

**THE JOINT STANDING COMMITTEE ON ENVIRONMENT, RESOURCES AND DEVELOPMENT MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON THURSDAY 21 APRIL 2005.**

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**WASTE MANAGEMENT IN TASMANIA**

**Dr SIMON PARSONS** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Parkinson) - Thanks for coming. Once again, Dr Parsons, for the purpose of *Hansard* could you state your full name and your interest in these proceedings?

**Dr PARSONS** - My name is Simon John Parsons and my interest is purely that as an ordinary citizen of Tasmania who is concerned about waste management on this island.

**CHAIR** - Thank you. We have read your brief submission - that is not a criticism -

**Dr PARSONS** - I think that was a letter that I wrote some time ago, was it?

**CHAIR** - Yes. I am looking at an e-mail, I think. It refers to a 10 cent container deposit and increased funding for roadside litter removal. Perhaps if I hand over to you you might like to expand on your submission and then there will be some questions.

**Dr PARSONS** - What I decided to do is give you a little speech that I have written.

**CHAIR** - Sorry to interrupt you again but half an hour has been allocated. I am conscious that we have taken some of your time already, but perhaps if we can allow you up to 15 minutes then there will be some questions.

**Dr PARSONS** - I am happy to give you a copy of this. I would like to thank you all for the opportunity to address the hearing. I think I may be the only ordinary citizen attending this hearing who has not got a vested interest in waste management. I would like to be seen as someone who represents the community and who wishes to live in a place which is treated with the respect that it deserves.

I lived in Tasmania until I was 25 years of age. I only returned here permanently in my forties having spent many years on the mainland and more recently in Canada.

**CHAIR** - I have been handed a note that tells me you are a medical practitioner and you are head of the kids unit at the Royal Hobart Hospital.

**Dr PARSONS** - I am not actually quite the head right now but as a locum I was head of the newborn intensive care unit. There has been a new Director appointed; I was filling in for him.

**CHAIR** - Thanks, I should have asked you about your occupation at the beginning; it may have helped.

**Dr PARSONS** - That is all right. I am a paediatric intensive care specialist by training. This is a side interest.

I was really horrified to witness the degree of littering in Tasmanian public places upon my return. My more recent experience has been in Canada, where I would have to confess they are doing a much better job than we are.

Cigarette butts form carpets of trash over our public spaces, particularly our malls and even outside our hospitals. Cans and bottles choke our gutters and roadsides. A recent study on Australian littering behaviour published in the *Mercury* recently revealed that Hobartians litter more per person than any other capital city resident. Thus are only saving grace is our relatively small population or else this island would be more littered than any other State in Australia.

Littering is not a small and unimportant problem; it is a global menace and it threatens the very aesthetics of living and poses a real physical threat to our health, especially to our waterways.

So why do we have this problem? There is no doubt that we have a cultural problem with littering that seems to be worse in Tasmania than other States. Other States are more littered because they have more people. In fact I would argue that Tasmanians, in my two years back here have an attitude problem with obeying our civic laws. One is more likely to be punished by a member of the public for pointing out that someone is breaking the law than the lawbreaker is to be punished for his or her civic offence.

I have actually heard of members of parliament disobeying our littering laws and I have witnessed the Tasmania Police disregard these laws on littering. An example of that is the police booth in the mall, which is surrounded by debris thrown there by Tasmanian citizens.

So what can we do about this? The World Health Organisation has recently demonstrated in relation to driver education and motor vehicle accidents that public education alone does not work, and we should stop wasting money on public education programs alone, and that in my mind refers to road traffic accidents as well as littering. We need better legislation, and this legislation must be enforced with the full support and example of our community leaders. So we need to change the legislation, enforce it, and change the culture of our island by example.

I have reviewed the proposed new State litter act, and would encourage you to complete and pass this bill in all its vigour. Do not water down the act to appease the non-cooperative public, nor to gain or retain votes, nor to pander to corporate profiteering. Key aspects of this act include fines for cigarette butt littering, a huge national problem, as you know, which represents more than half of the items on our roadsides -

**CHAIR** - Are you talking about an existing act or a proposed act?

**Dr PARSONS** - The proposed act. What I suggest is, don't water it down, which I sense may well happen. It has taken years to get to the point where it was recently reviewed by some members of the community. I do not know why it has not progressed faster down the path towards being legislated, but that is your guys' concern, not mine. It also

recommends laxer requirements for proof of an offence, which I think is very important, so the driver is fined for any litter that exits his car - you do not have to prove it was the individual who actually threw it - and the compulsory covering of all trucks and trailers is also very important, I believe.

In relation to that there are many innovative ideas that spring to mind in relation to the enforcement of anti-litter legislation. Invent a camera that detects litter exiting vehicles. Maybe it is possible. Allow road maintenance crews who clean up our streets to fine the owners of rubbish identified by the contents of the litter or by other means, which is part of the new act, and allow them to retain part of the fine as a reward for their efforts. Employ more enforcement officers specifically targeting littering. It is important to change the culture of our police, who would argue they have better things to do, but if they do not see some purpose in policing the littering act then I think the game is over. I was recently told by a police officer that the ticket books that they had to issue litter fines were removed from them some years ago and they now have no ticket to issue a person who is caught littering, and thus they do not do it anymore. I stand corrected there, but that is what I have been told, so they have no interest in it whatsoever.

I was going to discuss noise pollution, but I do not think that is relevant to this because you are more interested in physical litter management per se.

CHAIR - Waste management, yes.

Dr PARSONS - To move on to the issue of waste management, most of the roadside litter that we see from a driving vehicle is either discarded bottles, cans, cigarette butts or debris from open trucks and trailers. Before talking about the container deposit legislation, I think that one should think of some radical ideas perhaps of deposit levies on cigarette butts or even the compulsory biodegradability of cigarette butts, as these represent more than 50 per cent of all the items littering our land. I personally support the idea of a container deposit levy, despite there being many arguments that I am not particularly au fait with but which argue that it is not a cost-effective way to manage recycling. I think it is time to put petty economic considerations aside and to see the container deposit levy as a way of reduction of littering rather than a way of cost-effectively recycling. They need to be seen as both things, but there are two very different issues. I would urge you that even if there is a net cost to the taxpayer, it is well worth bringing in some form of container deposit legislation, simply because, although certain individuals are littering our roadsides, they are a part of our culture, our society, therefore we are responsible for it, not them as individuals necessarily, and therefore we have to pay for it, and I feel very strongly about that. The community has to realise that if some of us damage it then we all together have to pay for it and if that means increased taxation or levies or whatever then so be it. I would urge you not to be swayed by the vested interests of the beverage industry lobby groups who have only one cause in mind and that is their senseless pursuit of growth and profit at the expense of everything else.

It has been estimated by myself and others in a recent letter to the *Mercury* that the Tasmanian roadsides are lined with nearly one million beverage containers. At 10 cents per container there is \$100 000 out there for someone to go and get, so I would also argue and urge you to make any container deposit levy retrospective because it is a very effective way to have our roadsides cleaned up by our citizens. Some, however, would argue that we may put our citizens at risk of being harmed and I would suggest then that

maybe we could spend the \$100 000 on employing someone to go around and clean up these one million containers on our roadsides. In fact I calculated that if you employed a team of two or three for a year to collect the one million littered items, if you estimate there are 2 000 kilometres of major roads in Tasmania that puts 50 containers per kilometre and the job could be done in one year at a rate of 5 kilometres a day. With two or three people employed for one year you could pick them all up.

In the last five minutes I would like to talk about the current state of our road clean-up contracts. I obtained through the Freedom of Information Act copies of the roadside waste management contract that currently the Government has issued to certain service providers. What surprised me when I read these was in fact it is very strict, it is very stringent through the requirements that should be placed on the contractors for our roadside litter clearance, and it is completely and utterly apparent to me that the people undertaking these contracts are in breach of the word of the contract. I wrote some letters about this and eventually, by hassling Bryan Green, I managed to obtain a meeting with the DIER head of road maintenance and head of the contractor responsible for roadside clearance. I posed to them that this was a very real problem because either the Government is deliberately issuing a contract to the lowest bidder, with no intention of holding them to the wording of the contract, or something has gone terribly awry.

For example, in the southern Tasmanian road network contract roads are classified in terms of how often the litter should be removed. I will read out a section:

'Litter and debris visible from a moving vehicle to be collected at the following frequencies. If it is within 10 kilometres of a retail outlet it is to be done monthly.'

I can tell you driving the Southern Outlet regularly from Tolmans Hill it is never done monthly; it is filthy and it is littered with thousands of items. So you have a very serious problem in that your contractors are not doing the job that you have asked them to do and their argument when I met with them was that they do not have the resources to do it. They have accepted this contract for a fee from the Government but the head of the DIER road maintenance lets them get away with it because in fact what they are doing is keeping the degree of litter at a level which minimises public complaint and that is the sole purpose of the functioning of the system. So in fact they understand that the litter will not be picked up according to the contract and they will not do anything about it because, as Bryan Green said to me, they have received fewer than 20 complaints for littering in the past two years. But it seems to me that meeting minimum community expectations is a ludicrous and self-defeating way to govern this island.

Most of us do not have the time or energy to tackle problems such as this as individual members of the community and true leadership is about raising expectations, not pandering to them. I recommend that this Government set new standards for litter management and clean up our streets, sidewalks and highways and I for one am happy to pay for this as a taxpayer. It will be money well spent. Research also shows that clean areas are in fact less likely to be littered and there is something horribly ironic about driving to a holiday resort in pristine Tasmania via roads lined with trash.

**CHAIR** - Thank you, Dr Parsons. I do not doubt you for one moment, but the \$1.5 million estimate of -

**Dr PARSONS** - \$1 million.

**CHAIR** - Okay. The e-mail said \$1.5 million. I am just interested in how that was calculated.

**Dr PARSONS** - Just drive down a major road and count the number of items, bottles, per  $x$  metres. It works out roughly one can per metre and then you can just multiply that out by 2 000 kilometres of major roads and you can easily come up with a figure of approximately \$1 million. The letter to the Editor of the *Mercury* was from someone who had travelled on a bus from Hobart to Launceston and had counted all the way down roughly what the average was per kilometre.

**CHAIR** - If the contract removal arrangement is not working, have you any thoughts on what other arrangements might work, apart from container deposit legislation (CDL)?

**Dr PARSONS** - I think we just have to pay to have it cleaned up, initially at least. There is no option but to do that. We have to take responsibility as a community for the trash on our roadsides. If, every time we drove down the Southern Outlet of Launceston, we saw a team representing us with a sign on the top of their truck saying, 'We are here collecting your litter. Please do not throw it out,' and they were proud, hard working members of the community, that alone I think would have a significant effect. But we actually never see them out there and we just do not enforce any form of littering legislation.

You guys would know better than I, but I think the number of actual fines imposed or offences that go to court for littering is extremely minimal so I think we need more people issuing tickets, funded from the revenue generated from those tickets.

**Mr STURGES** - Dr Parsons, in your initial comments you mentioned that you had lived and worked in Canada in recent times and you went on to say that Canada are doing it better with regard to managing and controlling the litter situation. What are some examples that you can give the committee today?

**Dr PARSONS** - You can drive on a major highway from Calgary to the Rocky Mountains where I lived and it is a dream. It is dual carriageway separated highway and it is completely litter free. There is barely a can or bottle on this stretch of 100 kilometres that I used to regularly drive and it is one of the major tourist routes. By the way it is not the tourists doing this, it is the local people - I think you all probably know that although they do not help I guess. In Canada they just clean it up; in fact they mow the side of their highways religiously and -

**Mr STURGES** - Is it organised community groups or -

**Dr PARSONS** - No, it is funded by government.

**Mr STURGES** - It is funded by the Government?

**Dr PARSONS** - Yes. They have a major snow clearing program at the end of each winter and as the snow melts you do see a significant amount of debris appearing on the

roadsides. They rapidly go through and sweep and clean hundreds of kilometres of roadside. They also consider their responsibility not to be just the road and the gutter but to a significant interval beyond that point which may be an issue with this contract. No-one actually stipulates how far the litter has to be from the roadside before they feel they have an obligation to pick it up. I have heard people talk that they will not touch anything that is more than a metre from the gutter, but they just pay for it and the culture I think is different.

**Mr HALL** - I agree with a lot of the principle of what you have been saying but I am just a bit concerned. You talk about the big stick approach rather than perhaps the educational approach. I am a recreational cyclist and when I am out in the country I see all the stuff that is turfed out on the side of the road. I agree with you, it is not a good look, but trying to catch those litterbugs is going to be fairly difficult and therefore the educational approach might be the better way in that respect. How would you comment on that?

**Dr PARSONS** - I don't think pure education alone will ever work because there will always be certain types of individuals. So I think that you will always have to have some base level whereby the litter will be cleaned up properly. But of course education programs in conjunction with these people seeing a change in culture in our community, seeing that these laws will be enforced, seeing people out there being paid to clean it up at the taxpayers' expense, I think will help change the culture of the island. I think it would come down to multiple things working together to change attitudes. I am not saying there should be no education but that education alone is highly ineffective.

**Mr HALL** - That is all I wanted.

**Mr McKIM** - Simon, you have talked about education and you have talked about punitive legislation in terms of the Litter Act and I am certainly not trying to put words in your mouth here, but would you agree that a CDL would at least address part of the litter problem in this State by attributing a value to items which are currently regardless valueless?

**Dr PARSONS** - Yes. We know from South Australia that the number of containers being returned is actually up from 30 to 80 per cent based on that levy and we all know that the main lobby group that opposes this levy is funded by the beverage industry and that was just an absolute disgrace, so I think it is very important. All forms of packaging could have some sort of levy attached to them - cigarette butts, potato chips, particularly fast food packaging.

**Mr McKIM** - What you are talking about there I think is known as an EPR, extended producer responsibility, whereby the manufacturer of any particular item which may go on to form part of a waste stream would be forced by a pricing instrument to take responsibility for the life of that product. That is something that has been talked about with various jurisdictions now and we will ask some people later in the day about that, but that is basically it.

**Dr PARSONS** - That sounds like a good idea to me - raise the standards.

**Mr McKIM** - Yes. You have said that you have obtained some of the roadside clean-up contracts through freedom of information, would you have any objection to providing those to the committee?

**Dr PARSONS** - No, in fact the ones I have here you are welcome to.

**Mr McKIM** - Mr Chairman, I am not sure whether Dr Parsons can table those or what the procedure is there.

**CHAIR** - Yes, if you let us have a copy of those that will be fine.

I am just interested, are you part of any organised group or organisation that is working in this area, such as Boomerang Alliance, for example?

**Dr PARSONS** - No. I tried to participate in Clean Up Australia at one point but in fact they did not contact me when I offered my services which I thought was strange. Anyway, no I am not and I don't think that we should expect public volunteer groups to do the job that I think is a community responsibility or a taxpayers' responsibility.

**Mr STURGES** - So you are suggesting that would be complementary not supplementary.

**Dr PARSONS** - We have created this society and you guys govern it, for goodness sake, and we have to clean it up.

**CHAIR** - You would like to see more government resourcing going into the whole area generally?

**Dr PARSONS** - Absolutely, and I think you would find that it will be an amount of money that would actually decline with time because if you had a highly effective system for cleaning up you would begin to change the culture of what is going on here and I think that is actually the key point. You have to pump money in initially to get in the end a much better return. There are many letters - I have seen them in the *Mercury* - written by visitors to this island who just can't believe the amount of litter on our roadsides and so the tourism impact I think is also one that should be considered seriously.

**Mrs SMITH** - I might just look for a comment. We have had quite an amount of evidence, as you would expect, and a lot of to be tested, but some of the evidence that has been put before the committee indicates that on container deposit legislation - and we look at South Australia as model that has for many years led the way - there is some belief around the nation that for things to work properly it ought to be a national approach rather than a State approach.

Interestingly, there was a comparison done on recycling. The ACT rate of recovery through recycling showed a 72 per cent beverage container response, which was in the same ballpark as South Australia, which had a container deposit legislation process in place. It equalled the rates of the 10 US States that had container deposit legislation, and equalled British Columbia, through a recycling process rather than moving into a container deposit.

Have you had any experience or have you any comment that you would like to make?

**Dr PARSONS** - No, my only comment would be that from a medical perspective comparing those types of statistics is meaningless because you cannot compare the culture of one State or country with the culture of another. For example, if the ACT introduced a container deposit levy you might find the recycling jumped from 72 to 98 per cent, so it is meaningless to compare a State to another State. What you have to do in the medical world is a randomised controlled trial so that you are focusing on the group that you are interested in. I would pay no heed to that and would urge you to do everything possible to reduce littering and include recycling.

**Mrs SMITH** - Thank you. And you also make the comment that we are the polluters and we should pay. You talk about the sides of our roads and I must say I must not have been as observant as you are. I travel the highways quite regularly and I have always believed that in comparison with some other places our standards were fairly high. I have recently returned from the UK and I had the opportunity to travel between London and Cardiff. I was astounded at the amount of rubbish on the sides of the major highways to the extent that when we arrived at Cardiff I made comment that it was quite prolific. The comment made back to me was that there has been a substantial increase in the costs of people disposing of their waste and as a result they are circumventing the proper processes and just dumping.

Would you like to make a comment, considering your concept of 'we litter, we should pay to have it collected' in comparison with that scenario?

**Dr PARSONS** - Are you talking about the fees that councils charge to collect -

**Mrs SMITH** - Waste managements -

**Dr PARSONS** - waste managements, our rates and taxes.

**Mrs SMITH** - for instance, I think it cost a £25 cost to dispose of an old fridge. That in our language is in the \$60 range, people were just dumping.

**Dr PARSONS** - Well, maybe we need to subsidise the cost of waste disposal for the average person as well.

England and Europe are filthy; they have a lot to answer for in that respect. The very fact that you drive our roads and do not notice anything does not mean we have it right. I would urge you to look more carefully next time because I can tell you it is there and it is very obvious once you start to notice it. Once again, raise the standard; do not sit on the fence because it is okay - something, I think, governments do.

But I cannot answer the issue of the cost of litter disposal other than we should fund it.

**Mr HARRISS** - Simon, you made comment that about any waste container deposit legislation ought to be retrospective. How would you see that operating? You are talking about providing funds in some ways?

**Dr PARSONS** - Yes, you are providing funds in some way for people to go and clean up your mess. Someone will go out there for a year and pick it all up to earn \$100 000, I

guarantee it. If you think there are public liability aspects to that concern, then perhaps you would be better off spending the money to actually employ someone to go and do it. You would provide a pool of funds available so that people can return bottles and cans. It is open to abuse as well; people could probably get a truck load of cans from the tip and then dump them at Parliament House and say, 'Give me a few thousand dollars'. It has to be thought about a little bit and it may well be a better option to dump that money into a formalised clean-up program.

**CHAIR** - Thank you very much for your attendance, Dr Parsons. Your thoughts are very valuable to the committee, and you have obviously put a lot of time and effort into that. It is very helpful.

**Dr PARSONS** - You're welcome. I think it is something that we can do better here. Where should I leave the documents that you would like copies of? My folder is a little bit of a mess, but you might like to take the lot of it.

**CHAIR** - Would you have a copy of the document you were reading from that we could have?

**Dr PARSONS** - Yes, I do. One interesting thing is that when I first started to inquire about this the Minister for Infrastructure, Energy and Resources actually said there was no issue. I wrote back and said, 'Hang on, why are you changing the Litter Act if there is no problem with littering in Tasmania?' So I think whoever writes your letters ought to think twice.

**THE WITNESS WITHDREW.**

**Mr MICHAEL LYNCH**, DIRECTOR, TASMANIAN CONSERVATION TRUST, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thanks for coming, Mr Lynch. Just for *Hansard*, Mr Lynch, if you would not mind stating your name, address and occupation.

**Mr LYNCH** - My name is Michael Lynch. I am the director of the Tasmanian Conservation Trust and I live at 97 Old Station Road, Snug.

**CHAIR** - Thanks. We have your submission in front of us. Perhaps if we can at this stage ask you to address it. Initially our plan was to allow you 15 minutes and us 15 minutes, so I will hand over to you to start with.

**Mr LYNCH** - Thank you very much. Obviously I do not want to revisit the submission, because I am presuming that you have all had an opportunity to read it.

**CHAIR** - As I understand it, you are concentrating on litter management, and you have divided your submission into two broad areas - preventing waste from becoming litter, and removing the litter. I do not know whether you want to expand on that or whether you want to put additional information to us.

**Mr LYNCH** - I would like to do both, if I might, Mr Chairman. I was very interested to hear the previous person giving evidence, because I have actually travelled on that same road from Calgary to the Rocky Mountains on a number of occasions, and my observations were exactly the same as his. What I would like to talk about, though, is expanding on the notion firstly that people only litter roads, and secondly the notion that, if we are going to be fair dinkum about accepting that litter is a waste management issue, we also need to accept that as a community, as a society, as a State, we accept that it is a problem, and I think we are a long way from acceptance of those two things. I am pleased to see that you are prepared to take a submission on litter in an inquiry on waste management, which I am presuming gets us halfway there, that you agree that litter is a waste management issue.

**CHAIR** - Certainly.

**Mr LYNCH** - But I am not so sure that as a community we have got to the next step, that we either accept or agree that litter is a problem, and I think that in many ways the reason that we have not got to that next step is that perhaps there has been too much of a concentration on litter on highways and roads - and I make the distinction in my submission between State and non-State roads - because, in our experience of running Clean Up Australia for 16 years in Tasmania, there are many more places where people litter than just roads, although it is the case that the roads are the more obvious. I cannot believe that anybody can travel the Midland Highway and not be shocked beyond belief at the amount of litter that is on either side of the road.

**CHAIR** - Perhaps they are just being good drivers.

**Mr LYNCH** - Well, I do not know how they can do it.

Having said that, though, I think it is a much more complex cultural problem than simply saying the State has to fix it, because I do not think that will work. I think that there are elements in a solution, if you accept it is a problem, that involve the State but the State is all of us, and I think that one of the reasons is that perhaps we have not been as good as we might in firstly acknowledging that it is a problem, particularly where, as I say in my submission, on the one hand we tout ourselves as the clean, green State and we put out brochures about tourist roads around Tasmania and how beautiful they are, and on the other expose the people who travel those roads to an unholy mess.

But to me the answer lies in a combination of things that we can do as a community rather than just as government. For example, we have run eight Work for the Dole programs in Tasmania over the last three years, involved in cleaning up the foreshore of the Derwent. The TCT sits on the Brighton Council Environmental Advisory Committee. We have used out there people on Community Service Orders to clean up roadsides in Brighton. These are non-State roads, so this is a local government initiative as opposed to a State initiative. But I think at the core it is about all of us accepting that, whether it is our roadside or whether it is our local park or whether it is a highway, collectively we have that responsibility. It is about the leadership, though, that translates the acceptance of that responsibility into on-ground action, and I think there is a really good example currently of how we need to think much more broadly about dealing with this issue.

As I presume most of you would know, the State Government is involved in a process of identifying all of the areas of non-allocated crown land around Tasmania and, as it has turned out, there are many thousands of these parcels of non-allocated crown land that the process is dealing with in making a determination about whether it should be reserve, whether it should be put up for sale or whether it should be transferred to local government. But what is really interesting is the number of areas, quite small, some of them - one, two, three or 10 hectares - in the municipalities that have already been assessed where the recommendation is that they be put into the reserve estate either as a public reserve or a conservation area. But that is just the tip of the iceberg because it is that whole issue about how you manage that land once you give it to the State, and we all, I hope, realise that there is just no way that as a State we can manage the huge reserve estate we have now, let alone many thousands of individual parcels. But if we were to think outside the square about the management of those - and in many cases they are urban or semi-urban areas, parks, reserves, riversides, beachside areas - if we have a culture that says as a State we will support, we will manage, we will provide resources to the community in whatever form it might be to 'look after', clean up, maintain those areas - and again whether it is those reserves or whether it is roadside it does not matter - then over time I believe we will change the culture, so long as we do it on a horses-for-courses basis. On some roadsides, particular mechanisms will work; on some reserves another sort of mechanism will work. I do not think there is a standard operating procedure except to say that it is very clear from our experience with Clean Up Australia that the standard operating procedures is that people take pride in a local area. That is the great thing about Clean Up Australia. Even though it is only one day a year, you provide them with the resources, the media attention and with a little bit of pride. Here is a T-shirt, a bag, a banner, something on the TV that says we are going to clean up this particular area. So I think that the answer lies in a combination of all of those activities. It need not be a cost on government, which clearly is a critical issue. I say that because there is a cost already in maintaining roads and highways and in

maintaining parks and reserves, but if that cost can be redirected into other more effective, more efficient ways of managing, ways of keeping clean, ways of protecting, it could well be that you have a cost-neutral situation.

It is definitely the case, I would submit, that it is not necessarily going to be a huge additional impost. I think again, over time, the sense of pride and ownership in a particular area, be it a road, a highway or a reserve, will more than compensate for any cost that may be involved. I am not certain that there will necessarily be a cost.

I also feel quite strongly that the issue of legislation and enforcement needs to be carefully considered. As you know, the Litter Act is being reviewed. In our submission to that review we were extremely critical of the cop-out, in my view, of reviewing the act because we said, 'This is only one part of a much bigger exercise that government needs to consider'. The response was, 'Oh yes, but we will do this and then we will do the other stuff.' It is hardly worth reviewing an act that has no capacity for enforcement. It is just easy. Bureaucrats can sit in an office and tinker with an act and feel like they have achieved something, but out in the real world you have achieved zip because the old act had no enforcement capacity and the provisions that are being recommended in the new act have even less - so why worry. The answer is because it is easy. It is much easier to not have to deal with people and review an act rather than actually getting out there and doing something on the ground.

The whole legislative thing I think is problematic. I was about to say we do not need it, but that is not true. It is one of the less important tools that we need in the toolbox. It seems to me that if we believe, as a community, that litter is a problem then the solution as a community is to do something about it. We do something about it by the State providing the leadership across a whole range of opportunities to deliver on that capacity of the community to want to be involved.

As I said in our submission, we actually brought the Adopt a Highway Program to Tasmania back in 1993. I firmly believe that an expansion of that sort of program, tailored to meet particular circumstances in particular areas - in rural and urban areas, for State roads and non-State roads - is the answer. That is the model and then we can take that model and transfer it into the non-road situation: the reserve, the friends of the reserve, the friends of the park - whatever you want to call it - but it has to be because people want to do it. It is not going to work if you do it because the State says it has to be done, and I am under no illusion that, as a community, we want it done. What we do not have is that leadership from the State to say, 'Okay, we'll provide you with the resources, the infrastructure, the insurance cover', all of those things, so that you can do the stuff you want to do. I will stop there.

**CHAIR** - Thanks very much. There are some very thought-provoking ideas, submissions and thoughts there. I do not know whether you want to address the issue of container deposit legislation. I am not suggesting you should, it is just something that is obviously going to come up in this inquiry. It already has in the public arena and if you wish to then feel free.

**Mr LYNCH** - Only to the extent of saying it is another tool in the armory. There is no quick fix; there is no easy solution; there is no one thing, and that is one of a number of things that I think we ought to be addressing. But again I would much rather look at not being

selective about the things that we put a deposit, a levy or a fee on. What is so special about containers that isn't special about all the other stuff that ends up in the waste stream? I heard you talking previously about extended producer responsibility and it seems to me that it is all a problem and not just those containers. If we are going to be talking about container deposit legislation, I think we ought to be thinking a little bit more smartly and thinking about the whole range of products that our society generates. The Tasmanian Conservation Trust has run for about six years now, as an offshoot of Clean Up Australia, a thing called the great car body clean-up, where we get a four-wheel drive vehicle and a big trailer and we go out and drag car bodies out of the bush. One of the things that we have been exploring with Clean Up Australia in that regard is the notion of a deposit on car bodies so that when you buy a car there is a fee attached - \$100 or \$200, whatever it might be - and that amount travels with the chassis through as many owners as there might be and, at the end of the day, when the old car dies, the last one standing gets the money back. You return it; it is a container deposit legislation model.

They are the sorts of things I think where we are not restricting it to coke cans and bottles but we are talking about that responsibility across the whole landscape - refrigerators, cars or coke cans.

**CHAIR** - In respect to litter, I gather that what you are saying is you would like to see the Clean Up Australia concept just becoming an ongoing thing but community based and resourced on a community-based level and depending on the particular circumstances that the communities find themselves in.

**Mr LYNCH** - I think I would rather see the Adopt-a-Highway model. I think that is a better model because it combines not only the sense of the clean-up thing but ownership and I think that is critically important that it is not just about going out there one day of the year and picking up the rubbish; it is about saying, 'This park, this reserve, this bit of road, this bit of highway is part of my community and I care about it and part of caring is I am prepared to clean it up and keep it clean'. That is the critical issue about doing the cleaning and then knowing that there are processes in place to ensure that, as best we can, it stays clean. One of the most depressing things about Clean Up Australia is that we go back year after year to the same place and it has the same bloody rubbish there and it is pretty depressing in many ways but we keep at it.

**Mr HALL** - Mr Lynch, you talked about the non-allocated areas of crown land. Are there specific examples of those areas right now that you know of that are badly littered and need attention? Is that what you were saying?

**Mr LYNCH** - I cannot give you specific examples of those that are badly littered but I can give you specific examples of areas that have been recommended to be put into the reserve estate in the seven municipalities that have already been assessed under the program. For example, in Tasman there are a number of small areas, a handful of hectares around the coastline that were not picked up through the RFA reserve program that were hanging out there as unallocated crown land. They are important from a community recreation point of view or they are important from a nature conservation point of view or they are important for a whole range of values. It will create a huge impost for the State to try to manage those things when really management, in many of those cases, is just about a couple of neighbours going down once a month or so and checking up on the place. That really is an extension of Adopt-a-Highway and if the

State said, 'Okay, in return for that we will give you all the material you need to do the clean-up, we will give you T-shirts or hats' - or whatever it is - and we will run articles in the newspaper for you about the fact that you are doing it' the quid pro quo, I think, is much better than paying some contractor to clean up the side of the Midland Highway. It is the combination of the clean-up and the adoption stuff that I think is important.

**Mr STURGES** - Just following on from the Adopt-a-Highway concept, and I have to put my hand up and say that I do not have a great knowledge or understanding of the model, I note in your submission you are saying that you need a wider approach so assuming that the Adopt-a-Highway model applied to a broader area of the State there would need to be a coordinating point, assuming that we could get enough people in enough areas to have the care and the passion and want to go out there on a regular basis and clean it up. Where do you suggest that coordination point would be - through the State Government, through the TCT? This is not a leading question but -

**Mr LYNCH** - No, I am glad you asked. We said in our submission we would like to do it, we would love to do it, and we started doing it back in 1993-94 but it got too big for us. It took off quite remarkably then and we did not have the level of resourcing to be able to continue to support and maintain those groups, hundreds of them around the State, and so it passed to DIER and, sadly, I do not think that they have done as good a job as they might in supporting those groups. To me that is the critical issue: providing the support to them, having a newsletter for them, making sure their insurance is okay, making sure they have the bags and the signs and the cones and the hats and the gloves and all of that sort of stuff. But it is not rocket science. We could do it quite adequately if we had the resources. I do not think we are talking about huge resources. I would have thought that a couple of people working on a full-time basis could manage all of Adopt-a-Highway, all of the Adopt-a-Road and as many Adopt-a-Park or adopt reserves as you would care to name. It is not a big deal but there is a commitment there that says we have to provide these people with the resources and pat them on the back when they do the right thing.

**Mr STURGES** - So you would advocate some work being done on, dare I say, developing a business plan to manage this particular concept?

**Mr LYNCH** - Yes, I think we have to be fair dinkum about it because there are issues of insurance, there are issues of liability. It is not a backyard deal and if we are going to do it, we have to do it properly and we have to do it so that the people are safe. Clearly there is more risk about the group of people cleaning up the Midland Highway than there is cleaning up the reserve at the back of my place but it is only a level of degree. The same issues about picking up syringes or broken glass or getting run down by a B-double on the Midland Highway, they have to be dealt with.

**CHAIR** - Without putting words in your mouth, are you saying that by getting the community involved in this way you then have a better chance of solving the bigger picture problem? We have just done a quick whip around the State and we have looked at pretty well all the major tip sites - waste management premises - from the north-west coast, through the north, down here to the south. On a very rough calculation, Tasmania is probably burying somewhere between 250 000 and 300 000 tonnes per annum and different people we have spoken to are telling us that somewhere between 40 and 45 per cent of that does not really need to be buried; it could be channelled off into re-use. That includes glass, aluminium and steel and a whole load of that is coming out of the

domestic environment through the rubbish bins. I am just wondering whether, thinking through that process, you can help us as to how we can engage the community in saying, 'We should not be burying all this stuff'. It seems to me the community does have this 'out-of-sight, out-of-mind' attitude to a large measure. Once it is buried it is gone and it does not matter any more. That ignores the cost of landfill.

**Mr LYNCH** - I think that the issue about reducing waste going to landfill is a whole other place that I do not want to go now but what I would say is that a component of the waste that is currently going to landfill I believe would very successfully be diverted through the suggestions that I am making simply because of this issue of adopting, simply because of the issue of caring, simply because of the issue of taking pride in that particular bit of Tasmania. So if, for example, in the area that you have adopted you are picking up masses of cans and bottles and there is a capacity to recycle that instead of taking it to landfill and you do that because you care about that particular bit of Tasmania then you are playing your bit in reducing the quantum that is going to landfill. To that extent I think that what I am suggesting can have an effect but I would not want to quantify it.

**CHAIR** - No. I think your approach might help to change the community thinking on the whole issue as a side effect.

**Mr LYNCH** - I hope so. I think it is a given that we will only ever change people's views about anything if you involve them in the process. People's minds do not get changed by being told. People's minds get changed by being part of the process, part of the decision making, part of the solution. Simply to say, 'We will let a contract, get a whole bunch of people to clean up the highway,' is not going to change one zip.

**CHAIR** - No.

**Mr McKIM** - You have spoken about Adopt-a-Highway and Clean Up Australia, would you agree in a general sense that the challenge for public policy makers is not just to fix a problem once it has occurred but attempt to try to stop the problem or minimise the possibility of it occurring in the first place.

**Mr LYNCH** - Yes. But I think that follows as I think I said that it is a horses-for-courses situation and depending on the bit of road or the bit of highway, park or reserve, whatever the litter problem is, can best be dealt with by the people who are concerned about that particular area. It might be beer cans because the pub is a one-beer-can drive away, or it might be McDonald's wrappers or whatever, so the solution lies with what the problem is. Again, you cannot have an overarching solution when the problem is so wide and varied. So the public policy solution, it seems to me, is to provide an environment where those people, individuals, all of us, can actually operate within a system that supports them and enables them to take action at a local level for their particular problem. If you can create that environment, it seems to me that is the public policy framework we need to be looking at.

**CHAIR** - So it is either Adopt-a-Highway, adopt a park, adopt a reserve, depending on the needs of the community.

**Mr LYNCH** - And what the problem is too. Sometimes the problem might just be windblown rubbish from a particular location, and the answer might be to put a lid on the garbage bin and you have solved the problem.

**CHAIR** - Okay. Thanks very much.

**THE WITNESS WITHDREW**

**Mr GRAHAM McCUSKER**, AUSTRALIAN CARTRIDGE REMANUFACTURERS ASSOCIATION, AND **Ms ROWENA ZWART**, TASMANIAN LASER CHARGE, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Welcome. For the purpose of *Hansard*, if you could in turn state your names, occupations and addresses, please.

**Ms ZWART** - I am Rowena Zwart. My occupation is environmental adviser with Australian Laser Charge.

**Mr McCUSKER** - I am Graham McCusker. I am the chief executive officer of the Australasian Cartridge Remanufacturers Association, and I am down from Melbourne.

**CHAIR** - Thank you for your attendance. You can take it that we have read your submission and the attachments. Obviously your particular interest is the computer industry and reusing a variety of components - reusing in preference to recycling.

**Ms ZWART** - Yes.

**CHAIR** - The attachments are very interesting, particularly the one in relation to China. That is an amazing and a sad story. Our pattern is to give you the opportunity to address your submission and give us any additional points that you may wish to, and then there will be some questions.

**Ms ZWART** - You have just in a way highlighted what I want to go through again today, the reuse before recycling and things like that. So I will just run through what I wanted to say. Basically, as you may recall from our submission, Australian Laser Charge is a cartridge remanufacturing business based here in Hobart. We basically take empty printing cartridges and remanufacture them purely for reuse within the office consumer market, with the aim of reducing waste to landfill. Our main concern with waste management systems is the hierarchy - reduce, reuse, recycle. Some electronic waste product recycling programs at the moment are purely recycling, so it is remembering those kinds of things. I highlight again that Tasmania is unique. We generally have to get all our products in from the mainland or overseas and then we have to deal with the waste here.

**CHAIR** - Yes, it is a real problem for Tasmania, that reality.

**Ms ZWART** - It certainly is. Basically, with electronic waste in general, I have a couple of facts: four million toner cartridges are being consumed in Australia per year and 12 million ink cartridges. That is an awful lot consumed just in Australia. As such, it is rapidly becoming a waste management concern. There is a very high turnover rate at the moment with printers rapidly coming online, old ones becoming redundant. We all need the fanciest, newest, latest things for the huge printing volumes.

There are very few formal collection systems for electronic waste, although some items can be dropped off by the consumers. Many, however, are still disposed off to Landcare.

**CHAIR** - Including the computers that go with them.

**Ms ZWART** - That is right, exactly. I used to work with a council in Melbourne and we definitely used to get them in our wheelie bins - all sorts of strange things in there.

Computers and monitors, just to highlight them, can contain hazardous items. Lead, cadmium, mercury and hexavalent chromium - those are issues. Legislation on electronic waste and hazardous materials, the WEEE Directive, which is the waste electrical and electronic equipment directive from the European Union, and the restriction of hazardous substances directive are hopefully coming into force this year in Europe, and they are being seriously considered by other first world countries.

This will impact on us in Australia and Tasmania. We need to be careful that we do not become the dumping ground, if you like, for older, non-compliant technologies, where everyone else over there is saying, 'Let's go forth with these new technologies, with less hazardous things'. We do not want it all coming here, so we need to be on the ball there.

Back on to cartridges, there are a number of collection programs in place. However, they are based either on the mainland or they do get sent back overseas, which of course incurs transport costs. Many original equipment manufacturers - what we call OEMS - have recycling programs with reply paid envelopes, so you can send it back, often to an overseas address. It is uncertain, however, how much of this cartridge is reused, either in new cartridges or recycled into other plastic products. It is difficult to get information on this. One company does say they recycle some of the materials into new products within their lines and also into coat hangers. That is something.

Although preferable to disposal, recycling does still incur costs in transport, energy, water and wages, whereas reusing an item, especially locally, can hopefully reduce some of these environmental impacts. Once again, with the China incident, there is still a lot of recycling happening over there. There were more reports from mid-last year that it is still going on. So despite China trying to set in place legislation to ban the import of hazardous materials and things like that, I think it is very hard for them to control it.

The next point is on extended producer responsibility - I will just call that EPR from now on. Just quickly, New South Wales has a voluntary EPR in place within their Waste and Resource Recovery Act of 2001, Western Australia is looking into it and obviously the WEEE Directive encourages EPR.

The purpose of EPR is to shift responsibility for the item to the producer, away from municipalities, and to enhance post-consumer recovery rates. EPR can provide incentives to producers to incorporate environmental considerations in design, through identifying initiatives that decrease resource use and environmental impacts. EPR can also include product stewardship, which looks more at the whole life cycle of the product, from extraction of materials, manufacture, right through to post-disposal consequences. So the definitions we seem to have come up with are that EPR tends to be the manufacturer or the importer of the goods is responsible after use, and that product stewardship is that basically everybody along the way is responsible. EPR can be used in legislation for waste management, however whether to make it voluntary or mandatory I think still needs a lot more work. There are arguments for and against obviously for both.

One thing I will say which applies definitely for our industry is that allowing manufacturers sole control of their industry EPR can be detrimental. From reuse programs to innovative design for recycling and competition, basically manufacturers are out for their bottom line and that is understandable. That is what they are in business for.

At present the New South Wales EPR program encourages voluntary action by industries, however a lot of targeted items are still not being collected through that. Some of the programs are not proving very successful as consumers just have limited knowledge about what to do with it at end of line.

I have actually got my text of this presentation and various other little documents and submissions here that can be copied and passed around. Just quickly, Buying Green policies: company and government policies can encourage the purchase of green or environmentally preferable products; for example, products that contain recycled content, are recyclable themselves, have energy or water-efficient processes or in operation are more efficient. This in turn encourages recycling and promotes better waste management practices in the manufacturers.

Labelling systems: if you were to have a Buying Green policy then labelling makes it easier for decision makers. Labelling needs to be carefully monitored, of course, and the auditing process needs to be obvious and open to scrutiny. There are a number of ecolabels available both overseas and on the mainland.

Then finally on education. As you are all aware, with any need for long-term behavioural change, education is a crucial component, whether it is increasing recycling, reducing littering or reducing waste production. Schools and community groups working on reducing waste and increasing recycling require access to funding. Resources and funding for educational materials, bins and collection services, enforcement in the case of littering and dumping, things like that, there is at the moment a lack of funding for waste management. It can either be through a guaranteed amount to local government or other departments involved in waste education and waste management, or just through an application process for grants and things. It is a bit like Landcare I suppose. There might be a grant to help recycling in your community.

**Mr McCUSKER** - Thank you for the opportunity to talk to you. I will just give you a little bit of background on ACRA, which is a voluntary industry association that is Australasian-wide. We have members in Australia, New Zealand, Fiji as well as a scattering of members in other parts of the world. Eight of the nine active remanufacturers in Tasmania are members of ACRA.

**CHAIR** - I actually missed the full name when you gave it.

**Mr McCUSKER** - Australasian Cartridge Remanufacturers Association. That is basically what ACRA is. Tasmania has been particularly active in the association and the members here are particularly active and supportive of one another, so we use Tasmania quite often as a trial destination for things like our waste management policies and so on. I have some written submissions, copies of submissions we made to the WA Government on their extended producer responsibility discussion document. I also have copies of the ACRA submission on the EPHC discussion paper on coregulatory frameworks for product stewardship, so you are welcome to copies of all those as well. I

also have a copy of the WA paper in case you haven't got a copy of that. I presume you would have it because your minister is actually a member of that committee anyway.

**CHAIR** - Okay.

**Mr McCUSKER** - I have a few brief points to make here. Waste management and extended producer responsibility and product stewardship are issues which are receiving attention from State, national and international government organisations around the world. The pay-offs for applying well-designed and robust waste production and diversion schemes are well understood and the challenges are to develop and institute such schemes.

It should be recognised that waste management is an evolving process and any initiatives should make allowance for technological changes. The whole area is moving quite rapidly as is the technology on what we can do with our waste products, what we can recycle and then how we can recover the materials. So any scheme or system that you come up with or is in issue needs to be constantly under review in order to build in some ability and need for technological change.

The setting of measurable independently verifiable goals is a key element of any scheme, along with ensuring low compliance, low enforcement and low administration costs of course because nobody in business wants to pay any more costs than they have to. Any scheme that is developed should have low entry costs for people who are actually going to comply with that.

Infrastructure development incentives, as well as incentives for participation in both the reduction scheme and repurchase or recycled content products, may need to be instituted to promote involvement in the schemes. An essential component will be the ability to align the economic cost of a product with its true environmental and social costs. At the moment products can be considerably cheaper - artificially, if you like - than what their environmental impact and social costs can be and the long-term goal is to set that economic price at such a level that reflects the real economic and social costs of that product. As a quick example, Rowena mentioned a lot of printers going to landfill. We have the situation where ink cartridge and the budget ink printers are worth more than it costs you to buy a replacement printer, so we have a very artificial situation where a printer that is perfectly capable of operating is going to dump simply because the cartridge has run out of ink. So for the lack of 20 mls of ink you are throwing quite a bulky component item away - and that has contents such as lead, cadmium and all those sorts of things as well. That is a classic case of the actual cost not reflecting the environmental cost of a product.

The ability to move apparent impacts across State and national borders to avoid responsibility and any disincentives that may tie with the product should also be addressed. It is difficult in a small state with mobile products across borders and boundaries to ensure that things like Guiyu, in China, don't happen and Guiyu is not alone either. We believe there are examples of that also in Argentina and Afghanistan, as well as possibly in Pakistan where e-waste is being shipped and burned alongside water supplies. Any scheme you set up here should recognise that as the users you must accept responsibility for both the environmental damage of developing the resources that went into that device or product and the impact that is going to result from disposal of that product. Simply shipping it away to somebody else's neighbourhood doesn't really

absolve you of responsibility for the environmental impact that product has and the environmental impact of actually mining the aluminum, developing the ore solutions, ore products and so on will also have. It is possible to develop schemes that levy, if you like, those environmental costs locally to avoid that sort of situation.

The last point here, with well defined borders you have good geographical borders and an environmentally-aware population. Tasmania is in an ideal position to be at the leading edge in developing areas of e-waste management. The promotion of such things as innovation centres and educating and training of environmental specialists give the opportunity to produce tomorrow's schemes here.

You have the advantage in that you are not yet buried under waste so the chance to develop processes and schemes dealing with small quantities, sorting out the processes and schemes with the small quantities is tremendous and it is something that you are well placed to take advantage of; you can train tomorrow's environmental specialists.

**CHAIR** - Okay, a question to either of you, what is the solution in Tasmania? If we use your terminology - e-waste - and get it down to the micro level, somebody has a computer to dispose of, what should happen?

**Mr McCUSKER** - There are processes already developed with various degrees of success. It may be, at the present point in time, a collection of a printer or a computer. It may be a case of going to something like a sheltered workshop or supporting a sheltered workshop to dismantle it into recyclable components and sending those recyclable components to somebody who can reprocess them.

But the danger is that you stop there you can develop a local plastic vitro chemical plant here, you can develop comingled plastic extruders in Tasmania - these are all proven technologies already out there. You can put those in place or make sure your waste materials are going off to those sections. Part of the problem is collecting it and making sure it is collected and it is labour intensive to separate the products.

Another key element in that solution is to make sure you buy products which are able to be recycled. When you purchase a printer make sure that the cartridges are recyclable and designed to be easily recyclable so you can avoid generating e-waste. At the top of the hierarchy you can do the avoid as well as a reduce, as well as the reuse where it is possible; you can redirect 50 capable computers to centres that have not got access to them. They do not have to be state of the art computers to be used in the local public libraries throughout Tasmania or in kindergartens, primary schools or service organisations. All of these people can have access to this sort of technology as well through reuse and then recycle at the end of it.

**Ms ZWART** - The one thing I will say about that is you need to somehow get manufactures to contribute to the collection and sorting of their goods.

**Mr McCUSKER** - The cost should not be -

**CHAIR** - Well, that is somebody in Japan or China.

**Mr McCUSKER** - Well, you can levy your cost on the import or the sale of the items here as a waste levy basically to put against the cost of disposal and mitigation of environmental impact at the end of that product's life.

In Europe they are requiring manufacturers to take back products at the end of their life so it is up to the manufacturer to develop a collection process for each of their products. That has some advantages, it also has some disadvantages if the manufacturer goes out of business. Who collects its products then? So there is an overhead to build into that as well. The other disadvantage, as Rowena has mentioned, is that it is a competitive type of industry and if you allow the manufacturer to control the collection of the waste material you can actually shut out the reuse. As an example, if you collect all the toner cartridges, local OEMs collect all the toner cartridges, then they have a profit motive in actually crushing and recycling those cartridges without allowing them to be reused because they sell a new cartridge for every cartridge that is crushed. If it is reused it costs them a profit.

**CHAIR** - Do you think the general community out there is aware that they can have their toner cartridges refurbished? They do it here in the Parliament.

**Mr McCUSKER** - To a degree. We are working on that as well. We have a problem in trying to get that information and that education out there, particularly to the small end user. Major corporates and government departments are a smaller target group, if you like, so they are easier to hit -

**CHAIR** - Because the retailers would not have any incentive to give out any information, would they?

**Ms ZWART** - No, they don't.

**CHAIR** - They want to sell another one.

**Ms ZWART** - That is it.

**Mr STURGES** - I have a question that I think fits in with this because you did mention incentives for infrastructure and development. Have you any ideas that you can quickly throw up?

**Mr McCUSKER** - I have not looked at the practicality but if you had a -

**Mr STURGES** - Don't worry about practicalities.

*Laughter.*

**Mr McCUSKER** - Okay. A charge, for instance, on every toner cartridge levied as a sales tax of \$5 and it goes into a fund that can then assist in developing disposal technologies at the end of the chain. You can also use it to assist in collection processes for materials, basically to take it away from the rates. At the moment the customer pays for it in your waste collection process in collecting your wheelie bins, through your rates and so on. Charge the manufacturer, charge the importer, the source of the products, for the cost of that disposal rather than making them responsible for collecting it and disposing of it

themselves. Take basically ownership of that problem away from them because at the end of the day if he goes bust or he is not there, it is you that has to wear the cost, so levy it up front and use it to assist in reducing that cost. Something like a \$5 charge on a toner cartridge will raise the price of new toner cartridges out there which provides a little bit of an incentive to buy a remanufactured cartridge because if you are not putting that on the remanufactured cartridge you are already establishing a little price difference. You can also use that \$5 charge in a trust fund of some sort to help at the end of the line.

**CHAIR** - So it is a kind of extension to the container deposit idea?

**Mr McCUSKER** - Yes, it is very much that type of thing. That is the sort of thing you can introduce here and it does not matter if they collect the cartridges and move them out of the State, you are still leaving the charge within your borders. They cannot get around it. The only other way of getting around it is to actually smuggle the cartridges in and if you set the levy small enough, I am sure there is no real incentive to smuggle toner cartridges in and you have got a good geographical boundary to do that sort of control.

They are looking at the product stewardship agreement as a Commonwealth-wide one; they are looking at similar sorts of structures, I believe, over the whole of Australia. There are dangers in extended producer responsibility where you make the supplier take back everything because, as I say, they vanish at the end of the day and how do you recover that? At the end of the day you are left with the problem stock. Also, as I say, it ties up things like aligning the real economic cost of the product with its real social and environmental cost as well.

**CHAIR** - I notice the idea of Repeat Products in one of your attachments. Do you know the extent of this industry in Australia?

**Mr McCUSKER** - It is expanding quite rapidly. Repeat Products make classic park benches and things like that. They are selling quite a lot of the recycled product. To a degree it is limited to being able to sell the recycled product that you have made. They are, I believe, exporting to Hong Kong. They have made planks for jetties and all sorts of things. They are expanding quite rapidly. There is an infrastructure cost and there is also being able to sell the product when you have made it at the end of the chain.

Repeat Plastics is one of the companies. There are other people out there doing it as well. There is also vast scope for expansion.

**CHAIR** - Where are they based?

**Ms ZWART** - They are based in Melbourne but I know that there is an Adelaide company producing recycled plastic products with different applications. Some of it, for example, is on Mount Wellington, the new handrails and things that they have been developing. That is the Adelaide company. They are just a different shape. They are able to be curved around - less rigid.

**Mr McCUSKER** - An example that has been working for quite some time is co-mingled plastics, which is what we are talking about here. It is very difficult to separate the plastics out and reuse them in high-quality products so the scheme is a diversion scheme

rather than a true close in the loop because you are not putting them back into the original products; you are actually diverting them from landfill, which is a second-best alternative, if you like. In Europe they extensively use plastic pallets that have been extruded using comingled plastic. If you combined all the plastic that is thrown away in Tasmania - and I am not talking just about toner cartridges - you should have enough to support a local extruding industry in Tasmania. This is what I am talking about, setting up incentives for local centres and local centres of excellence. If you had enough volume to supply a company to extrude plastic pallets, for instance, in Tasmania, I am sure you can pack apples and your other exports into those plastic pallets and make very good use of what was waste.

**Mr McKIM** - Rowena, you mentioned EPR and the fact that there is voluntary EPR in New South Wales, and I think you also said there are pros and cons to both voluntary and mandatory EPR. Could you just expand on that a little bit and perhaps inform the committee how voluntary EPR has gone in New South Wales?

**Ms ZWART** - Okay. I must say the West Australian document lists all the voluntary systems that have been in place, but one which I was exposed to in Victoria was called Drum Muster, which you may have heard of, the collection of chemical containers. That is a voluntary program that that industry has established.

**CHAIR** - I think that operates in most States.

**Ms ZWART** - Sure, yes. So that is something that is actually reasonably successful. I am sure there are chemical containers that are not being collected through that, but people are aware of it and it does seem to be working with some success. In New South Wales I think there are tyre returns. There were a few different programs in place. Just as a negative against voluntary, we could talk about the National Packaging Covenant, where there has been, in my mind, very little success really. There is an awful lot of packaging wasted, going onto our roadsides and all over the place and into our landfill. With mandatory, I think you could end up with, say, smaller manufacturers becoming very negative about the whole thing. They may not be able to afford it, perhaps, or they certainly might argue that they cannot.

**Mr McCUSKER** - With mandatory, the biggest ones are the compliance costs, the enforcement costs, making people want to comply with it, essentially. If it is easier not to or if there are ways out of it then people will take them, so you really have to make it easier to comply.

**Mr McKIM** - Yes. Producers will at the end of the day build any costs into the price of their product, though, will they not, so at the end of the day consumers will pay for positive outcomes in terms of litter reduction and waste diversion. Would you agree with that statement?

**Mr McCUSKER** - There are economic savings to be made as well. When you look at manufacturers passing on costs for these sorts of things, there are financial incentives to actually producing products that use minimal packaging. It does not cost you as much to get packaging. There are also incentives to produce products that are easy to dismantle and recycle, and to reuse those components yourselves. The difficulty is in pushing manufacturers over that little hump into actually going down that path of considering

those factors when they design them. Toner cartridges are a classic example. New cartridges are coming out continuously, quite often with little variation from the previous version of cartridge except that it is more difficult to remanufacture. They may even include things like anti-recycling devices on the cartridge to make it more expensive to remanufacture.

**Mr McKIM** - Is that anticompetitive?

**Mr McCUSKER** - In my opinion, yes. You have a chip on a cartridge whose primary purpose is to make the cartridge unusable when it becomes empty and requires you to purchase another chip to actually remanufacture that cartridge. Not only must you purchase another chip, but you have the industry investing millions to develop a chip that does not infringe patent and copyright legislation, to put on a cartridge where it didn't need it in the first place is a major disincentive with major cost problems to sort out.

**Mr McKIM** - Have you asked the ACCC what they think about that?

**Mr McCUSKER** - At this point, toner cartridges, particularly for a specific printer, are not a market in themselves, so when they regard the market is for all imaging consumables. It could be said that pins and ballpoint pencils and all this sort of thing are in the same market, but because there are alternatives it is not anticompetitive. They may be shutting us out from remanufacturing a cartridge or making it difficult to remanufacture cartridges for a specific printer, but it is too narrow a definition of a market. Consumer law is another area we would like to see addressed at some point. Effectively the consumers are having their choices restricted. It is a fairly grey area in Australian law, I think.

**CHAIR** - Okay. Are there any more questions from around the table? If that is the case, thanks very much for your attendance. It has been extremely valuable.

**Mr McCUSKER** - I will leave you copies of our submissions on the WA one and the WA item there as well, and our submission to the EPHC, which the minister will probably have a copy of.

**CHAIR** - Thanks very much.

**Ms ZWART** - Any further queries, being a local person, I have included my business card. Please feel free to call me.

**Mr McCUSKER** - We are more than happy. I talked to the WA Government last week, I think it was. I was talking to a couple of people over in WA because they are having a convention in Perth in July and they are seriously looking at introducing EPR-type legislation. They do say that consensus is a pretty hard thing to reach in that area, so it will be interesting to see what comes out of that.

**CHAIR** - Thank you.

**THE WITNESSES WITHDREW.**

**Mr DAVID WEST**, BOOMERANG ALLIANCE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Mr West, for the purpose of *Hansard* could you give us your name, address and occupation, please?

**Mr WEST** - My name is David Spencer West, my occupation is Environmental Consultant working with the Boomerang Alliance which is a coalition of non-government organisations specialising in environmental advocacy and some 200 local government organisations around the country. I reside at 355A King Street, Newtown, New South Wales.

**CHAIR** - We have your submission from Boomerang Alliance and it is very interesting. I ask you to speak to us and then we will have some questions.

**Mr WEST** - Great. I have three key points that I want to highlight today, being some feedback and information about particularly the costs of CDL and EPR schemes and their impacts on kerbside recycling -

**CHAIR** - Please do.

**Mr WEST** - why we rattle on about doing something about packaging and beverage containers as a first point of action and in the third point particularly, because I think it is important to Tasmania, what sort of economic and regional opportunities come out of moving down an EPR path. Rather than make a speech, if it is okay I would rather spend a couple of minutes on each of those points then open up for some questions because it will keep us a little more on track.

**CHAIR** - Please do.

**Mr WEST** - I will start off with the costs and impacts on kerbside. Criticising both sides of the debate around things like container deposit systems and EPR, I think it is important to stress firstly that the cost of any EPR system is nothing more or less than what the Government decides is appropriate.

One of the things that is a mistake is that a lot of the analyses that are done are based on a predetermined idea of what a deposit, a handling fee or a system should look like and that results in a lot of rebuttal and advocacy for a particularly predefined system. One of the documents we submitted to you was colloquially known as the BEAR Report. I will hand out copies of the summary while I talk about it, to save you trying to go back to the other document.

**CHAIR** - Sure, thank you.

**Mr WEST** - The Businesses and Environmentalists Allied for Recycling (BEAR) Report is particularly looking at CDL and I would draw people's attention to page ES7. It is quite fascinating to have a look at the CDL systems and how they sit in parallel with kerbside, but most particularly I would like to draw your attention to what is called the CA redemption system, which is the fourth line down.

California, some 30 years ago, built a system that was particularly designed to sit in parallel with kerbside and to complement the kerbside system. The most interesting thing is that when you look at the Californian system - and it certainly is not the best recovery rate and California has decided not to get the best recovery rate; they tried to get the most opportunistic recovery rate out of their system - the net cost impact of running CDL is actually negative 0.42 cents per container and the reason for it is that they have made it quite a simple system. They do not go down the path of, say, South Australia and try to identify beverage containers by brand and that means they do not have a really technical need to prove things and then they use the unredeemed deposits - in other words, the products that consumers decide to dump outside the container deposit system and not get their value back - to channel money back into the kerbside recycling system and prop kerbside up.

California these days runs at a point where I think it is US\$30 million a year that is channelled back into their kerbside system and their kerbside system's cost to a ratepayer now is around \$70 million a year. Bear in mind that is a state that has 38 million people, so twice the size of Australia, running at a fraction of our kerbside cost.

Particularly in terms of looking at the costs I would like to do some very simple comparisons of South Australia's and Tasmania's current situation. It is not that I am saying South Australia is the system you should model but rather than deal with economics, just practical commonsense-type analysis. The data that I am using is based on the zone waste club report that we put in that has comparative figures on collection and costs from State to State in Australia.

In South Australia around 15 per cent of their CDL material is retained in the kerbside system, so that is the things that have a deposit attached to them, which is roughly about 50 per cent of what the rest of Australia has. Typically we get about 30 per cent of beverage containers returned through kerbside. It is interesting when people say it is going to kill kerbside because that means that the kerbside collector, instead of earning about a tenth of one cent from what they get to sell materials, gets 2.5 cents for every container they return and that is reflected in the costs in that - and I will just make sure that I have this right because I am going to tell the truth and the whole truth - in South Australia 94 per cent of the population has access to their kerbside system. That compares to 85 per cent of the population in Tasmania, based on the data that was reported for 2002-03, so roughly 10 per cent more of the population have access to the system.

South Australia's kerbside system collects roughly three times more material than the Tasmanian system. Their population is about double so their collection volume as well as their access is higher. The cost of the kerbside system in South Australia is \$15.39 per home and the cost in Tasmania is \$25 per home. I can get into the economics but I think in simple basic numbers we have a system that sits in parallel and collects roughly twice as much material per home, it has a 10 per cent extension in the number of homes that can access the system and it costs 40 per cent less.

I come back to that in saying what this will cost, how this will impact on kerbside is how you decide to set the system up. One of the reasons CDL is criticised by industry is that in a number of nations in northern Europe they have chosen to set the deposit so high

because they want to cap consumption. They are fairly left governments but at the best of their nature they have decided their needs to be an ultimate cap on consumption and in a nation like the Netherlands now their deposit is half a Euro, and I think that is about 30 cents in Australia today. They are doing that because they want to discourage people from moving down the single-serve consumption bar. I am not going to recommend that Tasmania does that but I think it is very important to recognise that the cost and the impact on kerbside is purely based on where you decide to set a deposit and a handling fee based on the environmental outcomes that you are looking for.

Just to add to the analysis in terms of how CDL does or doesn't sit with kerbside, of the over 30 states and territories that have a container deposit-type system, every single one of them runs some form of kerbside service, and that includes all 11 states and territories that operate kerbside in the United States.

At least 10 nations or states introduced CDL on top of an existing kerbside system. In no instance was the kerbside system scrapped, other than some places where they deliberately decided to wind it back where it was being done for remote homes because it was costing \$150 to \$250 per home to service. Some of the places that have introduced CDL on top of their kerbside systems include British Columbia, Israel, Hawaii, New York and California so we are certainly not talking third world or radical lefty cultures in terms of how they are going.

**Mr McKIM** - Except for California.

*Laughter.*

**Mr WEST** - I do not know how you define California from a socio-political perspective. The Director of Conservation was over last year and he said they were the most annoying people on the earth.

I will stop there on costs and impacts and then ask if there are any questions you might have about costs, impacts, or how they fit together.

**Mr HALL** - Just one question I had, Mr West. When you are doing the comparison with South Australia, let me put it to you that it is probably the most centralised state in Australia. Over one million people live in Adelaide and probably the other 200 000 or 300 000 live outside, so therefore you probably have some pretty good economics of scale which probably reflect on some of those comparative figures you have here in Tasmania because we are essentially a very decentralised state.

**Mr WEST** - You are dead right. They are a fairly centralised state, as are a number of other states. Having said that they also do have the highest proportion, excepting the Northern Territory, of straight rural communities and at a cost of \$15 a home they are running kerbside to nearly every one of those remote communities, a situation that the Northern Territory, and I am sure parts of Tasmania, would love to be able to even consider. You are right, 80 per cent of the population is in one city but 20 per cent of the population is in straight out rural, which is a very high proportion compared to the rest of Australia - and very remote. They are thousands of kilometres from the nearest landfill but they still manage to run that at an average of \$15.

The numbers I am quoting in terms of collection are what is collected by kerbside, not by kerbside and CDL. Put CDL in and the numbers come up. I do not know how you put my gesticulation into a transcript but put CDL in and the high level of performance goes through the roof.

**Mr McKIM** - Mr West, because we are talking about some state-based CDL, are you aware of any potential constitutional barriers? Do you know if the Federal Government has given an indication about what it thinks about States or Territories introducing State or Territory CDLs.

**Mr WEST** - I have a sneaky suspicion you might have seen some of the announcements in media recently to ask that question, but it is a good one. Minister Campbell actually commented on this in the Northern Territory at the HPHC meeting on Friday last and specifically made an announcement on ABC Radio. If you do not have the transcript I can forward it to you but he specifically stated that there was no barrier to the Northern Territory introducing CDL in its own right, so there is no opposition. In fact he is in dialogue about testing CDL in part of the Northern Territory. He also particularly commented that there was no barrier around the national packaging covenant that stops a state from acting in its own right.

**CHAIR** - We wondered that because in more than one spot in our collective submissions there is a reference to the Mutual Recognition Act followed by comments along the lines that future CDL introduction requires a national approach.

**Mr WEST** - I wouldn't dispute that a national approach has distinct advantages in terms of cost efficiencies and those sorts of things, without any question at all.

**CHAIR** - But what you are saying is as far as you know there is no legal requirement?

**Mr WEST** - Lion Nathan, which was Tooheys and SA Brewing at the time, specifically challenged the South Australian CDL act under constitutional and mutual recognition issues and went down - and that precedent is available. I can forward it or you can find it yourself - it was some 15 years ago. The Environmental Defender's office in New South Wales did a particular piece of research to us about whether there was an impediment to that, and the answer was no, so long as you are introducing a scheme to achieve an environmental outcome and the funding is there. The controversy is about when a government introduces a levy or a fee-based system that goes to central tax. It is without question a breach of the Mutual Recognition Act for a State to introduce something that impacts on trade that is going into general government income, but the act specifically states that acting in the public interest, public health, public safety or environment are acceptable.

**Mr McKIM** - So, just to be clear, you are suggesting that, if revenues were quarantined from Consolidated Revenue, to the best of your knowledge given those things you have just mentioned, they would be not in breach of any constitution or the act.

**Mr WEST** - My word, yes. A State has every right to act to protect its environment. It does not have a right to do that to increase Consolidated Revenue. And I would suggest that the New South Wales and Victorian initiatives to look at multi-state greenhouse emission

trading schemes are further evidence that, as long as it is for an environmental outcome, that impediment does not exist.

**CHAIR** - That is interesting, because it might mean that comments being made to the alternative amount to a bit of a cop-out by the people making them.

**Mr WEST** - My word. I do not think there is any question at all that for anyone in political office you need to say what do I have certainty about and what do I need to test, and with the exception of South Australia it has not been tested. We congratulate and welcome Minister Campbell's providing some clarity with public statements around that recently. I think that is a real game-changer as opposed to a straight legal position of what you can and cannot do. No one likes to go to court.

**Mrs SMITH** - If we could just clarify, you made the comment, I believe, that the test case was 15 years ago.

**Mr WEST** - I believe so.

**Mrs SMITH** - Your information in your submission is the Mutual Recognition Act of 1992.

**Mr WEST** - Yes, because the case started around constitutional points, because there is the Tax Act, there are the tax provisions in it.

**Mrs SMITH** - Okay. So it started on a different act, not the Mutual Recognition Act?

**Mr WEST** - Yes. Fair comment.

**Mrs SMITH** - Okay.

**CHAIR** - Keep going, please.

**Mr WEST** - On to the second one. Why did we pick packaging and CDL? It is not rocket science. We have real concerns that as States and Territories move into waste reform and look at different forms of producer responsibility and take-back in specific industry schemes, there is a real danger of it becoming a very expensive exercise. Commonly identified problem wastes proliferate and include computers, white goods, chemicals and pesticide containers, mobile phones, paint cans, batteries, tyres, end-of-life vehicles and, of course, packaging. Certainly dealing with computers, mobiles and those sorts of things is critically important, and we are not suggesting governments should not act, but we think it is very important to consider that if you start with, say, computers or mobile phones and work on these things one at a time you start to double, triple, quadruple the infrastructure for the collection. You have a computer collection point, you have a mobile collection point. They are different because they are different points of sale et cetera. That can lead to a very expensive system, so I guess we would suggest that the first thing that really needs to be considered is what can you take on that can create an infrastructure that is appropriate for almost any point of collection, and we would argue that packaging is probably the most persistent and pervasive of the wastes of concern in that every Australian handles at least 10 pieces of packaging every day. So if you set up an infrastructure around packaging, it is going to be everywhere. It is going to be set up so that it is based on being accessible to the community and the public rather than what is

accessible to a computer store or a mobile phone store. Does that make sense? Do you get what I mean by that?

**CHAIR** - Yes.

**Mr WEST** - At a second level we are also very concerned that when you introduce these sorts of schemes you need to work on how you develop the habits of the consumer.

I am a little mystified how, if I get rid of my computer every two or three years or my mobile every 12 to 18 months, I am going to develop an effective habit and an awareness that I have to take this back. I think it is highly likely, given people are even concerned about kerbside already, that they are going to put that in the bin. So I guess we are suggesting that by starting with packaging - something someone has to deal with every day - we start to develop that habit and that awareness of how you actually put a system in place, what you need to do, what sort of behaviour is expected of people.

Once again I will refer back to California which used CDL to lead into a program of going into other things. Following on the back of their CDL scheme they have introduced take-back programs for computers, mobile phones, tyres and cars because firstly, they have the infrastructure in place and, secondly, the public knows what to do with waste when it cannot go into the kerbside system.

I guess we are saying that packaging plays the same role around EPR and take-back systems or addressing away-from-home recycling as newsprint effectively played in developing kerbside recycling. I will take any questions.

**CHAIR** - So how extensive is this practice in California?

**Mr WEST** - Well, in California the redemption system is a negative cost. Once again I will go back to that table. It is a fairly simple, basic system; they have effectively set up what is known as a hub-and-spokes system so they have a collection centre which they call old line recyclers, the buzz word of their system. At their depots, where you drive in and unpack your goods and that contains beverage containers, they also collect recyclables for other things. Then they run what they call a convenience zone recycler, which is an automated reverse vending machine system that is not put in retail because they think it is intrusive to take back into retail; it is generally placed in a car park and I presume that is a stand alone, unmanned business where people put their cans and bottles and common goods.

**CHAIR** - So I am a Californian, I have a mobile phone that I have just replaced, what is the incentive to stop me throwing the old one in the bin?

**Mr WEST** - On the mobile phone front, there is not an incentive - they have found they do not need one to get the recovery. It is either traded in if you go to another one or if you do not you drop it to the collection centre - the average Californian to the collection centre at some point in time. Again, they have developed the habit - it is convenient, it is easy.

I think California's advantage was that they did not try to do rocket science. They asked, 'How do we do something that makes sense? How do we build something that has

impacts across a range of areas?' California has now gone so far as to have started a bicycle deposit scheme. I must say the Director thought that was a bit ridiculous; it was just that the legislature gets kind of bolshy about what they can or cannot introduce. They have a range of programs that all feed into the existing infrastructure and that is the point - it is easy to act and act with certainty.

**Mr STURGES** - You have this one size fits all, the heart of the spokes system. Are there any levies applying to the system?

**Mr WEST** - Well, I would say there is one size fits most rather than necessarily all. When you move into end-of-life vehicles you definitely have to have a different system because it is a much more complicated process. It is one size fits most.

**Mr STURGES** - And I also acknowledge the fact that it is convenient, it is accessible -

**Mr WEST** - Exactly.

**Mr STURGES** - I am now looking at the running costs.

**Mr WEST** - California overall favours deposit return schemes rather than levies. California tends to the view that most of these acts are largely self-funding, though they do have grants programs attached to their deposit administration that are meant to stimulate end markets. I will talk a little about that when I move into economic opportunity. They do directly provide funding for the old line recyclers or the hubs out of the CDL scheme. The administration fee covers a baseline cost for that central collection centre, if you get what I am saying.

**Mr STURGES** - Yes, I understand.

**Mr WEST** - We are talking about a state which is politically ultraconservative in the ultimate free market. They are certainly not a state that favours using taxes and levies to underpin economic activity.

**CHAIR** - Is the deposit paid at the retail end?

**Mr WEST** - No, in California the deposit is paid at the point of production. It is 4 cents for a convenience under 24 ounce - I have to use the American data because that is how it is based - and 8 cents for a big container. The deposit is somewhat irrelevant, to be perfectly honest. The difference between that and the South Australian scheme, which is best known, is that the money is immediately placed into a central fund. Any business that has a cash flow issue can actually ask for a three-month extension before they put in the money because they don't want it to be inflationary.

When a retailer redeems a token out of the reverse vending machine they get a certificate that they redeem next time they are shopping so they can either get cash or an offset against their shopping bill, which conveniences shoppers because they actually stimulate more retail activity - they have their little token and they have to go into the shop anyway -

**Mr STURGES** - Puts a new slant on the rewards scheme.

**Mr WEST** - Yes, it does a little, doesn't it? Then the retailer redeems the token and passes that back to a central system. It is administered by the Department of Conservation rather than self-administered and the department has a very light administration around the scheme but it then moves into a lot of second-line activities that help stimulate further outcomes.

**Mr HALL** - Mr West, are you going to speak about EPR or the time frame there - are you going to talk about that in your submission now?

**Mr WEST** - We see EPR and CDL as being exactly the same point. Our stress is CDL is the pointy end of a broader EPR phase and how you actually build them or do not build them is there. Certainly I would like to touch quickly on the issue of economic opportunity.

**Mr HALL** - I have a question on EPR. I notice in your submission it makes producers responsible for post-consumer waste. Consumers should pay the true cost of the containers they use. This could be built in to the purchase price. Could I just suggest to you - perhaps as I wear another hat as a producer of agricultural commodities - that it is very difficult, or virtually impossible for a producer to control the end price. If you look at the major chain of Woolworths and Coles, they take 80 per cent of the fresh food and vegetables in Australia now. There is no capacity for a producer, I can tell you, to control any end prices.

**Mr WEST** - No, but one of the reasons why there aren't EPR schemes around agriculture is that it is very subject to market forces. If everybody is paying the same rate and it is embedded in the price it will move through the supply chain. In fact it is exactly the same economic theory as the introduction of the GST. Do you have an indirect tax base or a direct tax base? Do you want to put it over here and everybody pays a little bit or do you want it to be directly based on consumption? I think a very basic point of economics in relation to what you do with EPR is whether you want an indirect tax base through rate paying or you want to actually see the consumers that consume a lot pay their relative value or not. Your most obvious example of this is what do tourists and renters in Tasmania contribute towards the cost of waste in Tasmania and the answer to that is nothing because they are not ratepayers.

**Mrs SMITH** - Did you say tourists and renters?

**Mr WEST** - Yes.

**Mrs SMITH** - Would you not expect if I had a property to rent I would cost all of my costs, including insurances, rates, et cetera, into the rental that the renter would pay and thus ensure they are making a contribution?

**Mr WEST** - I understand the premise of it but I own three homes that I rent out in coastal New South Wales and I do not actually cost them out. I say, 'What can I get?' based on the market. In at least three States in Australia - and I do not know whether the rest of them do or do not - they have changed the rental tenancy act to allow landlords to recoup water charges because it was found that they were not actually reflected in their home. If home number one has one person in it and consumes a small amount of waste, and home

number three has 14 uni students and a huge amount of waste, again that measure doesn't change.

**Mrs SMITH** - And the changes to that water act, was that for total water or for excess water to -

**Mr WEST** - Some States have excess water charges. New South Wales now has charges for all water, so it is passed on. I think it is the same principle. Yes, it is part of the cost equation but it doesn't really get reflected in what it does or doesn't do because that is based on supply and quite often we have oversupply of rental properties in any town or city in Australia.

I understand I am struggling for time. I would like to table this document and there is only a single copy of it. It is a paper we did about business opportunities around EPR.

**CHAIR** - Please do.

**Mr WEST** - I'd like to speak for 30 seconds, if I can, on California. The most remarkable thing about the Californian system is that they use part of their unredeemed deposits to underpin markets for quality goods. At the moment what they are underpinning is glass recovery. They actually provide a rebate for clean glass. What that has resulted in is that California absolutely dominates business opportunities in the production of glass and bottles, in development of new small-line aluminium things such as aluminium bats and aluminium can openers and those sorts of things. They have done that through their EPR system. They can guarantee the feed stock of a clean, reliable, consistent source of materials and they now absolutely dominate the production markets in areas of plastics, glass and aluminium, even though they don't have the raw materials extraction that the rest of the country does. I believe that is an enormous opportunity for Tasmania.

In South Australia they found that they actually get a premium on every tonne of glass that they collect. Other States aggressively pursue South Australian glass because it is a clean, reliable source of stock and I think that is particularly important in a regional economy like Tasmania.

**Mr McKIM** - You have spoken about other parts of the world that have introduced container deposit legislation. Tasmania has a population of just under 500 000, so do you have any idea about whether we are a big enough State to fund or to offer -

**Mr WEST** - A very interesting question, particularly if you view container deposits as the first step in a suite of action. The Northern Territory has done an enormous amount of work around container deposits, particularly for their State. I think they might be a slightly smaller State but they certainly have the critical mass for doing it. Nova Scotia, while populous, typically has centres that are quite small yet have had a lot of success. There are similar experiences in Israel. While it might be a big nation it has a lot of small country towns and their infrastructure is working on a small population basis. I think it is very important that you characterise a system by what is around the system. I have no doubt it is impacted to some degree because of the remote location and the need to ship when you don't have reprocessing facilities and things. In Tasmania I think the business case for CDL is escalated if the price breaks and handling fees and so on are set low.

**Mr McKIM** - I think I have understood you to say that you would regard CDL as a form or a part of EPR?

**Mr WEST** - My word.

**Mr McKIM** - And also it is potentially a first step and quite a sensible first step into the introduction of a broader EPR system?

**Mr WEST** - Without question, and some of the best systems work in parallel. Japan has been doing great guns in the last five to 10 years. It introduced a packaging audit built an aspect of container desposits off that and is now the first nation that is tackling in real, meaningful ways things like end-of-life vehicles and computers, without a murmur of industry opposition. In fact, Toyota are on record as saying that end-of-life vehicles, as characterised in Toyota, has made them billions. That sentiment is being reflected elsewhere. Look at the countries that have embraced it. The Canadian auto industry looked like it was out of business five years ago. The Canadian auto workers are working with the government to do an end-of-life vehicle program there because they believe the reuse of parts issue, developed out of an end-of-life vehicle program, is the only way to save the auto industry. I would suggest, based on what is happening with the likes of Mitsubishi in Australia, it is way overdue for us to consider a similar opportunity for the Australian auto industry.

**Mr McKIM** - You focused on a number of aspects, but you have not focused on litter reduction at all and CDL's effect on that. Can you give us a quick 30-second précis on how you think CDL or even a broader scheme might impact on litter?

**Mr WEST** - It is a critical process, particularly when eco and wilderness tourism are a substantial part of the economy, like they are in Tasmania. It is the overwhelming driver of the push for container deposit systems in the Northern Territory and is what really merits the advantage in the Territory. I suspect there is a similar driver in Tasmania in that litter is important. Broken glass in summer is an enormous cause of bushfire. On average up to 10 per cent but as much as 60 per cent of platypus populations are affected by ring tabs and broken glass in the bottoms of rivers and creeks. I can guarantee you that if you have an international tourist walking around in the bottom of a creek or a river in Tassie and they step on a broken bottle in a wilderness area, when they go home none of their friends will come. In fact, See Australia, the domestic tourist program, rates the importance of dealing with litter and the aesthetics that it produces around outdoor areas as one of the critical drivers in encouraging tourism.

Thank you for your time. The other document I will hand out, which is more for information, is a summary of a news poll survey just to give you some feedback on some of the community perceptions and desires around further action. I will table the extended-producer opportunity. If the committee would like copies of this document for members I can forward further copies.

**CHAIR** - Thanks very much. That has been very valuable. Thanks for your attendance.

### **THE WITNESS WITHDREW**

**Ms LYNETTE GAIL FORSTER WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.**

**CHAIR** - Thanks for coming, Ms Forster. For the purposes of *Hansard*, would you please state your name, address and occupation.

**Ms FORSTER** - My name is Lynette Gail Forster. My address is 17 King Street, Sandy Bay. I am a postgraduate student at the University of Tasmania, and a resident in communities who are experiencing waste issues.

**CHAIR** - Thank you. We might ask you, as with other witnesses, to speak to your submission and then there will be some questions.

**Ms FORSTER** - Okay then. First I have to apologise. You probably thought I was quite illiterate, having reread some of the submission I put forward. It probably indicates, as I am not employed in that area, how difficult it is for people in the community to put together ideas so quickly for things like this, so I have mainly come along today to give views from the community about ways forward with waste management. I was mainly going to say that waste actually provides a really exciting opportunity to be seen in a different light, no longer as a problem. It is time that we saw it as a resource. I know you have had many presentations on extended producer responsibility and things like that, so things are moving in the right direction. We need to focus much less on the waste of an end-product and more on being innovative. We can boost the economy in all sorts of sectors: education through innovative programs that focus on product redesign, engineering of materials which are recyclable, things like that. That creates people who are able to be employed in those areas locally so there is a spin-off there. The economy benefits in that it has a place to compete. At the moment we have had a lot of voluntary agreements to try to move products into a direction where there is less waste produced but, as we can see, they have had limited results and they have probably gone as far as they are going to go without some strong political leadership to really insist that these are the standards that we expect, and a government needs to be quite strong about that. It has fallen on consumers for too long.

I am sure you have seen these little booklets put out by the Federal Government. They outline the importance of everything anyone would ever say about extended producer responsibility, a sustainable future. Everyone needs to be aware of it. That is where the Government is coming from but at the end it says when you buy a product, you as a consumer are a responsible person. You need to inquire about each product, how that product was produced, was it produced sustainably, how much waste was produced et cetera, and from that evaluation decide whether you will buy this product or that product. That is a huge job for an individual to do and I do not know that any of us would do it, so all the time it is being put on the consumer at the end of the line.

I think it would be really valuable for this Government to progress a very good labelling scheme. I suggest something stronger than in Germany where it is simply a green dot but something which has a numbering system. We are seeing a multitude of them for water ratings and now for cars - for fuel consumption. A labelling scheme with a body set up to assess products under that would help consumers. I would suggest that such a scheme would be worth it because it would help consumers, it could be used as a means

of providing incentives for producers to have a higher rating, especially if it is tied to a decrease in profit tax - I think I said that wrongly in my submission so forgive me - if they rate highly and perhaps a high resource tax if they have a poor rating and it would help the state of the environment reporting. So the labelling scheme could be useful across a whole lot of areas.

I think the Government should decide where that initiative should come from and at what scale it should be implemented.

**CHAIR** - Are you tabling those copies?

**Ms FORSTER** - Yes, I have enough copies for each of you. They are meant for you as consumers but you will find your task onerous if you read them.

In your terms of reference you also talk about the container deposit legislation. If a fund of money is needed to get initiatives in education off the ground to encourage industry to recycle more products, et cetera, container deposit legislation or a levy on waste that goes to landfill is a useful interim measure but I hesitate to say that is a strongly good idea because I think that it will be such a huge system to implement that you could lose sight of an overall far-reaching waste management strategy. You might get as far as implementing that and then the wind will be out of everyone's sails, having finally got it off the ground. We will forget about the fact that this is only dealing with end-of-pipe consumers returning some containers back to the manufacturers. It will not cover every item that is currently waste. It will not have an impact on that so it very strongly needs to be tied to a much stronger program and done so in the eyes of the public as well so that the public do not feel that if they return their containers the waste problem is solved.

We really need to be in control of waste management and look at its production, that is the simple fact. We have tried voluntary agreements and we have the cleaner production et cetera and, as I said before, they have probably gone as far as they can without putting everyone on a level playing field and saying, 'Okay, we phase out any waste to landfill by such and such and really look at the residuals and what can be done with those'. There is an example of regional low environmental impact on recycling which can occur, such as the system which is now in EWT in Perth, which is for a population not too dissimilar to southern Tasmania. It composts a lot of waste; there is a high temperature compost. You do not just think of your back garden composting, it can do plastics as well, and you get two types of waste: you get the dirty compost which is useful for packing landfills - and I do not know what you use it for after that - and then you can get clean compost which is used for agriculture.

I was going to make a point too that if you look in a rubbish bin, you will find that 51 per cent of the waste is all compostible. It is organics and it is green waste, and it is slightly higher if you add in the dirty paper. Why on earth dirty paper is seen as a problem - because it cannot be recycled as clean paper does not mean to say that you cannot deal with it and there are people, you probably have had presentations from them, such as the Solar First people who are willing to devise appropriate composting systems for any type of waste stream. There is almost no excuse not to produce 51 per cent of waste immediately and reuse that product to benefit agriculture - because it is available locally, there are lower transport costs to what they might be incurring - for rejuvenating agricultural soils and things like that.

I am sure you have heard all of these things before but still even the simple solutions have not been implemented, the logical, sensible ones that seem fairly accessible, and I think it is time that we took a strong direction and gave a commitment to something like zero waste. The reason I propose that, even though I am immediately aware of people saying that that is unachievable, is that I think that as an aspirational comment it is the only one that will lead us there. While ever we say, 'Well, let's just reduce waste' we will just try to tinker with a little bit less here and a little bit less there and returning a few more cans and things but once you have the zero waste you really are looking at the producers of waste, the manufacturers, not in a negative way but in a constructive way, providing funding to help them move towards closing the loop for the benefit of everyone.

I would strong urge, as an aspirational goal, that zero waste is the only way forward. It is not unusual. Many places have it. Australia was one of the first to introduce it, as many people have probably said before me. I wanted to say also that in Nova Scotia and in places where people are prepared to get involved with waste they have been able to dramatically reduce waste.

Out there even in Hobart, in Tasmania, there are a body of people who, believe it or not, love to get their hands dirty with waste, who love to go and help and be practically involved, at the community level, at their local tips diverting waste, working out ways of backloading it. There is all sorts of support as long as a mechanism is available for it to be returned somewhere.

The community support for the removal of waste is very strong and does not have to be a burden to be carried by government, and it should not remain, as it is, a burden for councils at the end of the line to have to take responsibility for. I think strong leadership by government in heading us in a new direction is essential.

**CHAIR** - Thanks, Ms Forster. Have you, incidentally, had a look at any of the composting systems in other States?

**Ms FORSTER** - I have not had the opportunity to travel interstate, no. I have spoken to other people who have and I would probably recommend it would be a worthwhile thing for someone to do.

**CHAIR** - I just wondered because I had the opportunity last year of looking at one system; I think it was the Southern Metropolitan Regional Council system in Perth, Western Australia. I got the impression that it is still very experimental. They are still having lots of trouble producing compost that is acceptable to the market in terms of what it contains. They really just haven't developed a market as yet. They are persevering but I just got the impression that it was very early days.

**Ms FORSTER** - I agree that it is experimental on that scale, which any new technology naturally will be, but I think we have some of the best composting experts in Tasmania. You give them a waste stream and they will devise the techniques which will work in this climate to deal with that.

**CHAIR** - So what you are saying is that it is something that ought to be persevered with.

**Ms FORSTER** - Yes, and in interim phase we do have landfill with dirty compost which wouldn't be acceptable by certain standards to be reused there or otherwise. We do still have tips which, even if you closed them tomorrow, need to be capped. So we have that interim phase while we are working through that, though that shouldn't be a problem -

**CHAIR** - There would be a lot of rubbish around if we closed them all tomorrow.

**Ms FORSTER** - There would be and I am not suggesting that. It has to be a well-thought-out strategy but we really have to head towards those goals.

There is one last statement I wish to make. I haven't touched much on hazardous waste, but there are many techniques, apart from incineration, which can be used. I would urge any strategy not to include incineration. I am requesting that now because we have no proposal at the moment and I wouldn't like to cause grief with the company. I have no hidden agenda with any company or anything like that but I just don't think incineration is an acceptable treatment. It was at the bottom of the hierarchy, anyway. I suggest that we remove it and see what strategy we can evolve. As politicians, you are quite capable of reinvoking incineration as a strategy if you want to -

**CHAIR** - Tasmania's hazardous waste at the moment is just buried.

**Ms FORSTER** - I think there would be worse problems. The energy recovery is very low. We haven't got the volumes and it does chain-waste into a certain quantity being required for 20 years to make it viable, which works against any reduction of waste-enclosing loops and that sort of thing. I just think it is time that we understood. We do have a precautionary principle in our legislation that we actually do invoke in this situation where there is doubt. I see more than a doubt; I see evidence from the other side to suggest that perhaps it is not the right thing for Tasmania when it is specifically pushing a clean green image for agriculture and exports. We have Japan looking at what we are doing. I think we just don't need it and I think we will come up with many more innovative reuse schemes involving the community - resource recovery parks and things like that - if we had to solve it in another way. It is surprising how creative the community is out there.

**CHAIR** - Thanks very much. Any other questions around the table?

**Mr McKIM** - You have spoken a bit about composting. One of the problems with composting is the potential contamination of compostable material with other non-compostable material. Nova Scotia have a system where they actually collect compost from domestic residences - I think it is either once a week or once a fortnight - and that is funded out of their CDL scheme, for what it is worth. Do you think that is something that we ought to consider, because that gets the contaminants out of the way at the source rather than having to remove them later and the resultant contamination issues that flow on from that?

**Ms FORSTER** - Absolutely. We don't have to look very far afield. Huon and Kingston councils, for example - and they are not the only ones - collect organics once a fortnight. You have an extra bin and over a fortnight you can imagine what the bin might be like, but they have designed an aerator insert so that the smell tends to come from anaerobic

breakdown. This insert allows an airflow and it seems to work fine. They alternate; one fortnight they collect the crate of glass, cans and things like that and the other fortnight they collect the organic materials. That would be a huge difference, because waste is only waste once you mix it together. Once you throw it all into one bin it becomes waste and is difficult to separate, you have lost it. Keep it separate and it is a resource.

You really have to wonder why we allow certain unrecycled materials to continue being used, like margarine and yoghurt containers. They are coded but they are not recycled, so we allow them to be used knowing that they will end up on landfill. We have simply to require recyclable containers. Some Tasmanian yoghurt manufacturers already use them, I have noticed. They use the HDPE, like milk cartons, so that at least their products can be recycled. We have only to require that standard and we will start to eliminate a lot more waste. They are simple things, and consumers want those choices. They do not like the fact that every time they buy margarine it is in a non-recyclable container, and there is a misconception that just because it is coded it is recyclable so it must be all right to buy.

**CHAIR** - Are you telling me that when I put my margarine containers in my recycle bin that they end up in landfill?

**Ms FORSTER** - You mean the flimsy -

**CHAIR** - Yes. And the yoghurt containers. They are all collected in Hobart by the recyclers.

**Ms FORSTER** - I was told that they were not collected, because they were left behind when I left them out and I had a note saying that they do not collect them. They put a green sticker on the bin.

**CHAIR** - In Hobart I put them out every time and they are taken.

**Mr WEST** - Mr Chairman, out of session just for your own benefit, if you put your margarine containers in and there are more than two in a 40-litre bin, you contaminate your recycler to the point that the entire load goes to landfill at the other end. It is a common mistake that every day Australians quite often get caught with.

**CHAIR** - Thank you. That is something I will follow up.

**Ms FORSTER** - And just because something is recyclable, it does not mean to say that you get it back again. You get it back downgraded, so the plastics that are recycled do not come back again with your yoghurt or milk. You will not get them back in the milk bottle ever again. They will be a plant pot container or another garbage bin.

**CHAIR** - Sure, I realise that.

**Ms FORSTER** - But there is no reason for that either. It is our hesitance to accept the black plastic which is the product of recycling plastics, and if we wanted to accept black containers with nice paper labelling or something like that, then we would be able to get it back again. So it is part of society's acceptance and what people are willing to try.

People would take more risks once there is a requirement to meet a certain standard, but often the Government needs to set that.

**CHAIR** - Okay. Thank you for your attendance, and in particular for the *Shop Smart, Buy Green* books.

**Ms FORSTER** - You're welcome. Thank you very much.

**THE WITNESS WITHDREW**

**MS JO CARSWELL, STATE CO-ORDINATOR, CLEAN UP AUSTRALIA DAY WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.**

**CHAIR** - Thank you. For the purposes of *Hansard*, Ms Carswell, would you state your name, address and occupation please?

**Ms CARSWELL** - My name is Josephine Carswell. I live at 10 Broom Street, Primrose Sands, Tasmania. I am currently unemployed.

**CHAIR** - We have your submission. If you would like to speak to it to begin with, we will have some questions for you shortly.

**Ms CARSWELL** - Okay. I have just signed off on a contract with Clean Up Australia having been the State Coordinartor for Clean Up Australia Day. Apart from that I am a seventh generation Tasmanian, I have been a State and capital city coordinator for Clean Up Australia events implementation within Tasmania on five occasions and each time the position has been hosted by the Tasmanian Conservation Trust.

As I said before, today I am unemployed as my 2005 Clean Up Australia Day contract has expired. I am therefore representing myself, a citizen of Tasmania, in this inquiry with an acquired knowledge of experience. I have no degree in the areas of waste management.

I have in another life worked as a school dental therapist throughout the most of Tasmania, including King Island, and I am therefore very familiar with the geography of Tasmania, its changing landscapes and social climate. I have travelled extensively overseas as a tourist. To that end I feel I have good overview of Tasmania as being a special place with still unrealised potential.

In 2000 I was presented with the minister's sustainable development award in the Tasmanian Awards for Environmental Excellence on my work on initiating the great car body clean up, which was a program to remove all abandoned dumped and unsightly car bodies and other detritus from around Tasmania. If you wish to ask me any more questions about the current status of this program I can answer your questions later.

I feel quite limited in addressing your terms of reference for the inquiry in the sense that there are many qualified persons living in Tasmania who are exceptionally knowledgeable about waste management practices. I have just heard the evidence from the gentleman from the Boomerang Alliance. Clean Up Australia and the Tasmanian Conservation Trust are members of that alliance. I would like to say that I fully support everything that he had to say.

**CHAIR** - Yes, a fountain of information, Mr West.

**Ms CARSWELL** - He was a fountain of information, it was wonderful. But after my experience with Clean Up Australia I want to say that I am particularly interested in best practice waste management for Tasmania and I think there is an ideal opportunity here with some of the work that is already being done in Tasmania to come up with

significant statistics that can underpin the idea and underscore the need for container deposit legislation.

Therefore I am going to stay within my limitations and that has been what I have seen over the last 10 years or so and my own strong vibes and opinion that container deposit legislation for this State is long overdue and would go some way in addressing the issue of litter and bringing a certain amount of litter into the waste stream - in other words, a resource recovery.

The roadsides that I travel on a daily basis are getting worse in terms of discarded rubbish. Clean Up Australia's Rubbish Report Survey outcomes back up this thought and it seems that the increase in rubbish pertains across all other types of sites such as bush, creek lands, et cetera.

As a Clean Up Australia Day organiser, I am acutely aware of dealing with and the reliance on voluntary labour in treating the rubbish problem. To my knowledge there has not yet been enough analysis of the fiscal value of voluntary labour, the moral value being another issue in my opinion.

But it appears at the moment that Adopt-a-Highway in Tasmania is in a managerial transitional stage and obviously it is also fraught with difficulties at the moment because in today's climate the public liability insurance for volunteers is a big problem.

As a citizen of the world, I am presently trying to rally some crews to adopt a road which is the road from the Arthur Highway into Primrose Sands, which is my resident area, and I will be attending a meeting of the Sorell Council in the Primrose Sands Community Hall on 6 May to put my case. I have already rallied a few community groups that are actually interested in this. I have spoken to a councillor who tells me that he has tried to get this issue up before and it is a very hard thing to do. He said that council would be influenced by what insurance premiums they needed to implement to cover their volunteers.

However, for me personally I intend to pursue it as far as humanly possibly while I think there is some opportunity to overcome the serious problem of rubbishing. At the moment I will take any of those opportunities. As I say, in doing so I would like to make it known that I am strongly supportive of container deposit legislation. I feel it will stop the amount of rubbish that is discarded presently when it is obviously financial issues that preoccupy most individuals' decision making; for example, 'Should I throw out this bottle or shouldn't I?' I have publicly said before I would like to see a dollar as the deposit legislation on beverage containers. It sounds very radical but if you really go out there and look at all the roads, you could be assured that if someone had a decision to make about either throwing a bottle out of the window that was worth a dollar or returning it to recover the dollar they would return it.

Its implementation would serve also as a huge education and awareness issue that may translate into other areas of people's daily decision making. It also acts as a point of recovery of a resource. It would also decrease the amount of time and energy needed in the goodwill of volunteers in that area, and the voluntary programs that we have in Tasmania do rely heavily on the goodwill of those volunteers. You will probably find that they are mainly the same people who come back every year, for instance, to the

clean-up program, and it is the same with the Adopt-a-Highway program in my understanding.

For tabling, I have the 2004 Clean Up Australia Rubbish Report for each member; Tasmanian facts gleaned from last year's clean-up-2004; a letter I have just received from one sweet, humble volunteer who cleaned up on Clean Up Australia Day 2005, which is very typical of feedback that comes from the volunteers who go out and clean up. I would like to table one for each member, if I may.

**CHAIR** - Thanks very much, I appreciate that.

**Ms CARSWELL** - I suppose you have all seen this. In my capacity of having been a coordinator for Clean Up Australia Day I get a lot of feedback from the public as to where the rubbish is and I go out actively, do reconnaissance and really look around. This is the latest copy of *Treasure Island*, this is one of our tourism icons obviously that we market internationally and this is 300 metres upstream in the Coal River from this icon -

**CHAIR** - This is at Richmond?

**Ms CARSWELL** - Yes. I attempted to have this one cleaned up for the clean-up day. We attempted to get the Army for this one because volunteers do not have the resources to clean this one up. Unfortunately, the vehicle's recovery person in this Army this year has just come down with cancer so they reneged on it for the time being, but that has been cleared into the Coal Valley and, as I said, it is about 300 metres upstream. The occurrence of these types of sites is really quite regular throughout Tasmania. In the past, our Great Car Body Clean Up has cleaned up a lot of these areas but there are still a lot to go. Therefore you may understand that I am also a great supporter of End of Life Vehicle deposit.

**CHAIR** - I was just thinking, if you were able to leave those photos with us we might be able to scan them and photocopy and get them back to you.

**Ms CARSWELL** - Yes. There is some resource recovery there as well. There is some lovely old farm machinery that we might be able to sell on eBay to fund a campaign for cleaning up maybe.

**CHAIR** - If you could leave those with our secretary we will certainly get them back to you.

**Ms CARSWELL** - Yes. Also I have just prepared a little video if that is okay. It takes three minutes and I thought you might just like to look at it.

**CHAIR** - By all means.

**Ms CARSWELL** - This clean up that the video is going to show was done two weeks ago. At the beginning is Ship Stern Bluff, which you might know is marked internationally. It is huge as a Tasmanian icon for surfers.

*Video Presentation*

**CHAIR** - Was this the Arthur Highway?

**Ms CARSWELL** - From the Arthur Highway you turn off onto Sugarloaf Road to drive into Primrose Sands. That is an area that I am actually trying to nominate but I would say that the Arthur Highway is very similar anyway.

**CHAIR** - Is that the dirt road that you turn off? You go through Forcett and you come to the Primrose Sands turnoff?

**Ms CARSWELL** - You turn right there, yes.

**CHAIR** - Is that the road you are talking about?

**Ms CARSWELL** - Yes.

**CHAIR** - It becomes a gravel road after a little while.

**Ms CARSWELL** - No, it doesn't. It's sealed now all the way

**CHAIR** - So you turn off before you get to Forcett?

**Ms CARSWELL** - No, this one is after Forcett; there is a slow lane turn-out to the left.

**CHAIR** - It has been sealed since I was last on it then.

**Ms CARSWELL** - Primrose Sands is just becoming a founded place. It is very attractive.

**CHAIR** - You can get to Dunalley by that way, can't you?

**Ms CARSWELL** - Yes, you can. You get to the Carlton Bridge and then you can go the back way to Dunalley and that is when it turns into a dirt road. I have actually cleaned that up on several occasions on Clean Up Australia Day when I haven't been a State coordinator. I have just done it as one of the volunteers. I start at a fish factory down at Dunalley and work my way up Fulham Road and I get the same amount of rubbish there.

**CHAIR** - I can see the area now.

**Mr STURGES** - Can I just come back onto the container deposit legislation. Let us assume that we have the \$1, 20 cents or 50 cent CDL. You mentioned that you are here representing yourself as a member of the community, and a very active member of the community in this area, too, may I say from the evidence that you have presented today. I think it may have been Mr West who spoke about convenience of being able to access return areas. Assuming we have CDL, how do you see it being managed? Are we going to go back to the days when I was growing up as a child where you collected coke bottles and went to the local store and collected a penny or whatever it was at the time? I don't see that as being all that workable, so have you any ideas?

**Ms CARSWELL** - I do. Outside supermarkets and in carparks in Germany, for instance, people, maybe before they go into the supermarket, take their recyclables back there. They slot them into a machine which pops out a voucher to the value of whatever that

container deposit legislation is and they can either cash it in or use it in the supermarket off their supermarket bill et cetera. It seems to me from what I saw in these areas that it was highly organised and created employment for people who would actually separate it out behind the big containers as well.

**CHAIR** - Where are you talking about?

**Ms CARSWELL** - Container deposit legislation in Germany.

**CHAIR** - Okay.

**Ms CARSWELL** - I have spent some time in Germany.

**CHAIR** - Whereabouts in Germany was that?

**Ms CARSWELL** - Near Frankfurt. My Tasmanian friend has married a German woman and has been there for years and years and she cries bitterly every time she comes back here.

**CHAIR** - If I remember the era that Mr Sturges is referring to, I seem to remember there being sixpence - five cents - for the larger lemonade bottles. I think they were glass at the time. That was a fair bit of money in those days. We are going back to the late 1950s.

**Ms CARSWELL** - I think it was the same in Queenstown, Tasmania. There was Paddy's Cordial and I used to go around and pick up bottles and I funded quite a few of my own little projects.

**CHAIR** - Of course in those days we used to get a penny for every beer bottle, too. We used to get a shilling a dozen. Of course in those days the brewery must have taken them back and cleaned them I suppose and reused them.

**Ms CARSWELL** - Yes.

**CHAIR** - And we also had a manufacturer here making beer bottles out at Derwent Park, which has since gone to Indonesia, I think. Australian Glass Manufacturers was their last trading name.

**Ms CARSWELL** - All of those were probably members of the Beverage Industry Environment Council, I suppose, who aren't supporting container deposit legislation, for very obvious reasons. It is not profitable for them to be that way.

**CHAIR** - I wouldn't mind talking to the brewery at some stage just to see why they don't encourage that process any more. Maybe it costs them too much to clean the bottles and maybe it is cheaper for them to keep using new bottles all the time.

**Ms CARSWELL** - A possibility, yes, but I don't know how that actually translates out into the general public in terms of comparing their carrying the onus of some of that financial responsibility as compared with Government funding voluntary organisations to go around and clean up rubbish. The overall fiscal side of it is beyond what my mind can actually cope with at the moment. The Beverage Industry Environment Council, I know

gave \$800 000 last year to I think a member of the Government here to be used on an education program which translated into 'Don't Waste Tasmania' signs. The litter recycling people who did recycling habit surveys some years ago have said that most litter is actually retrieved from areas around signs and bins et cetera. The way I see it, in my cynicism, is that Beverage Industry Environment Council are basically buying their way out the real issue. The \$800 000 is really not very much money to them.

**Mr McKIM** - Chicken feed, actually.

**Ms CARSWELL** - Yes, chicken feed indeed and I would say that it will continue to be that way unless there is a really strong move by legislators to actually change it and let all the public take advantage of a clean and green Tassie.

**Mr McKIM** - I have just been in Clean Up Australia Day down at Lower Longley this year and we probably did not get as many bags per metre as you guys did, but nevertheless there was a significant amount of roadside rubbish. We each carried two bags - it was just something we decided to give on the day - and put what we thought were recyclables in one bag and non-recyclables in the other. Our experience was that just over half by volume of what we picked up were recyclables. Have you done any studies on that? How much of the litter that is picked up during Clean Up Australia Day would be recyclable?

**Ms CARSWELL** - In my opinion, and anecdotally, 90 per cent of it would be recyclable if there was somewhere that people could recycle it to, and this is the issue. It is only recyclable insofar as people are actually able to take it to a facility where you know that it is going to be recycled, and that is another issue in itself. Take kerbside recycling; how much can the public be really convinced that what actually goes into kerbside recycling is actually, at the end of the day, recycled. A lot of it is not. A lot of it goes to landfill because it is contaminated.

**CHAIR** - I was told this morning that my margarine containers end up in the landfill.

**Ms CARSWELL** - Yes.

**Mr McKIM** - I should just add for the record that just over 50 per cent was probably skewed by a few big tractor tyres that we found down there, which we classed as non-recyclable.

**Ms CARSWELL** - The tyre levy situation is another issue in Tasmania at the moment. I know in my experience of Clean Up Australia, in my capacity with this great car body clean up, and my contribution was mostly voluntary, I have picked up tyre after tyre after tyre. Part of the reason I think people will not take them to the tip is the enormous amount of money that you actually have to pay to put them in landfill at the moment. There is a disparity between all the different councils throughout Tasmania about how much you actually pay as well, so the legislation as it exists at the moment I do not think is really working in favour of the environment.

**CHAIR** - They are horrible things to deal with.

**Ms CARSWELL** - They are.

**CHAIR** - Another thing we managed to look at last year when we attended the waste management conference in Perth was an operation over there where they extract the metal from them and grind them up and use them for a variety of purposes, including playground surfaces, but you need a volume approach to make it economical.

**Ms CARSWELL** - I have heard there is a man in America who is actually making his millions through making roof tiles out of recycled tyres.

**CHAIR** - We are getting to the stage where we need to adjourn.

**Mr McKIM** - Clean Up Australia, Adopt-a-Highway and various other programs deal with a problem that exists. Would you agree with the premise that for policy makers in this State a better solution would be to try to implement a system that stopped the problem from occurring rather than address it after it has happened?

**Ms CARSWELL** - Oh indeed. I think I have implied that all through. For me personally it is frustrating to see that amount of rubbish on the road. The film that I showed you that not done on Clean Up Day, it was after Clean Up Day; it was only two weeks ago. I showed you an example. I guess that is how some people deal with their anger and that is how I deal with my anger at seeing that kind of thing: I go out and clean it up. But there is also a frustration involved in it knowing that there can be better ways of dealing with it and possibly more fiscally opportunistic to a government and to the taxpayer as well than continually having to have these public events and funding voluntary people. As wonderful as they are it is, in my opinion, almost immoral to rely on their goodwill all the time.

And then again, as I said, there is the issue of public indemnity insurance and things like that, which is probably why Adopt-a-Highway program may be floundering a little bit at the moment.

**Mr McKIM** - Jo, you are a member of the Tasmanian community. I guess I can therefore legitimately ask you: if you bought a can of soft drink or any other beverage in a container, would you be prepared to pay a fee if you thought it would result in better outcomes?

**Ms CARSWELL** - Oh yes, indeed. I would pay up to \$2 because if you really think it through, you are really not paying anything at all - you are only ever paying it up front once - because when you take the can back the dollar comes off the next one and the next one so you really only ever put it out once.

**Mr McKIM** - Depending on the model.

**Ms CARSWELL** - Depending on the model, I beg your pardon; yes, it would depend on the model. Yes, I am definitely for it. I also do not like little 5 cent pieces rolling around in my purse, so I am absolutely against the 5 cent one.

**CHAIR** - I think the South Australian scheme was introduced in about 1975; 5 cents must have been worth a fair bit then.

**Ms CARSWELL** - It would have been, yes. I have a nephew who is with the scouts and he says 5 cents does not entice him in the least. As a scout, if it was up around 40 cents then he would be looking to go and pick them up.

**CHAIR** - So you would not get your money back at all because you would be giving it away to the scouts all the time.

*Laughter.*

**CHAIR** - Thanks very much for coming in, Ms Carswell.

**Ms CARSWELL** - Thank you for your time and for listening.

**THE WITNESS WITHDREW.**

**Ms DEBRA MACKEEN**, GENERAL MANAGER, ATHENA WASTE MANAGEMENT, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - For the purposes of *Hansard*, Ms Mackeen, would you state your full name, address and occupation please.

**Ms MACKEEN** - My name is Debra Anne Mackeen and I live at 66 Ferry Road, Kettering. I am the general manager of my own company in waste management.

**CHAIR** - Is that company Athena Waste Management?

**Ms MACKEEN** - That is right.

**CHAIR** - We have your submission and, as we have been doing with other witnesses, we will ask you to speak to it, and then we will ask some questions.

**Ms MACKEEN** - I will probably only take about five minutes if that is okay.

**CHAIR** - That is fine.

**Ms MACKEEN** - I really appreciate the opportunity to speak to the committee. I have just said to Sue that I think it is wonderful that Parliament is now looking at waste management in Tasmania. I have been in the industry for about 12 years and, whilst we have come quite a way, we have a long way to go and it is really good that it is getting the focus that it is at the moment. My original submission, as you are aware, was dot points, and that was about all I had time for. I would have appreciated doing a far better job, but that was all I had time for at the time. What I have done today is a bit of an introduction based on some of those points, and I was hoping for questions that I might be able to answer.

**Mr McKIM** - I reckon you'll get a few.

**Ms MACKEEN** - Okay. Thanks again for the opportunity. Waste management processes and our industry respectively have come a long way in the past 10 years. However, there is much to be done and a cooperative environment will see Tasmania in good stead to meet future challenges. Industrial wastes, including marine, forestry, mining, manufacturing and agriculture are examples of high-volume generators of waste which pose significant issues for the State. Tasmania, due to its population and isolation by water, can be somewhat restricted in its approaches to managing all of the waste streams. We are currently reliant on mainland managers for the majority of our hazardous waste products and our recycled products, beverage containers.

As an island economy, I believe we need to look toward extended producer responsibilities, promoting local uses for our recovered products and seeking sustainable outcomes to other waste management issues currently providing us with significant economic burdens. Regional approaches to managing our recovered materials and residual products can deliver great economies of scale. DPIWE has for some years now been following the rationalisation and closure of rural landfills. Increasingly, waste transfer stations or waste management centres are being established as feeder sites to

regional disposal sites. This has meant some municipal areas being reliant on neighbouring councils to access their landfill. In order to incorporate cost efficiencies in managing the waste transfer stations, waste diversion is taking place in varying degrees. This reduces the volume transported to landfill and, as a result, reduces the landfill fees or costs to councils.

Resource recovery is paramount to reducing residual waste volume, and recycled beverage containers are just the tip of the iceberg. Increasingly the waste management industry is seen as natural resource managers and not simply end-of-pipe managers. Our State has some fine examples of business innovations achieving significant levels of waste reduction and reuse. Funding, together with committed R and D resources, will assist further expansion and support enterprise developments in this sector. Western Australia, Victoria, South Australia, Canberra and the majority of councils in New Zealand have taken on zero waste and other cleaner production programs to provide a framework for achieving efficiency.

To support sustainable resource management, waste disposal fees must reflect the real cost of waste management including, I believe, replacement landfill environmental protection measures, controlled and hazardous waste management, transport and general handling costs, site infrastructure, staffing and natural resource depletion. Equally, the royalties paid for natural resources should reflect their true value. For example, if royalties were increased then the waste minimisation hierarchy of reuse, recycling and reprocessing becomes more attractive and viable to the manufacturing sector. Only when we see the enormous quantities - and they are enormous - of what were initially natural resources going into landfill do we realise the inadequate prices attached to them.

The industry is educating its people. We have national waste management competency standards and training which has been taken up by a number of Tasmanian companies. Education at university level in waste management is available which is also being taken up by Tasmanians in the industry. This is good news. We are taking a professional approach, building career paths and development opportunities that mean exciting, rewarding and a growing environment.

Local government, as service providers, would benefit greatly from training in waste management competency skills. Essential service contractual agreements and relationships would be enhanced thereby providing better value to the community. Local government has a significant role to play in leading by example and delivering frontline or public and industry education to the community in waste management issues. This will help to make complex issues simpler to digest and reinforce the fact that waste generation is an individual responsibility.

To finalise, waste management is an essential service. Without it we would be in big strife. Planning and decision making therefore has to be for the longer term and set apart from political gain. It is hard to write something that encompasses everything that you want to say in a positive frame.

**CHAIR** - Can you tell us a little bit about Athena Waste Management? I don't know much about it.

**Ms MACKEEN** - Athena has been in existence since 2000 and it was developed by me, initially to look at consulting and training in the industry, but the organisation also manages resource recovery, tip shop operations and waste transfer stations in the north of the State. I guess my experience is longer than 2000, it goes back to the early 1990s where I started off on the community perspective interested in recycling and concerned about the running of a regional or rural landfill that I live near. Then I went into the industry around 1993-94 and had some practical years of experience there. I got very dirty and very tired and, as Greg might remember, I worked with a business called Trash Carry & Son which was based at Deloraine and managed waste transfer stations, kerbside collections and commercial collections - front lift trucks and recycling centres. We also managed the Remount Road Recycling Centre for the Launceston City Council. So my breadth of experience, I suppose, has come from a hands-on approach -

**Mr HALL** - And you did it well too.

**Ms MACKEEN** - Thank you very much - and right through to where I saw the need for training and I was really excited when the training package was released - the competency based standards across Australia - so much so that I have been involved in writing a couple of training units for the revised package. I am still very involved in that and I really believe in it as a way of professionalising the industry.

**Mr STURGES** - Excuse my ignorance about the competency standards, but I am interested, are there any prerequisite core competencies that somebody must attain before they work in the waste management area or is this just nice to do at the moment?

**Ms MACKEEN** - I hope that happens and I think that we will eventually see that. At the moment the standards are still relatively new so, no, you do not have to have -

**Mr STURGES** - Who signed off on the competencies?

**Ms MACKEEN** - Registered training organisations. They are a national program and run through registered training organisations.

**Mr STURGES** - Just to finish this, would you envisage there would be the possibility of creating traineeships using these competencies as a base?

**Ms MACKEEN** - They are already. They are existing and they are generally workplace based but I hope we see VET programs. I would really like to see VET programs happening in colleges. I would like to see possibly the TAFEs around Tasmania taking on more of the core units in the competency standards, particularly around controlled waste management and hazardous waste management, those specialised areas where we really need it.

Just to finish there, we have trained a number of people around the State and we are actually seeing jobs advertised now where level 2 or level 3 may be a prerequisite to applying for the job.

**Mr McKIM** - Debra, you have said that you have managed resourced recovery units?

**Ms MACKEEN** - Yes.

**Mr McKIM** - We have visited one or two of them this week, not necessarily the ones you manage but possibly different ones. Given that resource recovery operations are of financial benefit to the councils which operate the tip sites that they are associated with by means of actually removing stuff out of the waste stream and therefore extending the life of a landfill site, do you think councils ought to pay resource recovery operations on a per tonne or a per volume basis for that or do you think they should be stand-alone businesses that need a positive business case to exist without necessarily seeing any income from councils specifically for waste that is removed from the waste stream?

**Ms MACKEN** - There are two sides to that, I guess, but yes, I believe councils should pay for the service and there should be fulfillments criteria within the contracts so if you meet a certain level of diversion of that product, you receive this payment. But having said that, to get the best waste diversion, to really ensure that councils are going to get the best value for dollar here, I believe they have to be privately run resource recovery centres. I am not detracting from council staff but there is not the vested interest. There is not the initial interest there to really divert that product out and create a resale of it, so make a business out of it. If it is a private company running it the volumes that have been diverted will be greater. I also think that the benefits are not just in removing the volume from landfill and extending the life of the landfill, it is proper management of those resources, and I am thinking about things like gas cylinders, used fire extinguishers. They are dangerous commodities. They are not good to have around the public and they are not good to have lying around because they are very volatile.

What we are doing in resource recovery is removing products from landfill that are a hazard as well so we are managing that side of it a lot better. That brings added environmental benefits to the council, aside from just the diversion. Another addition to that is if the resource recovery outfit or business is managing that side of it, to really gain the best value I believe that they could also be managing the site in total.

**Mr McKIM** - The landfill site?

**Ms MACKEN** - The landfill site or the waste transfer station site because if they are, they are assessing incoming loads better. They are not just getting the \$5 and letting it go through. They are actually determining at the entrance to the site that there is 30 or 50 per cent of this load that can be diverted out.

**Mr McKIM** - Given what you said earlier about thinking that resource recovery operations ought to be private sector rather than council, I guess therefore by extension you are suggesting that the private sector would do a better job at running landfill sites than councils do?

**Ms MACKEN** - Yes.

**CHAIR** - In that same vein, particularly with the way landfill sites are developing, the new ones, and I am thinking specifically of Copping, where is the incentive for councils to resource recover when they are making their money by the tonnage over the weighbridge? As far as Copping goes the only resource recovery potential at the moment is Mornington and in the future potentially at other centres maybe. How do authorities ensure that we move in the direction of resource recovery from the great mass

of landfill that is going to continue going down there and increase in volume if the regional approach is adopted?

**Ms MACKEEN** - Feeder sites, waste management centres. Mornington is a good example of that. There is the need to reduce the product or volume at that point and not at the commercial or receiving point. In reality we would like to think that the diversion has already taken place once it gets there, so that is all the councils are paying for aside from the management through to that point. They are reducing their landfill fees and they are extending their landfill life. I think that is very important. It goes back to my final point where I said I know decisions must be made for the longer term because replacing landfill is not just about replacing a space; it is about managing the environment better, ensuring that there is no escape from those landfills, managing all sorts of environmental aspects around it.

I believe the incentive is in that longer term view, replacement at the landfill for the regional councils, but I also think on a regional basis they can look at networking their waste management centres. Perhaps Glamorgan/Spring Bay, whom I have been working with recently, could look at some cooperative approach with the neighbouring council, looking at helping them with their transport needs so they have not got the long distance to travel. Maybe they might be able to have a sweeping effect coming down or whatever, but there might be efficiencies of scale in working on a regional basis rather than for a council in an isolated area trying to cop it all on their own. So it is networking between councils.

**Mr STURGES** - Just looking at the state of this waste management, I will throw this one up to you as a hands-on practitioner, as you proclaim. Yesterday at a couple of waste management centres that I visited I noticed that there were a number of utes and trailers pulling up. The comment was made that it was part of the Australian culture to take the trailer or the ute to the tip. Having a look at what was being offloaded, there were a lot of recoverable or recyclable items. One of the facility managers made the comment that that technically is the customer's property and they have no role to go in there and reef it off the trailer until such time as it has been taken off.

You said that you want to manage it and you mentioned before that you want to have a process in place whereby you could assess the load, if I can use that terminology, before it is ducked into the pit.

**Ms MACKEEN** - Yes.

**Mr STURGES** - How would you go about that, bearing in mind that the average person is very busy; they do a run to the tip on a Saturday or Sunday or whenever and they are not really going to want to stay there and have their load assessed for any lengthy period of time. I am not trying to be negative about this -

**Ms MACKEEN** - No.

**Mr STURGES** - but I would like to get my mind back around how you would go through that process because a lot of waste is being put in landfill that could be reused or for any other purpose.

**Ms MACKEEN** - Yes, that is absolutely right that there are a lot of busy people out there. Interactive science, which we are involved in, is about educating the customer and quite often now we see loads coming through that are already prepared.

**Mr STURGES** - Do you offer a financial incentive?

**Ms MACKEEN** - Yes. Whatever is recyclable, reuseable or anything that can be diverted off that load and does not go through to landfill, or at least to the waste transfer bins, does not get paid for. It is a hip-pocket-nerve approach. Stemming from your question, it reduces the fear of implementing levies and other things as well. My take on a levy is that, yes, I believe we do need it; I do not think we are charging adequate prices at the landfill. Without the bill or the levy or whatever we want to call it we need something to help fund upgrading of our infrastructure.

We also approach it as a Kyoto approach: 'If you recycle and if you remove product that can be reused and recycled, then you do not pay for that'. In the end the levy is not going to affect as many people -

**Mr STURGES** - Lighten the load, lighten the financial burden.

**Ms MACKEEN** - That is right, so it is not going to affect as many people. I think we operated to that degree at Meander Valley for some time, and certainly in the Northern Midlands that is how we operate.

**CHAIR** - You mean by upping the landfill fees?

**Ms MACKEEN** - They are quite significant in the Northern Midlands, although I think they are pretty much the same as a number of other areas now. For instance, a box trailer is \$7.50 there to put into a transfer station bin. If we can reduce that load by 30 or 50 per cent that reduces the cost to the individual. It also creates an incentive. The light comes on so if I separate out my load and think about what is reusable and recyclable, I can also save money here, which extends back to the council.

**CHAIR** - But a decision has to be made back at the individual's home, so to speak.

**Ms MACKEEN** - Yes.

**CHAIR** - Not when they get there. They cannot save money when they get there by separating into bins and putting the rest in landfill, can they?

**Ms MACKEEN** - You can do that.

**CHAIR** - Can you?

**Ms MACKEEN** - At our sites you can do that if you want to take the time, but a lot of people have not got the time. The message is there. We explain to the customer that if you separate out your load and put all your green waste here, all your recyclable products here, then and your residual waste here you can use our site really freely and it is going to be quicker for you and it is going to save you money.

**Mr STURGES** - So layout of the site is very important.

**Ms MACKEEN** - Very important. Traffic management is very important but what is important is customer service. Increasingly we are going more to a retail profile and that is important too. We have worked hard in the industry. In the early days, when we were starting off new sites and installing fees where there had not been fees charged before, it was actually quite dangerous. We did get some aggressive people through, but there must be consistency in the message that you are giving them. It says that you are responsible. This trailer of waste has come out of your house, not mine, and if we can help you to reduce it and save you money at the same time that is the way to go.

I would like to see a standard approach applied around the State, so if I am holidaying at Bicheno and I go to the transfer or waste management centre there, I can expect the same system in place there that I am getting at Hobart or Deloraine. Maybe it is not exactly the same, but with a very similar ethos. The mind-set of this is about responsibility and if I do not take responsibility I am going to pay for it.

**Mr HALL** - You talked about public education or the need for it; could you briefly expand on that as to how the committee should perhaps consider that?

**Ms MACKEEN** - We just covered that a little, Greg, in an interactive site about customer service. That is all education. It is not about reading things; it is about interacting with people. This is what we will achieve if we do this together. All of our waste management targets stem from an international or a global level. We have things stemming out of Agenda 21 like cleaner production programs and eco-efficiency programs. They are all targets and the end product is the same. It is about managing our natural resources better and minimising our waste at the other end, making sure that we are using and reusing and reprocessing and recycling as much as we can. Then it gives us a triple-bottom-line benefit.

In answer to Greg's question, there is a program at the moment called Zero Waste. I touched on it briefly before and a number of states are coming on-line now. Zero Waste is a head space. It is a psyche. It is not something that says in two years time we are going to have no waste. That is just not going to happen, but in 20 years time, if we start taking on Zero Waste programs and policies now, we may see some real benefit across that triple-bottom line, not just in waste minimisation but also in protection of our rivers and air. Zero Waste has taken off in New Zealand like Topsy and I think now 75 per cent of their councils have taken on Zero Waste programs and the ethos.

**CHAIR** - What is the best structure, in your view, from an administrative point of view, to launch and maintain that sort of program? For example, Western Australia have a waste management authority which they claim is the bees' knees.

**Ms MACKEEN** - In an ideal world we would have an eco recycle, too. They are targeting zero waste. I just had a message come through today that the Victorian Government is setting up a 'sustainable Victoria' and it is a separate department to focus on this sort of thing. They have EcoRecycle that do a tremendous job. Western Australia is the same and I believe South Australia is going down the same track.

**CHAIR** - Are they independent authorities?

**Ms MACKEEN** - No. The EcoRecycle, I believe, is. It works very closely with the EPA in Victoria. I believe there is leadership that has to come from the State but then I think that we would benefit from regional authorities managing a zero waste program. I think if we had it at a State level all the time it is too distant. Waste is us, it is you and me, and so it has to be accessible to the ordinary person or the ordinary community group.

**CHAIR** - And closely linked in with local government.

**Ms MACKEEN** - Yes. Local government is the key, I think, to really good waste management.

**Mr STURGES** - I think what you are saying is waste is not rubbish.

**Ms MACKEEN** - It is not rubbish, it is a resource.

**Mr STURGES** - That is what I am saying. That is the mindset and I have only been involved in this as a result of the inquiry. I grew up in the era where rubbish was rubbish - garbage in, garbage out - and we are now looking at waste and not rubbish.

**Ms MACKEEN** - Waste and resources, and we are trying to get away from that idea of 'chuck it in the garbage bag, throw it out the front door and forget about it - it's somebody else's responsibility'. We need to bring it back to the individual all the time. Saying that, we need to bring it back to our industry as well - extended producer responsibility. If I am going to produce something that is wrapped in glossy paper, plastic and foam then my company should be taking responsibility for that. Fisher and Paykel are a good example in New Zealand. They now retrieve or accept back all their freezers, fridges and washing machines that they have produced - good, bad or otherwise - for reuse businesses. It has extended producer responsibility. So zero waste encompasses those sorts of targets as well.

**Mr McKIM** - The Fisher and Paykel example is an example of, I guess, voluntary EPR. I guess there are two models about going voluntary or mandatory. Do you have an opinion about the desirability or otherwise of mandatory EPR, that that would be legislated?

**Ms MACKEEN** - I think we are not far from that point -

**Mr McKIM** - Do you think that would be a good thing -

**Ms MACKEEN** - Yes, I do.

**Mr McKIM** - in terms of minimising waste and diverting recoverable waste out of landfill?

**Ms MACKEEN** - I think we have to be careful in our approach to using the big stick but I think at all times we have to try to create incentives for manufacturing companies to look at their own production and to go down the path of cleaner production for their own benefit and not just for the environment or society. We have been working with Cadbury and they have saved huge dollars on their waste management fees by reusing products, not buying excess products that they did not need in the first place; by managing their waste differently.

**CHAIR** - I must admit, I don't waste much of theirs.

*Laughter.*

**Mr McKIM** - You have obviously got a fair bit of experience in the waste management sector in Tasmania. Do you believe that tip fees around the State are set with full cost attribution in mind or in your experience is there some level of cross-subsidisation from the general ratepayers to keep tip sites running?

**Ms MACKEEN** - I do not think we are charging an accurate fee. If we are asking for full cost recovery I do not believe we are getting it. A lot of people might argue with me on that, fair enough, but to me we are not just talking about a hole in the ground, we are talking about moving that product from Mole Creek to Deloraine or from Longford to Launceston. These are all costs that have to be covered in some way. The management of that waste product does not suddenly draw a value just when it hits the landfill. It is costing a lot more money than that all the way through.

We also need to look at upgrading. I believe you have been to a few sites. Deloraine is a great example but unfortunately not all sites around the State look like that and some infrastructure is very poor, and I mean very poor. Part of my reason for being here is that I wanted to represent the people who have worked with me over the years as well at some sites with no power, no running water, no toilets. This is not developed world standard, and it is not asking a lot, but this is what we need money for, and if we are to get full cost recovery we have to really look at what are our standards at the moment, where do we have to be, and then talk about full cost recovery. If we have to put in power at some regional transfer stations, fine, but that has to be covered off on, and the money has to come from somewhere.

**Mr McKIM** - You have talked about EPR. We have heard various submissions this morning and received various submissions about container deposit levy legislation. Would you regard that as a step along the road to EPR and even potentially part of a broader EPR system? I guess that is the first part of the question. The second part is: do you think CDL is a good way of diverting recyclables out of the waste stream?

**Ms MACKEEN** - I thought I might escape this question. I mentioned earlier that two issues have come out of this inquiry within the industry itself, and they are the levy and CDL. And it has created a lot of discussion and a lot of debate, which in my mind is wonderful. We have a lot of litter in Tasmania. It is a huge problem. We are still seeing a lot of recycled product going through the landfill.

**Mr McKIM** - We have seen it in the last couple of days.

**Ms MACKEEN** - We are seeing heaps of it, and in regional areas the economic efficiencies around recycling become less and less the further you move away from a major city or a major area. So on the east coast of Tasmania it is very costly. It is a great feeling to recycle but it is a very costly exercise, and we have to have a way of sustaining that. It is cheaper to send it through to landfill.

I think I would agree with a form of CDL if it is going to keep it off the streets. I do not believe it should be as costly an exercise as people fear that it will be. I think we have good infrastructure around the State. We have beverage container reception sites at nearly every waste transfer station and landfill. We could use that system to promote a CDL. I suppose I have not given a great deal of thought to how exactly it would be funded, and the common scare, of course, is that it will ruin our kerbside service, but I am not convinced of that. But I cannot speak with any authority on that.

**Mr McKIM** - No, we have heard some pretty strong evidence this morning that it will not, but I suspect we might be just about to hear evidence to the contrary.

**Ms MACKEEN** - Yes, but I think it is worth exploring, certainly.

**Mrs SMITH** - You mention we have transfer stations that could be receiving centres, but would you not accept that in this day and age, particularly in the city areas, you would need to have something closer to the coalface for the people? You have people that never have garden waste because of Jim's Mowing, and they have a weekly or fortnightly collection service from their local council, and there are many people in today's society who do not adopt the traditional 'take the trailer to the regional transfer station' concept.

**Ms MACKEEN** - Kerbside probably would be minimally affected in those areas because those people will still make use of the kerbside system.

**Mrs SMITH** - So you would advocate it would then be transferred at the regional transfer station, so the householder pays the money, they do not claim the benefit back, only through their taxation rating space.

**Ms MACKEEN** - Again, honestly, I have not look at the dollars and cents of it, and it was one of the reasons I was hoping not to get asked the question.

**Mrs SMITH** - I ask the question because we had some evidence this morning about somewhere in Europe where they took their returnables back to the supermarket, slotted in through a machine, got a credit in the way of a voucher and went off on their merry way.

**Ms MACKEEN** - And I see maybe not vending machines but that there could be a deposit paid at recycling centres or transfer stations or wherever. I see that we could use existing infrastructure to some degree, but the big picture I am not too sure of.

**CHAIR** - Thanks, Ms MacKeen. It has been very helpful. I appreciate your attendance.

**Ms MACKEEN** - Thank you very much for hearing me.

**THE WITNESS WITHDREW.**

**Mr GRAEME HOWARD**, DIRECTOR, **Ms CHRISTINE BELL**, DIRECTOR, AND **GERALD JONES**, SECRETARY, COPPING REFUSE DISPOSAL SITE JOINT AUTHORITY AND **Mr DAVID TRAYNOR**, ALDERMAN, CLARENCE COUNCIL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you for coming in. We had a very informative tour of your site at Copping yesterday and also later at the transfer station at Mornington. I think we might start by asking if you have anything else to put to us and then we will move to questions.

**Mr TRAYNOR** - Mr Chairman, we did have a few other issues that we probably need to make sure are on the record. If I can just start with a bit of an overview just for the sake of *Hansard* to make sure that our system gets onto the record. Copping is of course only one aspect of our system. Copping is the DPIWE - compliant environmentally sound end place that all the rubbish ends up of course and you saw all the cells and that sort of thing, but it is also the transport system and that is the Byrne compactor and there are alternate methods of transport such as the one you saw at Mornington but the one the Copping Joint Authority runs is the Byrne compactor system which is in operation for the Huon Valley Council and also at Bicheno.

**CHAIR** - And for the purposes of *Hansard* that is B-y-r-n-e.

**Mr TRAYNOR** - That is the name of the company. The compactor makes the economics of the transport arrangements quite feasible and that was the one where we were talking about going up to 28 tonnes per load as compared to looser loads that Mr Howard can explain in more detail later used by other systems and therefore more trips need to be made for the same amount of rubbish to be delivered to Copping.

But Copping only works because of waste transfer stations and if you did not have waste transfer stations in the system Copping would not work. There are no visits to Copping by members of the public. The only smaller trucks that visit Copping are those from the Sorell kerbside collection because obviously it is fairly close for them, whereas the waste from the City of Clarence goes via the Mornington waste transfer station where some sorting occurs before being compacted and sent to Copping. There is a similar arrangement at Huonville for the Huon Valley Council and also at the Break O'Day Council. That is pretty much what makes the system work.

There were a couple of other issues, Mr Chairman, that we want to make sure we cover and that is that the Copping site has been a major investment from the three councils involved in the joint authority - Tasman, Sorell and Clarence. The capital investment, of course, needs to be recovered over time and we are doing that relatively slowly with just the three councils being involved. Obviously by having commercial customers and other councils involved it would recover that money a lot quicker in terms of that arrangement. We are also well aware that to create a similar Copping today, only a few years later, would be tremendously more expensive. If someone were to attempt to create a similar site somewhere else in the State, it would be far more expensive than what we came up with.

There is one other issue that we know we did not cover yesterday. We are looking at the possibility of a Lutana waste transfer station possibly constructed by the Glenorchy and

Hobart Councils, a possible path to the southern waste strategy which Alderman Campbell will explain in his talk to you later on.

We are proposing that that waste transfer station have a Byrne compactor which would be suitable for transport to and from Copping and that would be a very simple part of the jigsaw that would make Copping more economical and also solve Hobart's and Glenorchy's problem in one hit. We see that as a vital part of any longer-term strategy for the southern area, the greater Hobart area.

Also at the Lutana site we are quite keen to see a medical waste facility created. We have made a submission to the Department of Health and Human Services for all medical waste from hospitals, nursing homes and doctors' surgeries around the greater Hobart area to be collected at a waste transfer station, the preferred site to be Lutana and the Byrne compactor with a simple modification- which Mr Howard can explain in detail, if required - will add the medical waste to an ordinary load of domestic rubbish and transport it in an inert fashion to Copping and it will just go into the landfill. That can be explained in more detail if required but that obviously solves a medical-related problem as well as a waste issue that is not very well handled at the moment, if I can put it that way.

**Ms BELL** - I guess there are two stumbling blocks with that particular proposal, the first one being that the Government has donated the Lutana site to the Hobart and Glenorchy councils so we would have to get their cooperation to undertaken anything like David was suggesting.

**CHAIR** - So you mean they might have a bargaining chip after all?

*Laughter.*

**Mrs SMITH** - Can I make a query here while we are talking about medical waste? We are aware that Port Latta is receiving the medical waste at the moment and they made the comment to us that it has to be separated from the ordinary rubbish for want of a better word, and whilst you might have a small amount you will have to cover it in such a way that it is a 1:5 ratio. How can you then marry that up with your comment that you would just tip it into Copping in an ordinary way if the department is insisting that Port Latta separate it to a different cell and cover it in that 5:1 process?

**Ms BELL** - We have put together a proposal for DHHS, which they haven't yet evaluated because it went missing. The proposal involves an add-on to the side of the existing Byrne compactors. It will be low cost and it has an augmentor in it which grinds up the waste so that it is not recognisable. Going back a step, it relies on separation of waste at the hospitals or whatever, so there are no anatomical parts. There is a whole list of stuff that isn't allowed in there. What will go in there will get ground up very finely and treated with lime. This process will go on until the waste is certified by DPIWE to be able to go in an ordinary landfill. Then it will just go into the compactor and down with the normal waste.

**Mr TRAYNOR** - So it is mixed in with an ordinary load of rubbish, just as you saw yesterday, so in the middle of it will be this ground-up medical waste.

**Mrs SMITH** - But you have a reliance on DHHS sorting rather than the process of everything in at the moment -

**Mr TRAYNOR** - Well, it is not just the department; it could be an ordinary doctor's surgery.

**Mrs SMITH** - Doctor's surgery or whatever, thank you. I just wanted to clarify that as we were going, Mr Chairman.

**Mr McKIM** - Just while we are on the medical waste, isn't the Government looking at an autoclave for the Royal Hobart Hospital? Where would that fit in with your proposal? Is it an either/or and isn't autoclaving recognised as best practice to dispose of medical waste?

**Mr HOWARD** - Autoclaving is an alternative - a very expensive alternative. You have not only the problem of making it viable to accept it but you also have the problem, because it is low weight and a big volume, that it is very expensive to transport. Our thoughts were to actually neutralise it, add the lime - this has been done in other parts of Australia - neutralise it, mixed in with the waste and cart it as a complete load and reduce the cost of travel.

**Mr McKIM** - So yours will be an alternative to the autoclave proposal rather than working together -

**Mr HOWARD** - Sure.

**Ms BELL** - Or it could be that the two different types take two different types of medical waste, I don't know. I guess the department will be taking into account the proposal.

**Mrs SMITH** - The Royal Hobart Hospital wouldn't have a collection agency around all the doctors' surgeries and other hospitals?

**Mr McKIM** - No, that is one of the flaws of the proposal.

**Mr TRAYNOR** - Quite clearly, it is only for the Royal Hobart Hospital, which is a major creator of medical waste. There is every other private hospital and doctor's surgery around town - and nursing homes.

We believe that our Copping arrangement is viable because of the economics of our transport arrangement and we see that as a critical component. In our early days we did have a number of problems with the fact that the Mornington waste transfer station, as a separate entity, chose to make their own transport arrangements and that reflected in the number of loads that could be carried to Copping. We were quite keen to see that future add-ons to the system use the Byrne compactor method;; it is far more efficient and we believe self-contained and therefore less likely to make ancillary pollution along the road, for example. Those sorts of issues are just not possible with the thick battleship steel on the Byrne compactor.

So with the existing arrangements, we are very happy, the three councils are very happy with the arrangement and our customers are quite happy. We do have some commercial customers who have made arrangements on a contract basis to provide rubbish to the

Copping tip and that is working quite well. There is certainly some possibility of expansion in the area of construction and industrial waste that is currently going to other sites such as McRobies Gully and Jackson Street and which should more probably be disposed of in an appropriate site. For example, large amounts of food waste from large hotels and so on, those sorts of things should probably not be going to somewhere like McRobies Gully.

**Mr McKIM** - Should be composted, shouldn't it?

**Mr TRAYNOR** - Yes, okay. Fair enough. The other area of interest was the Antarctic Division waste that is being brought up, and we had a very interesting situation with the Customs arrangements on that waste, and because Customs got terribly excited about it they were keen to dump it at the nearest possible waste facility rather than an environmentally appropriate waste facility, so it went to McRobies Gully and promptly comes down the Hobart Rivulet.

**CHAIR** - Yes, I was amazed at that.

**Mr TRAYNOR** - That was another example of an interdepartmental problem. We were involved right at the beginning of the planning, as it happened, and we were surprised that we missed out right at the end because of that lease.

**CHAIR** - Did you have to tender for that? Was it a tender process?

**Mr TRAYNOR** - No, we were just providing an environmentally sound possibility in the southern Tasmanian region, and we do not have too many competitors in that area, Mr Chairman.

I think that is probably about all I need to say at this stage, Mr Chairman, but the other members are quite keen to talk about any other aspects that you might have questions about.

**CHAIR** - Okay. I have a question. It seems to me from the outset - this is just me thinking - that what you are doing there has huge potential as far as the regionalised approach is concerned. I might have made the comment yesterday - just playing devil's advocate for a moment - that the question that has been churning over in my mind is that because you have such a huge potential down there to receive waste, and because you make your income from tonnage over the weighbridge and your transport costs and so on, what incentive do you have if you look at the bigger picture and say the ultimate aim of society is to minimise the amount of waste going in the hole? In other words, looking at the whole stream as a resource and bearing in mind that probably, who knows, somewhere between 30 and 40-something per cent of what is going in could still be recyclable potentially, what incentive do you have as an organisation to assist in the overall bigger picture?

**Mr TRAYNOR** - Mr Chairman, there are probably two answers to that. The first one is that we are heavily regulated by the department, and we are certainly seeing no suggestion of any relaxation of rules in our case - in fact, quite the opposite in terms of rules toughening up as time goes by - so we are certainly under scrutiny by the regulator to

ensure that we maintain our status as a very environmentally sound facility, and we would fully expect that to occur into the future.

The second issue is that we are a public sector organisation rather than a private sector organisation, and our incentive of course is to our electors in terms of maintaining an environmentally sound facility into the future. There are some issues in terms of the councils recovering the money of the initial investment that I referred to earlier, but apart from that there is no push through the authority or the board for excessive profits or any suggestion of large dividends or anything of that nature.

On that particular issue, the authority has already considered the issue of if larger councils - specifically Glenorchy, Hobart and Kingborough - were to come on board, then heavily rebated prices in their favour would be offered rather than looking at, as you describe it, excessive profits. So we were already talking about offering, on a commercially sensitive basis, appropriate prices to those larger generators of waste to ensure that the money flows in that way. It is not to us a profit-making venture. It is very much in the sense of trying to keep that environmentally sound part.

**CHAIR** - You might have misread me a little bit in that I was not trying to imply even that you should not make a profit. I think you should - obviously you have to cover it - but it seems to me it is in your interests to make that hole in the ground last as long as possible. It seems to me that it is going to be somebody else's problem to get involved in extracting the resources out of that stream before it gets to you, even if everybody did come on board.

**Mr TRAYNOR** - Mr Chairman, the issue is the efficiency of the waste transfer station because in a sense all we are receiving at the gate of Copping is the end product. As you saw on site, we do not have any facilities other than a weighbridge to weigh and therefore charge each load as it comes in according to weight.

**CHAIR** - No, but you probably do not want to, either.

**Mr TRAYNOR** - Waste transfer stations can be created, including sorting rubbish if required, but obviously there is an economic issue there. In the Clarence/Mornington/Copping scenario, when we considered all of that, we went down the path that you just saw and created Mornington by a tendering process to a private provider. He now has the incentive, because he has his various streams of income, as you saw yesterday, to extract more and more rubbish. We have lots of evidence that that means this guy is going down into the pit to get something out because it is worth money.

**CHAIR** - Yes and I guess his incentive will increase as his volumes increase.

**Mrs SMITH** - I think we have missed one point here that probably was missed in the discussions yesterday at Mornington. Am I correct that the Mornington private operator, as well as having the right to extract the recyclables, is responsible for the transport cost to Copping. As such, the less he sends there, in other words the more he recycles, the more money he makes because he has not had what I believe is an expensive transport cost. I think it was quoted at \$14 per mile per tonne or something, and on the number of

trips. The fewer trips he has the more money the private operator can make. Is that how you see your incentive to recycle at the transfer station?

**Mr TRAYNOR** - Mr Chairman, Sue is obviously spot on there, as usual I should say.

**Mrs SMITH** - I want you to expand on that because I thought it was an important -

**Mr TRAYNOR** - And that is also where the point about the Byrne comes in, because you can squash those extra couple of tonnes in compared to the Mornington system that you saw, which was at best 18 or 20 tonnes.

**Ms BELL** - And the other side of it is that our permit does not allow us to take recyclables, so we are writing contracts with the councils who supply waste to us to say that they are responsible for putting in up-to-date recycling facilities so that the waste is separated at source. Then you add to that the transport cost side of it as well.

**Mr McKIM** - Well, just on that, the load that we saw come in clearly had a number of recyclables in it. You could hear the bottles smashing as they came off the back of the truck. I accept that that has come from the Huon Valley Council, as I understand, but can't you, under the terms of your contract, turn around to the HVC and say, 'We are not going to take any more of this because it is full of recyclables; you have to lift your game'. Why don't you do that?

**Mr TRAYNOR** - It is a bit too idealistic, I think.

**Mr McKIM** - No, it's not, it's about increasing diversion out of the waste stream, which is what we all are trying to come to grips with.

**Mr TRAYNOR** - Yes, but municipal waste is a weekly collection that has to be disposed of, there are no alternatives in terms of that. Except by talking to the Huon Valley Council and saying, 'Go away and sort it', it has to be disposed of every week.

**Mr McKIM** - Okay, well aren't there incentives so they can do better?

**Mr TRAYNOR** - You are quite right about the bottles in the load. It happens all the time. They would have gone into a wheelie bin. Somebody at their house put a beer bottle into a wheelie bin and you cannot check every wheelie bin as they go into the truck.

**Mr McKIM** - I understand that.

**Mr TRAYNOR** - That one comes down to education at the home level as to where things happen. We did see one other load delivered at Mornington, which you will recall was almost chock-a-block full of recyclables. That came from the hotels and the shops, so again it is not just a home thing; it is an office and business thing as well.

**Mr McKIM** - I guess the point I am driving at is that there is not enough incentive for people to take them out of the waste stream, whether it is at the home or even at the transfer stations. I did not see anyone jumping down into the pit and start getting the cardboard or the bottles out at Mornington because, in my view, there is not enough value attached to them to pay someone to do that, or there is not enough value attached to them at the

home to remove them from the waste stream. I just make that comment; you can respond if you like or not.

The Auditor-General's report 12 years ago said that, as I understand, full-cost recovery was \$30 a tonne, in fact I think it was \$30.02 a tonne. You charge what per tonne at Copping?

**Mr TRAYNOR** - No, the price is variable depending on which customer. The highest prices are paid by the members, but it is a way of collecting equity from our members so that is an unrealistic measure. We have to be careful because there is some commercial sensitivity on pricing because obviously we are trying to compete in an open market. What numbers can you give?

**CHAIR** - Incidentally, in case you are wondering nothing is made public out of this inquiry until such time as reports are tabled before the Parliament and then all documents basically become public by virtue of tabling in the Parliament.

**Mr McKIM** - It is an open hearing though, isn't it?

**CHAIR** - Oh, it is an open hearing but we do not allow any of the documents to go out.

**Mr McKIM** - No, but the journalists could -

**CHAIR** - Oh, you could but -

**Mr TRAYNOR** - We do have private sector competitors who would love to know what our prices were. Christine does have them right here.

**Ms BELL** - I suppose to have a mix so that it gives you a broader picture.

**Mr HARRISS** - Sorry to interrupt, Mr Chairman; there is a capacity for us to take this in camera if that is what the delegation would prefer.

**CHAIR** - Oh, there is a capacity to do that.

**Mr HARRISS** - Then there is total confidentiality.

**Mr TRAYNOR** - We will give the evidence in an open committee if that is okay.

**Mrs SMITH** - I think if you give a minimum to a maximum it gives us some idea. You work it out yourself, don't you, where in the system different things would fit?

**Ms BELL** - The pricing depends on the terms of the contract. If we get a long-term municipal contract, which for us is 20 years and which matches in with the compactor which we rent and we provide the transport, we do those basically at not much above cost. In fact transport we provide pretty much at cost. The lowest rate is municipal for a long term. Then there is a middle-range municipal where they will not commit for such a long time, say for 10 years, and then there is the commercial rate for an ordinary load. It is \$35 a tonne and is our second highest. Then our highest is \$50 a tonne, this is excluding GST. The \$50 a tonne, everybody knows these rates, is for loads that have to

be covered as soon as they arrive at the landfill, so that is to cover the extra cost of cover material, the extra air space that is taken up because it is covered and the cost of machinery and all of that sort of thing.

An indicative cost with full cost recovery, including an allowance for rehabilitation. for the gate fee and for transport over a 100 kilometre one-way trip is just under \$35 a tonne, which is not very much compared to what is being charged in the Hobart area at the moment.

**Mr TRAYNOR** - That is including transport.

**Mr McKIM** - If you go off the Auditor-General's Report of 12 years ago and factor in CPI, it is probably up to about \$40.

**Ms BELL** - And that is roughly where the \$35 came from in the first place, which is what we started off with.

Test Energy - actually complained to GPOC about our pricing saying that we were being anti-competitive, so GPOC did an inquiry into our pricing policy and found that, yes, we did not only have full-cost recovery but the profit factor was in there. They were happy with those prices and that is what we are charging.

**CHAIR** - Thanks for that.

**Ms BELL** - But as we said yesterday, I think it is all based on the fact that we have a 20-year contract with the contractor at the site, based on volume, and we can get economies of scale.

**CHAIR** - Any other questions? We certainly had most of our questions answered by coming and looking yesterday and through the discussions we had. I do not want you to think that today has not been as beneficial; it has, and I think you realised it was important to get some of that information on *Hansard* as well for the purposes of the report. I had my question answered fairly well, I thought.

**Mrs SMITH** - We have had some evidence there is a draft landfill code of practice. Has the authority had input into that?

**Mr TRAYNOR** - Not input but -

**Mrs SMITH** - Opportunity to comment.

**Mr HOWARD** - Are you talking about the sustainability guidelines? Copping would be the only site in southern Tasmania that conforms with that. I believe Dulverton does; I do not know a lot about Port Latta but I believe that probably would; and in southern Tasmania Copping is the only one.

**Ms BELL** - We didn't have a right of input as such but we were certainly provided with drafts so that we could comment if we wanted to. But because we already complied with it -

**Mrs SMITH** - You proved they are workable?

**Mr TRAYNOR** - Well, we haven't changed anything as a result of those drafts coming out.

**CHAIR** - Port Latta certainly told us that they do comply with it.

**Mr TRAYNOR** - We just had cries of joy thinking how McRobies Gully was going to comply with it!

*Laughter.*

**Mrs SMITH** - In your submission you made comment that the Derwent Park site is zoned for a transfer station. Is that absolutely correct, or is it a waste management transfer station? There is a difference between transfer and other options.

**Mr TRAYNOR** - I could not comment on that.

**Mrs SMITH** - I was sure I read in your submission that it was zoned for a transfer station and if that is the case one would make a presumption it is going to be moved somewhere.

**Mr TRAYNOR** - Well, I know they have already had a media event out there opening it, ages ago.

**Mrs SMITH** - As a transfer -

**Mr TRAYNOR** - As a transfer station, but as for the actual technical detail of the zoning, I do not know the answer to that. I presume if you asked the Hobart City Council they would be able to answer you.

**Mr HARRISS** - In terms of accreditation for your operation, the Hobart City Council seem quite proud of the fact that they have ISO accreditation. I hark back to the discussions we had on site yesterday to the extent that you are operating under the DPIWE guidelines and you meet those requirements. If my memory serves me correctly, Hobart would contend that your operation would find it difficult to get ISO accreditation without some extra costs which you would need to build in in terms of the paper trail, the recording and all of that to satisfy the ISO prerequisites. How do you respond to that?

**Ms BELL** - I think that is a basic misunderstanding of the way that we operate because Southern Waste Solutions consists of Graham, myself and Barry part time; we do not have a paper trail, all our work is contracted out. We contract out to what was Civil Construction Corporation and is now Works Infrastructure, and they have ISO accreditation. That is the same difference, they are passing on the costs of accreditation to us via their contract.

**Mr TRAYNOR** - So all the men you saw working on site are employed by CCC in their new private sector guise and, yes, they are ISO 9000 compliant, I do know that.

**Ms BELL** - To expect three people who work from a home office a couple of hours a night to get ISO accreditation is rather ludicrous and it would not cost very much anyway.

**Mr HARRISS** - But it is the operation, isn't it? It is the operation of the facility?

**Mr TRAYNOR** - Yes, that is the important thing.

**Mr HOWARD** - I would like to know in what area that Hobart maintains that they have ISO accreditation.

**Mr HARRISS** - I understood from my discussions - and I do not know that anyone else was involved in those discussions yesterday - that it is for the operation of the site, ISO 40 000. I guess it just highlights the competitive environment in which you are working.

**Mr HOWARD** - With the greatest respect, Mr Chairman, I had 18 years of being responsible for McRobies and every month I used to have to explain to the council why the chloroform counts were high in the Hobart Rivulet arising out of the leachate that came out. They were all made with butt-jointed, six foot diameter concrete pipes unsealed in a water pool with a tip on top of it.

**Ms BELL** - I guess the other thing with ISO accreditation is that it deals with processes and procedures, it does not deal with the quality of the outcomes. Firstly, we say it is not relevant for us because we are subject to it by our subcontractor and, secondly, it is not going to make the quality.

**Mr STURGES** - You are the administrator.

**Ms BELL** - Yes.

**CHAIR** - Thank you all for your time and effort in not only helping us out yesterday but coming in today. It has been very valuable.

**THE WITNESSES WITHDREW.**

**Mr RUSS MARTIN**, ENVIRONMENTAL CONSULTANT, BEVERAGE INDUSTRY ENVIRONMENT COUNCIL, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Welcome, Mr Martin. Please proceed. You obviously have something to show us and talk to and we will have some questions after that.

**Mr MARTIN** - Mr Chairman and members of the committee, thank you for the opportunity to be here. I am here today in my capacity as an environmental consultant specialising in products stewardship with 15 years' experience in recycling, product stewardship and market-based instruments in the US and Australia. Specifically, I drafted the submission by the Beverage Industry Environment Council and, as with the submission, my comments today are really primarily to terms of reference 1 of the inquiry, container deposit legislation.

Within Australia I led independent investigations into CDL for New South Wales and the ACT as well as commercial investigations for Coca-Cola and Waste Service New South Wales. As indicated in our submission to the inquiry, in the early 1990s I was also responsible for repealing a CDL program set to take effect in my capacity as a state government official with the state of Florida. What I would like to do today is provide some context for the inquiry. There are several models of CDL to help provide context, then I will address CDL in a contemporary context, and this is relevant to the inquiry in several ways.

First, implementing CDL in Tasmania would have to be part of a national CDL scheme due to the Commonwealth's Mutual Recognition Act 1992 and due to constitutional matters that would likely classify CDL as an excise. Therefore it is important to understand possible models for adoption and the likely impacts on other States as well.

**CHAIR** - At the outset I might just indicate, Mr Martin, that we have had evidence this morning that would contradict that so if you want to elaborate on that, feel free to.

**Mr MARTIN** - We have elaborated on that in the submission. I am happy to answer questions on that. South Australia even had to specifically redraft certain provisions in order to fight off a High Court case.

Until Germany's recent introduction of CDL, all CDL programs have been implemented prior to the introduction of comprehensive recycling programs, so implementing CDL on top of current recycling efforts would create competing systems and increase the cost of implementing both, while reducing their effectiveness.

Lastly I will refer the committee to our submission for details of Australian CDL studies, but I will examine the specific implications of introducing CDL in Tasmania based on those studies and other sources. How does recycling work under traditional CDL as in South Australia? Consumers pay a 5 cent deposit on specified beverage containers, then have the deposit refunded when they return their empty containers to a collection depot where the containers are sorted by hand. Then the containers all go through a system of three so-called super collectors that track the returned containers by brand and by

material type. This approach involves built-in inefficiencies. At least 18 different sorts are required, even though the brands ultimately end up at a handful of end-users for recycling. A recent study commissioned by the South Australian Government has found that these inefficiencies amount to \$4.1 million per annum or around \$35 000 per collection depot per annum.

California has developed an alternative approach to CDL that has eliminated the need to sort by brand due to periodic auditing and enforcement. In the early 1990s when I investigated the program they had about 300 state employees involved in the auditing program. It is hard to get numbers on current figures. This diagram is the simplest we could develop for the California system. Whilst California is basically a different style of CDL, they think of themselves as not being CDL due to a system of payments and California redemption values, rather than traditional deposits. As with a range of CDL programs, California's beverage container recycling rate was generally declining over time as the deposits lost their value. They have seen a slight resurgence recently due to a recent program expansion and associated education campaign. California is also one of the CDL programs that relies heavily on reverse vending machines, like these shown here, to optimise point-of-sale returns of beverage containers. The reverse vending machines are generally reviewed as more cost effective than manual collections. You put your containers in the machine and it issues your cash or a slip you take inside a nearby store in order to redeem your deposit.

The CDL approach that is probably most viable under current conditions in Australia is the British Columbia approach. It has involved traditional CDL on soft drinks since 1970, and in 1988 the program was broadened to include all other beverages, except milk and milk products. An industry consortium, Endcorp, is responsible for ensuring proper container returns. In addition to the deposits a container recycling fee, or CRF, may be charged to help ensure the full cost of recycling each type of container is being recovered. The program had an 85 per cent recovery rate target, yet had achieved 73 per cent recovery as of 2001. They have not come close to the 85 per cent.

If we consider the impacts of CDL on recycling and litter, there are a few take-away lessons. One is that CDL does generally increase beverage container recovery and that CDL does reduce beverage container litter which generally accounts for 8 to 10 per cent of the litter stream. But, as indicated in the previous slide, impacts are highly dependent on the deposit providing enough incentive to warrant the extra effort. To keep up with inflation, deposits would have to be in the order of 20 to 30 cents per container in order to provide much motivation to consumers. So the question is: will people go out of their way to get that 20 or 30 cents per container back? Given the strong support for kerbside recycling in Australia and 85 to 95 per cent access to kerbside across the Australia, it is less likely that people will go out of their way to redeem the containers through a depot or reverse vending machine system. As evidenced by the general decrease in CDL beverage recovery rates over time, the deposits also lose their value over time, and programs rarely increase the deposits once they have been implemented. It also becomes harder and harder to educate and motivate consumers, given that there is strong competition for consumer attention.

Product stewardship schemes must take into effect existing programs and infrastructure, and if you look at programs that have CDL and comprehensive recycling programs, in every case except Germany CDL was implemented first to address litter and protect local

refillable bottlers, and then the recycling programs could be designed around already having those systems in place. If you introduce CDL on top of comprehensive recycling you create a duplicate system that would undercut recycling programs and increase the cost of kerbside recycling if - and that is a big if - consumers are motivated by the deposit. That is because CDL would then remove the high-value materials out of recycling programs. Costs would not go down, even though less material would be recovered, and in fact council rates may actually have to increase. Officials of Germany's dual system report that the introduction of mandatory CDL on top of their comprehensive recycling program resulted in a cost of over \$300 million euros or about half a billion dollars Australian in 2003. Recent studies have also found that implementing CDL in Germany actually resulted in a negative effect on the environment and a net loss of 9 500 jobs in 2004.

In the interests of time, and to allow more time for your questions, I would refer the committee to our submission for detail on studies that have examined the feasibility of introducing CDL in Australia. Instead I would like to highlight the implications of that research for Tasmania. Whilst I understand the advice is different, a number of the studies have gone on the assumption that CDL would have to be part of a national scheme. Instead, if we look at what would be involved in setting up a viable depot system, the main investigation on this has been part of the study that I did for New South Wales, where we broke the depot system out by metropolitan and rural areas. What we found was that, while we could set up a viable system of depots that worked in metropolitan Sydney based on modifying existing council facilities and Waste Service New South Wales facilities, by far the greatest impacts were in rural areas where there simply were not enough container flows and handling fees in order for the depot systems to be viable. So what we see is that in rural areas there would only be a small number of depots that could stand on their own. They simply would not have the volume of containers to be viable. It then becomes a public policy question whether you are subsidising an inefficient system or whether you are charging people a deposit that they have no feasible means of getting back, or very limited means of getting back. I would argue that neither of these approaches is particularly desirable.

In looking at the implications for Tasmania of having kerbside systems and CDL imposed on top of it, I would like to address the fact that advocates contend that CDL materials represent high volume and low value to kerbside programs, and that diverting them through CDL would actually strengthen kerbside. While they are not letting the facts get in the way of a good story, what we see based on public data available from the Southern Waste Strategy Authority is that the materials that would be subject to CDL provide significant value to Tasmanian kerbside programs. CDL items represent 54 per cent of the weight of materials in kerbside, yet almost 77 per cent of the value of kerbside materials so, if those materials are then diverted through a system of depots or reverse vending machines and away from kerbside, that has significant impacts on the yield of kerbside and the economic viability of kerbside if consumers truly embraced CDL.

In the debate on CDL you are also likely to hear a number of other myths that are worth addressing here. One is that CDL makes beverage consumers pay for recycling rather than ratepayers. This is an arbitrary distinction because we are all beverage consumers, so the question is why pay extra for something that results in little meaningful change? The second advocates point to CDL programs where kerbside operates and they say that

they work well together. Well, as I have already said, Germany is the only program to introduce CDL on top of comprehensive recycling. Everybody else already had their systems in place. The real risk is in introducing CDL on top of a system, and Germany is the only place to have done so. It has cost them about \$A500 million and over 9 500 jobs and resulted in increased environmental impacts. So whilst CDL sounds simple and it sounds nostalgic, the reality is that it is far more complex than that.

If you look at some of the alternatives to CDL, there is the Strength in National Packaging Covenant. I am a part of the negotiations on strengthening the covenant, so I am happy to answer your questions on that. It includes overarching targets and key performance indicators, and greater access to funding for recycling and litter. Local governments will be able to access funds without being covenant signatories, which will be a change on the existing covenant, and there will be a greater emphasis on litter abatement. There is also the alternative of expanding away from home recycling into areas like public places, special events, and commercial and industrial facilities such as pubs, clubs, shopping centres, and also improving education and outreach on recycling and litter.

Tasmania has made quite significant gains in terms of recovery systems in the past few years. It makes sense to actually build on those programs and make them better rather than undercutting them, and with that I am happy to answer your questions.

**Mr HALL** - All that presentation you just did then, is that all contained in your submission?

**Mr MARTIN** - I have actually updated it since the submission. I have a CD available for the committee with all the information in it.

**CHAIR** - Thanks very much. Questions?

**Mr McKIM** - Mr Martin, you are an independent consultant but in this case you are representing BIEC here today?

**Mr MARTIN** - Yes.

**Mr McKIM** - How is BIEC funded?

**Mr MARTIN** - Through a voluntary levy on the members' products.

**Mr McKIM** - And the members are?

**Mr MARTIN** - The members are the major beer and soft drink suppliers as well as several wine companies.

**Mr McKIM** - So the interests of BIEC, because they are funded by those organisations, are legally to protect the shareholder price of those organisations?

**Mr MARTIN** - BIEC is set up as a separate entity to address specifically the environmental interests of those companies and represent them on environmental matters. The independent investigations that we have conducted, it should be noted, actually contained a number of things that BIEC members were not very happy with, including the finding

that CDL does have some benefits such as increased beverage container recovery and increased recycling of beverage container litter. The question is whether it makes sense to implement CDL on top of existing systems and how that could be done in a way that would be a viable system. Whilst BIEC funded my travel here, the results have been independent. In fact, with the investigation that I led from New South Wales, BIEC didn't even see the report before it went to the minister and they had no involvement in editing or contributing to the report -

**Mr McKIM** - Which report is that?

**Mr MARTIN** - This is the investigation of the impacts of CDL on recycling and litter in New South Wales.

**Mr McKIM** - This is not the UTS study?

**Mr MARTIN** - No. This was actually done prior to the UTS study, so whilst they claim to be the first investigation of CDL they are actually not. They made reference to our report and included some of our numbers in there.

**CHAIR** - As far as the beverage industry is concerned, what if any market distortions are caused by CDL?

**Mr MARTIN** - Primarily in the price of the beverages, because the cost of these programs gets passed along nationally in the cost of beverages. A study for the South Australian Government found that South Australia actually only bears about 8 per cent of the cost of their CDL programs and the other States are footing the rest of it. It simply doesn't make sense to have separate pricing for one State. As far as my involvement with BIEC goes, as I pointed out in the presentation, in the early 1990s I was an official with the Florida Department of Environmental Protection. We conducted a detailed investigation into what the costs of implementing CDL would be on our system which we had been funding. We had been placing about US\$25 million a year into kerbside recycling. We had a CDL program on the books set to take effect and we were concerned about the conflict with recycling. We then eliminated the deposit provision and modified the program into an advanced disposal fee designed to improve markets for recovered materials.

One of the issues with CDL is that if it is effective you are still only increasing supply without actually addressing the markets for the materials, and markets are one of the key provisions of the revised national packing covenant that we are struggling with now in our efforts to strengthen the covenant to ensure that there are reasonable markets to keep up with the extra recovery that could take place under this system.

**CHAIR** - I am just trying to get my mind around this issue. The only reason I am aware of the South Australian CDL is that I see it on the labels of beverage containers where it refers to the refund available in South Australia. I presume it has been in for so long in South Australia that everything is back to normal as far as the consumer is concerned. Coke still sells coke. People in South Australia, it seems to me, have the same preferences as people in Tasmania as far as their beverage consumption habits are concerned.

**Mr MARTIN** - There is strong support for CDL in South Australia; they have had it for about 30 years, so a lot of people have grown up being used to having it available. As part of the work that I was involved with in the investigation for New South Wales we went out and surveyed 250 South Australian residents to find out what they liked about the program and how it influenced their recycling behaviour. What we saw was that even the people who do kerbside and CDL would vary their behaviour over time. For example, if you have a large party or if Easter or Christmas is coming up, people are more likely to redeem containers. If they have access to kerbside recycling, they are likely to put the larger containers such as a two litre PET bottle in the recycling bin but they will save up their stubbies and put them in a case, because it is easier to get more of them in your boot to take them to the depot. So the South Australians also vary their recycling behaviour. We found that if people had access to kerbside, even South Australian residents, given their support for CDL, still had a preference for recycling kerbside.

**CHAIR** - It seems to me that with the way you operate these days, if the country went CDL nationally, it would not affect the beverage industry as such, would it?

**Mr McKIM** - Yes, it would.

**CHAIR** - Would it?

**Mr MARTIN** - Yes, it would have some impacts, and it would depend on how the program was structured. Different CDL programs have different means of implementation. Some have left implementation exclusively up to the beverage industry, so it becomes hard to understand what figures they are actually achieving in terms of recovery, because they say 'It is our program, let us run it', and there is not necessarily any reliable feedback on the beverage container recovery rates. There is in fact an incentive to overstate the recovery rates, because if people see that the beverage industry is getting money out of unredeemed deposits then there would be negative feedback on the program. So there is an incentive to overstate the recover rates. In places like California and British Columbia where they have put in programs that have significantly more data requirements and auditing, where you can trust the numbers - there are believable numbers, they are transparent and they are reported in some cases on a monthly basis - the recovery rates are generally lower than what is reported under the voluntary system.

**Mr STURGES** - Can I just clarify a point? I think you said that the beverage industry - I won't put words in your mouth - is subsidising CDL in South Australia, so therefore -

**Mr MARTIN** - Beverage consumers across the country are subsidising CDL in South Australia.

**Mr STURGES** - So could I argue that a case of beer in South Australia is approximately the same price as a case of beer in Tasmania -

**Mr MARTIN** - In general, yes.

**Mr STURGES** - if you accept that there is that consumer subsidy?

**Mr MARTIN** - That is according to a study commissioned by the South Australian Government into the impacts of CDL. It is important to note one of the other findings of that study was that, while a number of places report additional jobs out of CDL - for example, sometimes you hear the figures 'we would have 1 500 new jobs in New South Wales if CDL were to be introduced' - the study for the South Australian Government has actually noted correctly that in fact it is a benefits transfer. When you set up a competing system you are actually diverting money from other more productive uses and funnelling it in there, so at best it is a jobs transfer and not a net jobs creator.

**Mr McKIM** - It is true that CDL would impact on the beverage industry in financial terms, isn't it?

**Mr MARTIN** - Yes, although it should also be noted that in programs such as those in South Australia they have had time to figure out how to make it work better and they have adapted to it, so I don't think it is a fair argument necessarily to say CDL would in fact hurt the beverage industry. There are sectors of the beverage industry that would benefit under CDL including those that are involved in recovering material. If CDL increases recovery rates that gives them additional feedstock in recycled products that they could then use to reduce some of their costs, so it is not a simple matter of saying the beverage industry is hurt by CDL. In fact I would argue there are a number of people who would benefit from it.

**Mr McKIM** - Perhaps I could suggest that some of the major players in the beverage industry would be hurt by CDL - specifically, for example, Coca-Cola Amatil - because, at the end of the day, I suspect what the concern is - and I will put what I think and ask you to comment - there is that a family drops into the shop and the kids might want either a can of coke or an ice-cream and if the can of coke has gone up by  $x$  cents per can they will buy the ice-cream instead. Firstly, I ask you to comment on that and, secondly, if that is the case, do you think there would be such resistance in the beverage and container manufacturing industry if we were talking about a full, more extended EPR system and not just CDL?

**Mr MARTIN** - I think, in my discussions with the industry, they often feel singled out because of the visibility of the containers, whereas if you look at other products that would have significant and greater environmental impact - for example, televisions and a range of electronic items - we are just now moving towards EPR measures to address some of these products which have a far greater impact on the environment, it is just that beverage containers are easier for people to relate to.

One of the issues that we also get, though, is that as long as the cost is passed on to the consumer and it is equitable and a competitor isn't gaining an advantage by not being subject to the fee then you don't see as much opposition as you would indicate because it is a cost that would then get passed on to the consumer. As long as it is done so equitably and across the board for those products, it is less of an issue for the industry; it is less of a concern.

**Mr McKIM** - So the concern is it will be unfair just to focus legislatively on the container industry without also focusing on electronics manufacturers, for argument's sake, or ice-cream manufacturers.

**Mr MARTIN** - It would be unfair to focus on Lion Nathan products, for example, and single them out if somebody else isn't being subject to it.

**Mr McKIM** - You spoke about some constitutional and legal issues. Do you have legal advice to back up what you are saying about the constitutional problems of a State-based CDL system?

**Mr MARTIN** - I have drawn that from a number of sources, including the UTS study of CDL in New South Wales and I know they sought detailed legal advice.

**Mr McKIM** - One of their options was for New South Wales to adopt the CDL scheme.

**Mr MARTIN** - They deferred it to the EPHC. They recommended that New South Wales support adoption of CDL at a national level because they couldn't just implement it in New South Wales.

**Mr McKIM** - Sorry, I have it here and it doesn't say that. It says, and I will quote - this is from the executive summary of the UTS study, Independent Review of Container Deposit Legislation in New South Wales, Volume 1 regarding CDL in New South Wales:

'The CDL review's recommendation is that either container deposit legislation be introduced ...'

And then it goes on. It doesn't say nationally.

**Mr MARTIN** - Elsewhere it does defer it to a national level and it raises the specific issue that I addressed earlier in my talk, specifically the Mutual Recognition Act 1992, and that is actually straight out of the report to which you are referring.

**Mr McKIM** - Have you seen the New South Wales EDO's legal advice?

**Mr MARTIN** - Yes.

**Mr McKIM** - You would disagree with that, would you?

**Mr MARTIN** - I have not sought independent legal advice on this. In our discussions with ministers, for example, my understanding is that the advice that other ministers have received is that it would need to be national.

**Mr McKIM** - So how then is South Australia's scheme okay, but another State's scheme would not be?

**Mr MARTIN** - This was a High Court case - effectively Lion Nathan, but it is Bond Brewing Company - that ended up resulting in a modification of their legislation. You would have to argue that it is not intended to advantage Tasmanian companies over others. The counter argument that I am aware of is that it would very much represent an interest of local representatives, and it is not just in refillable bottles, which is what the original case was based on.

**Mr McKIM** - The Mutual Recognition Act specifically exempts certain things, including laws directed at matters pertaining to regulating environmental pollution.

**Mr MARTIN** - That is one of the areas that is in dispute. Specifically if you looked at the mixed environmental outcomes that would be likely, there would be gains in some areas - losses in others.

**CHAIR** - We don't need to resolve that one here anyway, and I am getting conscious of the time. The reality is that we have to wind up, because our next people have been waiting 15 minutes.

**Mr McKIM** - But, Mr Chairman, we are actually in our afternoon tea time now, and I just have a couple more questions that I would like to ask. Considering that Mr Martin has gone to all the trouble to come down, I would ask for, literally, only a couple more minutes, if that is all right.

**CHAIR** - That is fine.

**Mr MARTIN** - I am also happy to answer your questions outside the committee as well.

**Mr McKIM** - Thank you. You mentioned Germany as the only example of a CDL introduced on top of an existing kerbside system, but California did that as well, didn't they?

**Mr MARTIN** - California had very little in place. Hawaii has recently introduced CDL, but the reason that CDL was introduced was that the industry had not built up a decent recycling system. So Hawaii has effectively nothing in place, and they are implementing CDL. CDL may in fact work reasonably well for Hawaii, because they have nothing in place. What we have seen on studies for New South Wales, the ACT and Victoria is that introducing CDL on top of a comprehensive system doubles or triples the cost per household of recycling and presents a competing system. We found in the investigation for the ACT that, because they already had a high beverage container recovery rate and a low cost per household of recycling, there was an even greater impact of introducing CDL. It was costing them \$110 per tonne to recycle the current range and achieve a beverage container recovery rate of 72 per cent. Introducing CDL on top of that system, at most you would get probably 10 per cent out of that, but the marginal cost of getting that extra 10 per cent would go from \$110 per tonne to \$919 per tonne. So the better your system is, the more comprehensive it is, the more you focus on reducing costs, the greater the impacts of introducing CDL on top of that system.

**Mr McKIM** - Do those studies assume 100 per cent diversion out of kerbside of CDL containers?

**Mr MARTIN** - No, and in fact that is one of the areas that is usually in contention. It is assumed that you are going to have a fair amount of recovery at depots and reverse vending machines, but you will also still have people who effectively cannot be bothered, aren't aware of the deposit or do not worry about it, so they will continue to recycle through the kerbside programs. That is what a number of local governments are looking at under CDL - they want to make sure they get the money from the unredeemed deposits, so you actually have an incentive to keep people from going through the CDL

system and to continue to recycle through the kerbside, at a much greater cost for setting up the extra infrastructure.

**Mr McKIM** - We have heard evidence this morning that in California the kerbside system has actually been expanded because of CDL, and that they have subsidised, I think, about US\$30 million a year out of their CDL scheme to augment the kerbside system over there.

**Mr MARTIN** - And that is based on the unredeemed deposits. It also does not address the actual extra costs of implementing the system. California's system did in fact occur before comprehensive recycling in the state, and the recycling system could then be designed around already having CDL out of it. In a contemporary context, if you are looking at long-term contracts for recycling or collection or processing for local government, then those contracts are based on assuming a certain volume of material and a certain value for those materials. As I said in the presentation, the materials that would be subject to CDL represent 77 per cent of the value of materials in southern Tasmania's kerbside recycling system, so it is not a reasonable argument to say that if you take those materials out then kerbside will be better off. If you open up some room for other materials you might see some additional improvement in paper. In South Australia for example, despite saying that their program is better for paper recovery, they consistently lag 10 per cent to 15 per cent behind national recovery rates. The newspaper people involved in recycling will tell you that South Australia has the worst program that is available and that is because you don't have the investment in other comprehensive approaches that address recycling.

What we have seen is that a comprehensive approach that addresses education, organic waste, and a range of products beyond just beverage containers, actually delivers better results. CDL programs don't necessarily have the best diversion from landfill, for example, and they may not necessarily have the worst. The best performers don't necessarily have CDL. It is all over the board. It depends on whether CDL is part of a comprehensive program that has been designed around CDL already being in place.

**CHAIR** - I want to wrap it up. We waived our afternoon tea time by the way. You have forgotten.

*Laughter.*

**CHAIR** - I do thank you for coming in. It is valuable. We have the CD as well that you have given us and I am sure if we have any other questions we can contact you.

**Mr MARTIN** - I am happy to be available. My details are on the presentation.

**CHAIR** - Thanks very much. That is very helpful.

**THE WITNESSES WITHDREW.**

**Mr DARRYL COOK, Mr WARREN JONES,** GENERAL MANAGER,  
ENVIRONMENT, **Ms CARINDA RUE,** STRATEGIC PROJECTS MANAGER,  
ENVIRONMENT, DEPARTMENT OF PRIMARY INDUSTRIES AND WATER.

**CHAIR** - Welcome, you are all from the Department of Primary Industries, Water and Environment and the Environment division thereof. Thank you very much for coming today.

**Mr McKIM** - Can I just apologise; I wasn't actually aware you were coming during our afternoon tea time. I am sorry, I thought we were operating on our own afternoon tea time when we went over on the last reference and I didn't realise we were shortening your time, so I do apologise for that.

**CHAIR** - If you don't mind, we might move into questions for you. You have given us a fairly detailed submission and I can see that we probably will not have enough time for you to answer all the questions we might have anyway. And we are going to have more because we have only just started. We will be moving around the mainland looking at various sites and talking to people and we are going to have a lot more questions to put to you as we gain knowledge and information. So I will do that to begin with.

I am looking at page 47 of your submission to us right now and I have underlined a few things that caught my eye. One of them was the comment in the second paragraph about 'towards a waste management strategy in 2000' and the second main sentence there:

'The discussion paper identified a number of issues to be resolved at local and State Government level and actions to be undertaken by industry and the broader community as part of a shared responsibility for waste management.'

I am wondering just how far a waste management strategy has developed, as far as the department is concerned, for the State.

Then I read, under 'current status', the second paragraph there, that progress on developing regional strategies has been slow and variable. I am wondering why and what can be done to progress regional strategies.

Then, under 'future directions', I am given the impression that nothing is happening until such time as the Tasmania Together targets are established and I am wondering why that is. Can you address those issues?

**Mr JONES** - If I start at the top, working through the toward waste management strategy and where we went from there, it is set out in here in summary. But, in essence, from the release of the waste strategy, we collected responses to that. We then effectively moved into the initiation of the Premier's Local Government Council at that time and waste was placed on the agenda there. Essentially the resources that we were using on the strategy development then became involved in the PLGC process. As we worked our way through that, the strategy was one of the issues that we, if you like, transferred onto the Premier's Local Government Council agenda and as the discussions evolved through that. Again, if you have traced through the whole paper, there was a series of

committees set up under the auspices of the Premier's Local Government Council to progress various issues on that.

The long and the short of it was that we got to the point where we agreed that the regions would be given a chance to develop regional strategies and we would then draw those together. We have not reached that point in terms of the regions or getting to the point where they have been able to use them. As you rightly point out and as our submission says, it has been slow and variable and the Southern Waste Strategy Authority has certainly been the leader in that area. Region North is now getting a strategy together, or has a strategy, and Cradle Coast is, again, getting its act together.

From our perspective I guess we are still interested to see exactly how those are going to be implemented and how those are going to be funded. In the meantime, a part of the purpose of the PLGC process was to try to identify what were the key priority issues. You cannot do everything at once; you need to prioritise and work through those. So the PLGC process was a method of identifying what those priorities were and starting to work on those elements of the strategy.

One of the key ones that emerged both from the PLGC process and I think from the Towards Waste Management strategy submissions and the like was in the area of controlled waste and that is one of the areas that we have been focusing our attention on more recently. So we have not moved from that paper to a consolidated statewide strategy but we believe that the process that we have been through, the very useful paper that we produced, the responses we got to that and the process that we have worked through with the PLGC, has enabled us to identify what the key priorities are and what the strategic direction should be. As I said, we are working our way through those.

**Mrs SMITH** - On page 6 of your submission you actually brought the issue of the Mutual Recognition Act to the table, do you have a legal opinion that supports that? We have had some differing opinions through the day, as you may have gathered.

**Mr JONES** - Yes. The whole CDL issue, I guess, is a very complex one, as no doubt you are aware of from listening to the last submission and we find it very complex as well. There are many arguments on all sides but on this specific issue, and indeed one of my notes, if I were to give an opening presentation, was going to be to perhaps just correct the impression we gave initially in our submission. Our impression when we wrote this was indeed that it probably wasn't possible legislatively for a State government to go it alone, so to speak, on CDL. More recently we have teased that out with our colleagues in New South Wales from whence that advice initially came and our current understanding is that it is probably possible, as long as you are clever enough in the way you went about it. There would certainly be some significant hurdles to overcome in doing that.

**Mrs SMITH** - But we are clever enough, if we so wish?

**Mr JONES** - We may be. We haven't sought specific legal advice from the Solicitor-General on that matter. It is not currently on our agenda, I guess. Our current focus is working through the national packaging covenant and again I am not sure who else you have heard from on that and how much I may be going over other ground.

The current position of our minister and the other ministers on the EPHC is that they certainly want to see a stronger and more accountable packaging covenant this time around. They have instructed the officials to get off with industry and there is a group called the Boomerang Alliance that you may be aware of.

**Mr McKIM** - We heard from them this morning.

**Mr JONES** - Okay. So you are probably aware of all that - that targets are being set and the minister has essentially put industry on notice that unless those targets are met then they will develop a more regulatory approach, of which CDL could be part of the mix. Just listening to the last person, I guess another message that perhaps we give is that CDL certainly isn't anywhere on near the same scope as the national packaging covenant. It has a very narrow focus. The national packaging covenant is attempting to address packaging waste on a wide range and looking at a cradle-to-grave approach. CDL, as I have said, has a very narrow focus, not only on beverage containers but also on collecting the stuff at the end rather than design of products and so on. At the moment we are supportive of the more holistic approach that the national packaging covenant is taking but, as I said, with the qualification that it has to deliver.

**Mrs SMITH** - I may be incorrect and you will correct me if I have interpreted this wrongly but I thought the national packaging covenant was really a trade off where the States and Federal said to the industry, 'You have an opportunity to get your act together and come up with something or it will be a levy situation' and, as such, in 1999 that process started. It has been reviewed and there has been some comment: the process has been okay but there is less evidence of outcomes and I think that is probably recognised by the fact that, I think your comment was, 'They have been put on notice, get some outcomes or we will intervene'.

**Mr JONES** - Yes.

**Mrs SMITH** - The system is saying five years in which to allow that or have you benchmarks that you would expect to be met much quicker?

**Mr JONES** - No. Certainly the message is that there must be targets set and there will be a mid-term evaluation of the packaging covenant. Now you have to realise of course that if those targets were met it would still take some time to develop and implement a comprehensive system of regulation to replace that. Believe me, it would be no small effort, particularly in our a State our size, to do that which I guess is another reason why it is attractive from our point of view to look at a national process and a scheme to do that. It just seems to be commonsense that it will work best that way.

**Mrs SMITH** - Thank you.

**Mr McKIM** - Can I just ask on the MPC, the targets were revised late last year; is that right?

**Mr JONES** - No, the targets have actually been set this year. There were no targets in mark 1.

**Mr McKIM** - So we went from 1999 to 2004 with no targets at all?

**Mr JONES** - There were no specific targets, quantitative targets, of the sort that we have now. Each member of the packaging covenant had to produce a plan and they were accountable for delivering what they had in their plan. But I think probably most of us who were involved in that, including myself, were saying that when we got to the end of it, if I look at myself as a consumer and my own personal interaction with packaging waste, I had some difficulty in seeing where it had been. I could not trace some things. Certainly I noticed that the walls of the containers of the orange juice had got thinner and some of the other containers had got thinner and so on, so there were definitely some tangible results, but I think everyone in the evaluation had some difficulty in transparently demonstrating this is what packaging covenant mark 1 had achieved. I am certainly not saying that nothing was achieved. The very clear message that the ministers are getting this time is that we have to set targets - I think, stimulated by the plastic bag experience. Targets must be set and the industry will be accountable for delivering on those targets. So the target-setting process has been taking place, not wishing to go over stuff you may have been over - the Boomerang Alliance may have given you that. Essentially, the Covenant Council, which has industry and State Government representatives, together with the Boomerang Alliance in there to keep everybody honest, is now battling their way through what those targets should be.

**Mr McKIM** - In fact the alliance have walked out a couple of times, I think, haven't they?

**Mr JONES** - They walked out very early on in the piece, but I think from my perspective it is a good thing. They are now back in and arguing the good cause to put the targets on the higher side of perhaps where industry might want them.

**Mr McKIM** - I guess I am asking you for an opinion here, Mr Jones. I don't know whether that is a fair thing to do or not. Firstly, have the targets been set?

**Mr JONES** - The packaging covenant and the regulatory impact statement are currently now available for comment, so you can go and check them out on the web.

**Mr McKIM** - Including targets?

**Mr JONES** - The RIS has a range of targets in it. Effectively, the way these ministerial councils work is that ministers always want things done very quickly, and often more quickly than their bureaucrats can deliver. I think it was December when the ministers made a clear decision that targets should be set, and then sent bureaucrats off to make it happen. Correspondingly, we have the packaging covenant ending on 14 July, so there is a time limit at that end. The setting of the targets has got squeezed in between. The regulatory impact statement looks at a range of targets and what the effects would be on that. So, yes, there is some indication of what the targets will be, but they have not been finalised.

**Mr McKIM** - Okay. In that case I am not going to ask you for an opinion because it will be unfair.

**Mr JONES** - Okay.

**CHAIR** - Is DPIWE trying to encourage a regional approach, or are you sitting back waiting for the regions to develop an approach?

**Mr JONES** - No, we have been actively encouraging a regional approach for quite a number of years.

**Ms RUE** - Four or five years.

**Mr JONES** - Probably even before that. I think probably from the mid-1990s on we recognised that tackling this simply on an individual local government basis was simply not going to work. I suppose originally our main driver was to reduce the number of tips, and so it was looking at it more from a regional infrastructure point of view. I think we have moved on from there to say that regional waste management makes sense in a whole lot of other areas. Initially, the driver, as I said, was to get regional facilities so that we could get fewer, properly managed, tips. There has been substantial progress made with that, from hundreds in the 1990s down to about 37 now.

**Mr McKIM** - And managed far better.

**Mr JONES** - Yes, definitely; you can track an improvement in that area.

Our approach, in line with the Government's partnership approach with local government, has been to get these regional strategies and regional groupings up through the partnership agreement, so each of the regional partnership agreements - sorry, I don't think the southern regional partnership agreement has an element in it because we already had the regional strategy. Do you agree with that?

**Ms RUE** - Yes.

**Mr JONES** - But certainly the regional partnership agreement with Region North and the Cradle Coast partnership agreement both have schedules in them whereby the regions have agreed to develop strategies, so that has been the approach.

**CHAIR** - So you really do have targets that are separate from any Tasmania Together outcome?

**Mr JONES** - No. What we are talking about are different targets there, I think. We don't have quantitative targets. What we are, I guess, looking at - and you may have seen that emerge through the paper - is for Tasmania Together to set it because there is a clear expectation and there is a clear benchmark. It was simply one of the benchmarks that was in the too-hard basket for the benchmarking committee so it was handed over to the progress board to set. That was originally to happen in 2002, I think, and we have seen that really as being a fairly definitive point in terms of deciding where we are going to go in Tasmania with waste management. Once we have a target there is going to be a clear obligation on government and others, the community, but clearly government will need to take a position on how we are going to get there. So we have seen that as a key driver and, as I have said, to some extent we have been waiting for that to happen.

I can report that we have had some recent discussions with the progress board with a view to moving the setting of a target or targets along.

**CHAIR** - That will be a general sort of a thing like reduced waste by so many per cent by the year dot, wasn't it.

**Mr JONES** - Yes. The benchmark is a reduction of waste to landfill and incineration. We have prepared a discussion paper for the progress board on what sort of options you might look at in that area and you can look at aspirational targets that some other jurisdictions have of towards zero waste but I think what we believe is that Tasmania Together isn't looking for an aspirational target but perhaps a stretched realistic target and so you can look at things such as New South Wales which has set themselves an example of a target of I think 75 per cent reduction in construction and demolition waste to landfill by 2015 or zero controlled waste to landfill. I think that would be the sort of direction that perhaps we would be advocating in terms of perhaps setting, rather than an overall global and aspirational target, some targets that might look at individual sectors of the waste stream and set some quantitative values for us to head towards.

**CHAIR** - That helps because I was trying to get my mind around the reality that Tasmania Together targets come out of the community and the community isn't necessarily up to speed with what is happening in the waste management industry and regional approaches or anything else for that matter.

**Mr JONES** - I guess that is the job of the progress board. As I have said, all we have been asked to do is to provide a broad discussion paper around the issues and the progress board will then, as I understand it, get views from key stakeholders and put out some sort of paper for discussion and comment prior to setting them.

**CHAIR** - Is DPIWE then keen to progress areas like waste minimisation and resource recovery?

**Mr JONES** - I think you have to answer yes to that, of course.

**CHAIR** - What is being done from DPIWE's angle?

**Mr JONES** - We have a range of programs that touch on those areas but our main focus and, I guess what we have been predominantly resourced to is in the regulatory area, so if we look at our budget for the waste management area probably 70 to 80 per cent of that, I think, is taken up with what I would define as core regulatory functions that are defined by the act. We regulate sewerage treatment plants out of that area. We regulate tips. We regulate waste transport businesses. We deal with contaminated sites. We regulate ozone still, for the moment. So the majority of our resources are consumed in that.

We would certainly like to be doing more in some of these other areas. We are working at a national level on a number of programs through the EPHC, looking at national ways of addressing issues and, again, we have touched on some of those with the last speaker. But things such as tyres, computer waste, televisions and mobile phones have to be dealt with at a national level.

For a number of years - and it is still in place, but I am not convinced at the effectiveness of it - we tried to bring in a voluntary levy for dealing with waste tyres in Tasmania, but we are too small. Voluntary levies do not help the guy who is doing the right thing while the competitor down the road is selling for less or is still taking the levy and not using it.

As I said, my experience with that has really convinced me that a lot of those issues we have to deal with at the national level.

We have extended producer responsibility negotiations going on with all of those industries at the moment in varying degrees. Through the EPHC we are developing a national system for underpinning, if you like. The key issue for industry seems to be, 'Okay, we will join a voluntary scheme to recycle tyres or televisions or whatever, but we want governments to ensure that there are not any free riders'. In other words, they are saying that if there is an importer of cheap televisions from xyz, who is not part of the scheme and does not want to be because they want to sell the products more cheaply, they want governments to underpin the voluntary scheme with a legislative safety net, effectively. So we are also working through that.

**Mrs SMITH** - Whilst were on this recovery issue, certainly your submission gives a very good snapshot of what is collected and where it goes and undoubtedly we all would like to see more recovery rates. But is the capacity ever there, do you believe, if we could achieve high standards, for the process of recovery right through to happen here in Tasmania? I notice in the submission that, as things stand at the moment, things are very dependent on freight equalisation. That is always a variable, depending when it is reviewed and how close to a Federal election it is - and that is the cynic in me speaking! So is Tasmania ever going to be big enough to recycle and reproduce out of its waste stream or are we always going to have to transport the cost to a larger concern, in your opinion?

**Mr JONES** - That is a difficult one to answer, I might have to see if there are some other opinions on that. In the simple terms, my take on that would be that it depends on a whole range of different factors. About four or five years ago the Board of Environmental Management and Pollution Control provided some grants to see if could develop some niche industries in Tasmania for some recyclables. Unfortunately that came to nought. My impression is that we are still going to largely rely on national processes and national schemes. The Publishers National Environmental Bureau scheme for collecting newspapers, I think, is an example of one where the industry has got its act together and has been very successful. We have moved from 20 per cent recycling for newspapers in the 1990s to about 73 or 74 per cent now - the best in the world. As I said, that is driven at a national level. It is a national scheme and they have a commitment to making that work nationally. So Tasmania's special problems with getting that across Bass Strait or whatever are addressed as part of that national scheme. I think the solution for many of those things is getting national processes up and running. It is not to say there may still not be niche opportunities for recycling in Tasmania. There will be some things, of course, if we move away from what you might call hard commodities into things like organic waste, where there will have to be local solutions. But it is a complex area.

**Ms RUE** - I would like to add something to that. If you look at the data that we do have on the waste entering landfills, you can see that there is enormous untapped potential for further resource recovery. There are some critical factors to make that viable in Tasmania, and we do lack home-grown markets. We are having to export to the mainland to access those markets. If you talk to the resource recovery sector, one of the issues for them is that they would like to grow their business, they would like to tap into

that potential, but there is a lack of innovation funds or seed funding for them to do that, for them to grow their business.

**CHAIR** - Is there a critical-mass issue as well?

**Ms RUE** - Yes, there could very well be. That is correct. Another message that I am getting from the resource recovery industry is that, on the whole, landfill costs are low in Tasmania, so our resource recovery sector is really having to compete with cheap landfill, so that is a critical issue for them as well. It's a combination of factors.

**Mr COOK** - I would just add one point there. We have endeavoured to make clear at the national level that Tasmania's support for some of these schemes that are under discussion is subject to them eventually being rolled out to Tasmania, because the television one or some of these other schemes will start in Sydney and Melbourne, where it is easier. Tasmania has to make just as many laws or regulations and may have to do some enforcement, checking televisions, whatever, down here. There is effort for us, so our support is subject to a time frame for the schemes to get rolled out here, because we simply could not do it on our own for a number of these kinds of waste products.

**Mr JONES** - So we are not in a strong negotiating position, really, but we hang in there.

**CHAIR** - If we know what the barriers are to resource recovery, what can DPIWE do to help remove them?

**Mr JONES** - I think some of the things are probably outside our province, in the areas of probably market development and perhaps seeding grants and so on.

**Mr McKIM** - They are more policy decisions for government, do you mean, Mr Jones?

**Mr JONES** - I think some of them sit in other portfolio areas rather than the regulator's area. Because we like to look at our business as achieving environmental outcomes, and regulation is part of that, we certainly like to look outside that square of regulation but it does become difficult sometimes as the regulator to be out there promoting developments and schemes when you also have to end up regulating them. So there are some difficulties in that area, and I think some of the things are outside our scope. There are certainly some things where you potentially could regulate to make some of these issues more viable. The one Carinda mentioned was that you could take a regulatory approach to perhaps banning certain substances from landfill, and that would then provide a greater resource. Now whether again with some of those that is enough to tip it across the line of critical mass is a question we could not answer. But there certainly are some approaches that you could take that would stimulate those areas and, as I said, there are other things that we would like to see happen. Whether we are the right people to drive them or not is perhaps another question.

**CHAIR** - What other things would you like to see happen?

**Mr JONES** - Well, I suppose if there were perhaps a funding program for innovation in the recycling area, a specific funding program, then certainly that would be a good thing. Also, if there were assistance with market development. Market development, I think,

when we look at the information that has come before us, comes as being one of the key issues for impeding further recycling businesses developing within Tasmania.

**CHAIR** - The thing that keeps churning over in my mind is the reality that resource recovery is a business; it won't happen unless it can make a profit, and therefore to make a profit there must be a critical mass. The technology is already there. It is happening, isn't it, at various centres on the mainland where they are churning hundreds of thousands of tonnes of waste through machinery which separates almost a lost diamond ring.

**Mr JONES** - Yes. There are certainly technologies there.

**CHAIR** - I presume there is a market for the product somewhere otherwise they wouldn't be doing it. If that is the aim, if that is the strategy, then I guess the question in my mind is: what is being done to achieve it in Tasmania and can it in fact be achieved?

**Mr JONES** - There is probably a threshold issue that you have to think about and I guess that is a policy one for government: are we concerned with the outcome, so is all we want to see less waste going to landfill and more of it recycled - in which case a focus on national schemes and if the national environment bureau is happy to subsidise paper going back across Bass Strait or ship it off to China instead of taking it to the mainland then okay - or is the outcome you want to see business development in Tasmania? So you have a different focus depending upon what your prime objective is. I suspect the objective is probably a bit of both, that we would like to see home-grown industries develop here, where feasible, but we probably have to recognise that some things and the ones we have just talked about with television and computer recycling and so on are almost certainly not going to happen here and are going to involve transport back across Bass Strait.

**Mr McKIM** - I have a number of questions but there is no way we are going to get through them in the time.

**CHAIR** - You are going to have to come back.

**Mr McKIM** - It might be helpful to have these people back once we have finished taking submissions from everyone else so that we can try to put a cap on what we know.

**CHAIR** - At least with DPIWE we do have the luxury of calling them back whenever we like. I will call a halt to it this afternoon in the interests of hearing other people. Thank you very much for coming because what you have said so far today has been very valuable, but we will be meeting you again - maybe more than once.

**THE WITNESSES WITHDREW.**

**Mr MIKE GRIFFITHS, CHIEF EXECUTIVE OFFICER AND Mr JOCK CAMPBELL, CHAIRMAN, SOUTHERN WASTE STRATEGY AUTHORITY, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.**

**CHAIR** - Welcome, gentlemen. Please go ahead.

**Mr GRIFFITHS** - We were, I guess, a little surprised by the terms of reference of the inquiry that seem to imply that there were not any strategies about at the moment, so most of this presentation concentrates on the fact that there are. We will be talking about some of achievements of SWSA, what is happening in general with regional strategies and a little bit about the National Packaging Covenant which we know that you have discussed previously.

The Southern Waste Strategy Authority is a joint authority formed by the 12 southern councils. It is important to recognise where local government's role begins and ends and how it fits in with State and Federal government and so on. This is the usual waste management hierarchy that people talk about. We have limited influence on the waste reduction end of things. It generally tends to be the province of the regulators who make laws. By the time the products are made it is a bit late to do much about waste reduction. We do have an influence in that area. We are members of the National Packaging Covenant. I am part of their national kerbside recycling group that makes the funding decisions on projects that they support, so we can have an influence. But local government is mainly involved in the area further down the hierarchy of disposal, operating disposal systems and recycling, obviously, contracting out recycling collections and so on.

When Southern Waste was formed it was decided that we draw a line between recycling and responsible disposal and then the councils would continue to operate the disposal facilities and, for that matter, to contract out recycling and garbage contracts. Our role would mainly be in public awareness, performance measurements, data gathering and policy coordination in the three upper parts of the triangle, bearing in mind, as I said, we do not have a hell of influence on reduction. So when you talk about strategies, it is plural in what we need if we do not already have it.

Most individual councils have waste strategies and have had them for years, so there is nothing new about it. The regional strategies aim to do a slightly different job - to look at functions that sensibly can be regionalised, and public awareness is one of the more obvious ones of those. The State has another layer of strategies. So we need basically a well coordinated set of strategies - no one super strategy is going to do the lot.

When it comes to service development, we don't have much direct involvement in this, it is mainly the province of our member councils but we do produce preferred service guidelines aimed at continuous improvement. These are guidelines for services such as kerbside collection of garbage, kerbside collection of recyclables, green waste collection and so on. The aim there is not slavish total uniformity because there are good reasons why one council may want to do something slightly different to another but they are guidelines based on gathering the best data we can to indicate what sort of systems work better than others.

This is a fairly brief presentation. Our entire strategy is underpinned by a fair bit of homework and I will leave this with you to read - if somebody is bored and has nothing to do they can have a look. There is a copy of this presentation in there and a copy of our latest annual report. We have just produced the first draft of a new five-year strategy. We are four years into the first one, so that is in there; an annual business plan is in there and there are detailed things like the preferred service guidelines, performance measurement and a stack of other information. There is a lot of detail there and a few brochures and stuff like that. There is a lot of detail and a lot of homework behind what you are seeing here at the moment.

On the service area we produce guidelines. We have provided some direct assistance to the rural councils of Tasman, the Huon Valley and Glamorgan/Spring Bay to extend their services, either kerbside services and for garbage or recycling or both, but in the main most of the councils had those services established when we were set up. There is now access to kerbside recycling services by almost 90 per cent of people in southern Tasmania.

We compare information on rural transport costs and what we can do to coordinate with contractors and other parties to make sure that the services are as efficient as possible. You have heard from Warren Jones of the rationalisation that has occurred in respect to landfills. That list there have been shut

Three quarters of our effort goes into the public awareness area. We target three quite different markets: schools, the general community and business. Some of the tools we use for all three of those and then there are some special purpose things we do in each area. For the schools we have a web site with a stack of information on it. We run a thing called Clean Schools Challenge which is basically a competition that encourages schools to set up their own waste management resource recovery projects. We have produced a recycling kit with a stack of information in it - resource information and so on. The general community brochures are there - fridge magnets, public place and major events recycling - so taking the recycling message beyond kerbside recycling to outside of the home.

We run a litter campaign backed up by signage and about 2500 litter bins around the region. For business we run a thing called The Clean Business Challenge and a number of other programs. It is horses for courses, you target your promotion at different market sectors in different ways.

Our web site is basically set up as our core information base. One of the good things you can do with the web site is get some feedback on how effective it is and you can track some of the events so that was the start of our radio campaign on littering. We beefed it up a bit there and here we started the current TV littering campaign so you can see from the hit rates that it has taken off. We link all our promotional material to the web site so, with a bit of luck, we can find some sort of measure of effectiveness there. It is very difficult to measure the effectiveness of promotion otherwise.

The Clean Schools Challenge is basically a competition sponsored this year by Collex and Visy Recycling. We have had commercial sponsors for all four years of its existence. Southern Waste has put in about \$24 000 worth of seed funding into the competition, and each year it provides \$6 000 worth of prizes for schools. It is based on

learning by doing, so we get these little guys doing bin audits, poking their noses in bins - with safety glasses and gloves and stuff on of course - doing audits of their rubbish and setting up goodness only knows what sort of systems to recover it. They make paper and run worm farms and generally have a great time. We are running that for the fourth year, and this near Northern Tasmania Development have taken it on in the north, so it is being run almost statewide. In the north-west only have one school.

I have mentioned before that we have a series of publications on waste management that are aimed at schools and the community. In fact they are aimed right across the board, I guess, being for business as well. The last one we produced on home composting, fitted in with the series. The other publication is a fridge magnet. We produce that jointly with the Beverage Industry Environment Council specifically for guidance for kerbside recycling. Over the last three and a half years we have distributed more than a quarter of a million brochures through our member councils.

With regard to public place recycling, I mentioned previously one of a number of joint projects we do with the Beverage Industry Environment Council. It is also, like many of our projects, partly funded by National Packaging Covenant funding. This was the public-place recycling project at Port Arthur Historic Site. All told, between ourselves and BIEC, over four years we have put \$70 000 worth of public-place recycling infrastructure into the region, so you will see the bins outside Parliament House, around Salamanca, right across the other side of the wharf and all over the place.

Following on from that, it is really all about sending a consistent message out; the same message we have seen with kerbside, public place, and with recycling at major events. Again this is a joint project with the Beverage Industry Environment Council, and we put these things that look like joined together Darleks into festivals - the Tulip Festival, I think - to encourage separation of recyclables at major events. Some of these things work better than others. We have only just started doing a concentrated program of audits to see what works best. We have found, for instance, with public-place recycling that the recycling bin has to be next to a garbage bin, and I mean next to. If they are a metre and a half apart you can measure a deterioration in the separation. So we are learning as we go along. We are improving the signage as we go along, and measuring what is happening, trying to improve the results. With major events, at one we did recently we got only 7 per cent contamination in the recyclables, and generally they reckon you need less than 10 per cent for it to be worthwhile sorting. We have plenty of examples in a public place where it is less than 10 per cent. There are other examples where it is not as good; we do not have bins paired up and things like that.

So it is a learning process. We have put a stack of new signage into all the waste management facilities. It sounds silly to say you will beautify a tip, but I think the idea was to try and upgrade the image to some extent, and extend that to recycling signage this year.

Litter reduction: we have been involved in a litter reduction task force that led DPIWE to rewriting the Litter Act. We have put together regional guidelines on bin design, on where bins can be purchased and how they should be placed. We have had a pilot project where we produced 100 cigarette-butt bins and spread those around the region to see how they work. They are simple little inexpensive ones and only cost about \$70 each.

**Mr HALL** - Do they work?

**Mr GRIFFITHS** - It seems to be reasonable. They have a few problems with vandalism, but we do not have enough results back yet . We want to do some audits and see what is in them, what is not in them and what is around them, so we need some more data there to know whether they work very well.

The Beverage Industry Environment Council have an infrastructure training program which basically teaches you how to evaluate different litter hotspots and which ones should have bins put in and where to put the bins, those sorts of things. It is designed for local government. We have distributed that to all of our member councils. New garbage and recycling signage is going on all the bins around the region. You will see that 'Don't Waste Tasmania' signage everywhere. The Don't Waster Tasmania campaign, which we started as a radio campaign, is now a State-wide television campaign.

Don't Waste Tasmania has imitators; they have a Don't Waste Australia campaign. So you will see in other States, Don't Waste Victoria or Don't Waste the Gold Coast. It is a revamp of the old 'Do The Right Thing' campaign. We backed up the bike lead and we have additional commercial sponsorship from Norske Skog to finance that. So it is an \$80 000 State-wide TV campaign that is running at the moment.

The non-municipal strategy: you have only to do a brief analysis of the facts of waste management to see that at least half of what goes into a landfill was from commercial and industrial sources. While kerbside recycling has done a pretty fair job of recovering resources from domestic waste, there is a lot still to be done in respect to commercial waste. So we started to attack that area but we are not far into it. We have a lot to learn. We have been going for about a year or so now. We have guidance on our web site, detailed guidance, on how to put together a cleaner production program. We have done a landfill cost study and that has confirmed, along with a survey of the fees that our member councils charged, that whilst five or 10 years ago they may not have been charging full-cost recovery, they are now. We have a public recognition program called the Clean Business Challenge, which is a simple little certification program that recognises people who are trying to do the right thing and tries to encourage others to do the same.

The Clean Business Award is part the minister's environmental awards. The Northgate Recycling Demonstration Project is a project that we started off with public-place recycling in the shopping mall and we aim to extend it to education of shopkeepers, a whole project involving a contract of the centre owner and managers. The aim there is put together a model for how a shopping centre ought to do waste management. We have a Pubs, Clubs and Restaurants Demonstration Project, similarly, that we are about to get into, and of course anything can happen in the future. We might find local government providing more services to commerce and industry. There are all sorts of things that could happen. Selective bans, differential pricing, lots of different weapons could be used to encourage a better result in the commercial resource recovery area. That is why it is a key opportunity for the future. Not a lot is happening and it is a big slice of the waste that currently gets disposed of.

Performance measurement: we have heard a lot about target setting. The sad thing about target setting is that we do not measure enough. We do not have enough data to be able to set targets in a lot of areas, so we have put a lot of effort into trying to improve that. It is a long, slow haul and everybody is struggling with it, right around the country. We have certainly discussed it nationally at the kerbside recycling group level and it we are not going to see miracles happen there in a hurry. We have just put in place a standardised waste-monitoring system. We have put a cash register-based system into one of our smaller landfills. We have written a specification for standard weighbridge software for our larger landfills to upgrade their software to try to incorporate that waste-monitoring system in that. We routinely do landfill surveys, density tests at the landfill, to convert the volume to tonnage, and cover-ratio checks to estimate how much of what goes into landfill is waste and how much of it is cover material. There is a lot of estimation around that whole subject. We have all this data recorded in a regional waste database. It still has far too many holes in it for my liking, but we are gradually trying to fill the holes.

We have done composition studies on all the major waste streams and we are about to repeat some of those with a little more detail and a bit more clarity of what is going into landfill and what is not in order to try to get some better data on what is recovered because, after all, that is what we are trying to get to.

We have done life-cycle analysis for kerbside recycling and this is the actual result of the kerbside waste composition analysis, but the idea behind that is pretty simple - we want better performance in decision making and we have a long way to go yet in the data collection analysis.

We come to the regional strategies. With the partnership agreement between State and local government in 2000, basically the deal was that regional waste strategies were to be implemented in return for the State not proceeding with a landfill levy. Key regional activities were agreed by the Tasmanian Waste Advisory Committee - public awareness, performance monitoring, non-municipal strategies and policy coordination - hence they are our priority areas.

We were a bit lucky in the south - it is not luck of course, it is foresight; brilliant foresight; Alderman Campbell - but a southern strategy had already been developed so what we did do is pick it up off the ground and get some arms and legs and start implementing it. We have done that. We have put in over \$1 million in almost four years now, and two-thirds of that has been financed by a self-imposed levy of the southern councils and the other one-third comes from the national packaging covenant.

In more recent times we have assisted Northern Tasmania Development, which used to be Region North, our regional counterpart in the north, to develop a strategy. They have employed a waste education officer and they are implementing that strategy now. We have told them to use any information they want off our web site. They have adopted our Clean Schools Challenge and they are going to take on the Clean Business Challenge and they are going to co-sponsor the Clean Business Awards so we have been able to give them a leg up and get them into action, doing things pretty quickly.

The Cradle Coast Authority has an unbelievable name for me. I thought the Southern Waste Strategy Authority was bad enough, but how about that one - the Cradle Coast Authority Regional Waste Management Board? They are currently developing a

strategy; they have done a survey of all of their infrastructure and they are now doing a survey of what their member councils provide by way of services, public awareness and so on to prioritise their actions. There is already considerable cooperation between all of us in considering being part of the Don't Waste Tasmania litter reduction strategy.

The national packaging covenant is the major avenue for future waste reduction through the action plans of the signatories and I guess this is one of the more important features about it. Everybody has been frustrated by the slowness of its progress. It was not provided with sufficient resources; it had one employee and that was only in the last year of its first term, and if you don't have arms and legs you don't get anything done. It has been recognised that that has to be fixed, along with a number of other things. I overheard Warren Jones cover that area fairly well but it has been revamped - considerably beefed up and targets set - and basically we expect it to continue into the future.

The waste reduction feature of it is particularly important and there have been instances where companies - and I prefer not to name them - have withdrawn the products because they were poorly packaged and they were told to by the covenant, so it has happened. Unfortunately, the covenant has done a lot of good things but without any arms or legs they have done very little publicising of what good they have done - not very sensible.

It is also an important source of industry funding for recycling. We have received a third of our budget from MPCs so therefore we have a vested interest in talking about how good it is. We don't, for a minute, try and pretend that that is a lot of money, it is only a small contribution given the cost of recovering and disposing of packaging but it is the only contribution we get. There are a lot of other industries that contribute to waste who contribute nothing.

We will see the development. We have already seen the start of it of extended producer responsibility schemes over the next few years which looked, as Warren Jones again said, into how do we recover tyres, how does industry contribute to the recovery of tyres and TVs and so on. Those schemes will be modelled on the National Packaging Covenant basically, a co-regulatory framework, so we are starting to see some of the others come to the party, not just the packaging industry.

The second covenant has been approved in principle. The performance targets are being put together at the moment. It will broaden its activities from just kerbside recycling into all waste streams. The new funding arrangements will be targeted to nominated projects on a merit basis. The covenant council will produce a list of priority projects each year, so that it is targeted to areas that are considered most important. These arrangements are all new compared with the first covenant. Matching funding will still be required, but it should reach a much broader audience. We see ourselves personally probably getting a bit less funding from the covenant in the future, but we are very actively encouraging the north and north-west to jump on board, so we will have the whole of Tasmania and will get more.

We expect the status quo arrangement regarding container deposit legislation to continue. That is a decision of the Environment Protection and Heritage Council anyway and we expect that they will go with the new covenant rather than opt to do something different like CDL. There is lots of difference of opinion about CDL, and you have

heard from Russ Martin today. He knows more about it than anyone else on earth, so I am not going to bother to go into it in detail. It is basically a litter-based strategy. We believe kerbside and other recycling systems go further than that, and that you would not do both. As I say, I am not going to argue that in detail, not after Russ Martin.

**Mr HALL** - Mike, you talked about Region North and it says in the DPIWE submission, 'agreement has not been reached as to how implementation of their strategy will be resourced and funded'. Is that out of date now?

**Mr GRIFFITHS** - Yes, a little bit. It is still moving pretty quickly. I think it has probably been moving a little too quickly for some of the northern councils -

**Mr HALL** - Only one, probably.

**Mr GRIFFITHS** - but, yes, basically Andrew Eastick is the CEO of Northern Tasmania Development, and he has taken the bull by the horns and he has said, 'We've got to do this'. We have already helped him write the strategy. He asked us for our job description and contract that we use for our waste education officer, and simply went out and employed one and started doing things. So that has happened pretty quickly.

**Mr HALL** - Yes, I was going to question that with DPIWE, but we ran out of time there. But, anyway, that has answered that. In regard to Cradle Coast, it says, 'ongoing resourcing for implementation of the strategy ... it remains to be seen whether this will be forthcoming'. Once again DPIWE seem to be a bit negative there. What are the vibes coming from Cradle Coast?

**Mr GRIFFITHS** - DPIWE and ourselves have worked long and hard to get the other regions to come to the party. There is a certain amount of frustration all round, but I think we have to be fair to them and say Southern Waste had a strategy already waiting there, and it does not happen in five minutes. I get the impression from the guy that is really driving it, Rick Mitchell-Collins - you would have met him on your travels -

**Mr HALL** - Yes, we did.

**Mr GRIFFITHS** - that, while they appear to be behind everyone else, when they get their act together and they put real commitment into it, they will soon catch up. Northern Tasmania Development worries me. The commitment there is not as great as we would like to see. It is a short-term commitment at this stage, so we are getting stuck in and trying to help that guy to put as many runs on the board as he can as quickly as possible.

**Mr HALL** - Yes. One of our terms of reference is whether to adopt a CDL or not, and on balance from the comments I read in your submission you are pretty negative.

**Mr GRIFFITHS** - It is whether you can, so it is a decision for local government anyway. Obviously we are going to have an opinion on it, like anyone else, but on balance my view is that the covenant will probably continue. I think it has more going for it, and I think most people see that, despite the slow progress. It takes a long time to get 700 signatories and three branches of government all pointing in the one direction. Having been involved in the process, I know that a hell of a lot of good work was done

but it has not necessarily seen the light of day yet. A lot of what we have done has been done because of the help of the company.

We implemented a five-year strategy in two-and-a-half years so that is a measure of what they have done as far as we are concerned. But there is a long way to go with it, there is no doubt about that.

**Mr HALL** - I was preferring specifically to CDL.

**Mr GRIFFITHS** - If the national packaging covenant continues I expect that CDL won't go ahead; it will be one or the other. It is a matter of what you put your money on. My money is on the packaging covenant. If I am wrong, I will rewrite all those strategies.

**Mr McKIM** - You describe CDL as a litter-based strategy in your presentation. Would you suggest that CDL would have no impact on diverting recyclables out of the waste stream?

**Mr GRIFFITHS** - Obviously, but the information I have seen is that, on balance, kerbside recycling is at least as effective and it acts on a broader range of materials. You wouldn't do both, so I think it is one or the other but not both. The only people I know of who have done both have done CDL first and found they have had to introduce kerbside to get a greater range of materials recovery. I don't know of anyone who has done it the other way around.

**Mr McKIM** - There has been some. We have had some evidence, but not today. Can you confirm that you are a member of the Waste Management Association of Australia, Tasmania Branch?

**Mr GRIFFITHS** - No, I am not.

**Mr McKIM** - I don't mean you personally, I mean SWSA.

**Mr GRIFFITHS** - No, SWSA is not.

**Mr McKIM** - Were you ever?

**Mr GRIFFITHS** - No.

**Mr McKIM** - Never been a member?

**Mr GRIFFITHS** - SWSA has never been a member. I used to be a member personally and my waste education officer used to be, but we both resigned recently.

**Mr McKIM** - Why did you resign?

**Mr GRIFFITHS** - Because basically the association was pushing for a statewide waste levy and that is against our interest. We don't want a statewide waste levy. We have a regional levy and we are already in there doing the job.

**Mr McKIM** - In what way is the statewide waste levy against your interests?

**Mr CAMPBELL** - It is a straight out tax. It is nothing more than a tax and local government was totally - I repeat, totally - opposed to it in any form at all.

**Mr McKIM** - Why?

**Mr CAMPBELL** - We have been through this. I have been in the chair of this organisation for the best part of 10 years -

**CHAIR** - Mr Campbell, you may have been through it but this is a member of a parliamentary committee asking a simple question. Could you answer it, please?

**Mr CAMPBELL** - I have answered it.

**Mr McKIM** - Well, with respect, Sir, you haven't been through it for the committee - you might have been through it in some other forum but you certainly haven't been through it for the committee so I am asking you why SWSA is opposed to a statewide waste levy?

**Mr CAMPBELL** - We know how it works in the other States. It goes into Consolidated Revenue. We have checked out the figures and we certainly know from the Victorian example that it varies a little, but between 25 and 30 per cent gets put back into the actual on-ground projects. Our general manager of Clarence City Council has worked with this system. He was general manager for Bendigo, he knows it backwards and they don't get anywhere near the figure. This is why it is a form of tax - the money is not being directed back efficiently into providing the services that are needed on the ground, so you have Parks and Wildlife waiting to have a bin in the bush.

**Mr GRIFFITHS** - So you have a situation basically where local government with its partnership agreement that was negotiated said, 'If there's going to be a levy, given that local government delivers waste services, disposal services and recycling services, we'll raise the levy and we'll do the job that you want done with respect to waste minimisation through regional waste bodies'. And that was agreed.

**Mr McKIM** - We will come to the waste levy in the southern region in a moment as I have a couple of questions about that. In relation to a statewide waste levy, if the money gathered through a hypothetical statewide waste levy administered by the State Government, could be quarantined out of Consolidated Revenue -

*Laughter.*

**Mr McKIM** - Well, you can laugh all you like but there are many well functioning, completely audited mechanisms for that - they happen right around the world and I will give you chapter and verse on them, if you like. Hypothetically, if that money could be quarantined out of Consolidated Revenue and administered by an independent trust specifically to deal with waste issues and specifically to assist local government to deal with waste issues, would SWSA drop its opposition to a statewide waste levy?

**Mr GRIFFITHS** - Your question started off by asking why I resigned from the Waste Management Association. Their submission did not suggest that any statewide waste levy would fund regional bodies; it suggested that three regional bodies would be inefficient and it should fund one State body. So, to follow where your line of

questioning started, it was the reason we disagreed with the Waste Management Association pushing that view, and why we resigned from it. What is happening in fact is we do have a levy. It is self-administered, self-imposed, and local government manages the Southern Waste Strategy Authority, and so we already have what you are talking about.

**Mr CAMPBELL** - It's in that annual report there.

**Mr GRIFFITHS** - It is on a regional basis instead of a State basis.

**Mr McKIM** - I will ask my question again, in case you did not understand it. Hypothetically, if the statewide waste levy money gathered could be quarantined out of Consolidated Revenue and be funnelled back to local government - leave aside for a minute the issue of whether it is regional or on a statewide local government basis or on a council-by-council basis - and administered independently and fully audited, would you support a statewide waste levy?

**Mr GRIFFITHS** - No, because I see no reason for the State to get involved. It is a local government function. At the moment local government has a levy on it. Local government is running the Southern Waste Strategy Authority and they are doing the job that they have agreed to do. Why involve somebody who is not involved?

**CHAIR** - I think what you are saying is you are in favour of a regional approach rather than an overarching statewide approach.

**Mr GRIFFITHS** - And funded by local government, through a levy or through rates, whichever way they find is most convenient to do that, but why involve the State?

**Mr McKIM** - Isn't one of the problems of a regional approach that different regions may adopt a different strategy and different pricing regimes and therefore you might encourage waste from one region to be transported into another region, which has a whole range of implications, just because it happens to be cheaper to dispose of it? I can tell you, we have seen that this week.

**Mr GRIFFITHS** - National Competition Policy means we cannot do anything other than that.

**Mr McKIM** - Hang on, we have seen that this week in terms of individual landfill sites where people are bringing waste a long way, and not to their closest landfill, because the pricing structures are different.

**Mr GRIFFITHS** - That is the structure that we are obliged to follow. The competition people will jump all over us if we do not.

**Mr CAMPBELL** - It's economy of scale as far as Copping and Break O'Day are concerned. It's a straight mathematical answer.

**Mr GRIFFITHS** - It is competition. Generally speaking, people don't object to competition. It drives the prices down.

**Mr McKIM** - I do apologise, I was out for a little bit during the presentation. Could you just explain exactly how SWSA is funded?

**Mr GRIFFITHS** - Yes. Member councils contribute a levy, which has just increased to \$1.50 per tonne for residual waste. It is based on the weight of the waste that each council disposes of. That in some cases is a notional levy because of unmanned landfills or the waste goes to a remote landfill at Copping or somewhere else, but in most cases Glenorchy and Hobart are the two biggest landfills, for instance. The levy is collected from the customer, so it is added into the fee. I think in the case of Mornington, Clarence also recover that from Copping, so it is an actual levy at the gate. We recover it back from the contractors that run Mornington Park. The council charges it.

**Mr McKIM** - And I think you indicated that you get some funding from MPC?

**Mr GRIFFITHS** - That is right. Basically in round numbers our budget for each of the four years we have operated has been about \$330 000 in total, and each year we have had about \$110 000 of that from the MPC. It is just about exactly a third.

**Mr McKIM** - Do you have any commercial relationship with BIEC?

**Mr GRIFFITHS** - Not a commercial relationship, no.

**Mr McKIM** - Do they fund any projects that you run?

**Mr GRIFFITHS** - No, we run joint projects.

**Mr McKIM** - And they fund some of those projects?

**Mr GRIFFITHS** - Yes, that's right. We have gone through quite a few of them. We jointly fund public place recycling, major events recycling, the littering campaign which involves other sponsors as well. They also are involved in the demonstration project at Northgate - quite a number.

**Mr McKIM** - Do you see any conflict of interest in the position on CDL?

**Mr GRIFFITHS** - Absolutely not. Anyone who can contribute money to the cause is a welcome friend. There is no conflict of interest whatsoever. We fully understand where they are coming from and which masters they serve, and they do not ever ask us to compromise the masters that we serve.

**Mr McKIM** - I don't want to put words in your mouth, but I think you said that SWSA applies a waste levy in the southern region.

**Mr GRIFFITHS** - That is right.

**Mr McKIM** - So is it fair to say that you are not opposed to the principle of a waste levy, because you impose one?

**Mr GRIFFITHS** - That's right.

**Mr McKIM** - You just don't support a statewide one?

**Mr GRIFFITHS** - No, we don't see why the State should be involved at all. The State might want to raise revenue in some other way to finance its aspects of waste management. That is their business.

**Mr McKIM** - I think you said it is \$1.50 a ton. Has that just gone up from \$1.35?

**Mr CAMPBELL** - Yes. Some of that occurred because there has been some reduction. With the achievements particularly out of Mornington Park and that operation, and some of it was explained to you yesterday, we have been able to reduce that substantially over there. Clarence's contribution, compared with Hobart's contribution, is that we pay \$29 000 and I think Hobart's contribution last year was \$81 000 or \$82 000. So there is a substantial difference. That is a bonus for the system that we have chosen to use and that I have been involved in since its inception and development. Our community and the environment and everything else wears the rewards of it.

**Mr McKIM** - What does the waste levy specifically fund?

**Mr GRIFFITHS** - The funds come to Southern Waste together with the national packaging covenant funds, and we put together a business plan every year that is approved by our board. The board has one representative from each council and it is basically waste minimisation projects.

**Mr McKIM** - I guess the waste levy certainly covers some general operating costs of SWSA, so am asking you to leave that aside, but what specific projects has it funded? I guess I am asking you to define project or parts of projects that are not funded the NPC because that is a difference revenue stream for you?

**Mr GRIFFITHS** - Yes, NPC is strictly related to, in its first incarnation, kerbside recycling. So all of our litter reduction programs have been funded by ourselves alone and with others, but without the NPC funding. Our non-municipal program has not been funded by the NPC because it is restricted to kerbside in its first incarnation. That will change with the second one. Work we have done on regional waste strategies to encourage the other regions is not NPC-funded. Those would be the major ones. The NPC-funded programs have been mainly public awareness and performance monitoring.

**Mr McKIM** - It is true, isn't it, that there is no waste levy in north or north-western Tasmania at moment?

**Mr GRIFFITHS** - Not that I am aware of.

**Mr McKIM** - Doesn't that place southern businesses at a competitive disadvantage to northern businesses?

**Mr GRIFFITHS** - It would depend on the other aspects that go into their waste price.

**Mr McKIM** - All other things being equal, it would place them at a competitive disadvantage, would it not?

**Mr GRIFFITHS** - All other things being equal, I guess so.

**Mr CAMPBELL** - Maybe they have become an advantage because we have improved things down here to the extent that they are technically better off. I would go along that line too in my business experience.

**Mrs SMITH** - Would that not reflect on gate prices of disposals in the three different regions?

**Mr GRIFFITHS** - All other things being equal, yes. But whether you can sort it out from all the other differences, goodness only knows. Our concentration has been on trying to encourage them to do the same thing.

**Mr McKIM** - Does SWSA spend money on resource-recovery infrastructure?

**Mr GRIFFITHS** - It is all about resource recovery. Kerbside recycling is resource recovery.

**Mr McKIM** - What about assisting on-site resource-recovery operations?

**Mr GRIFFITHS** - You mean tip shops?

**Mr McKIM** - Yes, tip shops and other -

**Mr GRIFFITHS** - We have given grants to one or two tip shops to help mainly with marketing signage, those sorts of things. We offered to do that when McCrobie's Gully burnt down a while back. Sadly, they came back to us the other day; the offer was made about eight months ago in the budget and we cannot handle it any more. It took a while.

**Mr CHAIRMAN** - Do you think you will get to a stage where there is enough tonnage available under your southern policy to promote these resource recover schemes that other States are heading into through their strategies? I am talking particularly of Western Australia, for example. As I understand, New South Wales are doing similar things, such as the new one at Eastern Creek. We haven't seen that yet, by the way. Some of us have seen operations in WA, the Southern Regional Metropolitan Council there, for example. It just seems to me that once you get to the larger tonnages, the so-called critical mass argument, you can start systems, and that is why I think the southern regional approach is a good one. I like what you are doing. You can start looking at these commercial operations - I don't mean you, but other people - and obviously the authority would be encouraging it to happen.

**Mr GRIFFITHS** - Are you talking reprocessing?

**CHAIR** - No, recovery. When you look at what is going into a landfill even now, any landfill around Tasmania, and you talk to people about it, people on the ground there will say, 'There's somewhere between 40 and even 50 per cent in some cases of material going to landfill that is potentially recyclable'. I was putting this to Warren Jones before, that technology is available and being used in some centres around the country to recover a lot of that material, whether it be aluminum, glass, steel, cardboard, even getting down to what is left, composting some of it and putting into landfill what is left. I am just

wondering whether we can envisage and how far into the future we need to go before we can get that happening in, say, southern Tasmania at least.

**Mr GRIFFITHS** - Some of it is happening already. To some extent, because we are a small market, we can always expect to be behind the eight ball.

**CHAIR** - Yes.

**Mr GRIFFITHS** - But we do recover quite a lot of green waste. We don't do much recovery of food waste but there is some - there is some composting and some commercial-scale composting. It is tough to make a dollar out of it. We have done a lot of work on the financial viability of increasing green organics processing and it is a tough proposition. One of the ways you can supposedly get an improved green-waste treatment is to put in a kerbside collection. You tend to get lower rates of contamination of bits of plastic and everything else in the green waste so that makes the green-waste composting operation work better but it costs \$110 a tonne to collect the stuff and the compost you make out of it is about two-thirds of a tonne for every 1 tonne of green waste and the compost is worth about \$35.

**CHAIR** - It is cheaper to go to the K Mart.

**Mr GRIFFITHS** - Well, somebody has got to wear that \$110. Green organics is a tough one. We have done a lot of work on it and what we don't have is a good view of the environmental costs and benefits. We have a pretty good view of the financial costs and benefits but there is nevertheless a fairly large-scale commercial composter who is set up now at Parattah. They are still struggling with it but the situation is pretty much the same in mainland States. Melbourne say their biggest problem with green waste is finding consistent markets for it. Two-thirds of the green waste in metropolitan Melbourne is chipped and used for landfill rehabilitation, just like we do it here. So it is not a unique problem to Tasmania that one, it is just tough to make that one work.

**CHAIR** - They are having trouble in Perth, WA, with quality as well.

**Mr GRIFFITHS** - Yes, it is an eternal problem wherever you go. Most of our green waste is shredded, composted - at Glenorchy, for instance, it is used for landfill rehabilitation. Some goes to McRobies Gully but Hobart also sell some of what they make, so it is semi-commercial but it is tough going and nobody has come along with a cheque book to want to underwrite the whole thing.

**Mr CAMPBELL** - Just making one quick comment on the commercial side of it - and as our presentation indicated, we were just moving into commercial - it is fair to say that some of the commercial operations, particularly the larger ones around the city, have gone a long way in reprocessing, reducing the waste, particularly the brewery, Norske Skog and Cadbury; some of them use surprising tonnages. When you actually get in and they demonstrate to you what they have reduced their waste back to, it is to their credit. I know I was a little bit horrified when I watched that truck open up yesterday at Mornington Park. There is no denying that happened, and I was disappointed to see so much stuff coming out, but that was generally collected from smaller businesses, stores and shops and things like that. Yes, we could certainly do better than that, there is no question, in a lot of areas. We all saw it together, and we have some that are in business

doing a good job of it, but with others it is just into the skip bin and they are glad to get rid of it at a price.

**Mr McKIM** - So how do we divert more out of landfill? That day we saw a truck from Huon Valley Council dump down at Copping there were bottles smashing, cardboard everywhere. It was full of recyclables. We came up to Mornington and, as you said, we saw a truck open up. I don't know what percentage, and nobody does because we haven't done an analysis, but a substantial proportion of that load I would have thought was recyclable. What is SWSA doing, or what do you intend to do to, to divert more recyclables out of what goes into landfills?

**Mr GRIFFITHS** - I guess the answer to that was in the presentation, and it goes back to the previous point. Rather than concentrating on the marginal areas where other States can do things but it is very difficult for us to do because of volume, you have to get your priorities right and look at where is the biggest volume of stuff that is recoverable that is really worth having. Now the stuff that is really worth having is the same in commercial waste as it is in domestic, the steel and the aluminium and plastics and so on, so our focus is on recovery of containers from commercial waste, where not a lot is being done. We may have to get a situation where local government provides collection services, the same as with domestic, if we cannot encourage industry to do the right thing themselves. That is one way.

**Mr McKIM** - I have been to Nova Scotia and I can tell you that at the front end of landfill sites over there is a big shed. Every bag that comes in gets ripped open, everything gets spread out on a conveyer belt. It runs under magnets which pick up all the metal out of it, and they have people standing there to pull all the recyclables out of the waste stream. Why do you think we don't do that in Tasmania?

**Mr GRIFFITHS** - Very expensive to -

**Mr McKIM** - Yes, and it is funded by CDL over there.

**Mr GRIFFITHS** - Well, that is tax. If you want to raise more taxes, convince -

**Mr McKIM** - No, it is not a tax. It is a levy.

**Mr GRIFFITHS** - I am sorry, I'm under oath, I cannot say something that is not true. CDL is a tax.

**Mr McKIM** - It is a semantic argument, but can I just indicate that over there it is quarantined out of Consolidated Revenue, so it does not go to the Government and they cannot spend it on what they like. It is audited on an annual basis and that money is spent by an independent board, so you can call that a tax if you like, and I am not going to argue with you about that. What I am saying is their CDL funds a really good waste management strategy that makes ours look like it is still in the dark ages.

**Mr GRIFFITHS** - I'm sorry, I dispute that. The figures that I have seen from Nova Scotia talk about a 45 per cent diversion from landfill in 2004, and the figures we have seen for Mornington Park are just about identical without CDL, without selective bans on recyclables.

**Mr McKIM** - Well, no or negligible recyclables go into landfill over there, but we saw two trucks dump into landfill - well, one into a landfill and one into a transfer station yesterday - and they were full of recyclables. I am not going to argue with you anymore. I just wanted to say that because we are in the dark ages here as far as I am concerned and we need a revenue stream.

**CHAIR** - I am going to have to pull the plug on Mr Campbell and Mr Griffiths for the moment. I can see that the committee at some stage will come back to you and we will have another opportunity to discuss strategies and so on in light of further information and the committee's own knowledge gained further down the track as we move around looking at what other people do and so on. We will come back to you, in the same way that we will be coming back to DPIWE and others. I know you will be happy to cooperate with us, because you have this time -

**Mr GRIFFITHS** - We will do our best.

**CHAIR** - and you have done well. The committee is impressed with aspects under your authority, and I know the committee will want to discuss further issues with you as time goes on. But tonight, in a way because of the time we have allocated ourselves, we are going to have to thank you and ask you to depart so that we can bring in other people who are waiting.

**Mr GRIFFITHS** - I have another engagement too.

**CHAIR** - That has worked out well in that case. So thanks very much for coming and we will see you again.

**THE WITNESSES WITHDREW.**

**Mr BRAD MASHNAN**, VICE PRESIDENT AND **Mr MICHAEL REARDON** - WASTE MANAGEMENT ASSOCIATION OF AUSTRALIA (TASMANIA BRANCH) SUBMISSION No. 18 WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Once again, apologies for keeping you waiting for so long; we have really run out of time today. Please feel free to proceed. One member has to go by 6 p.m. at the latest.

**Mr McKIM** - I have an appointment at 6 p.m. but it will not matter if I am 15 minutes late.

**Mr MASHNAN** - I am the Vice President of the Waste Management Association and I have been with the association since its inception in 1994. Michael Reardon is the secretary of the association and has been with us for a number of years. We are both on the executive committee. I am also the committee rep for Tasmania on the national board.

**CHAIR** - So that is the Waste Management Association of Australia, Tasmania branch?

**Mr MASHNAN** - Yes.

**Mr REARDON** - We will try to get through this presentation fairly quickly and then allow a bit of time for people to ask questions. We have copies of this, so it will make it easier for people to focus the real issues. We were established in 1994 and our membership exceeds 1 000 nationally. We represent stakeholders from all sectors of the industry. The Tasmanian branch is managed by volunteers - we all work full-time and we do this after hours predominantly, apart from today.

The focus of the presentation is really on the inquiry into waste in Tasmania. The areas that we have been paying a lot of attention to are: extended producer responsibility, a State-wide waste levy, issues in relation to clinical and controlled waste, true cost recovery and resource recovery. We probably will not deal with that now. You can probably read that later, but we have some fairly sound objectives which are adhered to nationally, not just here on a local basis.

Waste issues in 2005: I suppose we saw the parliamentary inquiry as probably the first opportunity for us to be involved in a public debate and being able to put our case forward without being judged one way or the other. It is always difficult when your masters have a different view, so we saw this as an ideal opportunity to express our opinions openly. So it is the waste levy, an absence of key treatment and disposal facilities for controlled waste, such as clinical and quarantine waste.

You may or may not be aware at the moment Public Health are calling for expressions of interest to put in their own treatment facility for clinical waste. Well, for us as an industry, that does not solve the problem. The problem is that we have quarantine waste and clinical waste from the private sector that is not going to be dealt with, so Public Health will be okay but the private sector and quarantine waste will sit out here because the facilities that we believe Public Health will put in place won't be able to cope with the additional volume.

Regarding local government's role, local government predominantly up to date have not followed true cost recovery with the operation of landfill and treatment plants and waste management has been cross-subsidised by the ratepayers. I suppose that is indicative of the Auditor-General's Report which stated that the cost of disposing of a tonne of waste 12 years ago was \$30 a tonne and today disposal fees are not much more than that, so it is a statement of fact.

Lack of infrastructure for implementation of waste minimisation strategies to optimise resource recovery objectives: I suppose what we mean by that is that there are a lot of wastes out there that can be pulled out of the waste stream, that can be put into things like making compost fertiliser, into projects and businesses that Brad is involved in at resource recovery at landfill and there are still a lot of recyclables out there that are not being utilised for what their true value is. I suppose volume is king but if we can think a little outside the square and have the cash to be able to fund new ventures, perhaps some of these things may get up.

The limited access to specialised liquid and solid waste treatment facilities for controlled waste - trade waste, scree-trapped waste, waste waters and contaminated soils and solids - you will probably see driving around that a lot of old service stations are being removed and dug up. A lot of those soils are contaminated and we have limited capacity here to treat those things. That is just one example.

Cleaner production: we focus too much in Tasmania on the back end rather than focusing on the front end. If we were to invest some money in trying to reduce the increased waste at the front of the production cycle rather than trying to deal with it out the back end - and there have been plenty of reports written about that over the last 20 years.

Regulatory incentives for industry to divert recoverables such as organic, construction and demolition waste, commercial and industrial wastes. They are not viable because the cost of disposal is too low. People are not prepared to divert waste, if they can throw it in a bin and dispose of it, for \$30. Where is the incentive? There is a cost.

The need for State leadership as a regional approach is disjointed. Your previous speakers represented the SWSA and in a lot of ways if you look at what they have been focused on for the last few years, they have done a good job at looking at what we would call the bottom end of the market, the tiny little bit at the domestic end, rather than being focused on what we focus on as an industry, the thousands of tonnes of waste out there that still need to be dealt with, so rather than deal with 10 per cent we are more focused on dealing with the 90 per cent.

The regional approach in the north and north-west hasn't worked. They haven't been able to get their act together and, to date, they are still clambering over themselves trying to work out what their role is. We believe that if the Government or the State gets hold of a thing and drives it, there will be an outcome.

Extension of producer responsibility: what is the extent of producer responsibility? The concept of EPR can be applied to all waste streams, as it focuses on a preventative approach or a cleaner production philosophy to waste management rather than only dealing with the issues post-consumer stage, which I have spoken about a moment ago.

The EPR scheme passes on to a producer the physical and/or financial responsibility for the whole of the product life cycle, including the post-consumer stage. The two key features of EPR are the full or partial shifting upstream of responsibility from municipalities to the producer, and the provision of incentive for producers to take into account the environmental considerations when they design products. Once again we are talking about the front end rather than at the back end. There is a list of products that EPR schemes internationally take into account.

I turn to the question of a statewide waste levy, managed by the State Government. There are many benefits in a waste levy, which -

- promotes an equitable producer-pays system, which takes the current financial responsibility away from the general community and firmly places it with the waste producer or generator;
- assists in the diversion and reduction of waste to landfill, as well as changing the composition of waste in landfills;
- provides funding to upgrade existing and install new infrastructure for the processing of waste and recyclables. What we really lack is infrastructure;
- increases the investment in resource recovery businesses, opportunities landfill and composting facilities for organic waste;
- creates incentives to reduce waste and divert resources to value-adding processes and facilities;
- provides funding to support landfill closure and the future monitoring of environmental impacts and liabilities. For example, Wentworth Park - there are another couple of hundred Wentworth Parks out there - and the King River;
- assists in protecting the State's tourism, primary industries, and Tasmania's clean, green image. We constantly hear about the clean, green image, but the reality of it is that if we found another hundred Wentworth Parks we probably could not sell that story;
- provides funding for education programs, research and data processing facilities.

Options to apply a waste levy -

- Carrot and stick approach. If you divert your waste obviously you are not going to pay the levy.
- A differential scale. The lower the risk, the lower the levy. We have just picked some indicative numbers here - \$5 a tonne for the low-risk domestic stuff, and probably \$25 a tonne for high-risk controlled waste. If you have some really nasty stuff, it is more difficult to manage so therefore you need more money. Capacity to pay is an issue in Tasmania, so we need to take that into account too. There is not much point in introducing a levy if people do not have a capacity to pay, and therefore they just throw it on the side of the road. We don't want that either.
- Total tonnes in Tasmania is about 489 000 based on 1.1 tonnes per head of population, and the total revenue could start as low as \$2 million but rise to \$8 million if you wanted to apply it across the board.

**CHAIR** - How recent is the figure for 89 000 tonnes?

**Mr REARDON** - That figure came from DPIWE today, so it is fairly recent.

**CHAIR** - That is higher than I thought.

**Mr REARDON** - The WMA (Tasmania Branch) supports a levy if the funds from the waste levy are paid into a trust fund and not directly into Treasury. We do not want the levy to go into Treasury and then be swallowed up into other areas of government. It needs to fund the issues associated with waste. Establish an independent board of trustees representing all stakeholders to manage the levy, so that if someone has a project or there is something there that needs to be dealt with, this independent board will be able to make a decision based on the issues without any political influences. The current regional approach to waste management should change to a statewide project.

On the WMA recommendations, who manages the levy? An independent management board representing all stakeholders. Where do the funds go? To a trust fund. What is the State Government's role? To monitor performance and make recommendations. What is local government's role? Collection of a levy, but we believe they should receive an administration fee at the front end, not pay the money in and get the fee back later, but that they take the fee right up-front for administration. We would like local government to move to a true cost-recovery philosophy for waste management, because at the moment their cross-subsidisation of waste treatment, whether it be at landfill or in treatment plants, is holding out private enterprise because we cannot compete with them. What is the role of community? To form part of an independent management board and apply for funding for community projects.

How do we move forward: promote the benefits to local government of a statewide waste levy and appoint a board of management which represents all stakeholders to advise government on how the waste levy would be implemented, and assist in the management of the waste levy.

The Environmental Act is focused on reducing negative impacts on the environment and human health. Really, as a community, I think that is what we should be focused on.

**Mr STURGES** - If I could just very quickly pick up on that board concept, that would be paid out of the levy?

**Mr REARDON** - It would be paid out of the levy.

**Mr STURGES** - Who would appoint the board? Would it be a government-appointed board. How would you see that? I am currently researching the administration of the Community Support Levy funding and you are throwing up a similar type of model. Is the board appointed by the Government? Can you just elaborate a little in regard to administering and disbursing the trust funds? I put it as simplistically as that.

**Mr REARDON** - I suppose the board will need to include all the stakeholder in the industry and they are I suppose, at the moment, just broadly, State and local government and industry representatives. People who participate in the industry - business - needs to be represented and then we need to have community representatives.

**Mr STURGES** - I am sorry, I was not trying to put you on the spot.

**Mr REARDON** - That's okay. In doing that I suppose you would call for expressions of interest. People apply through a process and at the end of the day I suppose the Government has to appoint a board because they are applying the levy. Our concern is that the board has retained its independence so that, if local government or a community group put up a project, there is a balanced view of the board and it is judged on its benefits to the community overall rather than having any political persuasion.

**Mr STURGES** - So any administration costs associated with the collection and disbursement of trust funds would be absorbed through the levy?

**Mr REARDON** - Yes, it has to be self-funded.

**Mr STURGES** - Which is not necessarily the case with the CSL.

**Mr McKIM** - Don't get me started on that one, Sturgo.

**Mr STURGES** - Just wait for the report to come out.

**Mr McKIM** - I am waiting.

**CHAIR** - Mr Reardon, there appear to me to be similarities in the structure you are advocating and what the Western Australians have done with their waste management authority. Am I right in saying that is a similar path to what you are thinking?

**Mr REARDON** - Yes, I think what we are really saying is that we have looked at the other models and we are not trying to reinvent the wheel. Those models are working and I think that we can learn from what they have already experienced. If you are going to have a levy that will not be criticised by the community, it needs to be equitable for the community at the end of the day. I do not think that disbursing the funds through a government department or through local government or the private sector, through the national packaging covenant which, in our view, has not worked. It has focused on local government issues and kerbside collection and has not taken into account the broader issues are to waste and the impact on the environment.

**CHAIR** - I was over in Fremantle for the Waste Management Conference last year and prior to that I was over there for another purpose and met a couple people, including the fellow in charge of the Waste Management Authority. It just seems to me that their system is a very cooperative one, the local government people are happy with it and it seems to be working. A lot of innovative stuff is happening over there. Mind you, they have a lot of people in concentrated areas too. You might have half a million people in one waste management collection zone and so you can do things with that sort of mass. The committee might be going over there to have a look at their system. It just seems to me to be similar to what you are talking about.

**Mr MASHNAN** - We are aware of that and there is also the South Australian model of course. They are further down the track. As we don't have that facility in place maybe the Western Australian model is better to use if you are just getting up and started. There is also a no-waste model in Canberra but I think they have lost some ground there.

**CHAIR** - Have South Australia got an independent authority as well?

**Mr MASHNAN** - Yes, they have a zero waste authority, but it is primarily made up of government agencies at the moment. There is a little bit of concern there, but it seems to be actually progressing. There is also ecorecycling in Victoria.

**CHAIR** - Sorry, I thought you said they were further down the track but you mean WA are further down the track.

**Mr MASHNAN** - No, South Australia are. The best model in Australia at the moment as far as an integrated waste management program is in Victoria with EcoRecycle. We have the CEO of EcoRecycle coming down to speak at our forum next week, which you are welcome to attend if you have the time. We have been quite proactive in sourcing some of the most accomplished individuals in the industry and hoping to raise the level of debate.

**CHAIR** - You had better give us the details of that forum.

**Mr MASHNAN** - Yes, I have those here. I will pass them around.

**CHAIR** - Thanks.

**Mr McKIM** - I just wonder whether you have any comment on the employment potential or the economic potential that could be realised out of a statewide waste levy in terms of extra jobs that may be created or economic growth that might flow. If you haven't done any studies on it maybe you might have an opinion on that.

**Mr MASHNAN** - It is very broad based but just looking at the municipal possibilities, a landfill, such as Glenorchy, with a bit of seeding capital would allow a business involved in resource and recovery to turn over \$1 million a year and employ 40 to 50 people.

**Mr McKIM** - Can I ask what a bit of seeding capital might be?

**Mr MASHNAN** - One of the projects we are looking at at the moment only requires \$50 000 investment. That will reduce waste by another 3 per cent and will actually allow the growth of a business which is focusing on e-waste, so it will be for gassing of fridges but it will also include the dismantling of whitegoods. At the moment we repair about 10 whitegoods a week. Our accredited people repair them and then they go back out for sale, so this is material that is perceived as junk but of course it has an economic value. So you are not talking about much money at all.

**Mr McKIM** - So I guess what you are saying is that one of the things a board or a trust might do if there was a statewide waste levy would be to seed-fund various industries. It just wouldn't be resource recovery, it could be anyone. It could be any of the major players in the State?

**Mr MASHNAN** - Yes.

**Mr McKIM** - One sector might be able to take some money and have a go at something that they are not currently doing to see if it was viable.

**Mr MASHNAN** - As Michael pointed out, there is also agricultural waste.

**Mr REARDON** - The other thing is that recycling itself has struggled in this State. We have seen a lot of small companies go out of the industry simply because there hasn't been the funding available to fund their infrastructure needs. The infrastructure is there but they are relying on volume. Those small companies that had that funding 10 years ago would have had facilities in place now and would have been able to deal with the issue. The return on recycling is fairly minimal and I suppose that goes back to who controls the prices, but we won't go there.

A composting operation that was set up at Brighton a few years ago had about six people employed out there, and now another one has been developed by one of the partners who was involved in that. It has the capacity to employ another 10 or 20 people in the long term. I suppose at the end of the day, if you put money into something and it is well managed you will get something back, whereas at the moment we are in limbo land because we are not bringing in any investment so therefore we can't expect to get anything back. In other States, in Victoria, you have millions of dollars in these funds and you can apply for the seed capital to get your project up and running. Then you can also apply for funds to bring in expertise to help you manage it because a lot of these projects are set up by entrepreneurs who probably don't have the management skills to be able to take it to the next level. They are now even funding management teams to go in and manage the project to get it through to the next stage.

**Mr McKIM** - So that is being funded currently in other Australian States out of a State-based levy?

**Mr REARDON** - No, they are not just looking at the capital cost. They are looking at the cost of getting the thing to function properly.

**Mr McKIM** - Because I do not want to put words in your mouth, I am just going to put something to you and ask you to comment. My view is that a State waste levy might only be the first step towards a holistic solution to the waste issue in terms of an EPR scheme or something like that. Would you agree or disagree with that?

**Mr REARDON** - EPR is most likely going to be implemented by the Federal Government and New South Wales, for example -

**Mr McKIM** - We can only hope.

**Mr REARDON** - Oh, no, I think there are some trade matters that affect our performance. I won't go into that so much, but the Federal Government has released the EPHC document and they are driving it fairly strongly. I do not see a producer-pays approach to recovering material from waste really being an issue. That is the Federal Government's view.

**Mr McKIM** - That will be a voluntary system though, won't it, or do you think it will end up being mandatory?

**Mr REARDON** - No, it will be legislated for. That is the plan. It will probably end up being voluntary, but in America, for example, in many states it is now legislated for, and

that will force the Federal American Government to go down the same road, which will affect our free trade agreement with America. So there are quite a number of issues involved with EPR, but it will be implemented.

**Mr McKIM** - I am pretty interested in exploring something that Mr Reardon said in his presentation where he alluded to the fact that there were no privately-run landfill sites in the State, and again I am definitely not trying to put words in your mouth, but I think you alluded to the fact that there was a cross-subsidisation from the general rate base that currently helped the councils run landfills. I must say, just as an aside, it is generally accepted that the private sector runs things more efficiently than governments do, and to me it is very fishy that there are no privately-run landfill sites in Tasmania, which to me almost seems by definition to say that there is a cross-subsidisation. Do you have any figures about the level of cross-subsidisation that may occur from the general rate base? That might be something that we can have a look at as well. Are you aware of any private sector companies that might have had a look at potentially running landfill sites and might have been discouraged because they may be at a competitive disadvantage to the ones currently run by either joint authorities or local government?

**Mr REARDON** - There would not be any company in Australia that could run a landfill at \$30 or \$35 a tonne, regardless of what the volume is. You would need 400 000 tonnes going to a single site to run a landfill at \$35 a tonne disposal fee - just the infrastructure, monitoring, all of those things - and at the end of the day make a profit. You just couldn't do it.

**Mr McKIM** - And that is the entire volume of waste in Tasmania?

**Mr REARDON** - That is basically the entire volume of waste. If you were to refer to having a concentration of population in Melbourne or Sydney, you have hundreds of thousands of tonnes of waste going into regional landfills, whereas here in the southern region at the moment we have probably six landfills. Hobart and Glenorchy probably take the majority of that, but it is impossible to think that you could run a landfill receiving 25 000 or 30 000 tonnes. If you have an investment of \$2 million or \$3 million to set the thing up, and you are charging \$30 a tonne on the gate or probably less if you are a private operator, to try to attract the waste away from the local government, just with the return on funds invested you wouldn't make the grade, without running the equipment or doing anything else.

**Mr McKIM** - Are there privately run landfill sites on the mainland?

**Mr REARDON** - Oh, absolutely.

**Mr McKIM** - So the implication there is that the cross-subsidisation does not occur over there and it is purely a Tasmanian problem, is that right?

**Mr REARDON** - I do not know whether it is purely Tasmanian. I would not have enough knowledge to be able to answer that, but predominantly landfills on the mainland are run by private enterprise. Local government divorced themselves of that responsibility and risk many years ago. I suppose it comes back to the volume issue. You need to attract the volume. The other thing is that if you look at the total waste stream, domestic waste is only a small part of it. The volumes of waste are in commercial and industrial, and

usually private operators have control of that volume, so therefore if they have their own landfill they will push it into their own landfill rather than put it into a local government-run landfill.

**Mr STURGES** - So you are saying that the private operators are not funded by local government, there is a concurrent reduction in rates and it is user pays?

**Mr REARDON** - I don't know, I couldn't answer that question.

**Mr MASHNAN** - Most of the landfills that some of the councils have rescinded have gone to private industry. They are paid a fee for service at any landfill and then if they pull resource-recoverable materials out they take that as an additional profit margin, so that is how it works. They are either charging a gate fee which, as Michael said, well and truly covers all their expenses, the closure costs and their plant and equipment et cetera. They might be charging \$500 a time in some cases, or they are receiving a fee for service and the council are subsidising the operation of that landfill even though it is a private landfill. This is so that the ratepayers can get in there at a reasonable price because in reality you would be looking more like \$100 a tonne. There is some subsidisation on the mainland also.

**Mr HARRISS** - But it is hidden.

**Mr MASHNAN** - Yes.

**Mr HARRISS** - Why doesn't the ACCC intervene, because you were saying that in the Tasmanian context, harking back to the Auditor-General's report, local government is simply keeping private enterprise out because of the cost subsidisation. Yet I understand that GPOC have addressed their mind to that situation in Tasmania.

**Mr REARDON** - It would be an interesting meeting to have with the ACCC. There is a monopoly and that is a fact because there are no privately run landfills in this State. The prices vary a little bit now depending on the region but it is a bit like Telstra and Optus; there is not a real lot of difference between the charges. I suppose it is proving that they are cross-subsidised, but that is a little more difficult.

**Mr HARRISS** - No, it wouldn't be difficult.

**Mr REARDON** - It depends whether you can get your hands on the information.

**Mr HARRISS** - The numbers are there and the ACCC would have the capacity to access or to make an assessment. I would have thought that that would have been contested somewhere in the nation. We are talking about a major issue of a business opportunity.

**Mr REARDON** - Just coming here today has caused a fair bit of conflict with local government.

**CHAIR** - We noticed that - for some strange reason.

**Mr REARDON** - We may threaten to take them to the ACCC -

**CHAIR** - There was certain tension in the air.

**Mr REARDON** - at this stage, but I think we would have to move forward a little bit before we could go there, I reckon.

**Mr HARRISS** - But you are a national organisation and there would be capacity within your national group to say, 'This is a major issue'. That is a significant assessment that you have made today, that there is cross-subsidisation which, by its operation, is keeping private enterprise out. It is a significant issue.

**Mr REARDON** - Yes, absolutely.

**Mr HARRISS** - And it ought to be challenged.

**Mr REARDON** - Yes.

**Mr HARRISS** - So don't you have the capacity as a national organisation to take up that challenge?

**Mr REARDON** - Yes, we do have that capacity to make that challenge.

**Mr HARRISS** - Why wouldn't you proceed?

**Mr REARDON** - I don't know, I think we would have to discuss that as an organisation and make a decision about that. I suppose, to be blunt, they are our customers as well as providing a service for us. I don't know, really.

**CHAIR** - Maybe there is another reality here and that is that there is no commercial enterprise at the moment clamouring to get into the landfill business?

**Mr MASHNAN** - No, that's not correct, Mr Chairman. Our organisation has put to the council a number of propositions to allow us into landfill in an approved manner, to really maximise preferred materials and just leave the disposal sites to them. So we would be managing the tollbooth, all the traffic direction, setting up all the markets to on-sell the material which we already have and so on. At the end of the day a council makes their money out of disposal and they are quite happy to maintain that.

**CHAIR** - Burial, you mean?

**Mr MASHNAN** - Yes or disruption in burial regions.

**Mr REARDON** - We must not forget they are in liquid treatment as well. They have sewage liquid treatment plants that take in liquids. I can give you an example. A few years ago the compost facilities, the compost owners negotiated a deal with one of the dairy companies to take their DAF waste and the company was prepared to pay them the same amount as if they were disposing of it at the treatment plant. The waste facility was going to cross subsidise that by paying the additional transport costs to get it to the site - they would have a gate fee for the product. They took it for about three weeks and in the end local government came back and cut the price by 60 per cent because they did not want to lose the revenue. So therefore, the private company lost the gate fee and did not

have the income because the local government stepped in. At the time they considered taking it to that government body to try to get a ruling. But I suppose people are reluctant to challenge local government.

**CHAIR** - Has anyone any objection if we adjourn on that note in the knowledge that we will be meeting this organisation again once we get further down the track. It will be later in the year but we have another week set aside for our excursions, if I can put it that way, in June. So it will be some time after that.

**Mr MASHNAN** - Mr Chair, just before we close can I submit another document?

**CHAIR** - Yes.

**Mr MASHNAN** - I think what Michael was trying to say, in a very kind way, is we have come under a fair bit of pressure because we are challenging the status quo. So I would just like to give you a letter that is addressed to us.

**CHAIR** - I am conscious of that, by the way, and we are trying to look at the big picture as a committee.

**Mr REARDON** - That is the BIEC issue you are talking about?

**Mr MASHNAN** - No, this is another one.

**Mr McKIM** - Is this a resignation?

**Mr MASHNAN** - Yes.

**Mr McKIM** - Yes, we heard some evidence about that in an earlier submission and we understood it to be a personal resignation although I can see there it is on SWSA letterhead, which is interesting.

**Mr MASHNAN** - It is also addressed to the association, to the committee.

**CHAIR** - So why are we getting it?

**Mr MASHNAN** - Just to give you some understanding of the pressure that we have been under from some other organisations. We also have quite consciously maintained transparency in all our dealings. As I was saying, some of the pressure is not particularly professional in our view.

**Mr REARDON** - Depending on who you are talking to, I suppose, but when we started the process to respond to the inquiry we organised a public forum of our members and anybody else and invited them along. We had a mail out that we sent to everybody. We probably had 30 or 40 people, I would think. We had an open debate and some of it was fairly heated. But the end of a full day's debate we agreed that we would go forward and put a response into the parliamentary review. Because we had some people who felt strongly about CDL and the waste levy, we agreed that we would, at all times, communicate by e-mail each draft of our submission. We ended up with five versions and in each one of those versions we asked for comment to make sure that we allowed

people to have their say and we also agreed at the forum meeting that we would attach any positive or negative responses that we received to our submission.

**CHAIR** - Just before I accept that, would you like to submit that in camera? In other words, it will not be made public.

**Mr REARDON** - Yes.

**CHAIR** - We will accept it on that basis.

**Mr McKIM** - Mr Chair, if I could just interrupt, we have taken evidence not in camera about the matter to which this letter relates.

**CHAIR** - From the individuals themselves though?

**Mr McKIM** - Yes.

**CHAIR** - That's fine; this is from somebody else.

**Mr REARDON** - The day before we were lodging, we then received some e-mails from some people from local government who wanted to withdraw their negative statements and others who obviously wanted to push them forward and apply them to the front page of the document. So underneath it all there is probably even a split at local government level about the waste levy. Some quite influential people made some negative comments but did not want to make them public and withdrew them. Other people who made some very positive comments supporting it and also had asked them to be removed.

What I am really trying to say is, we conducted a very open and transparent process in submitting this and tried to present the views of the majority of the members of our association who are involved directly in the industry.

**CHAIR** - Thanks for that. I will have to check my diary and see if I can get to the AGM. But thank you for reminding us about that. Thanks for your attendance today.

**Mr McKIM** - Mr Chair, I just indicate that I have a number of other questions for this organisation on the basis that they will be coming back in at some stage in the future.

**CHAIR** - Are you happy to adjourn now?

**Mr McKIM** - Yes, I understand.

**CHAIR** - We will certainly be meeting again. Thank you.

**THE WITNESSES WITHDREW.**