

Thursday, 7 December 2017

Please quote our reference: 195:AB

Dr Peter Boxall AO,
Chairman,
Independent Pricing and Regulatory Tribunal,
PO Box K35,
HAYMARKET POST SHOP NSW 1240

Dear Dr Boxall,

RE: CLUBSNSW SUBMISSION ON THE DRAFT CDS TERMS OF REFERENCE

ClubsNSW welcomes the opportunity to make comment on the IPART Draft Terms of Reference-Container Deposit Scheme (CDS) Monitoring document.

ClubsNSW submits that, in addition to the proposed terms of reference, attention should be paid to the nature in which waste management providers conduct themselves towards clubs in handling and compensation of beverage container waste.

Clubs, as retailers of CDS eligible products, dispose of empty beverage containers in bulk. Many clubs have existing arrangements with waste management providers who collect and dispose of this material from the club.

It is important to note that with the introduction of the CDS, beverage container waste now carries additional value. Although some clubs may elect to return these containers to designated collection points to redeem a 10-cent refund, in many cases this process is neither practical nor cost-effective logistically. Rather, ClubsNSW believes most clubs will continue to dispose of empty beverage containers via a waste management provider.

It is anticipated waste management providers will elect to obtain a refund on the beverage container waste collected and, as such, ClubsNSW has encouraged member clubs to reach terms with their providers to reflect that the waste disposed carries increased value which should be paid to the club in full.

ClubsNSW has received anecdotal feedback from several member clubs that waste management providers intend to pass back to clubs a very low rate per container collected, less than the value redeemed. For example, a club may receive 2 cents for every vessel, with the waste management provider retaining 8 cents.

ClubsNSW believes IPART should extend the Terms of Reference to include consideration of this issue to ensure waste management companies are not unduly profiting from the CDS.

.../2

ClubsNSW would submit that an additional Term of Reference be included:

"That IPART investigates the compensation provided to businesses and individuals whose eligible containers are collected for recycling."

We are aware that clubs are being offered derisory amounts of compensation by waste collection companies, as low as 20 percent of the value of the container refund. This is despite the waste collection company acquiring the full rebate for depositing the club's containers. In effect, waste collection companies are profiting under the scheme – at the expense of venues and individuals. We believe clubs and individuals should be properly compensated for the containers they make available for recycling, even if that compensation is provided indirectly through lower waste removal charges.

We note that there is some confusion in regard to clubs which have glass crushers. At present, there is an attempt to 'estimate' the number of eligible containers which have been crushed, for the purposes of rebating. Regardless whether the eligible container is crushed or whole, we believe the full rebate amount (10 cents per container) should be provided to the venue supplying the container for recycling. Further efforts should also be made to assist in the co-ordinated separation of eligible and ineligible containers.

ClubsNSW appreciates the opportunity to provide comment on IPART's Draft Terms of Reference for the Container Deposit Scheme and looks forward to further consultation. If you wish to discuss this submission further, please do not hesitate to contact [REDACTED], ClubsNSW Executive Manager – Public Affairs on [REDACTED] or by email at [REDACTED].

Yours sincerely,

[REDACTED]

Anthony Ball,
Chief Executive Officer

