

Family First - Dissenting Report

Inquiry into the Management of Australia's Waste Streams

1.1 Family First introduced its Drink Container Recycling Bill 2008 as an important environmental measure to boost the recycling of drink containers across Australia.

1.2 Only South Australia operates a container deposit scheme where there is a 10 cent container deposit that is redeemed when the container is returned for recycling.

1.3 Family First wants its legislation for a national container deposit scheme passed because:

- A scheme with a 10 cent deposit would increase the national drink container recovery rate from 40 per cent to 80 per cent;
- The resulting increase in recycling would save up to an additional 1.8 million tonnes of greenhouse gases a year, which is the same as taking 350,000 cars off the road;
- More than 80 per cent of Australians support a container deposit system;
- State governments have been slow to act on this issue and Family First believes federal intervention is needed;
- More than a third of the 7,200 tonnes of rubbish collected on Clean Up Australia Day was recyclable drink cans and bottles made from aluminium, glass, plastic and steel;¹
- South Australia recycles about 70 per cent of drink containers that have a deposit, while other states have a 40 per cent recycling rate;
- It would save 8 gigalitres of water every year, which would supply more than 24,000 homes with water;
- It would provide recycling services to more than 250,000 homes for the first time.

1.4 The Australian debate over container deposit schemes has seen a myriad of inquiries leading to little action. Family First's bill should not be delayed for the Environment Protection and Heritage Council (EPHC) to complete yet another review.

1 Mr Ian Kiernan AO, Chairman of Clean Up Australia, *Less Rubbish on Clean Up Australia Day*, Australian Associated Press in *The Age*, 2 March 2008, news.theage.com.au/national/less-rubbish-on-clean-up-australia-day-20080302-1w74.html (accessed 3 September 2008).

What happens in Australia now?

1.5 Recycling used packaging in Australia is guided by the National Packaging Covenant (NPC), established in 1999, which has 669 signatories from industry, government and community groups.²

1.6 But the Boomerang Alliance notes that the NPC has not had much of an impact:

The most optimistic view of the current rate of packaging recycling stands at just 43.05% per annum (which we contend remains overstated), well short of the minimum 65% target recycling rate set by Ministers when the NPC was renewed in 2005. Container recycling rates are even worse, with a best case of just 40.8%. It is now an established fact that after 8 years the NPC has delivered little, if any, improvement in recycling rates or reductions in litter. This performance falls well short of recognised community expectations and creates a compelling case for intervention.³

1.7 There is still a lot of work to do to improve the recycling of containers:

Australian's are amongst the greatest consumers of packaging in the world, each consuming about 203 kgs of packaging annually; nett of resource recovery this represents a staggering 116 kgs of packaging waste per capita landfilled annually, including over 740,000 tonnes or 8.4 billion containers.⁴

1.8 The Clean Up Australia rubbish report for 2007 documents:

... that beverage containers account for around half of all top ten items collected by Clean Up Australia Day volunteers, with plastic and glass bottles, bottle tops and cans combining to 42.7% of the top ten. Six out of the top ten items found are recyclable.⁵

1.9 The report states the most polluted sites were public bushland, followed by beaches, parks, waterfront, rivers and creeks.⁶ A national container deposit scheme would help clean up each of these areas. Kerbside recycling is limited and does not help with the increasing trend to buy takeaway food and dispose of the containers away from home.⁷

2 National Packaging Covenant website, www.packagingcovenant.org.au/page.php?name=history and www.packagingcovenant.org.au/page.php?name=currentsignatories (accessed 20 August 2008)

3 Boomerang Alliance, *Submission 46*, p. 26.

4 Boomerang Alliance, *Submission 46*, p. 4.

5 Clean Up Australia, *Submission 55*, p. 3.

6 Clean Up Australia, *Submission 55*, p. 8.

7 Clean Up Australia, *Submission 55*, p. 3.

How drink container recycling works

1.10 Container deposit systems operate where a consumer is paid a cash amount to return a container to a recycling centre.

1.11 The Australian Conservation Foundation notes that 'with a deposit and refund system the consumer now has an incentive to regard the product as a resource to be re-used, not a waste item to be discarded.'⁸

1.12 The Boomerang Alliance points out that with a container deposit system:

... the actual cost that a consumer bears is not only based on their consumption, but are also dependent on how well (or badly) an individual disposes of their packaging once the goods are consumed. Every time a consumer disposes of a container, they choose whether they are willing to pay for the cost of disposal or they can choose to take a simple action to avoid the cost.⁹

1.13 This change in approach to recycling helps overcome the problem where:

... the cost of managing litter is borne largely by rate payers (managed through local government), rather than the manufacturer or consumer of the goods. Consumers are not always rate payers ... Only 70% of all homes are owner-occupied, leaving up to 30% of tenants enjoying a free ride. Tourists also account for a significant share of consumption, with 39% of tourist spending in Australia in 2002/2003 going on shopping, takeaway and restaurant meals and food products. All of these consumption activities are associated with packaging, whose eventual contribution to the litter problem is borne by rate payers.¹⁰

1.14 Drink container recycling '...actually complements kerbside recycling by focusing on the huge 50% of containers that are consumed away from home, which kerbside systems are unable to recover.'¹¹

1.15 There is a range of environmental benefits from a national container deposit system:

Modelling by Boomerang Alliance of a National 10¢ Container Deposit System indicates that such a system will more than double recycling rates from their current levels and also indicates that the improved recovery rates of bottles and cans will produce substantial environmental benefits, including:

- An increase in container recovery rates from a current 41% to nearly 82%

8 Australian Conservation Foundation, *Submission 71*, p. 3.

9 Boomerang Alliance, *Submission 46*, pp 23–24.

10 Boomerang Alliance, *Submission 46*, p. 23.

11 Boomerang Alliance, *Submission 46*, p. 29.

- A 6% reduction in municipal waste to landfill – 631,008 tonnes per annum
- A 12–15% reduction in the volume of litter
- 1.38 million tonnes of CO₂-e p.a. in Greenhouse Gas Reductions (equivalent of switching 197,000+ homes to 100% renewable energy)
- A saving of 8.1 gigalitres of drinking water p.a. (enough to supply 24,128 homes)
- Improved Air Quality by 610 million gC₂H₄-e (like taking 141,000 cars off the road)
- Provision of over 250,000 Australian homes with recycling services for the first time
- The creation of at least 1,000 new jobs.¹²

1.16 One recycling firm claims that implementation of container deposit legislation is the best method available to boost recycling rates:

International and Australian experience shows that deposits are the only proven method of reaching high recycling rates (e.g. 70%+). ... Container deposits' proven effectiveness is based on the fact that they provide both an economic incentive to recyclers and fund a convenient collection infrastructure, helping to address the growing volume of container packaging (estimated at >50%) consumed away from home.¹³

1.17 There is strong and consistent public support for container deposit legislation:

It is clear from Newspoll surveys commissioned by Boomerang Alliance that the public is calling for action. A survey conducted in Dec. '04 showed that 91% of respondents thought governments should intervene, making those responsible for packaging waste deal with the mess. Subsequent research undertaken by Newspoll for the Boomerang Alliance in Western Australia in May '06 indicated that 94.45% of the adult population want CD with just 2.58% against. In Feb '07 the survey indicated 94.48% in favour and just 3.87% against.¹⁴

1.18 And further:

A Newspoll survey taken in 2007 revealed an overwhelming 82% of Australians surveyed are in favour of CDL.¹⁵

12 Boomerang Alliance, *Submission 46*, p. 4.

13 Revive Recycling, *Submission 68*, p. 3.

14 Boomerang Alliance, *Submission 46*, p. 37.

15 Clean Up Australia, *Submission 55*, p. 2.

1.19 Container deposit systems are popular with the public, require no government funding and provide funding for the necessary recycling infrastructure.¹⁶

Success in South Australia

1.20 South Australia's 30 years of experience with a container deposit system demonstrates the success of this approach to recycling waste.

1.21 Clean Up Australia points out that:

... South Australia is the only state where beverage containers are not among the five most commonly collected types of rubbish on Clean Up Australia Day. In comparison, beverage containers appear in the top five of rubbish types collected in every other state.¹⁷

1.22 Further, Clean Up Australia argues:

CDL in South Australia has been proven to work, implementing the system on a national level would be addressing the very real waste problem that Australia has. Current waste recovery systems are not enough to effectively manage the volume of waste we as a nation are producing. ... Clean Up Australia strongly believes CDL is an effective system which should be implemented nationally.¹⁸

1.23 The South Australian Government supports a national drink container recycling system and gave evidence that the State:

... has operated a successful container deposit scheme (CDS) since 1977 that ensures the recovery of about 70% of containers that are subject to deposit requirements. This compares with an estimated national recovery rate of about 40% according to the Packaging Stewardship Forum. In 2006/07 South Australia's CDS facilitated the recovery of over 450 million containers for recycling. This is over 200 million more containers than would have been recovered in the absence of container deposit legislation, assuming that container recovery in SA would have been comparable to the national average.¹⁹

1.24 Family First believes that South Australia is a strong and compelling example of the success of container deposit legislation to the rest of Australia.

16 Revive Recycling, *Submission 68*, p. 3.

17 Clean Up Australia, *Submission 55*, p. 2.

18 Clean Up Australia, *Submission 55*, p. 14.

19 South Australian Government, *Submission 83*, p. 14.

Cutting greenhouse gases

1.25 Improving recycling rates by container deposit legislation would help address two of the most difficult environmental problems of our time, which are how to cut greenhouse gases and save water.

1.26 Improving recycling rates is vital because recycled materials use a lot less energy and because it cuts down on landfill, which is a key emitter of harmful methane gas.

1.27 Australians for Refunds on Cans and Bottles argued that:

The most compelling reason why Australia should introduce a national container deposit is because of the very large reductions in CO₂ emissions that could be achieved. This assertion is based on the 2007 report of the Stakeholders Advisory Group which investigated a best practice container deposit system for Western Australia. It concluded that a container deposit system in WA 'would reduce CO₂ emissions there by tens of thousands of tonnes per year'. It also said 'it would save millions of litres of water'. Given the challenges posed by global warming and climate change we do not believe Australia can afford to ignore either of these benefits.²⁰

1.28 Improving container recycling rates is a relatively cheap way to cut emissions compared to other alternatives:

... research ... demonstrated while the waste sector contributed just 2.3% of Australia's Greenhouse Gas Emissions; it could readily deliver a 6-7% reduction through strategies to both mitigate direct solid waste emissions and the capture of embodied energy in end of life materials. Perhaps more importantly this reduction can be achieved relatively quickly ...²¹

1.29 Adviser on climate change and sustainability for the Ecos Corporation, estimates that '... the adoption of a national container deposit system in Australia could achieve additional greenhouse savings of around 1.8 million tonnes of carbon dioxide. As I said, that is additional to the current recycling.'²²

1.30 Cutting the amount of waste that goes to landfill is important to cutting greenhouse gas emissions:

...waste in landfills continues to emit greenhouse gas emissions for up to 50 years, most commonly in the form of methane, approximately 24 times stronger in its greenhouse impact than carbon dioxide. Studies have indicated that unless landfill management techniques change, up to 2 billion tonnes of greenhouse gas emissions will be released from landfills over the

20 Australians for Refunds on Cans and Bottles, *Submission 6*.

21 Boomerang Alliance, *Submission 46*, p. 7.

22 Mr Robert Kelman, Ecos Corporation, *Committee Hansard*, 3 July 2008, p. 63.

next 50 years, making our emissions reductions targets much more difficult to meet.²³

1.31 Ecos Corporation provided a report to the committee which estimated the:

... increase in recycling attributable to the implementation of a 10¢ deposit on containers in Australia presents a carbon abatement potential of 1,734,000 tonnes of CO₂e. This level of carbon abatement is nearly 12 per cent of the national greenhouse gas emissions from solid waste and is equivalent to avoiding the burning of 655,000 tonnes of black coal, which is the same reduction in greenhouse pollution as taking approximately 350,000 cars off the road.²⁴

1.32 Clean Up Australia Chairman, Mr Ian Kiernan detailed the savings available from recycling containers:

More than 630,000 tonnes of rubbish to landfill per annum will be saved through the recycling of bottles and containers. This represents a six per cent reduction in municipal waste to landfill. ... Landfilling of containers represents a lost opportunity to reduce greenhouse gas emissions through a saving in embodied energy. We know that, for the same amount of energy it takes to make an aluminium can out of new material, you can make seven aluminium containers out of recycled material. It is just plain good sense. Australia would save 5.6 gegalitres of drinking water per annum without producing new bottles through this scheme. That is enough to supply 16,784 homes with water.²⁵

1.33 The committee heard that a cost benefit analysis of drink container recycling should take into account carbon savings, including the societal benefit from cuts in greenhouse gases, to judge the real benefit of increasing recycling levels, which is higher than just the market value of carbon.²⁶

Family First's Drink Container Recycling Bill 2008

1.34 Family First's Drink Container Recycling Bill 2008 provides for a system of drink container stewardship plans, where producers, distributors or industry groups must submit an approved plan to achieve a 75 per cent recycling rate within two years of the commencement of the plan and 80 per cent within five years.

1.35 Distributors are included because they may be responsible for imported products not produced in Australia.

23 Australian Conservation Foundation, *Submission 71*, p. 5.

24 Ecos Corporation, *Submission 42*, Attachment A, p. 3.

25 Mr Ian Kiernan, Chairman, Clean Up Australia, *Committee Hansard*, 3 July 2008, p. 62.

26 Mr Matthew Warnken, Managing Director, Crucible Carbon, *Committee Hansard*, 3 July 2008, pp 66–67.

1.36 The plans will be subject to public comment and the performance of the final approved plans tracked against performance requirements.

1.37 Producers will have to report annually on the performance of their plan and must complete a review of the approved plan within five years of its commencement.

1.38 Importantly, the bill uses a pollution prevention hierarchy to encourage producers to improve the environmental performance of their containers. Producers will have to detail in their plans how they will:

- reduce the environmental impact of producing beverage containers by eliminating toxic components and increasing energy and resource efficiency;
- redesign beverage containers to improve reusability or recyclability;
- reuse beverage containers;
- recycle beverage containers;
- recover material from beverage containers.

1.39 The structure of the bill which allows the industry a lot of flexibility to determine how best to achieve recycling rates led one of Australia's major packaging and recycling companies, Visy, to endorse the approach of the bill:

Although Visy does not support the introduction of a national drink container deposit scheme, if such a scheme were to be introduced then Visy strongly believes that the Drink Container Recycling Bill 2008, provides the most appropriate framework for the operation of a national scheme.

Specifically the Bill provides industry with an appropriate level of discretion in order to determine the most efficient and effective way in which to achieve the stipulated recovery rates, whilst also providing for appropriate consultation and input from other stakeholders.

The level of discretion provided to industry in the Bill would also ensure the most cost effective scheme was implemented without undue and unnecessary bureaucratic structures being imposed. This would not only be to the benefit of the producers, but also minimise the additional cost for consumers.²⁷

1.40 Evidence given to the committee shows that Family First's bill would be an effective way of establishing a national container deposit scheme in Australia.

Extended producer responsibility

1.41 An effective container deposit scheme would help establish some of the habits and infrastructure to allow other products to be collected for recycling using a deposit scheme:

27 VISY Industries Australia Pty Ltd, *Submission 52*, p. 10.

... under EPR [Extended Producer Responsibility], a company must be concerned not only with making the product and how it functions, but also with what will become of the product at the end of its useful life. In the case of consumer goods, this principle shifts responsibility for recycling and waste disposal from local government to private industry and onto their customers, thereby internalizing the costs of waste management into product prices. Under such a scheme, citizens pay for waste management as consumers when purchasing products, rather than as homeowners through local taxes.²⁸

1.42 The Total Environment Centre pointed out that:

All products will have a limited life-span, for example: 18 months to 2 years for mobile phones; 2 to 3 years for media players; and an average of 4 years for computers ... EPR [extended producer responsibility] schemes can recover the majority of e-waste and other problem products from landfill.²⁹

1.43 There is a wide variety of products included in EPR schemes around the world:

... • Waste Products • Consumables • Refrigerators • Paints • Waste Oils
• Vehicles • Computers • Aerosols • Hazardous • Tyres • Electronic
• Printer Cartridges & Material Equipment Toner • Packaging • Carpet
• Washers/Driers • Newspapers • Bio-Waste • Batteries • Mobile Phones
• Bottles & Cans.³⁰

1.44 An effective national container deposit scheme would provide direction for development of waste management into the future.

Conclusion

1.45 The committee has managed to write a report that makes few real recommendations.

1.46 While the report recommends a number of measures such as that states and territories implement waste reduction targets, strategies should be put in place to reduce landfill, and the Commonwealth, establish price signals to the market to recognise the greenhouse benefits of recycling, the committee has deferred a decision on the only concrete, detailed proposal before it, Family First's Drink Container Recycling Bill 2008, which is a plan that would help achieve all those things. Instead, the decision is to be left to yet another inquiry, run by the Environment Protection and Heritage Council (EPHC).

28 Boomerang Alliance, *Submission 46*, p. 8

29 Total Environment Centre, *Submission 67*, pp 2, 4–5.

30 Boomerang Alliance, *Submission 46*, p. 8.

1.47 Twelve of the eighteen recommendations of the committee buck pass important issues to the EPHC, which devalues the currency of the Senate Committee system.

1.48 The EPHC is made up of the same environment ministers of all the states and territories that have dragged their feet on container deposits and failed to act. It is because the state governments have been slow to act on this issue that Family First believes federal intervention is needed.

1.49 Obviously what Australia is doing now to recycle drink containers is not working. We need a national system that puts a value on used drink containers so they are recycled.

1.50 The cost of litter on our community is largely hidden. The cost of visual pollution, rubbish and loss of enjoyment from using public areas is not easily measured.

1.51 Putting a cash value on rubbish can help to change that. In South Australia the State Government has recently increased the price paid for dropping each drink container off at a recycling depot to 10 cents a bottle.

1.52 A national container deposit scheme is a big win for the community because we have a cleaner looking environment and local community groups and kids can earn some extra cash while keeping Australia beautiful.

1.53 A national container deposit scheme is a big win for the environment because we end up with 25 per cent less litter in our streets and waterways and half a million less tonnes of waste every year as we will see container recycling lifted from 40 per cent to 80 per cent.

1.54 A national drink container scheme is practical environmental policy where the effect of the policy can be seen relatively quickly, in cleaner streets, parks and waterways.