



16 June 2008

Ms Jane Thompson  
The Committee Secretary  
Senate Standing Committee on Environment, Communications and the Arts  
Department of the Senate  
PO Box 6100,  
Parliament House  
Canberra ACT 2600

Dear Ms Thompson,

As per your request, the Australian Beverages Council is pleased to provide the following comments to the Senate Inquiry into the management of Australia's waste streams and the Drink Container Recycling Bill 2008.

These comments are also lodged on behalf of the Australasian Bottled Water Institute Inc. (ABWI).

Attached as Appendix "A" is a list of members of the two organisations. You will note in Appendix A that, there are common members between the two organisations and an overlap of membership, especially as it relates to major beverage bottlers with the Australian Food & Grocery Council (AFGC).

The AFGC's Packaging Stewardship Forum is specifically tasked and resourced to deal with the issue of container recycling and any other associated proposed legislation and/or regulation. As such we wish to register both the Australian Beverages Council's & ABWI's support for the submission lodged by the AFGC with the Committee on 23 May 2008.

### **Container Deposit Legislation**

At the outset and before addressing any other issue I wish to state categorically the Australian Beverage Council's and ABWI's universal opposition to a container deposit scheme.

The issue of legislated beverage container deposits has been addressed on numerous occasions over the past thirty years by State Government inquiries, Industry Assistance Commission inquiries, Industry Commission Inquiries and most recently a Productivity Commission Inquiry (2006).

Each inquiry found that any such proposed scheme would impose on consumers a disproportionate cost to any environmental benefit that may result from such an onerous regulation on the beverage manufacturing sector.

The Beverages Council and ABWI respectfully suggest that the current National Packaging Covenant already fulfills most of the objectives set out in the Bill as detailed in the AFGC submission and at a lower cost to the consumer and industry.

## **Bottled Water & the Environment**

Rather than duplicate the comments of the AFGC, the Australian Beverages Council and ABWI believe it appropriate to address some of the incorrect and negative claims about bottled water being generated by the media and some Australian NGOs, which may potentially mislead the Committee.

One of the new “myths” being perpetrated is that the growth of the bottled water industry causes environmental damage as it replaces consumption of tap water.

Bottled water is a commercial packaged beverage like any other beverage. Market research company AC Nielsen reports for the year ended 31 December 2007 that bottled water represented 9.6% of the Non-Alcoholic Ready to Drink beverage market. The actual amount of bottled water competing directly with tap water although not formally measured is estimated by beverage companies to be small.

A recent study by Professor Linda Tapsell (University Of Wollongong) and Dr. Gina Levy published in the December 2007 issue of the Australian Journal of Nutrition and Dietetics, clearly outlines that the growth in the bottled water and diet soft drinks markets have in equal proportion replaced the equivalent of 330 million cans of sugar sweetened soft drinks per annum over the past seven years. Given the expressed concerns of both the Federal Government and State Governments about the increasing incidence of obesity, the growth in this industry should be applauded. A copy of this original research is attached as Appendix “B”.

Other factors to be noted are:

- The entire bottled water industry in Australia uses between than 0.01-0.015% of the total amount of groundwater withdrawn from Australia and New Zealand.
- Bottled water sold in coolers represents approximately 40% of the total bottled water market. Mostly found in commercial businesses, this product is provided in returnable and refillable containers, which can be refilled upwards of thirty times and recycled at the end of their economic life.
- The Australian bottled water industry is strong economically and low in carbon – the majority of Australian bottled water is bottled at source or transported from groundwater sources to bottling facilities around 100 Km away, and less than 5% of the bottled water consumed in Australia is sourced overseas.

## **PET Bottles used for bottled water**

PET plastic bottles are lightweight and economically efficient containers that have markedly reduced the cost of transport and water usage in Australia. In 1994, Australian bottlers were the first in the world to package beverages using recycled material in PET bottles.

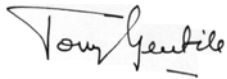
Facts about PET bottles in Australia:

- PET bottles, which include bottles for water, juice, soft drink, household condiments and cleansers, make up a tiny fraction of material going into landfill in Australia – less than 0.3%.
- Our packaging suppliers have advised that Australian bottlers have saved more than 60,000 tonnes of PET by “light weighting” PET bottles in the past four years - which means using less plastic.
- PET bottles are 100% recyclable. A 2006 Plastics and Chemicals Industries Association (PACIA) report shows that PET is recycled at more than double the rate of all plastics and while we can't separate out bottled water from other PET products, the Australian recycling rate of PET is around 37%.

- Australians voluntarily recycle around 70% of the beverage containers used at home. 90% of Australian homes have access to kerbside recycling operations and we have a world's best participation rate - 80% - in kerbside recycling.
- Australian Beverages Council members, through AFGC's Packaging Stewardship Forum, are active in sponsoring recycling initiatives in major public places and at events, with the aim of providing facilities for people to recycle containers when they are away from home.

In conclusion, we reiterate the AFGC's comments that "to implement an isolated and inefficient policy such as CDL would be duplicative and a costly impost on companies that are already improving recovery and recycling of packaged waste within an agreed co-regulatory mechanism"..

Yours sincerely,

A handwritten signature in black ink that reads "Tony Gentile". The signature is written in a cursive style with a horizontal line underneath the name.

Tony Gentile  
Chief Executive

**Australian Beverages Council Ltd**

ABN Amro Australia  
Affiliated Lion Pty Ltd  
Air Liquide Australia Limited  
Alchemy Cordial Company  
Alpine Beverages Pty Ltd  
Aluminium Can Group  
AMCOR Australasia  
Australian Beverages Enterprises Co-op Society Ltd  
Aygee Gippsland Pty Ltd  
Bayer Australia Pty Ltd  
Beaudesert Soft Drinks Pty Ltd  
Bertshell Pty Ltd  
Bevco Pty Ltd  
Bickfords Australia Pty Ltd  
BOC Limited  
Brooke-Taylor & Co  
Bundaberg Brewed Drinks Pty Ltd  
Bundaberg Sugar Ltd  
Cantarella Bros Pty Ltd  
Cascade Brewery Co. Pty Ltd  
CHR Hansen  
Coca-Cola South Pacific  
    Coca-Cola Amatil (Australia)  
Cooks Soft Drinks Pty Ltd  
Cormack packaging Pty Ltd  
Crestbrook Mountain Springs Pty Ltd  
Ecolab Pty Ltd  
Firmenich Ltd  
Fosters Australia  
Fruco Beverages (Australia) Pty Ltd  
Functional Packaging Solutions Pty Ltd  
Givaudan Australia Pty Ltd  
Golden Circle Ltd  
Island 2 Island Beverage Company Pty Ltd  
Hopes Goulburn Cordials Pty Ltd  
International Flavours & Fragrances (Aust) Pty Ltd  
IQ Beverages Pty Ltd  
Jolt Corporation Australia Pty Ltd  
Juicy Isle Pty Ltd  
Kerry Ingredients  
KHS Pacific Pty Ltd  
Lillyman Bris Pty Ltd (Moree)  
Macquarie Bank Limited  
Mandurah Australia Pty Ltd  
Manildra Harwood Sugars Pty Ltd  
Mastertaste – A Kerry Group of Companies  
Matthews Australasia Pty Ltd  
MeadWestVaco Pty Ltd  
Pakval Pty Ltd  
P&N Beverages Australia Pty Ltd

Pathway International Pty Ltd  
PepsiCo Australia Holdings Pty Ltd

PET Technologies Ltd  
Quirks Australia Pty Ltd  
Red Bull Australia Pty Ltd  
Roxset Australia Pty Ltd  
Sanden International (Australia) Pty Ltd  
Saxby's Soft Drinks Pty Ltd  
Scholle Industries Pty Ltd  
Schweppes Australia  
Sensient Technologies Australia Pty Ltd  
Sopura Australia Pty Ltd  
Sugar Australia Pty Ltd  
Symrise Pty Ltd  
Tate & Lyle ANZ Pty Ltd  
The Le Mac Australia Group  
The NutraSweet Company Pty Ltd  
The Product Makers (Australia) Pty Ltd  
Unilever Australasia  
VIP Packaging  
Visy Industries

**Australasian Bottled Water Institute Inc.**

Alpine Beverages Pty Ltd  
Amec Plastics Pty Ltd  
AQUA Cooler Pty Ltd  
Aquafill Pty Ltd  
Aquaqueen Australian Spring Water Pty Ltd  
Aquatek Products Pty Ltd  
Aquaterra Corporation  
Bertshell Pty Ltd  
Bevco Pty Ltd  
Bevtech Consulting  
Big Springs Riverina  
Big Wet Natural Spring Water  
Black hill Pty Ltd  
Blue Mountains Natural Spring Water  
Brickwood Holdings Pty Ltd  
Coastal Springs Pty Ltd  
Coca-Cola Amatil (Australia) Pty Ltd  
Cool Aqua Springs Pty Ltd  
Cooroy Mountain Natural Spring Water Pty Ltd  
Cormack Packaging Division  
Correct Food Systems Pty Ltd  
Cuno Pacific Pty Ltd  
East Coast Beverages Pty Ltd  
Ed Ten Water (Fiji)  
Eddie Hin Beverages Ltd (Fiji)  
Elkay Pacific Rim (Malaysia)  
Fosters Australia  
Fresh Springs (Fiji) Ltd  
Full View Water Pty Ltd  
Frucor Beverages (Australia) Pty Ltd

HBM Plastics & Packaging Technologies Pty Ltd  
Hexton Mineral Water  
Huhtamaki Australia Pty Ltd

Appendix A

Idexx Laboratories Pty Ltd  
JNI Pallets Systems Pty Ltd  
Just Water (New Zealand)  
Larglen Pty Ltd  
Lithgow Valley Springs Pty Ltd  
Lloyds register Quality Assurance  
Mead International Ltd  
Millipore Australia Pty Ltd  
Mountain Springwater Company Ltd  
National Measurement Institute  
NCS International  
Neverfail Springwater Pty Ltd  
New England Print Pty Ltd  
New Zealand Quality Waters  
PALL Australia  
Pearl Group Pty Ltd  
Pleass Beverage & Packaging (Fiji)  
Portola Packaging ANZ Ltd  
Puro Filter Company  
Quality Assurance International LLC  
Schweppes Australia  
Scholle Industries Pty Ltd  
Splatt Engineering Group Pty Ltd  
Springwater Beverages Pty Ltd  
Tasmanian Natural Water Pty Ltd  
TCL Hoffman  
The Cape Grim Water Company Pty Ltd  
The Spring Waterman Pty Ltd  
TQ-Plus Solutions Pty Ltd  
Visy Beverages  
Waterfarms Australia Pty Ltd  
Waterworks Australia Pty Ltd  
Wetfix Pty Ltd  
Wilchris Pty Ltd  
Woodbine Park Operations Pty Ltd