



Container Deposit Scheme
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6 December 2018

Dear Sir/ Madam

Re: Draft customer service standards for collection network

Thank you for the opportunity to submit feedback on the Department of Water and Environmental Regulation's *Draft customer service standards for collection network*. The Waste Management Association of Australia (WMAA) is the national peak body for all stakeholders in the waste and resource recovery industry. We have more than 1,900 members across the nation, representing a broad range of business organisations, the three (3) tiers of government, universities and NGOs.

WMAA acknowledges the Department's efforts in developing an approach that is consistent with those adopted in jurisdictions where schemes have been introduced. Western Australia is in a privileged position as it can learn from the States that have implemented a CDS and in doing so, avoid some of the difficulties experienced by its neighbours, particularly Queensland where a general lack of transparency in tender processes has inevitably led to uneven and inconsistent coverage (with some areas having no coverage and others having multiple depots as close as 800 metres apart), very little opportunity for Reverse Vending Machines and technology to be used by operators (due to the PRO mandating the requisite IT system retrospectively) and problematic protocols and processing contracts for MRFs, whose role go way beyond assisting with CDS and are vital for the success of the broader household kerbside scheme.

WMAA recognises that WA is unique in its dispersed population and diverse range of population densities. As such, there is certainly no one-size-fits-all approach for the State. However, WMAA recommends that the WA Government develops its CDS utilising the strengths of the existing operating schemes, for example the NSW approach of established zones to enable appropriate state wide coverage in both populated and less densely populated areas of WA, as well as providing commercial certainty to operators which will be required to invest in the WA infrastructure.

Please do not hesitate to contact the undersigned if you have any queries about WMAA's submission.

Yours sincerely



Gayle Sloan
Chief Executive Officer
Waste Management Association of Australia



Adam Johnson
WA State Branch President
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A good and ample mix

WMAA supports the paper's proposal to establish refund points according to the following:

- A full-time refund point for every 20,000 people as an overarching target, subject to:
 - One full-time (open at least 35 hours a week, including at least one day on the weekend) refund point for major regional centres with a population between 10,000 and 20,000;
 - A minimum of two full-time refund points for major regional centres with a population of more than 20,000; and
 - A population threshold of 500 for a flexible refund point.

WMAA also supports the paper's recommended distances between metropolitan collection points but would propose that the distance for inner regional areas be reduced from 50km to 30km to encourage greater participation. Overall, the distances proposed in the paper appear to be reasonable and will not hinder commercial viability of sites.

Additionally, the Department is called on to go a step further in the final paper by stipulating that where a township's population is 500 and under, the flexible refund point is only one part of the CDS collection service and that additional donation points run by community and/or volunteer groups may be established.

The final paper should also consider what refund points could look like, considering a mix of refund depots, reverse vending machines (RVMs), charity shops and retail stores. Consumer convenience, including accessibility and ease of service, is key to high engagement and participation and the Department should look closely at the progress to date in both NSW and QLD as well as consider the needs of each location to determine the proportion of each type of refund point across the network, e.g. in some locations, refund depots, despite being more onerous than RVMs, may yield a higher return rate and should hold the majority share of collection points.

Further, depending on the type of refund point it will be necessary to define the hours of access. That is, a Reverse Vending Machine (RVM) arguably will be available 24x7 (with allowance for some downtime and repairs), however an over the counter (OTC) is generally reliant on opening times. Both NSW and QLD have commenced with these two (2) types of points, generally with greater OTC presence in the first instance, however it is understood that Queensland has not specified opening/availability hours, impacting accessibility/availability.

Above all else, the Department should consider how to enable a positive customer service experience coupled with a maximum return rate of containers through both the network of collection points as well as MRFs from commencement of the CDS. Scheme design will impact this greatly however, NSW has demonstrated that the collection operator is incentivised to increase the number of containers it collects and has continued to open more collection points, resulting in one (1) refund point to every 11,000 people. The result is a high level of engagement where approximately four (4) million containers are collected daily. However, the Queensland model with fixed payments and contracted number of sites does not incentivise increasing collection points, and it is understood that the proposed number of sites (320 state wide) will not be exceeded. WMAA is encouraging the Department to consider NSW's experience and importantly, follow in NSW's footsteps by not capping the volume of containers collected.

WMAA therefore recommends that the alternative service standards that allocate one (1) refund point for every 11,262 people (a total of 228 points) be adopted instead, particularly as the benefit-cost ratio is not significantly different across the two scenarios, and this ratio is closer to that adopted by NSW.

Managing depots

In establishing access, NSW opted to develop zones and tendered them to ensure state-wide coverage and transparent competition in costs. WMAA proffers that WA follows suit to mitigate the risk that only metropolitan depots will be delivered. In doing this, the transport, logistics and processing should also be tendered for the regions; consideration being given to all of this being part of the one tender process (noting that at this stage the Bill appears to be silent on any Processing Agreement required for containers collected from Refund Points).

As there are challenges that come with managing these depot, the logistics of the scheme, as well as recycling collected containers, WMAA strongly encourages the Department to engage all stakeholders, not just the manufacturers, but also the resource recovery industry, in the delivery of infrastructure.

Once in a lifetime opportunity

The introduction of the CDS into WA is a once in a lifetime opportunity to get a network of waste collection points across the entire state. Once established, this network can and should be further developed to enable its use for a broader array of materials, such as batteries, e-waste and similar, creating a pathway for WA to implement the circular economy in a locally relevant way.

As such, the collection points should be laid out in a carefully and intelligently designed scheme. As these collection points are pieces of community infrastructure, they need to be planned and operated accordingly and the waste management industry's experience and expertise in this space could be better drawn upon to achieve the infrastructure goal.