

Questions and answers from the Packaging Impacts Consultation Regulation Impact Statement (RIS) public forums

These questions and answers have been prepared as part of the consultation process following the public release of the Packaging Impacts Consultation Regulation Impact Statement (RIS). These questions were raised by attendees at the public forums that were held during February and March 2012 in all Australian capital cities and three regional cities (Townsville Qld, Bunbury WA and Albury NSW).

General

- 1) Will submissions marked confidential be used in the report to ministers?

Yes, but they will not be posted on the Ministerial Council website with the other submissions (www.ephc.gov.au/product_stewardship/packaging_impacts).

- 2) What is the role of the Office of Best Practice Regulation (OBPR) in approving the Decision Regulation Impact Statement (RIS)?

OBPR ensures that the Decision RIS has addressed the issues appropriately to ensure that ministers can make an informed decision. Quantitative and qualitative data will be used and presented in the Decision RIS.

- 3) The timeframe modelled was 20-25 years. Why was this chosen?

Projecting a reasonable length ahead is a requirement of the RIS guidelines – costs tend to be up front and benefits (particularly for environmental initiatives) follow later. The period of 20 to 25 years reflects the different lead times for implementation of the various options and allows 20 years performance time for each of them. There are challenges with projecting out this far. However, the assumptions used were consistent across all of the options and hence provide a decision-making tool to examine possible outcomes.

- 4) Where do plastic bags feature in the analysis?

Plastic bags are not directly considered in this analysis. However, a positive impact on plastic bags litter may be one of the co-benefits of options addressing litter.

- 5) What about future packaging trends?

The impact of lightweighting has been considered. However, it is difficult to predict future advances in packaging development. This has been discussed qualitatively in Section 2 of the Consultation RIS.

- 6) A number of reviews have taken place over the years. Have these been fed into the process?

Yes. The RIS draws on a number of previous studies on managing packaging recycling and litter, including the *Beverage Container Investigation* (BDA Group and Wright Corporate Strategy) and *Estimating consumers' willingness to pay for improvements to packaging and beverage container waste management* (PricewaterhouseCoopers). Work undertaken by individual jurisdictions was also considered.

7) What about waste-to-energy? Was this considered?

Waste-to-energy is not assumed in the base case or any option. Waste-to-energy has been flagged as an emerging issue throughout the development and consultation process in the context of future initiatives, beyond 15 years, which may or may not apply. The options do not preclude any specific measures and waste-to-energy may be given more consideration in further consultation documents. A number of jurisdictions are already looking into policy development in this area.

8) Will options be rolled out everywhere, not just in capital city areas?

Broad consideration has been given to the roll out of options in regional areas. However, the further refinement of options would be required to tailor them to regional and metropolitan areas. The National Television and Computer Recycling Scheme has commitments to a level of coverage in regional areas, which provides reasonably equitable service.

9) How much money will be used for education and behaviour change?

Education is important; Option 1 is based on significant education. Other options also include education campaigns. No options preclude education.

10) Wouldn't it be better just to ban some items?

A ban on some packaging items is not being considered in this process, although some of the options could include bans on problematic materials. If you think that a ban is the best option you should include this in your submission.

11) Do packaging details take into account imported packaging?

Imported packaging is taken into account, although it needs to be recognised that consumption figures are estimates.

12) Was any sensitivity testing done?

Yes, sensitivity tests were done on all options. The results of these are available in the Section 6 of Attachment C to the Consultation RIS – the Cost Benefit Analysis Report.

Options 2 and 3 – Co-regulatory Packaging Stewardship and Mandatory Advance Disposal Fee

13) Under options 2(c) and 3, who would be the liable party?

This level of detail is not considered in the Consultation RIS. The options are based around products but the detail around the point at which the liability applies in the packaging supply chain needs to be decided.

14) For the National Bin Network, which was the basis for option 2(b), does the proposed funding cover maintenance and replacement of bins?

There is some budget for ongoing maintenance. Further detail about the National Bin Network is available on its website (nationalbinnetwork.com.au).

15) Will some of these options have a cost impost on ratepayers or taxpayers?

An economic cost benefit analysis was undertaken, which does not identify the financial impacts on individual parties. This level of detail may be worked through to inform the consideration of options for the Decision RIS.

Option 4 – Mandatory Container Deposit Scheme (CDS)

16) Do the CDS options assume that new infrastructure will be required?

The Consultation RIS states that existing infrastructure will be used where possible, and the cost estimates would be much higher for a national CDS if it were assumed that infrastructure would be duplicated.

17) Do the CDS options include wine?

Yes. The objective of the Consultation RIS is to maximise recycling and reduce litter of all packaging items.

18) Why isn't the South Australian (SA) CDS model included in the options?

The SA model has been included in the base case. One of the CDS models is based on a stakeholder model provided by Boomerang Alliance and the other is a hybrid model based on an analysis of international and Australian systems.

19) Have you had a look at the SA and Northern Territory schemes?

A: Yes. SA provided a lot of data on their scheme and was heavily involved in the development of the consultation documents.

20) Are the CDS costs based on the SA costs?

The CDS option costs are based on a combination of costs. Where possible, the SA costs have been used to inform the costs for options 4(a) and 4(b).

21) Have European schemes been looked at?

MS2 was commissioned to look at international schemes. However, these are not directly comparable as no other country has the extensive kerbside arrangements that Australia has. British Columbia is probably most closely aligned with the Australian situation in terms of some of our distance issues.

22) Why don't the deposit schemes go with, say, the advanced disposal fee for a combined option?

Stakeholders are encouraged to propose combined options if they see this as a better way of addressing the problem.

23) If packaging is not captured by a CDS would it still be expected to achieve some recycling targets?

It is assumed that the Australian Packaging Covenant would continue to operate.

24) Why does CDS have the highest participation costs?

CDS encourages consumers to take their beverage containers to a depot or reverse vending machine, which involves more time and transport costs than putting recyclable packaging materials in a recycling bin.

25) Where are the greenhouse gas emissions associated with additional travel factored in?

Transport costs are included but not the externalities such as greenhouse gas emissions.

Packaging litter

26) Why was 60,000 tonnes chosen for the packaging litter figure?

There were challenges in choosing an estimate. After reviewing a variety of data sources, PricewaterhouseCoopers and Wright Corporate Strategy ended up taking 60,000 tonnes as the basis for the analysis, as they thought it was reasonable estimate.

27) For litter, was it only the Keep Australia Beautiful (KAB) litter data that was used or was other information such as Main Roads data incorporated?

Data from the KAB National Litter Index and Clean Up Australia were used. Data from a Sustainability Victoria survey of street sweeping litter in Victoria were also used and aggregated to provide a national figure. However, it is acknowledged that other data sources could be incorporated to provide a more complete picture.