



Plastic pollution in Austria's natural environment |  
Credit: Global 2000 |

4.4. Austria: A plastic pollution lobby mobilising against DRS

In 2016, Austria produced about 300,000 tonnes of plastic waste,<sup>1</sup> with PET bottles accounting for a large proportion of litter found in Austria's natural environment.<sup>2</sup>

Although Austria has a relatively good collection system, it is still far from reaching EU targets on either plastic recycling or bottle collection. In 2016, 34% of all packaging waste was sent to mechanical recycling, after which 26% was recovered as granulate,<sup>a</sup> 40% was treated in waste-to-energy plants and 33% was used for incineration in the cement industry.<sup>3</sup>

<sup>a</sup> According to the new calculation method mandated by the EU, the recycling rate has been reduced from 34% to 25%.

The Austrian Federal Ministry of Climate Action and Environment is currently considering introducing a DRS to achieve the new targets set out in the EU SUP Directive. A government-commissioned study recently confirmed that a DRS not only achieves the highest collection rate for plastic bottles but is also the most cost-effective option, ensures the best material quality for subsequent recycling and has the strongest anti-littering effect.<sup>4</sup>

4.4.1. Lobby against introduction of DRS

Our investigation in Austria revealed that a powerful coalition of companies, including retail giants REWE Group (Billa, Merkur, Penny, Bipa, etc.), SPAR, Hofer and Lidl - as well as beverage companies, including Brau Union, Spitz and Pfanner - have been tirelessly working to influence the government's decision against a DRS.<sup>5</sup> They have largely orchestrated their lobbying efforts through the highly reputed



Altstoff Recycling Austria AG (ARA), Austria's largest PRO, a non-profit organisation with a near-monopoly on Austria's waste-management market. A closer look at ARA's complex corporate structure reveals that companies under its umbrella have a position almost like that of owners, with legal powers that allow them to use ARA for their own interests – in this case, to lobby against DRS legislation that would reduce litter and increase plastic-recycling rates in Austria.

With the introduction of a DRS, which would replace the need for companies to pay licensing fees, ARA would lose more than €24 million in fees for plastic bottles alone. Since it is likely that a future DRS would also cover other waste streams, such as cans and single-use glass, the loss in licensing fees would consequently be even higher.



Not surprisingly, ARA is a loud opponent of a DRS. Among the lobbying tactics used, it coordinated letters sent in December 2019 to the current Federal Chancellor (Sebastian Kurz), Environment Minister (Leonore Gewessler) and other key politicians, vehemently rejecting the introduction of a DRS for single-use plastic. Next to ARA, the signatories include retail giants REWE Group, SPAR, Lidl and Hofer, as well as multinational plastic-packaging manufacturer ALPLA. Unsurprisingly, following the submission of the letters, DRS was neither included nor mentioned in the government programme launched in January 2020.

ARA also attempted to influence the development of the government-commissioned study that examined four options for implementing the 90% collection target. ARA advocated for an improved method for separate collection, as well as additional collection from residual waste. The findings unequivocally show a DRS would achieve at least 95% separate collection, while ARA's proposals would only achieve 80%, would require sorting through 60% (840,000 tonnes) of Austria's residual waste<sup>6</sup> and are also not in line with the interpretation of the SUP Directive.<sup>7</sup>



ARA has a monopoly on the Austrian waste market  
Credit: Changing Markets Foundation

The alternatives to DRS these companies are pushing for are the usual promotion of clean-ups and awareness-raising campaigns, in this case *Reinwerfen statt Wegwerfen* ("Throw in instead of throw away"), placing the blame on the consumer rather than pushing for a reduction in plastic pollution at source.<sup>8</sup> This initiative was founded in 2012 as a joint project between ARA, the Austrian Chamber of Commerce (WKÖ) and the discount retailers Hofer, Lidl and PennyMarkt. Other supporting organisations are the very same companies that produce much of the littered waste found in Austria, including Coca-Cola, McDonald's, Red Bull and retail giant REWE. In 2019, approximately 170,000 volunteers in 2,700 clean-up initiatives collected and properly disposed of 1,000 tonnes of waste.



Red Bull cans are frequently found in Austria's natural environment  
Credit: Global 2000

While Austrians are keen to participate in such clean-up activities, initiatives such as *Reinwerfen statt Wegwerfen* only provide €700,000–1 million of private funding for clean-ups,<sup>9</sup> with public institutions – not only municipalities but also the Austrian rail and road associations, ÖBB and ASFINAG – bearing the majority of the costs. According to ArgeAWV well over €120 million in personnel and operational costs are spent annually on daily street-cleaning and litter campaigns.<sup>10</sup> The Austrian Beverage Manufacturers Association has also built its DRS-opposition strategy on voluntary initiatives, providing great support for the aforementioned anti-littering campaign. The powerful organisations that represent the interests of retail and industry also support *Reinwerfen statt Wegwerfen*.<sup>11</sup> Through Arge Sustainability Agenda for Drinks Packaging, a consortium headed by the Austrian Chamber of Commerce (WKÖ), the retail and beverage industries use this '*voluntary commitment by the drinks industry*' as a central instrument to focus efforts on the consequences of littering – rather than its causes – continuously delaying better solutions.<sup>12</sup> The beverage industry has also found itself at a crossroads; its position was divided in a surprising U-turn by Coca-Cola, which, for the first time, publicly announced its support for the introduction of DRS for single-use plastic in Austria.<sup>13</sup> Coca-Cola did not sign the lobby letter against the introduction of DRS in Austria that Höllinger, Pfanner, Alpquell, Starzinger, Brau Union and Spitz did.



Clean up initiative with primary school children in St. Jakob.  
Credit: Gemeinde St. Jakob (2019)



4.4.2. The Austrian public supports more action on plastic pollution

A recent YouGov public opinion poll, commissioned by the Changing Markets Foundation and Global 2000, showed that 83% of Austrians support the introduction of a DRS and 86% believe more needs to be done to address plastic pollution.<sup>14</sup> It is imperative that the Austrian government puts in place a DRS for all single-use-plastic bottles and other beverage containers. In addition, it should introduce measures to promote reuse, such as a specific sub-target for refillables. Such measures are backed by both science and the public. A government roundtable that took place in the beginning of June 2020 showed promising signs of a wide consensus among stakeholders to introduce DRS and reuse measures.<sup>15</sup>



Meanwhile, the WKÖ initiated a working group to examine possible alternatives to a DRS system. This step, however, has been criticised in an open letter<sup>16</sup> from the ÖPG Deposit System Company Gm.b.H. to the President of the Austrian Chamber of Commerce (WKÖ), Harald Mahrer, on the basis that such a working group should include *all* representatives of economic enterprises, not only those that oppose DRS. Membership of the WKÖ is compulsory for all Austrian companies, and, by law, it should represent all of them<sup>17</sup> - not just those that oppose progressive legislation. Despite these calls, WKÖ's 'holistic model' to achieve EU recycling targets, published in August 2020, claims that they can achieve these targets without DRS. To prevent littering they propose containers with microchips that would award consumer for returning their recyclables with bonus points on their mobile phones, which could be redeemed with participating companies<sup>18</sup> - a system surprisingly similar to DRS, which they oppose. ARA also published a press release calling WKÖ's 10 point plan 'a big step in the right direction'.<sup>19</sup>

While conversations in Austria are ongoing, we can expect that ARA and WKÖ will further intensify their lobbying tactics to undermine an effective DRS.<sup>b</sup>

Reusable milk bottles on sale at the Thornton's Budgens supermarket in Belsize Park, London  
Credit: David Mirzoeff

Box 4.3: An unusual opponent to DRS: The glass industry

As DRS is being considered across many European countries, an unlikely opponent is operating behind the scenes to try to undermine the establishment of the system, or to lobby for exemptions: the glass industry. This is strange because refillable glass bottles in a local distribution system are considered a very sustainable alternative to plastic packaging and are supported by NGOs across the world. Many countries used to have such systems in place, and the key to their success was a voluntary deposit to encourage consumers to return their bottles.

The glass industry in Europe is, however, firmly opposed to DRS. The European Container Glass Federation (FEVE) has commissioned a study showing that DRS does not lead to greater levels of refill, glass-collection or recycling rates.<sup>20</sup> It also claims 'including one-way glass in a mandatory DRS on single-use packaging only diverts materials from established collection and recycling systems and creates confusion among consumers'.<sup>21</sup> According to the industry report, the highest impact on glass-recycling rates is the number of available bottle banks, and DRS does not achieve such high recycling rates.<sup>22</sup> The glass industry has lobbied against DRS in Scotland and France, and is currently opposing its introduction in Spain, Portugal and Poland. In Spain, glass Green Dot organisation, Ecovidrio, claims a planned national DRS is one of the 'threats and challenges' to its strategic plan.<sup>23</sup>

Glass is included in the DRS of Croatia, Denmark, Estonia, Finland, Germany, Iceland and Lithuania. The deposit law<sup>24</sup> for single-use beverage containers, passed in Portugal, also includes glass. Taking advantage of the fact that said law is still pending regulation (which will establish the DRS model to be implemented on 1 January 2022), our investigation found the Portuguese government is receiving a lot of pressure to exclude glass from the deposit system. Portugal has a serious problem of glass containers ending up as litter in the environment,<sup>25</sup> which is already a powerful argument to include glass in the DRS. However, there is another equally important reason - the draft of the new Portuguese waste law establishes reusable-packaging quotas for producers, and forces supermarkets to dedicate a differentiated and designated area for products in reusable packaging. If glass were excluded from the single-use container-deposit system, RVMs able to take glass containers would not be installed, which would make it difficult to return refillable beverage containers, and would very likely mean the Portuguese government would not be able to achieve its reusable quota.

One of the latest tricks from the glass industry at the EU level was the launch of an industry platform, Close the Glass Loop, at the end of June 2020. The initiative aims to achieve '90% average EU collection rate of used glass packaging by 2030' and 'better quality of recycled glass, so more recycled content can be used in a new production'.<sup>26</sup> This appears to be a typical industry attempt to push a voluntary approach and prevent glass from being included in upcoming DRS in different EU member states. Despite the industry's claims that glass is already the most-recycled material, the glass-recycling rate in Europe currently stands only at 76%.<sup>27</sup> Far higher rates can be achieved - and, as with other beverage containers, it is impossible to reach levels of over 90% without DRS.



b For a full report on the Plastic Pollution Lobby in Austria, see [http://changingmarkets.org/wp-content/uploads/2020/05/CM\\_PLASTIC-POLLUTION-LOBBY\\_FinalEN.pdf](http://changingmarkets.org/wp-content/uploads/2020/05/CM_PLASTIC-POLLUTION-LOBBY_FinalEN.pdf)

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