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STATE POLLUTION CONTROL COMMISSION

FUNDING OPTIONS AND FUTURE DIRECTION  
FOR THE LITTER REDUCTION CAMPAIGN

REPORT

22 MAY 1987

This report is confidential and intended solely for the information  
and benefit of the State Pollution Control Commission

Coopers  
& Lybrand  
WD Scott

22 May, 1987.

Mr. R. Guest,  
Co-ordinator,  
Litter Reduction Campaign,  
State Pollution Control Commission,  
157 Liverpool Street,  
SYDNEY. NSW. 2000.

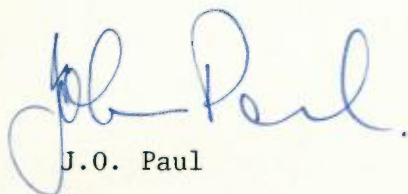
Dear Richard,

Funding Options and Future Direction for  
the Litter Reduction Campaign

Please find enclosed our report detailing the findings, conclusions and recommendations concerning funding options and possible future directions for the Litter Reduction Campaign.

2. We also enclose the full set of appendices, giving contacts, interview checklists, and more detailed information on an industry structure basis. Appendix C, in particular, provides insights into specific attitudes and beliefs of different types of participants and non-participants in the Litter Reduction Campaign.
3. When you have had time to study the report, I suggest a meeting between relevant staff of the SPCC and ourselves be arranged, to review the findings, conclusions and recommendations, and to explore the further development of the study.
4. Please telephone me or in my absence, Ms. Jacqui Kirkby, on 929-0033 when you are ready to discuss the report.

Yours sincerely,  
COOPERS & LYBRAND WD SCOTT

  
J.O. Paul  
Partner

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I INTRODUCTION

Background

101. We understand that the NSW Government launched the Litter Reduction Campaign (LRC) in 1978, to attack the State's litter problem. In this context, litter could be defined as domestic (c.f. industrial) mainly solid garbage or refuse (including literature, packaging, garden refuse and so on) which is casually or deliberately discarded outside the recognised waste collection infrastructure of a particular location.

102. The LRC has, to date, been largely funded by fewer than a dozen companies, principally in the beverage industry. These companies, through a vehicle called the Litter Research Association (LRA), provided funds to the LRC for two terms of three years (1979 to 1981, 1982 to 1984) and a further term of two years (to 1986). During this period, the annual financial contribution of the relevant companies has steadily declined in real terms.

103. The sponsoring companies have received negligible recognition in the public arena for their efforts. On the other hand, the government has agreed not to proceed with container depot legislation, which the industry opposes.

104. The LRC has, in its relatively short life, witnessed a dramatic fall in littering, as monitored by the State Pollution Control Commission's (SPCC's) Litter Control Index. The index reflects monthly litter counts in specific sites around the State.

105. As we understand it, the sponsoring companies have recently indicated to the government that they feel they are bearing a share of the campaign costs disproportionate to the amount of litter that their containers represent. Moreover, extension to other States and issues has increased the demand on these sponsors for corporate funds.



106. The government has accepted this argument, with the result that the companies have approximately halved their 1986 level of financial support, leaving the LRC with a revenue shortfall for current and planned commitments in the coming years.

107. As a result, focus has shifted toward possible alternate/additional sources of funds, particularly amongst industries that account for forms of litter other than beverage containers.

Terms of Reference

108. In this context, we understand that the SPCC is particularly keen to clarify whether corporate sponsorship (of whatever form) represents a significant potential source of finance, and to identify what would interest relevant firms in such sponsorship.

109. We are also aware that over the life of the campaign to date, various changes have occurred, including a reduction in the absolute amount of litter, the increasing prominence of planned littering as an issue, and an apparent fall-off in impact of the original campaign theme and approach. We understand that while the SPCC has a general interest in these changes, this interest is likely to be heightened to the extent that such factors determine the participation by potential sponsors in the ongoing program.

Methodology

110. We sought to undertake a program of twenty semi-structured, face-to-face, detailed interviews with a sample of companies from industries associated with litter. Industries included:

- (a) confectionery and snack foods;
- (b) newspapers;
- (c) fast foods;
- (d) retail;
- (e) container manufacture;
- (f) beverage manufacture;

- (g) brewing;
- (h) packaging material manufacture.

111. At the end of the program, 25 organisations had been contacted, resulting in nineteen interviews (three of which included participants from two associated organisations), comprising:

- 6 LRA members
- 13 non-LRA interviewees.

112. Of the remaining interviews, two were with LRA members in Melbourne, which we disbanded on the agreement of the SPCC, as we did not feel that the responses could be justified within the context of the study.

113. For the other two interviews we were referred to two industry associations: the Australian Publishers' Bureau and the Confectionery Manufacturers of Australia Ltd.. The Australian Publishers Bureau referred us to a previous submission to the Minister for Planning and Environment. We understand that the SPCC has a copy of this submission. The Confectionery Manufacturers are currently preparing a response to our letter. It is our intention to forward this response to the SPCC when it is received. The general thrust of that response is expected to fall within the overall range of reactions and suggestions received from other interviewees.

114. There were specific reasons for the inclusion of a few LRA members in the interview sample. These reasons included gaining the benefit of their perspective from previous involvement, and canvassing the issue of approaching new LRC supporters on a different basis from existing supporters. However, the main thrust of this assignment has been directed at potential new sponsors, and comments made in this report generally relate to them, unless the context clearly indicates otherwise.

115. In the course of the interview, we sought to gain information of a factual nature, as well as perceptions of, attitudes to, and opinions of a range of issues associated with litter reduction and the LRC.

116. It should be noted that the size of the sample and the research methodology dictate that the findings should be considered indicative, rather than representative, the purpose being to seek an in-depth understanding of the stance that private industry is likely to take on the various issues considered.

117. The methodology also dictates the structure of this report. As the objective was to canvass opinion across industry, rather than any specific industry, the number of representatives by industry type is too small to attribute the findings to that industry as a whole. Further, the consistency or otherwise of responses was generally not associated with industry type, and therefore further structuring of this report has not been possible. Where there is consistency of response which can be identified by a particular group (by industry or otherwise) this has been done in the body of the report.

Appendix D has identified separately some responses by broad groupings for the SPCC's interest only. As the interviews were conducted in confidence, further detail by individual respondent is not able to be supplied without breaking that undertaking.



II SUMMARY OF FINDINGS

The Litter Problem

201. In general, it was perceived that the "Do the Right Thing" campaign had resulted in a reduction of litter. Importantly, however, there was little awareness, outside the LRA, of any concrete evidence that litter had actually reduced since the beginning of the NSW LRC.

202. There was general consensus that an ongoing 'maintenance' program for holding littering at its current levels would be necessary, particularly in schools, and further, that there were still specific areas of littering that would need to be targeted for litter reduction, such as:

- (a) dumping (of cars, household refuse) particularly along highways and on the beaches;
- (b) suburban litter (suburban newspapers, letter box drops etc.);
- (c) overflowing street bins through lack of collection/inadequate facilities/misuse by shopkeepers and/or householders;
- (d) harbour litter.

Responsibility for Litter Reduction

203. The responsibility for litter reduction was seen to be firmly that of the consumer. It was not perceived to be an industry responsibility, but it was believed that it was easier (and, some indicated, politically more acceptable) to target industry for funds.

204. Responsibility for funding was generally perceived to be that of the Government, State and/or Federal. That is, there was a general feeling that the campaign should be funded, at least in part, from consolidated revenue. It was suggested in some quarters that this could be supported by revenue from recycling programs, with greater support from Local Government and/or community organisations such as Apex or Lions. There was a general belief that attempts should be made to put the responsibility back into the community where the problem originated.

205. A number of company spokespeople indicated that their companies, never-the-less, had policies of commitment to the environment and were amenable to "doing their bit" to keep it clean and tidy.

The Litter Reduction Campaign

206. Among interviewees there was 100% awareness of the "Do The Right Thing" television campaign and of the logos on bins and packaging. However, there was generally not a clear understanding of who or what was behind the campaign. For example, the campaign was not necessarily associated with the SPCC. Nor was there any awareness, outside the LRA, of the LRC's schools program (although a schools program was considered important).

207. The television campaign received approval as an effective way to educate people to be more responsible. However, in general, the campaign was seen to lack two essential supportive measures:

- (a) there was perceived to be a lack of facilities (as evidenced, for example, by rubbish gathering around overflowing bins), with the feeling that greater support from, and/or funding to, municipal councils was required to match the good intentions of citizens;
- (b) there was a perceived need for greater punitive measures to be taken against litterers, i.e. larger fines that are, and are perceived by the community to be, regularly enforced.

A third supportive area mentioned was school education, indicating a lack of awareness for the LRC's schools program.

Financial (direct/indirect) Support for Litter Reduction

208. A number of interviewees had supported, or were regularly supporting the "Keep Australia Beautiful" Campaign (KABC). However, in general, outside the LRA, financial support for litter reduction appeared to be erratic.

The Effect of the KABC and Recycling Programs on Possible Funding of the LRC by Non-LRA Interviewees

209. Not only did the KABC enjoy more active support from non-LRA interviewees than did the LRC, but interviewees were more positively inclined towards the KABC. This cannot be attributed solely to the relative levels of funding sought by the two organisations, as many interviewees were unaware of what level of funding the LRC was requiring.

210. The difference in attitudes appeared to be due primarily to the following:

- (a) the KABC is seen to be non-government, unlike the LRC which could be associated with inefficient government bureaucracy. That is, interviewees, in general, needed to be reassured that any funds donated would go directly to aiding the cause of litter reduction, rather than supporting a government bureaucracy which may operate in an inefficient manner.

It should be understood that criticism of the SPCC was probably not intended by non-LRA interviewees, as there was little awareness of the way in which the SPCC operated, and of the control/influence exercised by the LRA in relation to the allocation of funds. Rather, the reservations expressed above were indicative of a general lack of confidence in government organisations to operate according to acceptable commercial practice;



- (b) "Keep Australia Beautiful" has positive overtones with which companies were generally pleased to be associated; however, there was a general feeling that having one's product or company name associated with "litter reduction" could induce the consumer to make negative associations between the company, and/or product, and litter.

211. Given the relationship between the KABC and the LRC, there is a misperception, or lack of awareness, of what that relationship actually is. The activities of the two were not perceived (by non-LRA interviewees) to be coordinated, therefore resulting in a duplication of activity. For some interviewees, this resulted in an attitude that if one gave to the KABC, it was not necessary to also give to the LRC; and for others it meant that giving to either would result in an inefficient use of funds. This latter attitude was exacerbated by the lack of coordination at a national level (particularly in the view of national, centrally controlled companies, who had already been approached by a number of state governments).

212. In addition, those companies engaging in recycling of packaging perceived that they were already making a contribution to litter reduction.

#### Current Funding Arrangements for the LRC

213. While some companies expressed some willingness to make contributions to either the KABC or LRC for specific projects, there was a general unwillingness to contribute to an annual budget for the SPCC's LRC.

214. This unwillingness, in addition to reasons already outlined, can be attributed to the following perceptions:

- (a) while the LRC is perceived to be of benefit to the community, it is not perceived to be a "community project" in its objectives because of its current structure and history. Rather, it is perceived by a number of companies to be an "anti-deposit legislation" project enacted by the beverage industry. It is therefore perceived to be of relevance only to the beverage industry;
- (b) for other companies, the LRA's control of the allocation of the private funds, is not known nor understood; if this fact was known, reservations which some companies have about funding a government organisation, might dissipate;
- (c) control of the funding is also closely linked to the need for concrete evidence of what the LRC has achieved/is achieving. In general there is a lack of awareness of the monitoring of litter, and its results. On the other hand, where the figures are known, they are not necessarily believed, either because of a lack of confidence in the monitoring method, or because of conflicting figures from other sources;
- (d) all organisations which are run on commercial lines, must justify any expenditure to their stakeholders according to good commercial practice (i.e. to increase sales or reduce costs); funding the annual budget of the SPCC's LRC, as per the current arrangements, cannot readily be justified in these terms, except under the very real threat of taxation; in general, non-LRA interviewees perceived that a fixed annual contribution was equivalent to a tax (in another guise) which most indicated they would not voluntarily pay. That is, the relative costs of the two options (voluntary private funding vs tax) did not appear to be generally known, but might well be different from those which encouraged the formation of the LRA.

215. It should also be noted that those organisations which operated in both the beverage industry, and other targeted industries, were looking to spread the costs of their current LRC contributions across their divisions, rather than to increase their overall contribution.

Corporate Sponsorship

216. It is clear that the preferred funding option for companies is to make contributions to specific projects, with or without public recognition for their role. Where companies can get recognition, larger amounts of funds are likely to be available from advertising budgets.

217. This latter option becomes attractive the further down the distribution channel (towards the consumer) that the company is placed. It is really only attractive to retailers, and to manufacturers whose company name is strongly linked to their product(s), and who are responsible for advertising such products. For these companies, the sponsorship option must be spelt out in marketing terms.

218. Projects which could attract sponsorship include, for example, special clean-ups ("clean up the beaches"), or local projects in towns or suburbs where those companies may want to take a high profile (such as funding more/bigger street bins and the annual salaries of people to empty them). That is, sponsorship may be on an annual basis, or a "one-off".

219. The idea of appearing as "one name among many" on the bottom of/end of LRC advertising did not appeal to any company. Sponsorship needed to be on an individual basis, or as close to that as possible.

220. LRA members were not averse to corporate sponsorship (with recognition) being offered to other companies, providing the option to take advantage of it was open to all.



221. One reservation about corporate sponsorship was that care would need to be taken that it not generate an adverse reaction in the consumer. That is, the consumer may perceive, through corporate sponsorship, that the responsibility for litter reduction is the manufacturer's, and that the consumer is probably already paying for the privilege of having someone else clean up after him or her.

The Threat of Legislation

222. Non-LRA interviewees were wary of a packaging tax (or similar) being introduced. Retailers in particular did not want deposit legislation because of the administrative problem it would create for them.

223. However, there remained a general attitude that the beverage manufacturers, and their associated container manufacturers, would take care of the deposit legislation issue, and that as far as any other tax was concerned, the general attitude was that this would merely get passed on to the consumer as a price increase.

224. As indicated, there seemed to be a general attitude that funding of the LRC should come from consolidated revenue, through a more efficient use/allocation of funds rather than through another tax on, or voluntary contribution from, private industry.

225. Those interviewed were unable to express an opinion as to the likelihood of the government imposing a packaging, or similar tax.

III CONCLUSIONS

301. The current funding arrangements of the LRC do not provide supporters with an opportunity to assess individual projects and commit themselves (or not) in advance. It is clear from these interviews that no additional funding is likely under these current arrangements without there being a greater threat of legislative action, which must be perceived as both real and imminent. This perception of real and imminent legislative action does not currently exist outside the beverage industry. Moreover, such legislation is likely to be resisted by industry, if proposed.

302. It is also clear that a "one in, all in" attitude exists, such that, even with a greater incentive to contribute, no company is likely to contribute unless it is reassured that others, associated with the production of litter, are also doing so. That is, it needs to be a collective action which spreads the costs.

303. On the other hand, corporate sponsorship, with or without recognition for the sponsoring company, is a possible source of funds for the SPCC. This could be on an annual, or one-off basis, linked to specific projects on a local, state or national level. Local projects (suburb or town) are likely to have more appeal to retailers wanting to take a high profile in certain locations. (We recognise that this route fits better with the KAB's traditional modus operandi than with that of the LRC.) Should funding be tax deductible, it is likely that this would increase the chances of the SPCC obtaining funds.

304. However, corporate sponsorship is unlikely to raise the level of funds required by the SPCC. Moreover, we suspect that the majority of the SPCC's current programs do not readily lend themselves to being broken into discrete projects that might attract such sponsorship.

305. It should further be noted that companies which are engaging in recycling programs, are unlikely to want to make contributions of equal size to those companies which have no such program in place.

306. Finally, those companies with beverage divisions already contributing to the LRA, are unlikely to increase their total contribution to include divisions (such as confectionery) which have not contributed to the LRC to date and which are targeted for further funding by the SPCC. Rather, they will seek to spread the cost of their current contribution across divisions.



IV RECOMMENDATIONS

401. Our recommendations are based on the continuation of the current commercial/legislative environment.

402. On the above assumption, we have identified no clear route for the LRC to expand its funding base for existing "base-load" programs. There is some propensity to direct corporate sponsorship funds to discrete specific projects.

403. We therefore recommend that the LRC review its current and near-term programs with a view to structuring them, wherever possible, into such discrete projects. We anticipate that this may require some review of priorities and approaches.

404. We also anticipate that the "base load" of non-project-oriented expenditure remaining after this exercise, will exceed funding available through current channels. We therefore recommend that the LRC review its major items of expenditure, especially media advertising, as it is likely that a point of diminishing marginal returns has been reached because of the LRC's success to date. Accordingly, we believe that the LRC should adopt a strategy, in traditional priority areas, of holding littering at its current level (i.e. a "maintenance" program) rather than seeking to reduce it further. Such a strategy should give greater attention to providing feedback on the outstanding results of the campaign to date, mentioning the need for further effort and publicising an ongoing Litter Control Index.

405. This review process is designed to restore the balance between traditional sources of funds and the LRC's "base load".

406. We see both management and political reasons for the SPCC maintaining and publicising the coordination now occurring between the LRC and KABC. Such coordination should improve the efficiency of use of resources, and the awareness of it should encourage the public at large to support either or both campaigns.

407. For a number of reasons, and particularly for the benefit of potential corporate sponsors, we recommend that industry be given more information on the LRC, past, present and planned.

408. We therefore recommend that the LRC develop a well-prepared presentation which seeks to address all significant reservations that industry may have concerning the LRC (past, present and future). This could include the following items:

- (a) the relationship between the LRA, LRC and KABC;
- (b) the LRC programs (past, present and future);
- (c) the Litter Control Index and consumer research;
- (d) what has been achieved, according to the Index and research;
- (e) what still needs to be done, how that is to be achieved and monitored, and its expected cost, within a specified time frame.

409. Since there is a need for collective endorsement and action, this material should be presented on an industry-wide basis, in one of the following ways:

- (a) by presentation to industry associations/representatives (where the particular industry sector has a strong industry association); or
- (b) by presentation to chief executives of targeted companies, collectively.

410. The SPCC needs to recognise that companies require advance notice to tie in their budgeting with requests for funds such as that envisaged by the SPCC.

411. In reviewing its current program, the LRC may canvass alternative cost-effective methods of litter reduction. In this regard, it is worth noting that there is a feeling within industry, and probably in the wider community, that there is greater need for stronger policing of litter, both as part of a comprehensive program and as a specific source of revenue. There is, after all, an almost universal recognition that individuals are the true litter culprits and that companies are being approached rather because they are easier to target. Ingredients of such a program would include significant fines, practical enforcement and better publicity.

412. We recognise the policy and practical questions raised by this issue, and the fact that it has already received some consideration. We therefore make no specific recommendations about fines at this time.

413. If original assumptions about an unchanged legislative environment are relaxed, we would suggest that a more assertive approach by the SPCC would be appropriate. This would incorporate development of a more comprehensive proposal to industry, designed so that no further search for information was required in order for companies to arrive at a decision (to contribute or not).

414. To do this the following steps would be necessary:

- (a) a legislative alternative to private funding would need to be clearly thought out in terms of: type, quantity, method of imposition and collection, and timing of implementation;
- (b) the budget required for the LRC, over a five year period (or less), would need to be established. This might be broken down by fixed budget (ongoing, rolling programs), and by special projects more amenable to corporate sponsorship;
- (c) a review of monitoring procedures (particularly the Litter Control Index) would be required in order to ensure that monitoring, and therefore campaign results, would be believed by industry;



- (d) a thorough analysis of the results of the Litter Control Index (or other) would need to be carried out, such that an allocation of the required LRC budget would be made, across industries, for the five year period (with built-in flexibility for changes in litter patterns);
  
- (e) a thorough analysis of product market share, by industry, would be required in order to estimate the contribution required from each company (or at least the principal companies). Since one of the objectives of the SPCC must be to encourage industry cooperation and responsibility for pollution control, consideration should then be given to other kinds of individual effort, such as re-cycling, bio-degradability of material etc.

415. A cost-benefit analysis of the two options (voluntary funding versus legislation) could be carried out for the benefit of industry (i.e. to preclude such a study being used as a delaying tactic by industry). However, the source of funding for such a study is not apparent - it is unlikely to be the LRA - and industry would probably seek its own corroboration anyway.

APPENDIX A

CONTACT LIST

CONTACT LIST

Confectionery and Snack Foods

APD Snack Foods  
Cadbury Schweppes Pty Ltd  
Peters and Pauls Ice Cream (Australian United Foods)  
Arnotts Snack Foods Pty Ltd  
Nestle Australia Ltd  
Lifesavers (A/Asia) Ltd

Newspapers

News Limited

Fast Foods

Kentucky Fried Chicken Pty Ltd  
McDonald's Family Restaurants

Retailers

Woolworths Ltd  
K-Mart (Australia) Ltd (NSW)  
Coles Supermarkets (NSW)  
BBC Hardware

Container/Packaging Manufacturers

Gasden-Pacific Can  
PMP Slab and Plate Products Division (BHP)  
Comalco Limited  
Tetra Pak (Australia) Pty Ltd  
Australian Paper Manufacturers



Beverage Industry

Amatil Limited, Beverage Division  
Coca-Cola, Australia  
Carlton & United Breweries (NSW) Pty Ltd  
Bond Corporation  
Tooheys Ltd

Associations Referred To

Australian Publishers Bureau  
The Confectionery Manufacturers of Australia Ltd

APPENDIX B

INTERVIEW FRAMEWORK

NSW Litter Reduction Campaign

Interview Framework - Potential Sponsoring Corporations

1. As a corporate entity, how do you view the litter problem in NSW?
  - extent
  - responsibility
  - State vs. national perspective
  
2. How familiar are you with the NSW Government's Litter Reduction Campaign? How do you view it?
  - its organisation and objectives
  - funding
  - effectiveness/results
  
3. How does your organisation feel about industry providing financial support to State litter reduction initiatives? How much does your firm currently provide?
  - a. nationally
  - b. in NSW
  
4. What would make you interested in corporate sponsorship or other forms of financial support?
  - advertising quid pro quo - corporate image
    - financial return
  - apparent effectiveness of the campaign
  - perceived risk from legislation
  
5. How important are the benefits of corporate sponsorship in themselves, as opposed to removing the risk of legislation?
  
6. Do you recognise the benefits of being seen as a good corporate citizen in the litter context?



7. In terms of relative benefits, how important is an actual reduction in litter, compared with being visibly associated with the campaign?
8. A proportion of LRC expenditure is spent on administration, and provides little opportunity for sponsor visibility. Of the remainder, some expenditure items lend themselves better than others to provide recognition for sponsors. What degree of direct visibility/recognition would you seek, across the board?
9. What level of sponsorship would you contemplate?
  - a. annually (nearest \$10K)
  - b. once-off
10. Do you have any thoughts on how potential sponsors could be given recognition in the campaign to gain their participation?
11. Do you have any thoughts on a different direction for the campaign?

NSW Litter Reduction Campaign  
Interview Framework - Current Sponsors

1. As a corporate entity, how do you view the litter problem in NSW?
  - extent
  - responsibility
  - State vs. national perspective
  
2. Given your familiarity with the NSW Government Litter Reduction Campaign, how do you view it?
  - its organisation and objectives
  - funding
  - effectiveness/results
  
3. How does your organisation feel about industry providing financial support to State litter reduction initiatives? How much does your firm currently provide?
  - a. nationally
  - b. in NSW
  
4. As an original and current sponsor of the LRC, what do you think of the LRC's intention to broaden its funding base and its campaign?
  
5. What would make you interested in providing additional financial support (e.g. advertising quid pro quo)?
  
6. Do you recognise the benefits of being seen as a good corporate citizen in the litter context?
  
7. A proportion of LRC expenditure is spent on administration, and provides little opportunity for sponsor visibility. Of the remainder, some expenditure items lend themselves better than others to provide recognition for sponsors. What degree of direct visibility/recognition would you seek, across the board?

8. What level of sponsorship would you contemplate?
  - a. annually (nearest \$10K)
  - b. once-off
  
9. Do you have any thoughts on how potential sponsors could be given recognition in the campaign to gain their participation?
  
10. How do you feel about new sponsors being offered "image" advertising as an incentive to their sponsorship?
  
11. Do you have any thoughts on a different direction for the campaign?



APPENDIX C

LETTER SENT TO CONTACT LIST

LETTER SENT TO CONTACT LIST

Dear

CORPORATE PARTICIPATION IN LITTER REDUCTION

The NSW Litter Reduction Campaign known by its "Do The Right Thing" theme was launched in 1979 and has been an outstanding success in reducing the overall problem of litter. Research shows that casual litter has been reduced by 70% in the first seven years.

Over this period the campaign has been funded almost exclusively by the beverage industry, and in view of the fact that bottles and cans represent only 20% of litter, this would appear to be an unfair burden on this section of industry.

It was for that reason, together with the need to expand the activities of the campaign to fully address this community problem, that the Minister for Planning and Environment Mr. Bob Carr recently appealed to all sectors of industry to consider how they can financially contribute to the campaign. He asked for all sectors to share the financial burden for the good of the community. Alternatively the government can pursue the legislative route and introduce one or more methods of raising funds, such as packaging taxes, waste disposal charges or a litter tax.

Coopers & Lybrand WD Scott has been asked to talk with key people in a wide range of industries to seek their views to determine the potential for corporate participation in a community program along the lines described above.

With this in mind, may I contact you later this week with a view to arranging a suitable time to explore some ideas with you.

Yours sincerely,  
COOPERS & LYBRAND WD SCOTT

Jacqui Kirkby  
Senior Consultant

APPENDIX D

RESPONSES BY BROAD GROUPINGS



RESPONSES BY BROAD GROUPINGS

The responses in this appendix follow the format of the interview framework contained in Appendix B. Note that responses may be individual and cannot be attributed to the industry as a whole. It is not intended that responses should be quoted as coming from any group as a whole.

1. Current Sponsors - Beverage and Beverage Containers

a. The litter problem and the NSW Government Litter Reduction Campaign

"People are litterers, not industry. It takes time to change attitudes, up to twenty years - maintenance program required. A lot has been achieved by the LRC to date. No criticism of the LRC or the monitoring of litter."

"Good results in early years - down to hardliners now - enforcement required, also more facilities."

"Concentration has been on putting litter in bins. There are other areas to be addressed, e.g.

- littering along roadsides, beaches;
- dumping of cars;
- dumping of household rubbish;
- misuse of bins by shopkeepers;
- graffiti on trains, etc.."

"Material problems - principally paper - newspaper; also cardboard laminates, plastic bottles, tetrapak."

"Glass and aluminium producers heavily involved in recycling - should not have to make large contribution as well. Government hampered glass recycling by taxing garbage collectors for it."

"More could be done by local councils, though councils pressed for funds. Need for more bins - open mesh bins - rubbish attracts rubbish."

"Education continues to be important. People's attitude to litter hardening - need for creative programs."

"Up to the government to educate the people - State initiatives better because problems vary by State. However, where packaging or advertising is concerned, national program fits better with national companies. May be more cost effective to do national advertising for litter campaign also."

b. Funding government litter reduction initiatives

"A sore point with the beverage industry - carrying an unreasonable burden."

Alternatives include: sourcing from consolidated revenue, spreading the funding base, e.g. model on Washington State or based on market share/litter contribution.

"Do not believe there should be a tax - too difficult to implement anyhow - but if industry is to be the source of funds, better that industry control the allocation and use of funds so that it will not get siphoned off into consolidated revenue or be used on stupid ideas."

(No reflection on the SPCC intended).

"If there is going to be a tax, should be directed ideally to the litterers (the consumer) or to those not currently contributing."

"Similar attempts have been made to broaden the funding base previously, to no avail."

"Not prepared to contribute more while so many not contributing anything."

"Trying to spread the burden to other divisions within the company; not intended that the company as a whole contribute any more. Having problems getting non-beverage divisions to recognise a responsibility (also less threat of taxation)."

c. Corporate sponsorship

"No problem in extending this to current non-contributors - anything to share the burden and broaden the funding base is good."

General belief that there is room for corporate sponsorship but not as a total solution to the problem. A true sharing of the burden would involve up to 1,000 companies - and corporate sponsorship is only attractive to a few at a time. (Also only has appeal to marketing oriented companies who have something positive to gain, many do not fall into this category.)

"Best on a project, or industry by industry basis. Need to be innovative, creative. This is advertising for these companies. Should therefore be seen as separate issue to broad based funding."

Recyclers are already getting positive contribution to corporate image. Negatives in being associated with "litter reduction" - a turn-off for some current sponsors - but no objection to it being offered to others.

Ideas include: cleaning up the beaches, sponsoring garbage trucks. Could be in association with community groups (Lions/Rotary). Councils can assist - large bins when dump closed, charging extra on sale of cars to donate to councils to remove dumped cars, etc..

The level of sponsorship contribution depends on the project - if extremely worthwhile to the contribution - could be as high as \$100,000 to \$200,000.



2. Retailers (including fast food chains) - Non-LRA

a. The litter problem and the NSW Government Litter Reduction Campaign

"Most people regard litter as a problem. People litter - responsibility of the individual. Responsibility needs to go back into the community. Local councils could do more. Need is for education, especially of children (at school and in the home), more facilities, enforcement. Need bigger receptacles (not removing altogether as in North Sydney)."

Retailers do not see how they contribute to litter - address the problems of junk mail litter as reported by individuals - not all engage in letter box drops - those that do would not like to lose that advertising channel.

"Not only retail outlets responsible for junk mail anyhow." Fast food outlets claim to be very conscious of litter in their surrounds - keep clean and tidy, provide bins.

All aware of LRC's television campaign, not of any schools involvement. Not necessarily aware of SPCC involvement except where SPCC has already approached them. Aware of KABC - some sponsor/have sponsored KABC - but not aware of the relationship to the SPCC/LRC?

Not aware of Litter Index.

Ongoing problems: rubbish along highways, etc.

Is there too much packaging? No-one ever had packaging banned.

b. Funding government litter reduction initiative

Some (previous) funding of KABC. (Note Kentucky Fried Chicken owned by Pepsi Cola.)

Do not want a tax. Retailers claim deposit legislation would provide an administrative nightmare - procedures, monitoring honesty, etc.. Tax likely to be passed on to the consumer, no room to absorb the cost. Cannot see how a tax can be fairly imposed.

Wary of providing funds to government (like the LRA), not know what would happen to those funds.

Campaigns can be a "bottomless pit".

c. Corporate sponsorship

"Cannot see how could have appeal to packaging manufacturers (no image to promote)."

Could have negative impact on sponsor - fast food chains very wary of this. KABC has different connotations to "litter reduction". Sponsorship of the latter (litter reduction) may have more appeal to hygiene companies.

Retailers (including fast food chains) strong on marketing - consequently there is room for sponsorship but must be justified in marketing terms (e.g. to franchisees at McDonald's).

Projects (ongoing or one-off) have more appeal. No benefit in being one of ten or twenty names on the bottom of an advertisement.

Retail stores more interested in local, regional projects where they may want to high profile such as "tidy towns" principle, sponsorship of bins in the street and the salaries of special garbage collectors to empty them.

Retailers could provide other types of support: print messages on checkout (plastic) bags and other types of packaging (claim consumer uses supermarket bags as rubbish bags), provide plastic bags for trains, cars, boats, public venues, beaches; include messages in their advertising, McDonald's do community announcements via Ronald McDonald on the media during children's viewing/listening times. Fast food chains have printed messages on tray mats - have wide coverage through their outlets.

Sponsorship (and level) depend on type of project. One retailer suggested could involve \$1,000 per six months per store if has appeal. Better to approach Retail Traders' Association for retail sponsorship - have very large body of members, can spread the funding base.

A national campaign preferred by nationally operating companies, who would prefer to deal with one organisation.

Retailers need to see a well thought-out proposal before commit funds.

### 3. Food Manufacturers

#### a. The litter problem and the NSW Government Litter Reduction Campaign

"People the litterers - lack of social responsibility - needs to be community based (like Neighbourhood Watch) - more enforcement - Apex and Scouts involvement."

"Have to start with kids in school - takes time to filter through - get children involved in community work - need to be educated in social responsibility generally. Campaign should continue - not accelerated - enforcement required."

"Education is government responsibility."

"Councils in the UK have responsibility - generate funds from recycling."

Aware of television campaign, stickers on bins, etc. - not aware of schools campaign, SPCC/LRC involvement.

General belief that the campaign probably achieved reduction - not aware of Litter Index.

Ongoing problems: junk mail, local suburban newspapers, etc..



b. Funding government litter reduction initiative

"Should come out of consolidated revenue in whole, or in part. Should not be solely an industry problem. A lot of food consumed in the home - would be hard to have a selective tax."

"Tax would be resisted; if enacted it would be passed on to the consumer. Those recycling, etc., should not be penalised - encourage recycling where possible - not always possible in food - health regulations."

"Beverage industry should not have the burden - could raise more by going via industry bodies, rather than individual companies. Prepared to look at a definite proposal but not prepared to contribute if other "culprits" not putting in their share."

If there is a contribution, this has to be shared by all industries, all "down the chain" to packaging manufacturers - need an equitable rule.

"If contributing, like to be sure money being spent efficiently, not for 'kudos' of politicians."

Committing to annual budget scary - where does it end? When are objectives met? Need for control.

Have funded KABC at some stage.

c. Corporate sponsorship

"See a place for this, not necessarily see the benefit to selves."

"Could be negatives -backfire - encourage irresponsible action on part of consumer (consumer could perceive industry sponsorship as evidence of industry responsibility, not consumers)."

"Might be more appropriate for snackfood. Projects preferred - no benefit in being one name out of 300 at the end of a commercial. Has to be justified in marketing terms, be meaningful in terms of sales. Otherwise corporate sponsorship same as a tax."

"Need to see a proposal before can commit - need to see a LRC brief, strategy, objectives, how spent, if tax relief on contributions. Should still be shared with government."

Research attitudes of consumer, e.g. behaviour in public places, entertainment venues, why different?

Television channels could help.

Could incorporate messages on packaging.

4. Materials and Packaging Manufacturers

a. The litter problem and the NSW Government Litter Reduction Campaign

"Litter still extensive - need to keep before public. Public the culprits. Industry cannot be responsible for bad minority of public. Councils could do more."

"Familiar with television campaign, etc., and SPCC/LRC involvement - been approached before, given views already."

Question the ongoing effect of the television campaign, probably effective in the beginning, too remote from the litter situation, people become immuned.

Education in schools important.

Community need to be involved.

Perceived as a government responsibility overall, industry can assist in specific problems.

Ongoing problems: car dumping, packaging, household dumping.

Restrictions on certain types of packing?

b. Funding government litter reduction initiatives

"Lot of pressures on the packaging industry."

No perceived value in contributing to a bulk fund - potential for bodies like SPCC to become complacent if confident of the funds. Each project needed to be sold, will be individually assessed.

"Should come from consolidated revenue - too difficult to lobby State Government for funds - put pressure on industry."

"Fund KABC - more positive - forming group pyramid effect. Community based project like tidy towns fit better with what want to achieve. "

LRC an anti-deposit body.

Not all packaging in the litter chain anyhow - but goes into stores, homes, etc..

"Lot of recycling by packaging materials manufacturers. Australians not as aware, not as well trained in recycling efforts as Europeans."

Do not want a packaging tax - cannot be fairly implemented. Lot of paper imported, how tax importers? How assess relative costs of different types of litter? How measure the cost to the community?

"Consolidated revenue puts it back into the community where it starts."



Materials manufacturers cannot recuperate cost of tax from the community.

A tax will not result in making companies more responsible.

c. Corporate sponsorship

"Value for some packaging producers - not for generic packaging, nor for materials manufacturers. Need to have links with the consumer to get value."

"Prepared to look at a proposal - prefer one-off problem-specific; or educational."

"Not convinced of the benefits of corporate sponsorship in any context. Believe community may be cynical of industry involvement - not necessarily regard more highly because of it."

"Prefer to assist with what already have - in-house printing facilities for promotional material for LRC, print messages on packaging. Could sponsor brochures."

"SPCC/LRC must set targets. Level of contribution depend on the project. Ultimately need to have marketing, sales implications - not necessarily for children though."

APPENDIX E

WASHINGTON LITTER CONTROL AND RECYCLING PROGRAM



# AN INTERVIEW WITH . . .

## Leighton Pratt

Director, Washington Litter Control and Recycling Program

The State of Washington enacted in 1972 a Litter Control and Recycling Act that many feel should be the model for the rest of the country. It was enacted in lieu of a forced deposit law and in its 14 years of existence, has proven to be successful. The law enacts a tax on manufacturers, wholesalers and retailers whose products or packaging contribute to a litter stream. Revenues are earmarked directly for the program, not partitioned-out through general state funds. The program addresses all forms of litter, not only container litter, and is having a continually positive impact on litter problems in Washington.

The program is administered by the Department of Ecology's Litter Control and Recycling Program. Leighton Pratt is manager of the program and recently shared his insights with the NSDA Quarterly.

**When was the Washington Litter Control and Recycling Act passed?**

Actually, it was passed by the legislature in 1971, but it had to be approved by the voters in the next general election in 1972. In the interim, an emergency clause was immediately put into effect. But it didn't become a hard and fast law until November 1972.

**Did the act have to go head-to-head with a bottle bill after it passed?**

Yes, twice, and each time it was defeated by an even greater





majority. In 1972, the voters in this state approved the present law by a 65 percent yes-vote margin. In 1979, after the act was enacted, a forced deposit initiative was defeated by a 15 percent margin. And in 1982, a bottle bill was defeated by a 42 percent margin.

**Q: Why do you feel the law is working?**

**A:** Probably the key to the success of our program lies in three areas. One is the strong industry support within the state. Without it we would not have a law, or a very positive program. The second key is the continuous and dedicated funding we've received, we wouldn't have a program without it. That money would be used for other purposes. And third, while our program is administered at the state level, we have our regional offices and three or four permanent staff people located in each regional office who are dealing with local governments on the litter control and recycling issues.

**Q: How does the law work?**

**A:** The industry was the one who came up with this alternative to the bottle bill in the late 60's; they have assessed a tax on themselves, and the wholesalers, manufacturers and retailers within the state, and outside the state in some cases, whose products or packaging make up the litter stream. This is generated by a levy of \$150 for every million dollars of gross sales. It's not a whole lot of money but it gives us an adequate amount to run our program. This year will be \$2.34 million. Half of that amount is to be used in employing a Youth Corps in picking up litter. Approximately 20 percent to 30 percent of our money is used for recycling activities, and 20 percent is used for litter control.



**Q: What is industry's involvement with the program?**

**A:** A group of industries are paying the tax, including fast food restaurants, soft drink bottlers and several others. Not only are they paying the tax, but they also are actively supporting the program by their direct participation. They're not just throwing money at the problem, but helping to find ways to develop a solution. We're trying to expand that participation base to include convenience stores.

The Committee for Litter Control and Recycling is the industry committee in this state. The department works with them to persuade other businesses to pitch in and help us.

**Q: Do you feel you're making headway in cleaning up litter?**

**A:** Yes, the program has been very successful in controlling the litter in this state. Since 1977, litter has been reduced 10 percent each year

through 1983. One thing we've learned is that it takes a long time to change people's habits. But the program's initial goal 14 years ago was to focus on public awareness and get people to help pick up litter. The public awareness was a good positive activity.

Our program thrust now is away from picking up litter and towards making people responsible for their own habits. There's a push throughout the state agencies that are associated with public facilities—public campgrounds and the like—to tell people to take home whatever they bring with them, including all foods and drinks. It's the "Pack it in, pack it out" theory. We're trying to develop that ethic.

We're at the point now where a lot of our boat launches and other public facilities no longer provide litter receptacles. It's going to take a long





time to make it work but that's one of the directions that we're moving in—to make people responsible for their own clean-up and quit having others pick up after them.

**Q: Can you compare the success of the program in Washington in urban versus rural areas?**

**A:** I think litter awareness is at a fairly high level in the lakes and streams and back country areas of this state. We still have problems there, but much less than before. I still think the urban areas generally are doing a good job.

We're aiming our program at zeroing in on the seven classified sources of litter. We think we've got the motorists and the pedestrians aware of the litter problem, and now we're looking at the loading areas of businesses, where there's a big problem. We're focusing our attention on those people for a year. Next, it will be unsecured loads.

**Q: What percent of highway litter do unsecured loads comprise?**

**A:** Nearly half of the litter on our roads is caused by unsecured loads. I didn't realize it until I saw those figures, and then I started looking around, and it's true. The majority of the litter is from materials that can't be thrown out the car window.

**Q: How did you get Washington voters to accept a total litter law as opposed to just going after bottles and cans as your neighbors to the south in Oregon have done?**

**A:** The department didn't persuade the voters. In the campaign prior to the election, information on both proposals was put before the public by the proponents. The voters decided it made more sense to look at the whole picture, not just bottles and cans, I guess.

**Q: Does the public see the problem as being only litter, or does it perceive the problem as being the much larger, more comprehensive problem of total solid waste?**

**A:** We've never surveyed that question. The only time the public really is aware of the total solid waste problem is when the local government is trying to site a new landfill that's going to be in their backyard. Hazardous waste is the big problem right now, and if it wasn't, I think one of the big issues would be solid waste management.

But the critical time bomb is the old landfills that are going to pollute areas, which the general public isn't aware of. They don't relate the two issues together. And what's really scary is that our population in the Northwest generally is more environmentally aware than many parts of the country. If our population in Washington isn't concerned, I





don't know how you're going to sell it in other states.

**Q: Your program goes beyond advertising about litter clean up. What other projects are helping you meet your goals?**

**A:** Probably one of the more successful long term programs that we're in now is our school program, which I think will become nationally known in a few years. We were spending roughly \$100,000 a year on the school program, basically at the elementary level, providing a lot of what I call "wowie zowies." For example, we have "Cascade Jack," our environmental film star who made visits to schools.

We pulled together school teachers here at all levels to review the materials we were already using and to figure out how to get our message into the school system. What we

came up with was a series of lesson plans that are not something they do over and above their existing curriculum, but designed to fit within it. There are lessons in the teacher guide that can be used as a math or a social studies lesson or whatever, but the message within the lesson centers on waste reduction and recycling, as well as litter control.

The key to making it work well also is the fact that we are funding substitutes and pulling teachers out of the classroom to meet with us for one day. The first half of the day we expose them to the curriculum guide. The second half of the day they actually do hands-on lesson plans.

**Q: I understand you're also planning to join forces with law enforcement agencies to help with litter control.**

**A:** We are looking at how to strengthen enforcement. We have had some short-term projects with

our state patrol to stake out the approaches to landfills. What we want to do is take a look at the best system for enforcement and change our laws to accommodate it, which is a long-term enforcement plan.

**Q: How do you interact with local government groups?**

**A:** Part of the problem is people look to our program as being the sole source for help, money, etc. as far as recycling is concerned, which wasn't the intent of the law. It was meant to be in addition to other things that already are going on. However, at the time, there weren't a whole lot of other things going on. So we're trying to make people aware of their responsibilities, for example, telling the general public that when you go to a picnic, you take your stuff back with you and put it in your own trash can or recycle it.

One of the things we're looking at is using our Youth Corps in a more





William Pratt, director of the Litter Control and Recycling Program of the Washington Department of Ecology, addressed the Western Region Beverage Industry Opposition Meeting Aug. 8 in Seattle.

comprehensive way. They are well trained in our program and could go out and recruit volunteer workers; therefore, there is very little cost in manpower. If the city can provide the bags or the vehicles, then the volunteers are there if they want to use them. It may just be a matter of trying to pull this thing together.

**Q: Civic organizations also working with you?**

One of the things we're doing is involving the people from those groups, like the League of Women Voters, in special projects. The League is a very talented group of people and if you get their interest and support they take the ball and run with it.

One of my pet projects is to develop a set of plans and/or concepts that we can make available to architects so when they're designing homes, they can

build in an area for recycling. One of the problems we now have is trying to convince people to recycle, but the houses that have been built don't have adequate space to do so. So we're trying to take a small bite first, which is worrying about new homes. After we get those plans set we're going to do the same thing to retrofit existing homes.

There's an architect in Spokane, who also is a member of the League of Women Voters, who is going to design the program. We've contracted with the League to do a survey to find out what is really needed, and they will then work with architectural students to design the recycling center plans. The League also will make a presentation to our state building associations. Ultimately, once we get everything finalized, we want to present that project to the American Institute of Architects in Washington, D.C. to develop this concept nationally.

**Q: What part does recycling play in your program?**

As in 1979, the law was amended to include the recycling activity and in addition it gave us the authority to employ youth in the state for a variety of things, initially picking up litter, but also many other things later. Now our program has shifted from a pure litter control public awareness program to a recycling program as well. We have two hotlines—1-800-LITTERS—where you can call and report anybody you see littering. We send them a letter and a car bag, reminding them that it's against the law to litter in the State of Washington.

We also have a 1-800-RECYCLE number that people can call for information about where, what and how to recycle, and there are more than 1000 recycling stations listed statewide. In addition to the hotline, we also have a recycling newsletter, product public service announcements and brochures. And, in Sept. 1988, we will host the National Recycling Congress in Seattle.

**Q: How has your litter and recycling law affected recycling as a business in your state?**

As The type of law we have is conducive to running these businesses, others may be harmful. Our law mandates that we foster private recycling and increase public awareness of the need for recycling, which we do with honest enthusiasm.