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23rd July 2009

The Secretary
Senate Standing Committee on Environment, Communications and the Arts
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam,

**Environmental Protection (Beverage Container Deposit and Recovery Scheme) Bill**

We commend the general scope and intention of the proposed legislation however we contend that the initiative would have a greater impact if the deposit was considerably larger and was applied more broadly to a larger range of packaging and containers. The legislation should also provide for CPI adjustments to the deposit amount.

Some benefits of a larger deposit/refund include:

- Greater incentive for the community to engage in the scheme. Many community organisations may find that a 10 cent refund would not cover their costs of participation – once overheads such as administration costs, petrol, storage etc. were taken into account. If costs were greater than profits, the incentive to participate would understandably be reduced for many community groups.
- Encouraging manufacturers to be more responsible about where their product ends up, and to consider the amount and type of packaging used. Manufacturers should soon realise their discarded product; on show polluting our land, waterways and beaches, and being actively examined and collected by consumers of their product; will be seen for what it is - powerful negative advertising for their product.
- Provides a stronger signal that valuable and finite components have gone into the manufacture of these containers, and that the "rubbish" is a real resource and has a real value. This critical point is devalued by attaching a mere 10 cents to a very valuable resource.

**Discussion**

When bottle refund schemes first operated some decades ago, landfill volumes and shortages of water and oil (essential ingredients in glass, aluminium, paper and plastic manufacture) and their now exponential cost increases, were issues the community had not confronted. We were receiving 5 cents for bottle refunds in the 1960s and 70s at a time when the community had little idea of finite resources or that ever increasing resource consumption, especially of oil and water, would one day be identified as the driver of global warming. That day has now arrived.

Consequently, we contend that by current standards the proposed 10 cent deposit is a trivial amount, unlikely to be sufficient to necessarily trigger a desire to recycle. We suggest that $1 or at least 50 cents would be more likely to elicit long term compliance. We understand that there is considerable criticism from the business sector directed at

container deposit legislation[1], with strong lobby groups working against the introduction of such legislation in States and Territories other than South Australia[2]. This opposition appears to arise from a misguided view that the container is not part of a purchased product, thus is not the responsibility of the manufacturer or business that issues it to the customer. This is clearly not so when one considers the amount of product advertising that is usually produced on containers, at great expense to the business, and expressly to enhance the likelihood of their product being purchased. Furthermore, industry is required by legislation to provide substantial product descriptions, at least on sealed product containers. Clearly then, the primary purpose of the container/packaging is to assist the business to transfer its product and product information to the consumer. It is not credible for industry to argue that the container is not an integral part of the product and is not therefore wholly or largely their responsibility. Indeed, we suggest that if a consumer sustained an injury resulting from a faulty container or packaging, or an illness arising from its incorrect labelling, the relevant industry would be responsible for that illness or injury. Thus, in our view, their discarded packaging or container is inflicting injury on our environment and imposing cost on our economy.

Conversely, we note that in a number of Australian states, shopping trolleys (the "containers" we "borrow" from a business to move our shopping around) now attract a user deposit of $1 or $2. Whilst abandoned shopping trolleys certainly pose serious issues of amenity and wasted resources, the extent of the problem was not nearly as pernicious and pervasive as is litter from bottles, cans and other food containers. However, with relatively little resistance from the business sector, a deposit scheme for shopping trolleys has been widely accepted, setting a precedent for the introduction of a substantial deposit on other containers that a business uses to transfer its product to us and that we borrow from that business.

Whilst industry groups claim that the operating costs of a container deposit scheme would increase costs to consumers considerably[3], and would presumably vigorously resist a larger deposit, they offer little hard data to support their claim. We contend that for various reasons, a larger deposit on food and drink containers should not impact on the cost of operating the scheme *per se*. As well as reducing the costs to the community – of which industry is a part - of cleaning up litter, broader issues of energy and resource savings from recycling, especially aluminium, should actually reduce costs to industry, and should be promoted in any business and community education campaign to accompany the legislation. For example, recycling aluminium cans requires only 5% of the total energy to produce new cans from bauxite. Thus 20 recycled cans can be made using the same amount of energy to make one new can. For every tonne of aluminium recycled about 5 tonnes of bauxite is also conserved[4].

We also suggest the committee consider recommending the scheme be extended to include unsealed composite/paperboard/polystyrene style food and beverage containers used by various fast food chains, which currently make up a considerable amount of dumped rubbish; and possibly other types of sealed packaging, e.g. cereal boxes, beer and wine cartons (which could attract a refund amount per item or per kg). If we are serious about changing the mindset of the community and conserving and recycling valuable resources, our actions need to match the rhetoric.

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[1] Australian Food News. Food for Thought. '*AFGC disputes need for container deposit legislation'* February 26th 2009

http://www.ausfoodnews.com.au/2009/02/26/afgc-disputes-need-for-container-deposit-legislation.html

[2] Environment Protection Authority South Australia Consultancy report *Collection Industry Arrangements under Container Deposit Legislation* Page 19

[3] Ibid

[4] Planet Ark Recycle Fact sheet 2000

We therefore request that the committee recommend the scheme be broadened to include a more comprehensive range of food and beverage containers; that the deposit amount be increased to more accurate reflect “whole of life” costs of the container, and the environmental impacts of its production, distribution and collection once discarded; and that the deposit amount be indexed.

Yours sincerely,

Jenny Warfe
Secretary
Port Phillip Conservation Council Inc.