

COMMON POSITION PAPER

Boosting Australia’s economy while protecting its environment, through the roll out of a nationwide container deposit system



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A position paper on the positive effects of beverage container deposit legislation and how it can be simply and effectively implemented.

Introduction

The federal and state governments of Australia are considering new packaging policies, including for beverage containers, to combat litter and to improve recycling; and will be making a decision in 2013.

We represent a range of major companies that operate in this space internationally on a daily basis. These include:

REMONDIS (www.remondis.com) – one of the world's largest environmental service companies with a turnover of € 6 billion (approx. AUD 7.7 billion), it is the leading player in Germany and is also among the top five Australian waste disposal and recycling companies, represented by its subsidiary REMONDIS Australia (which includes former Thiess Waste Management) and its sister company Rhenus (www.rhenus.com), with a turnover of € 3.5 billion (approx. AUD 4.2 billion)

REMONDIS and Rhenus are part of the Rethmann Group and successfully service and manage the extensive container deposit system in Germany.

TOMRA (www.tomra.com) – a global leader in recycling and resource efficiency technology covering areas such as container recycling, food sorting and mining, with annual sales of € 600 million (approx. AUD 750 million), represented in the Australian market by its distributor Revive Recycling,

Envipco (www.envipco.com) – a major international reverse vending and sorting technology provider with annual sales of USD 68 million (approx. AUD 67 million), represented in Australia by its distributor Envirobank.

The Road Ahead

Our companies are global leaders in the resource recovery value chain – from collection technology and operations, through system management and logistics, to reprocessing. We offer particular expertise in deposit system technology, deposit clearinghouse operations and closed loop recycling. We work with container deposit systems (CDS) around the world and were pleased to learn that such a system is one of the primary options being considered for Australia.

Community support for CDS is consistently high. Latest Newspolls indicate over 80% of the Australian population support a CDS and the environmental and social benefits of CDS are well known. These include international best practice recycling rates, premium recycling material quality, improvements in broad sustainability measures such as reduced energy consumption and CO₂ emissions, closed loop reprocessing for avoidance of virgin material production, significantly reduced litter, and opportunities for community group fund-raising.

What is less well known are the very significant inward investment opportunities and economic benefits that result from a well-designed, modern CDS. These include:

- **Large-scale job creation.** Based on our assessment between 3,000 and 3,500 jobs will be created. These comprise skilled technical and service jobs as well as blue-collar jobs e.g. in convenience return points, in financial clearing and management, in logistics, and in expanded sorting facilities, reprocessing and manufacturing facilities etc. This will contribute to shore up local manufacturing and reduce unemployment across the nation, including in regional, rural areas.
- **The additional value** created by the separate collection and recycling streams of glass, plastic and metals, is conservatively estimated to be **around 120 to 140 million AUD annually**. New business infrastructure will help underpin the recovery of other major wasted resource streams, and a help create a resilient circular economy in which new local reprocessing reduces virgin material use and generates export opportunities. The unique quantity and quality of material coming from CDS will stimulate local recycling processes, support domestic packaging companies / fillers by reducing their dependency on Asian imports, and save landfill space and costs.
- **A network of automated and manual return locations** which in many cases will help service other problem waste / resource streams also. These include
 - **Approximately 1,400 convenience points** all over Australia providing convenient return possibilities for consumers in the proximity of large supermarkets.
 - **A network of approximately 200-250 hubs** which will serve the commercial and industrial sector, and aggregate material for freight to reprocessors, and which **also serve as collection points for a wide variety of other valuable and problematic waste streams** from the public. Existing Materials Recovery Facilities will in most cases be well positioned to take on such a role and to use it to expand their businesses and income streams.

Existing deposit systems like South Australia's will be smoothly integrated and transitioned. We understand the Recyclers of South Australia are looking forward to these new business opportunities as well.

- **Initial investments into the Australian economy of some 400-500 mill AUD.** These investments are expected to be recouped through the receipt of handling fees, which in turn are funded by the material revenues generated from the secondary raw material and by the unredeemed deposits on the small proportion of containers not being returned.
- **The undersigned companies are ready to provide their global expertise and to contribute significant investments into Australia in order to set up an efficient, modern and low-cost deposit scheme and to leverage the additional domestic reprocessing and manufacturing opportunities it creates.**

Global Background on Deposit Schemes

- Deposit systems are a widely used and successful policy instrument in order to:
 - Recover quality input material for recyclers enabling bottle to bottle recycling
 - Save local authorities money
 - Achieve landfill reduction
 - Create new green jobs
 - Stop beverage container littering
 - Achieve high recycling rates
 - Change behaviour within society
 - Capture valuable resources
 - Improve environmental standards
- Deposit schemes operate successfully in more than 40 States and provinces all over the world. Almost every year additional systems are being introduced by legislators.
- Deposit systems are flexible. No two existing deposit systems are identical - local culture, industry structure and political objectives influence the system.
- All well-designed systems operate at very low (essentially insignificant) costs– the key drivers being efficiency in collection and transport and low cost automation. Some systems operate at a surplus and the more expensive ones operate at net costs of between 0 and 2 cents per container.
- All well-designed systems achieve collection rates in the 80-95% range.