

The case for a Container Deposit Scheme

The resistance to a CDS seems to come from a) The drink companies themselves who presumably perceive the price of their drinks will go up 10 cents and are worried about their profits. and b) the concern about the impact of less bottles in kerbside bins on the Material Recovery Facilities (MRFs) companies. There may be waste collection contracts in place with councils that may have terms in it that the some people fear may not be able to be met if a CDS is enacted.

The bigger picture

There is a much bigger picture to consider than just the profits of a few companies or of fear of changing contracts.

- 1) **Drink Company Profits.** The profits of the drink companies will not go down. They pass on the 10 cents charge. Consumers are unlikely to distinguish between \$3.10 and \$3.00 for a Coke. In any case consumers will get their 10 cents back if they want to. So No cost to consumers. The left over funds from a CDS from unredeemed deposits go back to the drink companies. They will make \$millions from a CDS for doing very little.
- 2) **Scrap Value.** At the moment the approx price of recycled plastic is about \$300 a ton. This is what MRFs get when they sell their collected recycled bottles from kerbside collections. If a bottle was given a value of 10 cents then a ton of bottles would be worth \$2800 or over 9 times the current scrap value. Showing that even if kerbside recycling dropped by 9 times the MRFs would still be no worse off than they are now. Studies show this big of a drop off does not happen. One of the big contaminates of a kerbside recycling is broken glass. A lower penalty price is paid if broken glass is amongst plastic recyclate. Under a CDS with fewer bottles in the kerbside bins the quality of the recyclate goes up resulting in better prices per ton paid to the MRFs. There are 8 recent government funded studies that show MRFs will be better off under a CDS. They show a CDS works hand in hand with kerbside recycling to improve collection efficiently (less fuel, less volume and less labour costs) couple with better quality recyclate and higher prices paid per ton. From the Boomerang alliance they report;

Critics of a CDS only focus on the impact of reduced recyclate – however the last eight government initiated studies which examined the whole equation (deposits left in kerbside + collection savings + reduced landfill levies - loss of material) found that overall kerbside is not harmed by a CDS and in fact its financial position is improved.

- 3) **Away From Home Problem.** Kerb side collection only refers to the at home consumption. A bigger proportion of bottles are consumed away from home and these are the ones that end up as litter. Only 26% of plastic bottles are recycled in Vic. SA has over 80%. Any CDS consideration has to involve all the bottles for all of society not just the smaller portion being handled by the MRFs presently.
- 4) **Young Children.** A walk around a typical playground will show many bottles lying around reinforcing to young children that is normal behaviour. We need to break this cycle and removing the bottles with a CDS is



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a simple way to change the behaviour of these upcoming young people.

- 5) **Trade Balance.** To make new bottles from virgin materials all the time costs more money to import all these materials for a one time use. This means Australia is continually importing raw materials from overseas suppliers. This worsens our overseas trade balance. If the containers were recycled here, the trade balance would get better as would the jobs in the economy
- 6) **Global Warming** It takes about 100 gms of coal to make a new Aluminium can whereas to recycle a can takes about 5 gms of coal. Hence it is vitally important for resource scarcity considerations, global warming considerations to recycle these cans here rather than let them be thrown in the rubbish bin to go to a landfill and lost forever.

There are 56 bottles shown in the one bin below that were destined for landfill. Energy was used and CO2 emissions released to make these bottles from raw materials. To let these bottles go to landfill would require the same amount of energy and release the same CO2 to make another 56 bottles. If they had been collected and reused the emissions would be substantially less.

- 7) **Containers Going to Landfill.** With bottles and cans that have no perceived value then those responsible people that do not litter will commonly throw their bottles and cans in the nearest rubbish bin. Even when a recycle bin is right beside a rubbish bin, the rubbish bin gets most of the bottles and cans. We see this all the time during Beachpatrol cleans. From the rubbish bin it is a short trip to the landfill to be lost forever. Ascribing a value to them makes people think about them and ensures they are kept out of the bins or retrieved out of bins by others and returned for their redemption and recycling. This has been proven in many places.
- 8) **Self Funding** With over 80% of bottles and cans (of over 4 billion in Vic!) recycled under a CDS (over the current 26%)the extra funds earned from selling as recycle contribute significantly to paying for the CDS operation costs. This enhances returns to bottle collection centres and back to the bottling companies.
- 9) **Civic Benefits.** Many people and organisations would benefit from being able to go around and collect containers. Many less fortunate would be able to go around and make a small living off collecting containers. Children would be out scouring for bottles to collect. Schools and civic groups would do bottle drives again to raise funds. The Scouts in SA raised over \$9m in one recent year.



Typical picture inside a rubbish bin.
Lots of bottles/cans going to landfill

- 10) **Inexpensive Collections.** With any collection exercise the most expensive part is to recover the widely and thinly scattered items. Once they are centralised and can be bulk handled the costs become more efficient. This is what a CDS does. It takes almost all of the bottles in the widely scattered hands of the public and brings them back to depots for centralised

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handling. This most difficult and other wise very expensive part is done for free! (At no cost to the bottling companies!) The public do this order to get their 10 cents back per unit.

Such is the power of a CDS. No other system can offer this.

- 11) **Protect our Oceans.** The recent World Economic forum revealed that by 2050 there will be more plastic in the oceans than the weight of fish.

Dominic Waughray of the World Economic Forum, which jointly released the report, said it "demonstrates the importance of triggering a revolution in the plastics industrial ecosystem".

"[It] is a first step to showing how to transform the way plastics move through our economy," he said.

"To move from insight to large-scale action, it is clear that no one actor can work on this alone. The public, private sector and civil society all need to mobilize to capture the opportunity of the new circular plastics economy."

A sweeping change in the use of plastic packaging would require cooperation worldwide between consumer goods companies, plastic packaging producers, businesses involved in collection, cities, policymakers and other organisations, the report said.

- 12) **Victoria to be Last?** A CDS is being introduced in NSW next year. They are doing extensive studies to look at the issue of the contracts with the MRFs and councils to ensure they are no worse off. It would seem to make sense and be less cost for the current Victoria government to put partisan politics aside and to join in on those studies to bring in such a scheme at the same time. The previous government thought this was worthwhile and was proceeding down this path as they were showing it would work in Victoria. Can this government do the same?

- 13) **Council Support.** If some of the big councils would tell the government they support a CDS and they would be no worse off at worst case and better off more than likely, then this government would support such a scheme we understand.

We cannot be afraid of fear itself but should be afraid of what inaction will cause