



TASRecycle

OPINION EDITORIAL
JANUARY 2021

NOT-FOR PROFIT CAN-DO RECYCLING THE WAY TO GO FOR TASSIE

As the manufacturers of beverages sold in Tasmania, Coca-Cola Amatil and Lion Co (owners of Boags) believe that we have a responsibility to capture and recycle as much of our packaging waste as possible, which is why we are already actively involved in coordinating and managing every container recycling scheme operating in Australia.

Producer responsibility is a core value for our organisations.

It is for this reason that we have jointly formed TasRecycle, a not-for-profit entity which is seeking to maximise the environmental, community and economic benefits of a container deposit scheme in Tasmania through a Can-Do Community Recycling Scheme.

Broadly, there are two types of container recycling schemes: a Can-Do Community Recycling Scheme, which was recommended to the Tasmanian Government by an independent expert in 2018 and which is already operating in Queensland and Western Australia; or a for-profit Big Waste scheme, which operates in New South Wales.

The main difference between the two schemes is the Can-Do Community Recycling Scheme is operated by a not-for-profit co-ordinator that contracts directly with individual groups and organisations to operate the return network. Under a Big Waste scheme there is a for-profit provider who largely undertakes the collection themselves, such as through reverse-vending machines, and retains the profits for their owners.

For example, in the NSW Big Waste scheme, the operator is TOMRA/Cleanaway - a for-profit joint venture between Norwegian multi-national TOMRA and ASX-listed multinational Cleanaway. This model limits opportunities for community involvement and job creation, particularly in regional areas, as well as limiting access to the collected containers for recyclers looking to use the highly recyclable materials.

Last year, TOMRA/Cleanaway earned over \$130 million from the NSW container recycling scheme, almost as much as was paid out in refunds to the general public returning their containers.

We commissioned KPMG to crunch the numbers comparing the two types of schemes, and they found that introducing a Can-Do Community Recycling Scheme in Tasmania would deliver superior job creation, community, economic and recycling outcomes for Tasmania.

Specifically, the modelling found that a Can-Do scheme would deliver up to 150 new jobs and up to \$8 million a year in revenue for local small and medium business.

Critically, the modelling found that the benefit to community and sporting groups – either through directly collecting containers, or by operating as an authorised refund point, would be up to \$6 million a year. In contrast, the modelling showed a likely benefit to these groups of only \$450,000 per year under a Big Waste scheme.

Western Australia recently commenced a Can-Do Community Scheme and over 680 jobs were created on day one, and over 120 million containers were returned in the first 100 days. More than \$500,000 was donated to charities.

The Can-Do Scheme wins on recycling, too; comparing Queensland with the NSW Big Waste scheme shows that the rate of recycling/redemption was 14 per cent higher in the Queensland Can-Do Scheme for its first eighteen months of operation; and the rate of containers collected through the network was 37 per cent higher (per capita).

And because there's no middle-man "clipping the ticket" in a Can-Do Community Scheme, it's unsurprisingly more efficient: in the Queensland Can-Do Scheme, the cost per container is nearly ten percent less, despite the vast geography to service which you would expect to bring higher costs than smaller states such as NSW. This means a lower impact on drink prices, not higher as is falsely claimed by some. No middle-man also

means greater financial benefits flow to the community organisations and small businesses which run the refund points, not Big Waste corporations.

A Can-Do Scheme also provides an open market for the recycled materials, promoting circular economy outcomes and investment in recycling infrastructure in Tasmania (compared to a Big Waste Scheme where the operator typically keeps the material for themselves).

With the Tasmanian scheme now in its critical design phase, it's an important opportunity for the Government to provide substantial and lasting employment, environmental, community and economic benefits to Tasmania.

The central argument for a Big Waste scheme is that its quest for profits will drive increased collection of containers. The truth is, the data from around the country shows that along with the increase in jobs, community, charity and small businesses benefits, collection outcomes are also superior under not-for-profit Can-Do schemes.

- By Jeff Maguire, TASRecycle Director.

***TASRecycle** is a not-for-profit joint initiative founded by Coca-Cola Amatil and Lion Co (owners of Boags Brewery) to ultimately be run independently by its board.*

Coca-Cola Amatil and Lion have been involved in the operation and administration of container deposit or refund schemes for more than 40 years, having been involved in implementing four schemes across Australia in the last six years. They have a unique ability to leverage their experience and resources to deliver a successful independently overseen scheme designed uniquely for Tasmania.

