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Department of Water and Environmental Regulation
168 St Georges Terrace
Perth Western Australia 6000

Via email: cds@dwer.wa.gov.au

CONSULTATION REGULATION IMPACT STATEMENT - WESTERN AUSTRALIA CONTAINER DEPOSIT SCHEME

Thank you for the opportunity to respond to the Consultation Regulation Impact Statement – Western Australian Container Deposit Scheme. (RIS)

Coles prides itself as a responsible corporate citizen and wishes to engage constructively with the Western Australian Government over the introduction of a new Container Deposit Scheme (CDS).

Given our strong commitment as a retailer to operating sustainably in ways that minimise the impact on the environment and social amenity, we share the objective of reducing litter and packaging waste across Australia.

Consistency across jurisdictions

As a national retailer with stores in each Australian State and Territory, Coles supports regulatory consistency across jurisdictions in order to reduce unnecessary red tape and confusion for our customers.

Coles believes a national container deposit scheme would reduce the confusion, added costs and increased regulatory burden that will result from separate State and Territory schemes, each with their own variances and reporting arrangements.

While a national scheme is not under current consideration, Coles was encouraged to read in the RIS that the Western Australian scheme intends to align with the key features of the schemes in other jurisdictions, including the list of eligible containers, the refund mark and the refund amount.

In terms of scheme administration, Coles would encourage the Western Australian (WA) CDS model to follow a product responsibility organisation (PRO) model such as that adopted in Queensland. We believe this approach, with a single scheme coordinator, is a more efficient governance structure than alternate models.

We also note that the Queensland model of funding the scheme in arrears is far preferable to the float model implemented in New South Wales (NSW). Payments in arrears based on redemption levels avoids the significant financial imposition created by float payments, (particularly for small suppliers) and simplifies any true up process.

With regards to container registration, Coles suggests that eligible containers previously registered under another Australian scheme be automatically recognised under the WA scheme. This will ease the burden on suppliers who have already registered their containers and would require only WA specific SKUs to be registered.

Scheme commencement

Given the scope of work to be undertaken to implement a successful scheme, we believe the 2020 commencement date to be appropriate. However, we note that from a retailer's perspective, equally important is the timeframe allowed between the publication of scheme costs and the scheme commencement date.

Coles has an extensive number of suppliers whose products are impacted under the container deposit schemes. We are required to liaise with each supplier to discuss the scheme costs and impact on retail price which is a considerable and time consuming task.

The Queensland scheme aimed for sixteen weeks from the release of the scheme costs to the commencement of the scheme itself. We would encourage the WA Government to allow for at least this timeframe. Indeed, should the scheme aim to commence in the first quarter of 2020, we would respectfully request the release of scheme costs be factored in even earlier, taking into account the busy Christmas period would fall within this negotiation period.

Scheme awareness

Given that the prices of eligible containers are likely to rise following the introduction of the CDS, a government awareness campaign prior to the 2020 commencement date is vital to the success of the scheme.

Our experience in other jurisdictions is that inadequate general awareness of the scheme has resulted in customer confusion with retail team members left to communicate the price rise and the redemption options.

While the costs of the WA scheme are yet to be determined, they may be greater than the 10c redemption amount. Should this be the case, messaging on the overall costs of the scheme should also be considered. In NSW, the public focus on a 10c price rise – when the actual costs of the scheme exceeded this amount – created unnecessary confusion for our customers.

We thank you for the opportunity to provide our feedback on the RIS and look forward to remaining involved in all further consultation on the CDS.

Yours sincerely,



Catherine Macneil
Policy and Regulatory Affairs Manager