



**Australian Grape & Wine
Submission to the Draft
Tasmania Container Refund
Scheme Bill 2021**

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Who are we

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy, and support that serves Australian wine businesses now and into the future.

We represent the interests of the more than 2,500 winemakers and 6,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism.

Australian Grape & Wine's voluntary membership represents over 75% of the national winegrape crush. We represent small, medium, and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.

The Tasmanian Wine Sector

(As per the [Wine Tasmania Strategic Plan 2021-2023](#))

The Tasmanian wine sector conservatively contributes more than \$200M to the state's economy, placing it in the state's top ten sectors. The sector's contribution encompasses agriculture (vineyards), manufacturing (wineries) and tourism (cellar door and wine tourism expenditure by inbound visitors). The wine sector directly supports 2,063 Full Time Equivalent positions, which represents 10% of total employment in the agriculture, forestry, and fishing sectors in Tasmania¹. The Tasmanian wine sector's vineyard area has been steadily growing at approximately 7% annually, although Tasmania's cool climate results in significant variability of wine grapes harvested and the resultant availability of Tasmanian wine produced.

¹ Economic impact of the Tasmanian wine industry 2018, Professor John Mangan, University of Queensland

Executive summary

Australian Grape & Wine welcomes the opportunity to make a submission on Tasmania's Container Refund Scheme.

While the proposed Tasmanian Container Refund Scheme (CRS) does not directly impact the wine sector, we note the question in the Tasmania Container Refund Scheme survey, seeking feedback on the potential expansion of eligible containers to possibly include wine bottles, in the future. As such Australian Grape & Wine considers it is important to provide our input.

Australian Grape & Wine opposes wine bottles being included in the Tasmanian, or any other Australian State and Territory Container Deposit Schemes [CDS], primarily because:

- A container deposit scheme for wine bottles will have no meaningful impact on the amount of wine bottles recycled. Wine is primarily consumed in licensed venues or at home, where bottles are already collected in commercial or kerbside recycling systems.
- There are existing activities under Sustainable Winegrowing Australia (SWA) and the Wine Industry Sustainable Packaging Alliance (WISPA), that address resource recovery, recyclability, and circular economy objectives.
- National harmonisation with other State and Territory container deposit schemes will drive efficiencies and minimise costs both for the companies funding the CRF and for beverage consumers. (i.e., elements such as the refund amount, refund mark and type of eligible containers must be consistent across borders).

As referenced in the Regulatory Impact Statement,² Australian Grape & Wine notes and commends the Tasmanian Government's commitment to move towards a circular economy to maximise the use and value of resources and ensure that "waste" materials are captured and transformed into valuable materials that can be recycled and reused.

Australian Grape & Wine has also been observing the evolution of Victoria's waste and recycling system through its "Recycling Victoria: a new economy" action plan. Victoria is reforming kerbside recycling with the introduction of a separate (fourth) glass-only bi; introducing a container deposit scheme (in 2023); investing in waste materials sorting and re-manufacturing; and positioning waste management as an essential service. While the Victorian roll-out of glass-only bins is still underway, Australian Grape & Wine anticipates that separating all glass out of the "general recycling" yellow kerbside bin will further increase the overall volume of glass collected (with a broader range of food and beverage glass containers captured) and this should simplify the sorting of glass into appropriate re-manufacturing streams so that better value of the resource can be realized. We are hopeful that this approach may serve as a roadmap for other jurisdictions to follow and advance Australia's circular economy future.

Finally, Australian Grape & Wine also recommends that a regular review of the operations and regulations, of the Tasmanian CRS be undertaken by a relevant authority, to ensure the scheme is working effectively in a competitive market. The review format could be stipulated in the draft Contain Refund Scheme Bill and undertaken a year after the CRS commences and then every five years thereafter, to ensure beverage pricing is not being unnecessarily impacted due to the CRS.

² CRS Regulatory Impact Statement, Page 5

Waste management in the wine sector

Australian Grape & Wine asserts that wine bottles are not part of the public litter stream because they are generally consumed at home or in licensed premises where they are collected in existing waste collection/recycling systems.

The wine sector takes its responsibility for waste management seriously and has long established, sustainability credentials. Testament to this is [Sustainable Winegrowing Australia, \(SWA\)](#) the national sustainability program for grapegrowers and winemakers, designed to help businesses validate and continuously improve sustainable practices and reporting in our vineyards and wineries. SWA has a significant focus on participants developing waste management tracking and improvement initiatives. SWA participants report annually to the Australian Wine Research Institute (AWRI) which manages the program, and indicator data is then provided back to SWA participants in the form of benchmarks to support continuous improvement. SWA members can also become certified which requires third party auditing of their management systems and practices.

The Australian wine sector has also had a long history of engagement with the Australian Packaging Covenant Organisation (APCO). Australian wine producers are well represented under APCO, which requires its members to become signatories to the covenant, a document that sets out how governments and businesses share the responsibility for managing the environmental impacts of packaging in Australia. Under APCO, wine sector's members are required to monitor their packaging sustainability and report against thirteen criteria which form the Packaging Sustainability Framework. They are then provided with instant feedback, benchmarking, and suggested actions for future improvement. The Framework is designed to drive sustainable packaging outcomes, allowing members to follow a structured pathway to success.

A group of wine sector APCO members have formed a separate group ["Wine Industry Sustainable Packaging Alliance" (WISPA)], to tackle issues specific to the sector. WISPA plays an active role in leading sustainable waste management practices with a number of sector-specific initiatives, including developing a regional recycling collection hub in the Barossa Valley, South Australia; establishing retailer recycling performance assessments; recycling difficult materials (e.g., glassine, wine bladders), and ensuring the availability of more sustainable materials (e.g., compostable shrink wrap). In addition, the wine sector has a plan to reduce packaging and other inputs, use lighter-weight packaging and reuse certain winemaking by-products, such as grape marc. WISPA continues to meet and address packaging issues arising within the wine sector.

As the peak national body for the wine sector, Australian Grape & Wine has developed a roadmap ([2050 Vision](#)) to help Australian grape and wine businesses plan for a profitable and sustainable future over the next three decades,. This document outlines a range of ambitious targets to strive for by 2050, including calling for a target of zero waste. While we are finalising our strategy to achieve these targets, we continue to advocate for:

- New research and innovation to meet our zero-waste target.
- Government endorsement and support for waste management initiatives without unnecessary regulatory burden and/or costs on wine businesses.
- Nationally consistent waste management policies which minimise impact on the environment.
- Government and industry investment in improved infrastructure, facilities and services that reduce the cost of waste management and generate opportunities for reducing waste.

Specific to Tasmania, the state wine sector has its own Best Management Practice program, VinØ³ (vin zero), designed to help wine producers measure, improve, and report on their management practices. Included in this comprehensive and practical program is a module on recycling, which provides information and tools to assist businesses eliminate items being sent to landfill and increase recycling rates. In addition, Wine Tasmania, is also investigating the potential reuse of glass wine bottles with a large project aimed at capturing more of the recycling stream, reducing CO² emissions and possibly, reducing bottle costs for producers. While the vast majority of wine consumers have a strong preference for wine in glass bottles⁴, Wine Tasmania is proactively leading discussions on alternatives, such as cans and other formats. This will be a key focus at Wine Tasmania's 2021 Winemaker Symposium in October 2021.

CRS harmonisation

It is important that any new CDS operates in harmony with other State and Territory CDSs so that efficiencies are realised, and costs minimised for beverage producers funding the CDS and for consumers buying and returning used containers. Elements such as the container refund amount, the refund mark on the containers and the list of CDS eligible containers, must remain consistent across borders. Given, beverage industry suppliers, are being proposed to fund and manage the Tasmanian CRS, it is important that the regulations and governance of the Tasmanian CRS, are designed with a national outlook.

Harmonising the Tasmanian CRS elements with other Australian CDSs, also aligns with the Federal Government's move towards a circular economy for waste plastics, glass, paper, and tyres which was agreed at the 2019 Council of Australian Governments (COAG) meeting, when the phasing out of exporting these waste materials overseas, was announced. In addition, it complements the APCO targets designed to keep packaging materials out of landfill and retain the maximum value of these materials, energy, and labour within the local economy. Following the 2020 COAG meeting, responsibility for co-ordinating state and national environmental policies is now the remit of the Federal Environment Ministers Meeting (EMM), and its role is to ensure that schemes such as CDSs do not work in isolation, but rather, in harmony with other policies and meet changes in societal concerns about the environment.

Objectives of the Container Refund Scheme Bill 2021

As stated in the Explanatory Paper for the draft Tasmanian Container Refund Scheme Bill 2021⁵, there are two clear objectives for the Scheme:

REDUCE LITTER

The first objective of the Bill is to reduce litter. The Scheme targets beverage containers that are most commonly littered. By providing a 10-cent refund for eligible containers there will be an incentive

³ VinØ - <http://winetasmania.com.au/vinzero>

⁴ *Attitudes of a sample of consumers towards more sustainable wine packaging alternatives, October 2020 - <https://www.sciencedirect.com/science/article/abs/pii/S0959652620326287>*

⁵ Container Refund Scheme Explanatory Paper, Page 8

for consumers to return containers that may otherwise have become litter. The Scheme has been designed to be as convenient and accessible as possible to ensure that it is easy to return containers to a Refund Point.

INCREASE RECYCLING RATES

The second objective of the Bill is to increase resource recovery and recycling, by creating a system that enables the collection of sorted streams of recyclable materials, these can then be sold for reprocessing and recycling purposes. It will also encourage markets for recyclable material. The Bill provides that eligible containers collected through the Scheme must be recycled, which also helps to ensure that recyclable material stays out of landfill. The CRS has been designed in a way that will achieve a high redemption rate, so that as many containers as possible are collected for recycling.

It is pleasing to see that these objectives are consistent with other State and Territory CDSs. Given Tasmania has not previously focused on beverage container litter collection and re-use, it is expected that the proposed Tasmanian CRS will deliver a noticeable decrease in the amount of public beverage container litter and positive changes in the general recycling behaviours of the community, similar to outcomes seen in other States and Territories that have introduced CRSs in recent years. Australian Grape & Wine also suggests the CRS launch could coincide with a broader, public campaign outlining the long-term environmental benefits of minimising and recycling all used packaging, not just used containers.

The objects of the Tasmanian Container Refund Scheme Bill should be subject to a regular review along with the operations, costs, and governance of the CRS, to ensure the scheme is working effectively in a competitive market. The requirement to undertake these reviews, the body responsible for undertaking the review and the elements to be monitored and measured, could be documented in the Contain Refund Scheme Bill, or the regulations underpinning the Bill.

Contact:

For further information, please contact:

Sue Rana

Public Affairs Adviser

National Wine Centre, Botanic Road,
Adelaide, SA 5000

PO Box 2414, Kent Town SA 5071

Mob: +61 0427 849 933

Email: sue@agw.org.au