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Manager, Container Deposit Scheme
Department of Water and Environmental Regulation
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AUSTRALIAN HOTELS ASSOCIATION WA SUBMISSION WESTERN AUSTRALIAN CONTAINER DEPOSIT SCHEME DISCUSSION PAPER

The Australian Hotels Association WA (AHA) welcomes the opportunity to comment on the Department of Water and Environmental Regulation's consultation draft '*Western Australian Container Deposit Scheme Discussion Paper*'.

The AHA is the peak industry association representing the interests and concerns of pubs, bottleshops, accommodation hotels, taverns, small bars and restaurants owners and operators across the state. Our membership is made up of small, medium and large hospitality businesses who are suppliers and retailers of beverage containers and will be the interface between the beverage manufacturers and the consumer.

We welcome the Government's commitment to ensuring that the Western Australian scheme reflects best practice in other jurisdictions. We support the overall objective of reducing the volume of litter across the state in the most cost-effective way that does not unduly disadvantage business or unfairly passes on costs to consumers.

The purpose of our submission is to highlight some of the key issues initially identified in the development of a CDS. This submission is not an exhaustive analysis of all of the policy options. Other matters will arise during the development and consultation period.

On-premise environment & business engagement

Our members range from small bars to large hotels from inner Perth city to regional and remote locations. Our members have needs and interests and a varying capacity to act as refund or collection points. These include but are not limited to:

- Sorting eligible containers from non-eligible containers.

- Limited space available back-of-house to store eligible containers until they are collected.
- Compliance with health and safety obligations when handling and storing returned containers.
- Frequency of collection
- Increased risk of attracting pests such as cockroaches, rats and mice.
- Cost of secure storage (Northern Territory government has introduced grants for businesses to fund the purchase of infrastructure to assist with establishing the CDS. A specific example of how the grant funds can be used is 'fencing and security equipment (e.g. chains and padlocks'.)
- Venues may have existing waste management contracts in place, and the length of these agreements can vary.

Infrastructure and Refund Points

Western Australia has negligible existing recycling infrastructure currently in place, when compared to more advanced systems in other states.

The introduction of a CDS presents the Government with an opportunity to expand the State's capacity to recycle, which is currently limited to 8 Resource Recovery Facilities across the Perth Metropolitan area. These facilities are limited to glass crushing while aluminium and plastic are exported for recycling.

The establishment of commercial container deposit points with flexible hours of operation will be critical to supporting participation amongst hoteliers. Deposit points should be able to accept bulk deliveries and be located at convenient to high volume areas.

Deposit points need the sufficient infrastructure to use industrial scale identification and sorting technology. They need technology for data management to ensure system integrity and reporting.

In regional and remote areas, hoteliers will be disadvantaged by the lack of accessible recycling facilities, prohibiting businesses from the increased levied cost of beverages.

The AHA would support the establishment of mobile refund points, similar to those in place in the Northern Territory servicing remote regions. Alternatively, consideration could be given to initiatives under the Queensland and Northern Territory model that will provide for some small-scale infrastructure grants to community groups and remote local governments and communities.

Retail Sector Involvement

The discussion paper has identified the importance of securing 'retail' sector involvement in the scheme, identifying retail facilities as convenient and accessible location for refund points.

Consistent with CDS in all other States and Territories, retailers should not be required to accept delivery of empty containers or pay the refund amount.

The location of refund points need to be given very careful consideration in the context of ensuring that there is no bias towards one particular retail business of business types. This is a critical matter requiring extensive discussion and consultation.

Barcode technology

Technology will play a key role in ensuring the efficient and cost effective identification of the scanners are accepted as reasonable measures to

Both NSW and QLD schemes have required all eligible containers to have a unique barcode as a condition of their approval into the scheme, with a 24 month transition period.

The AHA recommends the WA CDS also adopt this requirement, barcode technology simplifies the refund process, ensures accuracy of counting containers returned, and prevents more than one redemption of each container occurring. Barcodes can also potentially transmit real-time reliable data directly to the scheme coordinator.

Reporting requirements

In NSW, the government will set the reporting requirements for the scheme administrators, coordinators and beverage companies to ensure there is a high level of transparency in the scheme. The scheme coordinator will be required to enter into contracts with all relevant beverage suppliers and to act as a clearing house for the payment of refunds by those beverage suppliers.

A key responsibility for the scheme coordinator in this regard will be validating the number of eligible containers sold in New South Wales to ensure that each beverage supplier is correctly reporting its sales and therefore not obtaining an unfair advantage by avoiding the costs of the scheme. The scheme coordinator will also be responsible for validating the number of containers recovered through the scheme to ensure that suppliers are paying refunds only for containers that are recovered. The contract between the Minister and the scheme coordinator will also aim to incentivise the coordinator to deliver a cost-efficient scheme.

As outlined above this submission is an initial assessment of issues that need to be considered in the development of a CDS. We look forward to providing further advice and having more expansive discussions.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bradley Woods', with a horizontal line underneath.

Bradley Woods
CEO/EXECUTIVE DIRECTOR