



# ***AGRICULTURE AND ENVIRONMENT COMMITTEE***

**Members present:**

Mr JP Kelly MP (Chair)  
Mr JE Madden MP  
Mr LL Millar MP  
Mr PT Weir MP

**Staff present:**

Mr G Thomson (Acting Inquiry Secretary)  
Ms M Salisbury (Assistant Committee Secretary)  
Ms S Stephan (Assistant Committee Secretary)

## **PUBLIC HEARING—INQUIRY INTO THE WASTE REDUCTION AND RECYCLING AMENDMENT BILL 2017**

### **TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY, 12 JULY 2017**

**Brisbane**

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### **Committee met at 9.57 am**

**CHAIR:** Good morning. I declare open this public hearing for the committee's inquiry into the Waste Reduction and Recycling Amendment Bill 2017. On 14 June 2017 the Minister for Environment and Heritage Protection and the Minister for National Parks and the Great Barrier Reef, the Hon. Dr Steven Miles MP, introduced the bill to parliament. The parliament has referred the bill to the Agriculture and Environment Committee for examination with a reporting date of 11 August.

My name is Joe Kelly. I am the member for Greenslopes and chair of the committee. With me here today are Mr Pat Weir, the member for Condamine and the deputy chair; Mr Jim Madden, the member for Ipswich West; and Mr Lachlan Millar, the member for Gregory. We have apologies from Mr Robbie Katter, the member for Mount Isa, and Mrs Julieanne Gilbert, the member for Mackay.

The purpose of today's committee hearing is to hear evidence from stakeholders, including those who have made submissions as part of the committee's inquiry. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a very serious offence. These proceedings are similar to parliament and are subject to the Legislative Assembly's standing rules and orders. In that regard, I remind members of the public that, under the standing orders, the public may be admitted to or excluded from the hearing at the discretion of the committee. These proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's discretion at all times. Media rules, endorsed by the committee, are available from committee staff if required. All of those present today should note that it is possible that you might be filmed or photographed during the proceedings. I ask every one present to turn off mobile phones or to silent. We have now published the program for today on the committee's web page and there are hard copies available from committee staff.

**BROOKS, Mr Darryl, Environmental Coordinator, Southern Downs Regional Council, via teleconference**

**FERGUSON, Mr Robert, Senior Advisor, Environmental and Public Health, Local Government Association of Queensland**

**HANNAN, Mr Luke, Manager, Planning, Development and Environment, Local Government Association of Queensland**

**LEE, Mr Arron, Manager, Waste and Resource Recovery Services, Field Services, Brisbane City Council**

**O'BRIEN, Mr Tim, Manager, Environmental Services, Southern Downs Regional Council, via teleconference**

**CHAIR:** I would like each of you to make a brief opening statement, if you so choose, and then we will go to questions from the committee members.

**Mr Hannan:** Thank you, Mr Chair. The LGAQ welcomes the opportunity to provide feedback to the Agriculture and Environment Committee on the Waste Reduction and Recycling Amendment Bill 2017. The LGAQ must note the councils' disappointment with the very short consultation and time frames on the bill—of less than three weeks—and that has prohibited some councils from providing feedback within that time.

The LGAQ is broadly supportive of the principal objectives of the bill, with our submission highlighting the significant outstanding local government concerns. Regarding the introduction of a ban on single-use plastic bags, we recommend that the state government coordinate a Queensland-wide education and awareness strategy to complement the ban and caution against any inadvertent cost shifting to councils through compliance and enforcement responsibilities, which must remain primarily a state government responsibility.

Regarding the introduction of a CRS, the LGAQ submission also reinforces the councils' position that a CRS must support and complement existing kerbside recycling services in Queensland that are being successfully delivered by 33 Queensland councils in partnership with industry and which service approximately 86 per cent of the Queensland population already. As such, local government support for a CRS is dependent on there being no negative financial impacts on individual council waste and recycling operations and that safeguards are in place to indemnify existing contractual arrangements to avoid any potential for litigation in the future.

The LGAQ submission also calls for the committee to seek certainty regarding potential planning and development concerns for the rollout of collection and refund points; certainty that MRF glass will be eligible for a refund through the scheme even in the absence of any viable markets for glass as a commodity; to provide clarity on how the potential for scavenging will be mitigated; and that, up-front financial support is provided for local government infrastructure for those councils that wish to proactively participate in the scheme. We are more than happy to go into any of these matters in greater detail for you. That ends my opening statement.

**Mr Lee:** We are supportive of the objectives of the bill. We support the objectives of the plastic bag ban. In relation to the CRS, we have one of the most effective kerbside recycling schemes in Queensland, with approximately 16 per cent of the red-top general waste bin having recyclable materials in it. We have a large education program to generate behavioural change. Only four per cent of council's litter from parks, roads and waterways are beverage containers. About 6.4 per cent of our red-top general waste bin is beverage containers as well. We capture a great deal of beverage containers already in the kerbside recycling scheme. Our concern is mostly around the fact that, because we trade the commodities from this kerbside recycling program, there may be some financial impact on the council. We would like to ensure that that is reduced.

We also have concerns around bin mining. We have spoken to the councils from the states where the CRS or CDL is introduced. Bin mining is a nuisance in those states. We have concerns around that. We want to make sure that there are effective controls associated with that as well. We want to ensure that there is management around the various sites that are collection points and planning associated with noise, odour and various other environmental issues associated with that. In general, we are supportive of the scheme.

**Mr O'Brien:** We support the submissions that the LGAQ and the Brisbane City Council have just made. Our council has provided unanimous support for the bill with respect to the introduction of the ban on the lightweight plastic bags and the container refund scheme. Both initiatives support the goals of the council's own waste reduction and recycling plan. However, we request that a review be undertaken of the types of containers that are excluded initially from the scheme. We think that it may be fairly confusing for the public to grapple with those exclusions.

I know that this is outside the scope of what you are doing, but we would like the committee to look to consider establishing a financial assistance package for the capital costs that will be incurred by private organisations, or councils, depending on who brings in the CRS scheme. We would also like to encourage the committee to investigate and implement other product stewardship schemes, such as tyres, batteries or whitegoods so that we could have an effective way of managing it when it goes from being a resource to a waste product.

**Mr MADDEN:** Mr O'Brien, I am interested in what you just mentioned about assistance from the state government for local government with regard to the implementation of the legislation. Mr Hannan, I notice in the submission by the LGAQ that you suggest there might be small-scale infrastructure grants for local government that might be necessary to implement the scheme. I would be grateful if you could enlarge on that.

**Mr Hannan:** Our understanding is that at the moment—and through recent state government budget processes—there may be some money set aside. There is no clarity on who that will be provided to at the moment. Local governments that wish to participate in the scheme may need to retrofit existing infrastructure, or build new infrastructure, to actively participate, such as baling equipment. Obviously, councils do not have this sort of infrastructure written into their current budgets. We would be looking for some sort of support to allow councils to proactively participate.

**Mr WEIR:** You talked about your kerbside collections and how effective that model is. What percentage do you pick up with that scheme? You were saying that there is no outlet for the glass side of it. How much does it help your rates? What source of income is it? Is it a significant source of income? Does it just cover itself? How does it work?

**Mr Hannan:** Glass as a commodity—and this is probably something for our colleagues in the waste industry and also my colleagues to my left here—at the moment does not have a viable market. There are various research initiatives being undertaken, which we fully support, to look for an area

for glass to be used. One of the catches for the bill that is before us is that, for a container to be eligible for a refund, it must be either recycled or re-used. That begs the question that, if glass has no market, how are we going to get a refund for it? Arron or Robert might be able to elaborate a little bit further through their experiences.

**Mr Ferguson:** The way in which glass is collected through our kerbside collection is that it is co-mingled glass. It is in the back of a compaction vehicle and quite often it is broken. As part of a CRS scheme, glass would be collected through a depot. Quite often it will not be broken, it will be able to be sorted into different colours and types and, in essence, it will be more desirable to the market.

The co-mingled glass that is broken and going to an MRF operation—a material recovery facility—will be less desirable in that marketplace. That is a concern that local governments have—that the desire for that cleaner product will be the first choice by the industry and the co-mingled glass will be the less desirable. The further you get from Brisbane, the more of an impact that will have, because glass is far more accessible in South-East Queensland.

**Mr O'Brien:** We support that stance. We also have a concern about how the container refund scheme may affect our contractor. We do not have anything written into our contracts if they start to lose income from the sale of the recycled products. It is something that we would have to monitor as we go along. I do not know whether there would be a lot of people selling their containers rather than recycling them through the kerbside pick-up. It is something that we will just have a look at as we go along.

**Mr MILLAR:** I have a couple of questions about the bill overall and the consultation. This question is to the Local Government Association, Mr Arron Lee from the Brisbane City Council and the Southern Downs Regional Council. How much input have you had? How much negotiation have you had with the department of environment in regard to what has come out with this bill?

**Mr Lee:** Quite considerable. We sit on a working group with the department of environment, which also sits with the Local Government Association. We have had quite a bit.

**Mr MILLAR:** How long has it been?

**Mr Lee:** It has been over probably 12 months, I suppose.

**Mr MILLAR:** We are talking about financial assistance packages and we are talking about councils that have already brought down budgets. If this bill is passed, that is when the rubber hits the road, so to speak, in regard to the impact on councils. How much impact will this have on councils?

**Mr Lee:** It will have a considerable impact from the perspective that a lot of community groups will be looking at setting up collection points and so on. A lot of those are on council leased land. We will be involved in that. There will also be a lot of work with the recycling MRFs around establishing new financial arrangements with them—how to deal with the container deposit scheme—and also working around our kerbside programs.

**Mr MILLAR:** What I am trying to get to is what the cost would be to the Brisbane City Council, which is probably the biggest council in Queensland and probably the biggest council in Australia, to implement this bill. What cost will the council incur? Have you done a budget? Have you done a forecast?

**Mr Lee:** No, we have not. We do not know the impact of the scheme as yet, because no-one has introduced a scheme like this on an established recycling program before. It is hard to determine that.

**Mr MILLAR:** Are there any concerns in that regard?

**Mr Lee:** Not so much the implementation of it but certainly lost revenue, which covers our existing program, is a concern to us.

**Mr MILLAR:** What I am trying to get to is the cost to councils. Unfortunately, we have seen more and more costs on councils. Brisbane City Council may be able to absorb that cost because of your rate base.

**Mr Lee:** Yes.

**Mr MILLAR:** I suppose this questions goes to Southern Downs. The area of Gregory that I represent, which is in western Queensland, and even smaller councils have a limited rate base. Will there be a cost on smaller councils?

**Mr O'Brien:** Yes, there will be some impacts on council, but it depends on whether the local sporting groups and scouting clubs take up the option of becoming collection points. If nobody takes up that option, it may well fall back onto council to do that. Our council has not budgeted any money for infrastructure upgrades, so we are hoping that the local community groups take up the challenge.

Then again, if the local community groups do take up that challenge and they start having all these unsightly crates and stuff littered around on council owned land, we might have to look at rezoning their property, because it becomes a depot rather than just a scout hall. There are all sorts of impacts that we will have to monitor as it goes.

**Mr MILLAR:** I am concerned whether a lot of thought or some sort of scoping has been put into coping with the change with depots, setting-up costs, who is taking it on. If you look at somewhere like where I come from, you have large areas but small populations, such as with the Bedourie council. How is that going to impact them? How is it going to impact the Diamantina shire? Those are the concerns that I have. Luke, from a local government point of view, has any of that process been put in place?

**Mr Hannan:** It is one of the first and foremost concerns that local governments have. One of the caveats of our support for the introduction of a CRS is that it is optional for local governments to participate. The bill allows for that. However, the concern is that, as we all know, councils are the provider of last resort. If the community expects a CRS in Bedourie, for example, it will fall to council and the pressure will be on council to provide some sort of service. Councils that want to proactively participate need to be supported. If we are talking about 33 councils that have an existing kerbside recycling service, then we are talking about 44 that have nothing. If their respective communities want some sort of service provided and the PRO, the product responsibility organisation, has not provided or cannot provide that resource for them it will fall back to council to be engaged. That is our concern. A lot of responsibility is going to fall on the PRO to implement a statewide solution that is an effective. When we start talking about the tyranny of distance and servicing these communities, it does beg a serious question. There is a good reason why they do not have existing kerbside recycling facilities, because of that very fact. It is cost prohibitive and you have those tyranny of distance factors involved.

**Mr MILLAR:** Has that been pointed out to the department of environment and the state government and do you have any answers?

**Mr Hannan:** It has. For the past 12 months, this is something that we are continuing to—

**Mr MILLAR:** Have you had a satisfactory response?

**Mr Hannan:** Not to the degree where we can say, 'Councils, you will be fine; you will be looked after'. No, we are not at that point yet. We are at the point of needing the head of power and the legislation, so that the state can get on with appointing a PRO and getting the system created. Then it is getting into the nuts and bolts of how the PRO is going to deliver this for the state. Then we will have a good idea of how this is going to roll out, what sort of impact there is going to be in the retention rates for those existing councils that provide services and that is one of the great unknowns. How much is going to be taken out of the kerbside bins, essentially? Is that going to affect the existing contract arrangements? That is why we have put in a need for that sort of security for councils. Those questions will not be answered until this starts to get up and running. However, we need to put in the protections now to ensure it is not a problem after the fact.

**CHAIR:** Mr Hannan, from my reading, the bill places the onus on the PRO to fill any market failure. Would that address the concern that you have that if, in some of the smaller council regions, a council chose not to engage in this process, the PRO would then have an obligation to fill the void?

**Mr Hannan:** It does. I note that the PRO has that responsibility. However, as Mr Millar pointed out, it is about the community expectations. They are not going to go to the PRO to lodge their complaint; they are going to go to the local mayor and the councillors.

**CHAIR:** If the onus is on the PRO, the council can simply refer that back to the PRO as being the responsible entity. Is that a fair statement?

**Mr Hannan:** It is a fair statement.

**CHAIR:** I am interested in this co-mingling issue. Your concern is not that the volume of material going into recycling bins at people's homes will decrease; it is the fact that the value of what you collect as a council or the product that you produce will be less desirable than the product produced elsewhere. Is that the concern? It is the volume or the type of product?

**Mr Hannan:** It is probably both. One, it is the volume. We do not know what the impact will be in terms of the retention rate of those recyclable products on the kerbside. That is an unknown. Co-mingled is a different factor. In terms of existing contracts, at the moment every contract with councils and their service providers is unique. We heard from Southern Downs just then about the provisions in their contracts. We do understand that some contracts do not have those clauses

regarding safety nets, essentially, or force majeure provisions. We are concerned that many of the contracts are developed on a weight basis for the commodity that is being collected. If that is going to be reduced, who is liable? If council cannot come to an arrangement with their service provider, there is a potential for litigation there. That is something that we are calling for through our submission.

**CHAIR:** In relation to these rezoning issues which I picked up from your submission, what further powers do you need that councils do not broadly have to deal with zoning issues if there is a change of use of, say, a scout hall to a depot? Do you not have the capacity under the Local Government Act to create those by-laws that are necessary?

**Mr Hannan:** It is a good question. It is something that we are investigating at the moment in partnership with the department on how this will roll out. We cannot obviously allow for certain sized facilities to just pop up in the middle of suburbia. There will be amenity issues, there will be traffic issues and transport issues. It is something that we are investigating. We want to support the government as best we can to provide a consistent framework across the state for how this will be implemented. Planning schemes are one mechanism that can be regulated. Local laws could be another. That is something that we are currently looking at.

**CHAIR:** Mr Lee, you used the term 'bin mining'. I am sure the QRC, which is coming in later today, will be pleased to hear of another area of mining that they might be able to exploit. Is this just people effectively scavenging? Is this the same term?

**Mr Lee:** Effectively, yes, it is scavenging, but we do expect that there is a degree. When we spoke to South Australia and the Northern Territory, there was certainly a degree of people getting into kerbside rubbish bins and scavenging out of those bins. They may make a mess in that process. It is more the littering situation that we are concerned about.

**CHAIR:** Is it individuals or businesses that do this?

**Mr Lee:** It is more individuals.

**CHAIR:** I am interested in the costs. We talked about the costs to council in terms of establishing a scheme. What are the costs to council in terms of not establishing a scheme? In particular, I am interested to hear from the folks from the Southern Downs council about unregulated plastic bags and unregulated containers outside the home with limited options for recycling? Is there a significant cost for council in relation to that?

**Mr Brooks:** We have a kerbside recycling collection service within the areas that are viable within the Southern Downs. Also, we have a fairly comprehensive recycling opportunity at the 18 waste facilities that we have across the Southern Downs. Whilst there are always opportunities to improve our avoidance of those sorts of containers to landfill, anything that encourages avoidance of those sorts of resources to landfill is generally supported. It is just how that model looks once we continue along on this journey.

**CHAIR:** You mentioned capital costs for establishing these schemes. Do you have any broad estimates of what those costs might be for or what they might entail?

**Mr Brooks:** We have certainly sat down and tried to put a number on it. Obviously with our budgeting cycle, we need to be planning for this. Unfortunately, until the devil in the detail comes out around the model of the scheme and we know the take-up and interest in the scheme within our community groups across the Southern Downs, it is really difficult to place a number on it. With the Southern Downs, we have the option of having no input into the scheme or having 100 per cent input into the scheme. Really, until we get the detail and go out to our community groups to see what interest they have—that will probably highly affect the involvement of council. Obviously with our network of waste facilities across the council area, I would suspect that council will have some role to play. It is just a matter of what that may look like once the detail comes out.

**CHAIR:** Finally, on page 4 of the LGAQ submission you talk about the issues around enforcement in relation to the plastic bag bans, I presume. I would be interested in the BCC's views as well. Is this an area that councils are currently unable to enforce? Do they not have the powers, the technical capacity or the resources to enforce bans around that?

**Mr Ferguson:** While we support the introduction of a ban on plastic bags, the primary concern of local government would be the implications associated with any enforcement, primarily with retailers and their continued use of single-use plastic bags. We would see this as a statewide initiative and we would see the need for, I suppose, state government leadership in managing any compliance activities associated with ensuring that there is compliance in that field and it should not be a devolved responsibility or cost shift to local government. That is the primary concern.

**Mr MILLAR:** Going back to what I was talking about before and the impact on local government, Arron Lee from Brisbane City Council, do you have a forecast of what this would cost you once it is implemented? Is it \$1 million or \$10 million? Is there a figure out there? Given that you have had 12 months negotiation with the department and the state government, surely there are some forecast estimates?

**Mr Lee:** Unfortunately, no. I am not avoiding the answer here, but the situation is that until we negotiate with the recycling facility, we do not know what that impact will be.

**Mr MILLAR:** Do you have a rough figure?

**Mr Lee:** No.

**Mr Ferguson:** If I may, there are a lot of unknowns with the introduction of a container refund scheme in Queensland, and New South Wales I might add. Basically, we are not dealing with waste; we are dealing with recyclables that have a beneficial use and they do have a value. For example, aluminium cans are worth between \$1,200 and \$1,300 a tonne. If you take that out of an existing program, there will be implications associated with that. In saying that, if there are eligible containers through a CRS at 10 cents each, how many of those containers can you lose and still break even? It is that break-even point that we do not know. People will quote South Australia, but its program has been in place for 40 years. You cannot use that as an example, because kerbside collections have been pre-existing in Queensland. It is that unknown, and the ins and the outs. Once we determine that and how much retention there is, that will assist in working that out. The accessibility of the scheme will impact on it as well.

We have the introduction of the amendment bill here. The detail will be in the regulation and the protocols the department will roll out in future months. That is the critical part of this work. We are working with the department to try to resolve that and to work out a workable solution. There are a lot of unknowns. Speaking on behalf of Queensland, we are struggling with that, as well as New South Wales. There are all those unknowns.

**CHAIR:** Thank you very much. I thank all the witnesses for appearing this morning. We appreciate your time.

**KELMAN, Mr Rob, Executive Officer, Association of Container Deposit System Operators**

**RALPH, Mr Rick, Chief Executive Officer, Waste Recycling Industry Association of Queensland**

**CHAIR:** Welcome, gentlemen. Mr Kelman, would you like to start with a brief opening statement?

**Mr Kelman:** Thank you very much. CDSO is comprised of technology manufacturers, providers and service companies associated with CRS schemes globally. These include reverse vending machine producers as well as high-speed counting providers, and they operate in every market globally that has an automated scheme. Our members will take on the vast majority of the possible investment in automation under a Queensland CRS. I say 'possible' as this investment is at this stage far from certain in Queensland.

CDSO member companies are extremely supportive of the Queensland government's intention to introduce a CRS, and we value the advisory group processes et cetera. We are, however, concerned that a number of vital ingredients may be overlooked and that these need to be incorporated by the government into regulations that accompany this legislation to ensure the scheme is cost-effective, convenient for consumers and effective for the environment and for the government.

The committee should be aware that there is an extremely strong incentive for the beverage industry, that is most likely PRO, to have as low a rate of recycling as possible. The result of a low recycling rate for beverage producers is the avoidance of paying refunds as well as handling fees. In our calculations, for every one per cent lower recycling rate the industry would save about \$3.6 million. It is a very high incentive to get as low a rate of recycling as possible.

The most expensive scheme for consumers is one with a low or South Australian level—76 per cent—recycling rate whereby refunds are deferred due to scheme inconvenience. A PRO could limit investment, consumer convenience and, as a result, recycling rates through the following means: setting low handling fees so that companies do not invest in the necessary recycling infrastructure; limiting convenience generally for consumers—having depots in the back of industrial estates rather than in public places which are safe and clean and all those sort of things; blocking technology, or, for instance, operating, as in South Australia and the Northern Territory, under a weight based audit and verification protocol rather than a barcode-reading protocol, which is much more accurate, in order to pay out fewer refunds and handling fees. As an example, one tonne of PET could contain anything from 29,000 to 48,000 containers. I am sure the committee could see how recyclers—the collection point operators—could be undercut when delivering a tonne of PET if the PRO says, 'We are only going to pay out against 30,000 containers,' and in fact there are 50,000 containers in that tonne.

We believe it is the Queensland government's task to set very strong regulations that underpin this legislation to really guide the PRO to ensure the consumer is provided with a comprehensive and convenient scheme. This would include high recycling targets and penalties, barcode verification and auditing, and transparent setting of handling fees. I will give you a quick comparison. Norway operates a PRO model, just as Queensland is intending. The government leaves how to set the scheme up to the PRO, but this does not sit in isolation. Norway's PRO is underpinned by a taxation regime which cascades downwards to zero once you achieve 95 per cent recycling. If you get no recycling, you pay a dollar or whatever it is per container as a tax, so you want to avoid that. The PRO then goes and establishes very convenient schemes and gets 95 per cent recycling in order to avoid the tax. The government leaves everything else to the PRO to do—where the infrastructure goes et cetera. There is a very strong motivator for the PRO to avoid that tax so they set up a very convenient scheme.

The following is what we believe the government should regulate in order to guarantee consumer convenience and high rates of recycling. There should be a recycling target in regulation of 90 per cent with a doubling of the refund or the deposit value from 10 to 20 cents in the event of failure to achieve that target. There is a global precedent for this. Oregon recently enacted this legislation when their recycling rate dropped to a certain level. South Australia, for instance, in 2008 increased its deposit from five to 10 cents because the recycling rate had gone down. Accurate barcode verification and accounting will provide multiple cost reduction, efficiency, transparency and fraud reduction benefits. A barcode system would avoid the kinds of skirmishes we see in South Australia and the Northern Territory under a weight based scheme. I think Queensland wants to avoid those kind of legal disputes et cetera. Finally, there should be transparent handling fee setting whereby the government has oversight over it and has input from the recycling sector into what that handling fee should be.



**Mr Ralph:** Thank you for the opportunity to present. I offer my apologies for not providing a written submission. There are two papers that we presented to the department that remain outstanding and which I am happy to provide for consideration. I went on leave and, with the short time frame in getting the industry together, we did not physically have time to get in our submission, so my apologies for that. I will keep my statement fairly brief, to three items: the CRS legislation, plastic bags and, importantly, the end-of-waste legislation.

First, I reinforce comments made previously by my colleagues in local government. I wish wise counsel upon the committee's consideration of this bill. Queensland is only the second jurisdiction globally to introduce something like this. Do not underestimate the significance of this. The reason I say that is: in every other jurisdiction in the world where we have introduced container deposit legislation, except for the territory—and that model was a little different and had major issues to start with—the systems already had container deposit legislation and we then introduced co-mingled recycling above that to pick up the rats and mice. In Queensland's context—and we are about to follow New South Wales—we have a mature co-mingled system servicing about 90 per cent of the community in broad terms. What we do not know is what we will do now. We will pluck out of that system bottles, cans, plastics, glass and whatever for a multitude of good reasons in many senses, but we do not understand the implications of that commercially. In terms of the questions that you asked of local government, there are a lot of unknowns in here. I make that statement with no emotion.

I have been in this industry for 37 years and was one of the principal architects of a world renowned program called Cash for Cans. I know how the system works: I introduced it back in the 1980s and have been engaged with the beverage industry on and off for 30-odd years where they have argued against this and done bits and pieces. It is not new to me.

I am genuinely of the view that I am unclear of the upside or the downside. I do believe there will be winners and I do believe there will be losers. I think there will be significant benefits in a regional context. Where the communities do not have access to kerbside collection now, there will be some great winners.

Demographically, Queensland will have some major challenges. We are not dealing with South Australia, where you drive a couple of hours; we are dealing with eight, nine and 10 hours. We do not know the commercial implications of moving product flows around. In the urban areas there will be challenges. Socially and demographically there will be challenges in some communities—we have experienced this; I am also the CEO of an industry body in the territory—and we have seen problems in the territory with bin miners such that now community groups are knocking on doors of houses in Darwin and doing deals with households to keep their bottles and cans and other bits and pieces outside the system to donate them instead to the barbeque at Bunnings. That is admirable and fine.

From the industry perspective, the reality is that we will still drive down that street and flip those bins. We will flip bins that might have only half the material in them. We also have experienced instances where people try to grab the bin just as the truck grabs it, so we will have safety issues and we will have an increase in near-misses as a result. We have already experienced that in the territory. In South Australia, where we introduced kerbside recycling, we did not have some of these systems because the CDL was already in place and had been in place for many years. We were topping up with what we were not collecting. That is why I would like you to understand wise counsel in the decision and listen to everybody, because we are in very unknown, uncharted territory.

In respect of the CRS, we are not supportive of the current model, the PRO model, and the board make-up. Whilst assurances have been given from the minister, matters in relation to the board's make-up and the performance of the PRO will be attended to in regulation. Frankly, with the historical record of the department—I have worked with them closely for nearly 10 years now, with nine ministers and 10 directors-generals in that period—I am not confident that would be properly constructed, and the model of that PRO board, within the regulatory framework. We have seen little evidence of that previously, with assurances that have been given to us about when we get to the regulatory component. We are on a rushed timeframe for the regulatory component. We are talking about it being by November. I think that is a great risk.

From a governance perspective, I understand boards and I understand the make-ups. Another role I have is as chairman of the board of one of Australia's largest ESOs, the Mate4Mates Foundation. I understand governance and I understand the requirement of a director. In our response to the department we said that we felt the board should be representative of individuals who are competency based. What you are about to propose in the model going through at the moment is akin to giving the henhouse to the foxes. You are proposing that the same organisations that advocated against deposit legislation—and to my learned colleagues, respectfully, they did that at the beginning and came out all guns blazing to stop this—be invited to form an organisation to which they then

appoint their own board. If you are to get proper outcomes for the industry, you are effectively leaving yourself in a potentially chaotic environment where you will not have the right representatives on that board and you will have the organisation telling the board what to do. That does not work. Boards tell an organisation and lead strategically and manage that risk. We believe that the legislation should be encompassing upon a broad charter of qualified individuals representative of experience, not organisations. It would have a chair, but it would be enshrined in the principal legislation so that we do get the governance structure for a following process once the regulation is designed. At the moment, it is wide open. You would be giving the fox the henhouse, the brooding hatchery, the abattoir and the chicken outlets while leaving everyone else there to try and negotiate. It will be very difficult. My colleague Mr Kelman mentioned issues in the territory. We have had all sorts of issues up there arguing about volumes and so on, so you need to think very carefully about the structure of that board to give it the powers to tell the organisation and the PRO how it should manage.

We also have concerns in respect of the licensing of these issues. For any recycling centre established, the operators should not deviate whatsoever from existing industry norms. Everyone should play by the same rules. There is an argument that some of the local community groups might be treated differently in licensing terms. That will undermine industry assets significantly, as you would appreciate, because they will get into e-waste, cardboard and metals. It is just the reality.

In respect of plastic bags, we are supportive of the legislation but it is clear, we believe, that at least 50 per cent of the income retailers get from plastic bags should be given back to government and that money then should go into anti-litter components. The legislation as it sits at the moment provides no focus for the remaining 52 per cent of items in litter. If you are giving Aldi and Woolworths the opportunity to charge 15 cents at the outlet, they should be putting that money towards anti-litter programs so we get all of the other coffee cups and those sorts of things in that bag. Just putting them in bound bags and letting them have the 15 cents that they put into their pockets does not make a hell of a lot of sense. We need to put in place a mechanism to get funding back into antilitter.

With respect to the end-of-waste legislation, very briefly, we were blindsided by the introduction of that in this bill. We were rushed to the table to have a conversation about it. Again, we will not support this legislation if the regulation is rushed. If the regulation is rushed, industry will be at great risk. There is great concern about the framework of this end of waste—how it will impact the biofutures program, how it will impact the existing industry assets, how it will impact the Northern Oil Refinery, for instance. If you have an ability for people to rush through legislation on end of waste, oil can suddenly disappear off to the left-hand side for some other reason. Those existing industry assets could lose their feedstocks. The biofutures program could be greatly threatened.

We would only support the end-of-waste legislation—and we did meet with the department two days before the minister raised it, and we have raised these issues with him. We are supportive only of that part of the legislation if the regulation is extended and the time and proper counsel is done with the industry and there is a whole-of-government approach. If it is not, you will undermine by just rushing this through with the regulation. You will undermine your biofutures program and you will potentially undermine existing industry assets.

**Mr MADDEN:** Mr Kelman, in your presentation one of the first things you spoke about was the possibility that the beverage industry may take steps to avoid the container refund scheme. Without mentioning brands, I will just talk about ‘amber fluid’ and ‘fizzy black drink’. Could you explain how the amber fluid industry and fizzy black drink industry could take steps to avoid this scheme?

**Mr Kelman:** Again, the premise is that, because they have to pay out refunds and a handling fee on every container that comes back, there is an obvious financial incentive in getting as few of those containers back as possible. The mechanisms are to have as much go back through—for instance kerbside will not impose a handling fee on the containers that come back. Yes, there will be a refund that comes out of that, but that is an area where if you have as much going back through kerbside as possible you manage to save quite a bit of money on not paying out a handling fee.

I would suggest that the committee really needs to think about how convenient this scheme is for the electorate. I would suggest that if this scheme is not convenient, there are not facilities in place for consumers to very easily get to, there is going to be a big political backlash. We have been warning New South Wales and Queensland about that for some time. It is not like the scheme in South Australia, which has existed for 40 years. People are used to it in South Australia. They are used to driving to a depot every few months and taking back 300-odd containers. They go there as few times as possible because it is convenient. They have to line up for hours; they sit in the car listening to the races. Are you going to build a scheme in Queensland that sees that on day one or even within the first year? Imagine that the *Courier-Mail* front page is not going to be splattered with Mrs Smith saying, ‘Where’s my refund? Why can’t I go somewhere that is convenient?’

The ways to reduce convenience are very low handling fees so that you do not encourage the investment. It is worth bearing in mind that most of the investment in infrastructure for depots, reverse vending machines and all of this other stuff is going to come from the private sector, not from councils or whatever it might be.

**Mr MADDEN:** Sorry to interrupt, but this is getting a little bit away from my question. My question—

**Mr Kelman:** Low handling fees is one way.

**Mr MADDEN:** How could the amber fluid industry affect low handling fees?

**Mr Kelman:** The PRO is going to determine what the handling fee is. That is why we are suggesting that the recycling sector should have some access to those negotiations. We suggested in New South Wales that it goes to an agency like IPART. That did not come out, so it is going to be up to the scheme coordinator to determine the handling fees.

An inconvenient scheme is going to mean that a bunch of consumers will not bother taking their containers back. They will dispose of them potentially into kerbside or they will just continue to be littered. An inconvenient scheme is a mechanism for the PRO to reduce the number of containers that are actually returned.

**Mr MADDEN:** In your opening statement you are not saying that they are going to change their container or operate in a different way to avoid the scheme.

**Mr Kelman:** They are not going to produce a container that is 3.1 litres, no. It has happened globally, but let's assume that that does not happen.

**Mr MADDEN:** I found it difficult to understand, in terms of your submission, how they could influence the scheme.

**Mr Kelman:** The PRO is going to be the beverage industry who are going to run the scheme as I understand it unless the government comes up with a different PRO, which it could. I suppose you could appoint a bank and an auditing house, but it is very unlikely. My understanding is that it will be the beverage industry that will be running it and, in fact, will have a substantial role on the board of the PRO.

**Mr Ralph:** That is what the model says.

**Mr Kelman:** That is exactly what the model says.

**Mr WEIR:** Rick, I take it you are not really enthusiastic about this scheme. Do you think there are better ways to do it?

**Mr Ralph:** No, incorrect. I do support it because I think it has a fit, but I am just unsure of where that fit is going to land in the short term. What we are talking about here is unknown. I am firmly of the belief that this is great from a social equity point in the regions. Having seen the demise of recycling in the regions and the councils et cetera, I think this is a great fit for that. I think there is a potential for market disruption if we do not understand what those risks are and fully measure those risks; there is a problem in that space. I was in Kangaroo Island last week and I was gobsmacked at how clean it is. From a littering point of view, I think this is good news and it is a change. What we are doing here is catching up rapidly in 20 years in a waste policy sense, and many of the committee would be aware of our view on waste policy. I think this is supportive, but I think there are unknowns here. My learned colleagues in this room do not know what they are.

**CHAIR:** I will start by saying that I am not sure we should base our governance on the front page of the *Courier-Mail*. My question really is around whether the market will deal with the issues you are concerned about. You talk about the South Australian model where collection locations are remote from consumers or people who use the service. I think about the state of the hardware industry. I used to have eight hardware stores within a five-minute drive of my house. Now I have one and everybody else gets in their car and drives a long way away to another large hardware store. Will this system not have enough flexibility in it that it will be an incentive for a person who is trying to make money out of this to actually achieve that convenience so that consumers will choose to use them as the depositor of choice?

**Mr Kelman:** You are right: we all value the market, I suppose. The market is never absent from regulations. The hardware industry does not exist in a market that is not regulated. We are absolutely certain the market will deliver, but the regulatory regime underpinning it has to be correct. For instance, if we have a 90 per cent recycling rate—and that is in regulation—and there is a significant enough penalty for failure to achieve that rate, frankly we are halfway there. If the penalty is sufficient—as I said, one per cent less recycling means \$3.6 million saved by the beverage industry.

If we have a 90 per cent recycling rate with a doubling of the deposit in the case of failure to achieve that, that will be a big motivator for the PRO to establish the right handling fee. The handling fee is fundamental. The handling fee is the income that the recycler receives for managing that container. If the handling fee is three cents you are not going to see depots, automation or reverse vending machines set up in the right places et cetera. If it is higher than that, we are getting somewhere. That is what we need to see.

If the target in regulation is 70 per cent, we are probably already at 30 or 40 per cent. You do not need to do a whole lot more to get more containers back. If you want a really convenient scheme for the consumer, you need to have the infrastructure in place and that is dependent on the level of the handling fee, for instance.

**CHAIR:** Is that figure you just quoted and quoted in your opening statement contained in your submission—that one per cent and the \$3.6 million?

**Mr Kelman:** I think that figure is in our submission. I am happy to share the analysis with you if it is useful.

**CHAIR:** If you could share it with the committee that would be good. I did read the submission. I just did not see that in there. Mr Ralph, can you take us through from a practical perspective what the end-of-waste aspects of this bill mean for members in your industry?

**Mr Ralph:** Resource producers or somebody can prescribe that. They say about this glass, for instance, 'We want to do something different with it.' We deem that to go off to an alternative; we go through a process and other bits and pieces. We believe that there is a better use for that process. What we do not have in that end-of-waste framework at the moment is an understanding. We have pointed out that we do not understand how decisions will be made by a committee or the department itself assessing that that item would be better in that solution as opposed to the existing norm that the products are being used for today. I used the example of biosolids—a very simple expansion of biosolids. At the moment biosolids have a general BUA; someone says that there is a better use for biosolids, which is fine. Universally, biosolids have been used for land separation. However, biosolids are not biosolids in every single water treatment plant. They all differ. By having a standard definition of biosolids and having the end of waste and saying, 'You can now put this to land,' you potentially pose risks where you have those biosolids coming out of water treatment plants that are going to be placed on land next to an organic farmer. Those biosolids in that water treatment plant, for instance, may not be treated to the same degree that Urban Utilities would treat them.

You have to understand how the framework will strategically fit with the biofutures strategy, how it will fit with other policy. We have to know how the evaluation matrix will be done and who will assess the applicability for the material. Who is the assessment panel? What are the guidelines around that assessment panel to determine that a waste stream that someone is putting up their hand to put a general BUA or a general end-of-waste framework in place is going for the best possible option? Yes, we are supportive of the logic of vendor waste, but you have to think very clearly and you have to be very, very articulate in how you manage that. If you do not and you get it wrong—and I use the example of biosolids at the moment. We have this process where someone just said, 'Yes, they can all go to all land.' We will see in the future the contaminated sites across this state when all of a sudden an organic farmer will be saying, 'Hang on, I've got leachate here. Why did I get this?,' because not all biosolids are the same—and it is the same with oils: not all oils are the same. They are just two simple examples.

Be very careful. The logic is there, but do not rush the legislation. You cannot rush the regulations by November. It is now July. It will be August, then September, October and November and then you have the regulations. We would not support that. You have to have a proper counsel. We got 24 hours notice to look at the legislation. We do not want 36 hours to look at the regulation.

**Mr MILLAR:** Thank you both for coming in. I find what you are saying very interesting and very alarming, too. Firstly, is this legislation being rushed? What consultation have been involved in with the department given both your background and where you come from? You also mentioned the makeup of the boards. What is wrong with those boards?

**Mr Ralph:** The proposed model of the board is effectively the beverage manufacturers and then they appoint their own accountant and an independent chair. Having been a chair of a board, I have had a say in who is on my board and I have worked with my organisation and our partners in doing so. If you have an organisation come on with a board and then have the independent chair appointed by government it is going to be a hell of a task as the chairman of that position if you do not actually have a framework. I think the framework purely of the PRO—the way it is at the moment, it is fillers who will do this without the real understanding. That is just chaotic.

**Mr MILLAR:** You also mentioned the foxes in the henhouse. By that do you mean that the beverage industry is going to dominate that board?

**Mr Ralph:** Absolutely, because the PRO gets to be appointed from a not-for-profit company—and I would argue that all companies are for-profit.

**Mr MILLAR:** Just going off what Rob said in regard to the beverage industry, they will be looking to get as little recycling as they can because it is a cost on them? It is a cost that they are going to have to bear; is that right?

**Mr Kelman:** The intention from the beverage industry as far as the media is concerned is to pass on that cost to the consumer. Everyone has been suggesting a 20 cent increase on every container.

**Mr MILLAR:** It is probably not going to happen. They will not pass on—

**Mr Kelman:** I do not know but that is certainly what has been suggested. In terms of the process, I would say that the Queensland process has been miles ahead of the New South Wales process. I would say that EHP has handled it very well. We have had extensive engagement. We have been on the advisory group. All of that has been managed fantastically. I would not say that the legislation is rushed. I think we have been through a very vigorous process. We are just now at the end point where the regulations will really define how this scheme is rolled out, how effective it is for consumers and how convenient it is. Let us get this last bit right. That is all I am saying.

**Mr MILLAR:** Do you think we will get it right? That is to both of you.

**Mr Kelman:** I am always an optimist. I believe we have good dialogue with EHP and there is no reason we cannot get it right.

**Mr Ralph:** We have actively been involved with the department, and I do think they have done a pretty good job. Their process has been good.

**Mr MILLAR:** With all due respect, Rick, you have been saying that this has been fast-tracked—

**Mr Ralph:** No, the end-of-waste was fast-tracked. The tag-on to the bill of the end-of-waste component was fast-tracked. The CRS plastic bag was fine, but the end-of-waste is the one that was dropped in to meet the legislative time frame. As far as the regulation is concerned, I concur with Rob. We really need to make sure that the regulations are right. I am concerned that where there are shortcomings within the principal legislation evidence has shown previously that when we have tried to get the regulations right we have always been blindsided: 'We don't need to do that. We will pick it up here,' or whatever. You have to get the head of power right and the intention in the head of power right to make sure that the regulations meet that. I think there are shortcomings in the head of power PRO model board.

**CHAIR:** Mr Kelman, we will take on notice that figure. If you can supply that to the committee and what it is based on, that will greatly assist us.

**Mr Kelman:** No problems.

**MAGUIRE, Mr Jeff, CDS Implementation, Coca-Cola Amatil, Exchange for Change**

**STOUT, Mr David, Manager Policy, National Retail Association**

**TAYLOR, Mr Alby, General Manager, Australian Beverages Council**

**CHAIR:** Welcome. Would you like to start with a brief opening statement?

**Mr Stout:** The NRA welcomes the Queensland government minister's approach in reducing the environmental and social impacts of lightweight plastic bags and the introduction of the Container Refund Scheme, the CRS. Both retailers and customers share their concern about the harmful impacts of littering on the environment and subsequent economic impact on the state.

The NRA is a professional service with critical information for the retail industry including a majority of national retail chains and thousands of small businesses, independent retailers, franchisers and other service sector employees. The NRA supports the Queensland government's decision to ban the use of lightweight plastic bags and is supportive of the aim of reducing the impact of container litter on the natural environment with the CRS. We also understand the government seeks to address low recycling rates in Queensland. However, the overwhelming cost of the proposed scheme will heavily fall on the consumer. There are tens of millions of customers shopping across Australia every week. The CRS will add a significant cost-of-living impact on some consumers. Therefore, it is important that the cost of the scheme, including any administrative costs and handling fees, are kept to a minimum to mitigate the impact on already stretched budgets.

The NRA believes the implementation date of 1 July 2018 has allowed enough time for consumers and retailers alike to make the transition for both plastic bags and the CRS. We consider that Queensland has a very large tourism industry. NRA members in tourist areas like Cairns and the Gold Coast are very heavily reliant on the tourist trade and we still need to completely understand the implications of this scheme on these particular sectors.

We need to ensure there is a high level of awareness including the public, tourists and consumers alike so there is no confusion about the rules in Queensland. It is vital that the government provide a consumer awareness program prior to, during and after the implementation date to ensure that consumers are very well aware of the legislation changes.

**Mr Maguire:** Thank you for the opportunity to appear before the committee. Exchange for Change is a group of five beverage companies: Asahi Beverages, Carlton & United Breweries, Coca-Cola Amatil, Coopers Brewery and Lion, which collectively represent over three-quarters of the total containers which will be subject to the proposed CRS. Our group has unmatched experience in the operation and coordination of container refund schemes in Australia. Members of our group have operated the largest existing Australian scheme in South Australia for decades, and members of the group also operate within the Northern Territory scheme. Our broader corporate relationships provide us with best practice from overseas, and we are currently participating in the New South Wales CDS tender process for the role of scheme coordinator.

Our vision for the Queensland CRS is closely aligned with the objectives of the government as set out in the bill. In particular, our vision for the CRS includes the full achievement of the environmental outcomes; manufacturers and distributors of beverage products being actively involved in fulfilling their corporate and product stewardship responsibilities; participating in the operation of a CRS to ensure that it is run as effectively and efficiently as possible in order to minimise the cost of the scheme on the community and consumers; ensuring the scheme embraces and enables opportunities for social enterprise and community groups to benefit from actively participating in the scheme; and providing a robust and transparent governance structure to enhance confidence in the scheme for all parties concerned including government, environmental groups, industry and the broader community.

We would like to recognise the Queensland EPA for the approach and process they have undertaken in the establishment of the scheme and, in particular, the depth of the consultative process involving a broad and inclusive cross-section of stakeholders. We believe the draft bill reflects that input. It has embraced the concept of harmonisation of the scheme with other jurisdictions. In particular, we are seeing the same deposit level, the same container scope and the same labelling standards. In many schemes overseas, implementations do not have this harmonisation between jurisdictions and that induces significant cost, dysfunctional behaviour and enhances the opportunities for fraud.

In our submission we raised a number of issues that could be considered to enhance the current draft legislation. The establishment of the PRO depends on the final outcome of the legislation, but we would recommend that the legislation enables flexibility to implement the right scheme across Queensland that suits the unique characteristics of each region, and this needs to take into account the existing infrastructure and enabling the not-for-profit community and social enterprise organisations to participate as collection point operators.

The use of existing infrastructure should be incorporated and encouraged as this will underpin a low-cost and effective scheme. It also reduces the potential damage to those entities with existing capital invested in the collection, logistics and processing of the target materials. We support the formation of a producer responsibility organisation. We believe that it must be operated by the beverage manufacturers who would form the board along with the minister's appointed chair and community representative. Beyond those two roles the composition of the board should be agreed between the PRO and the minister as part of the application process. We do not believe the exact board structure should be enshrined in legislation as it may hamper the PRO establishment process.

The governance structure of the PRO should be such as to provide complete visibility through the organisation to ensure that community and other stakeholders can have confidence in the operation and financial stability of the scheme. There must be a set of standardised contracts between the PRO, the suppliers and the collection point operators to ensure that there is no real or perceived advantage being dealt to individuals or entities by the PRO. Again, this underpins confidence in the scheme.

We would discourage the implementation of regional boundaries that could lead to monopolies as they could restrict entrance, as the monopolist decides who can participate in a particular zone. The market for collection points should be open to all entrants to pursue their chosen business model. This will encourage innovation and convenience.

The definition of collection points should not be so prescriptive as to prevent social enterprise and community groups from participating. There needs to be recognition in the legislation that, for these groups to operate commercially, they may need flexibility in operating hours and payment methodologies.

The legislation needs to place as much control and accountability on material exiting the scheme for recycling as it does on suppliers placing containers into the market. A lack of control in traceability of material after collection as it makes its way to recyclers will lead to systemic fraud. We have seen this overseas and it is clearly evident in those jurisdictions.

Finally, the legislation also needs to recognise the diverse nature of suppliers and ensure that the legislative framework prevents free riders. The supply of beverages into the state comes via many different supply chain channels—manufacturers, wholesalers, distributors and importers to name a few. All participants must be captured and contribute to the cost of the scheme.

That concludes my points. We look forward to continuing to work with the EPA to deliver a world's best practice scheme in Queensland.

**Mr Taylor:** I apologise from the outset: I do not have much of a voice today, so my comments will be particularly brief as I try to save it to answer some questions. The Australian Beverages Council is the industry body which represents the non-alcoholic beverage sector in this country. We represent the manufacturers of soft drink, fruit juice, flavoured milks, energy drinks, sports drinks. If you walk down the drinks aisle of Woolworths and Coles, pretty much they are our members. We cover about 95 per cent of volume for the industry. Arguably, we are the stakeholders that would be the most affected by this legislation.

We have prepared a significant submission. We fully support the Queensland government, and we are working now not only with the Queensland government but also actively with New South Wales, the Australian Capital Territory, Tasmania and Western Australia governments in regard to the implementation of similar schemes with albeit slightly different nuances. I welcome the opportunity to answer some questions this morning.

**Mr MILLAR:** Thank you all for coming. This is a very important piece of legislation before the Queensland parliament. From the last few speakers we have heard some concerns about the set-up of this scheme. I guess it is governance issues and the intricacies in delivering the scheme. First of all, are we going to be able to have the right regulations in place to make it work? Are we on target? Have we got the costs right? Are we going to get participation from the public given that we have a kerbside scheme already in place in Queensland? What are the difficulties that will challenge us? What do you believe will pose the most difficulties?

**Mr Maguire:** From my perspective, the regulatory framework is yet to be issued but we are expecting that shortly. The department has made it very clear what the time frame is for that. Changing a culture in a metropolitan area from kerbside collection to collection points will be difficult. However, to answer Rick's point earlier, it will depend on the convenience of the location of collection points and the methodology provided to—

**Mr MILLAR:** Have you scoped that out yet? The National Retail Association, Exchange for Change and the Beverages Council are the major players in this legislation. Have you scoped out where that will be, who is participating and how that is going to happen?

**Mr Stout:** Are you talking about collection points?

**Mr MILLAR:** Yes.

**Mr Stout:** No. We have been looking at densities over the last six to 12 months to determine what thresholds a collection point looks like. I think those things we are relatively close to. The market will probably determine where the collection points are, what they look like and how convenient they may be. There have been discussions about who they are and what they are but two things, from my perspective, need to be quite important. One, this is a litter reduction campaign first and recycling second. If there is redemption and kerbside recycling, I think both of those still reduce litter so that is a good outcome regardless of what the scheme considers. The primary measure for us would be a litter target.

In regional areas because of the nature of Queensland—South-East Queensland probably not so much—it is challenging. From our perspective even looking at retailers who would possibly be interested in entering into the scheme it is problematic for them because some retailers have the capacity to take particular product and other retailers have absolutely no space, no provision and probably no appetite.

**Mr Maguire:** Around the world there is a multitude of different options for redemption in terms of different models from drop-off centres to RVMs et cetera. It would be our intention to make all of those models available to the market and for the market to decide which one suits that particular business opportunity.

**Mr Taylor:** The point I would like to make is that if the co-aims of this scheme are to reduce litter and increase recycling—

**Mr MILLAR:** Which we all agree is great.

**Mr Taylor:** I do not think it is kerbside versus collection.

**Mr MILLAR:** With all due respect, Mr Taylor, my concern is with the set-up of this scheme, the introduction of this bill and not only the cost to local government but also the on-cost to industry, the on-cost to the consumer and the on-cost to government. Are we rushing this legislation?

**Mr Maguire:** From my perspective, no. The process that the Queensland EPA or the EPH has worked through has been very structured. A start date of July next year is achievable based on the time lines we are seeing at the moment, to end up with a very well-structured and well-delivered scheme.

**Mr Stout:** There are two schemes, remember. For the retailer, there is a container deposit, which they are on selling, and the plastic bag or litter reduction issue, which I suppose can be suggested to be a supermarket-only scheme. For the time I have been working on this, there are probably many other areas that will be impacted by the removal of a plastic bag. There are going to be significant impacts on those people and probably it is more a question of, 'what are the impacts to my consumer' and 'what do I do if'. The campaign is quite important to educate the consumer, so that the public does not take frustration out on the retailer.

**Mr MILLAR:** Hindsight is a wonderful thing, but would we have been better off looking at introducing this on an area-by-area basis first, to see what the problems are and iron out the kinks, and then move it across the state?

**Mr Maguire:** The nature of the scheme and the impost on the consumer will be statewide and then are we suddenly going to be segregating certain areas that can return and cannot return. That inequity could be an issue for the public.

**Mr MILLAR:** That is true.

**Mr Stout:** For the four largest retailers in the state there is one distribution point. You could not have statewide pricing, so you could not have different prices for different people. It would be discriminatory. It would be awful.



**Mr MADDEN:** Mr Stout, you raised this point in your submission, but I invite the other witnesses present to address this issue, which has not been addressed yet, today. It is the issue of consistency of laws with regard to container refund schemes across Australia. This is an opportunity for you to outline your submissions with regard to this. What are the benefits for a consistent refund scheme across Australia? Is this a dream? What would be the way to achieve this if, ultimately, we could achieve this?

**Mr Maguire:** At the moment it is just the nature of federalism, I suppose. At this point, the consumer facing of CRS across Australia will be very similar. I applaud the states. We have harmonisation, so the consumer will see the same outcome of a scheme, the same deposit, the same labelling, the scope of containers, which is important. What we see in some other jurisdictions is differential container scopes and you get an awful lot of cross-border movement. For example, in Canada, Quebec excludes water bottles from its legislation, but a bordering state does not, so water bottles simply move across the state. With the harmonisation that we have seen so far, we recognise that the states are working very hard on that. We believe at a consumer level that will stop the cross-border movement that would otherwise occur through some form of exclusion or differential value in the deposits.

**Mr MADDEN:** What steps are being taken to try to get that harmonisation? Is it a COAG issue? Is it through other bodies? Is it through your organisations? Ultimately, how that can be achieved?

**Mr Taylor:** Politically, the issue at the moment is that the Victorian government has expressed the view that there is no appetite for container deposit legislation in Victoria. Whilst that is the situation, it is going to be difficult for national harmonised laws. We recognise the great work that COAG and state governments have done with things such as work health and safety laws, national road rules and so forth. We have a view that, in the longer term, there will be harmonised legislation nationally for the good of the country, but probably until the Victorians change their view that is impossible.

**Mr MADDEN:** That is the impost at the moment: we have one major state that does not want to come on board. There is a *Seinfeld* episode about this.

**Mr Stout:** National consistency is important, as most of our retailers are obviously customer facing. They want a consistent approach. You do not want a particular bag in one state that you cannot take to another state as it is illegal in that state. In a lot of cases, most of the distribution centres distribute across borders, so mistakes could be made, such as inadvertently sending noncompliant goods into other areas. The fact that you have containers that are common across all the states and have to be reregistered in every state would cause a problem, so adopting the registration proposition from another state makes it federally a better fit.

**Mr WEIR:** How do you see the involvement of community groups working? How do you see these collection points working? How would people who contribute to those collection points actually get paid? How do you see all of that working?

**Mr Maguire:** In that respect, we would encourage the introduction of social enterprise and community groups into this scheme. There are two levels where they can participate. They can seek donations of the bottles and return them to a licensed collection point or I would like to encourage them to become collection points, because then they not only get the potential for donated containers but also an additional handling fee for their efforts. I must admit there is probably an issue to be dealt with by the state around small grants, in terms of their ability to set up infrastructure and, as in the council's submissions earlier, their ability to make use of council land to operate the collection point on.

Certainly, as I said in my submission, the other opportunity is to ensure that the operating hours are not prescriptive. Most community groups and social enterprise groups are run by volunteers. Their ability to open, say, 38 hours a week and eight hours on a weekend would be very difficult. The idea of pop-ups on weekends to collect containers, potentially, as I said, through donations or with the deposit paid and make money for those groups is enormous.

The other thing that is really important and the PRO needs to address is the flexibility of payment options. Most community groups do not want to deal with cash. There are a multitude of payment options that we can explore in terms of vouchers, bank transfers, et cetera, that would allow them to contribute without the worry of having an enormous amount of cash on hand.

**Mr Stout:** The community groups have a vital role to play in the away-from-home consumption, especially with the CRS. With things you purchase for home, the majority will end up in the kerbside recycling. For those away-from-home events at places such as the beach and all sorts of things, particular charities are likely to get involved as a major partner or sponsor for the event and take their reward from anything that comes out of that particular event at that weekend destination.

**CHAIR:** Mr Maguire, at page 2 of your submission your organisation says that it fundamentally believes that the PRO must be operated by beverage manufacturers. Why do you think that is the case? What do you think of the suggested board makeup in the explanatory notes?

**Mr Maguire:** We believe a container deposit system, by its nature, should be a producer responsibility system or product stewardship system. There are about 40 to 45 container deposit systems in operation around the world. The majority of really successful ones have an industry involvement, either directly operated by industry, such as the South Australian system, or through industry organisations sitting on boards that manage that PRO. None of those schemes, to my knowledge, have been subject to any dysfunctional behaviour by the board. The beverage industry is uniquely motivated to provide a successful scheme against the KPIs set by government, but also keep the scheme as low cost as possible. I think the nature of the PRO suggested by the state that it be a not-for-profit organisation is to be applauded, because the beverage industry is not there to make a profit out of running the scheme.

**CHAIR:** In your answer to the deputy chair, you touched on something that I found interesting in your submission, which is the encouragement of noncash payments. Can you give an example of what you are referring to there?

**Mr Maguire:** Westpac did a presentation to the advisory committee meeting with the EPH where they talked about the opportunity to transfer money directly into bank accounts, rather than having to hand over the cash at the collection point level. We know there is a scheme being worked on at the moment with the banks and the Reserve Bank called the new payments protocol, which will allow the transfer of money into an account using a telephone number.

What concerns us is that you have community groups with volunteers on weekends redeeming containers and potentially paying out lots of 10 cent pieces and the risk around fraud within the community group itself and also the opportunity for theft. We do not want to expose community groups to that sort of risk. The opportunity for noncash payment, the transfer of fees and the refund amount into accounts will be paramount.

**CHAIR:** Mr Taylor, on page 5 of your submission you talk about the need to adopt a first supply methodology. Can you step us through what you mean by first supply methodology?

**Mr Taylor:** Essentially what we are referring to is the fact that beverage manufacturers are not the only people who bring beverage products into the state. By way of example, if they were to manufacture a product, let us just say, in New South Wales, potentially that product could ship into a distribution centre of a major retailer and the first supply would effectively occur in New South Wales. When the retailer ships the product from his distribution centre into Queensland and then across its supermarket chain, he effectively then becomes the first supplier into Queensland. The way that the draft bill sits at this point in time, that retailer in that instance would not be captured by the scheme and then would not be required to pay a levee.

**CHAIR:** Is that a significant percentage of the beverage containers for sale at the end point?

**Mr Taylor:** Firstly, it is significant, but more so the cost in potentially avoiding the scheme would make it a significant opportunity.

**CHAIR:** Mr Stout, in your submission on page 2 your organisation notes that a significant decrease in demand could damage the beverage industry with a lack of certainty for stakeholders to invest in the future and could even lead to an increase in unemployment. Has there been any evidence that your organisation has gathered in relation to that statement from experience in other jurisdictions?

**Mr Stout:** I think that would probably relate to bottled water. I do not have first-hand notice, but reading between the lines I would probably make the assumption that that is the Northern Territory.

**CHAIR:** Feel free to take the question on notice if you would like to.

**Mr Stout:** Sure.

**CHAIR:** Finally, coming back to the makeup of the board and the beverage industry, how do you respond to the testimony given earlier that making the beverage industry somehow central to the PRO would be the equivalent of putting the fox in charge of the henhouse?

**Mr Maguire:** I have an extension of that analogy where I believe the PRO is the chicken wire between the fox and the hens. Essentially, those hens represent an enormous pool of money, some \$450 million worth of revenue, which will be flowing through this state in the nature of deposits and handling fees. The PRO is there to ensure every beverage company pays its due into the scheme and that every waste company only gets what is due for collecting within the scheme. The PRO's

primary role is to audit and verify on both sides of that equation, to make sure that every container that enters the market has been paid for and only those containers that exit the market are paid for. The PRO by its nature will be non-profit. The PRO by its nature will be completely transparent under the legislation. Therefore, I think the analogy is flawed.

**Mr Taylor:** Perhaps I can add to that: I make the point that the beverage industry will not profit from this by one cent. The bigger issue is that the cost of this scheme will be passed on to consumers. Make no mistake: it will not be absorbed by the industry. Therefore, it is in the interests of the beverage industry to minimise the costs, so that the cost of our products is as low as possible for our consumers.

**CHAIR:** Thank you very much, gentlemen, for your time and appearance here today.

**ISON, Mr Ray, Member, Norman Creek Catchment Coordinating Committee**

**RICHARDS, Ms Susan, Volunteer, Coolum and North Shore Coast Care**

**WOODALL, Mr Hayden, Group Submission Coordinator, Bulimba Electorate Youth Advisory Panel**

**CHAIR:** Thank you for appearing here today. With me here today is Mr Pat Weir, the member for Condamine and the deputy chair of the committee; Mr Lachlan Miller, the member for Gregory; and Mr Jim Madden, the member for Ipswich West. The member for Mackay, Mrs Julieanne Gilbert, and the member for Mount Isa, Mr Robbie Katter, are apologies today. We also have Mr Greg Thomson, who is the acting inquiry secretary. You are each welcome to make a very brief opening statement and then we will go to members of the committee for questions.

**Mr Woodall:** Thank you, Mr Chair and committee members. It is with great pleasure and privilege I attend the hearing here today. I am excited to be representing the views of 12 fellow members of the Bulimba Electorate Youth Advisory Panel. We thank you very much for the opportunity to address the committee. I wish to firstly disclose that I am an employee of the Department of Environment and Heritage Protection; however, I am appearing in my personal capacity representing my fellow youth members of the panel.

The Bulimba Electorate Youth Advisory Panel is made up of 12 members aged 16 to 25. The objective of this panel is to give youth members the opportunity to voice their concerns whilst at the same time advising the member for Bulimba on a range of local and state issues. There is a significant diversity in panel members, both in age and experience. However, there are two key themes the 12 members agreed on, and that is the importance of addressing environmental concerns as well as having their say on political views.

Most of the panel members were not aware that they had the capacity to influence policy and decision-making, so this panel has been empowering for many members who previously felt detached. This also flags that it is important for future communication engagement strategies regarding political matters to be inclusive of younger demographics for a variety of reasons but because many of these issues will compound and be left to be addressed for future generations to come; because younger people should know that they can raise concerns and questions regarding legislative change; because youth members do not want to feel disengaged and unable to influence; and because concerns such as environmental health resonates with younger people on an emotional level. The youth panel is passionate about sustainability and influencing change. Therefore, this whole experience has been eye opening. My only wish is that more opportunities like this arise so a greater proportion of younger people can feel included and empowered as we do.

We as a panel believe that the unrestrained self-interest humans exhibit to exploit plastic usage has and will continue to threaten species' extinction rates, ecosystem function, community wellbeing and economic development. Excessive plastic bag usage has become normalised. However, the individual benefits are far outweighed by the long-term externalities which are often hard to comprehend as they are deflected spatially and temporally—out of sight, out of mind.

Key recommendations the Bulimba Electorate Youth Advisory Panel put forward are as follows: to have tailored communication and education campaigns around the issue of plastic usage as well as substitutes that can be used. This will assist in the transition and reduce any teething issues. We recommend the expansion of what is considered a single-use plastic bag. We feel that companies may change plastic bag design features so that they may become exempt from the ban.

Incentives to promote intrinsic motivation is another recommendation put forward. This is to encourage voluntary compliance which will reduce enforcement costs down the line. Information regulation is another way that empowers the public to put pressure on poor performers and incentivises good performers. A grant scheme for communication is also recommended as well as, lastly, a plastic bag trade-in scheme to allow people to bring in their plastic bags harboured at home in place of re-useable alternatives.

The panel believes it is within Queensland's best interests to not fall behind other environmental authorities to ensure the sustainability of Queensland's environment whilst promoting an intergenerational change towards positive environmental attitudes and behaviours. Thank you, Mr Chair, and committee members. This has been an invaluable opportunity for the Bulimba Electorate Youth Advisory Panel.

**Mr Ison:** The N4C is one of 12 catchment groups within the Brisbane area. Our group has been going since 1995. We are all volunteer members ranging in age, but our principal interest is in the environment. As a group that is regularly out in the outdoors, particularly along Norman Creek and its tributaries, we see a lot of rubbish and litter, and we realise the detrimental impact of that on the environment.

Our major concern is that packaging and products are designed for the convenience of the retail supply chain. The cost of the disposal of those products and their packaging is an environmental cost which is borne by the environment, but there are also social and economic costs borne by the community which are not reflected in the cost of the product. We believe that, in accordance with the waste strategy of the Queensland government, the aim should be to initially avoid any of those products and then, if necessary, a second- and third-tier level is to recycle those products.

Specifically on plastic bags, we regularly see the amount of impact waste plastic bags cause in Norman Creek, and from Norman Creek eventually into Brisbane River, Moreton Bay and into the ocean, and its impact on wildlife. We fully support the idea in the legislation to ban single-use plastic bags. We are very mindful that the legislation includes a nominated thickness with the opportunity to modify that thickness if retailers are trying to avoid their responsibilities by changing the thickness of their bags. We believe that all plastic bags should be banned. We believe that should extend not only to the major supermarkets but also to all retailers. We regularly see local shops selling takeaway products and putting them in small plastic bags. As a community group, we are regularly picking up these plastic bags which also contain waste from empty chip packets, takeaway food containers and plastic knives and forks. As a litter stream they are a major source of impact on the wildlife.

We fully support the idea of the Container Refund Scheme, because it reflects a polluter pays idea. There should be a product stewardship so that the people who are generating waste products are responsible in the supply chain for their eventual re-use, particularly with products like single-use water bottles. There is a great waste of resources that goes into the manufacture of those bottles. In fact, it usually costs more for the plastic bottle than the value of the water that is sold. You finish up having bottled water that is sold for more than the price of buying fuel at the bowser. We are concerned about collection areas for the Container Refund Scheme and the potential for waste to finish up in creek catchments. If it is not carefully monitored and controlled, waste could finish up back in the watercourse and in the collection system.

We do not have a strong feeling on the end of the waste code, but we see the end of the waste code as an opportunity for other products that are waste to be re-used as a beneficial use for the community and not go on to landfill. At the moment there are a few administrative problems with the way the waste code is being rolled out. At the moment there are a lot of examples of waste being beneficially used but there is no system to allow the transfer of those waste codes, or the way the waste is currently being used, from specific beneficial use approvals to transition to the new system.

We would like to see the extension of the current legislation to include helium balloons and bait bags. Bait bags, by their very nature, are used on or close to water and invariably finish up in the water. We believe that bait bags should be included in the ban on plastic bags.

We see there is a need for a task force to look at all plastic litter. It is really the start of a journey because we need continuous improvement. As a group we regularly see products like waste polystyrene, cigarette butts, lolly wrappers and fishing tackle as a major source of pollution but it also has an impact on wildlife. Our area of interest is to reduce the risk to wildlife but also retention of resources by either avoiding the use of those resources or recycling them. We believe that waste has an environmental, social and economic cost and needs to be curtailed. As a group we commend the Queensland parliament for starting the journey.

**Ms Richards:** Thank you, Mr Chairman and committee members, for the opportunity to appear as a witness. Our group, Coolum and North Shore Coast Care, has been monitoring sea turtle nesting and strandings on the northern Sunshine Coast for over 10 years, and we have been doing monthly marine debris surveys at four locations for the last five years. Since 2006 we have attended more than 300 marine turtle strandings and completed more than 230 beach clean-ups.

We want to express our support for the Waste Reduction and Recycling Amendment Bill 2017 and for a considered and careful approach to its implementation. The data from our beach rubbish surveys show that just over 60 per cent of the rubbish we collect and record is hard plastic pieces one centimetre to four centimetres in length. These are fragments of whole items. While it is impossible to tell where every fragment came from because some pieces are small and very degraded, a common source of these fragments is food and beverage containers that have broken up into pieces in our waterways.

Implementation of a Container Refund Scheme to encourage the return and recycling of containers provides incentives for the appropriate disposal of such items rather than them ending up as litter. In turn, this reduces the potential for containers to break up into many small pieces in the environment. We became concerned about the impact of plastics in the environment after attending 175 marine turtle strandings on our local beaches over a six-year period to 2012. Many of these showed signs of floating syndrome but, as volunteers with limited resources, we do not know how many of these turtles have ingested plastic. However, some of these animals were necropsied at the University of Queensland, with subsequent research indicating that 33 per cent of turtles necropsied from the Sunshine Coast area had ingested plastic. The types of plastic ingested include hard plastic pieces, soft plastic and balloons as well as plastic bags. Similar scientific research exists for other marine species including seabirds and marine mammals.

We think the introduction of a lightweight, single-use plastic bag ban and the Container Refund Scheme is a great start to help address the amount of hard plastic litter and plastic bag litter that exists in Queensland. We have also noted the department's response in relation to the banning of thicker plastic bags and acknowledge that the regulation allows for another thickness of plastic to be banned if that need arises.

We support the development of a plastic pollution reduction plan using the lightweight plastic bag ban and the Container Refund Scheme as a starting position to help raise greater public and industry awareness about the sensible use of plastic and minimising the use of plastic where possible. This concludes my opening statement, and we thank you for this opportunity.

**CHAIR:** Thank you very much, Susan. The statistics in your submission are very interesting and thorough. I am referring to the table on the second page of your submission. There is a range of different types of rubbish that you have collected. Where do plastic bottles fit into that list? Do they fit into hard plastic pieces or are they somewhere else?

**Ms Richards:** They are in with hard plastic pieces, because this methodology uses the CSIRO methodology that categorises types of plastics specifically over whole items. We get in our statistics a very high number of pieces, but not a high number of bottles, because we also categorise according to the length of rubbish.

**CHAIR:** I am familiar with two of the beaches that you have in your collection points here, being a regular visitor since the mid-1970s.

**Ms Richards:** Fantastic.

**CHAIR:** First Bay is not a particularly busy or well-used beach in terms of people sitting on that beach. In fact, up until recently it did not have much sand on it. Is the plastic and the rubbish that you are collecting from people visiting the beach or do you have a sense that it is from being washed in by the tides, or is it a combination of the two?

**Ms Richards:** It is a combination of the two. First Bay Beach in particular gets a lot of tourists visiting the beach, especially at holiday time. We find with First Bay a very high number of fragments. We think that is because the bay exists between two cliffs. There could also be sandbars offshore that affect how much rubbish washes up on that beach. We get more rubbish on First Bay Beach than we do on Coolum Beach, Peregian Beach or Marcus Beach, which are the other beaches that we surveyed. We also only survey very short areas of beach—100-metre transects. This allows us to categorise the rubbish more effectively for each beach, because it is only quite a small transect, but it is done regularly.

**CHAIR:** Would it be your experience that a member of the community is more likely to pick up a whole or intact piece of rubbish than something that is broken up into tiny fragments?

**Ms Richards:** Yes. Generally, we have a lot of beach walkers who walk our beaches every day as part of their morning walk. From my conversations with them, it is my understanding that they are more likely to notice larger pieces of plastic than smaller pieces of plastic. Having said that, we get much larger pieces washing in after a storm. It is more likely for people to be picking up those larger pieces if they are highly visible, whereas the smaller pieces are not as visible.

**Mr Ison:** I endorse those comments. As a regular walker on beaches as well as working with N4C, it is a lot easier to pick up a whole bottle than it is the tiny pieces that get washed up on the high-tide line. A classic example of that is cigarette butts. It is very difficult to pick up all of those little tiny pieces of cigarette butts, whereas a whole bottle is a lot quicker and easier to pick up and it makes a big difference. Those small pieces really add up over time.

**CHAIR:** I should put on the record that I have been a member and associated with N4C since 1997. Mr Woodall, in your submission you talked about the experience of other jurisdictions where the bans on plastic bags led to a subsequent increase in the use of bin liners. That led to an interesting

discussion in my household on Sunday morning when I read that submission as to the purpose of bin liners and why we have them in our bins at all. It would seem to me that, from an economic perspective, if you are thinking about supply, the ban will affect supply, but the demand is about changing behaviour. Have those jurisdictions to your knowledge done anything to try to change consumers' behaviour in the way they use plastic?

**Mr Woodall:** We have not looked into any of the communication or education campaigns that they may have implemented. Can I take that one on notice?

**CHAIR:** Absolutely. Would it be your experience that, if we went through an educational process, behaviour may change and that people might start to re-evaluate their relationship with plastic?

**Mr Woodall:** I think so and I think this is an opportunity for people to really understand the scale of issues outside of their own inconvenience of not being able to use them. I think it is an opportunity for people to start thinking about the life cycle of their waste. That would also then have spillover effects into possibly other forms of waste that they may generate or other environmental concerns. I think a tailored educational campaign is paramount in that we do not want to be left with a knowledge gap where people cannot use their bin liners, therefore, they are in a situation where they revert to plastic usage, because they have nothing to fill that gap. I feel that a smart education campaign can definitely influence people's motivations and behaviours, yes.

**CHAIR:** You are part of a youth advisory group. Would you say that young people are concerned about waste and are looking for opportunities to reduce the impact on the community and the environment?

**Mr Woodall:** For sure. We grew up in a time where these issues are at the forefront, very emotional and graphic. I think everyone understands the issue. It has a significant impact on marine life and many other species. These are all emotional things for younger people and it is a worldwide issue. I think Queensland is in a really good position to be leading in that aspect, especially given our natural assets. It is very important for younger people to understand that we are at the forefront in banning plastics.

**CHAIR:** Mr Ison, would a group like N4C have an interest in becoming part of a container deposit scheme, a collection point or something of that nature?

**Mr Ison:** I do not sit on the committee. Our committee members have day jobs and I was asked to attend. I am not too sure what the view of the committee would be. As a membership, like a lot of other community groups, our focus is on the environment and we are always stretched for volunteers and resources. I would anticipate that, as a group, we would not be interested in setting up a collection system, but it is something that we could always revisit, depending on how it panned out. I would envisage that, as we collect waste rubbish now, we try to get it into recycling schemes and we will continue to do that for sure. Whether we ran a container deposit scheme out of our base in Baron Street is a question that I would have to really put to the group.

**CHAIR:** What would it be in anticipation that, if there were a financial income stream for your organisation, there would be an incentive to engage in that?

**Mr Ison:** It would be an incentive. We have the capacity, because we have access to a base. It could be used as a collection facility, but it is really the resources to man that facility that would be the issue for us.

**Mr MILLAR:** This question is to you, Hayden, and also to Ray, and it is about the banning of plastic bags. Your views are fair dinkum and right on the money. The concern I have is about lower socio-economic areas, where people probably cannot afford to look at alternatives to plastic bags. Has there been any thought behind that?

**Mr Woodall:** When you say 'lower socio-economic', do you mean within Queensland?

**Mr MILLAR:** Within Queensland, yes. I do not think Bulimba is a low socio-economic area.

**Mr Woodall:** No. We were also thinking of an holistic approach when we put the submission together. We were thinking about Third World countries and things like that. We have put some thinking towards that. I think many of the strategies, or many of the substitutes that can be used, can be quite low cost. I do not feel that there are significant expenses around that. I think the cost is more incurred at an inconvenience level, or people do not have the information about the possible alternatives, or where to get these things. I think in one of my points I put forward it is recommended that perhaps there are central areas within the regions where people can bring their plastics and that can be traded in for re-usable bags. That is not only to start having that facility and that mechanism for trading it in but also to encourage people to understand that there are alternatives.

**Mr MILLAR:** Absolutely. Hayden, I think you are a very well organised young man and very capable. It is changing habits. Your mum, dad, three kids, late for some appointment—late for netball, or rugby—rushes to the shops. The convenience is to grab some items for dinner, throw them in a plastic bag and go home. It is changing that behavioural pattern.

**Mr Woodall:** Sure, 100 per cent. We appreciate that. We discussed this heavily. Those analogies came up. It is very much transitioning norms. Things such as just keeping these re-usable bags in the car are not very difficult. There are some mechanisms that can be put forward that are very smooth in transitioning people to that. I think we are making some good progress. It is a continuum, but I definitely acknowledge that that is an issue.

**Mr MILLAR:** It is changing behaviour. That is what it is.

**CHAIR:** Susan, you have a significant number of members in your organisation. Do you think the involvement of those people in collecting rubbish from the beach and rescuing turtles has a knock-on effect in the community of them being aware and changing the behaviour of other people who they are related to, close to or interact with?

**Ms Richards:** Yes. We have found that, over the years, when we attend a turtle stranding on the beach we usually explain all about floating syndrome and the types of plastic that turtles eat. It may not just be a plastic bag; there are plenty of other sorts of plastics that turtles may eat. We have quite a network of the public who report turtle sightings to us—in terms of turtle tracks with nesting turtles and turtle strandings if they are found sick or dead on the beach. As a result of people seeing our work over 10 years, we seem to have developed a little bit of a community network.

We also do talks in schools on these issues. We have found that people are more interested when they realise that it is a bit of a bigger issue than simply just plastic bags. We work very hard to provide factual information and to try to help people with suggestions where we can.

**Mr MADDEN:** As a former scientist, it is great to see data presented to me. Data allows us to guide the future with regard to legislation and support our communities. I am very interested if you have noticed any trends with regard to the nature and the type of debris that you are picking up. As an example, Mr Ison raised the issue of water bottles. That probably was not the problem 20 years ago that it is now. Have you noticed any trends—good or bad—with regard to the nature of the debris that your volunteers are collecting?

**Ms Richards:** The particular thing that we have noticed is that we get a lot of fragments on our beaches. We do not get as many whole pieces of rubbish. We do not get a lot of whole plastic bags, or whole containers. We get little bottle tops, or little pieces of plastic, and it can sometimes be hard to identify where it has come from. The reason we started this work was that we got some training from scientists at the CSIRO and the University of Queensland, because we wanted to collect some baseline data for our area on beach rubbish. We felt that that would be a more worthwhile thing to do than simply talking as much about plastics. We thought that we would like to do something that involved collecting data and being able to collect data over a period of time.

The data has also shown us that there are particular colours of rubbish that are quite common on our beaches. For example, white, hard plastic pieces are also very common and clear plastics are also very common. As I said, because a lot of the fragments are quite small—the one to four centimetres—it can be quite hard to tell exactly what they come from.

**Mr MADDEN:** Have you noticed that balloons are more of an issue now?

**Ms Richards:** Yes. When we find a balloon on the beach that has a recognisable logo on it, we write to the company and advise them that we have found that balloon on our particular beach. For example, we have had balloons from as far away as Ipswich land on Sunshine Coast beaches.

**Mr MADDEN:** My apologies.

**Ms Richards:** We do not get a huge number of balloons on our beaches—it is usually less than one per cent of the total rubbish collected—but balloons seem to feature in plastic ingestion studies in wildlife. For that reason we have tried to keep the data collection consistent and followed along specific processes.

**Mr MADDEN:** Well done. I probably should mention that I represent the northern suburbs of Ipswich and that there is a campaign in Ipswich to stop the release of helium balloons in Ipswich. I very much support that campaign. Thanks very much, Susan.

**Ms Richards:** Fantastic. Thank you.



**CHAIR:** I would like to thank you all for appearing. I particularly want to thank Mr Woodall. In picking up your statement about young people, the parliamentary inquiry process is available to all citizens and we are greatly appreciative of people taking the time to take an interest in the legislation. It affects us all. We encourage all citizens to take the time to engage in this process. Ultimately, we come up with better legislation when we get a variety of views on matters. Thank you very much for coming in this morning.

**BOYLAND, Mr Des, Policies and Campaigns Manager, Wildlife Preservation Society of Queensland**

**HUTCHEON, Mr Toby, Queensland Manager, Boomerang Alliance**

**McCARTHY, Ms Narelle, Liaison and Advocacy, Sunshine Coast Environmental Council**

**MORAN, Ms Liliaana, Project Officer (Volunteer), Sunshine Coast Environmental Council**

**CHAIR:** We will get each of you to make a short opening statement and then we will go to questions.

**Mr Hutcheon:** Thank you very much for the opportunity to present our views. I will simply refer to the Container Refund Scheme; my colleague Des Boyland will talk about plastic bags. We obviously support and endorse what he has to say regarding plastic bags. There has been very, very full and comprehensive consultation around this process, and I would like to commend the department for engaging in this.

Broadly speaking, we obviously welcome the Container Refund Scheme. We feel that it meets the key objectives stated in the act, those being a little bit broader than litter reduction, recycling and a number of other things. We estimate that litter could be reduced by as much as 50 per cent if you add in the Container Refund Scheme, a plastic bag ban and all of the associated public awareness around litter that will ensue. After cigarette butts, plastic bottles are the No. 1 littered item in this country. It is estimated that 420 million of them are littered in Australia every year. This bill will increase recycling. Despite kerbside recycling, currently most beverage containers either end up in landfill or are littered. When you compare that to South Australia, which has an old system, their recovery rate is around 76 per cent. If you look at some of the modern schemes you can look at a recovery of containers in excess of 90 per cent, so this will very much increase recycling. The third notion in the act is about product stewardship and the establishment of the PRO. Making the PRO and industry responsible for all associated costs and the performance of the scheme is a very good way of ensuring product responsibility.

The fourth thing, which I think is very, very important, is the social enterprise benefit. I believe that most not-for-profit and community sector groups will be very, very interested in participating in the scheme in some form. The estimated number of containers we use in Queensland that will be subject to the scheme is around 2.5 billion per year. Considering that 10 per cent may go to the not-for-profit sector that is \$25 million a year that could go into very valuable community work. In South Australia, Scouts give their federation approximately \$2.8 million from collections, so it is a considerable benefit. Lastly, we believe that the scheme will complement existing kerbside, but we also note that the majority of LGAs in Queensland do not have kerbside. This will introduce an opportunity for those communities to recycle so they can reap the benefits. With all of this the devil is in the detail. Our remarks are very much about ensuring that the regulations spell out some of the key details that are required. We think it is a very good idea that the government sets in place a PRO and sets the rules and performance criteria regarding that. The government should not be in the business of running the scheme.

Firstly, as stated in our submission, we need to set world's best practice targets. In Germany there is a 95 per cent plus recovery rate, and I think that in Queensland in due course we should set a target above 90 per cent. The second thing is convenience. We need to have a convenient network of collection points so that the public can easily access them. It is not just about depositions such as those that exist in South Australia; it is also about being able to return cans and bottles when you go and do your weekly shopping. These collection points—or reverse vending machines—which are very prominent in Europe need to be used in this instance so that when you go back to the shopping centre there is a place where you can return your cans and bottles. The third thing, of course, is the prominence of donations. There has to be an opportunity for people to give their cans and bottles back rather than redeeming them back to community groups, P&Cs, schools and Scout groups et cetera.

The third point I would like to raise is that it is very important to have an automated counting system for cans and bottles to avoid fraud. That would mean that we have an accurate count and it would also ensure no-one is ripped off in the process. That should be the primary source of verification of these cans and bottles. We can allow manual counting where that is not appropriate—for instance,

in some more remote places where it does not make economic sense to do that—but the primary one needs to be an automatic counting system. We have also talked about how you avoid the suggestion that the industry may be short-changing us. If we require the industry to provide the PRO with all money based upon the sales of the cans and bottles rather than any claimed refunds, it will ensure that all moneys go to the PRO and there is no incentive to reduce the target or the recovery rate by the industry because they will already have paid the money. That means that the PRO will have money in advance of having to pay a refund. It means that the PRO will probably have excess money to improve the system and invest in education et cetera.

**Ms McCarthy:** We certainly appreciate the opportunity to appear today. The Sunshine Coast Environment Council is the peak environmental advocacy organisation for the Sunshine Coast region. We have been established since 1980. We represent 64 member groups which predominantly work in sustainability, natural resource management, conservation, land and coast care groups and all the wonderful people who do the great on-the-ground work. Our representation extends from Bribie Island through to Cooloola north of Noosa, down through the hinterland and right along the coast, so we have a very extensive geographical membership representing around 10,000 individuals. SCEC sees this bill as extremely important in terms of addressing the environmental impacts associated with plastic pollution. We commend the government for progressing it to this point and the opportunity to appear today.

We have seen from firsthand experience—not just through our membership and the number of events and activities in which we are engaged—the support of the wider community for this bill. The momentum for tackling the extent and impact of plastic pollution is not to be underestimated. I think we have seen the statistics. In terms of the sentiment in the community, it has been evaluated but it goes beyond surveys: the opportunity to make submissions on the bill and discussion papers are overwhelmingly supported. A legislative framework to try and turn around the significant impacts of plastic pollution, both in our terrestrial and marine environments, is timely and somewhat overdue, but we certainly welcome the legislative milestone that this bill represents.

**Ms Moran:** Thank you for having us here today. The imperative to introduce a plastic bag ban and a beverage container refund scheme in Queensland is compelling. As has already been discussed, some of the statistics produced today by the Keep Australia Beautiful National Litter Index show that Queensland is the most littered mainland state. The incidence of litter is 41 per cent higher than the national average. Further, in 2014 the Great Barrier Reef Outlook Report evidenced that, between 2008 and 2014, approximately 683,000 individual items of marine debris were found in the reef region alone and plastic was the most common item. Further, CSIRO research indicates that by 2050, 95 per cent of seabirds will have ingested plastic. We believe these statistics call for urgent and overdue measures. The Sunshine Coast Environment Council strongly supports the bill and the initiatives it introduces. We are confident that the initiatives proposed stand to dramatically improve the health of terrestrial and marine ecosystems. We believe this will reduce the incidence of plastic pollution, avoid continued environmental damage and provide opportunities for very important community not-for-profit endeavours in Queensland.

In welcoming the bill the Sunshine Coast Environment Council does, however, see further opportunities for Queensland to lead other jurisdictions and not merely follow. We consider that this is an excellent opportunity for Queensland to become a national leader in waste recycling and innovation. To achieve this we propose broadening the plastic bag ban to include bags up to 70 microns. Thicker bags do have a significant presence in the waste stream, and this would make truly biodegradable and alternative bags a compelling and competitive option. With regard to acknowledging that regulation can allow other bag sizes in, introducing a bill concurrently to include bags up to 70 microns would avoid thicker bags being used as a substitute for lightweight plastic bags. We would also like to see a progression towards banning all single-use plastics, given their high occurrence in the waste stream and devastating environmental impact. We do support a statewide ban on helium balloon releases in addition to bait bags. We also emphasise the need for appropriate funding for education and awareness of the alternative options available for consumers, and we would highlight that this is really critical to the success of the scheme. We would like to see the Container Refund Scheme extended to include plastic milk containers up to one litre in volume and glass wine bottles due to the fact that these items contribute significantly to Queensland's waste stream.

In summary, we strongly support the introduction of a plastic bag ban and the beverage Container Refund Scheme for Queensland. We believe that these measures are an excellent first step towards reducing Queensland's shameful litter reputation. These measures will have a

significant positive impact on cutting plastic pollution in Queensland and move us forward as a healthy and resilient state. Hopefully Queensland will take on a national leadership role in waste management and recycling.

**Mr Boyland:** I thank the Agriculture and Environment Committee for the opportunity to appear and offer comment for consideration. I appear on behalf of Wildlife Queensland. Wildlife Queensland was established in 1962 and is a respected wildlife focused Queensland conservation group. Broadly speaking, our objectives are to protect wildlife by lawful means, influence choices, engage in education and educate communities. With over 6,500 supporters, we are a strong voice for our wildlife.

Wildlife Queensland welcomes the Waste Reduction and Recycling Amendment Bill 2017. It is certainly a step in the right direction. Wildlife Queensland, together with like-minded organisations, have been advocating for a ban for a number of years. We were fortunate, through the generosity of a benefactor and the concurrence and cooperation of Boomerang, to engage Toby Hutcheon to lead our campaign with me assisting.

The tabling of the bill was applauded by Wildlife Queensland and its progress through the appropriate channels continues to be watched with great interest. Wildlife Queensland acknowledges the work undertaken by the Palaszczuk government but is also very conscious of the support Mr Tim Nicholls and Dr Christian Rowan have provided with their public statements.

Wildlife Queensland's primary focus has been on banning lightweight shopping bags. Our position was to call on the ban for degradable or biodegradable bags as these are designed to break down into small pieces and are a threat to our wildlife. We are delighted that this has the potential to come to fruition.

Retailers are already on the move to address the pending bag. Coles has already produced a bag that can be acquired for 15 cents to replace the lightweight shopping bags. Clearly, while the ban on lightweight shopping plastic bags will reduce pollution as well as reducing significantly the threat to our wildlife, unfortunately plastic waste will be with us for some time to come. However, that should not detract from the pending gains.

While Wildlife Queensland appreciates the progress to date, more could be done and should be done to reduce our litter stream and plastic waste. Opportunities must be seized when presented. Wildlife Queensland strongly urges the committee to give consideration to recommending the inclusion of a ban on the release of helium filled balloons. Fun as it may be to watch the mass release of these balloons soar upwards out of sight, they eventually come down and it is well established that wildlife such as turtles and birds die. I am confident that the broader community does not appreciate the possible consequences of their actions when releasing those balloons.

Retail First—the manager of some 20 major shopping centres in South-East Queensland—is certainly aware of the damage balloons can incur. In fairness to that organisation, it acted swiftly and banned helium filled balloons from their shopping centres when a Retail First branded balloon was found during a post-mortem on the endangered grey-headed albatross that died on Fraser Island. Wildlife Queensland congratulated Retail First on its swift and decisive action following this unfortunate event.

Another source of plastic pollution is bait bags. Thus the opportunity should be grabbed to include that in this legislation. Wildlife Queensland has a view that including bait bags in the bill would reduce another major source of plastic pollution. Wildlife Queensland commends the proposed introduction of the Container Refund Scheme—another significant step forward in the battle against waste and plastic littering. Boomerang Alliance, of which Wildlife Queensland is a member, has taken the running on this and we applaud what is planned.

Obviously the real journey on reducing plastic waste is yet to start. If it is to start and gather momentum, there is a need for a public awareness and education program to be implemented as soon as possible as soon as the bill is enacted. Without a structured, well thought out educational program, the likelihood of achieving the desired outcome will be greatly diminished. There needs to be a coordinated effort, but it is the view of Wildlife Queensland that government alone should not carry the burden. All interested parties have a role to play. All sectors need to contribute. The retail sector has a significant role to play as well as community groups including conservation organisations. The government needs to coordinate this exercise, and it is Wildlife Queensland's understanding that is in hand.

**Mr WEIR:** You were saying that it is going to be a long time before we are rid of plastics.

**Mr Boyland:** Yes.

**Mr WEIR:** I think that is undeniable. Should there be more use of biodegradable plastics? You made a comment and I know that you are not enthusiastic, but in time they would break down.

**Mr Boyland:** Yes, but they break down into small pieces and they are still there in the environment. They are still a threat to wildlife. Birds et cetera peck at them mistakenly thinking they are food or something like that. That is not the solution.

**Mr MADDEN:** I would like to begin, as always, by thanking you all for coming in. You have all made excellent submissions. We very much appreciate that. I have a question for Mr Hutcheon. I would like to congratulate you on two things—firstly, for raising the issue of this legislation affecting local government areas that do not enjoy the benefit of a recycling scheme. I live in Lowood. It sounds like a long way away, but on a good run I can get there in about 60 minutes from here and there is no recycling scheme. This legislation will bring forward the possibility of recycling in my area. The second thing I would like to congratulate you on is your water bottle. I wish more people would carry water bottles, because maybe then we would not have to deal with the 450 million water bottles which I think you mentioned. I probably could have asked this question of any of the witnesses who appeared today. The South Australian scheme has been in for 40 years. If nothing else, it is the benchmark of recycling because it has been in for so long. Is our proposed scheme in this legislation better than or not as good as the South Australian scheme?

**Mr Hutcheon:** The predominant difference is the use of technology. It is the use of reverse vending machines, in particular, at shopping centres or retail outlets which they do not have in South Australia. It is largely community based drop-off centres. This innovation will make it far more convenient for the ordinary consumer to return their bottles and cans. This is the innovation that has been very much practised in Europe and North America that makes the scheme very convenient. It means that we can move the recovery rate dramatically upwards. As I stated in my opening statement, 76 per cent is the recovery rate in South Australia without it. When you compare that to the best schemes in Europe, you are getting above 90 per cent. In Germany, it is 95 per cent. That includes, by the way, refillable bottles. In Germany they return bottles not for recycling but to be refilled as part of a reverse vending machine network.

**Mr MILLAR:** My question is to Liliaana. You were talking about 70 microns. First of all, what is a 70-micron bag?

**Ms Moran:** In thickness?

**Mr MILLAR:** Yes. Give us an example. Is it a bag you would get from Target or a bag you would get—

**Ms Moran:** They are predominantly LDPE bags that you would get from retail—

**Mr MILLAR:** You are talking about when you go to Myer and you buy something big and you get those big plastic bags. So you are looking to make sure that ban includes Myer, Ikea and those big outlet stores; is that right?

**Ms Moran:** Yes, certainly. While the importance of a national scheme or similarity in schemes is important, with regard to Queensland's lacking and startling statistics we believe that imposing a ban concurrently would avoid any confusion and would allow a major step forward in a very efficient manner. With regard to education and awareness, due to the scale we are attempting to deal with in plastic pollution, imposing a ban concurrently I think would raise awareness—

**Mr MILLAR:** That is a ban on plastics altogether?

**Ms Moran:** Yes, eventually hopefully.

**Mr MILLAR:** Your submission mentions the excessive wrapping of fruit and vegetables.

**Ms Moran:** Yes.

**Mr MILLAR:** Customers love freshness. They buy on sight. They buy on look as well. How do you counteract that? I understand where you are coming from, but how do we implement something like that but also keep the big retailers and small retailers when it comes to freshness?

**Ms Moran:** Freshness is a very important consideration, and there are many stakeholders at stake. What the expert had in mind was a two-tier system—first of all, reducing the amount. Some plastics are excessive and unnecessary. Some are necessary but in the first place we are looking to reduce excessive packaging. In the second stage we are looking for an opportunity to recycle that packaging, which currently does not exist.

**Mr MILLAR:** I will give you a quick example and Pat Weir would know this too. We both come from agriculture. In the cotton industry we have what we call round bale cotton now where we tarp the round bale up in plastic, and that is to protect it from weather and rain. I would suggest it would be difficult to try to find a replacement. You are protecting a valuable commodity there. How would you—

**Ms Moran:** In that case perhaps the second part of the program would be critical there, which is having an appropriate and available mechanism to recycle that.

**Mr MILLAR:** Even though that plastic is supposed to be biodegradable. They are using biodegradable plastic.

**Mr Hutcheon:** May I enhance that? The suggestion is that these measures are going to be effective and make a difference, but it is not the complete answer. In reality, I think the next step needs to be, 'Can we establish a task force to look at what is unnecessary and what is necessary? What can we start to avoid and change?' I think it is the start of a long journey that starts to deal with plastics more generally.

**Mr MILLAR:** I think you are right.

**Mr Hutcheon:** I think that would be the right way to go.

**CHAIR:** I started my nursing training 30 years ago and every ward had an autoclave, and every single dressing we did in the ward involved a series of metal instruments which we cooked up before every dressing. Nowadays you would not find an autoclave anywhere in most hospitals—or if you did only because no-one has remembered to remove it—and you would find almost no nurse who would use anything but plastic to do all of their dressings. My question is for Liliaana and Narelle. You mentioned that there has been an evaluation done on community sentiment. Can you step us through that evaluation? Has any work been done on the willingness of people not just to be concerned about plastic but also to change their behaviour quite significantly in relation to how they engage with plastic and how they use it?

**Ms McCarthy:** A series of surveys has been conducted. Boomerang Alliance has been the instigator of some of that polling. On the Sunshine Coast there is a very strong environmental engagement and appreciation of our natural environment and our lifestyle values that we hold. Through some initiatives and some activities that SCEC—the Sunshine Coast Environment Council—has been involved in, there have been some online newspaper polls and things like that. The qualifier is that it is not a scientific poll, but it is a very strong indication of a particular position that people take on an issue. When it came to plastic pollution and whether it would be recycling, and specifically one was on what was called the container deposit scheme at that time, there was overwhelming support for the introduction of such a scheme in Queensland.

There are a couple of different mechanisms to measure that sentiment. A lot of advocacy work which we are involved in involves community events and activities. We hold one of the largest environment festivals on World Environment Day. We have been holding it since 1979. We get around 10,000 people attending that particular event. We have a sense through some of the displays and activities that we have that there is a more natural inclination of people to become involved in that, because they see it as not only a sustainability issue but also an environmental imperative that really has to be addressed.

**Mr Hutcheon:** The figure from Newspoll that we instigated at the beginning of this process in January 2015 found that 85 per cent of Queenslanders supported a container refund scheme, so it was significant. I would suggest that it is certainly around that figure, if not higher, as we speak. The other great benefit from this process is that we believe we have the whole of the current Queensland parliament in support of this scheme. I think that has made a huge difference. It has really enhanced the reputation in the community of the parliament that the parliament is seeking to work together to make sure this happens.

**CHAIR:** We will not anticipate the outcome of the bill, Mr Hutcheon, but we will take your thoughts on board. I would like to thank you all for appearing here today. We appreciate the time that you have given today and all the work you do in the community.

**Committee adjourned at 12.30 pm**