Input to *Focus on the Future*

The WA State Sustainability Strategy

Consultation Draft

21/2/03

Beverage
Industry
Environment
Council
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About This Submission

The Beverage Industry Environment Council (BIEC) is the industry association that represents the environmental interests of Australia's beer, soft drink and leading wine manufacturers – and their aluminium, glass and PET packaging suppliers.

Individual member companies are steadily reducing the environmental impact of their operations and products. This work compliments their commitment to purchasing and reusing materials collected through Australian kerbside and other recycling systems. Coca-Cola Amatil and Fosters Brewing, alone, spend around $1 billion on Australian recycled-content-packaging annually.

BIEC members only use aluminium, glass and PET packaging – materials that are readily recyclable across Australia.

For more information on this submission, please contact Mr Gordon Houston, West Australian Area Manager, Beverage Industry Environment Council, on 0407 932 943

BIEC's General Position on Waste Avoidance and Resource Recovery

The Beverage Industry Environment Council is committed to:

- Improved kerbside recovery rates
- Nationally consistent kerbside infrastructure and operating systems
- A systematic national approach to resource recovery and waste avoidance
- Increased non-residential material recovery rates
- Effective and transparent performance measurement
- Litter prevention
- Litter reduction
- Universal waste signage
- Delivering on cleaner production principles. It is a condition of BIEC membership that all member products are packaged in PET, glass or aluminium – materials that are readily recyclable across Australia
- Research and development of techniques and/or systems designed to maximise waste avoidance and resource recovery
- Working cooperatively with regulatory, local government and other supply chain stakeholders to deliver environmentally desirable outcomes
- Running national behaviour change programs – to reduce littering behaviour and train local government officials in litter prevention and load prediction techniques
- Development of operational models for waste avoidance at major public events
- Assisting organisers of major public events to maximise diversion from landfill and optimise resource recovery in general.

WASTE AVOIDANCE AND RESOURCE

RECOVERY ISSUES FOR BIEC

The Beverage Industry Environment Council (BIEC) is a strong advocate of equitable intervention by Government in waste issues when Government intervention is believed warranted, and of implementing cost effective measures that are in the best interests of the broad community. Accordingly, BIEC takes issue with the following approaches to waste reduction and resource recovery:

- **Discriminatory Economic Instruments**. Any proposed economic intervention in the waste area must utilise broad based market instruments, and be applicable to the entire waste stream if such approaches are to deliver environmentally desirable outcomes – in a cost effective fashion.

  One commonly proposed waste management economic intervention is Container Deposit Legislation (CDL), which is generally only applicable to beverage containers and not other components of the packaging and litter streams. BIEC's position, backed by substantial research, is that CDL is a high-cost solution to a limited component of the total waste stream and is thus discriminatory and cost ineffective.

  The Industry Commission's 1991 Inquiry into Recycling found that "deposit schemes work best when the costs of improper disposal are high and cheaper alternatives are ineffective."

  The Centre For Environmental Solutions found in 2001 that Container Deposit Legislation would cost at least 2.5 times as much to run as the currently established kerbside-recycling infrastructure.

  The Centre For Environmental Solutions also noted that CDL would deprive kerbside systems of revenue, without producing any cost savings for kerbside operators.

  Access Economics in a 2002 analysis of a NSW Government review of Container Deposit Legislation, noted that: "Beverage containers make up around 4% of the domestic waste stream. In turn, the domestic waste stream makes up around one-third of the total waste stream in Australia. This means that, in total, beverage containers constitute around 1.5% of the total waste stream in Australia. Container Deposit Legislation, at best, would address about 1.5% of the total waste stream."

  The Victorian Government's 2003 inquiry into implementation of CDL in regional centres found that in the case of Mildura, which has an effective kerbside recycling infrastructure, the introduction of CDL would quadruple waste management costs.

- **Disparate Jurisdictional Approaches.** BIEC supports a national approach to resource recovery and waste avoidance.

  A truly systematic national approach should extend to resource recovery systems, waste regulation, operational standards, bin colours, signage, educational campaigns, the range of actual materials collected, and so on.

The WA State Sustainability Strategy

- BIEC has no issue with the waste management related aspects of the document. However, requirements relating to waste management under the proposed "*Sustainability Code of Practice and Action Plan*" should be for sustainable waste management, which includes sustainable recycling.

- *The development of markets for recycled materials is also an essential component of moving to zero waste. Government can take an active role in stimulating the development of markets for recycled materials through its own purchasing requirements as outlined in Sustainability and Governance: Embracing sustainability in government agencies.* It is agreed that Government could take an active facilitating role in market development, provided unsustainable markets are not developed at the expense of sustainable options.

- The Waste 2020 vision is "***Towards** zero waste by 2020*", the vision is not "…*for zero waste by 2020*".

- The Strategy provides the basis for all levels of government, industry and the community to work towards the goal of Zero waste. It is hoped the new Waste Management Board will abide by their commitment to further develop the Waste 2020 Strategy, including moving forward with the individual Key Actions.

Reducing And Managing Waste

Generally, BIEC supports the Waste Management Boards (unwritten) policy of Risk and Volume as the two major principles in the determination of focus towards the management of wastes in WA.

- **Waste Hierarchy -**BIEC members support the Strategy's emphasis on the 3R's in the hierarchy as the most environmentally sustainable opportunities to manage packaging waste.

- **Life Cycle Analysis (LCA) -** Significant confusion (resulting in European Court appeals) has been faced by countries using LCA determinations to manage wastes. The arguments revolve around the veracity of LCA as a flexible measurement tool when prescribing levy or fixed tariff amounts to waste management programs – ie, an LCA is fixed at the time of measurement, and must be re-measured almost on an continuing basis to have any relevance when used in ongoing prescriptions.

- **Extended Producer Responsibility -**The Strategy's stated intention to introduce Extended Producer Responsibility contradicts this State's ongoing support and development of actions to comply with the National Packaging Covenant, a voluntary "shared responsibility" arrangement at the national level.

- **Competition / Commonality -** Subsequent to this strategy document being actioned, emphasis should be placed on the compatibility of any subsequent policy and/or legislation to ensure that competition issues and issues of national commonality are addressed.

  For example, the current trend towards Sustainability Covenants is noted with some concern, recognising that this form of management is being undertaken without apparent jurisdictional cooperation or coordination.

The creation of several different forms of operating environments for national and international businesses and industry within this country could impact significantly on regional viability and economic opportunities.

- **Regional Councils** - BIEC welcomes the opportunity to work with regional councils – allowing for greater opportunity to disseminate training and education programs and the more efficient implementation of resource recovery programs.

- **State-Local Government Sustainability Roundtable** - BIEC would welcome the opportunity to be involved as an industry representative on the proposed State-Local Government Sustainability Roundtable.

- **Government Agency Adoption Of 'Buy Recycled' And Recovery Policies** - The Beverage Industry Environment Council will continue to support Government activities aimed at boosting material recovery and recycling within state government agencies and by their subcontractors.

- **Waste Management Plans** - Waste Management plans should be implemented where possible on a regional basis to ensure that - particularly in rural and regional WA - opportunities for the recovery and reuse of larger volumes of materials and the inherent savings from regionalised services (waste collection, recycling, transportation, procurement, etc) are realised.

- **Landfill Management** - Waste Management plans should address the closure of inadequately constructed and managed landfills, their replacement with transfer stations and recycling centres, and the creation of regional landfills for the region's waste residue.

- **Resource Recovery Precinct Teams** - Industry should be represented on the Resource Recovery Precinct teams. BIEC, in particular, already plays a role in the diversion of packaging product from the hospitality industry - hotels, restaurants, food courts, public places, etc - and other commercial tenements.

Managing Freight And Regional Transport

- **Transportation – Front Of Pipe** - Effective implementation of sustainable waste management depends largely on the transport component; i.e., transport of raw materials to processing facilities and the subsequent transport of products from such facilities to markets.

- **Transportation – End Of Pipe** - Further, with respect to packaging or product that finds its way into rural and the more remote areas of the State - and the return of the recycled product back to markets or re-use opportunities in the major centres (or indeed overseas) - sustainable back loading or return transportation needs investigation.

Sustainability In Governance

- **Sustainability Assessments Units** - The use of "*sustainability assessment*" for new projects and the proposed action to establish an industry-government working group on sustainability assessment appears reasonable.

  However, the proposal to use three separate "Sustainability Assessment Units" in three separate Government Departments (DEP, DPI & DTF), would be an unworkable situation and would deter companies developing new projects and technologies in WA.

  The national model - eg NSW, VIC, QLD, SA – is for the establishment of sustainability units within a single agency. Such a unit would manage and act upon any actions arising from the Sustainability Strategy.

Sustainable Energy

- **BioEnergy Policy** - The BioEnergy policy should be developed in consultation with the community, industry and potential renewable energy customers.

Access Economics Supports Inceased Resource Recovery

During 2002, Access Economics, commissioned by BIEC, undertook an independent review of the NSW Government's study into container deposit legislation.

Access Economics presented a strong case in support of the benefits of increased recycling. In part, the Access Economics report noted that:

"There are good reasons why recycling a range of products is desirable.

In some cases, economic efficiency and environmental considerations combine to provide strong incentives to recycle. For example:

- Recycling aluminium cans makes good sense because of the high energy inputs needed to refine aluminium, generating both direct cost savings and environmental benefits.

- Recycling containers used to sell highly toxic chemicals is desirable in order to ensure proper disposal of residues for environmental reasons.

Resource depletion and population/congestion pressures add their own impetus to recycling as landfill and other disposal options become both environmentally and economically more costly.

These reasons, combined with growing community concern about environmental issues and willingness to participate in recycling programs, have understandably led to governments responding by adopting policies that encourage recycling.

These responses appear in policy positions adopted by the Commonwealth, State & Territory and local governments. There is a significant degree of bipartisan support for such policies.

Recycling is increasingly like motherhood. Everybody supports it as a matter of principle.

But *effecting* recycling is not something that is done in a vacuum.

Practical recycling measures *themselves* use scare resources: labour, capital equipment, land and property. These resources are obtainable at a price – they are not free. The cost-benefits calculus used to evaluate proposals for improved recycling must allow – comprehensively – for the relevant costs as well as the benefits. It would be poor public policy to pursue ever-higher rates of recycling as an end in itself and without regard to the society-wide costs," according to Access Economics.