

Paper, People & Sustainable Pathways



A Submission to the State Sustainability Strategy for Western Australia

From Amcor Recycling Australasia

April 2002

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Summary

Here at Amcor Recycling we think this is important opportunity to contribute to Western Australia's focus on sustainability.

At Amcor sustainability is our livelihood. We are in the business, 365 days a year, of utilising waste as a resource. We have taken a leadership position for many years in pioneering "Cleaner production" methods for our industry, have won many awards for our efforts and are recognised as a benchmark both within and beyond Western Australia. We firmly believe that leadership is needed to address the issues of waste as a resource from all sectors of the community.

This document will outline why we feel it is imperative that the State Sustainability Strategy for Western Australia take a deliberate and detailed look at the issues evolving in waste management particularly the importance of ensuring the maximisation of the recovery and recycling of resources from waste.

We applaud the state government in this initiative and share the belief that sustainability must be community driven. We look forward to further opportunities to forge alliances with government, business and the community that are powerful enough to overcome short-term needs and expediency in the interest of more lasting and ultimately greater community benefits – socially, economically and environmentally.

We hold the optimistic view that together we can change things and look forward to using this consultation forum to build a better future for our children.

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Who We Are

AMCOR Recycling Western Australia is part of the global company AMCOR, based at the Spearwood Mill site of AMCOR Fibre Packaging Australia.

From Spearwood WA we coordinate WA's largest and longest running recycling operations but we do much more than just move recyclable material around. In fact we are the only paper and fibre recycling company which actually recycles the material and creates new paper and cardboard products right here in WA. Most of the waste we collect is recycled at the Spearwood site with only the highest grade materials being saved for our other mills which can use this waste in place of virgin fibre from logging to produce more high-grade paper.

Overall our mill contributes \$20 million per annum to the WA economy and has won virtually every major environmental award we are eligible for, including awards for water and energy efficiency. Our efforts are often cited in the literature as an example of best practice/benchmark. We are also proud to support a range of WA community programs and organisations as another facet of our active and evolving corporate citizenship program.

Our parent company AMCOR is a highly successful Australian company operating in 24 countries with approximately 50% of our profits earned overseas. Worldwide, there are approximately 18 000 of us in the AMCOR team with 110 000 shareholders and over AU\$5 billion in annual sales. Our specialty is providing packaging solutions for the world and we are a long time leader in our field.

We are proud to have been one of the first companies to sign Australia's new National Packaging Covenant and have a comprehensive Action Plan for minimising the environmental impacts of our products. We are also proud of being a foundation member of Australia's Buy Recycled Business Alliance (BRBA).

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Our History

Amcor's history dates back to the 1860s and for most of its life the company was known as APM - Australian Paper Manufacturers. However, in the 1970s and 1980s the company starting producing other forms of packaging as well its traditional papermaking activities. On May 1, 1986 APM took on the new name of AMCOR to embrace the company's future in all forms of packaging and to bring all parts of the team together with a common identity and purpose.

Recycling has been a key part of what we do for over 140 years. In the 1860s we were the first Australian company to recycle any commodity. In the 1940s we became the nation's first kerb-side recycler which in those days used a horse and cart.

Since then, Amcor has recycled more than 35 million tonnes of paper and cardboard nationally. Here in WA we are about to reach the landmark of 2 000 000 tonnes recycled, with our annual rate running at an impressive 85 000 tonnes. Nonetheless, we estimate that nearly half of the recyclable paper and cardboard of Western Australia is lost to the resource recovery stream, most of it going to landfill.

We are the only paper and fibre recycling company which actually recycles the material and creates new paper and cardboard products right here in WA. Unfortunately we estimate that around half of Western Australia recyclable fibre is lost to landfills.

Our Track Record

Currently we gather recyclable material from over 2000 WA organisations. Here is a list of just ten of them to give you an idea of their variety.

- Coles Supermarkets
- Woolworths Supermarkets
- Town of Cambridge
- Liquorland
- Myer
- Big W
- Whitford City
- Westfield Carousel
- Midland Gate
- St John of God Hospital
- Osborne Business Park
- Rockingham Shopping Centre
- Southwest Recycling Bunbury

Most of the recyclable material we collect is used as feedstock for AMCOR Fibre's paper mill in Spearwood, which has won more environmental awards than any other paper mill in Australia.

We are also longtime advocates for WA's recycling industry as a whole. We have served on a long list of government advisory groups and voluntary bodies including long running contribution in the State Recycling Advisory Committee and the Advisory Council on Waste Management.

Community Benefits of Recycling

Environmental Benefits

Recycling paper is very beneficial for the environment.

Recycling...

- Reduces the demand for virgin fibre, so we can rely only on plantation and waste timbers
- Requires at least 50% less energy and up to 75% less water than making it from virgin fibre
- Produces up to 90% less aqueous effluent (i.e. liquid waste)
- Avoids the production of greenhouse gases from paper decomposing underground in landfills

Economic Benefits

Among the things less talked or thought of are the enormous economic and social benefits of recycling, most of which flow from people being employed in recycling industries. In WA alone, we estimate this to be around 1000 people either directly or indirectly, generating tens of millions of dollars in the state's economy.

As a long established industry it can be easy to undervalue the contribution organisations like ours make to sustainable progress; environmentally, economically and socially. We have made remarkable progress on all three counts and take our role very seriously but we are not "new" and this can pose particular challenges in getting the message out. New solutions are not necessarily better, and often not nearly as effective as improving existing ones – especially in the medium to long terms.

For example, the existing resource recovery rebate scheme administered by the Government offers real potential but its implementation needs to be improved dramatically to refocus efforts and attention on driving the most sustainable behaviours. True sustainability for Western Australia will require development of a new, collective understanding of resource use. This understanding must involve dealing with complex issues of the value a resource offers during its "use cycle". We cannot expect to achieve sustainability if we are happy to use the word "recycling" (and allocate rebates) when true resource recovery is not involved.

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Community Benefits

An independent study commissioned by the National Packaging Covenant Council early last year estimated that kerbside recycling cost Australia an average of \$158 million per year – or around \$26 per household. However, the environmental management savings from kerbside recycling were estimated at \$424 million per year. So the net community “profit” from recycling each year may be \$266 million in environmental management (or \$42 saved per household) and many more times this in indirect economic and social value.

What About Benefits For Amcor?

Recycling is an important part of our business. At Amcor, categorically, we can use more paper and cardboard at our Spearwood plant than we are currently receiving. We wish to expand, generate more paper and cardboard packaging products and employ more West Australians. At the current level of paper and cardboard recycling in Western Australia this is unlikely to happen. Australians offices throw away about 50 kilograms of high-grade recyclable paper per employee each year. If businesses particularly embraced recycling, we could be successful recycling what is now regrettably going to landfill and turning it into reusable products.

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Shared Decisions

Local government has long been the sector charged with the enormous and important responsibility of day to day waste management. It is anything but an easy task. In recent years, concerns about the environmental impacts of waste disposal have increased the pressure on local government to find new waste management solutions.

Recycling and various forms of resource recovery have been practised for generations but it is only fairly recently that we have officially seen waste as a resource use challenge rather than just a disposal one. Initiatives like WAste 2020 Taskforce are a prime example.

If we are serious about managing waste as a resource then we need to learn from the lessons of other resource industries. If we want to mine the urban jungle, extracting all the valuable resources we can, achieving the best outcome for the community and the environment – we need to look at what we do and how, but most urgently, we need to look at how we decide.

Traditionally waste is one of the municipal sectors three Rs, roads, rates and rubbish. There remains a certain tension, between local and state governments, as there is between state and federal. And herein lies the tricky part: local government's job is to think local – to protect the interests of its residents and/or ratepayers. State government's involves balancing and advancing the interests of people in all areas. Making choices on waste currently lies in the gap between these two, with other stakeholders circling around the space attempting to influence choices and to respond to decisions.

Naturally the effects start local. The most obvious and tangible effect is cost. Neither waste disposal or recycling schemes come cheap to ratepayers and the more complex and frequent a service, the higher the cost. This is the stuff that local government budgets are made of, the stuff that increases rates and disgruntles ratepayers. Recycling may seem expensive when we look short-term and think about municipal balance sheets but if we look long term and think "big picture" it becomes very clear that recycling saves money and adds value in all three bottom lines: social, environmental and economic. And if achieving sustainability requires anything it needs thinking long-term and "big picture".

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We cannot be surprised therefore when local councils are tempted to make decisions for us based on their local impact and costs alone, as seems to be happening in some parts of Perth at the moment. This is how the local government role is seen and how their performance is judged.

For example, Stirling Council in November 2001 introduced a single bin strategy that goes direct to secondary resource recovery techniques. The end-stage “soil conditioner”, as it is called, that results from this process may be argued as a new product and called “recycled” but the community as a whole is losing out on significant value and benefits. For most paper, we are losing that paper’s potential to be recycled into something new 8 times or more, before finally becoming compost, or soil conditioner.

The debate continues on the proposed Solid Waste To Energy Recycling Facility (SWERF) in Maddington. The new systems being discussed currently include plans to separate some recyclables before secondary processing begins but it is likely that these will be of lower quality if they were initially included in general waste. It is also likely that certain recyclables such as paper and cardboard may not be separated at all in some systems because they will be contaminated so some of their value will have been lost.

There are three very important points here.

- Although these new waste processing technologies may have a place in an integrated resource recovery system, we must not delude ourselves that real sustainability can be achieved using “once-through” reuse strategies. These approaches may be tempting for quick fixes but they are hardly consistent with long term sustainability goals for the state.
- Each tonne of paper and cardboard fibre lost to the recycling industry is replaced by virgin fibre which costs more (driving higher prices to consumers), uses twice the energy, four times the water and produces ten times as much effluent as using recycled fibre. The end result is lost value on all three bottom lines of sustainability.
- We must not underestimate the social value of a community-wide commitment to true resource recovery. To achieve true long-term sustainability for Western Australia, we will need to develop new social norms. Taking away individuals ability to contribute to their community’s resource recovery efforts by recycling at home and work will only serve to disempower and alienate the vital “front-line” of the community from action – from a sense of shared responsibility. If we tell people “it’s not your job to recycle, leave it to us” the community loses real social capital, making it harder to achieve other behaviour changes and reinforcing an expectation that responsibility lies with someone else. We will never achieve a sustainable society that way.

If we are serious about waste being a resource, then we must embrace value-adding at every opportunity. This means not choosing options that value-subtract simply on the basis of short-term expediency or savings. We are at an advantage other resource industries did not have when they were starting out: we are already on the right path with many existing recycling programs. They are not perfect but they have made remarkable progress in a relatively short timeframe. We have 85% participation rates, excellent for a nation like Australia, the quality of the resource improves each year and the recycling industry continually improves the value of recycling with better products and more sustainable processes. Throwing that out now in order to implement an approach that skips to the end of the line would miss out on almost all the potential value of the resource.

Our current system lays the burden of paying for the continuation and even expansion of current recycling schemes on those with the least to gain from them. The field of environmental management is full of examples. The ongoing debate about global greenhouse gas policy is the most obvious case where people are not motivated enough to act when their own short term and direct interests may suffer for an overall benefit that is more just and responsible. This is one of the oldest questions of economic and social philosophy. Why should I do the “right” thing for the community good, when I am personally better off if I don’t or at least have nothing to gain? Why should our organisation or community do the “right” thing if it is in the interests of everyone and there are not direct benefits for us?

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Waste Management and the State Sustainability Strategy

Waste management is evolving on a daily basis. We are not suggesting recycling is the whole solution, but it is almost certainly part of it. It offers significant net environmental benefits, remarkable overall cost benefits and creates real, ongoing employment. As a signatory to the National Packaging Covenant, as indeed is the Government of Western Australia, Amcor is committed to both the principle and practice of redesigning, reusing and recycling all forms of packaging. It is imperative that the State Sustainability strategy take a holistic view towards waste management and recycling by ensuring that we

1. Maximise the Recovery and Recycling of Resources from Waste

It is clear that real progress on preventing waste to landfill will require the establishment of effective waste minimisation strategies and sustainable secondary resource recovery systems. The issues at stake are the, when and how of this becoming part of our waste management systems.

It seems self-evident that the best environmental, social and economic solution for the medium to long term is to have a fully integrated resource recovery system including full-scale recycling. We can have an ever-improving recycling program focused on maximising the value of the resource linked to a secondary resource recovery infrastructure that ensures we waste nothing by gleaning all possible final value from the resource and sending as little as possible to landfill.

2. Ensure Partnerships at All Levels

If waste really is a resource than we must treat it as such. This will require a whole new way of thinking, new forms of cooperation between stakeholders and new ways of making and evaluating our choices. It should also mean basing these decisions on value adding principles, moving beyond separated interests and balance sheets to meaningful triple bottom line results.

3. Value Add

We cannot ignore the fact that recycling programs add value to our community: environmentally, socially and economically. Why swap all that for a system that is simpler but adds far less value, when in fact we can have both. Currently we make our waste decisions in processes developed in a time when waste was just a disposal issue. We should not expect local government to bare all the costs and responsibility even where the effects are not local at all. We should not ask for big-picture decisions from people at a local level when the system separates them from big picture consequences, good or bad. We must base decisions on industry-wide value adding principles, moving beyond separated interests and balance sheets to new ways of accounting for the big picture. It is important to remember here that value-adding really does mean “adding”. It is not an either-or proposition but rather what the management gurus call “win-win”. It is not a question of having kerbside recycling OR secondary resource recovery. We can and should have both.

It is imperative that the State Sustainability Strategy take a holistic view towards waste management and recycling – positioning WA as a world leader in resource recovery.