

Submission to NSW Environment Protection Authority

NSW Container Deposit Scheme discussion paper

November 2022

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

For further information please contact:

Elle Lawless, Executive Director, <u>director@conservationcouncil.org.au</u>.

Introduction

The Conservation Council ACT Region welcomes the opportunity to provide comment to the NSW Environment Protection Authority (EPA) about the Container Deposit Scheme (CDS). The Council supports expansion of the CDS, agreeing that accepting more container types and sizes at more locations will increase the rate of diversion of valuable materials from landfill and reduce confusion for the public about what containers can be returned.

Expanding the NSW scheme to drive investment in recycling technologies will also enable the ACT Government to follow suit with its CDS.

This submission addresses selected questions from the discussion paper.

Questions from discussion paper

Do you support an expansion in scope of containers included in the NSW Scheme?

Yes. The CDS is a good example of extended producer responsibility or product stewardship, and appears to be an effective way to collect and sort drink containers into specific material streams, rather than disposing of them into co-mingled recycling. Separation of materials at source is essential for reducing contamination of all waste streams and producing clean, high-quality raw materials for high-value reuse.

Do you support the proposed containers that would be included in an expanded scope?

Yes.

The EPA could also consider glass food jars and other recyclable glass for recovery through the CDS, to remove these from co-mingled recycling, particularly given that Appendix B notes the rejection of dedicated kerbside glass bins as a recycling service.

Do you think the Scheme is achieving the objects of Part 5 of the Act?

Requiring the beverage industry to contribute to the CDS appears to be an effective means of funding the scheme and at least ensures that the cost of environmental pollution and resource recovery figures somewhere in the cost of their operations. Whether this is sufficient to drive the industry to actively reduce waste is less certain – it appears possible for beverage companies to pay the fees without taking particular action to eliminate waste or reduce consumption of virgin raw materials.

Until there are zero drinks containers going to landfill or polluting the environment, there is clearly more that needs to be done.

Do you think the objectives remain valid?

Yes. But the ambition needs to be stepped up to 100% recycling of materials at a high level of quality for high-value uses.

Do you think the terms of the Act remain appropriate for securing those objectives?

The discussion paper states that the rate of recovery of eligible containers has increased from 33% to 67% since introduction of the CDS. How much of this material makes its way back into new drink containers versus being used for other purposes, particularly the plastics?

Regulation for mandatory inclusion of recycled content in new containers would help drive greater circularity of materials. Some drink manufacturers have already moved to 100% recycled PET for some products, for example Mount Franklin's 400ml, 600ml and 1L bottles of sparkling water. Asahi has similarly moved to 100% recycled PET for smaller bottles and is transitioning larger sizes to also be 100% recycled, demonstrating that recycled content is viable. Mandatory standards would capture those companies still using virgin materials and increase the market for recycled material, and accelerate the investment in collection, sorting, cleaning and recycling processes and technologies to improve the quality of the raw materials. This is essential to reduce contamination of the materials and avoid health impacts from contaminants.

Are all drink suppliers required to participate in the scheme and make all of their containers eligible (compliant) for processing through the scheme? Or is it possible to produce and sell containers that are not eligible and/or compliant and/or participants? Are producers required to contribute to the scheme even if they do not produce eligible containers?

Requiring compulsory participation in the scheme by all drinks suppliers would improve the compatibility of drinks containers with recycling processes for greater resource recovery and reduced contamination.

Should the Scheme incorporate the container approval application fee into the overall Scheme cost and reduce the administrative burden for all suppliers or just small suppliers?

Administrative barriers should be reduced wherever possible to enable participation by all suppliers.

Do you support NSW removing the penalty for redeeming containers purchased outside NSW?

Yes. Harmonising schemes across the country would reduce confusion for consumers, particularly given the fluid movement of the ACT Region's population between the ACT and southern NSW.

¹ Mount Franklin, <u>Sustainability</u>.

² Wheeler, M, 2022, Soft drink bottles to be 100 per cent recycled plastic, Inside Waste, 14 April.

³ Gayle, D, 2022, Recycled plastic bottles leach more chemicals into drinks, review finds, The Guardian, 19 March.

Would you support the creation of a category of commercial-only MRF operators to participate in the Scheme?

Yes. The more, the merrier! Any individual or organisation that collects eligible contains should be allowed to participate in the scheme. This would incentivise recovery of recyclable containers from everywhere, such as shopping centres, festivals, public and private events, hospitals, airlines etc.

Other comments

Differing instructions across the country about lids and labels cause confusion. The variable materials of lids and labels (different types and colours of plastics, papers and glues, foam discs, metal collars etc) also contaminates material streams. The responsibility for separating (or not) and cleaning (or not) lids and labels should not be foisted onto consumers. Nor should the community sector (such as Lids4Kids) have to step in to solve the problem of plastic lid pollution created by manufacturers.

A truly circular approach to product design is needed. Containers should be redesigned for 100% recyclability.⁴ Lids and labels need to be addressed at the design stage of containers, to eliminate fiddly extra steps before recycling and eliminate contamination of material streams so that the recovered materials are clean and high-quality for high-value reuse. To incentivise such ambition, perhaps a supplier's contribution to the CDS could be discounted if their products contain 100% recycled material and achieve this standard of 100% recyclability.

The CDS should also direct a generous portion of its funding to cleaning plastics out of the environment, particularly waterways, oceans and beaches. Again, it should not be the responsibility of community volunteers to solve problems created by industry's failure to consider the post-consumption impacts of its products. Raise the required contribution from manufacturers to cover these costs if necessary. Forcing the industry to bear these costs should help to drive more responsible product design and stewardship.

Ambitious legislated targets and regulation are needed to support these outcomes. Plastic pollution has been well documented for decades and industry has failed to take sufficient responsibility voluntarily despite a few examples of industry leaders demonstrating the feasibility of doing so. Urgent action is required to clean up our environment to halt wildlife extinctions and increase the resilience of the natural world to the increasing impacts of climate change and other human pressures.

⁴ Kosior, E, 2021, <u>A guide to designing plastic bottles for maximum recyclability</u>, Plastics Today, 14 January.