

## Enhancing the NSW Container Deposit Scheme

Throughout November 2022 the EPA held eight information sessions around the state, and one general online session to consult with beverage suppliers and the waste and recycling sector on the proposed changes to the *NSW Return and Earn Scheme*.

# Information session feedback summary

This document provides a summary of what we heard from stakeholders and questions asked at each of the nine information sessions. The EPA is reviewing all feedback from submissions and survey responses and will release a full consultation summary once this review is complete, along with the outcome of the EPA's consultation.

## Sydney 3 November 2022

### Option four: An additional glass bin

This option was discussed. There was interest in knowing how many stakeholders preferred this option in comparison to option two: expanding the scheme.

### Including different types on containers in the scheme

Concerns were raised by the waste sector about logistical issues with processing wine cask containers at Reverse Vending Machines (RVMs) if they were to become included in the scheme. The RVM depots are designed for processing high volumes of containers through a circular hole. If the wine casks have to be manually scanned and sorted it will reduce speed and efficiency.

Similarly, there were some questions around other bottles that may be problematic, such as spirit bottles made from ceramic material, bottles with different coloured glass and high-end spirit bottles with unique shapes. Attendees asked if certain containers cannot be recycled, what will happen with those and how it will be made clear which bottles are in and which are out or whether they will be banned. Ensuring enough time for businesses to transition was a key point for implementation.

In contrast, it was asked if the scheme could go one step further than the proposed expansion and include other types of containers that are not used for beverages.

There was a question about whether what remains in the existing yellow bin will be worth more if the additional proposed containers are included in the scheme.

Increasing the refund amount was also raised as an option to incentivise the return of wine bottles as they are heavier.

Concerns were raised about the potential of increased antisocial behaviour from individuals collecting eligible containers from domestic kerbside bins.

Council stakeholders would like to see some assistance for renegotiating contracts with MRFs (material recovery facilities) that will result from changes to the volume of kerbside bins.

Community access requirements were discussed, and the impact additional volume of containers will have on the existing requirements.

### Labelling

The impact of more labelling requirements on the design of the label and cost to implement was raised as a concern. There was a preference raised to align with the Australian Recycling Label (ARL).

## **Harmonisation**

A preference was raised for changes and timing to be aligned with other jurisdictions to limit confusion with consumers.

## **Glass recycling**

There was some discussion over whether glass contamination is driving the change and whether there has been any education around this. Peak body organisations were interested to know what percentage of glass in kerbside bins will go back into bottles.

## **Hunter 8 November 2022**

### **Glass recycling**

There was a conversation around what evidence exists to demonstrate that the current disposal of wine bottles is problematic. For example, wine bottles contaminate yellow bin waste if they smash, but so do other glass products such as jam jars. It was noted that if contamination is the problem, changes to the existing yellow bin system might be a better solution.

Information was provided to clarify what is driving the change and what evidence there has been to support the expansion as the preferred option.

### **Community participation in Return and Earn**

The wine industry asked if there have been any demographic studies to demonstrate that wine consumers will participate in Return and Earn, compared to continuing to use the yellow bin for their glass wine bottles. There is a greater need to incentivise community. Comments were also made about how people taking bottles from other people's bins would become more of an issue and may be skewing the existing data. Concerns about the practicality of community groups or young people collecting larger glass bottles for the refund was also raised.

Information was provided around the current success of the scheme and percentage of participating adults across NSW.

### **Option four: An additional glass bin**

This option was supported by a number of wine industry attendees at the Hunter Valley information session, as an alternative to expanding the Return and Earn scheme. Source separation at the point of disposal is the most effective way to create a clean waste stream. If Victoria implements this option perhaps it should be the national approach. It was suggested that a cost benefit analysis should be completed for this option to proceed.

Alternatively, council raised concerns about the cost for them to implement a fourth bin. They will only support this option if funding is available, and the cost benefit analysis stacks up.

Making more money available from the waste levy to improve recycling infrastructure was raised as a way to meet the Waste and Sustainable Materials Strategy targets.

### **Labelling and barcodes**

The wine industry highlighted that labelling is an expensive exercise. Clarification was provided around which marks would become necessary on wine bottles under the expansion, including why each bottle is required to have a SKU (Stock Keeping Unit) code.

There were some questions about how screw caps would be dealt with and who would be responsible for the labelling i.e., the contract bottlers or the bottling wine as the first handler. A request was made for no further colours to be added to labelling.

### **State boundaries**

Discussion was held around whether a Victorian wine producer will become part of the scheme upon import to NSW and whether there will be differences in labelling requirements for both states. A national scheme would help further harmonise.

There was further discussion around who bears the cost when distributing in Victoria or Queensland. It is challenging for small wine makers if they have to carry the inventory when distributing interstate.

### **The existing scheme needs to be fit for purpose**

Including wine bottles will significantly increase the volume of containers going into RVMs. RVMs are already at capacity. Council asked what incentives and funding would be available to set up more RVMs in the regions to support the expansion. Increasing the number of automated depots should be considered to help address noise and litter at RVMs. The EPA should consider grants from the waste levy to incentivise the community to increase the number of automated depots.

### **Cost impact and supply chain differences**

Lots of discussion was held around the cost impact on the wine industry. The wine industry explained that when they sell a product, it is up to 90 days before payment is received, resulting in them carrying that cost. Sometimes the wine industry works on consignment. It is not comparable to other drink providers or the dairy industry. The wine industry highlighted that the production and bottling of wine is different to other types of beverages and that many wineries rely on contract bottlers and third parties to store wine before release. The current rules about first suppliers will be problematic and could mean holding additional cost for long periods. For the wine industry it can be a year or ten years before wine is sold or consumed.

The administrative burden for small business to participate was also raised as a concern. Impacts of droughts, fires and floods has had a negative impact on the industry.

There was a question about why the glass manufacturer isn't responsible for the costs. It was suggested the existing scheme could save costs if the number of contacts profiting along the way could be reduced.

The wine industry also raised concerns about passing on the costs. NSW Wine's analysis indicates that actual costs will be 14-15 cents. In particular, concerns were raised in relation to the duopoly of the retail sector and the inability of the industry to have an influence on pricing. A request was made for government to advocate on behalf of the wine industry, who want to do the right thing for the environment, for retailers to accept any price increase from the introduction of the scheme.

### **Circular economy**

Concerns were raised about the circular economy of wine bottles and the likelihood of glass wine bottles being remanufactured back into wine bottles given the major glass manufacturing plant in NSW does not currently make wine bottles. The economics of transporting glass to South Australia for remanufacture into glass bottles was also discussed.

There was a comment regarding the use of glass fines for road base and other construction uses and the current onerous restrictions on its use by the EPA. Council also raised the need to focus more on end market opportunities to address glass recycling problem.

### **Environmental benefits**

Council supports work that promotes product stewardship. There needs to be an understanding of the social responsibility around waste.

## **Armidale 10 November 2022**

### **Impacts to Material Recycling Facilities (MRFs)**

Concerns were raised about impacts to regional MRFs through reduced material fees.

Regional MRFs employ people with disabilities to sort kerbside material. Expanding the scheme could impact social enterprise for disability employment.

### **The existing scheme needs to be fit for purpose**

A comment was raised around the impact the existing scheme is already having on councils. Reference was made to there being insufficient Reverse Vending Machines (RVMs) in regional locations, RVMs at capacity or not emptied often enough and rubbish being left around the RVM sites.

A suggestion was made that an alternative point in the supply chain should be responsible for the administration and payment of scheme contributions due to the number of small businesses that participate in the wine industry and the burden this would create. It was also suggested that a national scheme could reduce cost.

### **Community participation in Return and Earn**

Council suggested that the scheme benefits should be showcased to demonstrate how it can be part of the solution towards a circular economy. For example, a recent RVM installation has had a positive

impact in a low socio-economic area as the 10c refund is helping the community. Further, a community survey for Uralla's strategic plan found that young people want an RVM in their community. It was also noted that it is important to rebuild community trust in recycling, in light of the recent REDcycle issues.

### **Cost impact and supply chain differences**

Concerns were raised about the current financial pressure that will continue to be experienced by the wine industry, resulting from China's import bans. South Australia is currently most affected but there is a pending domestic market glut. China's import bans will have ongoing impacts for all wine businesses. A domestic market glut could have a big financial impact on the wine industry.

Wine equalisation tax (WET) also makes Australia the highest taxed wine producer. The tax applies to revenue regardless of whether production is profitable. There was concern that the scheme contribution fee would increase the amount of WET paid.

An industry participant advised that 70% of wine is sold in retailers and that the industry is a price taker. Passing the cost on through the supply chain to the consumer will not be an option. The wine industry is not able to absorb more costs.

### **Option four: An additional glass bin**

A representative from the wine industry suggested that an education campaign could be put in place to use glass bins effectively. Although, another participant highlighted that education campaigns only go so far. Some people will still do the wrong thing, which impacts the quality of glass collected via kerbside collection. Council suggested that the Return and Earn scheme is a more effective way of incentivising behaviour.

### **Regional communities**

Concerns were raised that the wine industry operates primarily in regional communities and that the cost of including glass wine bottles in the scheme will come from regional businesses to fund multi nationals and a monopoly of network operators.

In contrast, a council representative shared the challenges of a small regional council in providing kerbside recycling. They do not process glass due to cost. Instead, they use collected material for internal roads at landfill, qualifying that this may be a unique situation. Locally each council operates differently and identifying end markets can be challenging. Council also suggested that as a small council, claiming refunds from the scheme as an MRF is administratively cost prohibitive. Boutique recycling is not efficient, and the scheme provides part of the solution to this.

## **Griffith 15 November 2022**

### **Option four: An additional glass bin**

A question was asked about whether adding a glass bin to kerbside collection would remove more glass, or alternatively, if the existing process of kerbside collection quality could be improved.

### **Cost impact and supply chain differences**

Concerns were raised about the ability for the wine industry to pass on the costs. The end consumer should be paying as they are incentivised to return containers for a refund. It was noted that wineries are already bound by the distributors and there is little room for negotiation. Also, that the industry does not allow for an increase in cost, especially not for small wineries, so it is not possible to pass the cost on. The Consumer Price Index (CPI) for wine has only seen around 2% increase, which shows no elasticity. The industry is not in a position to absorb this additional cost.

It was questioned whether the consumer should take some of the cost, instead of the wine industry who have to pay up front for their anticipated sales. At the moment the consumer benefits even though it is the consumer that may be responsible for littering. The scheme does not consider the impact on suppliers.

A suggestion was made as to whether retailers should be responsible for paying the scheme costs and not the winemaker as they have the money and the RVMs in their car parks. It was suggested that whoever is selling to the end consumer they should be the ones paying into the scheme.

It was questioned whether the retailers should take some of the cost, based on what they sell. They are in a different financial position and also often have RVMs nearby.

## Environmental benefits

The wine industry was clear that they are environmentally focused. They rely on our environment to produce and want to see good results. They want to be sure that the proposed expansion will have significant positive impacts. Segregating and collecting glass from the manufacturing process to be sent off for recycling is currently costing the wine industry a lot.

The proposal to expand the scheme is largely supported, but cost is the biggest concern with the changes. Cost increase will have a major impact on the financial viability of the wine industry, with uncertainty about costs being passed through the supply chain.

It was also asked why wine has not been included in the scheme before, given the proposed environmental benefit it will have. There was a suggestion that the changes should be national legislation.

## Labelling and barcodes

Sufficient lead time will be required and consideration should be given to emerging technologies such as QR codes and 3D barcodes. Labelling should be flexible as it is an expensive cost changing millions of labels. There needs to be recognition of other labelling requirement such as pregnancy and proposed energy labelling. The associated cost requirements should be more aligned because implementation costs are significant. The volume of SKUs the wineries have is already huge. A suggestion was made about using the first numbers of a barcode as these identify the company rather than registering all barcodes. Similarly, refund marking should not specify colours as this can add considerable cost for design and printing.

A suggestion was made that some form of collaboration with GS1 would make it easier for the industry.

*Note: GS1 is a not-for-profit, international organisation developing and maintaining its own standards for barcodes <https://www.gs1au.org/>.*

A comment was made about the ARL program having many challenges and not necessarily being any better than the current refund marking requirements.

Challenges with labelling for imported products were identified.

## Community participation in Return and Earn

It was put forward that the demographic of wine drinkers will vary from that of other drink containers and therefore community participation may be lower.

It was acknowledged that the scheme is a great incentive for the community to collect container litter. It was raised if 10c still be a valuable incentive in 2025 when it will be worth less.

## The existing scheme needs to be fit for purpose

The current RVMs are slow. More RVMs would be needed in regional areas in order to process a significant capacity of wine bottles. It would take a long time to implement.

A suggestion was made about the capacity for RVMs to accept soft plastics that this would be a good outcome.

Separation of coloured glass was raised as a concern. There was a comment about the opportunity for Australian glass manufacturing needing improvement to help with cullet segregation. For cullet to be effective, the glass needs to be same colour, otherwise there will be breakages in transport.

Effective return of wine bottles from commercial premises such as restaurants and cafes was raised as a concern. A suggestion was made about whether RVMs could accept wine bottles without the correct labelling but not pay the refund.

Current payment terms for suppliers was raised as a concern as payment terms do not correspond with major retailers which can be 60-90 days. Earlier payments can be made but this requires providing a discount and therefore puts further pressure on already tight margins.

## Consultation

Concerns were raised that government has already made a decision on the proposal.

## Albury (online) 17 November 2022

### State boundaries



There was a conversation around the glass bin system that has been adopted in Victoria. NSW councils bordering Victoria may face difficulties communicating messages about the expansion to their community, when across the river Victoria is operating a different system.

### **The existing scheme needs to be fit for purpose**

There were questions about whether the number of RVMs will be increased in regional areas.

The scheme's annual report was identified as an important document for councils to support waste reporting, as information is provided at the local government area level.

Refund sharing agreements between MRFs and councils was also raised as an important transition issue for councils.

### **Circular economy**

The proposal to expand was strongly supported by council and it was made clear that the scheme is important to them. Five of the 13 councils in the region do not have kerbside recycling, but most have RVMs.

## **Orange 22 November 2022**

### **Glass recycling**

There were lots of questions around how glass is currently being processed, and how the process will be monitored if the scheme is expanded. There were concerns that material is all being mixed together. Council explained that material from the scheme does not go to landfill, it gets weighed in and out so it is separated at source. They currently have 13,000 tonnes of cullet onsite that they cannot find anyone to test and have found it difficult to find somewhere in Australia that will accept good quality cullet. This is partly due to freight being difficult and costly. Other councils are facing the same challenges.

It was asked how these challenges will be managed, including processing the influx of glass if more bottles are added to the scheme.

Concerns were also raised that the scheme purpose is to reduce litter and wine bottles are not found in the litter stream. This therefore seems to be misdirected policy.

### **Cost impact and supply chain differences**

The wine industry reiterated comments previously made that the financial impact upon them will be significant. Noting they are mainly small family businesses who have been affected by drought, bushfires, COVID-19, and are already paying a significant tax so cannot pass on costs. It was raised that the industry will not benefit from the proposed expansion, unlike large businesses who have more financial resources. The wine industry believe their participation in the scheme will increase the profits of the large multinational beverage companies that coordinate the scheme and international waste and recycling companies that collect and process the bottles.

Concerns were raised about the price sensitivity of the end consumer and that any increase in sale price will have an impact on total sale volumes.

There was a discussion around the various layers of distribution across the wine industry. It was explained that this chain might pass from a winery to a manufacturer, to a distributor, to a wholesaler, and then a retailer and a consumer. Payment terms for selling to a distributor may be up to 90 days. They are not sold on consignment. The amount a winery can command for their product at the beginning of the system and their ability to affect pricing is low. Unlike other suppliers in the scheme, wineries are made up of lots of small businesses. They do not have access to the markets. If costs were passed on to consumers, they would not pay, and wineries would lose their market share. In addition to this, 65% of stock is exported. It does not seem appropriate for wineries to be charged for the glass. Similar to other information sessions, extending current payment terms for scheme contributions was raised.

If glass manufacturers were responsible for the costs, there would be much less administration involved as there are only two glass manufacturers.

The wine industry view the proposal as another tax on wine.

### **The existing scheme needs to be fit for purpose**

Recent changes in the ownership of collected material from the scheme in regional areas was raised as a concern for council due to the potential negative financial impact. The sale of recycled material helps to fund kerbside services.

### **Community participation in Return and Earn**

The wine industry do not believe that wine drinkers participate in the scheme. It was suggested that the RVMs are impractical to use for the benefit of recycling a few wine bottles a consumer may have.

### **Circular economy**

Concerns were raised about the economic and environmental impact of transferring glass to South Australia for remanufacturing into glass packaging. Wine bottles are not being manufactured in NSW and therefore the proposed expansion will not result in a circular economy for the wine industry. If there was a true circular economy for these containers, the wine industry do not agree that they should have to pay for it, as they are not the ones producing the glass.

### **Option four: An additional glass bin**

The Victorian glass bin option was discussed as an alternative option, and it was suggested that this would have better outcomes as it targets the root of the problem. Other countries including Canada also adopt additional kerbside bins and this has been effective at reducing the amount of waste sent to landfill.

Questions were raised about the factors included in the cost benefit analysis to determine the cost of the proposal.

### **Labelling and barcodes**

There were questions around the cost of adding barcodes, whether new barcodes are needed and how barcodes work with cases of wine. A recent change in federal laws resulting in a change to labelling has already had significant cost implications and further labelling changes are proposed to include energy consumption information.

There was a question about what would happen if a label showed the 10c refund but that by the time it was sold that refund amount had increased.

The wine industry asked whether RVMs have the functionality to recognise different glass bottles without the need for creating new barcodes. It would be beneficial if they could determine the makeup and quality of glass.

A discussion was had in relation to current barcode requirements and whether there will be any further special requirements.

Concerns were raised about the integrity of the scheme and intellectual property via barcode information being available to large multi-national companies. These concerns were addressed by explaining the current protocols in place.

### **State boundaries**

Questions were asked about whether other states and territories are planning to expand. A preference for national harmonisation on the issue was put forward as it will be important to make the scheme work.

### **Consultation**

The wine industry were concerned about the timing of the consultation being held post announcement of the proposal to expand. The public are not likely to understand the challenges the expansion poses to the wine industry. They will therefore not understand why the wine industry do not support the proposal.

The wine industry are environmentally focused and want to do the right thing by recycling. They understand that separating glass is a good thing. They would prefer to have been consulted beforehand and to have been involved with the modelling process. It was made clear that a decision to proceed with the proposal has not yet been made and that it would be dependent on the outcome of the consultation. The outcome of the consultation will be published on the EPA's website.

## **Queanbeyan 24 November 2022**

### **Option four: An additional glass bin**

The wine industry participants in Queanbeyan prefer the option of incorporating a fourth bin. This would also capture glass jam jars and cordial etc. and therefore better prevent glass contamination in yellow bins. The Victorian government has adopted a fourth bin and is paying for it. A national approach is more appropriate.

A comment was made that implementing a fourth bin could double diversion from landfill.

Another comment was made that examples from overseas show kerbside recycling has a lower environmental footprint than the Return and Earn scheme. This appears to be the better option for recycling glass.

An alternative view was provided that the cost to send to landfill or recycle from kerbside is massive and this cost goes back to rate payers. Every product has an end of life that has to be paid for. Recycling and landfill is not free. The scheme is a better way of achieving a cleaner stream of recycled material.

### **Glass recycling**

It was acknowledged that the current scheme is an effective litter reduction program. However, given wine bottles only account for less than 1% of the litter stream, questions were raised around whether including them in the scheme would be addressing an existing problem. A better solution could be to address other commonly found items in the litter stream.

There were questions around what will happen to the glass under the scheme to produce cleaner recycling materials, for example, how much of the glass will be recycled and what will the quality of cullet be. There was discussion on the current yellow bin system, including its effectiveness, the collection cost to small councils and challenges with finding recycling markets for glass bottles. This is in part due to high transport costs. For smaller regional councils, glass ends up in landfill due to processing and transporting costs exceeding the value of reclaimed material.

Participants agreed that it would be good to get further clarity on this and to educate the community on what will happen to glass bottles if they are included in the scheme. It would be a worthwhile conversation to discuss how the circularity of glass could be improved. It would be good to involve community and environmental groups. Product stewardship should involve sharing costs.

Questions were raised in relation to whether a carbon footprint was included in the cost benefit analysis. Overseas research indicates that kerbside recycling has a lower footprint than Return and Earn schemes.

### **Cost impact and supply chain differences**

The wine industry reiterated that wine is a discretionary product and that the costs cannot continue to be passed on through retail channels. The majority of the 2,500+ businesses are family run. For small wineries, costs could amount to \$20,000 p/y and that includes passing some cost on to consumers. There is already a considerably high tax paid for wine. Big retailers are refusing to absorb any more costs. The trade sanctions in China further prohibit these businesses passing on costs. Government should be absorbing the cost. The big beverage companies that have the largest market shares should be spreading costs. Alternatively, the cost could come from those that produce the wine bottles. A suggestion was made as to whether there could be consideration for exempting smaller wineries.

A comment was made about the loss of revenue from councils due to higher value recycling material being diverted from kerbside recycling to the scheme. However, it was also pointed out that diverting glass from kerbside recycling could be beneficial, as the value of glass is low, unlike diverting milk containers which would have a more significant impact.

### **Administrative impact**

Adding additional layers of reporting to small businesses will make it more difficult for them.

### **Including different types on containers in the scheme**

Questions were asked to clarify what the process would look like if the additional containers were included in the scheme. This included how containers would be collected from pubs and restaurants, given this is where a large portion of wine is sold to. It also included addressing how barcodes would be read, what would happen to wine bottles with steel caps and whether the modelling would be different for beverages that are consumed differently.

Similar to other information sessions, barcodes and labelling were identified as a considerable implementation issue. There were suggestions about whether RVMs could recognise the shape of



bottles in order to accept them, rather than making changes to existing labels or those bottles already on people's shelves at home.

Questions were asked about the timing that payment is made. The wine industry were concerned about the difference in payment terms for the scheme and those offered by larger retailers. Depending on how the product is sold, there could be 60-90 days before payment is received, creating a potential cashflow issue. A suggestion was made that this could be addressed by paying on the number of containers returned as opposed to paying up front.

### **The existing scheme needs to be fit for purpose**

It is surprising how many people participate in the scheme in regional areas such as Wagga Wagga. However, the scheme is only as effective as the number of RVMs exist in regional areas. Challenges of more remote locations participating in recycling activities were discussed. If people have to drive considerable distances to participate, they will either choose not to, or the environmental impact from travelling will become counterproductive.

Better management at RVM sites is needed. Council resources are being directed to follow up with property owners and network operators to address littering at RVM sites. Expanding the scheme may exacerbate these problems. Council representatives expressed that network operator responses are inconsistent and staff regularly change.

A concern was raised that donating wine for charity events could be at risk if wineries are required to pay scheme contributions for this type of supply.

### **State boundaries**

Similar to other information sessions, harmonisation with other jurisdiction was raised as a key concern.

The wine industry argued that expanding the scheme will impede trade across state borders because it will not always be cost effective to sell interstate. Having to make calculations based on different state systems as to whether selling interstate is cost effective also creates a further administrative burden. It would require running reports for all NSW customers.

Questions were answered to address confusion with state boundaries, such as whether or not wineries still have to participate in the scheme if selling to Victoria and whether this would mean different barcodes.

### **Consultation**

There were some questions about what will happen next and concerns that the decision to proceed with the expansion has already been determined. The wine industry want their concerns to be appropriately weighted against those of community and other groups. They are aware that the public perception will be to implement the proposed expansion, but they are not aware of the cost implications.

The next steps of the consultation were discussed, and some clarity was provided around what documents would be provided in follow up to the information session. It was made clear that a decision to proceed with the proposal has not yet been made and that it would be dependent on the outcome of the consultation. The outcome of the consultation will be published on the EPA's website.

## **Southern Highlands 25 November 2022**

### **Glass recycling**

There was some discussion around what percentage of glass is currently collected in kerbside bins and how much of that is made up of containers eligible under the scheme.

It was raised that the wine industry do not believe the proposal to expand will result in significant benefits to recycling outcomes.

A comment was also made as to why other glass recycling is not being considered, such as food glass products.

### **Labelling and barcodes**

Issues were discussed around how labelling would work for bottles that are aged for 1-10 years. The cost of labelling was also raised as an issue.

The security and data protection of barcode requirements were discussed. Lots of information will be supplied in the barcode and there are concerns that this information will become available to major competitors.

### **Cost impact and supply chain differences**

Issues around cost impact on the wine industry that were raised at previous information sessions were similarly raised in the Southern Highlands. It was recognised that this is the biggest challenge, particularly for small wineries. It was suggested that a shared responsibility would be more appropriate, which would include the supplier bearing some of the cost. Big retailers have more capacity to bear some of the cost as they are the ones making a large profit.

Given the wine industry is an agricultural industry that has already suffered the impacts of drought and bushfires, compared to multi-national beverage companies who are chemical producers, it was suggested that the costs should be more proportionately allocated based on product. Similarly, those who use carbon friendly glass should pay less than those bottles that are not carbon friendly.

The wine industry explained the financial pressure they are already under as a result of weather impacts, increased labour costs and significant taxes. Under the current proposal, the costs being imposed on the wine industry will result in a number of businesses being forced to close.

### **Administrative impact**

The additional bookkeeping and requirements for registering create more admin work. These admin tasks cost money which adds to the overall costs for wineries.

It was also suggested that the administration and costs involved for the EPA in auditing all of the producers (2,500+) will be considerably onerous.

### **Option four: An additional glass bin**

The wine industry would like to see more analysis and discussion put into option four: an additional glass bin. The additional glass bin was suggested to be a better litter reduction tool. There was discussion around the issue of glass contamination with the existing yellow bin.

### **Community participation in Return and Earn**

The wine industry asked to see a detailed report with the figures on how many containers are recycled through the scheme. There were further comments made to suggest that wine drinkers do not participate in the scheme. They would be more likely to return bottles to the cellar door than participate in the scheme. A point was also raised that someone who drinks one bottle of wine may equate to someone who would drink six bottles of beer.

### **Next steps**

The wine industry asked how submissions will be weighted. They understand there have been a number of community submissions, but the wine industry will be considerably impacted, and this should be weighted accordingly. The community do not understand what those impacts are.

Similar concerns were also raised at this session as to whether the decision to expand had already been made and whether feedback from the information sessions will be made available. The wine industry has a genuine interest in environmental outcomes and agree that product stewardship is important. They would like to have been involved in a codesign approach focusing on real solutions with representation across each sector. It is important that the glass manufacturers are also consulted.

## **Online 28 November 2022**

### **Impacts to Material Recycling Facilities (MRFs)**

There was discussion around how MRFs will manage the remaining recycling processed in yellow bins if the additional containers are included in the scheme. This is based on the theory that people will see free space in their yellow bin and fill it with other items that may create contamination. This leads to additional charges being imposed by the MRFs to sort through recycling. Council asked if any long-term impacts of the remaining yellow bin items had been scoped as higher contamination penalties will impact council's recycling contracts. Reducing the material supply will also require variations to be made to council's recycling contracts which will result in financial loss.

Council also asked if it can be recognised that recyclable materials will be removed from yellow bins, as this will impact their target to divert waste from landfill.

### **The existing scheme needs to be fit for purpose**

There was discussion around how functional the existing RVMS are and how well they can process all of the different types of containers. It was raised that smaller sites with less storage space may need more frequent collections if more containers are going to be included. Regional towns that have not previously qualified for RVMS should be reassessed. It was also asked how the impact of the additional containers on the scheme will be managed and if there is an option to include mobile RVMS that could be used at regional events.

The point was also made that litter can occur around the RVM sites and that this would require further resources to monitor and clean up.

It was added that there will be a significant cost on industry if the expansion is not implemented at the same time across all RVM locations.

### **State boundaries**

There were questions around whether NSW consumers will end up paying for bottles that are brought from Victoria, given that in Victoria there is no payment for consumers using the glass kerbside bin system. This led to conversation around how all states are aiming to align their schemes.

### **Community participation in Return and Earn**

Comments were made around potential issues caused by people taking bottles from other people's bins to benefit from using the scheme. Councils receive complaints about this from community.

A question was asked about whether any evidence or research has shown consumers are making choices on beverages based on what containers are eligible in the scheme.

Council are supportive of the proposed changes and asked if the EPA had any social media tools they could use to help promote the inclusion of new containers, including images for Facebook and incentives to help encourage community to participate.