
Standing Council on Environment and Water

Attachment D: Glossary

December 2011



Disclaimer

This report has been prepared by PricewaterhouseCoopers (PwC) in association with Wright Corporate Strategy (WCS) at the request of the Standing Council on Environment and Water (SCEW) in our capacity as advisors in accordance with the Terms of Reference and the Terms and Conditions contained in the Consultant Agreement between SCEW and PwC.

The information, statements, statistics and commentary (together the 'Information') contained in this report have been prepared by PwC and WCS from publicly available material and from discussions held with stakeholders. The Consultants may in their absolute discretion, but without being under any obligation to do so, update, amend or supplement this document.

PwC and WCS have based this report on information received or obtained, on the basis that such information is accurate and, where it is represented by the client and other stakeholders as such, complete. The Information contained in this report has not been subject to an Audit. The Information must not be relied on by third parties, copied, reproduced, distributed, or used, in whole or in part, for any purpose other than detailed in our Consultant Agreement without the written permission of the SCEW and PwC.¹

Glossary

Advance disposal fee (ADF): Government excise imposed on industry to fund initiatives aimed at increasing packaging recovery and recycling and reducing packaging litter.¹

Alternative Waste Technology (AWT): Refers to methods of waste management and disposal that offer a more sustainable solution than landfill, thus reducing environmental impact. AWT can include mechanical separation methods, biological processes, thermal technologies and mechanical biological treatment.

At home consumption: Consumption that occurs in the household, including **consumer packaging**. It excludes consumption in offices, industry, hospitality venues, institutions, shopping centres and public places.

Australian Packaging Covenant (APC): The Australian Packaging Covenant (also referred to as 'the Covenant'), formerly the **National Packaging Covenant (NPC)**, is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. Brand owners can choose to join the Covenant or comply with the relevant state based **National Environmental Protection (Packaging Materials) Measure (NEPM)**. The current Covenant was adopted in July 2010. There have been two previous Covenant agreements; National Packaging Covenant (1999-2005) and National Packaging Covenant (2005-2010).

Away from home consumption: Consumption that occurs in offices, industry, hospitality venues, institutions, shopping centres and public places. It includes **consumer packaging** and associated **distribution packaging**. It does not include **at home consumption**.

Away from home recycling: Using materials/products recovered from offices, industry, hospitality venues, institutions, shopping centres and public places as raw materials to produce other products. It does not include **kerbside recycling**.

Base case: The 'business as usual' scenario that occurs in the absence of government intervention.

Benefit Cost Ratio: One of the key outputs of a **Cost Benefit Analysis (CBA)**, used to compare the net benefit to society of a particular option. The BCR is measured as the ratio of the **Present Value (PV)** of **incremental benefits** (relative to the **base case**) over the evaluation period to the present value of **incremental costs**.

Beverage containers: manufactured from rigid or flexible materials including glass, plastics, steel and aluminium. They carry liquids for human consumption.

Commercial and Industrial (C&I) waste: Refers to waste produced by commercial and industrial business and enterprises, government agencies and institutions.

Consumer packaging: Refers to all packaging products made of any material or combination of materials, for the containment, protection, marketing and handling of consumer products². This includes **distribution packaging**. Consumer packaging is also often referred to as **sales packaging**.

Consultation Regulation Impact Statement (CRIS): A CRIS is a document that details a regulation impact assessment process for consultation with stakeholders. A CRIS is generally followed by a Decision Regulation Impact Statement. A CRIS involves identifying the problem requiring government intervention, the proposed options for addressing the problems, the impacts of different options and consultation with stakeholders.

¹ Note: An ADF is classified as a funding mechanism rather than an initiative or stand alone option.

² Australian Packaging Covenant (2010) Australian Packaging Covenant - A commitment by governments and industry to the sustainable design, use and recovery of packaging. July, Schedule 6.

Container deposit legislation (CDL): See **Container deposit scheme**

Container deposit scheme (CDS): A deposit is levied on the sale of a product sold in a container. The deposit is refunded to the consumer after the product has been used and when the container is returned to a designated public redemption point. CDSs are most often confined to beverage containers, and some CDSs, such as that operating in South Australia, exclude (plain) milk and wine containers. A CDS is also known as **Container Deposit Legislation (CDL)**.

Cost Benefit Analysis (CBA): An analytical tool that compares the impacts of proposed options for government intervention that to address identified problems, relative to a 'business as usual' scenario (the **base case**). Economic costs and benefits are examined from the perspective of the community as a whole to help identify the proposal with the highest net benefit.³ Where possible, they are monetised and discounted to convert them to their **Net Present Value (NPV)** for comparative purposes.

Distribution packaging: Refers to packaging that contains multiples of products (the same or mixed) intended for direct consumer purchase⁴. This includes:

- **Secondary packaging** used to secure or unitise multiples of consumer product, for example, cardboard box, shipper, shrink film overwrap
- **Tertiary packaging** used to secure or bundle multiples of secondary packaging, for example, pallet wrapping stretch film, shrink film, strapping.

Dansk Retursystem (DRS): This organisation has been granted an exclusive licence to operate the deposit system in Denmark.

Duals System Deutschland (DSD): Operators of the **Green Dot System** in Germany.

Extended Producer Responsibility (EPR): EPR is a suite of policy tools for reducing the generation of wastes by promoting greater recycling and resource recovery and encouraging more sustainable product design. EPR shifts the responsibility for nominated product wastes to the producers or suppliers of those products. EPR schemes can include ADFs and CDSs. EPR is also known as **Producer Responsibility Schemes (PRS)**.

Flexible packaging refers to non-rigid packaging. The majority of flexible packaging is paper/cardboard and film plastics. Both are used extensively in **grouped packaging** and **transport packaging**.

Free rider: An individual or company who benefits from a good or a service without paying for it. In the context of packaging policy options, this usually refers to companies/groups that, under the principles of product stewardship, should be held accountable for the environmental impacts of packaging, but do not contribute to programs/initiatives designed to address the environmental impacts of packaging.

Green Dot System: In many countries throughout the EU, a 'Green Dot' scheme operates based on the **Duales System Deutschland (DSD)** scheme initially established to run the product responsibility scheme in Germany. All members of the scheme were able to put on their packaging a trademarked DSD Green Dot that indicated financial contribution to the packaging recovery program. This was intended to mitigate the issues of free riding. This approach and the Green Dot symbol have been licensed to 33 countries⁵.

³ Office of Best Practice Regulation 2011, Cost Benefit Analysis, available at <<http://www.finance.gov.au/obpr/cost-benefit-analysis.html>>

⁴ Australian Packaging Covenant 2010, Australian Packaging Covenant – A commitment by governments and industry to the sustainable design, use and recovery of packaging, July, Schedule 6.

⁵ Fost Plus, Green Dot tariffs 2010, available at <http://www.fostplus.be/SiteCollectionDocuments/Leden/GP%20tarieven/GreenDot_UK.PDF>, accessed June 2011.

Grouped packaging: Packaging which constitutes, at the point of purchase, a grouping of a certain number of sales units, whether the latter is sold as such to the final user or whether it serves only as a means to replenish the shelves at the point of sale. Grouped packaging can be removed from the product without affecting the characteristics of the product⁶. Grouped packaging is sometimes referred to as **secondary packaging**.

Hub and spoke: A hub and spoke-based system is one that operates with a large centre which leads the system (the hub) and a series of smaller centres (the spokes) which operate parts of the system under the leadership of the hub. This is the structure of the recycling facilities in the proposed Boomerang Alliance CDS.

Incremental benefits and costs: In a CBA, the benefits and costs of the options to address identified problems are measured on an incremental basis relative to the 'business as usual' scenario (the **base case**).

Kerbside recovery: Roadside collection of domestic solid waste. Waste may be sorted for recycling or otherwise prior to collection.

Kerbside recycling: Using materials/products recovered from roadside collections as raw materials to produce other products.

Litter: The intentional or unintentional discard of end of life packaging, products or other items into the environment, for example, due to over-full receptacles or uncovered bins/vehicle loads.

Liquid paperboard: A high quality board made from wood chip paste and coated on both sides with a very thin layer of polyethylene plastic. These are typically used for packaging milk, fruit juice, cream, detergents and wine.

Material Recovery Facility (MRF): Sometimes referred to as a Materials Reclamation Facility, a MRF is a specialised (mechanical) plant that receives, separates, and prepares recyclable materials for marketing to end-user manufactures for reprocessing.

Municipal waste: Domestic waste from households, usually disposed of via roadside collection.

National Environment Protection Measure (NEPM): National Environment Protection Measures (NEPMs) are designed to improve national consistency in environmental protection outcomes. Measures are made under the National Environment Protection Council (NEPC) Act by Commonwealth, State and Territory environment ministers.

National Environment Protection (Used Packaging Materials) Measure 2011: The Used Packaging Materials NEPM is a regulatory safety net designed to prevent industries in the packaging chain that choose not to participate in the Australian Packaging Covenant from gaining a competitive advantage⁷. Brand owners are obligated to:

- Undertake or assure the systematic recovery of consumer packaging in which the brand owner's products are sold
- Undertake or assure the re-use, recycling or energy recovery of consumer packaging in which the brand owner's products are sold
- Demonstrate that all materials that have been recovered by them or on their behalf have been utilised through (in order of preference):
- Re-use in the packaging of the brand owner's own products (if applicable)

⁶ Packaging Council of Australia, Packaging – Its Essential Role, Issues Paper No. 14, available at <<http://www.pca.org.au/site/cms/documents/issues/issues14.html>>, accessed 7 July 2011.

⁷ National Environment Protection Council (NEPC) Variation to the National Environment Protection (Packaging Materials) Measure 2010 (No. 1) – Explanatory Statement.

- Use within Australia as a secondary resource
- Export as a secondary resource, and
- Demonstrate that reasonable steps have been taken to ensure that consumers are adequately advised as to how the packaging is to be recovered⁸.

National Packaging Covenant: See **Australian Packaging Covenant**

National Waste Policy: The National Waste Policy, which was agreed to by all Australian environment ministers in November 2009 and endorsed by the Council of Australian Governments (COAG), sets out a coherent approach to Australia’s waste management and resource recovery⁹. The objectives of the National Waste Policy are to avoid the generation of waste and reduce the amount of waste (including hazardous waste) for disposal; manage waste as a resource; ensure that waste treatment, disposal, recovery and re-use is undertaken in a safe, scientific and environmentally sound manner; and contribute to the reduction in greenhouse gas emissions, energy conservation and production, water efficiency and the productivity of land¹⁰.

Net Present Value (NPV): One of the key outputs of a **CBA**, used to compare the net benefit to society of a particular option. The NPV is measured as the difference between the **Present Value (PV)** of incremental benefits (relative to the **base case**) over the evaluation period and the present value of incremental costs.

Non-beverage containers: Containers used for grocery products such as foods, household and commercial liquids and powders. Common material types include glass, steel and plastic.

Packaging: Packaging plays a vital role in the consumer goods sector by protecting and preserving raw materials and products as they move through supply chains. The roles of packaging include protecting products; promoting products; providing consumer information on usage, health, safety and disposal etc.; allowing for unitisation of products for wholesale distribution; maintaining the integrity of products and supporting the efficient handling of products throughout the supply chain.

Polyethylene terephthalate (PET): A thermoplastic polymer resin used to manufacture beverage, food and other liquid containers.

Product Stewardship: The concept of shared responsibility by all sectors involved in the manufacture, distribution, use and disposal of products.

Product Stewardship Organisation (PSO): An organisation established by industry participants, some of whom may be competitors, to deliver a product stewardship function for products or materials on their collective behalf¹¹.

Product Stewardship Scheme: A product stewardship scheme tends to be designed around the idea that producers of products and packaging should bear responsibility for the management of packaging waste. This could involve industry establishing an organisation to operate the scheme and charging membership fees (similar to an ADF arrangement) to members, which are used to fund initiatives aimed at increasing packaging recovery and recycling and reducing packaging litter.

Recovery: Collecting solid waste that can be sorted and processed for recycling.

Recyclate: Material that has been collected, sorted and prepared (e.g. by removing contaminants) for incorporation into a new product (not necessarily packaging).

⁸ National Environmental Protection (Used Packaging Materials) Measure 2011, Clause 9.3.

⁹ Department of Sustainability, Environment, Water, Population and Communities (DSWEPC), National waste policy, available at <<http://www.environment.gov.au/wastepolicy/index.html>>, accessed 5 July 2011.

¹⁰ Department of the Environment, Water, Heritage and the Arts (DEWHA) and the Environment Protection and Heritage Council (EPHC) 2009, National Waste Policy: Less Waste, More Resources, November, p 15.

¹¹ Department of Sustainability, Environment, Water, Population and Communities 2010, National Waste Policy: Product Stewardship Legislation Consultation Paper November 2010, available at <<http://www.environment.gov.au/settlements/waste/product-stewardship/consultation/pubs/ps-legislation-consultation.pdf>> accessed 17 July 2011.

Recycling: Using recovered products/materials as raw materials to produce another product. The recovered material is called **recyclate**.

Reprocessing: See **recycling**.

Resource recovery: See **recovery**.

Reuse: To use products and materials again in their original state without reprocessing or remanufacture.

Reverse Vending Machines (RVMs): RVMs are used in CDSs as deposit points. Packaging is inserted in to the RVM and then scanned, sorted by material type and processed by the RVM (glass bottles and aluminium cans are crushed, plastic bottles are shredded) into separate bins to minimise storage requirements.

Rigid packaging: Packaging made from non-malleable materials such as glass or steel.

Sales packaging: See **consumer packaging**

Secondary packaging: See **distribution packaging** and **grouped packaging**.

Transport packaging: Transport packaging is designed to facilitate handling and transport of a number of sales units, unitised or grouped packaging in order to maintain unit integrity, and prevent physical damage during handling and transport. Transport packaging does not include road, rail, ship and air containers. Transport packaging is sometimes referred to as **tertiary packaging**.

pwc.com.au
wrightstrategy.com