

SUBMISSION

Response to: Inquiry into the Management of Australia's
waste streams and the Drink Container
Recycling Bill 2008

Prepared for: The Senate
Standing Committee on Environment,
Communications and the Arts

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NB. This submission provides an objective overview of CDL as it operates in South Australia and how a National system will impact on positive resource recovery. KESAB acknowledges that many stakeholder submissions to the Senate Committee will contain considerable economic and waste stream analytical data. This submission does not set out to duplicate or include information that will be embedded in such submissions or is readily available from other sources.

1. Background

The Senate has referred to the Standing Committee on Environment, Communications and the Arts an enquiry into the management of Australia's waste streams and the Drink Container Recycling Bill 2008.

The Committee will consider trends in waste production in Australia and examine the effectiveness of existing strategies to reduce, recover and reuse waste. The timeline set for the report is August 2008.

As part of the inquiry the committee will consider the Drink Container Recycling Bill 2008.

2. About KESAB environmental solutions

KESAB (Keep South Australia Beautiful) is a community based environmental education organisation established in 1966.

Objectives include;

- *To implement programs that preserve, improve and restore the entire South Australian environment.*
- *To provide information, support and resources to the South Australian community, encouraging best environmental practices.*
- *To recommend and influence Legislation and Regulations that improves and protects the environment.*

As an NGO with over 40 years standing in South Australia, KESAB has considerable understanding and knowledge of the South Australian Container Deposit Legislation, its workings and application, and the huge community and environmental support the model delivers.

Environmental education and awareness is delivered through jointly funded programs including Wipe Out Waste, Tidy Towns, Council Waste Education, Clean Site, Waterwatch, Road Watch and litter reduction campaigns.

KESAB operates two waste education centres offering teacher training, structured lessons and learning, councils and community engagement, and support information resources.

3. CDL and Litter

CDL was legislated in South Australia in 1975 to address increased litter pollution created through consumer behaviour influenced by new age "one trip" throw away beverage container packaging.

These included glass, aluminium, plastic (PET & HDPE, and Liquidpaper board (LPB). In recent years additional multi layer containers have emerged through improved technology and manufacturing.

KESAB has collected quarterly litter data in South Australia since the nineteen seventies providing historic trend line information reporting on the litter stream, volumes, types and consumer behaviour.

4. South Australia pre CDL



Adelaide Oval circa 1966



Beer cans Outback Circa 1964

Items as Proportions of Total by Material Type

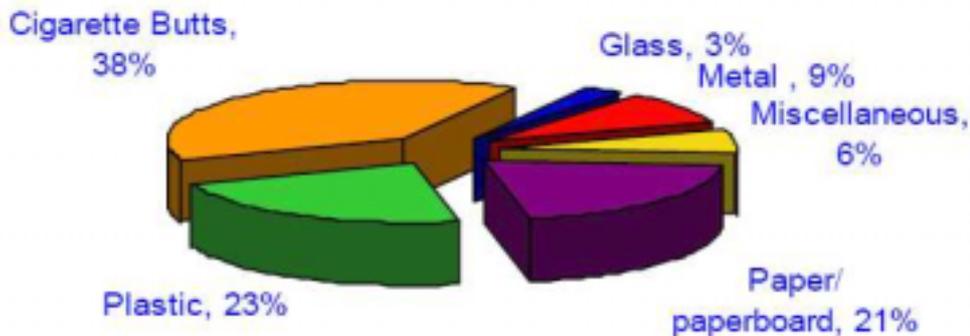


Fig 1. Wave 40 Feb 2008 Litter by Count

5. CDL & Recycling

Whilst originally legislated to reduce the impact of litter pollution the impact of CDL has been significant in underpinning recycling in South Australia. The incentive of the 5c deposit added to the purchase price of each beverage container encourages the consumer to store or retain the container for return to a collection depot.

The incentive to recycle and reduce waste to landfill diverts an estimated 600 million beverage containers per annum.

The South Australian approach to litter reduction and recycling through CDL has resulted in the following outcomes:

- The highest return rates of beverage containers in Australia (70 – 75% average)
- Reduced litter in the environment in South Australia compared to the National Litter Index (KABN Litter Index May 2007)
- The lowest rate of beverage containers in the litter stream in Australia (Fig 2 Proportion of CDL in Total Litter Stream)
- A network of urban and regional recycling depots enhancing resource recovery additional to CDL containers.
- Diversion of an estimated 60 000 tonne of beverage containers from landfill per annum in South Australia
- Savings in energy and use of finite resources re-manufacturing beverage containers.
- 92% of the South Australian community support CDL (EPA 1992)
- Supports SME's employing approximately 1200 in the resource recovery sector.
- Provides significant social benefits supporting sports and charitable groups
- Provides a user pays, polluter pays consumer principle

6.

Proportion of Current CDL Litter Items in Total Litter Stream

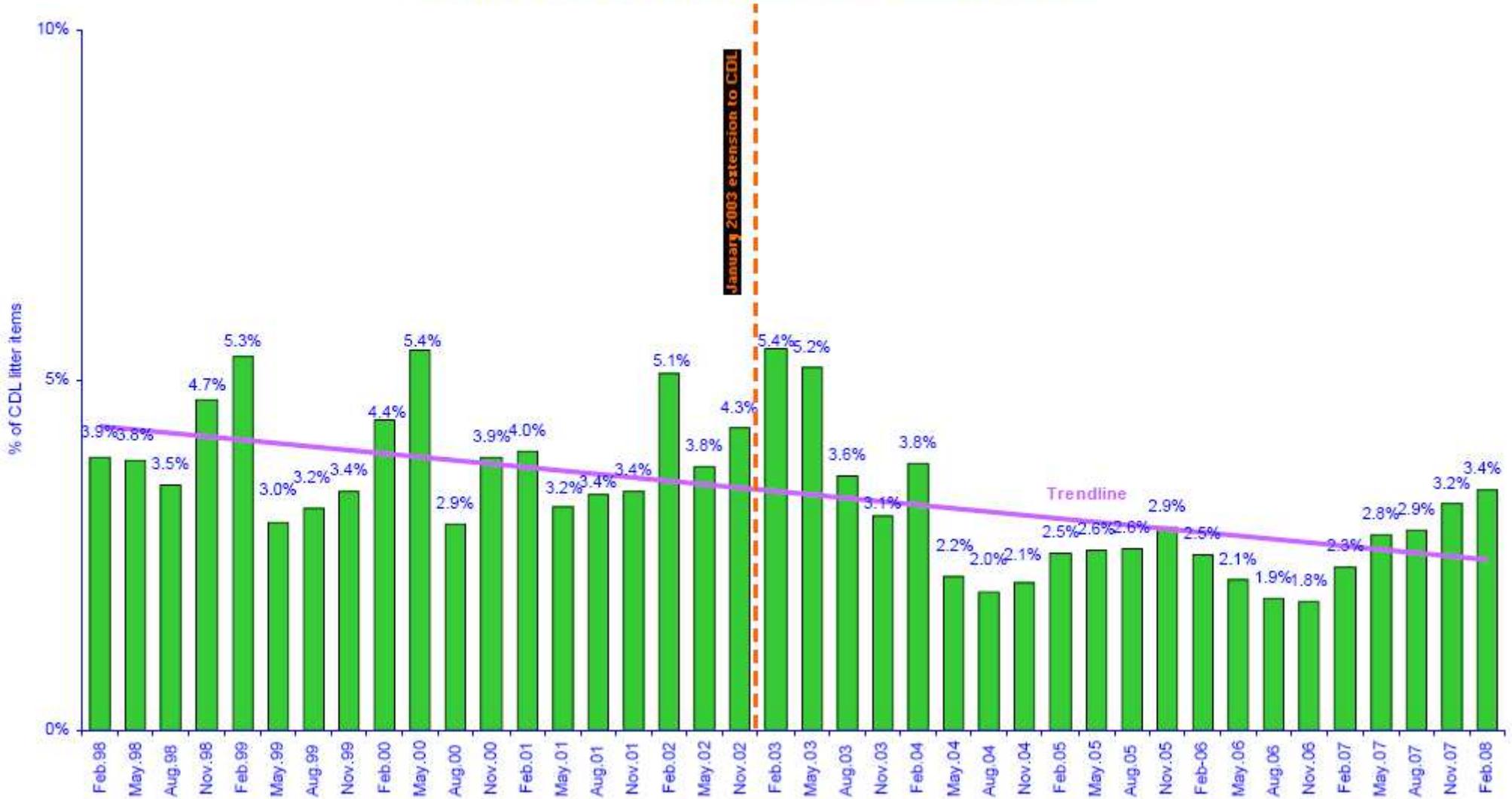


Fig. 2 Wave 40 Feb 2008 Litter Count Trend Analysis

In 2003 CDL was expanded in South Australia to embrace a number of additional beverage containers and “new age” brands which had evolved since the legislation was originally introduced.

CDL beverage containers in the litter stream reduced by a further average of 50% (5.4% > 2.3%) following the extension.

In February 2008 the South Australian Government announced the deposit would increase from 5c to 10c.

7. Inquiry into the management of Australia’s waste streams

The Inquiry into the Management of Australia’s waste streams Terms of Reference (a – f) covers a plethora of issues including trends, effectiveness, economics, consumer engagement and policy impacting on current or proposed strategies to manage waste streams.

This KESAB submission responds to Terms of Reference part f., “Consideration of the Drink Container Recycling Bill 2008”.

KESAB’s premise to supporting a proactive approach to consumer recycling through an instrument such as The Drink Container Recycling Bill 2008 is that Australia must achieve improved consumer, commercial and industrial resource recovery performance.

The current voluntary approach is underachieving and delaying the inevitable need to implement stronger measures to engage both industry and consumers in joint resource recovery initiatives.

The Drink Container Recycling Bill 2008 will benefit Australian by:

- Affirming stronger commitment to waste management embracing all stakeholders
- Implementing a national policy ensuring improved and consistent consumer based recycling strategies
- Providing incentive and strategy supporting Extended Producer Responsibility strategies
- Determining a longer term ethos on how Australia “values” the environment and applying the principle of real cost against current waste disposal economics
- Broadening the potential base for more effective waste recovery initiatives eg; E waste, mobile phones, batteries, tyres, household white goods
- Delivering structured litter and waste reduction education through community engagement and government leadership
- Replacing the current ad hoc approach to container recycling delivered by industry in States other than South Australia
- Strengthening measures underpinning performance outcomes of the National Packaging Covenant and other voluntary resource recovery measures
- Support stronger enforcement as a littering deterrent
- Diverting waste from landfill through improved recycling rates.
- Reduced litter management and clean up costs associated with littering (Fig.3 KESAB Litter Counts)

PROPORTION OF TOTAL LITTER ITEMS COUNTED WITHIN SITE TYPE

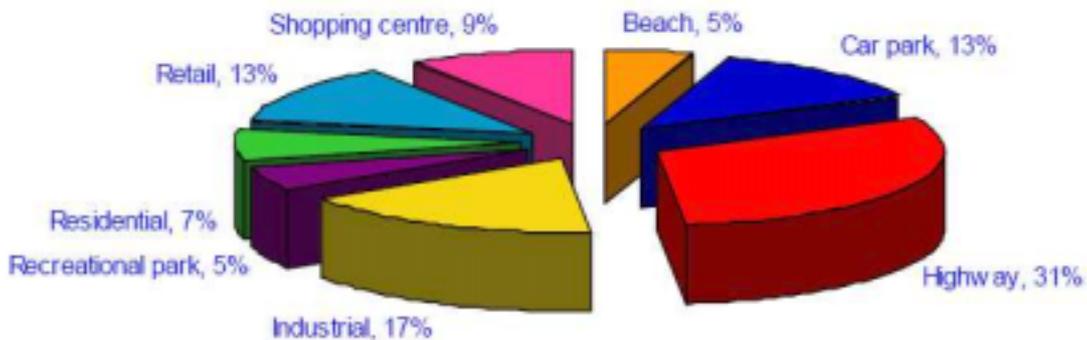


Fig. 3 Wave 40 Feb 2008 KESAB Litter Count Site Type

8. Drink Container Recycling Bill (DCRB)2008

The development of a beverage container product stewardship process under the framework of an Act of the Commonwealth of Australia “Drink Container Recycling Bill 2008” is supported by KESAB.

The KESAB submission makes the following observations in reference to a national DCRB approach.

1. KESAB believes the beverage manufacturing industry will strongly argue against any form of regulatory or CDL approach based on the economics of such a system ultimately adding to the cost of beverages to consumers, and that industry can achieve better outcomes under a voluntary scheme.
2. CDL or a proposed DCRB is a true user / polluter pays approach.
3. Whilst there have been numerous stakeholder reports commissioned on CDL with various findings, the fact remains the South Australian model is effectively supported by the community, achieves the highest recycling return rates, and less litter in Australia.
4. Numerous economic evaluations fail to recognise the value adding benefits of CDL in reports.
5. Alternative industry based and funded schemes (Cash a Can, public place recycling) in States and Territories other than South Australia have invariably resulted in poor outcomes compared to a CDL system and not proved sustainable.

6. The argument vented by industry that household curbside waste collection cannot exist and/or work alongside a CDL recycling system is spurious. South Australia has both systems and collectively achieves the highest return rates in Australia
7. CDL ensures a broader base of beverage container recovery participants eg; householders community, hospitality industry, clubs, charities.
8. Resource recovery directly attributed to CDL impacts positively through recycling depots in South Australia receiving significant amounts of non CDL items eg, metals, wine bottles, cardboard, paper, batteries, mixed plastics etc.
9. Outcomes of processing beverage containers in South Australia result in a cleaner product (less contamination) and therefore higher market prices when sold for re-processing.
10. Recycling depots provide an employment base for the local community

9. Operating a National CDL System

The structure and implementation of a national beverage container deposit system provides a template for an Extended Producer Responsibility model providing for recovery of a wide range of consumer products in the future.

It is imperative that key structural and operational criteria be built into a rigorous DCRB model ensuring consumer acceptance and simplicity, backed by monitoring and protection measures.

Opponents of CDL will argue the methodology operating in South Australia does not work and cannot be applied to other States.

It is agreed that after 30 years of operation there are operative aspects in the SA system that do need to be reviewed.

This should be cited as positive and progressive in the context that the principle of beverage container collection and recycling can be applied, albeit whatever system is implemented, needs to address local peculiarities without impeding overall outcomes ie; resource recovery.

There must be consideration of current versus emerging structure as a matter of course in the evolution of increased resource recovery and better management of Australia's waste streams.

10. Recommendations

KESAB recommends the following criteria be embraced in the structure and implementation process supporting the proposed Drink Container Recycling Bill 2008

- There is consistency of DCRB implementation and operation in all States and Territories with consideration given to any current Legislation/Bills in place.
- That the level of deposit be based on a single tier of deposit on all beverage containers under the Bill
- The level of deposit be 10c per container up to 3 litres
- The Legislation enshrines the need for a network of contemporary beverage container collection agencies and redemption options (vending machines) be available to consumers
- That the management of the proposed DCRB system including redeemed deposits and handling fees etc to be vested with a skilled and independent DCRB Steering Group
- That the beverage industry and recycling processors be required to implement an audit process detailing all sales, return rates, handling fees, deposit redemptions and unredeemed deposits annually
- That unredeemed deposits be utilised to underpin recycling education and community environmental initiatives through a protected Grants Fund or similar instrument
- The minimum “split” for processing recycled beverage containers be articulated in the Bill and regularly monitored and audited.
- That there is flexibility to implement redemption of deposits by consumers through either per unit or weight based payout.
- That a Schedule of beverage containers and material types be implemented to monitor changes and trends in manufacturing and sales.
- That the DCRB clearly prescribe any proposed beverage container or industry sector exemptions.
- That the provisions of the Bill be reviewed every 5 years to address change of product in the market place and impact of CPI on deposit level.

11. CDL South Australia 2008



PET beverage bottles delivered in bulk to Statewide Recycling Centre SA