



AUSTRALIAN  
FOOD AND GROCERY  
COUNCIL

**SUBMISSION TO**

Department of the Environment, Water, Heritage and the Arts – Consultation  
paper on a National Waste Policy Framework (Less waste more resources)

**22 July 2009**

## PREFACE

Australian Food and Grocery Council (AFGC) is the peak national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 150 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors (a list of members is included as Appendix A). AFGC represents the nation's largest manufacturing sector. By any measure our members are substantial contributors to the economic and social welfare of all Australians. Effectively, the products of AFGC's member companies reach every Australian household.

The industry has annual sales and service income in excess of \$70 billion and employs more than 200 000 people – almost one in five of the nation's manufacturing workforce. Of all Australians working in the industry, half are based in rural and regional Australia, and the food manufacturing sector sources more than 90 per cent of its ingredients from Australian agriculture.

AFGC's agenda for business growth centres on public and industry policy for a socioeconomic environment conducive to international competitiveness, investment, innovation, employment growth and profitability.

AFGC's mandate in representing member companies is to ensure a cohesive and credible voice for the industry, to advance policies and manage issues relevant to the industry enabling member companies to grow their businesses in a socially responsible manner.

The Council advocates business matters, public policy and consumer-related issues on behalf of a dynamic and rapidly changing industry operating in an increasing globalised economy. As global economic and trade developments continue to test the competitiveness of Australian industry, transnational businesses are under increasing pressure to justify Australia as a strategic location for corporate production, irrespective of whether they are Australian or foreign owned. In an increasingly globalised economy, the ability of companies to internationalise their operations is as significant as their ability to trade globally.

Increased trade, rationalisation and consolidation of businesses, increased concentration of ownership among both manufacturers and retailers, intensified competition and dynamic, increasingly complex and demanding consumers are features of the industry across the globe. Moreover, the growing global middle class of consumers is more sophisticated and discerning, driving innovation and differentiation of products and services.

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## 1 EXECUTIVE SUMMARY

AFGC welcomes the agreement by State and Territory Environment Ministers to develop a national policy framework to deal with Australia's ongoing waste challenge. AFGC is pleased to provide input on the priority issues to be considered and how these might be addressed.

The issues of key importance to the food and grocery industry from a waste management perspective include food and organic waste, packaging waste, waste water and prescribed waste policy. The industry is of the view that a Commonwealth waste policy framework should provide clear guidance in terms of principles and priorities for the states and other key stakeholders to apply and implement as appropriate.

If the state jurisdictions retain control of waste management they should be required to adhere to the overarching priorities and principles established within a national waste policy framework. While flexibility is important given the nature and complexity of waste there is a clear need for uniform principals to ensure a truly sustainable waste management strategy can be implemented. AFGC supports the establishment of the themes on which the waste management framework is based, endorses the approach to reduce the amount of waste and continue stewardship schemes that have support from all stakeholders and have proved successful.

National information on waste and recycling performance is limited, which makes comparison of performance across state jurisdictions problematic. The national waste policy framework should include a focus on improving national data to ensure relevant initiatives are evidence based. While targets can be challenging, if they are based on robust information and science they can be useful in setting the agenda for the community, including business, to work towards. AFGC would be supportive of combining aspirational and overarching target where appropriate.

Waste management policy framework should incorporate environmental, social and economic factors to be truly sustainable. The policy framework for 2020 should develop strategies that facilitate and support research, development and implementation of new technologies to manage priority wastes such as organic and prescribed wastes. The policy framework should provide clear leadership and direction for business, government and the community. It should also have strong coordination with the climate change policy framework and any emissions reduction mechanisms.

As a guide, successful models such as the National Packaging Covenant and other co-regulatory and cooperative approaches to product stewardship should be supported and continued to ensure waste can be managed and minimised.

## 1.1 KEY RESPONSES

- The national waste policy framework should maintain a collaborative, comprehensive and value chain approach to waste management.
- A national waste policy framework should provide direction and have clear objectives. It should also establish a robust assessment framework or system to determine priority sectors, products and materials based on a range of factors, including:
  - Tonnes of waste disposed to landfill now, and predictions for the future
  - The adequacy of current systems in managing the environmental impacts of the product or material from production through to consumption and disposal, including recycling
  - The environmental and health (including toxicity) of the product or material from production through to consumption and disposal, including recycling
  - Costs to the community and recycling industry of managing discarded products and opportunities for improved management.
- AFGC believes food and organic waste is one of the most pressing issues for the national waste policy framework; based on tonnages to landfill, inadequacy of current systems and cost to the community (methane emissions) and prescribed wastes (toxicity).
- The national waste policy framework must include a focus on improving national data and its management to ensure initiatives can be accurate, robust and evidence based.
- If national targets are to be established they should include a mix of broad overarching targets and specific targets that will collectively provide direct insights into the performance of the policy.
- The national waste policy framework should have strong linkages to the issue of climate change and emissions reductions and provide for the appropriate measures to work cooperatively across jurisdictions and sectors on this critical issue
- The national waste policy framework should provide guidance on the role of relevant stakeholders
- The national waste policy framework should recognise the National Packaging Covenant as a successful product stewardship model and continue to support it as the sole instrument for managing consumer packaging waste in Australia
- The national waste policy framework should take a true sustainability approach to waste management that seeks to avoid waste through support for economic, environmental and social design, production processes and transport initiatives.

- The national waste policy framework agenda should include a more proactive approach to the issue of waste water treatment, including the issues of water availability, security and reuse

## **1.2 FOOD AND GROCERY INDUSTRY PERSPECTIVE**

The food, beverage and grocery industry sees significant benefit in a streamlined and coordinated policy framework approach to waste management. The approach should incorporate a range of appropriate instruments, both voluntary and regulatory, to guide and promote resource efficiency. Co-regulatory arrangements, such as the National Packaging Covenant, have delivered cost effective outcomes to the Australian community, with packaging recycling rates increasing from 40% to nearly 60% over the last 4 years.

Food and organic waste, packaging, waste water treatment and prescribed policy framework are issues of key importance to the industry from a waste management perspective.

### **1.2.1 Taking responsibility**

The benefits and costs of any proposed waste management, or reduction, regulations should be assessed in accordance with COAG principles and via the regulatory impact statement process. The resulting policy framework should have clear objectives and provide for the appropriate tools through which the policy framework can be applied and implemented. These include where appropriate, legislation, co-regulatory arrangements (such as the National Packaging Covenant), voluntary industry codes and guidelines that assist in the implementation and provide flexibility for industry and the community.

To complete the process the policy framework approach should have relevant compliance procedures in terms of enforcement and methods of monitoring the implementation of the policy framework. Importantly, the regulatory approach should also allow for amendment, revision and ultimately removal of any instruments incorporated into the policy framework as developments in technology and innovation progress.

Specifically in relation to packaging waste, the adoption of any additional or state regulation – such as a Container Deposit Legislation (CDL) – which would run parallel to existing product stewardship schemes (the National Packaging Covenant) would add to the regulatory burden on industry and potentially increases costs to the community and consumers. In AFGC’s view, this is contrary to the National Partnership Agreement to Deliver a Seamless National economy.

As the world looks toward the pursuit of more sustainable practices, the packaging supply chain is the best placed to tackle sustainability, but cooperative and innovative partnerships are needed rather than restrictive legislation. Packaging is inherently able to deliver significant environmental benefits and industry has taken the lead on improving recycling. Packaging plays a critical role in minimizing waste by protecting products from damage, enabling more efficient transport, and increasing the shelf-life of perishable products.

The National Packaging Covenant is a successful product stewardship scheme. It represents a partnership between industry and governments, based on the principle of shared responsibility. It incorporates links in the packaging supply chain and all spheres of government to achieve a nationally consistent response to the lifecycle management of packaging. This includes its design, manufacture, use, recovery, and disposal.

The Framework for National Packaging Covenant MkIII going forward from 2010, as part of the principle of continuous improvement, is to focus further on product design using guidelines for sustainable packaging. This approach seeks to address the sound management of materials and products through whole-of-life-cycle strategies to minimise waste and improve resource recovery, and achieve best practice sustainability through product design. It is an efficient way in which parties in the supply chain can take responsibility and contribute to the cost of recycling and disposal costs for used packaging.

The National Packaging Covenant, as the sole policy framework instrument for managing packaging waste, gives certainty and stability to companies about the regulatory and policy framework in which they are operating. It assures industry the business certainty that other conflicting policy framework options, such as packaging bans and container deposit legislation, will not be introduced during the life of the Covenant so long as it continues to produce tangible and positive results. Further, any additional regulations would increase the costs placed on industry and the costs to the community.

### **1.2.2 Improving the market**

A national waste policy framework should provide clear leadership and direction for business, government and the community. The policy framework should have clear objectives and identify priority issues to be addressed – such as food and organic and prescribed wastes. The national waste policy framework should have strong linkages to the issue of climate change and emissions reductions and provide for the appropriate measures to work cooperatively across jurisdictions and sectors on this critical issue.

The national waste policy framework should provide guidance on the role of relevant stakeholders in implementation; including commonwealth, state and territory governments, local governments, business and the community. A national approach should facilitate action from the various parties to take responsibility for relevant measures and encourage a collaborative approach to achieve desired outcomes.

The national waste policy framework should establish a robust assessment framework to determine priority sectors, products and materials based on a range of factors, including:

- Tonnages of waste disposed to landfill now, and predictions for the future
- The adequacy of current systems in managing the environmental impacts of the product or material from production through to consumption and ultimate disposal, including recycling
- The environmental and health (including toxicity) of the product or material from production through to consumption and ultimate disposal, including recycling

- Costs to the community and recycling industry of managing discarded products and opportunities for improved management

AFGC believes that one of the most pressing issues for the national waste policy framework, based on tonnages to landfill, inadequacy of current systems and cost to the community, is food and organic waste (methane emissions) and prescribed wastes (toxicity).

### **1.2.3 Pursuing sustainability**

#### Packaging and organic waste

Waste management policy framework should incorporate environmental, social and economic factors to be truly sustainable. The policy framework for 2020 should develop strategies that provide a national focus that facilitate and support research, and development and implementation of new technologies to manage priority wastes such as organic and prescribed wastes. The policy framework should provide clear leadership and direction for business, government and the community and identify priority issues to be addressed while also having strong coordination with the climate change policy framework and any emissions reduction mechanisms.

AFGC supports the waste hierarchy approach that minimises and avoids waste, promotes the reuse and recycling of materials and minimises the amount of waste sent to landfill as a basis for waste management strategies. Minimising waste generation through avoidance or reuse has the potential to reduce costs to business and the community. This is done by reducing materials used or by reducing the amount of waste to be disposed of so that the cost of waste management for business is also decreased.

#### Water waste

Water availability and safety for food production and processing is a critical issue following the effects of a continuing drought, and low storage levels in many of the country's rivers and dams. The issue of waste water treatment and efficiency, including the contentious issue of water recycling and re-use of water in the food supply chain, remains a critical issue going forward for the wider Australian population but more specifically for the associated sectors; particularly the food sector. There is arguably sufficient technological capacity in the food processing industry to assess and implement simple water efficiency programs at existing plants

The industry seeks a nationally coordinated approach to water security, waste water management and availability for food production, processing and manufacturing. It would be valuable to document the innovation within industry in relation to improved water efficiency, and case studies of associated water reduction, to provide direction for the long term sustainability for the industry. More specifically however, the approach should take a wider policy framework and look at the higher level industry issue of water availability, security and re-use; where the opportunities and challenges are for a broader supply chain wide approach to increasing water efficiency in the food and grocery sector.

Standard frameworks exist for assessing water, energy and waste and these can be readily adapted to food processing. The initial opportunities for recycling and improved water

efficiencies can arise from simple operational changes. It is this “low hanging fruit” that yields the greatest cost savings. Many of these operational changes can be assisted by a range of state government based policies and programs such as Every Drop Counts (NSW), Eco Biz (Qld) and Sustainability Victoria initiatives. A number of companies continue to implement changes that address the demand for water at the manufacturing gate.

#### **1.2.4 Facilitating investment**

The National Packaging Covenant provides an avenue with which government and industry can drive investment in the waste management sector. The cooperative funding model and mechanism for allocating resources to specific projects that address targets and goals outlined in the Covenant is a unique but successful model that should be supported and adopted for other waste materials.

There are approximately 50 projects that have been funded under the Covenant. Funded projects aim to improve education, awareness and knowledge, divert additional tonnes of packaging from landfill and/or improve infrastructure. In order to obtain funding, projects must contribute to achieving the Covenant’s goals and targets and coincide with the project priorities. This reduces overlapping of projects and maintains the goals of the Covenant of collaborating to reduce the environmental effects of packaging.

The proposal for the continuation of the National Packaging Covenant includes a focus on design of packaging materials to contribute to managing a product throughout its life-cycle, including improving its capacity to be reused or disassembled for recovery at end of life. Changes in design and technological advances can create new products and processes which can have benefits at the production stage rather than the resource recovery stage of the supply chain. Sustainable design principles are proposed to be included in the revised Environmental Code of Practice for Packaging, which is incorporated into the Covenant. Sustainable design and production should be supported and facilitated through programs within the national waste policy framework. This approach allows enough certainty for us to invest in technology and innovation that can drive improvements and reduce waste.

This approach would seek to put the focus on the design stage and develop products which are more sustainable, energy efficient, avoid the use of hazardous materials and which can be easily reused or recycled. The national waste policy framework should take a life-cycle approach to product design that seeks to avoid waste through improvements in design, production processes and transport.

#### **1.2.5 Reporting on performance**

Robust and reliable data collection and management is a key issue that will establish the basis for any targets included under the national waste policy framework. National information on waste and recycling performance is limited and there are differences from jurisdiction to jurisdiction in how data is collected and reported. This makes comparison of figures such as disposal and recovery rates across states and territories problematic. The national waste policy framework should focus on improving national data and its management to ensure policy framework initiatives can be evidence based.

Currently, lack of data inhibits government and industry from identifying problems and developing effective solutions. As identified in the Senate Inquiry into the Management of

Australia's Waste Streams report ([www.aph.gov.au/senate/committee/eca\\_ctte/aust\\_waste\\_streams/index.htm](http://www.aph.gov.au/senate/committee/eca_ctte/aust_waste_streams/index.htm)) and the 2006 Productivity Commission report on waste management ([www.pc.gov.au/projects/inquiry/waste/docs/finalreport](http://www.pc.gov.au/projects/inquiry/waste/docs/finalreport)), there is a lack of consistent and complete waste data to inform planning for and management of waste.

The lack of national waste data limits the information on which to make decisions about waste and to measure success in achieving national objectives. As well as gaps in statistical information, there are also limits to scientific knowledge about the environmental and health impacts and future risks of some of the materials disposed of to landfill. Data limitations clearly restrict the capacity of governments to develop effective policy framework responses. A national mechanism for collecting, storing, collating and accessing data would provide a valuable source of information on trends and performance of waste management. The mechanism would need to be nationally driven and incorporate agreed definitions and aggregation challenges.

Inquires relating to this submission should be directed to:

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## AFGC MEMBERS LIST AS AT 4 JUNE 2009

Arnott's Biscuits Limited	Kerry Ingredients Australia Pty Ltd	CHEP Asia-Pacific
Snack Foods Limited	Kraft Foods Asia Pacific	Concurrent Activities
The Kettle Chip Company Pty Ltd	Lion Nathan Limited	Dairy Australia
Asia-Pacific Blending Corporation Pty Ltd	Madura Tea Estates	Exel (Aust) Logistics Pty Ltd
Barilla Australia Pty Ltd	Manildra Harwood Sugars	Focus Information Logistics Pty Ltd
Beak & Johnston Pty Ltd	Mars Australia	Food Liaison Pty Ltd
BOC Gases Australia Limited	Mars Food	FoodLegal
Bronte Industries Pty Ltd	Mars Petcare	Food Science Australia
Bulla Dairy Foods	Mars Snackfood	Foodbank Australia Limited
Bundaberg Brewed Drinks Pty Ltd	McCain Foods (Aust) Pty Ltd	IBM Business Cons Svcs
Bundaberg Sugar Limited	McCormick Foods Aust. Pty Ltd	innovations & solutions
Cadbury Schweppes Asia Pacific	Merisant Manufacturing Aust. Pty Ltd	KPMG
Campbell's Soup Australia	National Foods Limited	Leadership Solutions
Cantarella Bros Pty Ltd	Nerada Tea Pty Ltd	Legal Finesse
Cerebos (Australia) Limited	Nestlé Australia Limited	Linfox Australia Pty Ltd
Christie Tea Pty Ltd	Nestlé Foods & Beverages	Meat and Livestock Australia Limited
Clorox Australia Pty Ltd	Nestlé Confectionery	Monsanto Australia Limited
Coca-Cola Amatil (Aust) Limited	Nestlé Ice Cream	New Zealand Trade and Enterprise
SPC Ardmona Operations Limited	Nestlé Nutrition	Promax Applications Group Pty Ltd
Coca-Cola South Pacific Pty Ltd	Foodservice & Industrial Division	Sue Akeroyd & Associates
Colgate-Palmolive Pty Ltd	Novartis Consumer Health Australasia	Swisslog Australia Pty Ltd
Coopers Brewery Limited	Nutricia Australia Pty Ltd	The Nielsen Company
Dairy Farmers Group	Ocean Spray International Inc	Touchstone Cons. Australia Pty Ltd
Danisco Australia Pty Ltd	Parmalat Australia Limited	Visy Pak
Devro Pty Ltd	Patties Foods Pty Ltd	Wiley & Co Pty Ltd
DSM Food Specialties Australia Pty Ltd	Peanut Company of Aust. Limited	
DSM Nutritional Products	Procter & Gamble Australia Pty Ltd	<b>PSF Members</b>
Earlee Products	Gillette Australia	Amcor Fibre Packaging
Ferrero Australia	PZ Cussons Australia Pty Ltd	Bundaberg Brewed Drinks Pty Ltd
Fibrisol Services Australia Pty Ltd	Queen Fine Foods Pty Ltd	Cadbury Schweppes Asia Pacific
Fonterra Brands (Australia) Pty Ltd	Reckitt Benckiser (Aust) Pty Ltd	Coca-Cola Amatil (Aust) Limited
Foster's Group Limited	Ridley Corporation Limited	Foster's Group Limited
Frucor Beverages (Australia)	Cheetham Salt Limited	Golden Circle Limited
General Mills Australia Pty Ltd	Sanitarium Health Food Company	Lion Nathan Limited
George Weston Foods Limited	Sara Lee Australia	Owens Illinois
AB Food and Beverages Australia	Sara Lee Foodservice	Visy Pak
AB Mauri	Sara Lee Food and Beverage	
Cereform/Serrol	SCA Hygiene Australasia	
Don	Sensient Technologies	
GWF Baking Division	Simplot Australia Pty Ltd	
George Weston Technologies	Spicemasters of Australia Pty Ltd	
Jasol	Stuart Alexander & Co Pty Ltd	
Weston Cereal Industries	Sugar Australia Pty Ltd	
GlaxoSmithKline Consumer Healthcare	SunRice	
Golden Circle Limited	Swift Australia Pty Ltd	
Goodman Fielder Limited	Symrise Pty Ltd	
Meadow Lea Australia	Tate & Lyle ANZ	
Quality Bakers Aust Pty Ltd	The Smith's Snackfood Co.	
H J Heinz Company Australia Limited	The Wrigley Company	
Hans Continental Smallgoods Pty Ltd	Unilever Australasia	
Harvest FreshCuts Pty Ltd	Wyeth Australia Pty Ltd	
Hoyt Food Manufacturing Industries Pty Ltd	Yakult Australia Pty Ltd	
Johnson & Johnson Pacific Pty Ltd		
Pfizer Consumer Health	<b>Associate Members</b>	
Kellogg (Australia) Pty Ltd	Accenture	
Day Dawn Pty Ltd	Australia Pork Limited	
Specialty Cereals Pty Ltd	Australian Dietetic Services	
Kikkoman	ACI Operations Pty Ltd	
Kimberly-Clark Australia Pty Ltd	Amcor Fibre Packaging	
	CAS Systems of Australia	

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