



# ONE: CHALLENGE THE NUMBERS

ARE YOU FINDING THAT PEOPLE STILL THINK THESE CONTRACTS ARE A GOOD IDEA BECAUSE OF THE FINANCIAL BENEFITS? HERE ARE A FEW TOOLS TO CHALLENGE THIS MENTALITY.

**1** **THE FINANCIAL BENEFITS** associated with signing a contract need to be weighed against the fine print of contracts, which include:

- corporate gains like guaranteed compensation if contracts are broken.
- the right to include corporate logos on school property and team uniforms.
- Schools are obligated to sell an enormous number of corporate products over the life of the contract. If they fail, penalties apply, like extending the life of the contract.
- The contracts are typically negotiated with extreme confidentiality and contain many conditions like excluding all competitors, including local business or healthy beverage alternatives.
- Linking your school's reputation with corporations like Coca-Cola or Pepsi, which have tainted track records globally, is perhaps one of the most disturbing aspects of exclusivity contracts. Extensive research has exposed human rights, environmental and labour abuses.

The numbers themselves can also be broken down, take Queen's contract for example. They received \$500,000 a year over 10 years. Considering that they have a student, staff and faculty population of 20,000 this amounts to just \$25.00 per person. This number seems even less significant when you consider it is just a portion of the profit made on people's coins that go towards Coke/Pepsi's products being returned.

**2** Still find the numbers daunting? Darko Matovik, an engineering professor at Queen's university developed a utility calculator that can calculate the energy costs for the vending machines

paid by the university each year. In the case of Queen's these costs were estimated at either \$75,000 or \$175,000. The difference depends on the estimate of KW used by the machine per hour (which has been thoroughly researched by Darko Matovik, one estimate being more generous than the other). This sizably reduces the \$500,000 Queen's gets from Coke each year.

**3** Want to find out how much your university is paying in electricity costs? Go to the Inside the Bottle website, look on the right side of the screen under the Publications and Resource section, you will find: Student Action: Vending Machine Utility Calculator. Download Darko's utility calculator in excel format, insert how many vending machines you have on campus and voila, you have an estimate on how much your university pays in electricity charges to run these vending machines per year.

**4** Finally, consider the potential financial benefits if vending machines were run by student groups/student unions on campus. Rather than lining the pockets of corporations known for their tainted track record, money could be re-invested into the student body. This way, conscious choices can be made to exclude certain distributors and outright ban the sale of bottled water. Consider that, only 10 years ago, beverage exclusivity contracts were extremely rare, yet students still had options on campus as to what they chose to purchase. Why can't we return to this and choose to support local beverage suppliers and not the bottled water industry?