

CORRECTED VERSION

STANDING COMMITTEE ON ENVIRONMENT AND PLANNING

LEGISLATION COMMITTEE

Subcommittee

Inquiry into Environment Protection Amendment (Beverage Container Deposit and Recovery Scheme) Bill 2011

Melbourne — 17 November 2011

Members

Ms S. Pennicuik
Mrs I. Peulich

Mr J. Scheffer
Mr L. Tarlamis

Chair: Mrs I. Peulich

Staff

Secretary: Mr K. Delaney

Witnesses

Mr D. Powell, director, environment and infrastructure,
Mr D. Crowe, manager, infrastructure services, and
Mr S. Di Giovanni, coordinator, waste management, City of Boroondara.

The CHAIR — Thank you very much for attending the Legislative Council Environment and Planning Legislation Committee public hearing in relation to the Environment Protection Amendment (Beverage Container Deposit and Recovery Scheme) Bill 2011. I welcome the City of Boroondara. Be reminded that all evidence taken today is recorded by Hansard and is subject to parliamentary privilege as provided by the Constitution Act 1975 as well as by the Legislative Council standing orders.

You are protected against any action for anything that you say within this room, but when you repeat those things outside the room, that parliamentary privilege stops at the door. As I said, all evidence is being recorded. You will be provided with a proof version of your transcript within about three days, and you will have an opportunity to correct any typographical errors but not touch the substance of your evidence. If you could make a presentation of about 10 minutes in duration, and then we will have an opportunity to ask some questions. I welcome you and thank you for being here. Could you state your names and business addresses for the purpose of the transcript.

Mr POWELL — My name is David Powell. I am the director of environment and infrastructure at the City of Boroondara. Our business address is 8 Inglesby Road, Camberwell.

Mr DI GIOVANNI — My name is Sam Di Giovanni. I am the coordinator of waste management at the City of Boroondara. I work out of 648 Riversdale Road, Camberwell.

Mr CROWE — My name is David Crowe, and I am the manager of infrastructure services at the City of Boroondara. I also work out of 648 Riversdale Road, Camberwell.

Mr POWELL — It is my intention to follow the structure of the four points that were in our written submission. The first of those is the potential impact on kerbside recycling services. Our community is very good at recycling. Diversion rates from landfill are now at 53 per cent, which is up from 19.2 per cent 12 years ago. This diversion from landfill includes an increase in recyclables from 13 600 tonnes to 23 000 tonnes over that same period. The influences on this include a significant investment of resources in education, weekly kerbside recycling collection services and drop-off facilities for recyclables for our residents. The cost of the weekly kerbside recycling service is offset by the contractor onselling those collected recyclables, including recyclable beverage containers. The offset or rebate to the contract sum is very significant; it is typically in the range of 40 per cent to 60 per cent.

As we understand it, one of the intentions of this bill is to shift the method of recovering the recyclable resource of beverage containers from a collection service, such as the weekly kerbside recycling service that we currently provide, to a delivery service whereby people bring these recyclables to an authorised collection depot. If this were to happen, it would impact our kerbside recyclable service and our contract would need to be renegotiated at increased cost to reflect the drop in volume of recyclables that the contractor can sell on.

The second point in our submission is the duplication of infrastructure. This bill proposes the creation of authorised collection depots for receiving used beverage containers directly from the public. Within the city of Boroondara there is already infrastructure to conveniently collect recyclables from the public via our kerbside service and at two free drop-off facilities. Beverage containers make up part of those recyclables. The kerbside recycling service will continue whether or not this bill becomes law; consequently, the creation of authorised collection depots for receiving used beverage containers will create duplication.

The cost of operating an authorised transfer station in accordance with the provisions of this bill appear to us to be very significant. The bill seems to imply that there would be no payment to the operators of authorised transfer stations. It appears that they would only receive repayment of refunds they had already made to those bringing the recyclable containers and that they would receive the sale price of the containers collected. The bill does not appear to contemplate any further payment. Further, the bill seems to imply that existing council transfer stations would become authorised transfer stations. This would, in our view, make councils unpaid agents of the state, which, on the face of it, would be significant cost shifting. The size of this impact needs to be established by very rigorous cost-benefit and regulatory impact analyses. It therefore appears to us that the cost of the duplication of infrastructure that this bill is likely to lead to within the city of Boroondara will, in large part, be borne by the City of Boroondara.

I come to the third point, litter and education. We understand that a driving force of this bill is to reduce litter. Beverage containers are only a portion of the litter stream. On the information I have, it was about 29 per cent in

2009 compared to around 50 per cent for cigarette butts, for example. Consequently, this bill is only addressing a portion of littering behaviour. We hold the view that good stewardship of available public resources should lead to a focus on community behaviour in relation to all forms of littering, not just the beverage container portion, and on maximising the recovery of recyclables from current kerbside services and public realm recycling bins. We are concerned that this is not the case with this bill. We are further concerned that the bill would lead to scavenging for beverage containers on kerbsides and in public realm recycling bins, which, in our view, would result in other recyclables being removed during that scavenging and being spread around those bins as further litter.

The fourth and final point of our submission relates to national consistency. The Environment Protection and Heritage Council is developing a consultation regulation impact statement on packaging impacts. This statement will include an analysis of container deposit legislation options. Put simply, in our view, any container deposit legislation needs to be consistent across the whole of the nation, so further consideration of this bill should await the outcome of the consultation regulation impact statement.

The CHAIR — Given that Mr Tarlamis did not have an opportunity to ask a question in the last round, I thought we might kick off with him.

Mr TARLAMIS — You spoke in your submission and also today about how a container deposit scheme would have an impact on your kerbside service. Have you done the analysis as to exactly what that would mean in terms of dollars?

The CHAIR — And rates?

Mr TARLAMIS — And rates?

Mr POWELL — No, we have not done that. In fact one of the points I made in this presentation today is that there is a need for a very extensive impact analysis of the costs of introducing this. All I can tell you, in general terms, is that somewhere between 40 per cent and 60 per cent of the cost of our recycling service, which includes all recyclables, not just beverage containers, is recovered by the contractor by onselling the recyclables he collects. If a significant proportion of that stream is removed from that contractor's ability to onsell, we will need to renegotiate contracts. For your information, the net figure we pay for our recycling contract annually — this is our kerbside one — is a little over \$1 million.

The CHAIR — Per year?

Mr POWELL — Yes.

Mr SCHEFFER — Thank you for your presentation. You talked about how it would be optimal to have a system that dealt with all forms of litter rather than just singling out the drink containers, and that is very reasonable, but could you talk us through how what you do at Boroondara relates to the total zero-waste strategy?

Mr POWELL — Madam Chair, I wonder if you would allow Mr Di Giovanni to answer that, because he has the detailed knowledge.

The CHAIR — Absolutely.

Mr DI GIOVANNI — Thank you. We have a number of recycling opportunities. Not only do we collect from public place recycling bins — and we have over 200 in the municipality adjacent to our normal litter bins — we have a number of services at our two depots that will collect things like construction material for recycling: green waste, mattresses, timber, batteries, light globes, e-waste. We were the initiators of Byteback, which has led to the national scheme. We also collect gas cylinders and paints, so there is a suite of recycling opportunities for our residents not to litter, and that leads towards that zero-waste target.

Mr SCHEFFER — What I am bouncing from is looking at the report from Sustainability Victoria on progress for 2009–10. Under the municipal and solid waste they report, for example, that the amount of material recovery was over 1.5 million tonnes, an increase of about 24 per cent from the previous year. I would like you to place on the record how you report your progress against the statewide benchmarks — how that actually fits together — because it has been a bit hard for me at least to get a picture about how the proposals in this bill

relate to the whole system. I hear what you say, but I would just like some unpacking of that, if you could provide that.

Mr DI GIOVANNI — On an annual basis we report to Sustainability Victoria annual reports, and we are, I think, no. 4 on that list for waste diversion. Our diversion target, as Mr Powell has mentioned, is currently 53 per cent, and the state target is around about 43 per cent, so we are well above that.

The CHAIR — Just two questions, if I may. First of all, I note also that Boroondara is represented on the Keep Australia Beautiful Victoria advisory committee. Are you able to comment on that relationship and how you have found that organisation?

Mr POWELL — Madam Chair, we have not come with that information to be able to give it to you today. If that is of importance to you, we can pass it on.

The CHAIR — There was a certain line of questioning in the previous session. I thought, given that you are involved on the advisory committee that I would like some feedback as to you how you find that relationship, and if you are able to provide that information to our executive officer, that would be useful.

Mr POWELL — We could.

The CHAIR — Your broader comment is that the cost-benefit analysis is of a limited nature in the proposed bill, but it means to have a broader scrutiny in terms of its broader cost impacts on existing systems and obviously your preference for a national scheme; is that correct?

Mr POWELL — That is correct.

The CHAIR — I just wanted to clarify that. But you would not be opposed in principle to a national scheme? It depends on the detail?

Mr POWELL — It does. The point that I made right at the end is that it is our view that consideration of this bill should await the outcome of the consultation regulatory impact statement, and we would then be in a position to form a view.

The CHAIR — Thank you. I think we will be receiving a submission from the MAV. Is that correct? Is this an issue that has been taken up by the MAV at all?

Mr POWELL — I am aware from reading the MAV submission that they have relied on motions at their state council meeting — I think one in 2009 and then a later one. My understanding from that submission is that the MAV also made the point quite strongly that there should be quite significant and rigorous analysis of the cost-benefit relationships.

The CHAIR — On a parallel issue, what emerging waste problems are you experiencing at the City of Boroondara? I know in the municipality in which I live, mattresses, TVs and computers are proliferating like mushrooms. What is the feedback in relation to the emerging problems of waste?

Mr POWELL — Again I will ask Mr Di Giovanni to answer that.

Mr DI GIOVANNI — You are right; mattresses — electronic waste is the prime one. The cost of disposal at landfill has also led to an increase in dumped rubbish in general.

Mr CROWE — Could I just add also in terms where we are heading with recycling collections and the impact it is having on landfill, there is no doubt that the area we have identified as being the thing that will have the biggest impact is organics, and having a statewide scheme that actually deals with organics will have a huge impact on those percentages.

The CHAIR — So the more rain there is, the more growth there is, the bigger the problem we will have?

Mr CROWE — Potentially, but we are also talking about household organics.

Ms PENNICUIK — I think it is very interesting when you compare them that some councils are very enthusiastically in favour of container deposit. Obviously Boroondara seems a little less enthusiastic, but

certainly it is suggesting, from what I read of your submission and what you have said today, willing to have a look at what a national scheme might deliver. You said earlier that your diversion was 53 per cent, so 53 per cent is up from where you were before, but it is still a long way from 95 per cent. So there is 40 per cent still to go there.

You also said that one of the concerns you had was that this scheme just focuses on containers and not other litter. I have heard that from other negative — or people who are not enthusiastic about container deposit that somehow or other dealing with containers and perhaps having them recycled to a level of 95 per cent is somehow not good for the other litter streams, because I think the other litter streams, such as organics, need to be handled in a different way than perhaps beverage containers do. Certainly when you are talking about landfill, as you were, Mr Di Giovanni, being a problem, we need to get beverage containers out of landfill.

My question following on from all that is: what has been the difference since you started putting your recycling bins in public places? Have you done an analysis of the difference in recycling of beverage containers as compared to beforehand?

Mr POWELL — The answer is that we do not have an analysis of beverage containers. I am hopeful that through the course of the presentation I made today I have identified that we believe there is a whole lot of work that needs to be done that has not yet been done. Can I also respond to your preamble by saying that I believe I made the point that we are of the view that good stewardship of public resources requires those resources to be applied where the greatest benefit will be achieved. Beverage containers, for example, represent only a portion — less than a third — of litter, so greater value would be achieved by applying those public resources to the whole litter stream.

Ms PENNICUIK — You say less than a third, but I could say almost a third of the litter stream — 29 per cent. Is the cup half full or half empty is probably the analogy there.

The CHAIR — I think we are talking about 1 percentage point.

Ms PENNICUIK — The Environment Protection Heritage Council's BDA Group report suggests a \$75 million saving to local councils. In her report Ms Hartland suggests around a \$700 000 saving to your particular council by participation in that scheme and that it really comes at no cost to the local council. It is a benefit, and it is a benefit to the community. Is it not worthwhile dealing with that approximately one-third of the waste stream and getting it out of landfill?

Mr POWELL — My response to that is that we are not persuaded at this point by the arguments that have been put that say this bill is a good outcome. I have also made the point, I think twice now, that we believe it is critical that there be rigorous — can I even say independent — detailed analysis which will, I think, reveal the accuracy of the point or the arguments that have been made. We have not come here today to argue the quality of any of the work done by anybody else. We have come here today to expand on our observations of how this bill might impact on us, and one of those observations is that there has not yet been provided to us sufficient information of sufficient quality to persuade us that our community will be better off in all regards if this bill becomes law. Indeed we think there is insufficient information to suggest that that would be the case.

Ms PENNICUIK — I did mention the Environment Protection and Heritage Council report that suggests a \$75 million saving to local councils —

The CHAIR — I think that has been answered, Ms Pennicuik.

Ms PENNICUIK — Except that Mr Powell suggested that maybe it was not independent or rigorous enough. Were you suggesting that?

Mr POWELL — No. I am suggesting that the information that has been provided as part of the package that came with this bill, as we understand it, has not adequately satisfied us that our community will be better off environmentally or financially.

The CHAIR — Are you suggesting, Mr Powell, that a cost-benefit analysis by a firm that is not related to any of the existing active stakeholders would be perhaps a way to go?

Mr POWELL — I suppose my focus is more on the integrity of the cost-benefit analysis rather than on the nature of the group that would do it.

The CHAIR — I understand what you are saying. Do you have any further questions, Ms Pennicuik?

Ms PENNICUIK — No.

The CHAIR — Thank you very much for your time and your submission. Again I remind you that you will receive those transcripts in the next three or so days, and you will have an opportunity to correct any typographical errors and return them to our executive officer. At some point in time that will be uploaded as public evidence and will form part of the report.

Witnesses withdrew.