



November 2020

Kylie White
Deputy Secretary
Department of Environment, Land, Water and Planning
Level 1, 8 Nicholson St, Melbourne, Victoria 3002

CC: Angela Hoffnagels, DELWP

Via email: kylie.white@delwp.vic.gov.au; angela.hoefnagels@delwp.vic.gov.au;

Dear Kylie, Angela

The Victorian Waste Management Association (VWMA) is a not-for-profit association representing Victorian waste recycling businesses. The VWMA operates as a subsidiary of the Victorian Transport Association. The VWMA has more than 150 business members, ranging from small, family owned and operated companies to multinational corporations. The VWMA represents;

- Waste collection specialists, operating more than 5,000 waste trucks on Victorian roads.
- More than 10,000 sanitation and recycling workers,
- A membership with a total member turnover in excess of \$2 billion.

VWMA members commit to the high standards in regard to protecting Victorian communities, workers and the environment.

The VWMA congratulates the Victorian Government on *its Victorian Container Deposit Scheme discussion paper*, which provides a blueprint to create a Container Deposit Scheme (CDS). This letter describes the waste industry's preferred position.

Victoria is in the unique position of being able to assess the performance of other State and Territory schemes and international container deposit schemes, allowing the State to create a leading scheme for Victoria. A leading scheme will aim to maximise;

- Litter reduction,
- Recycling, and
- Metro and regional jobs.

Mindful of these goals, the VWMA makes the following recommendations in regard to the design of the Victorian Container Deposit Scheme.

1. The Association supports a split governance model that separates the network operator from the scheme coordinator. This governance model ensures there is no incentive on behalf of those who collect deposits to minimise fund transferred to the public and recyclers.

1.1 The VWMA recommend network operators be split into regional tenders, in order to maximise market opportunity and innovation.

2. The scheme operator must be closely regulated by the State to;

2.1 Ensure community access to collection points (as a minimum this should be equivalent the NSW under the Return & Earn Scheme).

2.2 Incentivise continuous improvement in recovery rates and litter reduction percentages.

2.3 Create transparency including regular reporting on the scheme performance.

3. The CDS is part of the broader goal of developing a circular economy for Victoria. In order to effectively process the 60,000 tonnes of mixed plastic previously exported to Asia, Victoria must create source separation and recycling infrastructure. The CDS can fund and accelerate this transition, however, in order to do so funds must flow from the CDS to commercial recycling companies.

3.1 If the funds from the CDS are given to MRFs either through increased gate fees from local government or via direct redemption, then new recycling capacity can be created.

3.2 Under MRF redemptions protocols, MRFs must be able to move material between sites.

3.3 MRFs must also be able to claim CDS deposits from mixed waste, not just source separated (yellow bin) materials.

4. A key aspect of Recycling Victoria is the addition of a glass recycling service for all Victorian households by 2026. However, Local Government do not have a clear mechanism to fund this new service. CDS revenue can assist to fund glass recovery.

4.1 The addition of wine and spirit bottles to the CDS scheme will be an important aspect of funding kerbside glass recovery.

5. Ultimately, national harmonization of the schemes in regard to container acceptance, price and compatibility will maximise convenience for consumers.

We welcome further feedback to the undersigned below,

Sincerely,

A handwritten signature in blue ink that reads "A. Serpo". The signature is written in a cursive style and is followed by a vertical line.

Alex Serpo

Executive Officer
Victorian Waste Management Association (VWMA)
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RESPONSES TO QUESTIONS

Do you agree with the objectives of Victoria's Container Deposit Scheme?

Yes - with the following comments;

- The targets should be for materials diverted to recycling not from landfill, as from landfill includes stockpiling.
- Where job creation and automation/worker safety are inversely proportional, automation and safety should be prioritized in order to create higher value jobs and protect workers. In other words, manual handling should be minimised.
- Harmonisation nationally should be a stated long-term goal of the scheme, to maximise recycling and consumer convenience.

What do you see as the risks and benefits of each of these scheme administration options for Victoria?

The VWMA does not support a combined scheme coordinator and network operator as this creates a perverse incentive to minimise collection points, as noted above. Instead, the VWMA supports a split scheme co-ordinator and network operator. We recommend the network operator be split by regions.

Is the proposed model the right one for Victoria?

Yes, the VWMA support this model. Further, the VWMA recommends a split scheme coordinator and network operator, tendered by region, as described above.

What model of funding should Victoria's CDS adopt?

The VWMA supports that the beverage industry provide the payments in advance.

How do you think scheme participant responsibilities be set to promote achievement of scheme objectives?

The VWMA request that MRF operators be able to enter into agreements with the scheme co-ordinator directly, as this will prevent commercial conflicts and enhance competition in the marketplace. Given the small number of MRFs in Victoria, this will not create unnecessary complexity.

What is your view on the best way to promote convenience in a CDS?

By maximising the collection points per capita, maximising geographic coverage and by increasing the container deposit amount.

What mix of refund collection point infrastructure will achieve the highest redemption rates?

The VWMA supports a model with is outcome driven rather than prescriptive.

How can employment opportunities for Victorians be encouraged through the scheme?

The VWMA believes that employment can be maximised by ensuring that material recovery facilities and other recycling providers are able to access the scheme to the greatest extent possible.

Do you support national consistency on the proposed refund amount of 10 cents?

Yes.

Do you support Victoria's position on creating a national consistent refund mark to be used by all states and territories?

Yes

Do you support containers included that are consistent with other states and territories and targeting those items that are commonly littered?

Yes

How can the Victorian Government best support material recovery facilities and councils to determine revenue sharing arrangements for beverage containers collected through the kerbside recycling system?

The CDS is part of the broader goal of developing a circular economy for Victoria. In order to effectively process the 60,000 tons of mixed plastic previously exported to Asia, Victoria must create source separation and recycling infrastructure. The CDS can fund and accelerate this transition, however, in order to do so funds must flow from the CDS to commercial recycling companies.

- If the funds from the CDS are given to MRFs either through increased gate fees from local government or via direct redemption, then new recycling capacity can be created.
- Under MRF redemptions protocols, MRFs must be able to move material between sites.
- They must also be able to claim CDS deposits from mixed waste, not just source separated (yellow bin) materials.
- A key aspect of *Recycling Victoria* is the addition of a glass recycling service for all Victorian households by 2027. However, Local Government do not have a clear mechanism to fund this new service. CDS revenue can assist to fund glass recovery.
- The addition of wine and spirit bottles to the CDS scheme will be an important aspect of funding kerbside glass recovery.

What considerations should be given when planning for Victoria's CDS infrastructure?

Where CDS collection points require development applications, providing a standard form application process could expedite the process, as well as accelerating development applications.