

## **TOWARDS A ZERO WASTE SOCIETY: A VISION FOR A NATIONAL EPR APPROACH**

The Boomerang Alliance proposes that State/Territory jurisdictions pursue a national approach to broad based Extended Producer Responsibility (EPR) schemes as a *concurrent* process to the National Packaging Covenant. The initial focus of this approach would be packaging in addition to developing complementing infrastructure systems for a range of end-of-life products.

This précis seeks to lay out a practical, realistic approach that will deliver community expectations on waste – a Newspoll Survey commissioned by the Boomerang Alliance showed 91% of the adult population believes government intervention on packaging waste or litter is required. It is not our intention to advocate a final system; rather to use this call for a national EPR approach as a catalyst to bring together a stakeholder group that will articulate how systems could be developed and work.

We also propose the development of a truly independent exercise to model different schemes, price points, and expected recovery rates to comprehensively model the best system to take Australia forward. The Boomerang Alliance calls on enlightened business and outcome orientated regulators to join us in the process.

### **Our vision for a national EPR approach starts with packaging.**

Why packaging rather than tyres, construction waste, or toxic materials? The answer is simple - packaging is one of our most persistent and regular major waste sources. It may represent a small proportion of the overall waste stream on a weight basis, but NOTHING is so persistent in its confrontation with the entire society. To this end packaging represents the ideal point to develop the infrastructure and social ecology necessary to drive towards a zero waste society – Packaging is everywhere in manufacturing, retail, pubs & clubs, city units and country farms. Our most established icon of environmental contribution the kerbside recycling system, has the potential to recover the 50% of packaging consumed in the home (provided recyclability is assured by the necessary rationalisation - over say a 5-10 year period - of materials selected to form packaging products). However, kerbside recycling can never deal with the 50% of packaging consumed away-from-home.

The growing away-from-home sector of packaging consumption requires drastic action. Secondary Infrastructure around retail and recreational venues needs to be developed. The Beverage Industry Environment Council's Public Place and Major Event Recycling programs are a start, but BIEC would be the first to admit that these programs cannot hope to capture even half of the nearly 5 billion bottles and cans that are consumed away-from-home. We need to build centralised collection centres in most of our urban communities. Collection Centres that are supported by convenience drop off points outside of shopping centres and recreational venues. Until this major area of infrastructure reform is addressed, any form of public place recycling initiatives can only ever be tokenistic in nature.

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## **Concurrent to the National Packaging Covenant**

The proposed national EPR initiative would be developed as a concurrent process to the National Packaging Covenant. The modelling and development of parallel mandatory EPR schemes would operate initially as a regulatory safety net and send a strong signal to industry of government's willingness to act if desired outcomes are not delivered.

This gives industry the flexibility and incentive to develop creative initiatives that achieve "closed loop" outcomes from their activities. The outcomes required are achieving high overarching targets for waste reduction and resource recovery that would be expected from a regulatory "command and control" approach.

Where voluntary approaches fail, the regulatory mechanisms of the EPR schemes would come into effect automatically through the development of further National Environment Protection Mechanisms.

### **Getting Started - The first step is twofold:**

1. A container deposit scheme, more like the Californian System than the Container Deposit Legislation (CDL) model in place in South Australia. This is a critical first step that develops the necessary ecological values in consumer's mind. In this way the beverage industry is playing a part much like the role of the newspaper industry in stimulating the change required to establish the kerbside recycling system. CDL is a simple and effective system - who doesn't fondly remember handing in their bottles and cans at the corner shop. The establishment of a CDL scheme will thus enhance community and political capital, in addition to natural capital.
2. A broader based Advance Disposal Fee across the packaging industry based on the overall volume of materials, waste disposal and litter impacts, and the level of recycled content contained in the package. The purpose of the ADF is to address both packaging design and post collection recycling in addition to contributing toward meeting the costs of end-of-life recycling and disposal. Rewards will be given to those companies that incorporate high percentages of recycled content into their packaging in the form of a rebate. While those companies producing packaging that is unable to be recycled will be penalised by bearing the full burden of the ADF.

### **The Container Deposit Component**

- The Alliance advocates a slightly different model to the South Australian scheme, but also recognises that in terms of effective recovery rates it is a world class scheme. We favour a model loosely based on the Californian system. Some of the features of a scheme include:
- Packaging companies charge a deposit of 5¢ on every beverage container they sell. This is then deposited into a government administered fund, with the price passing onto the consumer through the supply chain.
- No direct administration or handling fees. Administration and handling costs would be funded through unredeemed deposits and the ADF.

- No brand tracking. Producers pay deposits into a central fund until redeemed. This creates a simple administrative system and reduces the technological components in recovery facilities.
- Unredeemed deposits are used by jurisdictions to assist to administer the scheme and contribute toward the viability of the kerbside recovery system – in California the CDL scheme provides around \$30 million U.S. towards the kerbside recovery system. Similar experiences are being reported in South Australia as a result of their CDL scheme.
- Central collection depots are established across the country. Initial discussions with experts in the resource recovery sector and venture capitalists have indicated that a self funded private enterprise could develop a series of these depots with no further financial assistance from the government or packaging industry other than the incomes from running the scheme.
- No retail collection. Reverse Vending Machines would be established within ‘zones of convenience’ located near major retail operations and acting as a ‘spoke’ to deliver into the central ‘hub’ of a collection centre.
- No “subsidies” for location of convenience recovery operations. International experience indicates that these operations could operate on a stand alone basis – locating machines in service stations, shopping centre parking areas, and convenience stores where the additional passing trade creates sufficient commercial opportunity to secure sites.

### **An Advance Disposal Fee**

The Advance Disposal Fee is more of a ‘blunt’ instrument and would be aimed at creating a levy to fund ultimate end-of-life disposal and resource recovery both within the municipal collection systems and litter. The ADF also forms an incentive for producers to drive recovery for the uptake of recycled material. Some features of the ADF scheme include:

- A differential price paid per piece of packaging. The ADF will apply to every piece of packaging. The amount of the fee will be determined on the basis of mass, volume, likelihood of litter, ability to be recovered and recycled content. For example, an index similar to the direct and cumulative litter indicator from Nolan ITU would be developed to assess the mass and volume of each common packaging item, its likelihood to be littered, and ability to be recovered. Having developed the baseline impact of each item a multiplier effect would be introduced based on the level of recycled content. This would develop a matrix to apply differential pricing based on the packaging items true cost to society and rewarding initiatives to ‘close the loop’.
- Rebates for packaging with >50% recycled content. The ADF would be designed to provide rebates (sourced from producers with the lowest level of recycled content) to those producers with the highest level of recycled content. This encourages closed loop approaches and provides a stimulus to the resource recovery. For example, a 1 cent penalty per bottle for no recycled content and a 1 cent incentive for upwards of 50% recycled content would shift the entire equation.
- Contribute to the cost of end-of-life management. The ADF would make contributions toward various schemes aimed at increasing the rate of used packaging recovery and

reprocessing. Schemes likely to receive funding include kerbside recycling, administration and handling fees for CDL and special incentive payments for problematic materials.

- Influence selection of packaging materials. The ADF would work to ensure that only recyclable materials were used to manufacture packaging. While the Beverage Industry would input to funding the Container Deposit Component it is highly possible that future beverage containers achieving high levels of recovery rates (between 80—90%) would receive rebates paid by say the polystyrene cup manufacturers, whose end-of-life material cannot be recovered, creates problems in disposal, and is highly likely to be littered (unless it carried a deposit). This establishes the incentive to use materials likely to be recovered resulting in a simple equation for business - recover or phase out!

### **Underpinned by Landfill Bans**

Ultimately any CDL or ADF approach needs to be underpinned by land fill bans aimed to be phased in over a 5-10 year period, and requiring manufacturers to either establish recovery systems or provide an incentive to operations like GRL's UR-3R facility to mine remnant waste. Landfill bans phased in this way ensures that recoverable materials can't be dumped and also sends a clear signal to remnant materials that cannot be recovered to change materials selection or face ever increasing costs associated with unsustainable materials usage. This also reinforces the view that the "pollution of land" is not acceptable as a by-product of our methods of production and consumption.

### **Using the Infrastructure created by this first step facilitates development of other schemes**

Having established both the infrastructure (centralised collection depots) and the vital community participation (social ecology) for development of recovery beyond the kerbside system through a combined CDL and ADF mechanism, industry and regulators have the opportunity to establish simple cost effective recovery schemes for white goods, brown goods, electronics, computers, chemical and paint containers at marginal increases in funding and with minimum disruption to day to day commercial activities. The results of this expanded participation are likely to be as follows:

- 80-90% recovery of products and packaging materials within 5 years covered by national EPR schemes
- Infrastructure to make the Zero Waste Agenda achievable.
- Connection with community values to ensure active participation vital for successful outcomes.

HOWEVER, without the basic day to day through put of packaging it is unlikely that a national series of collection depots acting as the reverse distribution recovery system to complement the kerbside recycling service will be able to be developed. By not including used packaging under and EPR scheme, other associated systems will be ad hoc and opportunistic rather than by a comprehensive strategy.

If we are going to commit to another term of The NPC we need a parallel process to ensure that the entire consumer and municipal push towards Zero Waste isn't stalled.