



QWaLC
QUEENSLAND WATER & LAND CARERS

Green Cape Wildlife Films

Committee Secretary

Agriculture and Environment Committee

Parliament House

George Street

Brisbane Qld 4000

3 July 2017

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Waste Reduction and Recycling Amendment Bill 2017

Dear Secretary,

Thank you for the opportunity to provide comment on the Waste Reduction and Recycling Amendment bill 2017. Boomerang Alliance and our 47 member groups are supportive of the introduction of a ban on lightweight plastic bags and a container refund scheme in Queensland.

The Boomerang Alliance are members of the Ministerial Advisory Committee on the Queensland Container Refund Scheme.

The proposed introduction date of July 2018 for both measures will allow sufficient time for set up and public education programs to be implemented. We are opposed to any delay beyond this date.



To meet this schedule, we urge the Queensland Parliament to consider and pass the legislation as soon as practical, so that the government, business stakeholders and community organisations are given sufficient time to put arrangements in place.

Container Refund Scheme (CRS)

The main objects of the Act reflect the outcomes we can expect from a CRS, that is, it will reduce container litter, increase recycling, ensure manufacturer product stewardship responsibilities, provide opportunities for social enterprise and community organisation benefit and complement existing kerbside collection services.

We note that many local government areas in Qld do not have kerbside services so the introduction of the CRS will effectively provide many communities with the opportunity to access recycling services.

As we outlined in our submission to the Container Refund Scheme (CRS) Consultation Paper (March 2017), the key elements of a World's Best Practice Container Refund Scheme for Queensland include:

- 1. Maximum impact** on the volume of littered drink containers through the inclusion of all glass, aluminium/metal, plastic and liquid paperboard beverage containers up to 3 litres in volume by being subject to a refund payment (some very limited exemptions could apply).
- 2. Convenience for consumers** through the provision of a network of redemption points at retail centres (utilising reverse vending machines), as well as private, council and community/charity owned collection/redemption depots throughout the state.
- 3. A sustainable business model** that is cost effective and cost neutral to government and consumers. Any associated costs are the responsibility of the scheme coordinator to arrange with funding from the suppliers of beverage containers (this applies the polluter pays principle).
- 4. Efficient cash flow and refund return** through the adoption of a modern system to transfer data, and ensure timely payments to operators and immediate refunds to consumers.
- 5. Complementary to kerbside recycling** and other services to maximise container re-use and recycling.
- 6. Provides opportunity for social enterprise and community benefit**, through participation in collection and funding vital community activities.
- 7. Clear targets and penalties** that ensure scheme performance and compliance, with periodic performance review.

8. **Coordinated through a not-for profit entity** to run and manage and ensure accountability of the whole system.
9. **Accessible for all** citizens, communities and regions in the state.
10. **Effective technological and legislative tools** to minimise fraud and support best performance

The Boomerang Alliance believes that the Act as tabled largely meets these requirements. However, many of the important design elements and arrangements will be contained in the Act's Regulations, so it is essential that the Regulations are designed to ensure the CRS meets those expectations. It is also essential that all requirements on the scheme delivery are clearly expressed in regulations and not simply assumed.

e.g. advance payments to the PRO, automated counting as a primary verification and recovery targets and penalties for non-performance.

Suggested Improvements to the Act and Regulations

The Act Regulations clearly spell out all the Governments requirements on the refund, scheme arrangements, performance targets/associated penalties and review of the CRS.

Scope of Eligible Containers

It is proposed that all beverage containers between 150ml and 3 litres, this includes all glass, aluminium, plastic and Liquid Paperboard containers. There are exemptions for milk, some fruit juices and health tonics. Exemptions also include for wine and spirits.

Boomerang Alliance believes there should be no exemptions as all beverage containers are present in litter, especially wine bottles. It is also important for there to be a level playing field between products.

Producer Responsibility Organisation

The Act proposes a Producer Responsibility Organisation (PRO) to act as the Scheme Coordinator. The Government would set the rules, with the PRO running and delivering on its required performance. Penalties would be spelt out in Regulation should performance requirements not be met.

Manufacturers and suppliers of eligible containers will be responsible, through the PRO, in funding the scheme. They will be required to pay the refund amounts and handling fees for returned containers.



Boomerang Alliance proposes that the Act clarifies that the payment made to the PRO should be based upon total sales of containers into QLD and not based on claims made for returned containers, with funds being provided to the PRO in advance. Container Recovery Agreements should clarify this. This will ensure that the PRO is adequately funded and able to meet any claims from Network Operators and Collectors.

Funds from any unclaimed refunds should remain with the PRO and be allocated to identified strategic investments in secondary resource market development, infrastructure, services or education. Spare funds could also be allocated to community litter clean ups.

Whilst the PRO will be responsible for the collection network, a clear principle is to ensure that all Queensland communities have convenient access to refunds. In the event, that there are insufficient collection points or collection points cease operations, the Regulations should require the PRO to provide services, in line with access and convenience requirements outlined by the Government.

All manufacturers and suppliers of eligible containers into Queensland will be required to sign a Container Recovery Agreement. We believe that all manufacturers should be members of the PRO. The PRO is proposed to be a Not-for-Profit Company. Membership would ensure that all parties-major manufacturers and smaller suppliers alike-share responsibility for the operations and performance of the company.

Additionally, the PRO nor beverage companies should not be allowed to run collection points as this creates a conflict of interest.

Recovery Targets

The Minister through the Act's Regulations, will specify a required recovery rate for containers. In South Australia, which has had a refund scheme since 1977, the current recovery rate is 76%. This is for an old, manual collection system. The QLD scheme is proposed to be a modern and more automated system and can easily surpass the recovery rate in South Australia. Many of the best schemes operating around the world, which have a reliance on automated technologies, predominantly available at or near retail outlets using Reverse Vending Machines, achieve recovery rates between 90%-98%.

Boomerang Alliance has assessed the performance of deposit systems around the world and found an absolute correlation between schemes that require an obligation by the retailer to provide collection points (either in-store or in an adjacent shopping centre) and container collection rates.



The graph illustrates this point. 10 of the 13 jurisdictions that have adopted a deposit system since 1997 require retailers to provide redemption points. These 10 average an 86.75% return rate compared to the 3 that don't, which average 62.5%

<i>Jurisdiction (Population)² Commencement Yr</i>	<i>Recovery rate</i>	<i>Retailer Obligation to provide space?</i>	<i>Retailer Obligation to provide refund / consumer education?</i>
<i>Newfoundland (0.5mill population) Commenced: 1997</i>	65%	No – 56 Depots	Yes
<i>Norway (5mill population) Commenced: 1999</i>	95%	Yes – 25,000 locations	Yes
<i>Israel (7.9mill population) Commenced: 2000</i>	77%	Yes – Return to retail; unknown no. of locations	Yes
<i>Denmark (5.6mill population) Commenced: 2002</i>	89%	Yes – 6,500 locations	Yes
<i>Germany (81.9mill population) Commenced: 2003</i>	96-98.5%	Yes – 135,000 locations	Yes
<i>Estonia (1.3mill population) Commenced: 2004</i>	79%	Yes – 570 locations	Yes
<i>Hawaii, USA (1.3mill population) Commenced: 2005</i>	68.4%	No – 72 Depots	No
<i>Netherlands (16.8mill population) Commenced: 2005</i>	> 95%	Yes – 4,300 locations	Yes
<i>Croatia (4.3mill population) Commenced: 2006</i>	Not Available	Yes – no details unavailable	Yes
<i>Ontario (12.9mill population) Commenced: 2007</i>	82%	Yes – 825 locations	Yes
<i>Manitoba (1.2mill population) Commenced: 2008</i>	81%	Yes – Return to retail; no detail available	Yes
<i>Northern Territory, Australia – 2013</i>	54.2%	No – 9 Depots	No
<i>Lithuania (3mill population 2016</i>	(first Yr of Operation)	Yes – 1,000 locations	Yes

Source: Dave West 2016

Boomerang Alliance believes a World's Best Practice Scheme in QLD should have a mandated recovery target of 95% within five years.

Should recovery targets not be met, the refund amount should be increased to incentivise container returns

To avoid stockpiling all containers, where a refund/handling fee has been obtained, should be recycled within two years. Failure to do so would require the return of received funds.



We note that the German Deposit Return system also allows for the collection of refillable glass containers, an innovation that should be given future consideration as it could further reduce the problems associated with the collection and recycling of glass. In Germany over 50% of all glass beverage containers are reused, often up to 50 times.

Automated Collection

Unlike the South Australian system, the proposed QLD scheme will utilise automated collection, using barcodes and other symbols on each container. This will ensure an efficient and accurate count and reduce fraud. This is the preference of the Government; that, where possible, the majority of collection points will use automated barcode technology using Reverse Vending Machines (RVMs) or High Speed Counting Machines (HSCMs).

Given the geography of Queensland and the remoteness of some communities, and the participation of community organisations in collection, this may not always be affordable or practical. As a result, the Government has proposed that manual counting can be allowed in these circumstances. Manually counted containers can then be transported to the nearest automated reader facility or bagged with an official count attached. The manual count system can be subject to audit.

Boomerang Alliance believes that an automated collection system that uses barcodes as the primary verification is essential to the delivery of a successful scheme. Given the nature of QLD and the participation of remote and community collections, the use of manual counts makes sense. Although we believe that the primary verification should be automated counting, and, as the system matures, automation should be increasingly used.

The regulation of the Act should clearly stipulate the primary verification for containers is through the use of automated barcode technology or high Speed Counting Machines and allowing for manual counting, where impractical.

We do not support the use of a weight-based formula to calculate counted containers from collection points. A weight-based calculation formula should be excluded as a means of calculating collected containers from public sources, it can be inaccurate and open to fraudulent claims that may impact either party in the transaction.



A tonne of PET may contain anything between 29,205 containers (PWC/WCS COAG RIS Dec 2011 analysis of 34.2grams per container) to 48,309 based on the diagram below[†] copied from a Coca Cola CRS report outlining the 2010 weight of a 500ml PET soft drink bottle at 20.7grams.



Extract from Container Deposit System Operators Report 2017

Convenience and Accessibility

The Regulations will stipulate a population/distance ratio to ascertain convenient consumer access to collection points. The government has provided a ratio that has estimated that 307 collection points will be required in QLD. This includes collection points in metro, major regional, regional and remote areas. Collection points are where consumers can return containers and receive a refund. Charity and NFP collection, largely donation points, are not included in this list.

This ratio that seeks to provide 1 collection point for a 20,000 population within 5kms (metro) or 1 collection point per town of 2000 within 30Kms (regional).

Boomerang Alliance points out that the populations ratio in the best European systems are significantly better than in QLD. The ratio in these places is 1 collection point to service less than 10,000 people. These ratios are achieved through an emphasis on retail outlets providing collection points, something that the QLD scheme designers should be very mindful of. A good network of retail-based collection services will ensure a convenient and user-friendly collection network for Queensland. The legislation should create a power via regulation to require retail engagement for financial redemption (physical location of a collection point in the store is not essential).

Community Organisation Benefit

A main object of the Act is to provide opportunity for social enterprise through the participation of the Not-for-Profit (NFP) sector in collection.



The opportunity for the NFP sector to participate in the scheme is vital as it will complement official collections and provide funding for the sector. Boomerang Alliance has estimated that whilst the vast majority of collection will be through automated refund redemption points, an important component will be through charity donation points. Based upon the NFP sector receiving an estimated 10% of collected containers as donations, that could amount to \$25 million in additional fundraising for the NFP sector in QLD.

A group of 25 NFP sector organisations that includes Scouts, Guides, P&Cs, Rotary, Lions, RSPCA, church groups, Surf Life Saving, Emergency Services and charity collectors are already discussing their participation and have provided the Government with this statement of support.

'The attendees of this meeting support in principle the Queensland Governments intent to implement a Container Refund Scheme in QLD and strongly urge the Government to ensure maximum opportunity for the NFP sector to participate.'

Boomerang Alliance predict that this list of 25 early adopters will swell as a result of the introduction of the CRS. In regional and more remote areas, these are the organisations who have the capacity to manage CRS collection services.

Fraud

Fraud by the multiple presentation of containers for the refund can cause unnecessary cost to the scheme. In addition to effective regulatory audit provisions and rights to reject delivered empty containers – legislation should require early crushing of containers to prevent multiple representation such as can occur with reverse vending or high-speed machines that can also read barcodes.

Conclusions

Boomerang Alliance welcomes the introduction of the Waste Reduction and recycling Amendment Bill 2017. It is well framed. The introduction of a Container Refund Scheme is a necessary and timely addition to Government actions to reduce litter, particularly plastic litter.

The Government setting the rules, the targets and the performance requirements and directing a Producer Responsibility Organisation to deliver an effective, world class scheme, will make a significant difference.



It is important to ensure, however, that regulations are framed properly to ensure that the PRO operates in the best interests of the whole of the Queensland community and not in the narrow interests of its component companies.

The self-funding model should avoid major public investment whilst providing sufficient investment to run and improve the scheme, make it convenient and accessible and provide for any necessary secondary resource market development.

A periodic review of the scheme performance will be required. The Parliament should be mindful of supporting improvements to the scheme, increasing the scope in the future and the refund amount, were it to prove insufficient.

The Boomerang Alliance actively campaigns on a ban of plastic bags and reductions on other packaging. In Queensland, that campaign is shared with our member organisation, Wildlife Queensland. To avoid duplication, we support the comments in that Wildlife Queensland submission.

Specifically:

- We support a ban on single use plastic bags
- The bill proposes to ban lightweight bags up to 35 microns. This is consistent with other bans in Australia (SA, Tasmania, ACT and NT). However, we believe that bags up to 70 microns in thickness need to be addressed. The bill includes, in regulation, the option to increase the thickness of banned bags, should retailers seek to provide slightly thicker bags. We accept this as a compromise position but warn that should retailers provide increasing numbers of thicker bags that the Government must act quickly to increase the thickness of banned bags
- A voluntary retailer scheme to phase out thicker bags has been mooted. This needs to establish a schedule to target when these bags will be reduced.
- We support the inclusion of degradable and biodegradable bags and the proposal to begin the transition immediately by requiring retail to supply alternative bags on request
- A public and retailer education and awareness program to explain the reasons for the ban and alternative practices should be introduced ASAP
- The mass release of helium balloons should be included in the ban. Discarded helium balloons are a littering offence in QLD but only when they land. The offence should be changed so the deliberate release of helium balloons (in NSW it's more than 19) is an offence



- Bait bags are not included and should be. Bait bags should be replaced with reusable containers or a take-back scheme managed by bait suppliers. 'Dog poo bags' can be a similar problem when dog owners deliberately litter them.
- Banning plastic bags is just a first step in reducing plastic litter. The Government should establish a Plastic Reduction Taskforce to identify other problematic, single use and disposable plastic items (i.e. coffee cups, polystyrene, straws, takeaway containers, plastic food water and water bottles) for future policy action
- Providers/retailers of plastic packaging should review all their packaging and eliminate all unnecessary packaging from use

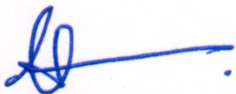
The Boomerang Alliance is happy to attend and provide witness testimony to the Committee on the contents of this submission.

Signed



Jeff Angel

Director



Toby Hutcheon

QLD Manager