



**WALGA**

**Western Australian Local Government Association**

**SUBMISSION**

**Standing Council on Environment and Water**

**Packaging Impacts  
Consultation Regulation Impact Statement**

PREPARED BY THE



**MUNICIPAL WASTE ADVISORY COUNCIL**

*"Getting the Environment Right"*

**March 2012**

**Status of this Submission**

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Submission therefore represents the consolidated view of Western Australia Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

The Municipal Waste Advisory Council's member organisations are:

Bunbury Harvey Regional Council  
Eastern Metropolitan Regional Council  
City of Greater Geraldton  
Mid West Regional Council  
Mindarie Regional Council  
Rivers Regional Council  
Southern Metropolitan Regional Council  
Western Australian Local Government Association  
Western Metropolitan Regional Council

## **Executive Summary**

Local Governments in Western Australia (WA) play a significant role in the collection, treatment and disposal of materials within the Municipal Solid Waste (MSW) stream, including post-consumer packaging waste. Local Governments undertake a variety of waste collection services including regular kerbside waste and recycling collection, and periodical bulk waste collection. The frequency and level of service, however, differs across the State.

Local Governments are heavily invested in dealing with post-consumer packaging waste via recycling programmes, which consume a significant proportion of waste management budgets. There are a number of motivators for pursuing recycling programmes; for example, community expectations regarding the importance of recycling and diverting material from landfill; and as operators of the majority of landfills in WA, Local Government as a service provider has a strong interest in diverting this waste from landfill to ensure the longevity of the landfill and reduce cost.

The WALGA Submission on the Packaging Impacts Consultation Regulation Impact Statement (the RIS) aims to clarify the role Local Governments in WA play in regard to the management of post-consumer packaging waste to assist the decision making of the Standing Council on Environment and Water, and outline the key concerns for the sector in regard to managing this waste. As Local Government plays a significant role in the collection and recycling of post-consumer packaging waste, as well as in litter abatement, the sector is positioned to provide valuable feedback on the questions posed in the RIS.

The Submission also includes a brief analysis of whether or not the proposed options will adequately address the problems identified in the RIS. What the analysis highlights is that there is an insufficient amount of information on the options and strategies therein. As a result, the Association questions the Cost Benefit Analysis (CBA) modelling which is based on options that do not include strategies to achieve outcomes, let alone full costing. The appropriateness of using this analysis to assist in making such a significant decision is in question. In addition, any consideration of actions to address packaging waste should go beyond the measurement of economic impacts alone. It is therefore imperative that the Standing Council acknowledges the limitations of the RIS process in assessing the full range of costs, particularly in regard to environmental considerations.

Apart from Option 4, which includes two Container Deposit System (CDS) proposals, the only other option that has any amount of detail is sub-option 2 (b). There are a number of disconcerting statements in the RIS that indicate that this may be the preferred option going forward. This assumption greatly concerns the Association for a number of reasons, including, but not limited to:

- There is a likelihood that sub-option 2 (b) will have a negative financial impact on Local Government; for example, the proposal relies heavily on existing Local Government infrastructure and service delivery, but does not contribute financially to its operation or maintenance. This is of particular concern considering that projected increase in material separated could add more strain on existing infrastructure. Non-metropolitan Local Governments will also potentially have more material in landfill as the National Bin Network does not contain any commitment to invest in resource recovery infrastructure, or concessions for transporting to market.
- Sub-option 2 (b) does not include a commitment to actually recycle material collected.
- In WA, discretionary services, such as recycling, will only be provided if a business or commercial service requests them from a contractor. This sub-option does not indicate how businesses will be motivated to actually recycle (as opposed to separate material in bins which is not the same thing). One important aspect of any action on packaging waste must be the identification of responsible parties to ensure that recycling is undertaken across all waste streams.

The Association also questions the inconsistent financial modelling in the CBA, which has the potential to unfairly influence decision makers. For example:

- The figures (and strategies) for sub-option 2 (b) are limited to how much industry is willing to contribute – and the smaller the overall price the more attractive the proposal is to decision makers. The figures for sub-options 4 (a) and 4 (b), on the other hand, are based on CDS models that propose to achieve the greatest targets, with the implementation of completely new infrastructure (when appropriate infrastructure may already exist).
- Similarly, the Association questions the assessment of both 4 (a) and 4 (b), and in particular modelling around ‘inconvenience costs’. The Association believes that the inclusion of potential costs for everything consumed ‘at home’ is excessive – particularly when the focus of the approach should be on ‘away-from-home’ services. The CBA does not take into account the potential for consumers to stockpile at home before taking a load to a facility (as part of their general routine and as occurs currently in South Australia).

- Sub-options 4 (a) and 4 (b) also include costs for completely new infrastructure – the CBA does not consider the possibility that existing infrastructure could be used, or that a number could be co-located with existing drop-off locations (for example, libraries). The absence of costs for infrastructure under sub-option 2 (b) should not be celebrated as it means that this proposal relies completely on existing recycling and resource recovery infrastructure, without a commitment to ensuring that there will be an investment in new infrastructure or in maintenance and operating costs in the future.

Option 4, which contains two models for CDS, is the only proposed approach that has proven to bring about significant increases in recycling rates; considerable reduction of litter; and a positive change in consumer behaviour, as well as address those problems identified that have the greatest impact on Local Government. The analysis in this Submission highlights that no other option in the RIS, as they currently stand, can address the problems identified as successfully as a CDS could. Other important issues that a CDS could address include:

- Option 4 could potentially address the issue of transportation in the non-metropolitan area which is often one of the main disincentives to recycling. If industry is able to cover these costs, Local Government will not be left with the financial burden. No other option addresses this issue.
- Many regional and remote Local Governments are unable to provide more than basic waste management services, which do not include resource recovery options. The implementation of a CDS will result in greater equity of service across the country.
- Option 4 is the only option proven to improve the effectiveness of at-home recycling, and reduce the cost imposed on Local Government and the community. While a CDS may result in an increase in gate fees due to reduced income for the recycler (less material coming through), these costs can be mitigated by lower collection and processing costs, and the potential for a handling fee (which occurs in South Australia). Public space litter clean ups will also be reduced, saving Local Government money.

Local Government in WA support the implementation of a CDS to address post-consumer packaging impacts in Australia, and recommend that the Standing Council endorse this approach. Local Government is of the opinion, however, that the CBA assessment of sub-options 4 (a) and 4 (b) has been developed in such a way to cost a CDS out of contention. As a result, the Association recommends that the Standing Council undertake research to develop a more moderate (and economical) model, in line with a best practice approach.

When making a decision about what action to take on packaging waste, the Standing Council should also take into consideration the impact of not taking action. For Local Government, the provision of recycling services across the State will continue to be heavily constrained; delivering recycling services will continue to be costly for Local Governments and the community; recyclables will continue to be sent overseas due to a lack of effective markets; Local Governments will continue to be impacted by fluctuations in market prices; and, Local Governments will continue to be faced with high volumes of material, and composite packaging that is difficult to process. As the RIS identifies, any increase in recycling rates, without the Standing Council's intervention, will rely on Local Government. As this submission highlights, Local Governments are already finding it difficult to address increasing packaging waste. There is an expectation that the Standing Council will take into account the current impact of packaging waste on Local Government services and infrastructure, as well as the potential impact on Local Government of any proposed model to address this waste. Therefore, Local Government expects that the Standing Council gives particular consideration to Local Government support for the implementation of a CDS as the preferred approach to address post-consumer packaging waste in Australia.

## Summary of Recommendations

**Key Recommendation: That the Standing Council endorses the implementation of a container deposit scheme to address post-consumer packaging impacts in Australia.**

**Recommendation: That the Standing Council undertakes further research and consultation to develop a more viable container deposit model.**

**Recommendation: That the Standing Council considers the principle of waste avoidance when choosing a preferred option for addressing packaging impacts.**

**Recommendation: That the Standing Council acknowledges the investment needed to improve the standard of waste data in Australia, and make a formal recommendation to address it.**

**Recommendation: That Local Government, as the primary stakeholder in current kerbside recycling services, be fully involved in the development of any scheme to address the reduction of packaging waste.**

**Recommendation: That the Standing Council investigates social and environmental costs before making a decision on addressing packaging waste.**

**Recommendation: That the Standing Council considers the impact of not taking action on packaging waste and the reinforcement of the regulations to discourage withdrawal from the Australian Packaging Covenant.**

**Recommendation: That any action on packaging waste ensure equal service provision across the country.**

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## 1. Introduction

The Western Australian Local Government Association (WALGA) appreciates the opportunity to comment on the Standing Council on Environment and Water's Packaging Impacts Consultation Regulation Impact Statement (the RIS). This submission has been developed in consultation with the Local Government sector in Western Australia (WA), and informed by the WALGA Container Deposit Systems Policy Statement (**Appendix 1**) and Extended Producer Responsibility Policy Statement (**Appendix 2**), to present a unified position on the issue of addressing packaging waste. Local Governments or Regional Councils may choose to submit individual responses to the Standing Council outlining those areas of specific concern to their community.

Local Governments in WA play a significant role in the collection, treatment and disposal of materials within the Municipal Solid Waste (MSW) stream, including post-consumer packaging waste. Local Governments undertake a variety of waste collection services including regular kerbside waste and recycling collection, and periodical bulk waste collection. The frequency and level of service, however, differs across the State. In addition, Local Governments and Regional Councils are responsible for the management and operation of a large variety of waste management infrastructure including landfills, transfer stations, material and resource recovery facilities, and alternative waste treatment (AWT) facilities. Local Governments and Regional Councils also operate household hazardous waste (HHW) collection facilities, develop and implement waste education strategies, undertake intensive community engagement on waste management in local areas, carry out regular litter and illegal dumping clean ups, as well as the collection of waste from community events. Local Governments are also increasingly being required to undertake an enforcement role, particularly in regard to litter and illegal dumping prosecutions.

Local Governments are heavily invested in dealing with post-consumer packaging waste via recycling programmes, which consume a significant proportion of waste management budgets. There are a number of motivators for pursuing recycling programmes; for example, community expectations regarding the importance of recycling and diverting material from landfill; and as operators of the majority of landfills in WA, Local Government as a service provider has a strong interest in diverting this waste from landfill to ensure the longevity of the landfill and reduce cost. In addition, Local Government continues to seek ways of making packaging recycling more sustainable and at a reduced financial burden the community. The introduction of a carbon price in July 2012 will also contribute to existing motivations for seeking alternatives to landfill.

Collectively, Local Government is the main caretaker of litter in WA, and Local Government expenditure on litter covers a broad scope of activities. There are often 'hidden' costs associated with litter, especially when Local Government officers manage litter as part of their day to day activities; for example, litter clean ups in public open spaces and beaches, and dealing with rubbish bin vandalism and other forms of regulation enforcement as mandated in the *Environmental Protection Act 1986* and the *Litter Act 1979*. As a result, the true cost of litter may not be fully realised.<sup>1</sup> Local Government supports increased penalties for illegal dumping and littering offenses, however, due to the size of the State, enforcement of anti-littering measures are difficult and a range of approaches are needed.

WALGA is currently a signatory of the Australian Packaging Covenant (APC) and is actively involved in the Covenant process. Local Government's twin role as representatives of the community and as a service provider is a major consideration of this participation. Local Government must represent community values since these are the fundamental basis for undertaking new challenges and continuing past work. Local Government must also apply its service provider expertise when considering means by which to achieve community benefits. This twin role is particularly significant with regard to Extended Producer Responsibility and Product Stewardship approaches, such as the Covenant, taken by Government and industry. Local Government has significant investment in resource recovery and their role as service provider in this area will be impacted on by any development in these areas.

Local Government in WA has been consistent in its support for a Container Deposit System (CDS) and sees clear potential benefits from the implementation of a best practice system. At the recent WALGA Annual General Meeting (August 2011), Local Governments again voted to support the immediate introduction of a CDS in WA.

The WALGA Policy Statement on Container Deposit Systems outlines the key outcomes from a CDS, including:

- Improving resource recovery;
- Achieving a more appropriate sharing of waste management costs;
- Reducing litter; and
- Increasing community awareness and involvement in waste management.

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<sup>1</sup> Nolan-ITU Pty Ltd (2002) 'Litter Management Options in Western Australia', p. 12.

This submission aims to clarify the role Local Governments in WA play in regard to the management of post-consumer packaging waste to assist the decision making of the Standing Council on Environment and Water, and outline the key concerns for the sector in regard to managing this waste (Section 2). As Local Government plays a significant role in the collection and recycling of post-consumer packaging waste, as well in litter abatement, the sector is positioned to provide valuable feedback on the questions posed in the RIS.

**Appendix 3** comprises specific comment on questions included in the RIS. Section 3 outlines the preferred option for Local Government, and also includes feedback on other proposals. Section 4 also includes general comment on the content of the RIS. This submission also contains a number of recommendations that Local Government considers need to be addressed in relation to action on post-consumer packaging waste.

## **2. Waste and Recycling in Western Australia**

The *Waste Avoidance and Resource Recovery Act 2007* identifies the roles and responsibilities for Local Government in WA, specifically in regard to 'local government waste', which has been defined as:

- (a) *waste from residential sources; and*
- (b) *any other waste of a kind prescribed by the regulations for the purposes of this paragraph, but does not include sewerage or waste of a kind prescribed by the regulations as excluded for the purposes of this definition.*

Although Local Government responsibility is clearly outlined, waste streams – other than local government waste (or MSW) – do not have a directly responsible body under the Act. The result is that discretionary services, such as recycling, will only be provided if a business or commercial service requests them from a contractor. In practice, many Local Governments are taking responsibility for a far greater range of materials than they are legally obliged to. In some areas, Local Government is the *only* service provider.

The costs incurred by Local Governments and Regional Councils in undertaking waste management activities are significant. For example, recent Local Government Grants Committee figures indicate that Local Government spend for the 2009/10 Financial Year on waste management activities was in excess of \$200 million across WA. This is a substantial amount, especially considering that this figure does not include data from nine Perth metropolitan Local Governments, including a number of large Local Governments who deliver

a variety of essential waste management services. In addition, tens of millions of dollars of new capital are invested each year to meet increased demand and adopt new technologies. Despite the significant cost in implementing resource recovery initiatives, WA continues to have the lowest recycling rate in the country at 33%.<sup>2</sup>

Local Governments in WA are faced with a number of challenges when undertaking waste management activities (and resource recovery in particular), many of which are specific to the State. It is expected that these challenges will be taken into account in the development of a national scheme to address packaging waste.

### **Challenges for the Metropolitan Area**

2006-07 figures indicate that Australians generate 43,777,000 tonnes of waste each year, up 31% from 2002-03.<sup>3</sup> The Environment Protection and Heritage Council (EPHC) estimate that, based on these figures, by 2020-21 Australians will generate 81,072,593 tonnes of waste (these projections are based on growth in generation of 4.5 per cent per annum, including the contribution of 1.5 per cent a year population growth).<sup>4</sup> According to the 2006 Census, the population of Australia is 19,855,288,<sup>5</sup> which means that waste generation per person is 2.05 tonnes per annum.

Based on projections in the Western Australian Planning Commission's (WAPC) *Directions 2031 and beyond: Metropolitan planning beyond the horizon* (2.2 million people in Perth by 2031), Perth households alone will be generating a total of 4.85 million tonnes of waste per year (not including commercial and industrial – C&I – or construction and demolition – C&D – waste). In order to adequately collect and dispose of this waste, communities rely on appropriate infrastructure and waste management services, much of which is carried out by Local Governments.

Local Governments and Regional Councils in the Metropolitan Area face challenges in regard to the management of waste due to the volumes of waste they receive. As volumes of waste increase, the potential environmental impacts of the waste are also increased. This means more comprehensive (and consequently costly) environmental controls are necessary. As a result of strategies to mitigate environmental impacts and fulfil the expectations regarding recovery rates, large infrastructure has been developed (and will continue to be

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<sup>2</sup> EPHC (2010). National Waste Report 2010, p. 26

<sup>3</sup> *Ibid.*, p. 22

<sup>4</sup> *Ibid.*

<sup>5</sup> Australian Bureau of Statistics Website (2010), Accessed 7 December 2010  
<http://www.abs.gov.au/websitedbs/D3310114.nsf/home/home?opendocument>

developed) to address these volumes. For Local Governments, funding the development and ongoing operational costs can be difficult, especially when funds are limited to those received through rates, or a 'user pays' system.

Planning for waste infrastructure is also a significant challenge for Local Governments and Regional Councils, particularly in regard to planning for waste infrastructure to address future population growth. As waste management has largely been seen as the purview of Local Government, there has been limited planning at a state level and virtually no consideration of waste management infrastructure in land-use planning strategies. As a result, waste operations are often impacted on by planning decisions that do not consider waste management practices. With the release of the Waste Strategy for Western Australia on 6 March 2012, it is anticipated that these planning issues may begin to be addressed.

### **Challenges for the Non-Metropolitan Area**

WA has the largest land area (2,532,400 km<sup>2</sup>) of any Australian state or territory however, only 27 per cent of the State's 2,296,411 population lives outside of the Perth Metropolitan Area.<sup>6</sup> This dispersed population over such a large land mass makes it difficult to ensure equality of service provision to all WA residents. Regional and remote Local Governments are currently disadvantaged in regard to the resourcing of waste management activities and infrastructure. Due to the low rate-base in these communities – sometimes due to a high proportion of Crown Land in these areas limiting the opportunities to raise additional rates – many Local Governments have difficulty funding services. In addition, these communities also have the added disadvantage of being geographically isolated, and the distance needed to travel to recycle or dispose of waste on top of waste collection places additional burden on Local Government time, finances and other resources. As a result, many regional and remote Local Governments are unable to provide more than basic waste management services, which do not include resource recovery options.

In addition, due mainly to lack of resourcing, many landfills in regional and remote areas are often not manned, fenced in, or otherwise appropriately secured. This not only makes it difficult to appropriately manage the site, but also makes stockpiling material inadvisable. For example, the *Product Stewardship (Televisions and Computers) Regulations* outline the commitment to deliver 'reasonable access' to 'outer regional areas' of at least 1 service per town population 4,000 per financial year, and 'remote areas' of 1 service per town

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<sup>6</sup> ABS (2011). Western Australia at a Glance 2011. Accessed 27 January 2012, [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/26EA2BDCC3C8B4BECA257864000FABA7/\\$File/13065\\_2011.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/26EA2BDCC3C8B4BECA257864000FABA7/$File/13065_2011.pdf)

population 2,000, every 2 financial years.<sup>7</sup> Many Local Governments will find it difficult to adequately store materials for this length of time, without significant investment in infrastructure or staff. How residents are to get materials to a central storage point is another issue.

The introduction of a CDS, for example, will potentially go a long way to bridging the gap of service equality in regional and remote areas by:

- Reducing waste and litter;
- Providing employment opportunities;
- Providing opportunities for charity and community groups to raise funds;
- Making transport costs more competitive; and
- Providing another revenue stream for Local Governments.

At the moment, due mainly to the lack of resources, waste collection and access to recycling programmes are not available to many residents outside of the Perth Metropolitan Area. It should be emphasised that the main costs for Local Government to provide services is not infrastructure, but rather the ongoing operational costs of the service, including staff and transport. It is expected that any national action on reducing packaging waste will involve equitable roll-out in the regions and address the issue of high ongoing operational costs in these areas.

### **Waste management in Indigenous Communities**

There are over 280 Indigenous communities across WA, with populations ranging from less than 10 to more than 800 people.<sup>8</sup> The Local Government Advisory Board (LGAB) Report on the Inquiry into Local Government Service Delivery to Indigenous Communities states that 'waste collection and disposal in Indigenous communities is generally inadequate'.<sup>9</sup> In addition, the LGAB identifies that, while waste is an issue in these communities, there are few, if any, litter reduction campaigns or recycling programmes in operation.<sup>10</sup>

In a study of the logistics of Container Deposit schemes in remote Indigenous communities in the Northern Territory, the Centre for Appropriate Technology (CAT) identifies that CDS can 'contribute to cleaner communities... material for resource recovery options and reductions in waste going to landfill'.<sup>11</sup> CAT also

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<sup>7</sup> *Product Stewardship (Televisions and Computers) Regulations 2011*

<sup>8</sup> LGAB (2008). Report on the Inquiry into Local Government Service Delivery to Indigenous Communities, p. 19

<sup>9</sup> *Ibid.* p. 56

<sup>10</sup> *Ibid.* p. 55

<sup>11</sup> CAT (2006). Logistics of Container Deposits in Remote Communities in the Northern Territory, p. 33.

suggests that when assessing the potential benefits of a CDS in remote and regional areas, investigation must go beyond economic costing and include:

- Benefits in reducing waste going into landfill space;
- Improving waste management regimes;
- Shifting the responsibilities of litter management control back onto consumers;
- Increased recycling efforts; and
- Impact of resource recovery on the community.<sup>12</sup>

While this study focused on the delivery of CDS options in the Northern Territory, the findings and suggestions are also relevant to many regional and remote communities in WA.

### **Distance from markets for recyclables and lack of local reprocessing**

Due to limited local markets, Local Governments and other recyclers sell the majority of recyclable materials (such as paper, metal and plastic) to overseas markets.<sup>13</sup> In WA, many of the markets for recycled products (aside from C&D materials and greenwaste) are interstate or overseas. Given the largely export nature of the recycling industry in WA, the cost of getting these materials to market, and the fluctuating price of materials, impacts on Local Government's financial bottom line; costs that will ultimately be passed on to ratepayers.

## **3. Analysis of Options**

### **3.1 Addressing the problems identified**

The RIS outlines a number of problems that the proposed options are to address.

- 1) *Reducing packaging bulk through the use of soft plastics and pouches impacts negatively on recycling because such materials are less easily recycled than traditional packaging materials like glass, aluminium and steel. Currently recycling services are limited as to what materials they can process.***

- The only option that proposes to address this problem is option 2 – co-regulatory packaging stewardship, with the proposed outcome of sustainable packaging design and production by 2020. However, there are no targets for this outcome, and there is no definition of 'sustainable packaging design'. As the RIS outlines, '[c]urrent trends in the packaging choices being made

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<sup>12</sup> *Ibid.* p. 26

<sup>13</sup> Hyder Consulting (2011). Recycling Activity in Western Australia 2009-10, Waste Authority, p. 37

by manufacturers will have a detrimental effect on the overall level of packaging recyclability in the long run if these trends continue'.<sup>14</sup> This option does not outline how packaging options will correspond with resource recovery at end-of-life.

- The assumption that the Australian Packaging Covenant (APC) will be able to meet targets, however, should be questioned. In the recent Evaluation of Project Performance Report (2005-2010), prepared for the APC Council Projects Workshop, it was reported that a significant number of projects (24% General/State based projects and 51.5% of National projects) greatly exceeded milestone completion dates and/or significantly under achieved in meeting project targets/milestones, or were cancelled on account of poor performance or changed circumstances<sup>15</sup>. The Report highlights how the process involved in approving APC funds, and monitoring progress, needs to be greatly improved. Until this has been achieved, the confidence placed in the APC to deliver outcomes should be reassessed.

**2) *The resulting regulatory complexity has the potential for inconsistent data collection, reporting requirements, compliance regimes and infrastructure provision which may create uncertainty and extra costs for brand owners and specifiers of packaging.***

- All proposed options have the capacity to address this problem, however, aspects of sub-option 2 (b) could potentially exacerbate the problem. For example, the National Bin Network Plan outlines that bin recipients 'install and service the bins then keep data on what they collect. This data will be used to assess the impact of the National Bin Network and make improvements as required.'<sup>16</sup> The coordination and use of this data could potentially increase confusion due to the ad hoc approach proposed. In addition, the data will only be collected on what is in the bins as there appears to be no connection between bin contents and what percentage is ultimately recycled.
- Due to the financial value placed on materials through options 3 and 4, accurate collection of data is likely; for transparency purposes there would need to be clear tracking of the ADF for option 3 and refunds for option 4.

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<sup>14</sup> Consultation RIS, p. 19

<sup>15</sup> Evaluation of Project Performance (APC), p. 25

<sup>16</sup> National Bin Network, p. 31



**3) *Current policy settings do not address the relatively low recycling rates for common packaging materials away-from-home because of the lack of effective recovery systems and the diffuse responsibility for managing that waste.***

- Unfortunately, the options proposed in the RIS fail to address the diffuse responsibility for managing waste. For example, in the WARR Act, only local government waste has a party responsible for this waste. This means that commercial entities do not have to recycle their waste. This inconsistency has not been addressed. Only option 4 provides a motivation for businesses to recycle their packaging waste.
- In regard to the lack of effective recovery systems, there is a concern that sub-option 2 (b) relies on existing recovery systems and does not include a commitment to develop infrastructure where there is none. The small scale of this proposal also accounts for the smaller proposed cost compared to other options. The suitability of this sub-option to address the problems in the RIS should be questioned.

**4) *Continued improvements in recycling rates will rely on local government who provide municipal services. However, the availability of recycling collection services is already irregular and capacity for recycling different materials is inconsistent, particularly for rural and regional areas.***

- This problem is of particular concern to Local Government in WA. Standardisation of service provision is a necessary requirement of any proposed national scheme. Unfortunately, there are no details included with the proposed options as to how this is to be achieved, or if it will be achieved.
- Sub-option 2 (b), meanwhile, relies on the ability of existing infrastructure to deal with material, which will not address the lack of effective recycling services and material recovery infrastructure. This option cannot be supported by Local Government, and should not be supported by the Standing Council if it is determined to bring about the delivery of recycling services and the reduction of litter in rural and remote communities.
- Option 4 has the potential to address regional inconsistencies, and provide greater investment in services across the country. The implementation of CDS in other jurisdictions also shows that there is capacity to improve services in small communities as well as provide revenue for charity groups.

**5) *Kerbside recovery rate of recyclable materials are higher than recycling rates, due in part to a lack of capacity to recycle particular material within a local government area.***

- Sub-option 2 (b) includes provisions that appear to contribute to this problem – while the National Bin Network will increase bins to separate waste and recyclables, there is no commitment to actually recycle this material. Businesses will still need to contract Local Governments and recycling firms to take this material away, with no commitment to ensuring that it will actually be recycled. There is no indication that the National Bin Network includes a commitment to investing in resource recovery infrastructure to ensure that optimum recycling rates occur. There is also a high likelihood that this proposal will have a negative financial impact on Local Government; for example, it relies on Local Government infrastructure and service delivery, but does not contribute financially to its operation or maintenance. This is of particular concern considering that projected increase in material separated could add more strain on existing infrastructure. Non-metropolitan Local Governments will also potentially have more material in landfill as the National Bin Network does not contain any commitment to invest in resource recovery infrastructure, or concessions for transporting to market.

**6) *Local councils face challenges in improving the effectiveness of at-home recycling and an improvement or expansion of services in the municipal sector cannot be assumed. Ongoing improvements in the at-home sector will be important to achieving future improvements to overall recycling outcomes.***

**a. *Cost concerns, volume of material, available recycling infrastructure and contracting arrangements drive the provision of local government recycling services.***

- There is strong support from Local Government in WA for the implementation of a CDS. Potential benefits identified by Local Governments in a recent survey include:
  - Increased recycling rate;
  - Reducing the need for weekly recycling collection – saving transport costs and greenhouse emissions;
  - Saves landfill space;
  - Removal of undesirable material from alternative waste treatment facilities;
  - Litter reduction;
  - Positive behavioural change;
  - Providing recycling options to rural and remote areas;

- Increasing the value of the recyclate – less contamination;
  - Less impact on equipment (for example, conveyor belt damage due to broken glass);
  - Reducing the need to upgrade the size of bins; and
  - Resulting in increased lifespan of current infrastructure (including MRFs).
- Option 4 is the only option proven to improve the effectiveness of at-home recycling, and reduce the cost imposed on Local Government and the community. While a CDS may result in an increase in gate fees due to reduced income for the recycler (less material coming through), these costs can be mitigated by lower collection and processing costs, and the potential for a handling fee (which occurs in South Australia). Public space litter clean ups will also be reduced, saving Local Government money.
  - Option 4 could also potentially address the issue of transportation in the non-metropolitan area which is often one of the main disincentives to recycling. If industry is able to cover these costs, Local Government will not be left with the financial burden. No other option addresses this issue.
  - The Association disputes the claim (pp. 26-27) that sub-option 2 (b) ‘seeks to address all the problems set out in Chapter 3, including limited away-from-home packaging recycling, fragmented jurisdictional approaches to packaging waste, and lack of capacity to recycle particular materials.’ The scope of the National Bin Network is minimal, particularly compared to CDS, and definitely does not address the problems that tend to impact Local Government the most.

**7) *Such fragmentation also leads to diseconomies of scale which in turn could affect the end markets for recyclates. This could further hinder efforts for resource recovery in other jurisdictions where packaging waste is not regulated.***

- A lack of effective markets is a concern for Local Government in WA. As the RIS states, improving the market is a key direction from the National Waste Policy to ‘support waste avoidance, reduction, recovery and re-use by addressing market impediments and removing red tape.’<sup>17</sup> Local Government is of the opinion that option 4 will result in an increase in volume and quality of recyclables collected. There is an opportunity for government to play a central role in the investigation and investment of more sustainable options for these products.

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<sup>17</sup> *Ibid.* p. 23

Currently in WA, most recyclables are sent either interstate or overseas. Investment into sustainable, local market options will reduce transport costs and emissions as well as create jobs and inject money into the local economy.

### 3.2 Cost Benefit Analysis

The Association is concerned about a reliance on the Cost Benefit Analysis (CBA) to guide a decision on national action to address post-consumer packaging waste. The Association has the following specific concerns regarding the RIS:

- For all options in the RIS/CBA, a question mark hangs over the figures included. It appears inappropriate to include figures for strategies that have yet to be developed. Particularly in the absence of clear strategies for investment of funding, how reliable are the figures?
- Another issue is the requirement for a CBA and not an assessment on environmental and social impacts. Local Government expects that decision makers will consider these impacts, in addition to the economic modelling that has been undertaken through the RIS/CBA.
- The inconsistency of approach is another concern. For example, the figures (and strategies) for sub-option 2 (b) are limited to how much industry wants to pay – and the smaller the price, the more attractive it will appear to decision makers. The figures for sub-options 4 (a) and 4 (b), meanwhile, are based on two CDS models that propose to achieve the greatest targets and include the implementation of new infrastructure (when appropriate infrastructure might already exist). It appears as though the RIS/CBA is attempting to cost a CDS out of contention.
- Similarly, the Association questions the assessment of both 4 (a) and 4 (b), and in particular modelling around ‘inconvenience costs’. The Association believes that the inclusion of potential costs for everything consumed at home is excessive – particularly when the focus of the approach should be on away-from-home services (as identified in the RIS). The CBA does not take into account the potential for consumers to stockpile at home before taking a load to a facility (as part of their general routine and as occurs currently in South Australia). Sub-options 4 (a) and 4 (b) also include costs for completely new infrastructure – the CBA does not consider the possibility that existing infrastructure could be used, or that a number could be co-located with existing drop-off locations (for example, libraries).
- The Association questions the appropriateness of a model (sub-option 2 (b)) that is promoted as cost effective when it relies completely on existing infrastructure and collection services in place.

This is not a sustainable option, and should not be supported by the Standing Council. The Association also questions the assumption that reaching the targets set out in option 2 are guaranteed when there is no clear evidence that this would be the case (see earlier point about the poor success rate of APC national projects).

### **3.3 Preferred option for WA Local Government**

The Association supports the introduction of a CDS to address packaging waste impacts in Australia. The Association does not support one proposed model CDS over another, and suggests that the Standing Council develop further models which are likely to be more economical, while still delivering significant recovery rates.

**Key Recommendation: That the Standing Council endorses the implementation of a container deposit scheme to address post-consumer packaging impacts in Australia.**

**Recommendation: That the Standing Council undertakes further research and consultation to develop a more viable container deposit model.**

The National Waste Policy states that one of its key principles is for 'evidence-based decisions informed by the waste management hierarchy of actions...' <sup>18</sup> Proposals such as the National Bin Network, and the requirement for many Local Governments to increase recycling collections and upgrade the size of their bins, supports consumerism and over packaging. If the industry making the products is not ultimately responsible (financially or physically) for their product at the end of life, there is no clear incentive for reduction in packaging or design for recyclability. It is expected that any option to address packaging impacts addresses the principle of waste avoidance.

**Recommendation: That the Standing Council considers the principle of waste avoidance when choosing a preferred option for addressing packaging impacts.**

Overall, there is a surprising lack of detail for all options. The above analysis includes many criticisms of the proposed National Bin Network; this is also because there are no concrete details on the other proposals. CDS

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<sup>18</sup> EPHC (2009). National Waste Policy: Less Waste, More Resources, p. 7

is the only option presented in the RIS that has proven results. Further details are included in the Association's response to the specific questions in the RIS (see **Appendix 3**).

#### **4. General Comments**

The RIS and PricewaterhouseCoopers 'Attachment A: Problem statement for packaging' highlight the significant investment required to develop reliable and consistent waste management data in Australia. As the RIS outlines, 'there are no reliable estimates of the total number of packaging items that is produced or used in Australia'<sup>19</sup>, therefore, the full impact of packaging waste in Australia cannot be calculated. The issue of data collection needs to be addressed in line with the National Waste Policy's strategy (Strategy 16) on data to provide national waste and resource recovery data that is 'accurate, meaningful and up-to-date.'<sup>20</sup>

**Recommendation: That the Standing Council acknowledges the investment needed to improve the standard of waste data in Australia, and make a formal recommendation to address it.**

Many Local Governments, including a number in the Perth metropolitan area, go beyond their legislative responsibility and deliver waste and recycling services to the commercial sector. In WA, the responsibility for waste other than MSW has not been identified in legislation (WARR Act). Therefore, managing this waste (including undertaking recycling) is not mandatory. One important aspect of any action on packaging waste must be the identification of responsible parties to ensure that recycling is undertaken across all waste streams. Due to the involvement of Local Government across all waste streams, although not necessarily within legislation, it is assumed that any consultation on how this is to be managed will involve Local Governments.

Similarly, any changes that may occur to the operational responsibility of recycling services must be planned for appropriately, and stakeholders must be consulted.

**Recommendation: That Local Government, as the primary stakeholder in current kerbside recycling services, be fully involved in the development of any scheme to address the reduction of packaging waste.**

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<sup>19</sup> Consultation RIS, p. 3

<sup>20</sup> EPHC (2009). National Waste Policy: Less Waste, More Resources, p. 20

As the RIS identifies, 'the CBA results do not include all of the non-market values that lead consumers to value packaging recycling and reduced litter, such as environmental benefits or a feeling of civic duty'.<sup>21</sup> Any consideration of actions to address packaging waste should go beyond the measurement of economic impacts alone. It is therefore imperative that the Standing Council acknowledges the limitations of the RIS process in assessing the full range of costs, particularly in regard to environmental considerations. The RIS process is just one tool to assist in decision making, and not the process by which a decision is made. Local Government expects that further investigation into the impacts of packaging waste, existing successful resource recovery systems (such as the CDS in South Australia), and potential solutions to these issues, is undertaken.

**Recommendation: That the Standing Council investigates social and environmental costs before making a decision on addressing packaging waste.**

The RIS states that:

A likely outcome of the introduction of increased regulation of beverage containers through a CDS is that affected businesses will seek to reconsider their participation in broader packaging product stewardship initiatives such as the Australian Packaging Covenant. While outcomes are not certain, it is likely that action on a particular type of packaging waste, such as beverage containers, will have negative implications across all packaging waste actions.<sup>22</sup>

The Association considers this statement to be divisive, and in opposition to the purpose of the RIS. The question that should be posed is this: What will happen if no action on packaging waste is taken? For Local Government, the provision of recycling services across the State will continue to be heavily constrained; delivering recycling services will continue to be costly for Local Governments and the community; recyclables will continue to be sent overseas due to a lack of effective local markets; Local Governments will continue to be impacted by fluctuations in market prices; and, Local Governments will continue to be faced with high volumes of material, and composite packaging that is difficult to process.

The financial assistance provided to address packaging waste impacts is limited through the APC process. The role of the APC includes a heavy focus on packaging re-design. The above statement from the RIS is

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<sup>21</sup> Consultation RIS, p. xiii

<sup>22</sup> *Ibid.* pp. 19-20

misleading; firstly, the APC is not in direct conflict with a CDS, and the implementation of such a scheme will not address all responsibilities outlined in the APC charter; secondly, the APC is co-regulatory meaning that if companies do withdraw, they will then become liable under the regulations; and, thirdly, the reliance on the APC to deliver outcomes is misguided, as the Evaluation of Project Performance Report (2005-2010) highlights.

The Product Stewardship Forum and the National Bin Network, however, may lose members if a CDS is implemented. The Product Stewardship Forum, while providing financial assistance to put in place recycling infrastructure, is a private organisation which allocates funds according to its own determinations of priority. So, while the Product Stewardship Forum may be impacted by the introduction of a CDS, the alternative will potentially have greater positive outcomes such as greater availability of funds, strategic oversight, more accountability and equal distribution of funds.

**Recommendation: That the Standing Council considers the impact of not taking action on packaging waste and the reinforcement of the regulations to discourage withdrawal from the Australian Packaging Covenant.**

Local Governments in WA face a number of challenges in addressing packaging waste impacts. While the RIS includes a concern that each jurisdiction will have a different approach adding to the administrative costs of government,<sup>23</sup> a WA-specific scheme could also potentially ensure better coverage than a national approach could. The Association expects that the Standing Council will explore options that will ensure better service coverage across the country, rather than options that are modelled on experiences in the eastern states alone.

**Recommendation: That any action on packaging waste ensure equal service provision across the country.**

## 5. Conclusion

Local Government in WA support the implementation of a CDS to address post-consumer packaging impacts in Australia, and recommend that the Standing Council endorse this approach. Local Government is of the opinion, however, that the CBA of sub-options 4 (a) and 4 (b) have been developed in such a way to cost a

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<sup>23</sup> *Ibid.* p. 20



CDS out of contention. As a result, the Association recommends that the Standing Council undertake research to develop a more moderate (and economical) model, in line with a best practice approach.

Local Government plays a significant role in the collection and recycling of packaging waste and litter abatement. The delivery of these services however, differs across Local Government areas. Any action on reducing packaging waste, increasing recycling, and reducing litter across Australia will need to address these regional inequalities. As the RIS outlines, continued improvements in recycling rates will rely on the involvement of Local Governments, however, continued involvement in delivering these services, or standardisation of service delivery cannot be assumed.<sup>24</sup>

In regard to the options outlined in the RIS, only option 4 (a) and (b) are *proven* to improve recycling rates and change behaviour. Options 1-3, on the other hand, have not been developed enough to accurately assess the impact on recycling or packaging waste, or the full cost to the community or industry. Options 1-3, in addition, do not commit to the equalisation of collection and recycling services throughout Australia, which is a concern to Local Governments. Given the significant Government resourcing which will be required to development and implement a solution for packaging waste in Australia, Local Government considers that the focus of this development should be a best practice CDS.

Local Government considers that action must be taken to address the current rates of recycling in Australia. Unfortunately, the RIS does not take into account factors outside of economic concerns, or the impact of not addressing the problems identified. A decision regarding packaging waste also needs to be made in order to assist in investment decisions, and to ensure that there is not a fragmentation of approaches across jurisdictions. Local Government believes that producers must be made responsible for their products, as the status quo is not sustainable.

The Commonwealth Government has legislation in place to bring about significant change to the impact of packaging waste in Australia. Rather than focusing on the potential risk of addressing this waste, the risk of doing nothing and the need to place responsibility on producers should be the key considerations in any decision.

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<sup>24</sup> *Ibid.* p. xi

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# Policy Statement on CONTAINER DEPOSIT SYSTEMS

PREPARED BY THE



MUNICIPAL WASTE ADVISORY COUNCIL  
*"Getting the Environment Right"*

June 2008

### Status of this Policy Statement

This Policy Statement has been prepared by the Municipal Waste Advisory Council and adopted by the Western Australian Local Government Association. The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

The Municipal Waste Advisory Council has been formed through collaboration with Regional Councils who are not ordinary members of the WA Local Government Association. The resulting body effectively represents the views of all Local Government bodies responsible for waste management in Western Australia.

Policy Statements adopted by the WA Local Government Association represent a consolidated viewpoint from local government and may differ from the positions adopted by individual member organisations. The Municipal Waste Advisory Council and the WA Local Government Association will strive to promote this Policy Statement and to act consistently with its contents. Individual Local Governments and Regional Councils are encouraged to support them but are not bound by the document.

Policy Statements adopted by the WA Local Government Association are reviewed and new Policy Statements are developed regularly. The latest WA Local Government Association Policy Statements can be obtained from the website: [www.wastenet.net.au](http://www.wastenet.net.au)

In-line with standard MWAC policy, this policy statement will be reviewed 6-months after its endorsement by the State Council. It will be reviewed again at least every 2-years subsequent to this; with any significant developments acting to instigate an earlier review.

The Municipal Waste Advisory Council's member organisations are:



MUNICIPAL WASTE ADVISORY COUNCIL

# Policy Statement on CONTAINER DEPOSIT SYSTEMS

Title:	WA Local Government Association Policy Statement on Container Deposit Systems June 2008
Background:	<p><b>The twin roles of Local Government</b> Local Government has developed this policy with reference to its twin roles as a representative of the community and as a service provider. Local Government must represent community values since these are the fundamental basis for undertaking new challenges and continuing past work. Local Government must also apply its service provider expertise when considering means by which to achieve community benefits.</p> <p>This twin role is particularly significant with regard to Container Deposit Systems as many Local Governments have significant investment in resource recovery and their role as a service provider in this area will inevitably be significantly impacted on by the introduction of Container Deposit Systems.</p> <p>In carrying out its dual functions Local Government is required, under the amendments to the Local Government Act, to “use its best endeavours” to meet the Sustainability Principles. The state defines this as “meeting the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity”.</p> <p><b>Sustainability Principle</b> Local Government considers that the Sustainability Principle of ensuring that development meets the needs of the present without compromising the ability of future generations to meet their own needs applies to the task of developing a far-sighted waste policy. This Principle thus requires that, the waste generating behaviour by the producer, distributor, retailer and the consumer become linked to the costs of managing the impacts of waste and that materials currently consumed and discarded as waste becomes valued as a resource to be conserved, reused and recycled for the sake of future generations.</p> <p><b>Achieving the Sustainability Principle</b> The principle of Extended Producer Responsibility (EPR) has been previously endorsed by Local Government as a tool for achieving the Sustainability Principles; Local Government broadly extends this endorsement to Container Deposit Systems as a type of EPR scheme, in as much as the principles and elements of the System follow the Extended Producer Responsibility framework to advance the key outcomes required. Local Government considers that these key outcomes are:</p> <ul style="list-style-type: none"><li>• Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products;</li><li>• Improved valuation, pricing and incentive mechanisms;</li><li>• Greater investment in infrastructure and research and development and continuous improvement; and</li><li>• Greater transparency and accountability.</li></ul>



<b>Statement of Policy:</b>	<p>In its role as a representative of community views and values, Local Government will continue to have regard to the wider context in which it operates and will seek to give effect to the views and values of residents.</p> <ol style="list-style-type: none"><li><b>1. Community support for sustainability</b> Local Government asserts that the community supports the sustainability principle and, as such, supports the introduction of a Container Deposit System that acts to meet “the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity”<sup>1</sup>.</li> <li><b>2. Community priorities</b> Local Government recognises strong public support exists for specific items to be incorporated into a Container Deposit System for a variety of reasons including their iconic nature, their potential as a revenue source for community groups, their resource value and the level of nuisance they cause (e.g. broken glass, litter).  It is recognised that this community concern is likely to act as a political impetus for such items to be incorporated into a Container Deposit System over and above items that might otherwise have a higher priority in a typical Extended Producer Responsibility scheme. Local Government considers that action on these items should not be stalled to concentrate on higher priority items as this is likely to undermine public and political support overall.</li></ol> <p>In its role as a service provider, Local Government will assess proposed Container Deposit Systems with reference to the criteria set out in its Extended Producer Responsibility Policy:</p> <ol style="list-style-type: none"><li><b>3. Set clear objectives and targets</b> A Container Deposit System must be specific and clear about what it seeks to achieve, how it seeks to achieve it, and provide means by which to assess whether these objectives have been achieved.  The major objectives for a container deposit system are:<ol style="list-style-type: none"><li><b>a. Improving resource recovery</b> In view of its support of the sustainability principle, Local Government supports a System that maximises resource recovery as its primary objective.</li> <li><b>b. Achieving a more appropriate sharing of waste management costs</b> As a secondary objective, Local Government supports the aim of achieving a more appropriate distribution of waste management costs through a Container Deposit System. ‘Appropriate distribution’ is considered to be the redirection of waste management costs onto the producer, distributor and/or retailer and the consumer of an item to better enable the market to transmit information about the total economic, environmental and social costs of container waste.</li></ol></li></ol>
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<sup>1</sup> The level of public support is evidenced by a recent poll which found 90% of Western Australians would support the introduction of a Container Deposit System (<http://www.abc.net.au/news/newsitems/200606/s1654975.htm> 05/06/06).



	<p>Support for this objective is qualified with the concern that any System too financially or administratively burdensome to Local Government, industry or the public will be unable to succeed. As such, the system outcome, outlined in section 5, of achieving best balance between environmental protection, social advancement and economic prosperity should be given due regard in considering how this objective will be achieved.</p> <p><b>c. Reducing litter</b> Local Government recognises the ability of a container deposit system to reduce container litter and welcomes this as an additional benefit and objective of any system selected.</p> <p><b>d. Increasing community awareness and involvement in waste management</b> Local Government recognizes the ability a container deposit system to act as a market-based educational tool to assist the consumer in making informed purchasing decisions based on the whole life-cycle impact of a product and welcomes this as another additional benefit and objective of any system selected.</p> <p><b>4. Reflect appropriate priorities</b> Local Government considers that a Container Deposit System should be based on the recovery of given material types and therefore be able to encompass, but not be limited to, all metals, glass, liquid paper board, plastic (PET, HDPE and LDPE) and composite container types and not be limited to household wastes and beverage containers.</p> <p>This principle is qualified in that Local Government considers industrial container waste should be excluded from the System in its introductory phase for the purposes of simplicity. After a 3 year establishment period, the suitability of industrial container waste for inclusion in the System should be reviewed.</p> <p>The regulatory underpinning of the system, outlined in detail in section 7, provides responsive flexibility in adding or removing material and container types as appropriate.</p> <p>The suitability of a specific material or container type (other than industrial containers) to be excluded from the system can therefore be assessed on an equitable, case by case analysis. When determining whether a container type should be excluded from the system, the following criteria should be used:</p> <ul style="list-style-type: none"><li>a. Does the material or container type cause significant environmental or social impacts?</li><li>b. Does the material or container type cause significant costs for waste processors?</li><li>c. Does the material or container type have unrealised potential for recycling / resource recovery?</li><li>d. Is the material or container type likely to be disposed of illegally?</li><li>e. Does the material or container type cause significant community concern?</li><li>f. Is there an alternative system in place to recover the material or container type effectively?</li></ul> <p><b>5. Establish an outcome-based system</b> Local Government favours a Container Deposit System that assigns clear responsibilities to participants within the product chain to achieve specific system outcomes.</p>
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The key stakeholders in such a chain are numerous including, but not limited to, the producer, the distributor, the seller, the consumer, the deposit recipient (Local Government through kerbside, community groups, an individual), the collector (Local Government through kerbside, point-of-sale proprietor, super-collector), and the processor.

Given the potential complexity of a comparison between different system attributes and the need to be sufficiently flexible to change with time, this Policy Statement does not seek to set the parameters of a preferred system, but rather considers that the responsibility chain should be assigned with regard to achieving the following system outcomes:

- a. Best balance between environmental protection, social advancement and economic prosperity;
- b. Investment in infrastructure, research and development and continuous improvement;
- c. Financial and administrative transparency and accountability from all players in the chain; and
- d. Recognition of additional infrastructure and transport costs for non-metropolitan governments.

Outside of setting specific parameters, Local Government does consider a key attribute of any system must be the hypothecation of unredeemed deposits into a central fund directed towards achieving the System's stated outcomes and objectives.

**6. Differentiate between redeemable deposits and handling and resource recovery fees**

Local Government recognizes that, separate to a redeemable deposit; unredeemable fees to meet handling and resource recovery costs will have to be levied. To assist in working towards the sustainability principle, Local Government considers that handling and resource recovery fees, not including the redeemable deposit, should incorporate, but not be limited to, consideration for:

- a. Differentiating between materials to reflect the economic, environmental and social expense of reuse, reprocessing or disposal;
- b. Reflecting changes in the relative values or impacts of container materials; and
- c. Differentiating between different container sizes.

**7. Can be implemented in a timely fashion**

Given the national nature of product distribution, Local Government recognises that a national Container Deposit System is preferred over a state-based scheme as it enables greater financial efficiency through consistency in such areas as marketing, labelling and education campaigns and inherently incorporates the economy of scale.

However, in the absence of the likely introduction of a national scheme within a reasonable timeframe, Local Government considers it necessary and reasonable to put in place a state-based deposit system unilaterally.

Notwithstanding this, Local Government also recognises that in developing a unilateral deposit system, due consideration should be given for what are likely to be national norms in key areas such as system objectives, deposit amounts, treatment of unredeemed deposits, labelling and material and container types covered.





	<p><b>8. Legislative Underpinnings</b>                  In recognition of the continually and rapidly changing nature of technology and industrial, environmental and social conditions, the System must have the flexibility to adapt appropriately.</p> <p>Legislation through regulations enables material and container type schedules to be readily amended to ensure best balance between environmental protection, social advancement and economic prosperity is consistently maintained in response to evaluation of the System.</p> <p>As such, Local Government considers that the provision of head powers for EPR regulations under existing or proposed waste management legislation to be the best mechanism for the introduction of a Container Deposit System.</p> <p><b>9. Support claims with reference to credible evidence</b>                  Reliable, reputable forecasting and robust arguments must be used to set clear baselines and performance targets for the System.</p> <p>Assessment of performance should be made to keep the System open and transparent through 3-yearly monitoring and reporting on all players in the chain. Changes to the System made should be made accordingly.</p> <p>In its twin roles as community representative and waste management service provider, Local Government has an obligation and a right to expect that proponents will demonstrate the ongoing merit of the System with reference to the unique WA context.</p> <p><b>10 Apportion costs appropriately</b>  <i>Schemes must aim to achieve an appropriate sharing of costs, between the various tiers of government and industry.</i>                  New schemes must appropriately apportion costs to the various stakeholders, taking into account considerations including:</p> <ol style="list-style-type: none"> <li>a. What allocations will be fair, given the distribution of total costs and benefits?</li> <li>b. Which price signals may be desirable?</li> <li>c. Who has the capacity to pay?</li> <li>d. Will an allocation arrangement be able to be efficiently administered?</li> </ol>
<b>Date of Adoption:</b>	December 2006 Amended June 2008
<b>Associated Policies:</b>	Policy Statement on Extended Producer Responsibility (June 2004) (amended June 2008) Policy Statement on Waste Management Legislation (June 2004) Policy Statement on Household Hazardous Waste (December 2003)
<b>Definitions:</b>	<b>Container Deposit System:</b> A Container Deposit System is a type of Extended Producer Responsibility Scheme. It may be structured in many different ways but essentially relies on a recoverable deposit on containers encouraging consumers to return the containers to a retailer or collection centre for recycling for the deposit.



	<p><b>Extended Producer Responsibility:</b> The financial and/or physical co-responsibility of those involved in making, providing or selling a certain product for the management and disposal of that product at the waste phase. Extended Producer Responsibility schemes generally engage producers in financing or carrying out the collecting, processing, recycling or disposing of post-consumer waste. Extended Producer Responsibility schemes may also be directed at changing manufacturing practices.</p> <p><b>Sustainability:</b> One of the most widely accepted definitions of sustainable development comes from the World Commission on Environment and Development (the Brundtland Commission), 1987 - "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."</p> <p>In the context of the Local Government Act , this definition is refined to incorporate the three key objectives of:</p> <ul style="list-style-type: none"><li>• Environmental protection - achieving effective protection of the environment through prudent use of natural resources;</li><li>• Social advancement – achieving social progress which recognises the needs of everyone; and</li><li>• Economic prosperity - maintenance of high and stable levels of economic growth and employment.</li></ul>
<b>End of Policy Statement</b>	





# Policy Statement on EXTENDED PRODUCER RESPONSIBILITY

PREPARED BY THE



MUNICIPAL WASTE ADVISORY COUNCIL  
*"Getting the Environment Right"*

June 2008

### Status of this Policy Statement

This Policy Statement has been prepared by the Municipal Waste Advisory Council and adopted by the Western Australian Local Government Association. The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

The Municipal Waste Advisory Council has been formed through collaboration with Regional Councils who are not ordinary members of the WA Local Government Association. The resulting body effectively represents the views of all Local Government bodies responsible for waste management in Western Australia.

Policy Statements adopted by the WA Local Government Association represent a consolidated viewpoint from local government and may differ from the positions adopted by individual member organisations. The Municipal Waste Advisory Council and the WA Local Government Association will strive to promote this Policy Statement and to act consistently with its contents. Individual Local Governments and Regional Councils are encouraged to support them but are not bound by the document.

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In-line with standard MWAC policy, this policy statement will be reviewed 6-months after its endorsement by the State Council. It will be reviewed again at least every 2-years subsequent to this; with any significant developments acting to instigate an earlier review.

The Municipal Waste Advisory Council's member organisations are:



MUNICIPAL WASTE ADVISORY COUNCIL

# Policy Statement on EXTENDED PRODUCER RESPONSIBILITY

Title:	WA Local Government Association Policy Statement on Extended Producer Responsibility June 2008
Background:	<p><b>The twin roles of Local Government</b> Local Government has developed this policy with reference to its twin roles as a representative of the community and as a service provider. Local Government must represent community values since these are the fundamental basis for undertaking new challenges and continuing past work. Local Government must also apply its service provider expertise when considering means by which to achieve community benefits.</p> <p><b>Community support for sustainability</b> Local Government asserts that the community supports the Sustainability Principle which the State Government defines as “meeting the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity”. The community expects waste management activities and policies to be pursued in accordance with the Sustainability Principle.</p> <p><b>Sustainability Principle</b> Local Government considers that the Sustainability Principle must be applied to ensure the development far-sighted waste policies. This Principle requires that the materials currently consumed and discarded as waste, will be valued by current and future generations as a resource to be conserved, reused and recycled.</p> <p>Section 1.3(3) of the Local Government Act 1995 states “In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity”.</p> <p><b>Applying the Sustainability Principle</b> For reasons set out below, Local Government contends that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required in applying the Sustainability Principle to waste management policy.</p> <p><i>Key outcome 1: Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products</i> The development of Extended Producer Responsibility mechanisms requires policy makers and stakeholders to negotiate the assignment of responsibilities. By not simply defaulting to the status quo, the process of negotiation forces a reasoned consideration of the question of where responsibilities should be vested to achieve the maximum public good. Because they require certainty in the assignment of responsibility Extended Producer Responsibility mechanisms have the potential to clarify the responsibilities of key stakeholders. In addition, where a rational assessment process precedes implementation, Extended Producer Responsibility mechanisms can be expected to assign specific responsibilities to those with the best capacity to discharge them.</p>



<p><b>Statement of Policy:</b></p>	<p><i>Key outcome 2: Improved valuation, pricing and incentive mechanisms</i> Extended Producer Responsibility can link waste generating behaviour to the costs of managing the impacts of waste. This enhances the capacity of markets to transmit information about environmental and social costs and makes waste minimisation more attractive to producers and consumers. Extended Producer Responsibility mechanisms can improve the attractiveness of using recycled materials. Extended Producer Responsibility mechanisms can generate incentives to design products in order to minimise waste and to maximise potential for material or resource recovery.</p> <p><i>Key outcome 3: Greater investment in infrastructure and research and development</i> Extended Producer Responsibility mechanisms can increase the funding available to expand and improve recycling and resource recovery. This can occur through direct subsidies or as a consequence of reducing the costs incurred by waste managers. By providing appropriate financial drivers, Extended Producer Responsibility mechanisms can encourage research and development in recycling and resource recovery technology. Extended Producer Responsibility mechanisms can provide a logical link between expansions in production and expansions in recycling and resource recovery infrastructure. Such a link would safeguard the capacity of waste management services to cope with growth in waste streams.</p> <p><i>Key outcome 4: Greater transparency and accountability</i> Extended Producer Responsibility mechanisms can oblige regulators and producers to pay closer attention to the total impacts of products. Extended Producer Responsibility mechanisms may involve detailed reporting requirements which can move valuable information into the public domain. Extended Producer Responsibility can include measures to make producers physically responsible for the products at the end of life and consequently problematic aspects of their products will become direct liabilities for the producers.</p> <p>In its role as a representative of community views and values, Local Government will continue to have regard to the wider context in which it operates and will seek to give effect to the views and values of residents.</p> <ol style="list-style-type: none"><li><b>1. Sustainability Principle</b> The World Commission on Environment and Development (the Brundtland Commission), 1987 defines sustainability as "<i>the development that meets the needs of the present without compromising the ability of future generations to meet their own needs</i>". The development of the Sustainability Principle will endorse the conservation of Bio-diversity and Ecological integrity. Local Government endorses the application of the sustainability principle to the development of its waste policy; recognising that economic, social and environmental principles can guide waste managers by providing a simple expression of the sustainability principle in a waste management context,</li><li><b>2. Support for Extended Producer Responsibility</b> Local Government endorses the Extended Producer Responsibility approach as an important part of achieving sustainability. Local Government considers that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required in achieving sustainable, economic, social and environmental principles. Local Government considers that these key outcomes are:<ul style="list-style-type: none"><li>• Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products</li><li>• Improved valuation, pricing and incentive mechanisms</li></ul></li></ol>
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- Greater investment in infrastructure and research and development
- Greater transparency and accountability

In its role as a service provider, Local Government will assess proposed Extended Producer Responsibility schemes with reference to the following criteria (points 3 – 9):

**3. Reflect appropriate priorities**

*Local Government considers that Extended Producer Responsibility schemes should be developed where and when they are most necessary and most practicable.*

Priority waste or product types for Extended Producer Responsibility schemes should be established prior to developing specific schemes. When prioritising waste or product types for Extended Producer Responsibility schemes, proponents should address the following questions:

- a. Does the waste or product cause significant environmental or social impacts?
- b. Does the waste or product cause significant costs for waste processors?
- c. Does the waste or product have unrealised potential for recycling / resource recovery?
- d. Is the waste or product likely to be disposed of illegally?
- e. Does the waste or product cause significant community concern?
- f. Is the producer well placed to reduce the impacts of their products?

**4. Set clear objectives and targets**

*Schemes must be specific and clear about what they seek to achieve and provide means by which to assess whether these objectives have been achieved.*

The achievement of objectives must be assessed with reference to measurable targets and the failure to meet targets must be accompanied by clear and firm consequences.

**5. Establish clear responsibilities**

*Schemes must designate clear roles to each participant in the product chain.*

Local Government favours the assignment of clear responsibilities for specific outcomes to particular participants within the product chain.

**6. Can be implemented in a timely fashion**

*Schemes must be capable of being delivered within a reasonable time.*

Where an unacceptably long delay will be unavoidable when implementing any specific scheme, other options must be vigorously pursued, notwithstanding that these other options might be otherwise less preferred.

**7. Apportion costs appropriately**

*Schemes must aim to achieve an appropriate sharing of costs, between the various tiers of government and industry.*

New schemes must appropriately apportion costs to the various stakeholders, taking into account considerations including:

- a. What allocations will be fair, given the distribution of total costs and benefits?
- b. Which price signals may be desirable?
- c. Who has the capacity to pay?
- d. Will an allocation arrangement be able to be efficiently administered?

**8. Give due consideration to the specific characteristics of the waste or product type**

*Schemes should be designed so as to be appropriate to the product or waste stream in question.*

Local Government will assess any proposed program or measure with reference a range of criteria, which are likely to include criteria a. – f. under point 3. (as above).



	<p><b>9. Support claims with reference to credible evidence</b>  <i>Schemes should be supported with reliable evidence that demonstrates that the objectives of the scheme are likely to be able to be delivered.</i>                  In its twin roles as community representative and waste management service provider, Local Government has an obligation and a right to expect that proponents will demonstrate the merit of proposed Extended Producer Responsibility schemes. This must be done with reference to respectable and verifiable evidence.</p>
<p><b>Date of Adoption:</b></p>	<p>June 2004                  Amended June 2008</p>
<p><b>Associated Policies:</b></p>	<p>Policy Statement on Household Hazardous Waste ( December 2003)</p>
<p><b>Definitions:</b></p>	<p><b><u>Extended Producer Responsibility:</u></b>                  The financial and/or physical co-responsibility of those involved in making, providing or selling a certain product for the management and disposal of that product at the waste phase. Extended Producer Responsibility schemes generally engage producers in financing or carrying out the collecting, processing, recycling or disposing of post-consumer waste. Extended Producer Responsibility schemes may also be directed at changing manufacturing practices.</p>
<p><b>End of Policy Statement</b></p>	





## Questions for Consultation

The following section outlines the Association's response to the questions asked in the RIS.

### **Section 2 – Background and Context**

➤ *What do you think are the future challenges relating to packaging and packaging waste?*

As identified on page 4 of the RIS, manufacturers produce packaging to certain specifications to address aspects such as aesthetics and marketability, ease of transport and ensuring that the product stays fresh. Unfortunately, the impact of this packaging at end-of-life is not taken into account. While manufacturers continue to look for new ways to attract consumers while keeping costs down, the impact on waste will grow, not only in terms of how many items are disposed of, but also in regard to the difficulty of disposal due to mixed materials in the packaging itself. Until manufacturers are made responsible for the end-of-life of their products, there is no incentive for manufacturers to adequately address these concerns. Local Government supports the proposition on pages 7-8 that '[t]ransferring some of the responsibility to manufacturers and users has the potential to promote greater recycling and reduce environmental impacts'.

➤ *What packaging materials do you think will dominate in the future? What are the likely impacts?*

New packaging made up of 'complex blends of plastics and other materials'<sup>1</sup> that are lighter, and therefore cheaper to transport and cheaper to produce, as well as products made to biodegrade to improve packaging environmental credibility, will have a detrimental effect. Firstly, composite packaging is more difficult to separate, and therefore more difficult to recycle. Many Local Governments already have in place technology that treats specific material, and packaging must be developed to consider how it will be treated at end-of-life.

Similarly, packaging made to biodegrade may also negatively impact Local Government recycling activities. For example, biodegradable plastics can be a problem for MRFs as biodegradable plastics may not be readily identifiable and the additives used to make them 'biodegrade' also make them unsuitable for recycling with other plastic packaging. Without consideration by those producing packaging of the impacts at end-of-life, the trend of greater diversity of packaging will continue and potentially increase. With no limits/responsibility on producers, the range of materials used may increase and Local Government and waste companies will have to deal with a greater diversity of products.

The current trend of developing light weight packaging is also likely to continue. For glass in particular, this may result in greater breakage through the collections system; as lighter weight containers are likely to be

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<sup>1</sup> Consultation RIS, p. 19

more brittle. This has the potential to increase the issues associated with the glass fines, such as finding a market for the product, wear and tear on machinery, and contamination of other recyclable materials.

Packaging as a result of shipping products from overseas will also potentially increase in the future, such as cardboard boxes, strong packaging such as plastics, and polystyrene to transport fragile items. Whether or not local collection and reprocessing options are available to take these materials needs to be investigated.

➤ *Do you think that designing packaging with recyclability in mind is desirable?*

Yes, but more than this alone. Design of packaging must consider what infrastructure is currently available to reprocess the material, how far will it have to travel (distance to local reprocessing options, the availability of local markets), and attractiveness to other markets. Australia, and in particular WA, is a relatively small market for products. Without some coordination of changes to product design, Australia could end up with a variety of different material types which do not have a recovery option, and due to economies of scale, it is not economic to develop markets/ infrastructure for. Currently, some plastics for example, have only limited markets. An increase in volumes of recycling collected in Australia would assist in the development of more viable local market options.

➤ *How will the trend for online shopping affect packaging consumption or choice of packaging material?*

The trend of online shopping is likely to increase the amount of certain types of packaging that will have to be recycled through the kerbside system. As outlined above, light but strong packaging, such as plastics, and boxes and polystyrene for large, fragile items, are certain to be overrepresented in the waste stream due to an increase in online shopping. As already mentioned, Local Governments and other recyclers are having difficulty with recycling composite products and finding local markets for the diverse packing materials arriving in Australia.

### **Section 3 – Nature and Extent of the Problems**

➤ *Do you agree with the packaging resource recovery and litter management problems identified above?*

Local Government agrees generally with the identified problems that need to be addressed, but would like to emphasise the importance of these identified problems in particular:

- The uneven provision of recycling services across the country and Local Governments;
- Cost concerns, volume of material, available recycling infrastructure and contracting arrangements that impact on Local Governments;
- A lack of capacity to recycle particular materials;
- The lack of effective markets; and

- The current trends in the packaging choices.

One area of dispute, however, relates to the assertion that ‘governments’ stated objectives and community expectations for the recovery and recycling of packaging and management of litter are not being met.’ In regard to Local Government’s role, as identified in the RIS, the sector plays a significant role in the collection and recycling of products. The difficulty lies in how ‘government’ is to address the ‘diffuse responsibility’<sup>2</sup> for other waste streams. Local Government supports ‘appropriate distribution’ of waste management costs – the ‘redirection of waste management costs onto the producer, distributor and/or retailer and the consumer of an item to better enable the market to transmit information about the total economic, environmental and social costs of container waste.’<sup>3</sup> A redistribution of waste management costs will go some-way to providing further investment in waste management infrastructure and address inequality of service provision, particularly in communities outside the metropolitan area.

- *Are there any problems with packaging resource recovery and litter management that have not been identified in Chapter 3?*

While the RIS briefly mentions that ‘[c]ost concerns, volume of material, available recycling infrastructure and contracting arrangements drive the provision of local government recycling service’,<sup>4</sup> there is limited consideration of issues for non-metropolitan areas where collection and recycling services are the most inconsistent. Local Government expects the Standing Council to acknowledge the range of ongoing costs involved in delivering services and additional issues such as cost of transport, lack of local reprocessing and market options, distance from current markets, and low rate base and limited revenue raising options, which all impact greatly on regional and remote Local Governments’ ability to deliver collection and recycling services to their communities.

The role of the consumer and the community in regard to affecting the rate of recycling in Australia is not mentioned. At the moment, consumers only have a peripheral role in regard to recycling, although their choice in how to dispose of packaging waste has a great impact on recycling and recovery rates overall. Local Government is supportive of schemes, such as CDS, that increases community awareness of the impact of their waste disposal decisions. As the WALGA Container Deposit System Policy Statement outlines:

Local Government recognises the ability of a container deposit system to act as a market-based education tool to assist the consumer in marking

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<sup>2</sup> Consultation RIS, p. 18

<sup>3</sup> WALGA (2008). Container Deposit System Policy Statement, p. 4

<sup>4</sup> Consultation RIS, p. 18

informed purchasing decisions based on the whole life-cycle impact of a product and welcomes this as another additional benefit and objective of any system selected.<sup>5</sup>

### **Section 5 – Options to Address the Problems**

➤ *Will these options achieve the outcomes outlined in this chapter?*

There is a degree of uncertainty regarding the effectiveness of options 1-3. As the strategies to increase recycling rates have not been included in the RIS, a conclusion as to whether or not these outcomes can be achieved cannot be made. Option 4, however, has had demonstrated results both in Australia and internationally. CDS has proven to increase recycling, reduce litter, and guarantee positive behaviour change.

The PricewaterhouseCoopers report 'Reuse and Recycling Systems for Selected Beverage Packaging from a Sustainability Perspective' concludes<sup>6</sup> that there are a number of ecological, economic and social advantages as a result of introducing a CDS. For example, the realisation of very high collection rates; systems costs such as central administration, logistics and deposit clearing are mostly borne by industry; and, CDSs produce a higher standard of packaging collected. In addition, the Report also states that:

Due to the inherent incentive for consumers to return the packaging, deposit systems (both single-use beverage containers as well as for reusable beverage containers) actually lead to an end of deposit packaging littering and, consequently, also to reducing the total volume of litter.<sup>7</sup>

According to the National Waste Report 2010, South Australia has the second highest recycling rate in Australia, after the Australian Capital Territory, with rates expected to grow.<sup>8</sup> South Australia has had a CDS in place since the 1970s. CDS has proved to bring a number of benefits for Local Government, including having a more cost effective recycling process. Significantly for Local Governments is that the waste producer (households or businesses) separates recyclables at source<sup>9</sup>, reducing the workload of Local Government.

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<sup>5</sup> WALGA (2008) Container Deposit System Policy Statement, p. 5

<sup>6</sup> PricewaterhouseCoopers (2011). Reuse and Recycling Systems for Selected Beverage Packaging from a Sustainability Perspective – Aggregation of Selected, Significant Findings

<sup>7</sup> PWC (2011), p. 13

<sup>8</sup> EPHC (2010), p. 99

<sup>9</sup> Oneworld Environmental Solutions (2009). Analysis of Markets for Council Collected Recyclables, p. 9.

In addition to support for the introduction of a national CDS, Local Government endorses the Extended Producer Responsibility (EPR) approach, and considers that EPR can provide effective tools to advance the key outcomes required in achieving sustainable, economic, social and environmental principles, including:

- Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products;
- Improved valuation, pricing and incentive mechanisms;
- Greater investment in infrastructure and research and development; and
- Greater transparency and accountability.<sup>10</sup>

The principles of EPR, as endorsed by Local Government (see **Appendix 2**), have been used to assess each option provided in the RIS. A matrix assessing each option against the following criteria<sup>11</sup> is attached (**Appendix 4**):

- Sustainability Principle;
- Support for Extended Producer Responsibility;
- Reflect appropriate priorities;
- Set clear objectives and targets;
- Establish clear responsibilities;
- Can be implemented in a timely fashion;
- Apportion costs appropriately;
- Give due consideration to the specific characteristics of the waste or product type;
- Support claims with reference to credible evidence; and
- Administrative simplicity.

➤ *If initiatives in option 2(c) and option 3 are broadly the same, who would be more effective and/or efficient in overseeing these initiatives to achieve targets: non-government organisations, government or industry?*

In relation to service delivery, a separate entity (Government/Non-Government) will be best placed to oversee the delivery of initiatives, and the monitoring of targets as there will potentially be greater:

- Transparency in regard to how initiatives are distributed;
- Impartiality;
- Strategic oversight across the nation; and
- Equality of service provision.

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<sup>10</sup> WALGA (2008). Extended Producer Responsibility Policy Statement, p. 5

<sup>11</sup> *ibid*

Although, care must be taken to ensure that this separate entity does not establish monopolistic behaviour, and is monitored appropriately.

- *The funds created by the ADF (option 3) would be collected and managed by the Commonwealth Government. On what initiatives should the Commonwealth Government invest this funding?*

It is assumed that any monies collected through an ADF (or a CDS) would be invested in covering the cost of disposal and/or resource recovery efforts. Any additional funds should be hypothecated back into the system to fund waste reduction and resource recovery initiatives. For example:

- A commitment should be made to providing a proportion of the funds to assist with ongoing research and development of appropriate local reprocessing industries and end markets; and
- A specific function of the administering body must be to establish a public education programme to demonstrate the benefits of recycling.

- *At what point in the packaging supply chain should the ADF be imposed to achieve the best outcomes?*

If an ADF is to be implemented primarily as an economic tool to change behaviour, the fee should be imposed at the point where it can affect a manufacturers or consumers decisions regarding packaging choice; for example, at brand owner level.

- *Under option 4, should beverage containers be required to be recyclable as part of CDS proposals?*

As outlined above, recyclability of packaging is desirable, but overall any packaging design must take a number of other things into account, such as:

- What infrastructure is available to reprocess the material?
- How far will it have to travel?
- The attractiveness of the material to end markets.

Coordination of product design is imperative to the sustainability of local market options. Australia, and WA in particular, is a relatively small market for products. With coordination of product design, Australia could see enough volumes to justify the establishment of sustainable local options.

- *Are the timeframes for implementation and review of the product stewardship arrangements appropriate?*

The Association questions the proposed timeframes for implementation of the options. Firstly, timeframes should be modelled on the recent development of the Product Stewardship (Televisions and Computers) Regulations that were developed in a short period of time (shorter than the two years indicated for options 2-4). Secondly, the table does not indicate the delay that the planning and development of infrastructure for

options 2-3 will cause. There is a concern that these options will not increase the distribution of collection infrastructure across the nation. To ensure adequate and even recycling rates across Australia, there will need to be an investment in additional infrastructure, similar to that proposed for option 4 (a) and (b), which will take time to roll out.

### **Section 6 – Impact Analysis**

➤ *Are the projected rates for packaging recycling and litter reduction realistic?*

It is difficult to assess the projected rates for recycling and litter reduction, even if the status quo remains. For example, given the effectiveness of the current kerbside system it could be argued that the easy to recover materials are currently being captured by these systems, and to increase the recovery rate through these systems would require substantial investment. In regard to the RIS, the figures outlining the current base case are not reliable<sup>12</sup>, therefore any projections based on these numbers are slightly questionable. More importantly, the RIS does not detail the initiatives that will be undertaken under options 2 (a) – (c) that will result in an increase in packaging recycling. How can recycling rates be estimated when there are no details as to how an increase in recycling is to be achieved?

Projected rates are also given as one total. Estimated recycling rates should be given for each jurisdiction to ensure equal provision of recycling services across Australia. The use of the consolidated recycling rate could hide inadequate recycling rates in certain areas (particularly outside the metropolitan area). Use of a consolidated recycling rate also masks the proportion of each type of packaging that is recycled. As the RIS outlines, recycling of paper and cardboard away-from-home is already relatively high.<sup>13</sup> What provisions will be put in place under option 2 to ensure that all packaging waste is given equal treatment?

➤ *Are the costs and benefits identified for each option realistic? Are there any additional costs or benefits that should be factored into the CBA? Are you able to provide data to back up your views?*

The Association regards the CBA process as a particularly technical one, and is only able to provide limited comment on the process, however, costs incurred by Local Government for inaction can be estimated.

➤ *What impact, if any, would the options have on packaging consumption, for example would the options lead to a reduction in consumption levels?*

A flaw in the analysis of the options is that the problem of the role of the consumer in purchasing products, and then discarding packing, has not been adequately acknowledged. Therefore, in the analysis, the positive benefit of increasing the awareness of packaging impacts on the community has not been

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<sup>12</sup> Consultation RIS, p. 3

<sup>13</sup> Consultation RIS, p. 8

assessed. The only options which have a proven track record of changing consumer behaviour are option 4 (a) and (b) (see response to Section 5 above).

- *Do the options provide opportunities for increasing the recycling levels of other materials? If so, to what extent?*

As the RIS outlines, option 4 could potentially deliver co-benefits such as the collection of other packaging materials.<sup>14</sup> As the National Waste Report 2010 states, due to CDS in South Australia, the State has a 'network of bottle and can depots... considered well-placed to support the collection of further recyclable materials, such as electronic wastes...'<sup>15</sup> It should be acknowledged, however, that in WA, Local Governments cannot be expected to continue to collect this material, especially as the volumes of packaging are expected to grow. In this case, Local Government does not expect to be the only service provider of collection services.

- *What is the likely impact of the options on costs to households and businesses?*

What the RIS does not explore is that households and businesses are already paying for the status quo. A CDS (option 4) is likely to minimise the cost to Local Government and the community long-term, and potentially raise additional funds through the kerbside system. CDS have also proven to guarantee behaviour change, which should be a factor for consideration (for evidence to support this, see Section 5 above).

- *What is the likely impact of the options on kerbside collection systems?*

Options 1-3 are unlikely to have much impact on the kerbside collection system, other than to continue the substantial cost of the service to the community. For example, some Local Governments in WA have introduced weekly recycling services (as opposed to the standard fortnightly collection), as well as a 360L bin in order to increase recycling recovery. A CDS, on the other hand, by creating a separate collection system potentially led by industry can:

- Reduce volumes of waste;
- Increase the value of material; and
- Increase compaction in trucks.

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<sup>14</sup> *Ibid.* p. 56

<sup>15</sup> EPHC (2010), p. 99



	Sustainability Principle	Support for EPR	Reflect appropriate priorities	Set clear objectives and targets	Establish clear responsibilities	Can be implemented in a timely fashion	Apportion costs appropriately	Give due consideration to the specific characteristics of the waste or product type	Support claims with reference to credible evidence	Administrative simplicity	Score
<b>Option 1</b> – National packaging waste strategy – Funded by government – Non-regulatory – Coordinate jurisdictional actions – Packaging materials	Limited (0.5)	No	No	No	No	No	No	No	No	No	0.5/10
<b>Option 2 (a)</b> – Australian Packaging Covenant (APC) would transition under the Act – Packaging material – 75% recycling rate – Funded by packaging brand owners	Limited (0.5)	Limited (0.5)	Limited (0.5)	Yes (1)	Limited (0.5)	Yes (1)	No	Limited (0.5)	No	Limited (0.5)	5/10
<b>Option 2 (b)</b> – Based on APC transitioned under the Act – All packaging materials – Targeted beverage and glass market – Away-from-home – e.g. investment in bins – Higher targets than (a)	Limited (0.5)	Limited (0.5)	Limited (0.5)	No	Limited (0.5)	No	No	Limited (0.5)	No	No	2.5/10
<b>Option 2 (c)</b> – Based on APC transitioned under the Act – All packaging – Involve brand owners – Flexibility as to how to achieve outcomes – Higher targets than (a)	Limited (0.5)	Limited (0.5)	Limited (0.5)	Limited (0.5)	Limited (0.5)	No	No	Limited (0.5)	No	No	3/10
<b>Option 3</b> – Mandatory advance disposal fee – All packaging materials – Weight based fee per tonne	Limited (0.5)	No	Limited (0.5)	Limited (0.5)	Limited (0.5)	No	No	Limited (0.5)	No	No	2.5/10
<b>Option 4 (a)</b> – Boomerang Alliance proposal – Run by a not-for-profit body – 1900 collection points	Limited (0.5)	Yes (1)	Yes (1)	Limited (0.5)	Yes (1)	Limited (0.5)	Yes (1)	Yes (1)	Yes (1)	Limited (0.5)	8/10
<b>Option 4 (b)</b> – Hybrid CDS – Beverage containers up to 3L – Industry-driven	Limited (0.5)	Yes (1)	Yes (1)	Limited (0.5)	Yes (1)	Limited (0.5)	Yes (1)	Yes (1)	Yes (1)	Limited (0.5)	8/10