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Loddon Mallee Waste and Resource Recovery Group 

NSW CDS to feature depots and RVMs

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Jacqueline Ong

The NSW government has announced its preferred container deposit scheme, picking a 10-cent initiative over the beverage industry's alternative Thirst for Good model.

Delegates who attended Waste 2016 at Coffs Harbour last week discussed the issues and opportunities of a NSW CDS with a panel of five members including NSW EPA senior manager - resource recovery Alex Young, Australian Council of Recycling CEO Grant Musgrove, Total Environment Centre executive director Jeff Angel, Envirobank managing director Narelle Anderson, and Local Government NSW strategy manager Susy Cenedese. Wright Corporate Strategy joint managing director Tony Wright facilitated the discussion.

At the time, concerns were raised that the government's July 1, 2017 implementation deadline, as part of an election commitment, was rather ambitious, particularly as the government had not chosen its preferred model.

Another concern raised was how different the NSW scheme would be to SA's model and Angel said the beverage industry agreed that the scope of containers collected in NSW needed to be harmonised with the SA model.

"Drinks are distributed nationally so labels should not be specific to the various states," he said.

The industry would be pleased to hear that the NSW scheme will apply to most drink containers between 150ml and three litres, much like the SA CDS. These containers will also display NSW CDS labelling.

Some of the scheme's features include:

- A 10-cent refund for anyone who returns an eligible container;
- Collection depots ranging from large-scale depots to standalone reverse vending machines (RVMs) and pop-up sites; and
- Funding of the 10-cent refund as well as the associated handling and administration fees will be provided by beverage suppliers.

The Association of Container Deposit System Operators (CDSO), whose members include Remondis and RVM manufacturer Envirobank has, unsurprisingly, welcomed the decision.

"These providers and operators of technologies and systems for container deposit schemes stand ready to invest in and deliver the necessary means to operate a consumer convenient and cost-efficient CDS", CDSO executive officer Robert Kelman.

"CDSO and its members look forward to assisting and engaging directly with both government and the beverage industry as they think through maximising automation for cost efficiencies."

Angel has also welcomed the decision, saying a CDS was a win for the community.

"The CDS has had to test itself against rigorous economic and environmental analysis as well as misinformation campaigns - and we have no doubt there will be enormous benefits for NSW," Angel said.

"With the right design features, we expect a CDS will provide a \$150 million per annum boost to the recycling sector, attracting over \$160 million in private sector investment to build 600 new recycling collection points across the states.

At Waste 2016, Angel also called for a single coordinator to manage the scheme and has welcomed the government's decision today to open up control and management of the CDS to an expression of interest process.

"This will help deliver a world class system covering all glass, plastic, metal and LPB drink containers that will be cost effective, efficient and convenient for consumers," he said.

Meanwhile, the Waste Management Association of Australia (WMAA), which has expressed broad acceptance of the scheme's introduction, said it would "continue its discussions with the NSW Environment Minister and the NSW EPA to ensure that the best outcome is achieved" for the sector.

"WMAA believes the best way forward for the industry is to engage in well considered policy announcements to ensure the industry retains its seat at the policy setting table. I fully expect the introduction of the NSW scheme will now drive discussion in other jurisdictions on a national CDS system for Australia," WMAA CEO Martin Tolar said.

Issues to manage



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While the government's CDS discussion paper released at the end of last year (see Related Stories) discussed in detail a number of concerns raised by the waste sector, issues still remain.

During the panel discussion last week, one delegate asked Young just how the government would site each CDS collection point.

Young said collection networks and convenience were key factors that would drive siting decisions, adding that an implementation working group, which Environment Minister Mark Speakman said he would appoint, would define the coverage. This implementation group would ultimately bring forward the draft legislation to establish the scheme.

On the age old question of how a CDS would impact NSW's kerbside collection system, Angel said last week: "There will be net financial gain [for kerbside], because according to research, even at an 80% rate of return, it [20%] would be worth far more than the materials lost."

Musgrove, whose members have expressed mixed feelings about the CDS, said large structural adjustments would be needed and ACOR was currently identifying all friction points.

"There will be winners and losers so we have to determine how the losers, the 38 MRFs across NSW that collect 80% of kerbside waste which they then sell, will be compensated. We need to find ways for them to participate in the CDS," Musgrove said.

"We will be putting some numbers together for the government at the request of the Environment Minister.

It is the numbers that are important, with Angel emphasising that transparency was key.

"In the Northern Territory and South Australia, people are sceptical about the money being held by drink companies, especially when the recycling system is not running at full capacity. We need to be open about the numbers," he said.

Kelman believes that today's RVMs and other technologies would have no issue ensuring the numbers are accurate and transparent, among other benefits.

"Reverse vending machines, bulk sorting and counting technologies and the use of barcode reading for accurate accounting, cost efficiencies and anti-fraud mechanisms and are all features of modern, best practice and least cost CDS," Kelman said.

"These design elements are at the core of these systems globally and replace the need for manual handling and counting of containers, which are features of older style schemes", Kelman said.

Like Kelman, Anderson noted that technology today meant perceived constraints, such as an RVM's inability to collect rigid materials, could be easily solved.

"Envirobank's RVMs that operate in a non-deposit way would not be put in a deposit environment. It's about the technology, which is available and can be tailored to match the opportunities," Anderson told delegates.

However, in order to determine the best technology for the scheme, Musgrove said we must first find that missing link - the diversion rate that the government is after.

"Decide what that diversion rate is - and all you have to do is look at the National Litter Index - and you will be able to back calculate and decide which technology to pick," Musgrove said.

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