



WASTE CONTRACTORS &  
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OF N.S.W

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The Hon Barry O'Farrell MP  
Premier of NSW &  
Minister for Western Sydney  
GPO Box 5341  
SYDNEY NSW 2001

Dear Premier,

### **WASTE MANAGEMENT INDUSTRY IMPACTS IF NSW INTRODUCES A CONTAINER DEPOSIT SCHEME ("CDS")**

I write on behalf of the Waste Contractors & Recyclers Association of NSW (WCRA), which represents Members who own, operate or control 95% of the commercial vehicles used in waste management and recycling collections across this state. Wherever a Council contracts out its waste management or recycling activities it does so to a WCRA Member.

Our Association is very much in favour of increasing the recovery rates of all recyclable items and our Members are at the coalface of this effort. WCRA is perhaps one of the few organisations with both a deep philosophical commitment to increasing recycling in NSW and a detailed understanding of how the recycling markets work from a logistics, value chain and cost perspective.

We are very concerned at media reports that your Government is under pressure to introduce a container deposit scheme either as part of a national system or as an independent state based scheme. In particular, there are serious logistical and practical complications associated with a CDS in NSW that could not only damage our industry but also drive significant unintended consequences.

**For this reason, we add our voice to the many manufacturers, retailers, industry bodies and other organisations urging your government not to introduce a CDS. Our Association's position on the need for a CDS in NSW is consistent with the position of the NSW Keep Australia Beautiful Council.**

As you are aware, NSW has a high and increasing recycling rate due to well-established kerbside collection systems operating in most Local Government areas. According to the latest NSW EPA figures, 123 of the 152 Councils in NSW offers a kerbside co-mingled recycling collection service. In terms of population, 6.7 million of the estimated 7 million residents of NSW have access to a kerbside recycling service, representing 96% of the population. The impact of the NSW Waste Levy provides a direct economic incentive for Councils & businesses to continue to improve waste reduction & recycling performances.

We applaud the recent Waste Less Recycle More announcements by your Government to invest \$465.7 million in better waste management and resource recovery initiatives over the next five (5) years. With proper management, this funding will deliver better recycling and environmental outcomes across all of NSW.

"Away from home" recycling is an area of great potential for growth in the recovery of materials. A significant number of shopping centres and commercial precincts have begun to recognise the opportunity for cost savings by implementing recycling systems. Likewise, organisers of public events and operators of sporting and entertainment venues are starting to see the value to their reputation and cost models of providing recycling facilities.

Against this background of an efficient and improving recycling performance, we have the following concerns relating to the possible introduction of a CDS in NSW -:

1. There is a high risk of duplication of current collection systems, which would itself reduce economies of scale and drive up the total cost of recycling in NSW;
2. The loss of drink containers in the mix of domestic recyclables will most likely increase the cost of domestic recycling, as this saleable resource currently helps to offset the costs of collection and processing of recyclables. We estimate around 40% of the domestic recyclables currently collected would be containers subject to a CDS. Removing even a percentage of this volume will directly impact the cost structure of the system;
3. There exists a mature, efficient and cost effective system for both the collection and processing of domestic recyclables. To dismantle this system would have severe implications for the whole of the waste industry, from collection contractors and Material Recycling Facility ("MRF") operators to the end processors;
4. CDS is a significantly more expensive recycling mechanism than kerbside recycling. A study commissioned by the Victorian Government demonstrated that the cost of kerbside was around \$130 per tonne, compared to \$800 per tonne for CDS. Other studies have put CDS costs even higher. The community is generally unaware of these costs, nor the potential for these costs to be passed through to them in higher Council rates;
5. If there is a government and community agreement that such a significant increase in expenditure is justified, it would be far more effective to invest in expanded public place and commercial recycling infrastructure, rather than creating a parallel piece of CDS infrastructure to compete with existing recycling systems. It should be noted that in NSW kerbside recycling came first and the introduction of CDS will undermine our significant commitments in these kerbside schemes;
6. CDS only addresses a mere 10% of the litter stream (beverage containers) and requires significant infrastructure which is extremely expensive and complex to build. Despite this significant investment, CDS does nothing to address the issue all other types of litter (consumer packaging including food wrappers, cigarette packets & butts & matches, takeaway containers, coffee cups, chewing gum, etc.); and
7. The Waste Less Recycle More initiative by your Government will provide much needed funds to improve waste management outcomes across NSW, including commercial & public place recycling, better recycling at events, better litter management and a greater commitment to public awareness and education of waste management issues. Any introduction of a CDS in NSW may have the unintended negative consequence of detracting from the positive impacts of this \$465.7 million investment by your Government.

In conclusion, the overwhelming majority of NSW residents are already using regular co-mingled recycling collection services every day. This system generally functions very efficiently, cost effectively and with relatively very low contamination levels. These services are continuing to expand in both coverage and scope, increasingly capturing away from home and business volumes.

To introduce a CDS over the top of current arrangements could jeopardise the viability of kerbside in NSW and will almost certainly increase its cost. WCRA is concerned for our Members' businesses and the more than 5,000 jobs across the commercial and local government sector that may be impacted by the unintended consequences of a CDS.

We would urge your government not to support a CDS for NSW but instead embrace other more complementary options on the table that work with rather than against current investments and recycling systems.

Thank you for your consideration of this important issue. Should you require any more details please contact me on 02 9604 7206.

Yours faithfully,

Tony Khoury  
Executive Director

Copy - the Hon Ms Robyn Parker, NSW Minister for the Environment