

Putting the kerbside glass recycling service on hold

A consortium of Victorian Councils is calling for an expansion of Victoria's Container Deposit Scheme and a review into the feasibility of Council kerbside glass recycling services before it embarks on the multi-million dollar roll out of a fourth bin to all their households and properties with a Council recycling service.

Background

Recycling Victoria – A new economy was released in 2020 and is a blueprint that outlines the systemic change that is needed to cut waste and boost recycling and reuse our precious resources.

The blue print is supported by the Circular Economy (Waste and Recycling) Act 2021 which stipulates that Councils will provide a glass recycling service to residents by 2027.

We are seeking

- To extend the timeframe for Councils to introduce a glass recycling service until national standardisation of kerbside services and Container Deposit Schemes has been implemented.
- To expand the Victorian Container Deposit Scheme to accept wine and spirits bottles in line with other states in Australia
- For the Victorian Government to review the effectiveness of the Container Deposit Scheme and assess against the usage of the glass recycling service that has been rolled out by councils to date.
- That the Victorian Government share the Business Case it prepared on kerbside glass recycling for Victoria.

While Councils acknowledge that importance of recycling glass, latest research findings show that introduction of a costly kerbside collection service will have no additional benefits than expanding the successful Victorian Container Deposit Scheme to include wine and spirit bottles would achieve.

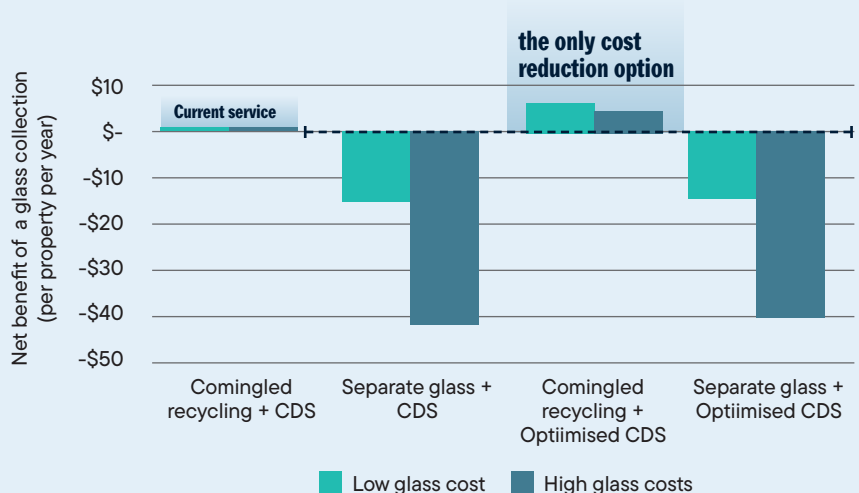
Latest research

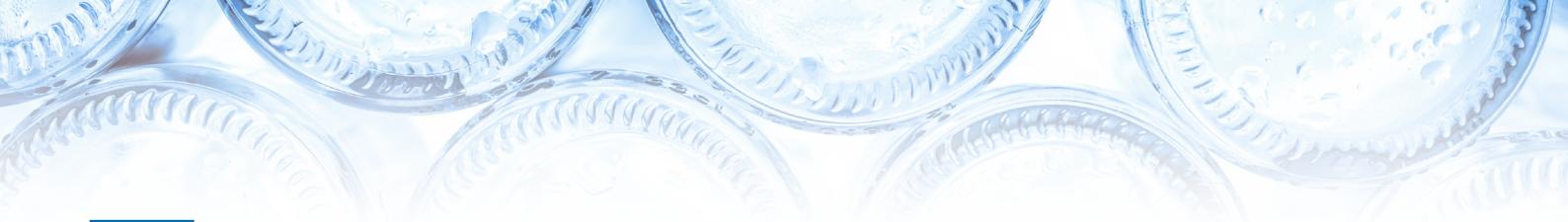
An independent study of 22 local Councils found:

- Implementation of a kerbside glass recycling service would cost a combined amount of \$75M.
- A monthly kerbside collection service would cost each Council an additional \$1.43M each year (based on a typical Council).
- Of the four collection options studied, only the co-mingle recycling service and expanded container deposit scheme came at no cost to Council.

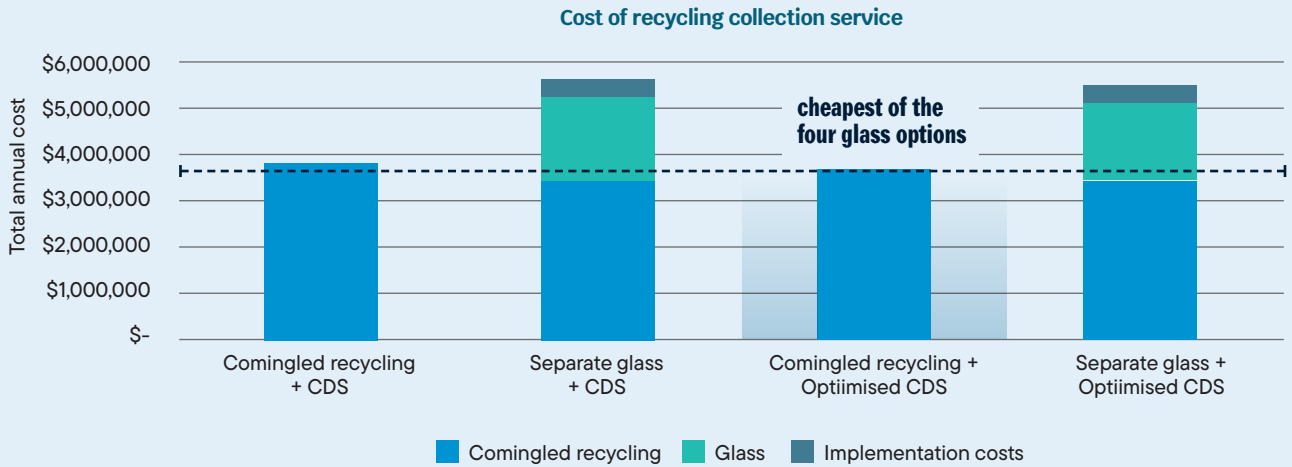
Research concluded that only one option provided a cost reduction to Council. All other options would see an increased cost to residents.

Net collection and processing costs of the four models





The cheapest of the four glass options modelled is commingled recycling plus optimised Container Deposit Scheme.

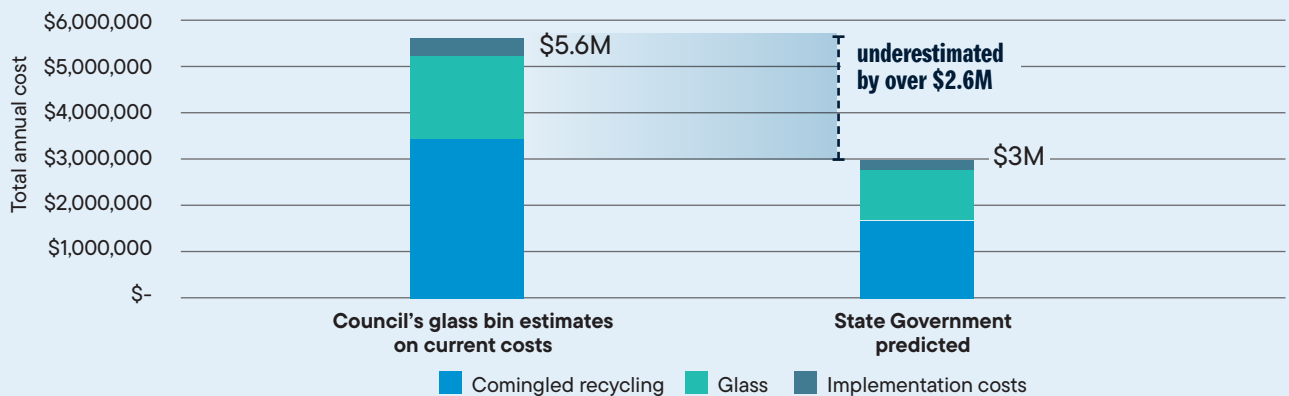


Inconsistent financial modelling

- A kerbside glass collection service (with no expansion to the current Container Deposit Scheme) is \$2.6M higher per year for a typical Council than predicted.
- Additionally, the independent research showed that Councils' forecasting on the cost to implement the kerbside service was almost double the predicative costs that the State Government had based its financial modelling on.
- These are costs that would be borne by Council residents despite research concluding that the implications – including the cost, materials recovered and emission impacts were not beneficial.

Cost of operating separate glass bin service

The predicted cost of \$3M to collect mixed recycling and glass only bins is underestimated by over \$2.6M.



Implementation costs

Implementation costs and the availability of funding to support rolling out the service would be \$2.2M higher than predicted.

Combined implementation costs for glass

Commodity revenue	'Typical' council (total implementation cost)	Government modelling (total implementation cost)	Difference in cost to Council (total)
Bin purchase and delivery	\$3,351,000	\$1,569,000	\$1.78M
Procurement, education and administration	\$413,000	*included in per bin cost	\$413,000
Collection trucks	\$1,000,000	\$1,000,000	\$0
Total implementation cost	\$4,763,000	\$2,569,000	\$2.2M

Roll out of service cost

These implementation costs are made up of the cost of rolling out a new service and the kerbside collection service.

Bin purchasing costs, 'typical' council vs government modelling

Commodity revenue	'Typical' council (per bin)	Government modelling	Difference in cost to Council (total)
Bin purchase and delivery			
Metropolitan and interface, regional cities, large and small shires	\$63	\$34.50	\$1,782,000
Total difference in one-off bin purchasing costs:			\$1,782,000

Kerbside collection cost

Financial assumptions, 'typical' council vs government modelling

Modelling scenario	'Typical' council (per property, per year)	Government modelling (per property, per year)	Difference in cost to Council (total, per year)
Commingled recycling (glass included) (current service offered)	\$36	\$27	\$585,035
Glass (monthly) collection cost	\$27	\$23	\$212,740
Commingled recycling (glass excluded)	\$36	\$26	\$531,850
Total annual collection cost difference – glass excluded:			\$744,590

No benefit to kerbside collection

The research found that the net benefit of a separate glass collection that was presented in State Government modelling could not be replicated using actual data from the participating Councils. This is supported by:

- Conversations with Material Recovery Facilities (MRF) and Glass Beneficiation Plants (GBF) indicating they don't see financial benefits through removing glass from other recyclables.
- Research suggests that there is not a significant difference in the amount of glass recovered through comingled vs separated kerbside collection.
- Diversion of glass from landfill and recovery of high-value recycled glass are both greater through Container Deposit Schemes than through either separated or comingled kerbside glass recycling.
- Comments from industry indicate that contamination in the comingled recycling stream does not impact the ability of material recovery facilities to access end markets for glass or other recyclables.

Container Deposit Scheme

Victoria's Container Deposit Scheme commenced in November 2023 after the Circular Economy (Waste and Recycling) Act 2021 was legislated. The scheme has had an immediate reduction in the amount of glass in recycling bins. It is hoped the scheme will be expanded to include other glass products such as wine and spirit bottles in line with other Australian states.

Benefits of an expanded container deposit scheme include:

- The nature of CDS returns means that it provides a material stream with very low levels of contamination.
- CDS collections result in a very small portion of loss to landfill, so expanding the CDS and increasing the quantity of material flowing through this system would likely increase overall glass recovery rates.
- Research from South Australia estimates a \$34 million saving to councils from diverting containers from kerbside bins under an expanded CDS scenario, when compared to a glass only kerbside bin option.
- An expanded CDS would utilise existing infrastructure.
- Costs would be incurred by newly included beverage producers/suppliers instead of the community.
- Avoids the transport emissions born from 79 Councils introducing new glass only truck fleets.

Why council is asking for an extension to the 2027 timeframe

The consortium of Councils is calling on the State Government to review its financial modelling and the potential expansion of the container deposit scheme before they invest more than \$75 million in infrastructure to roll out a glass bin kerbside collection services.

This will also give Council time to adequately survey its community to understand the demand for a collection service that they pay for rather than a Container Deposit Scheme that refunds them personally.

Additionally, Council is requesting the Victorian Government release the business case it prepared for the state and local councils to justify the economic and environmental benefits of a kerbside glass collection service.

This will help Council to justify the cost to the community and support the implementation of the service.

¹Data from 22 participating councils was used as inputs into the model, aggregated to form a 'typical council'. The four scenarios that were modelled were:

- Comingled kerbside recycling and the existing Victorian Container Deposit Scheme (CDS) (the status quo).
- Comingled kerbside recycling and the existing Victorian CDS, plus a separate kerbside glass recycling service.
- Comingled kerbside recycling and an optimised CDS (accepting wine and spirit glass containers).
- Comingled kerbside recycling and an optimised CDS plus a separate kerbside glass recycling service.

Additionally, the assumptions set out in the RIS were used to model the option preferred by the RIS (comingled kerbside recycling and the existing Victorian CDS, plus a separate kerbside glass recycling service), using data from the typical council.