

Wednesday, 6 July 2011

The Hon Tony Burke MP  
Minister for Sustainability, Environment, Water, Population and Communities  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

### **Container Deposit Systems**

Dear Minister

As you will be aware the Environment Protection and Heritage Council (EPHC) agreed in 2010 to develop a Packaging Impacts Consultation Regulation Impact Statement (CRIS) which would consider a national container deposit scheme and other policy options which may have a positive cost benefit and a tangible impact on packing resource recovery rates and litter reduction.

The PCA and its members have been committed supporters of the Packaging Covenant since its inception in 1999. We continue to regard the Australian Packaging Covenant as the principal mechanism for the management of packaging waste and litter.

The Covenant arrangements have a number of significant achievements to its credit. It has delivered flexibility and adaptability for companies at minimal cost while still achieving effective sustainability outcomes.

The new Australian Packaging Covenant has already attracted over 600 signatories, the great majority of which are brandowners, packaging manufacturers and other companies in the packaging supply chain. In 2010 the recycling rate for post consumer packaging was 62.5%, a significant increase from the 39% recycling rate achieved in 2003. Under the new Covenant, greater emphasis is now being given to the recovery and recycling of used packaging in away from home locations and to reduce littering.

Container deposit schemes continue to receive considerable attention as a waste policy option. We believe they are a costly and “dated” policy option with limited environmental outcomes. We remain of the view that they have a number of fundamental weaknesses:

- **Cost** – They impose relatively high costs on material recovery per tonne compared to kerbside or other less regulated and broader scale collection schemes. This higher cost will be borne by consumers through higher product prices.
- **Scope** – Container deposit schemes have limited scope as a tool to reduce domestic waste as beverage containers make up less than 5% of the domestic waste stream.

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- Impact on Kerbside – Container deposit schemes compete with kerbside recycling as a rival collection scheme. And, in competing, they undermine kerbside collection systems to which over 90% of Australian households have access.
- Sustainability – Container deposit schemes do not address the bigger, current day issues affecting sustainability. They are “silent” on the issue of packaging minimisation, material usage, product redesign and on the more important issues of energy and water usage.

In short, container deposit schemes fail to provide the flexibility and adaptability to address the differing and contemporary waste issues experienced at a State, regional and local level.

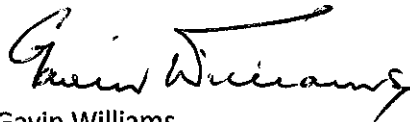
The Australian beverage sector is developing an initiative as an alternative to container deposits which is lower cost and will deliver better outcomes tailored to differing State, local and regional needs. Industry is intending to submit this alternative into the CRIS process being undertaken by the EPHC.

The Covenant together with this beverage sector initiative is the best way forward to deliver better environmental and cost effective outcomes in the management of post consumer packaging.

I would be happy to discuss these issues with you, your staff and your officials and provide further information and details if required.

I am sending a copy of this letter to your colleague, Senator Farrell, Parliamentary Secretary for Sustainability and Urban Water.

Yours sincerely



Gavin Williams  
**CHIEF EXECUTIVE OFFICER**