

## 6.8 CONTAINER DEPOSIT SCHEME

Submitting Councillor: Cr Fergeus, James and Little

### **MOTION**

*That Council:*

- 1. Supports the introduction of Container Deposit Scheme (CDS) legislation in Victoria; and*
- 2. Submits a motion to the Municipal Association of Victoria (MAV) State Council Meeting – 18 May 2018.*
- 3. Requests the MAV to reiterate its support for the introduction of CDS legislation in Victoria.*

### **INTRODUCTION**

To provide the case for the support for the introduction of a Container Deposit Scheme for Victoria.

### **BACKGROUND**

Container Deposit Scheme (CDS) requires the beverage industry (manufacturers, importers, wholesalers or retailers) to provide a refund to consumers on the return of certain beverage containers. The deposit (typically 10 cents, paid by the consumer) is refunded when the container is returned for recycling, either by the consumer, or charitable groups collecting for fundraising. The scheme is creates a financial incentive to increase recycling of beverage containers and is a form of product stewardship by the industry.

Container Deposit Schemes have been introduced in South Australia (1977), Northern Territory (2011), New South Wales (1 December 2017) with schemes planned for ACT (2018), Queensland (1 November 2018) and Western Australia (1 January 2019). Currently Victoria and Tasmania are the only two states with no scheme planned or implemented in Australia.

The Victorian State Government previously indicated support for a National Container Deposit Scheme, rather than introducing legislation in Victoria. With recent changes in the recycling industry and the associated financial implications for Council, there is growing community support for Container Deposit Scheme in Victoria.

In 2014-15, 160 million drink containers were littered in NSW, representing 44% of the volume of litter in this State. In Victoria, plastic beverage containers make up nearly a quarter of Victoria's litter when measured by volume (DELWP, 2017).

The NSW Government's Container Deposit Scheme "Return and Earn" has been in place for 3 months. The scheme has collected over 200 million drink containers to date. The scheme is administered by a Scheme Coordinator, which is regulated by the NSW EPA. A Network operator, TOMRA Cleanaway is responsible for setting up and operating collection points. Containers can be returned at reverse vending machines, given to eligible charities, schools or community groups to redeem, or deposited in kerbside collection bins. The Network Operator must provide collection points across the state with minimum targets set by population of towns and cities.

It is considered that a similar CDS, should it be implemented in Victoria, would have similar results to what has been experienced in NSW.

### ***DISCUSSION***

Apart from the domestic kerbside program, recycling is currently low across Australia (20%) and Container Deposit Schemes are designed to reduce litter and increase recycling for beverage containers by providing an alternative recycling solution.

The NSW Government estimated that while 65% of consumers drink an average of 5.4 drinks outside the home each week, only 30% of the containers are brought home for recycling. The incentive may also reduce the incidence of litter and the disposal of beverage containers into landfill.

In Victoria, over 98% of Councils provide kerbside recycling opportunities for our community. A Container Deposit Scheme provides a new opportunity for consumers to recycle their beverage containers away from home and increase overall recycling.

As consumers are paid for the container, the material collected is likely to be less contaminated and will improve the overall quality of container materials being sent to recyclers in Australia and overseas.

It is estimated a Container Deposit Scheme in Victoria could recover 3 billion containers each year.

### ***FINANCIAL***

The recent changes to the Victoria recycling industry, due to the enforcement of the China National Sword Policy, have removed Councils rebate from receivers, and introduced a price per tonne for recycling. It is estimated that Council will collect a total of 14,700 tonnes of kerbside recyclables in 2018/19. Of this 24.76% consists of containers with the vast majority by weight being glass bottles (22.7%). While most plastic containers will be eligible for a CDS scheme, only about 1/3 of glass bottles will be eligible.

Based on the included beverage packaging types in the NSW Return & Earn Scheme (plastic, metal, glass, liquid paperboard beverage containers between 150ml and 3 litres), Council will spend approximately \$86,454 on recycling these items through kerbside recycling in 2018/19, which is anticipated to decrease each year by about 3% (without the introduction of a Container Deposit Scheme) due to light weighting of material. This is based on a cost per tonne of \$60. Due to the recycling crisis, the net effect on included beverage packaging types if the loss of the rebate is considered is \$149,143.

A NSW study (2012) estimated that a Container Deposit Scheme would result in a 17% reduction in such containers collected in kerbside recycling. This would equate to savings of \$14,697 to Council in 2018/19 if a Container Deposit Scheme was in place.

Given the current issues with the recycling markets which will cost Council \$1.5M annually, any initiatives to reduce recycling costs should be encouraged.

A Container Deposit Scheme would not result in additional costs to the consumer, providing the consumer returns the container and redeems the deposit. Current Container Deposit Schemes in place around Australia are designed to shift the financial cost of establishing and maintaining collection and recycling system from Council to industry.

### **SOCIAL**

It is estimated that the introduction of Container Deposit legislation could create hundreds of new jobs and financial opportunities in Victoria. Community groups such as scouts, sports clubs, Friends of Groups and schools can participate a Container Deposit Scheme to fundraise through clean up days or as refund and collection sites. The Scouts in South Australia earn \$2.8 million per year collecting and redeeming containers (Boomerang Alliance, 2017).

### **ENVIRONMENTAL BENEFITS**

Research on 47 schemes worldwide (at local, state and national levels) showed higher recovery rates for drink containers compared with locations without schemes and a reduction of litter in places with Container Deposit Schemes (Behaviour Works Australia, Monash University, 2016).

Behaviour research demonstrates that convenience (where items can be recycled) impacts whether people will recycle away from home. There is also evidence that clean environments (with less litter) are likely to remain cleaner and littered environments are more likely to remain littered (The Conversation, 2016). The anticipated reduction in litter in open and urban spaces will make them more inviting and ensure Monash is a liveable and sustainable city.

Victoria already has one of the lowest littering rates compared to other states and a CDS may further reduce litter. A Container Deposit Scheme will not reduce the impact of other types of litter in the environment, such as cigarette butts, which remain the most littered item in Victoria, by count, and plastic packaging. However, it may provide an opportunity to promote and encourage the community to consider other existing recycling programs for this material such as Terracycle or REDcycle.

### **POLICY**

Container Deposit Scheme legislation would support Council Plan (2017-2021) objectives of a Liveable and Sustainable City and Inviting Open and Urban Spaces; the Sustainability Strategy (2016- 2016) objective of reduced community consumption of resources and improved recycling (4.3) and the Waste Management Strategy (2017 – 2027) objective of promoting product stewardship. Extensive community consultation for the development of the Waste Strategy showed support for more drop off locations for recycling, which would be set up as part of a Container Deposit Scheme.

### **CONCLUSION**

Under the current state of recycling, a Container Deposit Scheme has the opportunity to reduce recycling costs for council, reduce litter and share the responsibility for waste management with the community. Therefore it is recommended that Council:

1. *Supports the introduction of Container Deposit Scheme (CDS) legislation in Victoria; and*
2. *Submits a motion to the Municipal Association of Victoria (MAV) State Council Meeting – 18 May 2018 requesting the MAV to reiterate its support for the introduction of CDS legislation in Victoria.*