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THE LEADER IN RESOURCE RECOVERY

30.03.2012

Standing Council on Environment and Water Secretariat
GPO Box 787
Canberra ACT 2601

Via email: SCEW.Secretariat@environment.gov.au

Packaging Impacts Consultation Regulation Impact Statement

Background

SITA Australia (SITA) is the leader in the provision of sustainable resource recovery solutions from the waste generated by residents and businesses across the nation, and holds an important role in the lifecycle of the packaging supply chain through its collection and recycling network.

SITA operates in all mainland states, as well as the ACT, and provides services to over 56,000 commercial and industrial clients, and more than 3.7 million residents ever week.

Our diversified infrastructure and collections business include the following facilities and operational sites:

- 7 Advanced Resource Recovery Technology (ARRT) Facilities – this includes 5 facilities sometimes referred to as AWTs (Advanced Waste Treatment) for MSW
- 5 Organics Resource Recovery Facilities – predominantly for the processing of source-separated garden organics
- 3 Materials Recycling Facilities (MRF)
- 10 Resource Recovery and/ or Treatment Facilities
- 16 Transfer Stations
- 39 Service Centres (Depots)
- 7 Engineered Landfills, and
- 4 Education Centres

Our industry knowledge and experience combined with our comprehensive service range enables us to provide customers with integrated, sustainable recycling and resource recovery solutions for all types of packaging waste.

Our Services

Through our leadership position, SITA works with businesses and councils to create practical solutions that promote sustainability. Our business is focused on the recycling and resource

recovery of valuable materials within the waste generated by our customers, and to ensure that those waste streams that are disposed of to landfill are done so in an environmentally responsible way.

SITA's services include:

- residential, commercial & industrial waste collection
- resource recovery and recycling options
- product destruction
- processing of organic materials into compost
- production of alternative fuels that replace fossil fuel usage
- hygiene services
- medical and clinical waste collection, treatment and resource recovery
- autoclaving
- engineered landfill services

The breadth of our service offering allows SITA to develop customer focused solutions that are cost effective and provide businesses with improved recycling practices.

Resource Recovery and Recycling Activities

SITA advocates for the continual reform of the resource recovery industry towards increased rates of recycling and resource recovery as the key platform for sustainability within the waste industry.

SITA's progressive approach to resource recovery allows us to collect, transport and process to the highest order waste streams that are source-separated, mixed or co-mingled.

SITA supports the government's review of mechanisms to improve resource recovery practices across Australia. The *Packaging Impacts Consultation Regulation Impact Statement (RIS)* objective is in-line with SITA's business practices. SITA works closely with our customers - including brand owners and end-consumers – to ensure efficient separation and collection of different waste streams where economic recovery is possible. SITA continually invests in technologies and processes to improve recycling opportunities for individual waste streams.

SITA does not have a preference for one Option over another as presented in the RIS as each Option would result in a different impact (both positive and negative) on different parts of our business. However, SITA has provided comment on the RIS and the specific questions raised throughout the document.

SITA's Response to the Packaging RIS

Background and Nature and Extent of the Problems

1. One of the major challenges in relation to packaging and packaging waste is reducing the volume of transported and grouped packaging for various products. A greater consideration should be made to reduce the volume of packaging waste from the retail and wholesale sector

as manufacturing decreases in Australia, and is replaced by imported goods, which by their mode of delivery, require more packaging. How this packaging material is effectively recycled will require more analysis than has been presented in the RIS.

2. Another major challenge to recycling packaging waste is, as acknowledge in the RIS, away-from-home recycling. SITA recognises the value in increasing recycling in public places through dedicated recycling collection bins, points and centres, which must involve both Councils and property owners of high-volume pedestrian areas, such as shopping malls. However, there is a significant disconnect which must be addressed between who manages the recycling and which companies collect the recycling receptacles housed within these areas.
3. Plastic film and hard plastic will increase as a percentage of the waste stream due to packaging trends. SITA has been investing in R&D to develop solutions for recovering these types of plastic, and is currently able to provide a collections service for recycling plastic film.
4. As the leaders in resource recovery, SITA believes that all packaging should be designed with recyclability in mind. This is particularly important given the need to preserve as far as possible landfill capacity in and around capital cities. Ensuring all packaging material is recyclable will contribute to reducing waste volumes sent to landfill.

Options to address the problem

5. *Option 1: National Packaging Waste Strategy*

A national standard for waste signage and improved recycling education will provide a number of positive outcomes for the resource recovery industry:

- (a) they may work towards reduced contamination rates across different waste streams that SITA collects if appropriately funded;
- (b) national recycling practices, and in particular away-from-home recycling rates, would benefit from a national advertising and media campaign relating to the preservation of our environment; and
- (c) a national standard for waste signage is in-line with SITA's Bin Colour and Sticker Standardisation Strategy, which is being rolled-out nationally to both the residential and commercial sectors.

If Option 1 is considered as the preferred option, it must be expanded to include working in conjunction with, and provide funding to local councils, as part of a national media campaign to improve away-from-home recycling at public places and public events.

The messaging used in the education program and the way it is delivered will be far more important than the signage used. Messaging must be consistent across all sectors and all forms of education.

6. *Option 2: Co-regulatory Packaging Stewardship*

SITA supports setting regulated recycling outcome targets to increase industry responsibility for packaging stewardship as this places responsibility on the industry to improve waste recovery rates for the products they produce rather than placing the emphasis on the end consumer.

SITA appreciates that Option 2 captures all forms of packaging waste.

7. *Option 3: Mandatory Advance Disposal Fee (ADF)*

While SITA has not yet examined in detail the economic cost of individual Options presented under the RIS on our business nor on the entire value chain, we understand that a mandatory ADF will disproportionately increase costs on the production and sale of goods manufactured in Australia if the ADF does not apply to imported goods as well. The difficulty is on applying an ADF on imported goods.

But an ADF is likely to reduce general co-mingled recyclables and paper and cardboard volumes being collected by SITA from residential and C&I customers.

Balanced against this is the anticipated increase in the collection of source separated materials from brand owner premises under an ADF.

8. *Option 4: Container Deposit Scheme*

SITA recognises that CDS have a proven success rate in increasing resource recovery rates and reducing waste to landfill.

While SITA does not have an overall position favoring a CDS over the other Options presented, a CDS will have a positive impact on SITA's MRFs, ARRT facilities and organic resource recovery facilities by reducing glass contamination.

Glass contamination from beverage and food containers is a major cost impost on the operations of these facilities through increased maintenance costs, and significantly affects the quality of the recovered materials. A CDS will reduce the amount of glass containers in all residential kerbside collection bins and public space rubbish bins.

SITA also recognizes the overwhelming majority of the general public support the introduction of a national CDS.

If a national CDS was to be implemented, SITA would not object.

We welcome the government's commitment to improve resource recovery rates for packaging, which is a significant contributor to waste and litter generation in Australia. SITA believes that one Option alone should not be preferred and adopted in isolation, as all the various Options presented in the RIS provide opportunities to improve resource recovery.

SITA would be happy to meet with and discuss our comments in more detail. I can be contacted on (02) 8754 0105 or emailed at simon.lee@sita.com.au.

Yours sincerely



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