

# Australian Food and Grocery Council SUBMISSION

JULY 2010

**TO:**

DEPARTMENT OF ENVIRONMENT AND RESOURCE  
MANAGEMENT

**IN RESPONSE TO:**

QUEENSLAND'S WASTE STRATEGY 2010-2010: WASTE  
AVOIDANCE AND RECYCLING CONSULTATION DRAFT



## 1. PREFACE

The Australian Food and Grocery Council (AFGC) is the leading 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).

With an annual turnover of \$100 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector<sup>1</sup> is Australia's largest and most important manufacturing industry. Representing 28 per cent of total manufacturing turnover, the sector is comparable in size to the Australian mining sector and is more than four times larger than the automotive sector.

The growing and sustainable industry is made up of 38,000 businesses and accounts for \$49 billion of the nation's international trade. The industry's total sales and service income in 2007-08 was \$100 billion and value added increased to nearly \$27 billion<sup>2</sup>. The industry spends about \$3.8 billion a year on capital investment and over \$500 million a year on research and development.

The food and grocery manufacturing sector employs more than 315,000 representing about 3 per cent of all employed people in Australia paying around \$14 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia<sup>3</sup>. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

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1 Fast moving consumer goods (FMCG) includes all products bought almost daily by Australians through retail outlets including food, beverages, toiletries, cosmetics, household cleaning items etc.

2 AFGC and KMP, State of the Industry 2009, Essential information: facts and figures. Australian Food and Grocery Council, Oct 2009.

3 About Australia: [www.dfat.gov.au](http://www.dfat.gov.au)

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## 1. SUMMARY

The Australian Food and Grocery Council (AFGC) welcomes the opportunity to make this submission to the Department of Environment and Resource Management in relation to Queensland's Waste Strategy 2010-2020 Waste Avoidance and Recycling Consultation Draft. We have previously provided comment on the draft consultation paper circulated in 2007.

Issues of key importance to the food and grocery industry from a waste management perspective include food and organic waste, packaging waste, liquid waste and prescribed waste policy. The industry is of the view that the Queensland Waste Strategy should provide clear guidance in terms of principles and priorities for key stakeholders to apply and implement as appropriate.

The AFGC supports the development of a principled based strategy to approach waste management in Queensland. Specifically the AFGC supports the adoption of the sustainability principle, where the economic and social considerations are considered along side the environmental impacts. We endorse the principle of not imposing un-necessary costs on industry and improving resource efficiency through the development of partnerships across the supply chain. Sustainability policy must incorporate the three pillars of to be truly sustainable and we congratulate and encourage the Queensland government to continue supporting this approach when developing and implementing waste management strategies and initiatives.

The Queensland Government is commended for its proposal to establish a levy on solid and prescribed (or lower and higher hazard regulated) industrial wastes sent to landfill and the AFGC supports the use of funds raised for waste reduction, resource recovery and improved waste management facilities and practices.

We also support the establishment of targets. While they can be challenging, as long as targets are based on robust data they can be useful in setting the agenda for the community, including business, to work towards. AFGC would support the development of a combination of aspirational and overarching targets where appropriate.

We are concerned that no levy has been placed on municipal waste and believe that it will be extremely difficult to achieve the target of a 65% municipal recycling rate by 2020 without sufficient disincentive for the community to continue utilising cheap landfills. We also have a level of concern in relation to the potential cross border issues associated with Queensland and NSW varying approaches to landfill levies (NSW has a landfill levy on municipal wastes in regional areas).

While the incentives that will be provided through the \$120 million Local Government Sustainability Fund for councils to spend on environmental projects (focussing on improved waste management facilities and practices) are commended, it is also not clear that these incentives will lead to a sufficient change in municipal recycling rates to increase these from the current 23% to the target 65%.

We also welcome the \$159 million Waste Avoidance and Resource Efficiency Fund for targeted programs to assist business and industry to reduce the amount of waste they generate, and to encourage industry investment in recycling technologies, including in regional areas. The targets for commercial and industrial and construction and demolition waste are challenging, however the industrial waste levy should provide incentives to improve recycling over the soon-to-be more expensive landfill option.

Queensland's data on waste and recycling performance is limited, which makes comparisons of performance across waste generation sectors and across state jurisdictions problematic. The AFGC is of the view that data collection and management should be a key priority to establish baseline data on which to measure ongoing performance against the targets the government is seeking to establish. We note that the National Waste Policy has also highlighted this area in relation to both the development of

a national definition and classification system for wastes and the development of an integrated national core data system on waste and resource recovery.

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

The AFGC also commends the Queensland Government's commitment to lead by example to ensure that government actions are based on the goals and targets of the strategy through the requirement for all departments to develop and implement strategic waste management plans. As a significant procurer of goods, services and infrastructure the Government can play a key role in embodying and promoting sustainable procurement principles within government departments.

The AFGC supports the principle that product stewardship means a shared responsibility between producers, consumers and government. The AFGC is of the view that the Australian Packaging Covenant is a successful model on which to base product stewardship schemes. The Covenant has engagement from all levels of government, industry and community groups and notwithstanding the sometimes bureaucratic nature of the mechanism it is achieving tangible results on all packaging across the supply chain.

The AFGC supports the development of a range of actions that underpin the strategy particularly

- Action 2 - State wide litter prevention strategy
- Action 3 – Expansion of the public place do the right thing program
- Action 9 - Enhanced litter and illegal dumping compliance program
- Action 13 - Community recycling champions
- Action 15 - Household green and organic waste collection

In addition the AFGC is of the view that specific initiatives such as the Design for Environment and the improved data collection and reporting strategy are likely to provide tangible results and would be supported by industry.

The AFGC and the food and grocery industry in Queensland looks forward to continuing to work in partnership with the Queensland Government to deliver sustainable outcomes for waste management into the future.

## 2. PRIORITY STRATEGY ACTIONS

AFGC makes the following comments in relation to the draft strategy.

### 2.1. Knowledge management

Robust and reliable data collection and management is a key issue that will establish the basis for any targets included under the waste strategy. National and state 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 Queensland waste strategy should focus on improving state based data but also cooperating with other states 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 state and national waste data limits the information on which to make decisions about waste and to measure success in achieving 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. Ideally the mechanism would be nationally driven and incorporate agreed definitions and aggregation challenges.

### 2.2. Waste Avoidance Targets

*Question: Do you think these targets (ie 1. reduce the overall trend for an annual increase in waste generation and 2. Reduce the per capita generation of waste from the current 2.4 tonnes per person) are an appropriate measure for waste avoidance? Can you suggest other targets or measures for waste avoidance.*

**Response:** Prior to establishing any targets – avoidance, recycling or litter - waste data collection and management needs to improve. This should be a specific priority for the Queensland government.

The AFGC supports the current targets for waste avoidance. Other states have established similar objectives for waste avoidance, based on waste generation (ie the sum of waste landfilled and recycled annually). Per capita data also provides the opportunity for comparison with other states using a similar methodology.

However, as previously mentioned, there is a critical need for the Queensland government to improve its data collection capabilities to establish baseline performance for waste landfilled and recycled. The absence of weighbridges at many of Queensland's landfills will mean that until these are put in place and have reported for a full year period, it will not be possible to establish baseline data from which to measure performance. In the absence of any levy on municipal waste, the strategy is also unclear on how data will be captured from the municipal sector on waste sent to landfill.

## 2.3. Recycling Targets

*Question: Do you think the recycling targets are appropriate? Do you think there should be targets for other specific streams (eg for organic waste)?*

**Response:** On the basis that the targets have been established following analysis of data trends and consultation with local government and waste and resource recovery industry stakeholders, the AFGC supports the recycling targets set for each sector. Sectoral targets will enable comparison of performance with other states that have established similar targets (eg Vic, SA and NSW) while providing a focus for sectoral approaches in relation to strategies and activities to improve recycling across the sector. The strategy does not address how the Queensland Government will measure performance of each of the sectors?

In relation to targets for specific streams, there is currently no measure provided in the 2008 base case for organic wastes (or any other specific waste streams). As the greatest contributor to greenhouse gases generated by landfills, organic wastes could have a specific target.

## 2.4. Landfill Diversion and Litter Targets

*Question: Do you think we should have a reduction target for litter and illegal dumping, and if so, what should this target be? Should we have a landfill diversion target? If so, can you suggest an appropriate diversion target?*

**Response:** The AFGC supports the proposal to strengthen legislation specifically in relation to litter enforcement. The development of a state wide litter prevention strategy is welcomed and the industry would be keen to engage in this strategy. Specifically the introduction of a public reporting system for littering behaviour is one component of a comprehensive approach to reducing litter. A more contemporary and flexible approach to priority products will provide more scope to implement initiatives that will have a direct and tangible impact and minimise the externalities of a one size fits all approach.

In the absence of any current performance data in relation to litter and illegal dumping, it is not clear what targets could be set. In relation to a landfill diversion target, this should only be established once baseline data on tonnages to landfill is confirmed (see our previous comment above re weighbridge issue).

## 2.5. Product Stewardship

The Australian Packaging Covenant is a successful product stewardship scheme. It represents a partnership between industry, the community and governments, based on the principle of shared responsibility. It incorporates the various 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. It adheres to the design for the environment principle and provides a direct opportunity for industry to make improvements to products to minimise environment impact.

The framework for the Australian Packaging Covenant from 2010 focuses 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 Australian 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. Ongoing recognition and commitment by government to the Covenant as the sole policy to manage all of packaging provides business with a level of confidence that conflicting policy framework options, such as packaging bans or taxes will not be introduced so long as it continues to produce tangible and positive results as such additional regulations would increase the costs placed on industry and the costs to the community.

As a demonstration of voluntary industry product stewardship, through the AFGC's Packaging Stewardship Forum (PSF), we have supported the Queensland Government's efforts to increase recycling rates. Over the last 2 years, more than \$650,000 in PSF funding has been provided to boost glass recycling rates (Gold Coast City Council Clean Stream Project with 30 pubs and Hamilton Island glass reprocessing infrastructure) and to install new "away from home" recycling systems at the following venues:

- Queensland University of Technology
- Bond University
- James Cook University
- Griffith University
- University of the Sunshine Coast
- Tropical North Queensland Regional Institute of TAFE
- Virgin Blue (Brisbane Airport Terminal)
- Mackay Airport
- Rockhampton Airport
- Townsville Airport
- Cairns Airport
- Gold Coast Airport
- Dairy Farmers Stadium
- Carrara Stadium
- Skilled Park Stadium
- The GABBA
- Ballymore Stadium
- Mirvac Queensland Shopping Centres
- Lend Lease Queensland Shopping Centres
- Warner Bros Movie World
- Warner Bros Wet N Wild Waterworld
- Brisbane Convention and Exhibition Centre
- Cairns Convention Centre
- Brisbane Entertainment Centre
- Gold Coast Entertainment Centre
- Queensland Rail

We look forward to continuing to work closely with the Queensland government to deliver industry product stewardship initiatives which complement the Queensland waste strategy.



# APPENDIX A - AFGC MEMBERS

As at 4 June 2010

Arnott's Biscuits Limited  
 The Kettle Chip Company Pty Ltd  
 Asia-Pacific Blending Corporation P/L  
 Baking Association Australia  
 Barilla Australia Pty Ltd  
 Beak & Johnston Pty Ltd  
 BOC Gases Australia Limited  
 Bronte Industries Pty Ltd  
 Bulla Dairy Foods  
 Bundaberg Brewed Drinks Pty Ltd  
 Bundaberg Sugar Limited  
 Byford Flour Mills T/a Millers Foods  
 Cadbury Schweppes Asia Pacific  
 Campbell's Soup Australia  
 Cantarella Bros Pty Ltd  
 Cerebos (Australia) Limited  
 Christie Tea Pty Ltd  
 Church & Dwight (Australia) Pty Ltd  
 Clorox Australia Pty Ltd  
 Coca-Cola Amatil (Aust) Limited  
     SPC Ardmona Operations Limited  
 Coca-Cola South Pacific Pty Ltd  
 Colgate-Palmolive Pty Ltd  
 Coopers Brewery Limited  
 Dairy Farmers Group  
 Danisco Australia Pty Ltd  
 Devro Pty Ltd  
 DSM Food Specialties Australia Pty  
     Ltd  
     DSM Nutritional Products  
 Earlee Products  
 FPM Cereal Milling Systems Pty Ltd  
 Ferrero Australia  
 Fibrisol Services Australia Pty Ltd  
 Fonterra Brands (Australia) Pty Ltd  
 Food Spectrum Group  
 Foster's Group Limited  
 Frucor Beverages (Australia)  
 General Mills Australia Pty Ltd  
 George Weston Foods Limited  
     AB Food and Beverages Australia  
     AB Mauri  
     Cereform/Serrol  
     Don  
     GWF Baking Division  
     George Weston Technologies  
     Jasol  
     Weston Cereal Industries  
 GlaxoSmithKline Consumer  
     Healthcare  
 Golden Circle Limited  
 Goodman Fielder Limited  
     Meadow Lea Australia  
     Quality Bakers Aust Pty Ltd  
 H J Heinz Company Australia Limited  
 Harvest FreshCuts Pty Ltd  
 Hela Schwarz

Hoyt Food Manufacturing Industries P/L  
 Johnson & Johnson Pacific Pty Ltd  
     Pfizer Consumer Health  
 Kellogg (Australia) Pty Ltd  
     Day Dawn Pty Ltd  
     Specialty Cereals Pty Ltd  
 Kerry Ingredients Australia Pty Ltd  
 Kikkoman  
 Kimberly-Clark Australia Pty Ltd  
 Kraft Foods Asia Pacific  
 Lauke Flour Mills  
 Lion Nathan Limited  
 Madura Tea Estates  
 Manildra Harwood Sugars  
 Mars Australia  
     Mars Food  
     Mars Petcare  
     Mars Snackfood  
 McCain Foods (Aust) Pty Ltd  
 McCormick Foods Aust. Pty Ltd  
 Merisant Manufacturing Aust. Pty Ltd  
 National Foods Limited  
 Nerada  
     Tea Pty Ltd  
 Nestlé Australia Limited  
     Nestlé Foods & Beverages  
     Nestlé Confectionery  
     Nestlé Ice Cream  
     Nestlé Nutrition  
     Foodservice & Industrial Division  
     Novartis Consumer Health Australasia  
 Nutricia Australia Pty Ltd  
 Ocean Spray International Inc  
 Parmalat Australia Limited  
 Patties Foods Pty Ltd  
 Peanut Company of Aust. Limited  
 Procter & Gamble Australia Pty Ltd  
     Gillette Australia  
 PZ Cussons Australia Pty Ltd  
 Queen Fine Foods Pty Ltd  
 Reckitt Benckiser (Aust) Pty Ltd  
 Ridley Corporation Limited  
     Cheetham Salt Limited  
 Sanitarium Health Food Company  
 Sara Lee Australia  
     Sara Lee Foodservice  
     Sara Lee Food and Beverage  
 SCA Hygiene Australasia  
 Sensient Technologies  
 Simplot Australia Pty Ltd  
 Spicemasters of Australia Pty Ltd  
 Stuart Alexander & Co Pty Ltd  
 Sugar Australia Pty Ltd  
 SunRice  
 Swift Australia Pty Ltd

Tasmanian Flour Mills Pty Ltd  
 Tate & Lyle ANZ  
 The Smith's Snackfood Co.  
 The Wrigley Company  
 Tixana Pty Ltd  
 Unilever Australasia  
 Wyeth Australia Pty Ltd  
 Yakult Australia Pty Ltd

## Associate & \*Affiliate Members

Accenture  
 Australia Pork Limited  
 Australian Dietetic Services  
 ACI Operations Pty Ltd  
 Amcor Fibre Packaging  
 \*ASMI  
 BRI Australia Pty Ltd  
 CAS Systems of Australia  
 CHEP Asia-Pacific  
 Concurrent Activities  
 CoreProcess (Australia) Pty Ltd  
 Dairy Australia  
 Exel (Aust) Logistics Pty Ltd  
 Food Liaison Pty Ltd  
 FoodLegal  
 Food Science Australia  
 \*Foodservice Suppliers Ass. Aust.  
 \*Food industry Association WA  
 Foodbank Australia Limited  
 \*Go Grains Health & Nutrition Ltd  
 GS1  
 Harris Smith  
 IBM Business Cons Svcs  
 innovations & solutions  
 International Business Systems  
 KN3W Ideas Pty Ltd  
 KPMG  
 Leadership Solutions  
 Legal Finesse  
 Linfox Australia Pty Ltd  
 Meat and Livestock Australia Limited  
 Monsanto Australia Limited  
 New Zealand Trade and Enterprise  
 StayinFront Group Australia  
 Sue Akeroyd & Associates  
 Swisslog Australia Pty Ltd  
 The Nielsen Company  
 Touchstone Cons. Australia Pty Ltd  
 Visy Pak  
 Wiley & Co Pty Ltd

# Australian Food and Grocery Council

Level 2, Salvation Army House  
2-4 Brisbane Avenue  
Barton ACT 2600

Locked Bag 1  
Kingston ACT 2604

T: (02) 6273 1466  
F: (02) 6273 1477  
[afgc@afgc.org.au](mailto:afgc@afgc.org.au)  
[www.afgc.org.au](http://www.afgc.org.au)



one voice - adding value