



WASTE CONTRACTORS &  
RECYCLERS ASSOCIATION  
OF N.S.W

ABN 72 805 135 472

Suite 2, First Floor  
12-16 Daniel Street  
Wetherill Park NSW 2164

PO Box 6643  
Wetherill Park BC NSW 2164

Phone (02) 9604 7206  
Fax (02) 9604 7256  
Email [tony@wcra.com.au](mailto:tony@wcra.com.au)

**The Standing Council on Environmental and Water Secretariat  
GPO Box 787,  
CANBERRA ACT 2601**

By e mail [SCEW.Secretariat@environment.gov.au](mailto:SCEW.Secretariat@environment.gov.au)

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**Packaging Impacts Consultation Regulation Impact Statement (PICRIS)**

To Whom It May Concern

Attached is the submission of the Waste Contractors & Recyclers Association of NSW (“WCRA”). Should you require more detail, please contact the undersigned.

Yours faithfully,

Tony Khoury  
Executive Director

## **Packaging Impacts Consultation Regulation Impact Statement (PICRIS)**

The Waste Contractors & Recyclers Association of NSW (WCRA) which represents the majority of waste management and recycling contractors in NSW is very much in favour of increasing the recovery rates of all recyclable items.

Recycling is a very beneficial and under-rated way to help combat climate change, save energy and water and preserve natural resources. It engages the community in visible, positive environmental initiatives and in almost all instances will save money.

Recycling also reduces the need for landfills, which reduces their social and environmental impact and delays the costs associated with developing new ones, usually further away from population centres.

NSW has a high recycling rate due to well-established kerbside collection systems operating in most Local Government areas. According to NSW EPA figures (2010) 123 of the 152 NSW Councils across NSW offered a kerbside co-mingled recycling collection service. In terms of population 6.7 million of the estimated 7 million residents of NSW have access to a kerbside recycling service.

The impact of the NSW Waste Levy (\$82.50/tonne for most of NSW population from July 2012) provides a direct economic incentive for Councils and businesses to continue to improve their waste reduction and recycling performance.

“Away from home” recycling is an area of great potential for growth in recovery of materials. A significant number of shopping centres and commercial precincts have begun to recognise the opportunity for cost savings by implementing recycling systems. Likewise organisers of public events and operators of sporting and entertainment venues are starting to see the value to their reputation and cost model of providing recycling facilities.

WCRA members include most of the companies which are capable of providing the advice and logistical services which the commercial and industrial sector requires to successfully implement effective recycling systems and this is recognised by them as both a commercial and environmental priority.

### **Issues concerning Container Deposit Scheme (CDS)**

1. There is a risk of duplication of current collection methods, which reduces economies of scale of existing domestic recycling collection.

2. Reduction of containers in the mix of domestic recyclables will most likely increase the cost of domestic recycling, as this saleable resource currently helps to offset the costs of collection and processing of recyclables.
3. There exists a mature, efficient and cost effective system for both the collection and processing of domestic recyclables. To dismantle this system would have severe implications for the whole of the waste industry, from collection contractors and Material Recycling Facility (“MRF”) operators to the end processors.
4. There is information available which appears to show CDS to be more expensive than kerbside recycling. A study commissioned by the Victorian Government demonstrated that the cost was \$130 per tonne. This contrasted with a cost of \$800 per tonne for CDS. The community is generally unaware of this information.
5. If there is a government and community agreement that such a significant increase in expenditure is justified, it may be more effective to invest instead in expanded public place and commercial recycling infrastructure.

### **Impact on operations in any given Local Government Area**

Depending on the extent of any new regulations and the way it impacts on resident behaviour, we could see a reduction in the volume of containers collected through the domestic system, which would affect the cost of the service.

For example, in 2007 the MRF at West Dapto processed more than 25,000 tonnes of recyclables. Of this, around 8,600 tonnes was glass (beer & soft drink bottles and jars), 90 tonnes was aluminium (mostly cans), almost 500 tonnes was PET (mostly soft drink bottles). If these items were to be mostly removed from the domestic collection system, costs would not be offset by revenue from the sale of these resources, and so charges to Councils would most likely be higher over time.

### **Conclusion**

An estimated 96% of NSW residents have access to regular co-mingled recycling collection services - and this system generally functions very efficiently, cost effectively and with relatively low contamination levels. These services are continuing to expand in both coverage and scope.

There is evidence that the rising costs of waste are starting to give significant momentum to the commercial and industrial sector's adoption of recycling as an alternative to relying solely on traditional waste disposal.

Rapidly improved outcomes could be achieved if the NSW Government was to hypothecate a greater percentage of the Waste Levy funds to improve waste management outcomes including commercial & public place recycling, better litter management and public awareness and education.

WCRA submits that it is difficult to justify to the community the higher costs associated with the implementation of a Container Deposit Scheme.