



Container Deposit Systems Policy Statement

PREPARED BY THE



MUNICIPAL WASTE ADVISORY COUNCIL
"Getting the Environment Right"

June 2008

Status of this Policy Statement

This Policy Statement has been prepared by the Municipal Waste Advisory Council and adopted by the Western Australian Local Government Association. The Municipal Waste Advisory Council is a standing committee of the WA Local Government Association with delegated authority to represent the Association in all matters relating to solid waste management.

The Municipal Waste Advisory Council has been formed through collaboration with Regional Councils who are not ordinary members of the WA Local Government Association. The resulting body effectively represents the views of all Local Government bodies responsible for waste management in Western Australia.

Policy Statements adopted by the WA Local Government Association represent a consolidated viewpoint from local government and may differ from the positions adopted by individual member organisations. The Municipal Waste Advisory Council and the WA Local Government Association will strive to promote this Policy Statement and to act consistently with its contents. Individual Local Governments and Regional Councils are encouraged to support them in this but are not bound by the document.

Policy Statements adopted by the WA Local Government Association are reviewed and new Policy Statements are developed regularly. The latest WA Local Government Association Policy Statements can be obtained from the website: www.wastenet.net.au

In-line with standard MWAC policy, this policy statement will be reviewed 6-months after its endorsement by the State Council. It will be reviewed again at least every 2-years subsequent to this; with any significant developments acting to instigate an earlier review.

The Municipal Waste Advisory Council's member organisations are:

City of Geraldton-Greenough

East Metropolitan Regional Council

Mindarie Regional Council

Rivers Regional Council

Southern Metropolitan Regional Council

Western Australian Local Government Association

Western Metropolitan Regional Council

Policy Statement on Container Deposit Systems

| | |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Title: | WA Local Government Association Policy Statement on Container Deposit Systems June 2008 |
| Background: | <p>The twin roles of Local Government Local Government has developed this policy with reference to its twin roles as a representative of the community and as a service provider. Local Government must represent community values since these are the fundamental basis for undertaking new challenges and continuing past work. Local Government must also apply its service provider expertise when considering means by which to achieve community benefits.</p> <p>This twin role is particularly significant with regard to Container Deposit Systems as many Local Governments have significant investment in resource recovery and their role as a service provider in this area will inevitably be significantly impacted on by the introduction of Container Deposit Systems.</p> <p>In carrying out its dual functions Local Government is required, under the amendments to the Local Government Act, to “use its best endeavours” to meet the Sustainability Principles. The state defines this as “meeting the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity”.</p> <p>Sustainability Principle Local Government considers that the Sustainability Principle of ensuring that development meets the needs of the present without compromising the ability of future generations to meet their own needs applies to the task of developing a far-sighted waste policy. This Principle thus requires that, the waste generating behaviour by the producer, distributor, retailer and the consumer become linked to the costs of managing the impacts of waste and that materials currently consumed and discarded as waste becomes valued as a resource to be conserved, reused and recycled for the sake of future generations.</p> <p>Achieving the Sustainability Principle The principle of Extended Producer Responsibility (EPR) has been previously endorsed by Local Government as a tool for achieving the Sustainability Principles; Local Government broadly extends this endorsement to Container Deposit Systems as a type of EPR scheme, in as much as the principles and elements of the System follow the Extended Producer Responsibility framework to advance the key outcomes required. Local Government considers that these key outcomes are:</p> <ul style="list-style-type: none"> • Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products; • Improved valuation, pricing and incentive mechanisms; |

| | |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Greater investment in infrastructure and research and development and continuous improvement; and • Greater transparency and accountability. |
| <p>Statement of Policy:</p> | <p>In its role as a representative of community views and values, Local Government will continue to have regard to the wider context in which it operates and will seek to give effect to the views and values of residents.</p> <p>1. Community support for sustainability Local Government asserts that the community supports the sustainability principle and, as such, supports the introduction of a Container Deposit System that acts to meet “the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity”¹.</p> <p>2. Community priorities Local Government recognises strong public support exists for specific items to be incorporated into a Container Deposit System for a variety of reasons including their iconic nature, their potential as a revenue source for community groups, their resource value and the level of nuisance they cause (e.g. broken glass, litter).</p> <p>It is recognised that this community concern is likely to act as a political impetus for such items to be incorporated into a Container Deposit System over and above items that might otherwise have a higher priority in a typical Extended Producer Responsibility scheme. Local Government considers that action on these items should not be stalled to concentrate on higher priority items as this is likely to undermine public and political support overall.</p> <p>In its role as a service provider, Local Government will assess proposed Container Deposit Systems with reference to the criteria set out in its Extended Producer Responsibility Policy:</p> <p>3. Set clear objectives and targets A Container Deposit System must be specific and clear about what it seeks to achieve, how it seeks to achieve it, and provide means by which to assess whether these objectives have been achieved.</p> <p>The major objectives for a container deposit system are:</p> <p>a. Improving resource recovery In view of its support of the sustainability principle, Local Government supports a System that maximises resource recovery as its primary objective.</p> |

¹ The level of public support is evidenced by a recent poll which found 90% of Western Australians would support the introduction of a Container Deposit System (<http://www.abc.net.au/news/newsitems/200606/s1654975.htm> 05/06/06).

b. Achieving a more appropriate sharing of waste management costs

As a secondary objective, Local Government supports the aim of achieving a more appropriate distribution of waste management costs through a Container Deposit System. 'Appropriate distribution' is considered to be the redirection of waste management costs onto the producer, distributor and/or retailer and the consumer of an item to better enable the market to transmit information about the total economic, environmental and social costs of container waste.

Support for this objective is qualified with the concern that any System too financially or administratively burdensome to Local Government, industry or the public will be unable to succeed. As such, the system outcome, outlined in section 5, of achieving best balance between environmental protection, social advancement and economic prosperity should be given due regard in considering how this objective will be achieved.

c. Reducing litter

Local Government recognises the ability of a container deposit system to reduce container litter and welcomes this as an additional benefit and objective of any system selected.

d. Increasing community awareness and involvement in waste management

Local Government recognizes the ability a container deposit system to act as a market-based educational tool to assist the consumer in making informed purchasing decisions based on the whole life-cycle impact of a product and welcomes this as another additional benefit and objective of any system selected.

4. Reflect appropriate priorities

Local Government considers that a Container Deposit System should be based on the recovery of given material types and therefore be able to encompass, but not be limited to, all metals, glass, liquid paper board, plastic (PET, HDPE and LDPE) and composite container types and not be limited to household wastes and beverage containers.

This principle is qualified in that Local Government considers industrial container waste should be excluded from the System in its introductory phase for the purposes of simplicity. After a 3 year establishment period, the suitability of industrial container waste for inclusion in the System should be reviewed.

The regulatory underpinning of the system, outlined in detail in section 7, provides responsive flexibility in adding or removing material and container types as appropriate.

The suitability of a specific material or container type (other than industrial containers) to be excluded from the system can therefore be assessed on an equitable, case by case analysis. When determining whether a container type should be excluded from the system, the following criteria should be used:

- a. Does the material or container type cause significant environmental or social impacts?
- b. Does the material or container type cause significant costs for waste processors?
- c. Does the material or container type have unrealised potential for recycling / resource recovery?
- d. Is the material or container type likely to be disposed of illegally?
- e. Does the material or container type cause significant community concern?
- f. Is there an alternative system in place to recover the material or container type effectively?

5. Establish an outcome-based system

Local Government favours a Container Deposit System that assigns clear responsibilities to participants within the product chain to achieve specific system outcomes.

The key stakeholders in such a chain are numerous including, but not limited to, the producer, the distributor, the seller, the consumer, the deposit recipient (Local Government through kerbside, community groups, an individual), the collector (Local Government through kerbside, point-of-sale proprietor, super-collector), and the processor.

Given the potential complexity of a comparison between different system attributes and the need to be sufficiently flexible to change with time, this Policy Statement does not seek to set the parameters of a preferred system, but rather considers that the responsibility chain should be assigned with regard to achieving the following system outcomes:

- a. Best balance between environmental protection, social advancement and economic prosperity;
- b. Investment in infrastructure, research and development and continuous improvement;
- c. Financial and administrative transparency and accountability from all players in the chain; and
- d. Recognition of additional infrastructure and transport costs for non-metropolitan governments.

Outside of setting specific parameters, Local Government does consider a key attribute of any system must be the hypothecation of unredeemed deposits into a central fund directed towards achieving the System's stated outcomes and objectives.

6. Differentiate between redeemable deposits and handling and resource recovery fees

Local Government recognizes that, separate to a redeemable deposit; unredeemable fees to meet handling and resource recovery costs will have to be levied. To assist in working towards the sustainability principle, Local Government considers that handling and resource recovery fees, not including the redeemable deposit, should incorporate, but not be limited to, consideration for:

- a. Differentiating between materials to reflect the economic, environmental and social expense of reuse, reprocessing or disposal;
- b. Reflecting changes in the relative values or impacts of container materials; and
- c. Differentiating between different container sizes.

7. Can be implemented in a timely fashion

Given the national nature of product distribution, Local Government recognises that a national Container Deposit System is preferred over a state-based scheme as it enables greater financial efficiency through consistency in such areas as marketing, labelling and education campaigns and inherently incorporates the economy of scale.

However, in the absence of the likely introduction of a national scheme within a reasonable timeframe, Local Government considers it necessary and reasonable to put in place a state-based deposit system unilaterally.

Notwithstanding this, Local Government also recognises that in developing a unilateral deposit system, due consideration should be given for what are likely to be national norms in key areas such as system objectives, deposit amounts, treatment of unredeemed deposits, labelling and material and container types covered.

8. Legislative Underpinnings

In recognition of the continually and rapidly changing nature of technology and industrial, environmental and social conditions, the System must have the flexibility to adapt appropriately.

Legislation through regulations enables material and container type schedules to be readily amended to ensure best balance between environmental protection, social advancement and economic prosperity is consistently maintained in response to evaluation of the System.

As such, Local Government considers that the provision of head powers for EPR regulations under existing or proposed waste management legislation to be the best mechanism for the introduction of a Container Deposit System.

9. Support claims with reference to credible evidence

Reliable, reputable forecasting and robust arguments must be used to set clear baselines and performance targets for the System.

| | |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>Assessment of performance should be made to keep the System open and transparent through 3-yearly monitoring and reporting on all players in the chain. Changes to the System made should be made accordingly.</p> <p>In its twin roles as community representative and waste management service provider, Local Government has an obligation and a right to expect that proponents will demonstrate the ongoing merit of the System with reference to the unique WA context.</p> <p>10 Apportion costs appropriately <i>Schemes must aim to achieve an appropriate sharing of costs, between the various tiers of government and industry.</i> New schemes must appropriately apportion costs to the various stakeholders, taking into account considerations including:</p> <ol style="list-style-type: none"> What allocations will be fair, given the distribution of total costs and benefits? Which price signals may be desirable? Who has the capacity to pay? Will an allocation arrangement be able to be efficiently administered? |
| Date of Adoption: | December 2006 Amended June 2008 |
| Associated Policies: | Policy Statement on Extended Producer Responsibility (June 2004) (amended June 2008) Policy Statement on Waste Management Legislation (June 2004) Policy Statement on Household Hazardous Waste (December 2003) |
| Definitions: | <p>Container Deposit System: A Container Deposit System is a type of Extended Producer Responsibility Scheme. It may be structured in many different ways but essentially relies on a recoverable deposit on containers encouraging consumers to return the containers to a retailer or collection centre for recycling for the deposit.</p> <p>Extended Producer Responsibility: The financial and/or physical co-responsibility of those involved in making, providing or selling a certain product for the management and disposal of that product at the waste phase. Extended Producer Responsibility schemes generally engage producers in financing or carrying out the collecting, processing, recycling or disposing of post-consumer waste. Extended Producer Responsibility schemes may also be directed at changing manufacturing practices.</p> <p>Sustainability: One of the most widely accepted definitions of sustainable development comes from the World Commission on Environment and Development (the Brundtland Commission), 1987 - "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."</p> |

| | |
|--|----------------------------------------------------------------------------------------------------------------------------|
| | <p>In the context of the Local Government Act , this definition is refined to incorporate the three key objectives of:</p> |
|--|----------------------------------------------------------------------------------------------------------------------------|

- Environmental protection - achieving effective protection of the environment through prudent use of natural resources;
- Social advancement – achieving social progress which recognises the needs of everyone; and
- Economic prosperity - maintenance of high and stable levels of economic growth and employment.

| |
|--------------------------------|
| End of Policy Statement |
|--------------------------------|