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Wine industry comments on the proposed Container Deposit Scheme Discussion Paper

The Winemakers' Federation of Australia (WFA) is the national peak body for Australia's winemakers. WFA represents the interests of Australian winemakers on national and international issues. WFA membership represents around 70 per cent of the national wine grape crush and includes small, medium and large winemakers from across the country's wine making regions including in Western Australia.

Wines of Western Australia (WoWA) represents winemakers, grape growers and Regional Associations in the development of the wine industry and regions in Western Australia. WoWA works in partnership with national industry and government bodies to strengthen Western Australia's position as the pre-eminent regional fine wine producing state in Australia.

The WFA and WoWA are pleased to provide the following comments in response to the Discussion Paper on the proposed Container Deposit Scheme (CDS). We note that the paper describes the scheme in general terms, but that it will also be important for industry to comment on the draft regulations governing the scheme once those are developed. In the meantime, the following comments are provided on the key principles of the scheme as they relate to the wine industry.

Litter reduction must remain a key priority of the CDS

We strongly support the objective of reducing litter as a key priority of the proposed CDS. In Western Australia, the *2015-16 Keep Australia Beautiful National Litter Index Report* found that wine and spirit containers make up 0.17 per cent of the total littered containers. This is nationally consistent with other states where these same types of containers make up between 0.03 and 0.2 per cent of all littered containers. Wine containers are mostly recycled at home or at businesses and do not appear in the public litter stream in any significant numbers.

We therefore support the proposed exclusion of wine containers from the Western Australian CDS recognising they do not significantly contribute to public litter.

Regulations must be consistent with other schemes

We support the general exemptions for wine containers in a variety of containers consistent with other schemes, noting that there are minor differences in size exemptions between the South Australian CDS and the proposed NSW scheme. For consistency, it would be appropriate for the WA exemptions to be consistent with the NSW scheme.

In regards to exemptions and applications relating to wine-based beverages, the definitions vary between SA, NT and NSW. It would be preferable for the definition and exclusion to be the same in all schemes. We would be interested in being involved in further consultation on the definition of wine-based beverages to achieve this consistency.

Many wine businesses in Australia, particularly the larger companies, are selling their wine (including wine-based beverages) through national distributors and/or retail outlets and the difficulties and regulatory impost involved in reporting against even minor differences can be costly.

Administration processes, including labelling, must be nationally consistent and applicable

Many of our members also produce products that are subject to the CDS. While details about labelling requirements in WA are not yet detailed, it will be extremely important that these be able to be applied and/or recognised across all jurisdictions without the requirement for specific State or Territory references. The overriding priority should be to minimise the regulatory cost to business and thereby to the consumer.

Continue consultation with industry

The WFA and WoWA urges the Government to commit to ongoing consultation with industry in regard to any future change in scope of this legislation, given the potential significant costs and cross border issues.

It is the wine industry's firm view that wine containers should continue to be excluded from future CDS scheme reviews. Of interest are cost estimates (conservatively based on an average administration cost of 5 cents per container and a 10 cent refund amount) of including a CDS on wine sales in WA calculated amounting to an additional \$6 million annually, excluding ongoing compliance and reporting costs. This would effectively be an additional tax on all wine sales in WA and fall most heavily on small, regional wine producers whose businesses rely on state-based wine sales.

These costs, when examined alongside wine containers' contribution to the litter stream of 0.17 per cent in WA, means that there is no justification for imposition of a CDS on wine containers.

We are available at any time to discuss our views and look forward to seeing more detail on the proposed CDS legislation.

We look forward to ongoing consultation. If you have any queries relating to this submission, please

contact Larry Jorgensen, Chief Executive Officer, WoWA (ceo@winewa.asn.au 0448 884 161) or Nicole Cosgrove, Manager, Government Relations, WFA (nicole@wfa.gov.au 0490 187 240).

Yours sincerely



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