

cash for containers

WHAT'S IN IT FOR ME?

COMMUNITY SECTOR AND CHARITABLE RECYCLERS

This short paper seeks to explain the benefits and impacts of a container deposit system (CDS) on the community and charitable recycling sectors. Obviously the estimates provided herein are somewhat generic and the community service sector is advised to undertake their own advocacy to ensure that any CDS is designed to ensure they receive the maximum benefit.

KEY ISSUES

PARTICIPATION: In South Australia many community service operators participate in the state's CDS – in fact it is estimated that Scouts South Australia earn around \$22 million per annum (\$2M profit) operating a number of large depots.

There are three obvious opportunities for community service organisations to participate in a CDS:

1. Existing opportunity shops are well located to become collection depots utilising Reverse Vending Machines and entrepreneurial community service organisations may want to establish collection depots.

Boomerang Alliance estimates that some 1,200 collection centres will be established in metropolitan and regional centres and larger rural towns. On average these centres will process around 650 tonne of materials (around 7 million containers per annum) and earn fees in excess of \$210,000 per centre (at a handling fee of 3¢ / container).

A number of major private sector operators are already looking for potential community partners. In particular this could be attractive to charitable opportunity shops.

If the community sector operates just 20% of these centres it can conservatively look forward to an additional \$50 million per annum.

2. There are substantial new employment opportunities (at least 1,000 jobs), with many in areas where there is high unemployment (rural and regional Australia). Many jobs would be suited to long term unemployed with limited vocational qualifications (manual handling, driving and basic retail).

Community based Job Network providers such as the Salvation Army Employment Plus; Mission Australia or the Job Futures Network will target these opportunities and could reasonably expect to place 500 long term unemployed into work. There are also strong opportunities for Work for the Dole providers

to undertake work experience programs, where job seekers with serious disadvantage undertake a transition to work program.

Fees to host these types of projects and make employment placements could generate as much as \$6 million for these groups.

3. Boomerang Alliance has undertaken a number of time trials to estimate the level of income a community group can earn while cleaning up litter. On average we collected around 8 bottles and cans per minute (nb: clean ups collected all visible litter not just beverage waste) – generating some \$36 an hour from redeeming the deposits (average 45 minutes cleaning up per hour volunteering).

This is a substantial opportunity for Surf Clubs, Landcare groups and volunteering organisations like Apex, Lions or Rotary Clubs – with a one hour clean up before they commence other volunteer activities providing both a worthwhile community service and a much needed revenue stream to fund their broader community work.

If 10% of the 4 million Australians who volunteer spend just 1 hour a year cleaning up litter they will generate some \$14.5 million per annum for their charity or community group.

Community groups should advocate they receive access and support from government to ensure they can take advantage of these opportunities.

IMPACTS ON THE POOR: While the beverage industry often tries to run scare campaigns about increased prices to food and grocery items, community sector organisations should not be concerned by these misleading statements.

FACT: A CDS is self funding with income from the sale of scrap materials and unredeemed deposits (the lost deposit when people don't redeem their containers) as well as a 'handling fee' for depot operators. While there

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is a 10c deposit when a beverage is purchased; these monies are fully refunded when the container is returned.

FACT: A key issue for social welfare organisations to consider is 'price shock'. When a container deposit system is first introduced, disadvantaged people could receive a once off price hit (the temporary cost of the deposit across their shopping bill).

Social welfare groups should advocate ensuring that retailers cannot price gouge and start charging deposits on bottles that are not yet labelled. Social welfare groups should also engage with government departments to ensure the introduction is organised to eliminate any concerning and credible problems for the most socio-economically challenged people.

FACT: As many of the more affluent members of society choose not to return containers for the refund, this creates substantial income opportunities for youth and disadvantaged people. In most countries where CDS has been adopted the disadvantaged make up a proportion of the recycling network – cleaning up litter and recovering containers for their deposits, in public spaces.

As the time trials explained earlier outline, if an average person spends 45 minutes to an hour collecting waste containers from parklands, beaches and roadsides they can reasonably expect to recover around 360 containers (8 containers a minute) – earning \$36 an hour.

ENVIRONMENT: The connections between clean neighbourhoods, a healthy environment and strong communities are well known and this relatively simple initiative delivers big environmental benefits. Our analysis indicates these benefits include:

- Almost 20% reduction in the volume of litter found on our streets and in our parks and waterways
- Increasing the recycling of bottles and cans by over 650,000 tonnes per annum
- Reducing Australia's greenhouse gas emissions by over 1.3 million tonnes of CO₂-e p.a.
- Water savings to permanently supply over 24,000 Australian homes.

SUMMARY

It is clear that a national CDS will be a big boost to protecting our environment and also provide significant opportunities to the community sector:

- Generate over \$70 million p.a. from social enterprises undertaken by community groups
- Strong employment prospects for the long term unemployed
- Opportunities for people with extreme disadvantage to earn supplementary incomes
- Little, if any, impact on grocery prices.

No other beverage container recycling measure offers these benefits.



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The Boomerang Alliance:

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