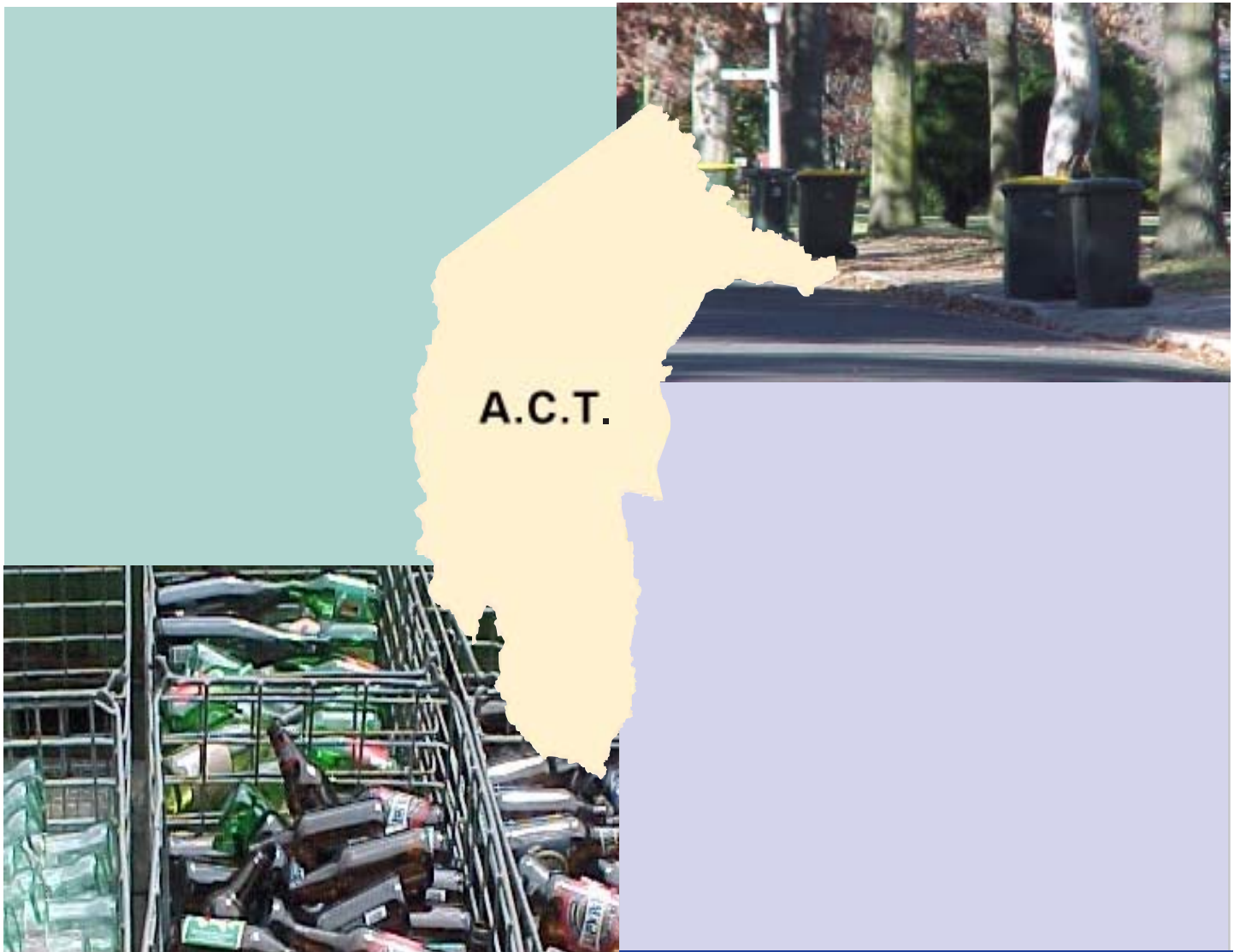


# Impacts of Implementing Container Deposit Legislation in the ACT

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*Prepared by*

Centre for Environmental Solutions



## 1.0 Executive Summary

This study examines the potential impacts of implementing container deposit legislation (CDL) in the Australian Capital Territory (ACT). Under CDL, deposits are charged on beverage containers, then redeemed when the containers are returned for recycling to retail centres or collection depots.

CDL was generally implemented to decrease beverage container litter. Of recent, times, however, CDL has also been promoted to:

- Increase beverage container recovery.
- Reduce local government recycling costs by shifting the costs of beverage container recycling to the beverage industry and beverage consumers.

This study finds that while CDL can be effective in achieving the above objectives under certain conditions, that within the context of the ACT, CDL would not be as cost-effective as other alternatives for a variety of reasons:

- More cost-effective means, especially enhanced public place recycling, are available to reduce beverage container litter in the ACT.
- It is highly unlikely that CDL would increase beverage container recovery in the ACT to any appreciable extent, given the comprehensive and effective nature of current recycling programs in the ACT:
  - ⇒ Current recovery rates for glass and plastic beverage containers in the ACT exceed similar recovery rates in the nine U.S. CDL states plus California, and are within 6% of figures reported for South Australia, the only Australian state with CDL.
  - ⇒ Aluminium can recovery rates cannot be precisely determined for the ACT at this time due to accounting methodologies, however available information indicates that these rates are likely to be within 10% of CDL aluminium can recovery rates.
- Since it is highly unlikely that the ACT Government would scale back kerbside recycling (the most popular service provided by the Government with the exception of kerbside garbage collection), CDL would therefore represent an extra, competing collection system with additional costs. Kerbside collection costs would not be reduced under CDL, as the introduction of CDL would not reduce the quantity of paper or other non-CDL materials collected through kerbside recycling programs.
- CDL would represent an increased marginal financial cost of \$2.8m to \$5.9m p.a. for recycling in the ACT. The implementation of CDL would effectively double or triple the ACT's current costs of kerbside recycling and would involve a marginal cost of \$900-\$1,900/tonne to recover an additional hypothetical 10% of beverage containers. These costs would have to be passed on to residents, and do not include unquantified costs for auditing, enforcement and education.
- ACT NOWaste is implementing split contracts for collection and processing of recyclables. Reduced yield through kerbside set-outs may not impact on the ACT's obligations under the collection contract. Financial impacts on the processing contract would depend on possible material diversion to other facilities and the extent to which the contractor processed redeemed containers on behalf of local private collectors in exchange for a gate fee.

Current ACT efforts, guided by the No Waste by 2010 strategy, are more comprehensive and cost-effective than CDL, and considerably easier to educate residents than a combined kerbside and CDL program. An alternative may be to consider the introduction of an advance disposal levy to assist in funding additional waste management and recycling activities in the ACT.