Fact Sheet:
Deposit Return System: Studies confirm big 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 21 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.
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<th>Study Title, Author and Year</th>
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| Impacts of a Deposit Refund System for One-way Beverage Packaging on Local Authority Waste Services Eunomia Research and Consulting Ltd. (Report Commissioned by Keep Britain Tidy, Campaign to Protect Rural England, Marine Conservation Society, Surfers Against Sewage, Reloop Platform, Melissa and Stephen Murdoch), 2017 | • Estimated net annual savings: £35M/year (£1.47/household)  
• Impact on collection costs: ‘no change’ to savings of £152,000/year (£1.65/household)  
• Impact on sorting costs: £800 to £220,000/year (£0.01 to £3.14/household)  
• Lost materials revenue: £58,000 to £160,000/year (£0.67 to £1.63/household)  
• Impact on residual waste treatment/disposal costs: estimated savings of £31,000 to £555,000/year (£0.54 to £4.55/household)  
• Savings on street cleaning costs: for more urban authorities, £25,000 to £50,000/year (£0.22 to £0.45/household). Rural authorities may see smaller savings. |
| Summary Review of the Impacts of Container Deposit Schemes on Kerbside Recycling and Local Government in Australia MRA Consulting Group (prepared for Container Deposit System Operators (CDSO)), 2016 | • Reduced landfill gate fees: $10.1M/year ($5,465 per 1,000 pop.)iii  
• 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.) |
| The Incentive to Recycle: The Case for a Container Deposit System in New Zealand 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.)v  
• Reduced litter control costs: undetermined  
• Reduced kerbside collection costs: up to $19.26/household/year |
| A Scottish Deposit Refund System 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.)viii  
• £7M for reduced litter (£1,303 per 1,000 pop.) |
| Cost Benefit Study of a Tasmanian Container Deposit System 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.)iv through the receipt of refunds on collected material & avoidance of some costs associated with existing kerbside recycling (undetermined). |
| Cost-Benefit Analysis of a Recycling Refund System in Minnesota 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.)ix  
• Undermined savings from reduced litter clean-up costs |
<p>| Executive Summary: Implementing a Deposit and Return Scheme in Catalonia | • Reduced treatment costs: final treatment ($6,029,686, or |</p>
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<td>– Economic Opportunities for Municipalities&lt;sup&gt;xi&lt;/sup&gt; Retorna, 2014</td>
<td>€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.)</td>
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<td>An Assessment of the Potential Financial Impacts of a Container Deposit System on Local Government in Tasmania&lt;sup&gt;xiv&lt;/sup&gt; Equilibrium (prepared for the Local Government Association of Tasmania), 2013</td>
<td>• Reduced collection costs: $257,000/year ($1.31/service/year) ($497 per 1,000 pop.)&lt;sup&gt;xv&lt;/sup&gt; • 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</td>
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<td>Executive Summary: Report on the Temporary Implementation of a Deposit and Refund Scheme in Cadaqués&lt;sup&gt;xvi&lt;/sup&gt; Retorna, 2013</td>
<td>• Reduced collection costs: €24,242/year (€8,536 per 1,000 pop.)&lt;sup&gt;xvii&lt;/sup&gt; 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.)</td>
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<td>Comparison of System Costs and Materials Recovery Rates: Implementation of Universal Single Stream Recycling With and Without Beverage Container Deposits – Draft Report&lt;sup&gt;xviii&lt;/sup&gt; DSM Environmental (prepared for Vermont Agency of Natural Resources), 2013</td>
<td>• Estimated value of litter reduction: $815,000 to $1.2M ($1,301 to $1,917 per 1,000 pop.)&lt;sup&gt;xix&lt;/sup&gt; • Avoided disposal savings: $11.1M to $11.3M ($17,730 to $18,050 per 1,000 pop.)</td>
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<td>The Impacts (Cost/Benefits) of the Introduction of a Container Deposit/Refund System (CDS) on recycling and councils&lt;sup&gt;xx&lt;/sup&gt; Mike Ritchie &amp; Associates (prepared for Local Government Association of NSW), 2012</td>
<td>• 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.)&lt;sup&gt;xxi&lt;/sup&gt;</td>
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<td>Understanding the Impacts of Expanding Vermont’s Beverage Container Program&lt;sup&gt;xii&lt;/sup&gt;</td>
<td>• Increased material revenues: $2.3M ($3,674 per 1,000 pop. &lt;sup&gt;xiii&lt;/sup&gt;)</td>
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<td>CM Consulting (prepared for Vermont Public Research Interest Group (VPIRG)), 2012</td>
<td>• 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.</td>
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<td>Examining the Cost of Introducing a Deposit Refund System in Spain&lt;sup&gt;xiv&lt;/sup&gt; Eunomia Research &amp; Consulting (prepared for Retornas), 2012</td>
<td>• Total savings to municipality: €57M/year to €93M/year (€1,237 to €2,019 per 1,000 pop.&lt;sup&gt;xiv&lt;/sup&gt;). 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 &lt;1% come from reduced puntos limpios.</td>
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<td>Packaging Impacts Consultation Regulation Impact Statement&lt;sup&gt;xviii&lt;/sup&gt; Standing Council on Environment and Water 2011</td>
<td>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.&lt;sup&gt;xviii&lt;/sup&gt;) • Other avoided costs (landfill and litter clean up): $247M ($10,255 per 1,000 pop.)</td>
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<td>Turning Rubbish into Community Money: The Benefits of a 10 cent Deposit on Drink Containers in Victoria&lt;sup&gt;xxvii&lt;/sup&gt; Office of Colleen Hartland MLC, 2011</td>
<td>• Reduced recycling/MRF processing costs: $6,577,919 ($1,102 per 1,000 pop.&lt;sup&gt;xxx&lt;/sup&gt;) • 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.) • Net savings: $32,625,183/year (($5,468 per 1,000 pop)</td>
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<td>Have We Got the Bottle? Implementing a Deposit Refund Scheme in the UK&lt;sup&gt;xix&lt;/sup&gt; Eunomia Research &amp; Consulting (prepared for the Campaign to Protect Rural England), 2010</td>
<td>‘Complementary’ DRS scenario: • Reduced recycling collection costs: £129M/year (£1,982 per 1,000 pop.&lt;sup&gt;xix&lt;/sup&gt;) • Reduced brinsite 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)</td>
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<td>Analysis of the Impact of an Expanded Bottle Bill on Municipal Refuse and Recycling Costs and Revenues&lt;sup&gt;xxvii&lt;/sup&gt; DSM Environmental (prepared for Massachusetts Department of Environmental Protection (MassDEP)), 2009</td>
<td>‘Parallel’ DRS scenario: • Reduced collection, treatment and disposal costs: £143M/year (£2,198 per 1,000 pop.)</td>
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<td>litter collection efforts; no data available on what this distribution is</td>
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<td>- Net savings: $3,797,011/year to $6,468,544/year ($559 to $952 per 1,000 pop.)</td>
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| Analysis of Beverage Container Redemption System Options to Increase Municipal Recycling in Rhode Island | \begin{itemize} \item Reduction in municipal material revenues: $1.4M/year ($1,325 per 1,000 pop.)\(^{xxix}\) statewide  
\item Reduced litter collection costs: $267,500/year ($253 per 1,000 pop.)  
\item Reduced disposal costs: $870,000/year ($824 per 1,000 pop.)  
\item Reduced collection costs: $1.3M/year ($1,231 per 1,000 pop.)  
\item Net savings: $1,037,500/year ($982 per 1,000 pop.) \end{itemize} |
| BDA Group (prepared for the EPHC Beverage Container Working Group), 2009 |
| Beverage Container Investigation | \begin{itemize} \item Deposits collected by local government: $78M/year to $147M/year ($3,239 to $6,103 per 1,000 pop.)\(^{xxviii}\)  
\item Kerbside savings: $24M/year to $25M/year ($996 to $1038 per 1,000 pop.)  
\item Landfill cost savings: $13M/year to $17M/year ($540 to $706 per 1,000 pop.)  
\item Landfill levy savings: $7M/year to $9M/year ($291 to $374 per 1,000 pop.)  
\item Material values lost by local government: $47M/year to $48M/year ($1,951 to $1,993 per 1,000 pop.)  
\item 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) \end{itemize} |
| City of Toronto Staff Report: Amendments to Processing Fees Due to LCBO Deposit Return Program | The implementation of a DRS resulted in: |
| City of Toronto General Manager, Solid Waste Management Services (prepared for Public Works and Infrastructure Committee), 2008 |
| Economic & Environmental Benefits of a Deposit System for Beverage Containers in the State of Washington | \begin{itemize} \item Reduced processing costs: $657,700 ($236 per 1,000 pop.)\(^{xxv}\) in 2007 and $869,975 ($312 per 1,000 pop.) in 2008  
\item Reduced glass disposal costs: $490,000 ($176 per 1,000 pop.) in 2007 and $393,250 ($141 per 1,000 pop.) in 2008  
\item Net savings: $447,989 ($161 per 1,000 pop.) in 2007 and $381,126 ($137 per 1,000 pop.) in 2008 \end{itemize} |
| 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 |
Endnotes


5 Population as of Jan 1, 2016 was 4,512,004 (Source: http://countrymeters.info/en/New Zealand)


7 Estimated population for Scotland is 5,373,000 (Source: www.gov.scot/Topics/People/Equality/Equities/PopulationMigration)


19 Population of Vermont (2015) estimated at 626,042 (Source: <www.census.gov/quickfacts/table/PST045215/50>)


25 Population of Spain (2016) estimated at 46,070,012 (Source: <www.worldometers.info/world-population/spain-population/>)


30 Have We Got the Bottle? Implementing a Deposit Refund Scheme in the UK, Euromnia Research & Consulting (prepared for the Campaign to Protect Rural England), September 2010. Retrieved from <www.bottlebill.org/assets/pdfs/campaigns/uk-CPRE-2010.pdf>

31 Population of UK (2016) estimated at 65,073,585 (Source: <www.worldometers.info/world-population/uk-population/>)


35 Population of Rhode Island (2015) estimated at 1,056,298 (Source: <www.census.gov/quickfacts/table/PST045215/44>)
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