Recycling (Waste, etc.)

Cash for cans: MPs make video appeal

KIRSTY NEEDHAM STATE POLITICAL EDITOR

The NSW government MPs have appeared in a video urging their cabinet colleagues to vote for a 10 cent “cash for containers” scheme, in a final push to get the community recycling initiative approved despite industry opposition.

The Baird cabinet will meet on Monday to decide whether to introduce a container deposit scheme, which pollie has found has broad support, or a rival drinks industry proposal to hire more rubbish collectors and buy more bins.

If NSW gives the scheme a green light, the Queensland government is expected to adopt it, after participating in discussions as an “observer”.

National’s MP Ben Franklin, Liberal member for Coogee Bruce Notley-Smith and the Waverley mayor and Malcolm Turnbull staffer Sally Betts appear in the video made by the Boomerang Alliance that has been distributed to all NSW MPs.

Mr Baird made a 2015 election pledge to introduce a CDS scheme by 2017 and to cut litter by 40 per cent by 2020.

But cabinet will choose one of two models. The first is a container deposit scheme, designed by an advisory committee, that offers 10 cents for each drink container returned, covers 150ml to 1 litre containers, and collects containers at depots, reverse vending machines, kerbside recycling, or through a school or charity.

The second is an industry proposal that doesn’t offer a financial incentive to collect containers, but includes 100 reverse-vending machines, more bins, and gives community groups $300 to fill a trailer with rubbish.

A cost-benefit analysis has been prepared for each option, but only the CDS is believed to fulfil the election pledge.

Fairfax Media has previously revealed fierce lobbying against a CDS by the drinks industry involving a concerted campaign in 2014 to use federal political contacts to target individual NSW MPs.

The most recent ministerial diaries, published on Friday night, show Carlton and United Breweries met with Deputy Premier and Nationals leader Troy Grant on February 24, but did not disclose what was discussed.

A spokesman for the Australian Food and Grocery Council said the industry proposal was cost effective: “A traditional CDS targets 40 per cent of the litter problem at 28 times the cost.”

He said the industry proposal would “achieve the government’s litter-reduction target without adding unnecessary costs, complexity and red tape or undermining the very successful and convenient kerbside recycling system”.

But Local Government NSW president Keith Rhoades said councils, which operate kerbside recycling, instead supported a CDS.

“Councils spend hundreds of thousands of dollars a year picking up litter — money that would be far better invested in other community services. We see a 10 cent reward per container as a real incentive to return it for recycling, and that works in everyone’s favour,” he said.

Scouts NSW acting chief executive Rosalie Batiston said Scouts played a “vital role” in running CDS collection depots in South Australia and were ready to do the same in NSW.

The Reverend Andrew Williams, Synod General Secretary of the Uniting Church (NSW/ACT), said the broader community could benefit from a CDS.

“If we can turn every littered bottle or can into 10 cents to serve our community, then we’re really doing worthwhile work,” he said.

Jeff Angel, convener of the Boomerang Alliance of 85 environment groups, said it was time for the Baird government “to take a historic decision that will greatly benefit present and future generations”.

The Boomerang Alliance says it doesn’t want the drinks industry to run the CDS scheme.
Cash for cans decision a tipping point

KIRSTY NEEDHAM STATE POLITICAL EDITOR

Picking up discarded water bottles is about to get lucrative, with the NSW cabinet voting to adopt a 10c container deposit scheme to start in July next year.

Despite intense opposition from the drinks industry, the Baird government has chosen to support a community-backed recycling scheme for drinks containers, as it seeks to reduce litter by 40 per cent by 2020.

Schools, charity groups and scouting troops will also be winners, as the scheme opens a valuable fundraising avenue - or source of children's pocket money.

Ten cents will be paid for every drink container between 150ml and three litres, and displaying a NSW scheme label, when returned to a deposit or reverse vending machine.

Premier Mike Baird said the scheme was "the single largest initiative ever undertaken to reduce litter in NSW".

"Giving people a financial incentive to do the right thing and recycle drinks containers will help to significantly reduce the estimated 160 million drinks containers littered every year," he said.

Deputy Premier and Nationals leader Troy Grant said NSW regional towns had a tradition of volunteering and would benefit.

"This scheme will allow volunteers and sporting groups to raise much-needed funds to continue their great work in our communities," Mr Grant said.

The scheme will be funded by the drinks industry, which will be expected to fund the 10 cent refund and cover handling fees.

Environment Minister Mark Speakman said the scheme delivered a key election commitment to get bottles and cans off the beaches, roads and out of waterways.

Depots will range from large-scale to pop-up sites, and anyone returning a container is eligible for a refund.

Drinks that are mostly consumed at home and don't typically end up as litter, such as wine, milk and juice, won't be eligible for the scheme.

Drinks containers can still be thrown out through council-run kerbside collection schemes, in which case the householder won't receive a refund. Instead, the 10c deposit will be redeemed by councils which will use the funds raised to reduce the cost of waste collection for ratepayers.

In South Australia, $80 million was raised last year by charities and community groups collecting drinks containers in a similar scheme.

The cabinet decision follows an extensive consultation period, in which the drinks industry had been invited by Mr Baird to "get on board". But the beverage companies continued to oppose 10c deposits and instead proposed more rubbish bins.

In 2012, Coca-Cola Amatil, Schweppes and Lion Nathan took the Northern Territory government to the Federal Court in a bid to stop the introduction of a container deposit scheme.

The NT overcame the court ruling by gaining an exemption from a federal law that states products can be sold in any jurisdiction without special labelling.

The decision by NSW is likely to be a tipping point for the introduction of similar schemes across Australia, with Queensland and the ACT previously stating they would join up if NSW adopted the measure.

Government insiders said the beverage companies would be better off lobbying for consistency between state container deposit schemes and labelling, instead of opposing a litter reduction scheme that is popular with voters.

Fairfax Media revealed last year that Carlton and United, Lion and Coca-Cola had colluded in a secret plan to attack the Baird government's proposal to introduce a CDS.
Recycling (Waste, etc.)

‘Cash for cans’ scheme to take out fizz

Sue Mitchell

A NSW government plan to cut litter by imposing a small deposit on drinks could dent sales of soft drinks, fruit juice and bottled water by almost 10 per cent. Under the container deposit scheme, which comes into effect in July 2017, commercial drink containers between 150 millilitres and three litres will be redeemable for 10c each at depots and reverse vending machines. The scheme will be paid for by beverage manufacturers, including Coca-Cola Amatil, Asahi/Schweppes, Carlton & United Beverages and Lion Co, which owns juice maker Berri. They plan to pass the cost of the 10c deposit and the cost of administering the scheme onto consumers by raising prices by between 15c and 20c per container.

Australian Beverages Council chief executive Geoff Parker said the impact on beverage volumes had yet to be determined and would vary category by category. However, he agreed with US figures suggesting that demand could fall by 22 per cent for every 10c per cent price rise. "It will have an impact at the checkout," Mr Parker said.

"Once you start getting into multiples it starts getting quite significant, whether it's a six-pack of beer or a 30-pack of [soft drink] cans," he said. "That has a real impact on household shopping budgets."

Sales of bottled water, which have been growing faster than carbonated soft drinks and juice for years, are likely to be hardest hit because it is considered a premium, discretionary purchase. "It gets down to price inelasticity," Mr Parker said.

Can recycling to reduce litter ‘will come at a cost’

Beverage giant Coca-Cola Amatil has warned that a can and bottle recycling scheme to begin in NSW next year will cost consumers and industry, but conceded "we just need to move on" after a campaign against it failed.

Yesterday, Premier Mike Baird unveiled the scheme, which gives a 10c refund to consumers who return an eligible drink bottle or container to centres.

Cheered by environmental groups and the NSW Greens, he labelled the scheme an "attack on litter" that would "transform NSW". The scheme, applying to most drink containers between 150ml and 3 litres, would help hit NSW's target to reduce litter by 40 per cent by 2020, he said.

He admitted some beverages would cost at least 10c more.

Coca-Cola executive Jeff Maguire said the scheme was a cost to the system, and the more successful it was with consumers, "the more expensive it becomes", but he said the industry was ready to work with the minister and the Environment Protection Authority to create a low-cost system.

However, there are doubts whether Sydney's 260,000 unit dwellers will be motivated to take part if it means storing cans and containers inside, since consumers cannot crush containers as barcodes must be kept intact.

The Australian Food and Grocery Council said the industry was disappointed the government had adopted the scheme, pointing to duplication of waste and disposal infrastructure.

Total Environmental Centre's Jeff Angel said: "We look forward to entire coverage of Australia with container deposit schemes."

ELIZABETH COLMAN

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Australia's largest bottled water supplier, Coca-Cola Amatil, said it was assessing the implications of the NSW government's decision, which followed more than two years of intense lobbying by the beverage industry.

"Given the scheme will not be implemented for some time, there is no immediate impact for the company," Coca-Cola Amatil said. "CCA is working through the potential implications and once further details are known, will update the market as appropriate."

Retail analysts believe the price increase, albeit modest, is likely to lead to a fall in commercial beverage volumes, which are already under pressure from changing consumer preferences.

"This is a negative for all beverage suppliers," said Deutsche Bank analyst Michael Simotas. "If Amatil passes through all costs, there is likely to be a volume response."

The price elasticity of demand for carbonated soft drinks is the highest in the food and beverage sector and is estimated to be about 2.2 times, based on US research. This means that for every 10 c per cent price rise, demand would fall by 22 per cent.

"As such the scheme would likely impact heavily on volumes in an already weak category," Mr Simotas said.

Amatil said it was uncertain whether other states would consider introducing cash for cans schemes but noted that the Queensland and ACT governments had both previously indicated their interest in developing schemes similar to or aligned with NSW.

South Australia introduced a container deposit scheme in 1977 and the Northern Territory in 2011. Queensland is expected to follow NSW's lead in 2018.

The container deposit scheme is aimed at reducing litter volume in NSW by 40 per cent. According to the Environmental Protection Agency, about 160 million containers are littered in NSW each year, representing about 4 per cent of the estimated 4.2 billion drink containers consumed in the state last year.

Wine and spirits containers will be excluded from the scheme because they are mainly consumed at home.

The move comes despite the recycling industry being under growing pressure from low global commodity prices, which is making the economics of collecting paper, metal and plastic waste from households increasingly marginal.
Food Turning waste into energy

The secret life of fruit and veg

Lucy Cormack
Consumer affairs

Every night, as Sydney lies sleeping, a movement is under way. From midnight, the first of Sydney Markets' 5000 workers are ready to unload what will later become Sydney's breakfast, lunch and dinner.

Of the 2.5 million tonnes of produce to pass through the Flemington markets each year, there are 25,000 tonnes that will never make it to the plate.

Mould on one strawberry can spread throughout several punnets, watermelons smash during transportation, and a rotten tomato can infect an entire pallet. By 9am, produce that cannot be sold is stacked in piles around the Flemington site, awaiting collection.

These scraps will become part of a pungent food waste cocktail, creating enough biogas to power 247 homes and produce up to 1200 tonnes of fertiliser every year, in a closed-loop facility.

"This operation occurs seven days a week. We have a strategy in place," said Con Kapellos, Sydney Markets' environmental manager. "The strategy is to try to divert as many resources as we can out of the waste stream and recycle them as soon as possible."

The operations are an attempt to address the 4 million tonnes of food that end up in landfill each year.

In their goal to become "the greenest market in Australia", Sydney Markets paired with environmental solution organisation Veolia in 2005, collaborating on ways to handle delivery and collection, recycling and daily site clean-ups.

One of the most significant strategies has been sending waste to the Veolia Earthpower facility, where discarded fruits and vegetables are churned up to generate power to be put back into the grid. Earthpower general manager David Clark said the process still gives him "a buzz".

"The thought the raw energy of the food can be converted to biogas, which microbes eat ... and that goes to the wires ... and that generates and creates electricity," he said.

The "innovative" process of pulping food to create energy is "so similar" to the digestive system of a cow, he said.

"When people look at food waste they say, I didn't know there was so much energy in it. That's why we eat food isn't it? We eat breakfast and get that energy ... It's exactly the same as the microbes."

The $50 million facility also takes waste from various cafes and restaurants, Coles and Woolworths.

Australia's first perishable food rescue organisation OzHarvest began in 2004. Since its inception it has delivered more than 46 million meals to people in need, the equivalent of 16 million kilos of food. OzHarvest spokeswoman Louise Tran said more needed to be done to make consumers aware of the "startling statistics". "Approximately $1036 of food is wasted on average in each household per year, when you add it all up that's $8 billion of food waste in Australia," she said.