



WASTE CONTRACTORS &
RECYCLERS ASSOCIATION
OF N.S.W

ABN 72 805 135 472

Suite 2, First Floor
12-16 Daniel Street
Wetherill Park NSW 2164

PO Box 6643
Wetherill Park BC NSW 2164

Phone (02) 9604 7206
Fax (02) 9604 7256
Email tony@wcra.com.au

11th February 2015

Mr Mitch Hillier
Policy Adviser
Minister for the Environment
GPO Box 5341
SYDNEY NSW 2001

By email: mitch.hillier@minister.nsw.gov.au

Proposed Container Deposit Scheme for NSW

Dear Mitch,

Further to our meeting from 21st January 2015, thank you for the opportunity of providing our comments on a proposed Container Deposit Scheme (“**CDS**”) for NSW.

We have canvassed the views of our Members and we offer the following for your consideration.

When considering a CDS for NSW, consider the impacts on MRFs and Rural areas

- It should be remembered that NSW has mature, well-established kerbside recycling systems for dry recyclables. CDS may well prove to be an effective measure for container litter reduction, but it may not be such an effective mechanism for mass diversion of recyclables from the waste stream. It is important that the recyclable waste stream remains a cohesive whole to ensure maximum efficiency and economic benefits. To this extent, NSW has achieved a municipal landfill diversion rate of 66% in 2014, with a target of 70% in 2021/2011.
- It should be noted that one truck collecting 15,000 x 240 litre recycling bins per fortnight, is significantly more efficient than the prospect of 15,000 householders making separate car journeys to collection points to drop off containers.
- All Materials Recycling Facilities (MRFs) should be eligible to claim the 10c refund per container. To be cost effective MRFs should be able to bale aluminium cans & PET bottles and still claim the refund.
- Is there a way that the 10c refund can be applied to broken glass bottles that are collected in kerbside recycling systems?
- If the introduction of a CDS results in reduced throughput for MRFs, then either the NSW Government or the local Council may need to provide compensation to MRF operators for reduced throughput or lower revenue streams and if required to make adjustments to the plant (capital expenditure to re-engineer the MRF).
- Due to longer distances and smaller volumes, CDS will have differing impacts on NSW rural communities. These impacts should be investigated before a CDS is introduced.

Plastic bottles

Plastic bottles are the litter items of greatest concern (amongst beverage containers) due to their tendency to float into waterways and remain virtually forever in the marine environment. Plastic drink bottles are included in most CDS regimes world-wide. Technology would need to be introduced to identify CDS plastics in the sorting process by brand owner (to enable MRFs to reclaim deposits). Alternatively brand owners could agree a percentage market share by weight if deposits were to be paid on baled plastic bottles.

Glass Bottles

Most people nostalgically think of glass bottles when container deposits are discussed. However, the CDS on glass a generation ago was based on the bottles being washed and refilled. It should also be remembered that the 5c deposit represented 25% to 40% of the price of the full bottle (in 2015 2% to 3%). Glass containers are mostly broken by the time they are delivered to MRFs. It will be difficult to identify actual numbers of glass bottles or their brands from items collected in kerbside recycling. Brand owners would have to agree a percentage market share by weight if deposits were to be paid on broken glass bottles. Some means would need to be agreed to exclude pre-existing stockpiles of broken glass & glass fines.

Aluminium cans

Aluminium cans are the litter item with the highest material value (about 2¢ per can), yet they still represent about two-thirds of the litter proportion represented by plastic bottles. Aluminium drink cans are included in most CDS regimes world-wide. Technology would need to be introduced to identify cans in the sorting process by brand owner (to enable MRFs to reclaim deposits). Most cans are crushed which could make automated brand identification difficult. Alternatively, brand owners could agree a percentage market share by weight if deposits were to be paid on baled aluminium cans.

CDS may create critical market distortions if the programme is not properly created. For example in the collection of aluminium cans:-

- ✓ CDS will result in the creation of subsidised competitors in the collection of scrap metal. These collectors will then operate at the expense of the many existing scrap metal contractors;
- ✓ Will larger business organisations (as opposed to not-for-profit) be permitted to participate in the CDS process?
- ✓ Or do we restrict participation in CDS collections to not-for-profit organisations?
- ✓ Those not-for-profit yards set up under a CDS should be disallowed from collecting any materials other than those prescribed under the CDS legislation. If then, they are found to be trading in materials outside of the CDS mandate they should have their licenses stripped. In this way the yards will remain community based and the profit motive will be disinclined.

Liquid Paperboard Containers

Gable-top and UHT liquid paperboard containers (LPB & ALPB) are not proposed to be included in a NSW CDS yet they represent an estimated 10% of beverage containers found in

litter in NSW. Excluding one packaging material from the CDS will create an unnecessary market distortion.

Reverse Vending Machines ('RVMs')

RVMs may be useful in the promotion of CDS in public places and provide an interesting alternative to disposal or littering of used containers. However, the throughput speed and storage capacity are likely to be limiting factors in high volume locations. Vandalism and litter may be an issue unless locations are carefully chosen.

It is recommended that Reverse Vending Machines be the subject of regulated, minimum standards (by the NSW Government, leaving these matters to Local Government will create too many variables and issues).

Scope of the CDS

Limiting CDS to public place recycling would be problematic, as it will create a high potential for leakage of kerbside-collected materials into the public place system.

Unintended consequences

The introduction of a CDS will create -:

- The potential for stealing of containers from recycling bins, resulting in kerbside recyclables being tipped on footpaths. This will result in a loss of revenue to the commodity owner (Collection contractor / MRF operator / Council) along with resident dissatisfaction at the untidy kerbside.
- The potential for interstate transportation of CDS containers, with redemptions paid for un-funded deposits, thereby threatening the financial viability of NSW CDS, increased impacts of unnecessary transportation of waste. Due to the well documented differences in legislation between NSW and Queensland this threat should not be under-stated, as it will provide more incentive to criminal or rogue operators to transport waste ("recyclables") to Queensland and transport a back-load of containers for CDS redemption.
- The potential for stockpiling of CDS containers prior to commencement of the system with redemptions paid for un-funded deposits and threatening the financial viability of NSW CDS.
- In addition, a CDS may lead to identity theft by criminals. We will require strong, practical & enforceable laws and regulations to avoid all of these unintended consequences.
- Public liability exposure (for example, young children or untrained volunteers collecting glass) and WHS issues are matters that will require further investigation.

Conclusion

Once a decision is made to proceed with a NSW CDS, it would be prudent to allow a minimum of two years for implementation, including detailed industry consultation, system development, establishment of infrastructure, public education, etc.

However, the general feedback from Members is that the whole matter of a CDS for NSW is quite a complex issue and without any real detail it is difficult to make any commitments or significant comments. The NSW Government could instead commit to holding a CDS forum in say May or June 2015, with a view to better understanding all of the issues and then

developing a position paper. Members are concerned that a decision made in haste, may have major, unintended consequences.

WCRA has received an assurance from Senior Staff of the NSW Minister for the Environment that suitable representation will be offered to WCRA to participate on any future CDS Implementation Committee that the NSW Government forms. If we proceed with a NSW CDS, WCRA looks forward to assisting in its implementation.

Should you require any further assistance or clarification, please let us know.

Yours faithfully,

Tony Khoury
Executive Director