



FOR A BETTER WORLD

# Visy Presentation

17<sup>th</sup> November 2011



## Visy Introduction



**VISY**

FOR A BETTER WORLD

Visy is a Packaging, Recycling & Clean Energy business with assets of over \$3 Billion invested. We continue to invest in sustainable projects such as our Coolaroo VIC \$50M Clean Energy plant being opened this month and a planned \$40M PET recycling facility for NSW.

We employ over 5500 people on 114 sites across Australia (2700 in Victoria)

We recover recyclables from over 2.3 million households nationally (over 600,000 in Victoria) to process through our Material Recovery Facilities

In 2010/11 Visy recovered and processed more than 1.9 million tonnes of recyclables from industry and post consumer waste

Paper	1.42 million tonnes
Liquid Paper Board	6,000 tonnes
Clear PET	14,000 tonnes
HDPE	14,000 tonnes
Other plastics	33,000 tonnes
Glass	390,000 tonnes
Aluminium	8,000 tonnes
Steel	18,000 tonnes



## Visy Position



**Visy looks at Sustainability matters through the lens of being a closed loop Packaging and Resource Recovery business.**

**We respect the waste hierarchy and support initiatives which increase recycling, reduce landfill and deliver overall lowest cost.**

**We continue to evaluate our position on all initiatives presented based upon the sustainability impacts to Visy and its stakeholders which includes councils, major food and beverage brands and the wider community.**

**We acknowledge CDL has proven results in SA in terms of recycling rate achieved since introduction in the 70s. However, in Victoria with a cost effective kerbside collection and processing system already operating, CDL will remove valuables from the kerbside stream and result in a net negative impact on Visy and its key stakeholders.**

**Visy is not convinced that the additional recycling volumes which will come from CDL will justify the cost of the new CDL system and the negative impact it will have on the kerbside system.**



By comparing our SA & Victorian MRF data we have assessed the impact of a Beverage Container Deposit System in Victoria on Kerbside volumes

- Like model to SA (Collectors)
  - Reduce total volume by ~ 15-20%
  - Glass ~55%, Aluminium ~92%, PET ~73%
- Extended model (including Retailers) - reduce total Kerbside volume by a further 1% removing all residual deposit containers

The Victorian Kerbside system has functioned well through the combined efforts of the Recycling Industry, the Government and the public.

Visy is yet to be convinced imposing a CDL system on top of Kerbside will justify the cost to the community.



# Visy Recycling



**Visy was one of the pioneers in Australia in developing recycling infrastructure and helped establish kerbside recycling from the early 90s. We operate Material Recovery Facilities in Victoria, New South Wales, Queensland and South Australia.**

**Over 250,000 tonnes are processed through Victorian MRFs – inputs are 90% council / 10% commercial. Commercial inputs have been growing over recent years.**

Site	Tonnes p.a.	Shifts	Employees
Banyule MRF	100,000	2	25
Springvale MRF	150,000	3	40
Laverton Transfer Station			2
Laverton Glass Sort			34
Municipal Collections			27
Commercial Collections			3
<b>TOTAL</b>	<b>250,000</b>		<b>131</b>



## Container Deposit Impacts on Visy Kerbside



What this means for Visy and our council customers is that it changes the economics of processing the remaining ~ 80% of the current kerbside material

- **Less payment to our customer councils for material**
  - **Volume – we pay by volume so almost 20% reduction**
  - **Rate – the rate we pay will adjust in time downward by the value of the commodities removed less the increased value of the residual deposit commodities**
  - **\$4-6M in total depending on residual like SA or no residual**
- **1 shift less work for MRFs (1 of 5)**
- **Past investment returns diminish e.g. Plastic Sort, Glass Sort**