



Studies confirm that Container Deposit Systems show big net savings to municipal budgets

In recent years, there has been renewed interest in deposit-return systems (DRSs) for the recovery of beverage containers. These systems place a small deposit on beverage purchases, which is refunded to the consumer when the empty container is returned for recycling.

As more countries consider DRS as a means to reduce litter and encourage recycling, many are questioning the impacts that such a system would have on municipalities, particularly those that have an existing source separation program in place. The main argument put forward by opponents is that DRSs harm municipalities by diverting recyclables with the most value from the municipal recycling stream, resulting in a reduction of the cost-effectiveness of municipal curbside programs. To support this argument, evidence is provided to show loss of material revenues as well as the industry contributions from extended producer responsibility schemes for packaging where they exist. However, one of the key elements missing in the majority of these analyses is the savings resulting from the reduced or avoided costs of collection, treatment, and disposal by the municipal waste management system.

We wanted to learn more about how municipalities are impacted by the implementation of a DRS, and so we set off on a task to compile all of the research done on the subject over the years. What we found was compelling, and sufficiently closes the case that container deposit systems are good—not bad—for municipalities. The following table presents a compilation of 20 studies that examined the costs and benefits to municipalities of implementing (or expanding) a DRS for beverage containers. It is noteworthy that, although different in scope, location, author and year, each study reported significant net cost savings to municipalities.

	Study Title, Author and Year	Summary of Findings
1	Summary Review of the Impacts of Container Deposit Schemes on Kerbside Recycling and Local Government in Australia ¹ , MRA Consulting Group (prepared for Container Deposit System Operators (CDSO)), 2016	 Reduced landfill gate fees: \$10.1M/year (\$5,465 per 1,000 pop.²) Increased material value: \$23M/year to \$62M/year (NSW only) Reduced collection costs: undetermined Reduced litter collection costs: \$59M/year (\$31,922 per 1,000 pop.)
2	The Incentive to Recycle: The Case for a Container Deposit System in New Zealand ³ , Envision New Zealand Ltd., 2015	 Refuse transport/disposal savings: significant but undetermined Refuse collection savings: \$26.7M/year to \$40.1M/year (\$5,918 to \$8,887 per 1,000 pop.⁴) Reduced litter control costs: undetermined Reduced kerbside collection costs: up to \$19.26/household/year
3	A Scottish Deposit Refund System ⁵ , Eunomia Research & Consulting (prepared for Zero Waste Scotland), 2015	Net annual savings (from reduced collection and disposal costs) of: • £5M for local authority kerbside services (£931 per 1,000 pop. ⁶) • £7M for reduced litter (£1,303 per 1,000 pop.)
4	Cost Benefit Study of a Tasmanian Container Deposit System ⁷ , Marsden Jacob Associates (prepared for the Department of Primary Industries, Parks, Water and the Environment (DPIPWE)), 2014	From 2014/15 to 2034/35, a CDS would benefit local government by \$28M NPV (Net Present Value) (\$54,139 per 1,000 pop.8) through the receipt of refunds on collected material & avoidance of some costs associated with existing kerbside recycling (undetermined).
5	Cost-Benefit Analysis of a Recycling Refund System in Minnesota ⁹ , Reclay StewardEdge (prepared for Minnesota Pollution Control Agency (MPCA)), 2014	Estimated net annual savings for local governments: • \$5.6M (\$0.27/household/month) (\$1,027 per 1,000 pop. ¹⁰) • Undermined savings from reduced litter clean-up costs
6	Executive Summary: Implementing a Deposit and Return Scheme in Catalonia - Economic	 Reduced collection costs: €12M/year (€1,598 per 1,000 pop. 12) to €33M/year (€4,395 per 1,000 pop.)

	Study Title, Author and Year	Summary of Findings
	Opportunities for Municipalities ¹¹ , Retorna, 2014	 Reduced treatment costs: final treatment (€6,029,686, or €803 per 1,000 pop.); Waste Disposal Tax (€607,170, or €81 per 1,000 pop.); OFMSW (€565,042, €75 per 1,000 pop.) Return of the waste disposal tax/collection fee: €1,105,523 (€147 per 1,000 pop.) Reduced street cleaning costs: €13,175,737/year (€1,755 per 1,000 pop.) Reduced beach cleaning costs: €580,481/year (€77 per 1,000 pop.)
7	An Assessment of the Potential Financial Impacts of a Container Deposit System on Local Government in Tasmania ¹³ , Equilibrium (prepared for the Local Government Association of Tasmania), 2013	 Reduced collection costs: \$257,000/year (\$1.31/service/year) (\$497 per 1,000 pop.¹⁴) Reduced processing costs: \$340,000/year (\$1.73/service/year or \$8.70/tonne) (\$657 per 1,000 pop.), Improved material value: \$750,000/year (\$1,450 per 1,000 pop.) Net savings: \$1.3M/year (\$2,514 per 1,000 pop.), up to \$26.8M (\$51,819 per 1,000 pop.) over 20 years Reduced litter management costs: \$160,000/year
8	Executive Summary: Report on the Temporary Implementation of a Deposit and Refund Scheme in Cadaques ¹⁵ , Retorna, 2013	 Reduced collection costs: €24,242/year (€8,536 per 1,000 pop.¹⁶) to €35,372/year (€12,455 per 1,000 pop.) Reduction in compensation by Ecoembes: €1,240/year (€437 per 1,000 pop.) to €1,766/year (€622 per 1,000 pop.) (This would be offset by the reduction in collection costs). Reduced maintenance costs: €1,742/year (€613 per 1,000 pop.) to €2,420/year (€852 per 1,000 pop.) Net savings: €23,000/year to €33,605/year (€8,099 to €11,833 per 1,000 pop.)
9	Comparison of System Costs and Materials Recovery Rates: Implementation of Universal Single Stream Recycling With and Without Beverage Container Deposits - Draft Report ¹⁷ , DSM Environmental (prepared for Vermont Agency of Natural Resources), 2013	 Estimated value of litter reduction: \$815,000 to \$1.2M (\$1,301 to \$1,917 per 1,000 pop.¹⁸) Avoided disposal savings: \$11.1M to \$11.3M (\$17,730 to \$18,050 per 1,000 pop.)
10	The Impacts (Cost/Benefits) of the Introduction of a Container Deposit/Refund System (CDS) on recycling and councils ¹⁹ , Mike Ritchie & Associates (prepared for Local Government Association of NSW), 2012	 Recycling savings: \$9 to \$24/household Potential savings for local governments: \$23M/year to \$62M/year (\$3,010 to \$8,115 per 1,000 pop.²⁰)
11	Understanding the Impacts of Expanding Vermont's Beverage Container Program ²¹ , CM Consulting (prepared for Vermont Public Research Interest Group (VPIRG)), 2012	 Increased material revenues: \$2.3M (\$3,674 per 1,000 pop.²²) Reduced garbage, recycling, and litter management costs: beyond the scope of this study, however, materials management in Vermont is estimated to cost \$90/ton to \$108/ton for disposal and \$1,200/ton to \$2,300/ton for litter collection.
12	Examining the Cost of Introducing a Deposit Refund System in Spain ²³ , Eunomia Research & Consulting (prepared for Retorna), 2012	• Total savings to municipality: €57M/year to €93M/year (€1,237 to €2,019 per 1,000 pop. ²⁴). 76% to 81% of these savings are derived from the reduction in costs associated with residual waste collection; ~20% come from reduced litter collection costs; and <1% come from reduced puntos limpios.
13	Packaging Impacts Consultation Regulation Impact Statement ²⁵ , Standing Council on Environment and Water 2011	Over 20 years, a CDS is estimated to result in: • Avoided collection, transport and recycling costs: \$2.72 billion (\$112,933 per 1,000 pop. ²⁶) • Other avoided costs (landfill and litter clean up): \$247M (\$10,255 per 1,000 pop.)
14	Turning Rubbish into Community Money: The Benefits of a 10cent Deposit on Drink Containers in Victoria ²⁷ , Office of Colleen Hartland MLC, 2011	 Reduced recycling/MRF processing costs: \$6,577,919 (\$1,102 per 1,000 pop.²⁸) Reduced waste costs (landfill gate fee and levy): \$5,070,851 (\$850 per 1,000 pop.) Reduced litter collection costs: \$8.8M (\$1,475 per 1,000 pop.)

	Study Title, Author and Year	Summary of Findings
		• Net savings: \$32,625,183/year (\$5,468 per 1,000 pop.)
15	Have We Got the Bottle? Implementing a Deposit Refund Scheme in the UK ²⁹ , Eunomia Research & Consulting (prepared for the Campaign to Protect Rural England), 2010	'Complementary' DRS scenario: Reduced recycling collection costs: £129M/year (£1,982 per 1,000 pop. ³⁰) Reduced bringsite costs: £3M/year (£46 per 1,000 pop.) Reduced Household Waste Recycling Centers (HWRC) costs: £1M/year (£15 per 1,000 pop.) Reduced litter collection costs: £27M/year (£415 per 1,000 pop.) Net savings: £159M/year (£2,443 per 1,000 pop.) (£7/household/year) 'Parallel' DRS scenario: Reduced collection, treatment and disposal costs: £143M/year (£2,198 per 1,000 pop.)
16	Analysis of the Impact of an Expanded Bottle Bill on Municipal Refuse and Recycling Costs and Revenues ³¹ , DSM Environmental (prepared for Massachusetts Department of Environmental Protection (MassDEP)), 2009	 Avoided collection costs: \$4,214,071/year to \$5,033,112/year (\$620 to \$741 per 1,000 pop.³²) Avoided disposal costs: \$482,372/year to \$2,334,863/year (\$71 to \$344 per 1,000 pop.) Reduced litter clean-up costs: \$536,772 (\$79 per 1,000 pop.) (distributed between state and local litter collection efforts; no data available on what this distribution is) Net savings: \$3,797,011/year to \$6,468,544/year (\$559 to \$952 per 1,000 pop.)
17	Analysis of Beverage Container Redemption System Options to Increase Municipal Recycling in Rhode Island ³³ , DSM Environmental (prepared for Rhode Island Resource Recovery Corporation), 2009	 Reduction in municipal material revenues: \$1.4M/year (\$1,325 per 1,000 pop.)³⁴) statewide Reduced litter collection costs: \$267,500/year (\$253 per 1,000 pop.) Reduced disposal costs: \$870,000/year (\$824 per 1,000 pop.) Reduced collection costs: \$1.3M/year (\$1,231 per 1,000 pop.) Net savings: \$1,037,500/year (\$982 per 1,000 pop.)
18	Beverage Container Investigation³⁵, BDA Group (prepared for the EPHC Beverage Container Working Group), 2009	 Deposits collected by local government: \$78M/year to \$147M/year (\$3,239 to \$6,103 per 1,000 pop.³⁶) Kerbside savings: \$24M/year to \$25M/year (\$996 to \$1038 per 1,000 pop.) Landfill cost savings: \$13M/year to \$17M/year (\$540 to \$706 per 1,000 pop.) Landfill levy savings: \$7M/year to \$9M/year (\$291 to \$374 per 1,000 pop.) Material values lost by local government: \$47M/year to \$48M/year (\$1,951 to \$1,993 per 1,000 pop.) Net savings: \$75M/year (\$3,114 per 1,000 pop.) to \$150M/year (\$6,228 per 1,000 pop.), depending on level of deposit (\$0.10 or \$0.20/container)
19	City of Toronto Staff Report: Amendments to Processing Fees Due to LCBO Deposit Return Program ³⁷ , City of Toronto General Manager, Solid Waste Management Services (prepared for Public Works and Infrastructure Committee), 2008	The implementation of a DRS resulted in: • Reduced processing costs: \$657,700 (\$236 per 1,000 pop. ³⁸) in 2007 and \$869,975 (\$312 per 1,000 pop.) in 2008 • Reduced glass disposal costs: \$490,000 (\$176 per 1,000 pop.) in 2007 and \$393,250 (\$141 per 1,000 pop.) in 2008 • Net savings: \$447,989 (\$161 per 1,000 pop.) in 2007 and \$381,126 (\$137 per 1,000 pop.) in 2008
20	Economic & Environmental Benefits of a Deposit System for Beverage Containers in the State of Washington ³⁹ , Jeffrey Morris (Sound Resource Management Group), Bill Smith (City of Tacoma), and Rick Hlavka (Green Solutions) (prepared for City of Tacoma Solid Waste Management), 2005	 Reduced garbage collection costs: \$78,150 (\$381 per 1,000 pop. 40) Reduced disposal costs: \$150,500 (\$734 per 1,000 pop.) Reduced recycling collection costs: \$69,400 (\$338 per 1,000 pop.) Reduced litter costs: \$34,300 (\$167 per 1,000 pop.) Loss of market revenues for recycling programs: \$68,300 (333 per 1,000 pop.) Net savings: \$264,050 (\$1,287 per 1,000 pop.)

Conclusion

When examining the impact of DRSs on municipalities' bottom lines, it is important to look at the costs and benefits holistically. While DRSs may divert potential sources of revenue from curbside programs, they also save municipalities a great deal of money, a particularly relevant factor in the current economic climate. By removing beverage containers from the municipal waste management system, municipalities will realize significant cost savings in terms of reduced collection, processing, and disposal costs. They will also see significant cost savings in terms of reduced litter abatement.

Note: This is a shortened version of our meta-analysis. For a more comprehensive summary of key findings, please contact Clarissa Morawski (Principal of CM Consulting and Managing Director of Reloop) at clarissa@relooopplatform.eu.

Want to learn more about Reloop and keep up-to-date with our latest work? Follow us on Twitter @reloop_platform or visit our website at www.reloopplatform.eu. Also visit: www.cmconsultinginc.com



Endnotes

- Summary Review of the Impacts of Container Deposit Schemes on Kerbside Recycling and Local Government in Australia¹, MRA Consulting Group (prepared for Container Deposit System Operators), February 2016. Report provided by Markus Fraval (Revive Recycling) via e-mail March 24, 2016.

 Scope or the study includes Darwin City Council as well as Councils in SA. Population of Darwin in 2016 is estimated at 136,245, while population of S.A. is estimated at 1.712 million. Adding these two together we get 1,848,245 people. Darwin population taken from http://australia:population2016.com/population-of-south-australia-in-2016.html

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 Population of Tasmania estimated at 517,183 in September 2015 (Source: www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/Population.pdf/Sfile/Population.pdf)

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 ¹² Population of Catalonia (2015) estimated at 7,508,106 (Source: www.idescat.cat/pub/?id=aec&n=245&lang=en)
- An Assessment of the Potential Financial Impacts of a Container Deposit System on Local Government in Tasmania, Equilibrium (prepared for the Local Government Association of Tasmania), December 2013. Retrieved from https://www.lgat.tas.gov.au/webdata/resources/files/CDS%20impacts%20for%20Tasmanian%20Local%20Government%20FINAL%20December%202013.pdf

- 14 An Assessment of the Potential Financial Impacts of a Container Deposit System on Local Government in Tasmania, Equilibrium (prepared for the Local Government Association of Tasmania), December 2013. Retrieved from color:blue; deposition of Tasmania estimated at \$17,183 in September 2015 (Source: www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/Population.pdf)
 14 population of Tasmania estimated at \$17,183 in September 2015 (Source: www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/Population.pdf)(\$\frac{1}{2}\$ Executive Summary: Report on the Temporary Implementation of a Deposit and Refund Scheme in Cadaques, Retorna, September 2013. Retrieved from cww.retorna.org/mm/file/Resum%20executiu_Cadaqués_ENG_SETEMBRE(1).pdf
 15 Population of Cadaques (2015) estimated at 2,840 (Source: www.idescat.cat/cemex/?id=170329&lang=en)
 17 Comparison of System Costs and Materials Recovery Rates: implementation of Universal Single Stream Recycling With and Without Beverage Container Deposits Draft Report, DSM Environmental (prepared for Vermont Agency of Natural Resources), March 2013. Retrieved from cww.census.gov/quickfacts/fatble/PST045215/50
 18 Population of Vermont (2015) estimated at 26,042 (Source: www.census.gov/quickfacts/fatble/PST045215/50)
 19 Population of NSW (2016) estimated at 7.64 million (Source: http://dustraliapopulation.2016, on recycling and councils, Mike Ritchie & Associates (prepared for Local Government Association of NSW (2016) estimated at 7.64 million (Source: http://dustraliapopulation.2016, on recycling and councils, Mike Ritchie & Associates (prepared for Local Government Association of NSW (2016) estimated at 7.64 million (Source: http://dustraliapopulation.2016, on recycling and councils, Mike Ritchie & Associates (prepared for Local Government Association of NSW (2016) estimated at 7.64 m

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 *Population of Massachusetts (2015) estimated at 67,944,22 (Source: www.esus.gov/quickfacts/fable/PST045215/25)

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 **Australia has estimated population of about 24,048,941 (Source: www.abs.gov.au/ausstats/abs@.nsf/0/1647509ef7e25faaca25f8a900154b637opendocument)

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