide demonstrated benefits back to the community. There is a risk that a Scheme Coordinator tasked with delivering an efficient Scheme, will only deliver the minimum number of services specified in regulation. The competitive behaviour of Arrangements, in signing up sites to the National TV and Computer Recycling Scheme, lead to the Arrangements offering unsustainable contracts to the Local Governments, which were then cancelled with limited notice. An example of how the Container Deposit Scheme could deliver demonstrable benefit to the community, would be for the Scheme Coordinator to provide guaranteed funds to community groups across WA to host refund points.</p>
	Protecting the environment	The Association considers that protecting the environment will be an outcome of the Scheme, as opposed to an objective. The introduction of a Scheme will help to address the harm caused by litter and pollution in the environment. The Association suggests this objective is removed.
	New Objective	The Department has identified that a Container Deposit Scheme is an example of an Extended Producer Responsibility (EPR) Scheme. The Association supports this approach and requests that an additional objective is included that reflects the difference between EPR Schemes and Product Stewardship Schemes.

		EPR Schemes place a greater onus of responsibility for end-of-life management, on the producer, importer and retailer of products. Whereas Product Stewardship Schemes are designed to acknowledge that the parties involved in producing, selling, using and disposing of products have a shared responsibility to manage end-of-life products in a way that reduces their impact on the environment, human health and safety.
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Table 1: Current Scheme objectives and recommendations for change.

Recommendation 1: That the objectives for the Scheme include:

- **Litter Reduction**
- **Resource recovery and reduction of waste to landfill**
- **Community participation and benefit**
- **A more appropriate distribution of the costs associated with container management.**

As stated, the objectives should inform the design of the Scheme and the measures put in place to assess its effectiveness. Section 6 provides examples of measures that could be put against these objectives.

3 Agreed Arrangements

The Government’s decision to align key features of the Western Australian Scheme with those of existing and proposed Schemes is in the main supported. This approach allows attention to be focused on implementation issues such as accessibility of refund points. The consistent features are:

- ✓ The types of containers that are eligible for refund
- ✓ The types of containers that are excluded from the CDS
- ✓ The refund amount (10c)
- ✓ The need for a refund mark to identify eligible containers.

However, the Association requests that the Government give consideration to expanding the containers considered ‘eligible’ under the Scheme to include wine bottles. This will simply the communication associated with the Scheme in Western Australia and work toward the ‘resource recovery’ objective of the Scheme.

To ensure these key features maintain relevance, and can deliver the objectives of the Scheme in the long term, the Association supports implementation through Regulation. This will allow more flexibility when considering changes to the Scheme in future.

The refund amount and handling fees need to be regularly reviewed to ensure they continue to attract the community and refund point operators to the Scheme. The refund amount offered through the SA Scheme was 5 cents per container from 1977– 2008, when it doubled to 10 cents per container. The community response was immediate, with beverage container return rates increasing from 69.9% to 75.8% in 12 months. If the original 5 cents refund had kept pace with inflation, it would equate to 27cents per container today.

The waste arising from beverage containers is constantly evolving in response to innovative marketing practices. Therefore, it is appropriate that the scope of eligible beverage containers is regularly reviewed to ensure the Scheme is meeting its litter reduction and resource recovery objectives.

Once the Scheme has been established, consideration could also be given to assigning different handling fees to materials that are problematic to recycle. This approach could provide specific funding to assist in the development of sustainable, local markets for these materials.

Recommendation 2: That the agreed arrangements of the Scheme:

- Are established through Regulation
- Are reviewed within two – three years, to determine if:
 - The refund amount and handling fees should increase
 - The scope of eligible Containers should be increased
 - Different handling fees should be applied to problematic materials
- Are expanded to include wine bottles as an eligible container for the Scheme.

4. Other design features

The Discussion Paper outlines the following administrative and governance components:

- Scheme structure
- Assigned roles and responsibilities of involved parties
- Performance measures
- Accountability frameworks.

Conceptual model

The conceptual model of the Scheme outlined in Figure 1 of the Discussion Paper shows material flow, cash flow and where each party fits within the overall Scheme. The conceptual model predominately reflects the model proposed by the QLD Government. The Association supports the general approach identified in the model. However, substantially more detail is required to develop and implement a successful Scheme. The following suggestions relate to high level refinements of the model.

Minister

The model identifies that accountability for administration and governance arrangements rests with the relevant Minister. The Scheme administrator reports information to the Minister on the performance of the Scheme. To ensure there is transparency in how the Scheme operates, the Association suggests that a requirement is included in the regulations for the Minister to publically report on the performance of the Scheme, within a set timeframe. A measurement of the Scheme performance should also be included in the State Waste Strategy, when reviewed in 2017.

Scheme Regulator

It is appropriate that the Department of Water and Environmental Regulation is tasked with regulatory oversight of the WA Scheme, given the responsibility for other Schemes rests with equivalent regulators in other jurisdictions. This includes the South Australian Environmental Protection Authority (EPA), the New South Wales EPA, the Northern Territory EPA and the Queensland Department of Environment and Heritage Protection. The Association considers that it is the role of the Department to regulate the Scheme, whereas it is the role of the Coordinator to administer the Scheme. Table 2 identifies support for the responsibilities assigned to the regulator in the Discussion Paper and identifies additional responsibilities. Further clarification is required on how the Scheme will be reviewed, and who the review will be made available to.

	Scheme Regulator Responsibilities
✓	Selecting and contracting with the coordinator
✓	Approving eligible beverage containers
✓	Monitoring compliance with the legislative framework and undertaking compliance
✓	Conducting periodic reviews
✓	Reporting on performance to the Minister for Environment
✓ +	Shares information and enters into reciprocal arrangements with other jurisdictions on the operation of the Scheme


	Engages with Local Government and other stakeholders to develop and implement a communications approach for the Scheme.
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Table 2: Responsibilities for the Scheme Regulator and Administrator

Additional Responsibilities for the Regulator

For the Scheme to be effectively regulated, it is imperative that the Department cooperates and shares information with other jurisdictions on issues such as unapproved containers entering the market and cross border returns. Such cooperation will reduce the regulatory burden of Schemes across Australia. The Scheme would be strengthened by the establishment of reciprocal arrangements with other jurisdictions on matters such as cross border returns. This is particularly relevant for the northern region of Western Australia, where recyclables are sent to markets in the Northern Territory. Reciprocal arrangements may be required that enable the participation of both Christmas Island and the Cocos (Keeling) Islands in the Scheme, particularly in terms of material transport to markets on the mainland.

Local Government has previously expressed concern at the lack of a consistent approach to branding and community engagement for Product Stewardship Schemes. The Container Deposit Scheme could potentially introduce another brand and marketing approach into what is already a confusing space. To ensure effective and consistent communication with the community about the Scheme, clear branding and engagement approaches should be required from Coordinator and drop off points by the Regulator. This will allow consistency of messaging to be maintained.

The Association considers that the Department’s regulatory costs should be recovered from the Scheme. Funds should be quarantined for regulatory activities, to provide the community with assurance that the Department is appropriately resourced. This suggestion is considered reasonable, given the Department operates on a cost recovery basis for other activities such as licencing. This approach ensures there is an appropriate distribution of costs associated with the Scheme, as identified in the objectives, and the Scheme will be sustainable in the long term.

Recommendation 3: Include a requirement in the Regulations for the Minister to publically report on the performance of the Scheme, within a set timeframe.

Recommendation 4: Include a measurement of the Scheme performance in the State Waste Strategy, when the Strategy is reviewed in 2017.

Recommendation 5: That the Department of Water and Environmental Regulation:

- **Receives funding from the Scheme to ensure dedicated resources are available to undertake its regulatory role relating to the Scheme**
- **Shares information and enters into reciprocal arrangements with other jurisdictions**
- **Engages with Local Government and other stakeholders to develop and implement a communications approach for the Scheme, underpinned by Regulation.**

Scheme Coordinator

The Association supports the Government’s proposal that one Scheme Coordinator should deliver the Scheme. This will reduce the level of regulatory oversight that is required and the number of relationships that Local Government must navigate at an operational level. Multiple Arrangements are currently delivering the National TV and Computer Recycling Scheme. Competition between Arrangements for sites and brand recognition has diverted attention away from issues such as the accessibility of the entire network. Table 3 identifies support for the responsibilities assigned to the Coordinator in the Discussion Paper and additional responsibilities.

	Scheme Coordinator Responsibilities
✓ *	Operating the Scheme in an efficient and cost effective manner
✓	Managing the Scheme finances, including allocating scheme costs to beverage suppliers
✓ *	Paying the refund amounts and associated handling costs for returned containers to refund points
✓	Establishing and maintaining a network of refund points by entering into arrangements with refund point and material recovery facility operators, while minimising handling fees
✓	Monitoring and reporting against the scheme requirements and performance targets set by the government
✓	Minimising fraud, including managing verification mechanisms to prevent inflated container return claims
✓ *	Informing consumers about scheme requirements
✓ +	Operating the Scheme in line with the Schemes objectives: <ol style="list-style-type: none"> a. Litter Reduction b. Resource Recovery and reduction of waste to landfill c. Community participation and benefit d. A more appropriate distribution of the costs associated with container management.
✓ +	Commissioning and funding regular audits of material taken to Material Recovery Facilities.

Table 3: Scheme Coordinator Responsibilities

Comment on existing Responsibilities

The responsibilities listed in the Discussion Paper are supported at a conceptual level. However, there is a risk that the language used in the Discussion Paper to assign responsibilities could result in varying interpretations. For example, the responsibility of “*operating the scheme in an efficient and cost-effective manner*” could result in a situation where the Coordinator only operates the minimum number of sites required, at hours that are inaccessible to the majority of the community. Operating the Scheme in an efficient and effective manner requires that more than minimal standards to be applied. The language must be strengthened to reflect this expectation. Similarly, payments could be delayed due to the lack of clarity on payment timelines in the responsibility for “*paying the refund amounts and associated handling fees for returned containers to refund points.*”

Additional Responsibility for the Coordinator

It is appropriate that a clear linkage is made between the objectives of the Scheme and the Coordinator’s responsibilities. The Scheme’s effectiveness should be measured against the achievement of its objectives, as opposed to only a measure of economic efficiency. Additionally, it should be the Coordinator’s responsibility to ensure that regular audits of material from Material Recovery Facilities occur.

Establishing the Coordinator

The timeframes in which the Government has committed to delivering the Scheme, means that the Coordinator must be established promptly. The QLD Government’s proposal to establish a nine person board as opposed to the tender process used in NSW, has merits. This approach would enable the Scheme to be implemented in a timely manner and allow the Government select who is appointed to manage the Scheme.

Any board that is established to oversee the Coordinator must not be dominated by the beverage industry. Rather, those parties directly affected by the down-stream consequences of the Scheme’s operation. The implementation issues associated with other Product Stewardship Schemes has, in part, been caused by a disconnect between those making operational decisions and those impacted by the consequences of these decisions. Local Government needs a Scheme Coordinator that understands the importance of building relationships, and working constructively with other parties to

deliver on the objectives of the Scheme, as opposed to an organisation appointed to deliver minimum legislated requirements. To enable constructive debate on the structure and role of the Coordinator, the Association anticipates there will be further discussion on this matter during the detailed design phase of the Scheme's development.

Further information is required on how the Government will ensure that the Coordinator is delivering its responsibilities. The *Queensland Waste Reduction and Recycling Amendment Bill 2017* outlines how the Coordinator must deliver on the Scheme's objectives:

99I How objects are to be achieved

The objects are achieved by providing for a container refund scheme (the scheme) that—

- (a) encourages consumers to collect empty beverage containers for recycling by providing for refund amounts to be paid for the containers; and*
- (b) encourages waste management service providers to ensure empty beverage containers collected through general waste services are recycled by providing for recovery amounts to be paid for containers sent for recycling; and*
- (c) recognises the role of the manufacturers of beverage products in generating waste in the form of empty containers by requiring the manufacturers to—*
 - (i) contribute to the cost of refund amounts paid for the containers and the cost of administering the scheme; and*
 - (ii) ensure containers for their beverage products are made of materials that are suitable for recycling; and*
- (d) is administered by the Product Responsibility Organisation.*

It is worth noting that the Bill also outlines the responsibilities of the Product Responsibility Organisation (in WA this would be the Coordinator). Local Government supports the allocation of legislated responsibilities that link directly to the objectives of the Scheme.

Recommendation 6: That one Scheme Coordinator should be established to deliver the Scheme and its responsibilities should include:

- **Operating the Scheme in line with the Schemes objectives**
- **Commissioning, and funding, audits of material delivered to Material Recovery Facilities.**

Recommendation 7: To ensure the timely implementation of the Scheme, a Scheme Coordinator should be established:

- **With a board structure similar to the Queensland Model**
- **With a board membership not dominated by the beverage industry.**

5. Discussion Paper Questions

- 1. What would reasonable access for metropolitan, regional and remote areas of the State to balance convenience and cost? Are there any considerations you believe should be included in deciding this?**

The Association agrees that a balance needs to be struck between convenience and cost. To enable informed debate and negotiation on this fundamental aspect of Scheme design, it is imperative that there is an understanding of the financial parameters that the Scheme Coordinator will be operating within. The provision of eligible beverage container sales figures will enable a practical approach to be developed quickly.

The design of the Scheme must reflect that refund points need to service the needs of the community – not other parties to the Scheme. In discussing reasonable access, it is worthwhile considering that the collection depots offered through the SA Scheme have become aggregation points for a range of other materials such as e-waste.

The Association strongly supports the Government’s approach of asking the community what locations are most likely to be used to return containers, and looks forward to viewing the results. While Local Government landfill and transfer stations sites may be viewed by other parties as suitable access points, there is a need for a range of different locations in areas that the community is more likely to frequent. A successful Scheme should deliver a collection network that is accessible, reliable, simple to use and provides an immediate reward.

In analysing the data received from the community on acceptable travel distances, it is important to understand that intent does not always translate into action. The Association has previously collected information on the willingness of the community to travel to both Temporary Collection Points and Permanent Collection Sites to dispose of Household Hazardous Waste. Using information from Temporary Collection Days (information was gathered through a phone survey), Figure 1 compares the amount of time people advised they would travel, to the actual distance travelled. Figures have not been included for those respondents that advised they ‘wouldn’t go (3.2%), and ‘didn’t know’ about the Temporary Collection Day (4.2%).

Willingness to Travel

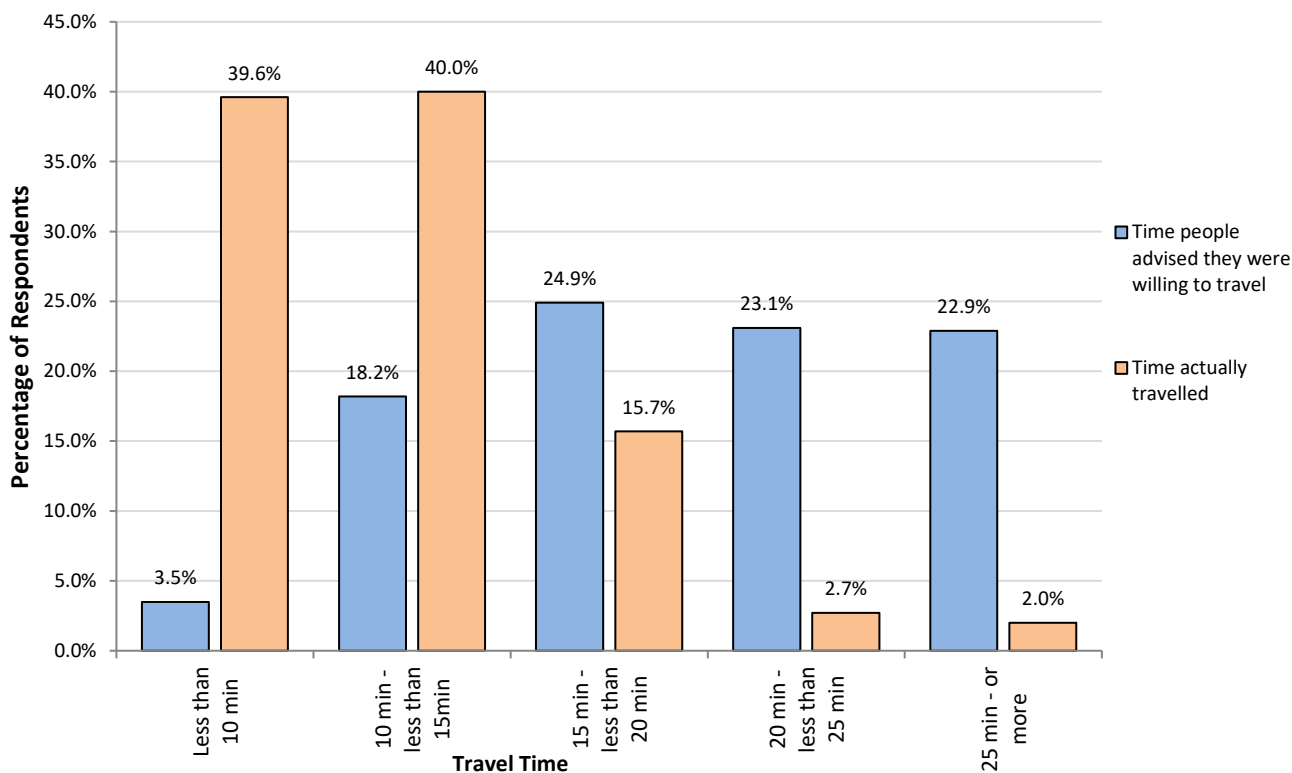


Figure 1: Comparison of advised travel time to actual times travelled.

From these figures, it is clear that the travel distances communicated through the survey do not reflect the actual time travelled to Temporary Collection Days. This dataset applies to the collection of Household Hazardous Waste and is provided for information purposes only.

A range of different approaches have been used to determine the minimum number of collection points, and/or minimum servicing standards of Schemes in other jurisdictions. In South Australia, there are approximately 42 sites in metropolitan Adelaide and 90 sites in regional areas. Whereas in the Northern Territory, there are 10 depots and three mobile collection services. To ensure the WA community receives the best possible access to refund depots, the Association suggests that considerations must centre on the differences between regions, population levels and types of servicing arrangements.

The Association is confident that an evidence based approach to reasonable access can be developed based on the information gathered through the Government's community survey, and the sales data for beverage containers. Without this information, the Association can only offer some general guidance as to what reasonable access should entail. More detailed modelling will need to occur, when information from the survey and sales data is available, to test what reasonable access is. A practical approach must be adopted, to ensure that refund points can accommodate the volumes of likely returns within mandated opening hours. Collectively, information gathered through the survey and sales data will inform the approach that will be taken to set minimum requirements on the number and location of refund points for the collection network. If handling fees do not provide a sufficient incentive for operators to run a refund point, alternative approaches will be required.

In addressing reasonable access, the Association considers that different approaches will be required in different locations:

- Metropolitan Perth and Peel
- Regional centres
- Remote
- Indigenous Communities
- Island communities.

Considerations for reasonable access – Metropolitan

The information gathered from the Government's survey is likely to highlight distances people intend to travel, in addition to preferred refund point locations. There are many different locations that could potentially host refund points. For example, point of sale retail locations such as supermarkets, service stations, charity shops. Other locations could potentially include Local Government sites and commercial recyclers. With regards to accessibility targets, the establishment of one site in an area, should not prohibit the establishment of another. Basing travel distance from home to a collection point on the Household Hazardous Waste data, refund points should be established within a 5 – 10 minutes travel distance of peoples home.

Considerations for reasonable access – Regional Centres

Regional Centres are likely to have a reasonably sized urban centre, which will need to be serviced at a similar level to the metropolitan area.

Considerations for reasonable access – Remote

For remote Local Governments, there should be at least one refund point provided per town site, open for two days a week. However, these parameters should constitute a minimum level of service. If operators of refund points in remote areas wish to provide additional services, this should not be prevented. There are a variety of locations and community groups that could host refund points in remote areas. For example, at a local community group, the local Parents and Citizens Association, or the local shop or service station.

Considerations for reasonable access – Indigenous communities

For remote areas, due consideration must be given to alternative options if handling fees do not attract refund operators to remote areas (refer to the 'cash back' example provided in section 2 of this Submission). Additionally, it would be wise to consider how the Scheme will work in areas where cashless welfare cards are currently being trialled. It would be unfortunate if the Scheme generated perverse outcomes and conflict in communities. Consultation must occur with remote communities on how the Scheme can be used to fund services or infrastructure that are collectively valued by the community.

Considerations for reasonable access – Islands

Island locations face considerable challenges in providing waste management services to their communities. Both the Shires of Cocos (Keeling) and Christmas Island are keen to work with the Government to ensure their communities are serviced by refund points. Furthermore, Rottneest Island should also be considered for inclusion in the Scheme, due to its role in the tourism industry.

Measuring reasonable access

Reasonable access must be formulated in such a way that it can be measured. One measure of reasonable access could be how well a refund point is used – in relation to the number of containers returned. Accessibility will need to be reviewed on an ongoing basis, to ensure the Scheme is operating effectively. A transition phase could be investigated, where refund points can report on and adjust their operations to ensure they are aligned and in compliance with the Scheme objectives.

Recommendation 8:

- **That an evidence based approach is used to define reasonable access.**
- **In line with the Extended Producer Responsibility approach, refund points are to be delivered through a range of locations.**
- **In defining ‘reasonable access,’ an area specific approach should be considered, that encompasses:**
 - **Metropolitan Perth and Peel**
 - **Regional centres**
 - **Remote**
 - **Indigenous Communities**
 - **Island Communities.**
- **That a measure of the Scheme’s success is how well refund points are utilised.**

2. What full cash value refund options should be considered?

The Association agrees that a full cash refund must be offered to consumers, in order for a refund point to count towards reasonable access targets. Local Government feedback indicates that the community is keen to receive back its 10 cent deposit, in a monetary form.

The Discussion Paper identifies “*There may also be scope for methods for small payments at low or no cost.*” The cost of electronic transfers needs to be fully investigated in the detailed design phase of the Scheme.

Providing cash refunds for commercial volumes of beverage containers may result in a situation where funds are provided to fraudulent operators that cannot be traced. In this situation, an electronic transfer of funds or a signed declaration could assist with compliance efforts. The Association suggests that thresholds for commercial volumes and compliance measures are further explored during the detailed design phase of the Scheme.

Recommendation 9: Refund points cannot contribute towards reasonable access targets unless a full cash refund is provided to consumers.

Recommendation 10: That the Department provides information on the options and costs associated with the electronic transfer of funds.

Recommendation 11: That the Department develops and consults on a definition for ‘commercial volumes’, and compliance measures, during the detailed design phase of the Scheme.

3. What other refund options should refund points consider offering?

To encourage shopping centres to become refund points, a consumer could be provided with a choice between a voucher or a refund. As noted in the answer to Question 1, an alternative to a full refund option may be needed in certain areas. In these instances, the Scheme could fund services or infrastructure that are collectively valued by a community.

The Association considers it is appropriate that consumers are provided with an opportunity to donate to a nominated charity. When this opportunity is presented in the form of a Reverse Vending Machine, information could be recorded on the level of community benefit delivered through the Scheme.

Recommendation 12: A range of additional refund options should be offered, that are location specific.

4. What options are there for the retail sector to participate in the scheme?

The premise of Extended Producer Responsibility Schemes, is that greater responsibility for end-of-life management is placed on the producer, importer and retailer of products. The design of the Scheme must reflect the reality that refund points need to service the needs of the community. From an accessibility point of view, the retail sector is well placed to accept containers and provide refunds back to consumers. The Association looks forward to viewing the results of the Government's survey on locations most likely to be used by consumers to return containers.

The SA Scheme is predominately structured around permanently located collection depots, resulting in a 'hub and spoke' styled arrangement. This approach allows refunds to be provided for commercial volumes of beverage containers. If this approach is predominately adopted in the metropolitan areas of Western Australia, it will struggle to deliver convenient services. There may be planning and environmental approval processes which limit where larger collection depots can be located.

The RVM approach that is currently promoted in both QLD and NSW has merits for retail outlets in metropolitan areas, but only where machines can be hired, maintained and upgraded at end-of-life by a local operator. Currently in WA, the City of Fremantle has an RVM in place in a local park. There have been issues with the machine, including the sensor which identifies when the machine is full and a 'stuck' container. Without access to a local technician, there have been instances where the RVM has been out of service for months at a time. In addition, RVM's need to be located in areas where there is high traffic and protected from vandalism, for example, inside shopping centres or service stations. The City of Fremantle RVM, has been vandalised twice in the last 6 months. If RVM's do not present a cost effective, reliable and locally managed collection solution, an alternative approach will be required. It is important that the Government understands the differences in providing services to metropolitan and non-metropolitan areas. Installing RVM's in remote areas may not be cost effective from either an operational or servicing perspective.

The provision of mobile refund points has merits in certain situations. However, consultation will need to occur with the communities where this approach will be used on suitable locations and frequency of servicing.

The Association acknowledges that donation points have a place within the Scheme. Donation points must be clearly marketed as such, so that community members wishing to receive their refund can go elsewhere. To reduce the administrative burden on operators of donation points, the Association agrees it is not appropriate for an operator to enter into an arrangement with the coordinator, or receive handling fees. Due consideration must be given as to how refund points will be established in a manner that complies with the requirements of local planning schemes and the *Environmental Protection Act 1986*.

Recommendation 13: That refund points are established using a variety of approaches to service the needs of the community. Approaches could include:

- **Collection depots**
- **Reverse Vending Machines**
- **Mobile refund points.**

Recommendation 14: That the Scheme Coordinator ensures refund point operators obtain relevant planning and environmental approval prior to commencing operations.

Recommendation 15: That donation points are clearly marketed as such to the community.

5. What features are important for commercial container deposit points?

The Association agrees with the suggestion that drop off points should be established that can accept commercial volumes of material. However, these sites will need to be accessible to both commercial operators, donation point operators and the community. Sites must be convenient, secure, and equipped with an ability to store material. For example, there could be instances where members of a local sporting club return 3 months' worth of collected beverage containers at once. To enable further discussion on this topic, information on proposed thresholds for commercial volumes is required.

The suggestion that commercial deposit points could be established to accept singular material streams does not reflect current industry practice, where aggregation points accommodate multiple streams of material. Multiple material types are generated by the community and commercial businesses. It would not be equitable to require businesses in one area, to transport single streams of material to diverse aggregation points. A simpler approach involves permitting both the community and businesses to drop off whatever material they have at the closest refund / aggregation point. The introduction of a Scheme should not result in any disadvantage to the commercial sector.

Existing Material Recovery Facilities could potentially act as refund points for both commercial operators and the community, as these facilities can immediately bale and secure redeemed containers. Further discussion is required during the detailed design of the Scheme as to what transparency and accountability measures would be needed to underpin such an approach.

Recommendation 16: Establish a convenient network of refund points, accessible to businesses and the community, where commercial volumes can be returned.

6. What advantages and concerns do you see for the verification approaches described above? Are there alternative approaches that should be considered?

The Association agrees that allowances should be made so that refund point operators can sell containers directly to recyclers. However, further consideration must be given to the role of Material Recovery Facilities. In the current system, operators of these facilities have very close links to recyclers. There are opportunities for Material Recovery Facility operators to act as material aggregation points for refund point operators, should they wish to.

In terms of verification processes, large quantities of eligible containers could be sorted and weighed, with regular audits confirming container numbers. There is an opportunity for independent verification of this process, as discussed in the response to Question 10. The Association supports the proposal to 'destroy' containers for verification purposes. However, it is imperative that allowances are made so that containers can be destroyed earlier in the verification process in regional and remote areas, than what may occur in metropolitan areas. The verification processes historically used by super collectors in the South Australian and Northern Territory Schemes resulted in a range of operational issues. There were instances where some collection point operators had to transport uncompacted beverage containers across vast distances to aggregation points before they could be destroyed, resulting in increased operating costs.

Recommendation 17: That the Department considers the potential role of Material Recovery Facility operators, in acting as a material aggregation points.

Recommendation 18: That verification processes do not impede the efficient operation of the Scheme in regional and remote areas.

7. Should containers be required to have a barcode to be approved for sale under the scheme?

A bar code system could bring many efficiencies to the Scheme. However, consideration must be given as to what default system will be used in regional and remote areas where barcode scanning technology may not be available. Additionally, consideration must be given to the acceptance of containers that are aged, damaged, distorted or crushed.

The Scheme needs to be designed in such a way that it is easy for the community to use. It is imperative that all eligible containers retain their value regardless of the condition in which they are presented. If RVM's are the predominate means of returning containers in metropolitan areas – the refusal of unapproved or unreadable containers is likely to present a range of issues, such as litter around machines. Further information is required on how the Department's expectation that *"refund points would... accept containers with barcodes that are not readable"* can be realised when the refund point is an RVM, which is programmed not to accept containers without a bar code, or alternatively, out of order. As per the agreed arrangements for the Scheme, eligible containers will need an approved refund mark to advise consumers they can be exchanged for a refund.

Recommendation 21: That the Department considers establishing a default verification system, for situations where barcode scanning technology is not appropriate.

Recommendation 20: That the Department provides further information on what mechanisms can be used to ensure refund point operators accept containers and provide returns.

8. How should handling fees be determined?

The conceptual model of the Container Deposit Scheme contains one mechanism through which Scheme costs can be recovered the handling fee. There are a number of costs that can be used as a starting point to determine what this fee should be. Those of the Regulator, the Scheme Coordinator and the promotion of the Scheme itself. At this point in the development of the Scheme, costs relating to the operation of refund points remain unknown. The Association considers that the handling fee should be applied to all containers sold, as opposed to only those returned. Excess funds could be used to support the operational components of the Scheme.

It is appropriate that different handling fees are established for different regions, as the cost of providing services to regional and remote areas is higher. Concerns have been raised that even a handling fee of up to 10 cents per container may not cover transport and other operational considerations in remote areas. In these instances, Government support will be required to establish alternative, innovative solutions. For example, there may be opportunities to incentivise back loading of eligible beverage containers for charitable causes.

As the Department will be one step removed from how the Scheme operates, it is not appropriate for the Department to set the handling fee. This should instead be set by the Coordinator, as the party responsible for making payments to refund point operators. Rights of appeal should be provided to refund point operators, for situations where the handling fee does not reflect operational costs. Local Government asserts that the Coordinator should only be given this privilege, if it can demonstrate its independence from the beverage industry. If it cannot, then a hybrid approach should be investigated, where a competitive process is used to set the handling fee, within specified limits.

It is suggested that any handling fees set by the Coordinator are to be agreed to and monitored by the Regulator. These fees need to be sustainable and ensure that the Scheme is self funding.

Recommendation 21: Apply the handling fee to all containers sold, not returned, to fund the Scheme Coordinator and the Regulation of the Scheme.

Recommendation 22: Establish different handling fees for different regions.

Recommendation 23: The Scheme Coordinator can only set the handling fee, if it can demonstrate its independence from the beverage industry. A failure to demonstrate its independence must result in an alternative approach to setting handling fees.

9. How should costs be allocated to beverage suppliers?

The costs for the Scheme should be distributed amongst beverage suppliers, based on the market share of containers sold. This approach is relatively simple and based on existing information that

containers tend to be littered and disposed of at the same proportion they enter the market. This approach is more straightforward than the systems currently used in the Northern Territory and South Australia. Separating materials based on composition is a better approach, particularly for refund points using low-tech processing methods.

The Association supports the initiative to collect sales data on a regional basis, as this will ensure Scheme costs can be fairly assigned.

Recommendation 24: Costs should be allocated to beverage suppliers on a market share basis.

Recommendation 25: Sales data should be collected on a regional basis.

10. How should the number of eligible containers in kerbside recycling be determined? Who should be responsible for ensuring that periodic audits of any estimation methodologies are conducted?

The Association supports an approach where regular audits of Material Recovery Facilities and kerbside bins determines the number of eligible containers in the kerbside system. Front end verification is an important means of confirming the number and weight of eligible containers presented at the kerbside, as opposed to what is recovered through a Material Recovery Facility. This approach will also allow for verification of eligible glass containers, which break at each stage of collection and processing. The number of audits requires further consideration as to what constitutes a 'statistically significant' sample, based on the current diversity of the recycling stream. This approach can then be embedded in a regulated estimation method. There is no support for an approach where eligible containers must be separated from material collected through the kerbside system.

Responsibility for undertaking periodic audits, and the costs associated with doing so requires careful consideration. In NSW, it is the Scheme Coordinator that is responsible for arranging and paying for independent quarterly sampling audits of facilities, as per the Sampling Plan approved by the Container Deposit Ministerial Advisory Committee. The Coordinator then deducts the costs of audits from the refund amount payable to a Material Recovery Facility (NSW EPA July 2017). This means that Material Recovery Facility operators effectively pay for audits. As the party responsible for making refund payments, and most likely to be affected by discrepancies in claims, it is appropriate that the WA Scheme Coordinator arranges for independent audits. However, it is not appropriate that Material Recovery Facility operators cover these costs, as the conceptual model of the WA Scheme provides the Coordinator with a direct revenue stream in the form of Coordinator fees. Material Recovery Facility operators should be provided with a right of appeal or be able to request an additional audit, if the initial results are not considered to be representative.

There are a number of variables that need to be considered when determining how best to approach the issue of existing Local Government contracts with Material Recovery Facility operators. These include:

- the number of containers remaining in the kerbside stream
- the number of eligible containers that are recovered
- value of the material collected
- contract terms and conditions.

For contracts that are established through the WALGA Preferred Supplier Arrangement contain a 'change of law' clause, which triggers negotiation at a change such as a Container Deposit Scheme. Other contracts have been awarded where the Material Recovery Facility operator has factored in the projected lifetime value of CDS deposits in the contracted price.

With this range of variable Material Recovery Facility operators, prior to the Scheme's implementation, the operators are unlikely to know the exact financial savings likely to be generated. When the Scheme is implemented, it is important that the variable affecting price are worked through

in a transparent manner. While it is anticipated that the operators and Local Government will come to terms on this, it is important that the Department has the power to require this to occur.

Timing of payment by beverage containers

The establishment of a ‘float’ means cash flow is assured for the entire Scheme. It is important that prompt payments are made from the Coordinator to other parties such as refund point operators and Material Recovery Facility operators. However, this cannot occur until the Scheme and Coordinator are established by a legislative framework. The timeline for the introduction of such a framework remains unknown.

Recommendation 26: That the Department ensures that Local Government and Material Recovery Facility operators come to terms on changes to contracts to reflect costs and benefits associated the Scheme implementation.

Recommendation 27: Establish a ‘float’ for the Scheme operations to ensure cash flow.

Containers from other states and territories



11. Should Western Australia permit redemption of scheme containers from other participating states and territories?

Cross border arbitrage is not likely to be a significant issue for Western Australia, however the Association does encourage the Department to enter into reciprocal arrangements with other jurisdictions to allow eligible containers with an approved refund mark to be collected at refund points in Western Australia and transported across the border to recyclers in other states. This is particularly relevant for the Kimberley region, with some recyclable material already sent to recyclers in the Northern Territory. Reciprocal arrangements may be required that enable the participation of both Christmas Island and the Cocos (Keeling) Islands in the Scheme, particularly in terms of material transport to markets on the mainland.

Recommendation 28: That the Department shares information and enters into reciprocal arrangements with other jurisdictions.

6. Targets and Measures of Performance

The Discussion Paper identifies a range of targets and measures of performance. Further consultation is required in order to ascertain Local Government’s support for the targets listed in the Discussion Paper. This is particularly true for return rates, as applied to regional areas. Table 5 contains a number of comments that can be used to develop measurable targets.

	Proposed target	Association comment
	State wide return rates for each class of container material (glass, aluminium, PET, HDPE, liquid paperboard, steel, other)	The Association supports this target . This would measure the objective of the Scheme relating to resource recovery and landfill diversion.
	Regional return rates for each class of container material	The Association supports this target . Targets are required for return rates for individual regions/zones. A target that covers the entire state will have a detrimental impact on regional and remote areas where a lesser proportion of the population resides. It is imperative that the Department monitors progress








		and takes action if certain areas fall behind and/or there are hotspots of fraudulent activity.
	Changes to beverage container volume in the litter stream	The Association supports this target . This target could be measured through the National Litter Index (or a similar mechanism).
	Accessibility and geographical coverage of the scheme	The Association supports this target , as a means of ensuring the Scheme can be accessed by the Western Australian population. These targets would need to consider not only access points, but their opening hours and frequency of service.
	Costs of the scheme	Partial support for this target . The Association suggests that this target is amended to focus on appropriate sharing of costs: This could be measured by the quantum of funds from beverage companies that go to the Scheme, a reduction in the cost of providing kerbside recycling services to the community and a reduction in the cost of removing litter for State and Local Government. This would be a way of demonstrating benefit to the community could be measured by the amount of funding that is provided to charities, social enterprises and other community organisations.
	Resource recovery and reduction of waste to landfill	Measure of Performance: This could include reporting on the markets for materials collected through the Scheme. Long term, ensuring sustainable local markets exist for materials, will result in a reduction of waste to landfill.
	Community participation and benefit	Measure of Performance: Community participation can be measured by the number of people accessing the refund or donation points as a proportion of the potential population in a region. Community benefit is measured by what funding is provided back to community groups or charities via the Scheme.
	Jobs created	Measure of Performance: It has been highlighted that a Container Deposit Scheme has a role in job creation. It would be beneficial if this could be quantified for the Scheme.
	Compliance with the Scheme	Measure of Performance: The Department could report annually on enforcement activities undertaken and the initiation and result of any enforcement actions.

Table 5: Targets and measures of performance

Market Development

One of the potential benefits of a Scheme relates to the development of sustainable, local markets for recovered materials. As mentioned on page 22 of the Discussion Paper, much of the aluminium and plastic currently collected in Western Australia is exported to overseas markets. This reliance on international markets is problematic, as it creates a vulnerability to price fluctuations and changing product acceptance criteria. Due to its weight, glass recycling is particularly problematic in Western

Australia. The 2015/16 Recycling Activity Report shows that 45,500 tonnes for glass was recycled in WA – the majority (91%) of the recycled glass was sold into WA markets, predominantly for use in construction projects. It is imperative that implementation issues with the Government's \$10 million Recycled Construction and Demolition Program are resolved so that sustainable local markets for glass can be better established.

Baseline Data Collection

The Objectives identified for the Scheme need to be measurable and the Association agrees with the Department that a range of Targets and Performance measures are necessary. The Association also considers that prior to the Scheme's implementation, baseline data needs to be measured. This data will allow accurate, and widespread, assessment of current levels of litter and how many eligible containers are currently being recycled through the Kerbside System. The National Litter Index is one measure of litter, however there are only a limited number of sites and the Index does not access many sites in the non-metropolitan area.

Recommendation 29: That the Targets for the Scheme include:

- **State wide return rates for each class of container material**
- **Regional return rates for each class of material**
- **Changes to beverage container volume in the litter stream**
- **Accessibility and geographic coverage to the Scheme**
- **Appropriate sharing of costs associated with the Scheme**

Recommendation 30: That the Measures of Performance for the Scheme include:

- **Resource recovery and reduction of recyclable material to landfill: including reporting on local market development options for materials to ensure long term sustainable markets**
- **Community participation and benefit: including reporting on the number of people accessing drop off points proportional to the population of the area and the amount of funding provided to community groups through the Scheme**
- **Jobs created: reporting on job created through the implementation of the Scheme**
- **Compliance with the Scheme: reporting any instance of non-compliance and enforcement actions undertaken.**

Recommendation 31: That baseline data be collected before the Scheme commences to determine current levels of:

- **Litter in the range of different areas which will access the Scheme**
- **Eligible containers in the kerbside system.**

7. Conclusion

Local Government appreciates the opportunity to comment on the development of the proposed Container Deposit Scheme and looks forward to working closely with the Department on the detailed design of the Scheme – through the CDS Advisory Group and technical working groups. The provision of incentives and handling fees through the Scheme has the potential to deliver substantial benefits to Western Australia. Such benefits include reduced litter, improved resource recovery and a reduction of waste to landfill, greater community awareness and involvement in waste management and a more appropriate distribution of costs.

It is vital that the Scheme is designed with community benefit, access and understanding first and foremost in mind, as the cost of the Scheme will be ultimately borne by the community. The role of retailers and beverage manufacturers must be outlined in the regulatory framework of the Scheme, to ensure that this groundbreaking example of an Extended Producer Responsibility Scheme can be delivered to the Western Australian community.

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