



Advocating for the people of Western Sydney

SUBMISSION:

NSW Container Deposit Scheme: Discussion Paper Review

February 2016

Representing the councils of Western Sydney

About Western Sydney councils

The Western Sydney Regional Organisation of Councils (WSROC), representing ten councils in Western Sydney, has reviewed the discussion paper. WSROC represents the councils of Auburn City Council, Blacktown City Council, Blue Mountains City Council, Fairfield City Council, Hawkesbury City Council, Holroyd City Council, Liverpool City Council, Parramatta City Council, Penrith City Council and The Hills Shire Council.

The Western Sydney region sits at the forefront of Sydney's future challenges and opportunities. Formed in 1973, WSROC represents Western Sydney councils and provides a strong voice for the residents of Western Sydney to improve quality of life. Over the past 40 years it has developed a strong history of fearless advocacy on behalf of the needs of its councils and residents, especially in the key areas of economic and social development, job creation, transport and infrastructure, planning, health and the environment, and has proven itself a reliable partner in intergovernmental relations, strategic planning, and coordinating joint projects, procurement and services.

These 10 participating councils represent a significant geographical portion of the Sydney metropolitan region, covering over 5000 square kilometres and containing a mix of regional centres and large cities. Western Sydney stretches from the heavily urbanised, multicultural areas of Auburn and Parramatta in the east, to the greenfield growth centres around The Hills, Blacktown and Liverpool, the semi-rural areas of Hawkesbury and the World Heritage listed areas of the Blue Mountains.

Our region has a population of just over 1,600,000 with approximately 20 per cent of the region's population living in the Blacktown LGA. Together the six councils of The Hills, Blacktown, Fairfield, Liverpool, Parramatta and Penrith represent 80 per cent of the region's total population. The least densely populated local government area (LGA) is Hawkesbury, which has the largest area (2,776 km²) and the smallest population (64,000). The region is experiencing rapid change and development, and the *Draft Metropolitan Strategy for Sydney* forecasts 70% of Sydney's population growth by 2031 to be in Western Sydney.

WSROC works closely with various government agencies on a range of regional initiatives including the planning reform process, and the development of a climate change resilience strategy and to deliver projects on the ground including regional waste programs, environmental education and carbon reduction initiatives.

Western Sydney Regional Waste Strategy

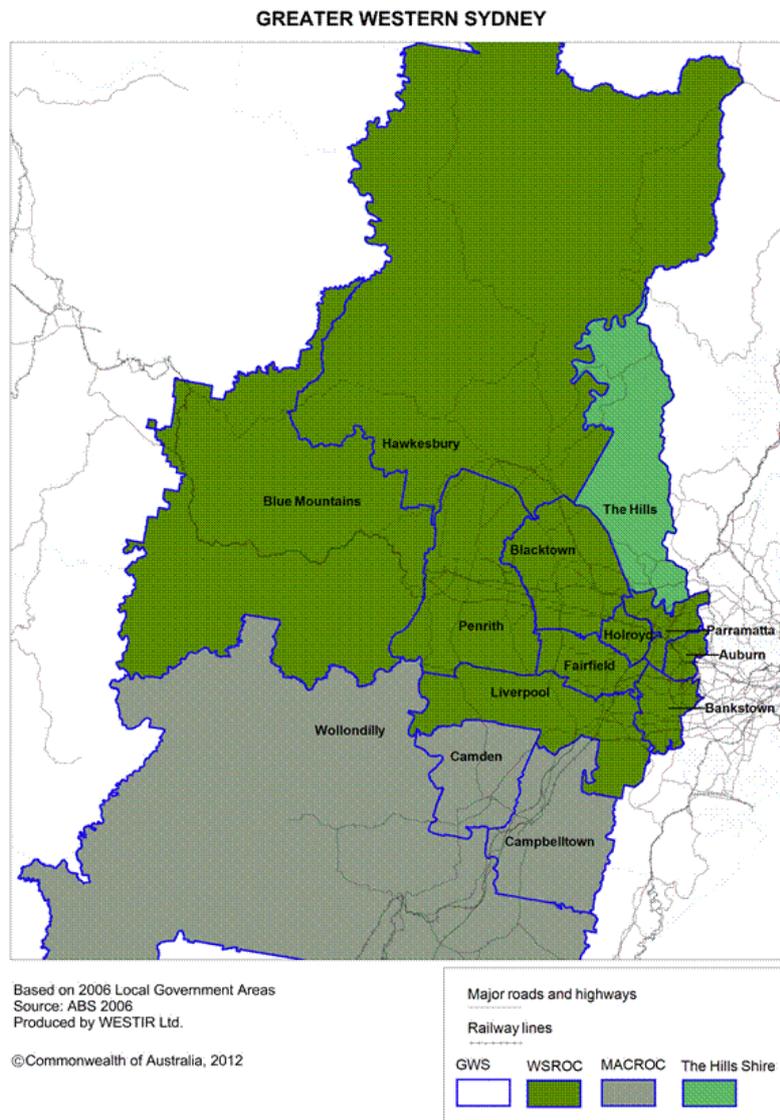
In 2014, the NSW Environment Protection Authority (EPA) supported WSROC, with funding from the waste levy, to develop the *Western Sydney Regional Waste Avoidance and Resource Recovery Strategy 2014-2017* in accordance with the *NSW Waste Avoidance and Resource Recovery (WARR) Strategy 2014-21*.

The Regional Waste Strategy outlines future directions for resource recovery practices across Western Sydney, and explores options for addressing waste management challenges faced by councils in the region. The Strategy and its actions focus on increasing recycling, reducing waste to landfill, and combatting illegal dumping and littering across Western Sydney. As this region sits at the forefront of Sydney's future challenges and opportunities, these strategies ensure Western Sydney's future direction maximises waste avoidance and resource recovery outcomes for the significant and growing population of the region.

By working together, councils are committed to improving regional cooperation and identifying opportunities to improve recycling and resource recovery practices across the region.

As part of this regional waste initiative, this WSROC submission seeks to ensure that the impending CDS will be developed with a triple bottom line approach to sustainability for the benefit of the communities we represent, and does not negatively impact on the ability of our councils to provide waste services to their communities.

Figure 1: Map of Greater Western Sydney region



Executive Summary

The NSW Government has committed to the introduction of a NSW Container Deposit Scheme (CDS) that will help the state achieve its target to reduce the volume of litter in NSW by 40% by 2020.

Western Sydney councils have similar targets via the *Western Sydney Regional Waste Avoidance and Resource Recovery Strategy* and are committed to achieving this reduction in litter. Litter has a strong negative impact on the community, and therefore, few organisations invest as heavily into litter management as local government with over \$162 million spent across NSW last year. Western Sydney councils alone spent in excess of \$9.35 million dollars on litter in 2014/15¹.

WSROC supports the adoption of a CDS that would help to reduce litter, and the burden on local government associated with managing it. Therefore, we support a Refund CDS that is based on an Extended Producer Responsibility (EPR) framework. EPR promotes the integration of environmental costs associated with goods throughout their life cycles into the market price of the products. By placing a deposit value on beverage containers, an incentive is created that promotes recycling of the product, as opposed to littering.

The scheme should begin with a financial incentive of \$0.10 per container, consistent with South Australia and Northern Territory. It should be in the form of cash or electronic cash which has higher success rates in existing CDS systems, due to its universal appeal. A broader scope of containers has many benefits and therefore, the scope should include containers up to 3 litres and wine bottles, but exclude milk and juice containers over 1 litre. NSW also has the opportunity to be progressive and should consider how the scheme can be used to target major litter items such as coffee cups and cigarette butts.

Local government should be able to claim deposits on materials collected via the kerbside system, and a simple method for this calculation would be preferred to minimise costs to local government. By law, the domestic waste management charge to rate payers, is consistent with the costs to council for providing domestic waste services (which includes kerbside waste, bulky waste, litter and illegal dumping management). Bulk redemptions by local government enables the whole community to participate, even if householders choose not to individually redeem the deposit.

The impact of the scheme on household kerbside recycling is unknown as it depends on participation rates. Councils will need support and legal advice for existing contracts which may be subject to significant financial penalties if variations are required as a result of CDS. New contracts developed once the impacts are better understood, may benefit from the scheme.

CDS will need to consider how to reduce barriers such as the location of infrastructure, confusion around scope of materials and refund redemption processes, amongst other barriers to achieve good participation rates to ensure the scheme's success. The provision of collection infrastructure by local government should not be mandatory. .

The NSW Government will play an important role in regulating the system, ensuring transparency, and keeping the beverage industry accountable to the CDS targets. Councils will need support from the state government to minimise negative cost implications to local government and to encourage community participation in the scheme.

¹ WSROC Regional Litter Baseline Study (in progress)

“Our container deposit scheme will complement, rather than compete with, our existing kerbside recycling system and help the government achieve our ambitious litter reduction and recycling targets.”

NSW Premier, the Hon. Mike Baird MP

Introduction

Litter in Western Sydney

The NSW Government has committed to the introduction of a NSW Container Deposit Scheme (CDS) that will help the state achieve its target to reduce the volume of litter in NSW by 40% by 2020. The NSW WARR Strategy also sets targets to: increase recycling to 70% and; divert 75% of waste from landfill by 2021.

Local governments across NSW have demonstrated their commitment to achieving this goal through adoption of litter targets through regional waste strategies. WSROC and its councils are undertaking various actions to make progress towards these targets and welcome supporting systems and resources to realise these goals.

To better understand the extent of the region’s litter problem, WSROC recently undertook a study to identify the various activities its councils engage in to manage litter. The range of litter management activities include regular street sweeping, support for volunteer clean-up programs, litter penalty enforcement, education and behaviour change programs, and provision and servicing of public place litter bins, among others.

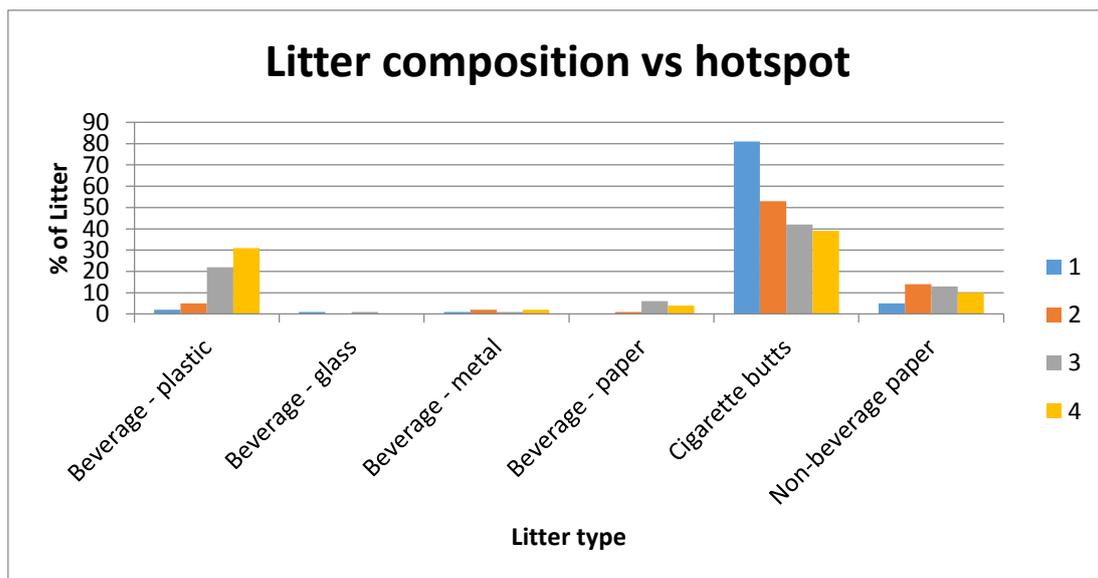
Data collected from western Sydney councils revealed in excess of \$9.35 million dollars was spent by councils on litter in 2014/15. Individual council expenditure was as high as \$2.12 million for a single council with the majority of this expenditure going towards clean-up and infrastructure. Whilst a few councils have proactive prevention and deterrence programs, there are limited resources that can be allocated to this in addition to other litter management activities. In general, approximately 95% of council resources used for litter are for litter management, with only 5% on prevention².

Over 1700 litter-related infringements were issued across the WSROC region in 2014-15. A regional analysis of council litter data showed that common hotspots for litter are shopping strips, parks and recreation areas, creek banks and waterways, roadsides, and places close to fast food eateries.

In terms of litter composition, local litter checks conducted at four litter hotspots (each in a different LGA), showed that by far, cigarette butts were the most common litter type, and made up as much as 81% of the total litter count. Non-beverage paper was consistently the second most littered item, followed by plastic beverage containers, and other beverage containers, as shown in Figure 2 below.

² Clean Up Australia cigarette brochure April 2009, Clean Up Australia

Figure 2: Litter composition vs hotspot (Source: Council Local Litter Checks)



For all ten councils, community activity in clean-up programs has primarily been through volunteer participation in Clean Up Australia Day. In 2014, participation across the region resulted in approximately 845 garbage bags full of litter being collected. All types of beverage containers were found across the range of sites, with only glass bottles not present in school clean-up sites (due to glass bottles not being sold by the canteen).³

Apart from Clean Up Australia Day participation, there are very few litter reduction initiatives undertaken by the community with only 6 projects in the entire region from 2013-2015.

Container Deposit Scheme and Extended Producer Responsibility

The act of littering is a complex human behaviour and extensive research shows that it is committed by all types of people, although almost all would say “it’s someone else”⁴. As the presence of litter has a negative bearing on the community, the responsibility of collecting litter and ensuring its proper waste management has defaulted to local government, instead of the offending individuals.

WSROC supports the introduction of a CDS in NSW that is based on an Extended Producer Responsibility (EPR) framework, that is, Option 1: Refund CDS.

An EPR scheme is defined in the WARR Act (15) as one in which “producers’ responsibilities for a product (including physical or financial responsibility) are extended to the post-consumer stage of the products’ life cycle”⁵.

³ Clean Up Australia Day participation data (2013-15) for WSROC

⁴ Spehr, K. & Curnow, R. (2015). *Litterology – Understanding Littering and the Secrets to Clean Public Places*. Frankston, Victoria: Environment Books.

⁵ *Waste Avoidance and Resource Recovery Act 2001* (NSW) s 15.

The objective, therefore, is to promote the integration of environmental costs associated with goods throughout their life cycles into the market price of the products, which subsequently influence litter and resource recovery rates.

This approach internalises the cost of recycling within the product price, and shifts responsibility of these costs away from local government, which has traditionally absorbed most of these costs within household waste management services. The costs of council domestic waste management services are funded by rate payers via a domestic waste management charge for each household service, rather than by the user of the product as a Refund CDS would facilitate.

Historically, rate payers and local government have borne much of the cost for household recycling and community litter reduction. Litter that is generated ‘away from home’, which the scheme intends to target, is a prime example of waste management costs (e.g. litter bin and clean-up servicing and processing costs) borne by one community that is not necessarily generated by the same community.

NSW has been a progressive state by being the first state or territory to establish EPR policy (introduced in the Waste Avoidance and Resource Recovery (WARR) Act 2001) and aims to have the lowest litter count per capita in Australia⁶. Currently, other states and territories are looking to NSW for leadership to deliver a “world’s best” scheme and inspire the rest of the nation to follow suit, once convinced of its success. A badly-designed scheme that is not successful, however, would have the opposite effect and become a missed opportunity for NSW as well as other states and territories that witness its failure.

It is therefore, imperative that a Refund CDS is designed to succeed, and in this submission we outline the various considerations that local governments in Western Sydney believe will improve the prospect of success.

WSROC does not support the proposed industry model, ‘Thirst for Good’ as it does not meet the objectives of EPR and shifts much of the responsibility and costs for reducing litter back on to councils. The industry model does not provide any motivators to address litter avoidance through behaviour change and unlike Refund CDS, foregoes an important opportunity for intergenerational awareness and cultural change around the desired behaviours.

This submission details, in later sections, how Thirst for Good imposes additional burden onto local government, without providing supporting resources.

⁶ NSW 2021: A plan to make NSW number one, NSW Government

“Littering harms ecosystems and our natural environment, and is linked to anti-social behaviours.

The NSW community consistently identifies littering as an area of environmental concern. NSW will overtake Victoria as the least littered state in Australia if we reduce our volume of litter by a further 40% by 2020. A new container deposit scheme and other waste management initiatives will reduce littering, increase recycling, and help us reach this target.”⁷

Option 1: Refund CDS

1. Incentives

When CDS was first introduced in South Australia in the 1970s, deposits range from \$0.10 (for 6½ and 10 oz. bottles) to \$0.20 (for 30 oz. bottle). The deposit was then reduced to \$0.05 per container with the introduction of non-reusable containers including aluminium cans. A \$0.05 deposit in 1977, would approximate \$0.26 in present day worth.⁸ Since 2008, the SA deposit amount has remained at \$0.10.⁹

There is substantial evidence¹⁰ that return and recovery rates are higher (to a certain point) where financial incentives are offered and they are effective at reducing litter. However, to avoid complications arising from inconsistency with other states, our preference is for an initial deposit value of \$0.10. Since we understand the benefits of higher financial incentives, the scheme should remain open to future increases in the deposit amount to ensure the incentive maintains its relevance to society, and this should be done in coordination with other states.

In order to appeal to the widest cross-section of the community, and to ensure the perceived cost of the deposit is refunded, the incentive should be provided as cash or electronic cash (e.g. credit to bank account) without any restrictions (unlike retail credit or vouchers). Additional options can be considered once the scheme is well established, but in implementing a new scheme, cash or e-cash is a simpler education message that promotes the integrity of EPR by returning the nominated deposit paid by the consumer.

Councils must be eligible for the refund (through kerbside and public place bins) to be able to offset the costs of managing this industry waste that councils and household ratepayers currently bear. Councils also invest heavily into programs for reducing recycling contamination and should be rewarded for this. It is a disadvantage primarily to the local community if councils are not able to avail of the incentive, as they will have paid the cost of the deposit on top of the regular cost of the services.

⁷ NSW Government 2016, Making it Happen, accessed 12/2/16, <<https://www.nsw.gov.au/making-it-happen>>

⁸ Australian Bureau of Statistics 2016, Consumer Price Index Inflation Calculator, accessed 22/02/16, <<http://www.abs.gov.au/websitedbs/d3310114.nsf/home/Consumer+Price+Index+Inflation+Calculator>>

⁹ <https://en.wikipedia.org/wiki/Container_deposit_legislation_in_Australia>, viewed 15/02/16.

¹⁰ P Bragge, B Wright 2015, *Effectiveness of Container Deposit Recycling Schemes: A Rapid Review of the Literature*, a report for the NSW Environment Protection Authority, BehaviourWorks Australia, Monash Sustainability Institute, Monash University, Victoria.

WSROC believes that community members would be more willing to forgo individual deposits and leave containers in the kerbside stream if councils were able to redeem the deposits on their behalf to contribute to the cost of providing such services.

2. Interaction with kerbside recycling

Local government has invested significantly into the existing kerbside system. The kerbside system has continued to evolve, with the types of materials accepted in the kerbside stream increasing with the advancement of sorting, recycling, collection, and infrastructure technologies. However, the evolution of kerbside recycling needs to be accompanied with ongoing education and awareness programs, to ensure matching user knowledge of the system. Councils have been diligent in providing waste education programs to the community to address various waste service requirements, and this has led to community dependence on local government for all types of waste information and services.

The WSROC community is very attuned to kerbside recycling and a regional assessment of kerbside audit results from all ten councils show that in the region:

- 97% of households have access to a kerbside waste and kerbside recycling service.
- Approximately 130,000 tonnes of recycling is collected via kerbside services.
- The total resource recovery rate across the region has been fairly consistent (51-53%) from 2011-2014.
- The recovery rate for kerbside recycling has been steadily increasing across the region.
- The domestic garbage stream contains an average of 16.6% of potentially recyclable products. Plastic and glass containers consist of up to 43% of these recyclables.
- 10.8% of collected kerbside recycling bin content is contamination (non-acceptable items).¹¹

Such high participation in kerbside recycling has resulted in leakage of 16.6%¹² of excess recycling into the garbage stream (as recycling bins reach full capacity). To maximise resource recovery and reduce leakage, councils are investigating options such as larger 360L recycling bins and more frequent recycling services. These options also come at a cost to the community.

A regional assessment of council waste audits (2014) showed that up to 9.5% plastics and 27.7% glass was found in the average recycling bin. Although we do not have further breakdown of beverage versus non-beverage containers, the material type provides some indication of plastic and glass containers that may be targeted within the scope of CDS materials. If for example, glass bottles were actively diverted from kerbside, this may create enough capacity to prevent leakage of recyclables into the garbage stream.

It has been presented¹³ that less than 10% of materials by weight in the kerbside recycling would be a redeemable container, although the types and amount of materials diverted will depend on the participation rate, which is hard to predict. There are assumptions around how this will be impacted by demographics but these will be tested once the scheme is introduced.

Should participation rates result in a significant loss of materials through kerbside, changes can be made in future contracts to account for this. However, existing contracts that councils have entered into, will be subject to significant financial penalties (with a *force majeure* clause) as a result of

¹¹ WSROC Regional Audit Assessment, 2014

¹² *Ibid*⁹

¹³ NSW Container Deposit Scheme Resource Recovery Working Group notes, 9/10/15.

variations that may be required to absorb the changes resulting from a newly introduced CDS system. It should therefore be clarified whether the pending CDS constitutes “extenuating circumstances” pursuant to Section 55(3)(i) of the *Local Government Act 1993*, so that existing contracts can be extended until the impacts of CDS are better known.

The typical duration of these contracts means that some councils will be locked into contracts for more than five years. Some existing contracts operate across multiple councils with up to 7 councils involved in a current recycling contract.

There will be little incentive for councils under existing contracts to encourage participation or invest in CDS unless there is some mechanism for them to receive some value from deposits once the scheme is implemented. The methodologies for calculating refunds on bulk amounts, such as via kerbside collection, should be simple so as to minimise costs to Materials Recovery Facilities and councils.

Supportive resources and legal advice should be made available to councils that will be affected by the new legislation. This is the most requested assistance from councils in our region as there is significant concern about the legal process councils will have to navigate as a result of this scheme. The new legislation should also make it easier for councils to negotiate the best outcomes for future contracts. Currently, councils must negotiate individually to get the best price for the commodities they collect.

The Container Deposit Legislation should see that local government is eligible for the deposit on kerbside recycling in new contracts. As per the *Local Government Act 1993* – Sect 504 (3), the domestic waste management charge paid by ratepayers, “must be calculated so as to not exceed the reasonable cost to the council of providing those services.”

It is important to understand that additional waste management costs to councils are passed on to ratepayers, and any cost savings are also passed on in either monetary benefit or improved services, including education programs. It is concerning that during recent discussions about the CDS, a belief has been expressed by non-government organisations that local government profits, or stands to make increased profits from CDS, through councils’ domestic waste charges and waste management responsibilities.

As we have established, local government is the most trusted and primary source of information about waste management for the community and our social research suggests that the community will continue to expect local government to be the conduit for waste-related information.¹⁴

3. Scope of Containers

We understand the objectives of the scheme are to reduce litter in NSW, and ensure that containers diverted from litter are recycled instead of being sent to landfill.

Based on the existing evidence and from a litter reduction perspective, the Advisory Committee’s recommendation of a scope of containers up to 1 litre in volume based on existing evidence is logical. However, a scope that containers up to 3 litres does not conflict with the litter reduction objective, as larger containers have a higher contribution to the volume of litter. Therefore,

¹⁴ WSROC Market research project, 2015-16

depending on the emphasis placed on resource recovery outcomes, a scope of containers of up to 3L may be preferable.

A broader scope of containers of up to 3 litres would be consistent with SA and will also reduce public confusion as to what is and isn't covered by the scheme. From experience, councils know that heavy investment into education campaigns is required to address these types of confusion to reduce contamination levels in the targeted waste stream. Even if a broader scope is adopted, subsequent education programs will still need to make the distinction from containers from kitchen, bathroom, and laundry that will not be covered (and predominantly found in the kerbside stream).

As per the SA scheme, we support the exclusion of milk (both plain and flavoured) and plain juice containers, 1 litre and above, from the scheme, to keep consumer costs low for these essential food items. This scope of containers will cover 86% of littered container volume¹⁵.

However, unlike SA, the NSW CDS should also include wine and spirit bottles (most are also under 1 litre) in line with the objective to complement kerbside. The SA Scheme evolved from a 'cash for cans' scheme and the inadvertent omission of wine bottles is not a strong argument for the deliberate exclusion of wine bottles from a widely consulted and newly-developed scheme.

Although wine and spirit bottles only contribute 3% to littered container volume¹⁶, higher recovery rates of these items can be achieved outside kerbside. A CDS that truly complements kerbside should acknowledge the limitations of the kerbside system in dealing with problem materials, such as glass, which can be more efficiently captured through a return to depot or return to retail CDS model. Resource recovery rates of glass via the kerbside recycling stream is low due to the breakage of glass during the collection and transfer process. Breakage of glass containers results in glass fines which have poor resource recovery outcomes and can contaminate other recycling streams. Removing glass beverage containers from the kerbside stream also reduces the burden on Materials Recovery Facilities to sort glass. There will still be glass recyclables such as sauce bottles and jars coming through kerbside, but the removal of significant quantities of glass will reduce breakage, allow for higher compaction rates of collection vehicles, and can make transporting of collected recyclables more efficient.

The NSW scheme will benefit from the precedence of over 40 schemes around the world. Whilst we support consistency with other regions to cross-border issues, NSW has the opportunity to be truly progressive in developing a 'world's best' scheme that delivers on its objectives.

Data from the WSROC region supports national evidence¹⁷ that by far, the most littered item is cigarette butts. Takeaway coffee cups are also commonly reported as a litter item. We understand that SA has been considering expanding the scope of their CDS to include these two items. Coffee cups are accepted in kerbside recycling in the City of Vancouver, yet they remain a problem in the litter stream. The City of Vancouver is currently investigating regulatory mechanisms to address coffee cups in litter¹⁸, and has conducted trials on a deposit on coffee cups¹⁹.

¹⁵ NSW National Litter Index 2014-15

¹⁶ *Ibid* ¹³

¹⁷ National Litter Index 2011-12, Keep Australia Beautiful, July 2012

¹⁸ City of Vancouver, Administrative Report 8/01/16, accessed 23/02/16, <<http://council.vancouver.ca/20160203/documents/cfsc7.pdf>>

¹⁹ Metro Vancouver Blog, 2015, accessed 23/02/16, <<http://metrovancoverblog.org/2015/10/21/deposits-for-disposable-cup-experiment-highlights-benefits-of-binning-and-need-for-a-coffee-cup-revolution>>

Due to their significant contribution to litter, the opportunity to target cigarette butts and coffee cups through the NSW scheme should be given due consideration.

4. Collection Infrastructure

We support the Advisory Committee's recommendations that collection infrastructure should:

- Have state-wide coverage (i.e. universal access for all NSW)
- Be cost effective
- Be suited to the local area, rather than technology-specific
- Focus on containers used away from home.

However, collection infrastructure should not be mandatory for local governments to provide. Some local governments may be well-placed to take advantage of the opportunities this would provide, but in the WSROC region (and most of metropolitan Sydney), there are very limited suitable locations accessible to local government.

Previous investigation into the establishment of a network of Community Recycling Centres (CRCs) across all ten WSROC councils (land area \geq 579,000 hectares) resulted in the finding of only four suitable sites that were owned by the councils. Two additional solutions were identified, one on private land in partnership with a private contractor, and the other being a mobile solution.

Even the smaller footprint required for reverse vending machines is an issue due to the requirements for power, security, and protection from the elements. A few Western Sydney councils conducted previous investigations into RVM usage, but did not proceed with installation due to these barriers.

We believe that the success of kerbside recycling has been achieved largely due to the low barriers associated with its usage. It is convenient for householders, and councils have heavily invested into continuous education around correct usage over the years.

CDS will need to consider how to reduce barriers, such as locations of infrastructure, confusion around scope of materials, refund redemption processes, etc. to achieve good participation rates that will help to achieve the scheme's objectives.

Redemption points should be convenient and in places that consumers already frequent (e.g. schools, retail). There is an argument to place infrastructure at places where litter is generated, however, public place litter bins are not suitable locations for RVMs due to these being predominantly exposed in outdoor areas, with no power or security provisions. We also know that the most littered sites in NSW are not council owned recreation areas, but industrial sites, followed by car parks and along highways²⁰.

It is important to ensure that consumers have fair and convenient access to redemption points, but to also keep in mind the objectives of the scheme when considering infrastructure locations. For example, will RVMs in conveniently located supermarkets be effective at targeting away from home litter?

If existing waste infrastructure such as MRFs and transfer stations are encouraged to upgrade to a collection depot, they should receive adequate support for conversion. The operating costs of these

²⁰ NSW Litter Prevention Kit, 2013, NSW EPA

facilities are passed on to local government and the community through processing and gate fees, so these costs need to be minimised. Many are already in sites accessed by the public. As only a few facilities exist which service all of metropolitan Sydney, a common discussion with owners of these facilities would best be led by the State. Leaving each region or council to encourage private organisations to locate facilities in that region is counterproductive when such organisations own multiple sites across Sydney.

5. Governance and the role of government

In accordance with our argument for EPR, the scheme should redirect the cost and responsibility of associated litter management and resource recovery, away from local government and towards producers and consumers who benefit from the product. Whilst we support a Refund CDS, the success of the scheme in achieving its litter reduction and resource recovery targets, should be the responsibility of the beverage industry.

We need a scheme that is cost-effective, but that does not deliver savings at the expense of local government. Producers may find the current kerbside recycling system to be cost-effective and argue that there has been heavy investment into these systems – although much of this investment was funded using council domestic waste management charges.

A Refund CDS creates an economy for sharing this burden with local government. An effective scheme should result in the reduction of costs of litter management and resource recovery for local government, whether that be through active diversion of problem materials from the kerbside or through kerbside redemptions. It is not enough to simply maintain the costs of kerbside recycling services as this effectively means that communities are paying for container deposits on top of the cost of their waste management services.

With our experience in the NSW WARR programs, we believe that to ensure a successful and transparent CDS, the NSW state government must have a key or legislated role in the following:

- Coordinating consistent education messaging across NSW.
- Ensuring the deposit value is relevant to the community (account for inflation, additional cost of beverage due to handling fees added).
- Resource recovery targets need to be revisited in respect to the impact of CDS on diversion rates. We expect that some materials will be diverted from kerbside and is highly unlikely to be accounted for in waste diversion rates, of which councils must report to the state. Glass makes up a significant (27.7%²¹) weight, so diversion of beer bottles, and potentially wine and spirit bottles, will impact on diversion rates (which are calculated based on weight).
- Ensure legislation protects existing local government contracts and that adequate support is provided to assist local government with existing and new contracts.
- Provide local government with details of the draft CDS as soon as possible so that more informed and constructive comments can be provided, before the design is finalised.
- Provide new funding streams to local government for education and to implement associated changes with the new CDS, so that existing initiatives under Better Waste and Recycling can continue.

²¹ *Ibid* ⁹

Option 2: 'Thirst for Good'

We do not support the \$15 million industry proposal 'Thirst for Good'. By comparison, councils across NSW spent a reported \$162 million in managing litter last year with more than \$9.35 spent in western Sydney alone²².

The industry model will have very limited impact on litter reduction due not only to its scant budget, but its piecemeal approach to managing litter. The rapid NSW population growth alone will result in an increase in litter, and the behaviour itself must be addressed through strategic measures. Whilst some of the proposed 'Thirst for Good' activities would have some impact, this model in isolation would not have the same impact as a Refund CDS model, and would not achieve the scheme's objectives as outlined below.

1. Community cash for containers

Local government does not have adequate resources for the high administrative costs (community engagement, administration system, trailer storage, and transport of containers to name a few) associated with this program, nor does the program allow councils to generate any income that would justify this program. Our experience with community groups suggests that a \$300 incentive to fill an entire trailer would be insufficient to generate the desired participation rates.

Furthermore, this is not a strategic approach to litter reduction. It does not address littering behaviour, but reinforces the idea that councils and community are responsible for litter or littering provides employment for these groups.

2. Litter collectors

Again, this does not address littering behaviour, but reinforces the belief that someone will clean up the litter and littering provides employment, which deters behaviour change as opposed to it. By placing a value on containers, we can change perceptions around these items and reward positive behaviours such as recycling instead of littering. By removing containers from the litter stream they retain value as commodities rather than being actively landfilled at due to their diminished value.

On Clean Up Australia Day 2014, an estimated 215,169 volunteers collected almost 6,000 tonnes of litter (all types) across 2,710 sites in NSW²³. This 430,388 volunteer hours would equate to 100 litter collectors, each collecting rubbish for almost 12 hours per day, for one year. Even if this was the intention, this would not be sufficient to address litter on highways which is generated much faster than can be collected.

3. Litter bins

The proposed number of litter bins (average of 13 bins per LGA) is not likely to make much contribution to litter reduction. This ignores the fact that littering is a complex behaviour and the provision of infrastructure will not necessarily reduce it. Furthermore, we are aware that much of littering behaviour is done away from witnesses and in places that are not often suitable for placement of litter bins.

Again, there will be increased costs to council if they are required to service this infrastructure as well as the costs of additional waste being sent to landfill. Councils make informed decisions about

²² *Ibid* ¹

²³ Clean Up Australia, 2014.

the number and placement of their litter bins, and have learned that more bins does not necessarily lead to less litter.

4. Reverse Vending Machines

100 RVMs across NSW is not likely to have a significant impact which will be further influenced by the placement of these machines and the types of incentives being offered. Potential locations of RVMs in Western Sydney are minimal as many sites that are accessible to consumers are not suitable due to lack of power, security and protection from elements. Inequitable access to RVMs will exclude large portions of society from participation.

5. Community Education

As part of the Regional Waste Strategy initiative to reduce litter, we have gained some understanding about the complex social behaviours surrounding litter and follow NSW EPA's integrated approach to litter education that is supported with regulation and enforcement, infrastructure, and monitoring and evaluation, to ensure behaviour change.²⁴

We support that education campaigns can change social attitudes towards littering, but this proposal is an information-only approach to education, rather than engagement for behaviour change.

We have learned that simply receiving information does not necessarily lead to behaviour change²⁵. The importance of community education should not be understated and should be conducted at a high standard, and coordinated with the NSW EPA to ensure the right messaging.

²⁴ NSW EPA Litter Regional Implementation Plan Guidelines, 2015.

²⁵ Les Robinson, 2015, How to change a system, accessed 26/02/16, <<http://www.enablingchange.com.au/systems.php>>