

National Packaging Covenant



FACT SHEET 1 *What is the National Packaging Covenant?*

The Covenant

The National Packaging Covenant is the leading instrument for managing packaging waste in Australia. It was signed on 27 August 1999 by the Australian and New Zealand Environment and Conservation Council Ministers, local government, and a broad range of industries in the packaging supply chain.

It is a self-regulatory agreement between industries in the packaging chain and all spheres of government, based on the principles of shared responsibility through product stewardship; it is applied throughout the packaging chain, from raw material suppliers to retailers, and to the ultimate disposal of waste packaging.

The Covenant has a life span of five years. It is not prescriptive, does not tell companies how to make their packaging or what type of packaging to use; nor does it implement regulations requiring businesses to take back materials recovered from kerbside recycling collection programs.

The goals of the Covenant are to minimise the environmental impacts of waste packaging throughout the entire life cycle of the packaging product, close the recycling loop, develop economically viable and sustainable recycling collection systems, and ensure that the voluntary process continues.

The NEPM

A National Environment Protection Measure on Used Packaging Materials (the NEPM) has been approved to ensure that Covenant signatories are not disadvantaged in the market place. This will provide a complementary regulatory safety net affecting those who do not sign the Covenant.

The role of the NEPM is to support and intersect with the Covenant by guiding States and Territories in the creation of a nationally consistent regulatory safety net. Legislation or regulations have been or are being developed by each State and Territory to implement the NEPM. In supporting the Covenant, the NEPM serves to encourage membership of the Covenant.

State and Territory Government Environment Agencies can provide you with further information.

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National Packaging Covenant Council

The Council has overall responsibility for the implementation and management of the Covenant. Membership of the Council consists of four ANZECC representatives, two local government representatives and six Industry representatives.

Action Plans

The Covenant and its Schedules set out commitments each signatory is required to undertake. These commitments are flexible, with sectors having different Covenant responsibilities in the life cycle of a packaging product. Individual signatories are able to determine what actions are appropriate for their organisation.

Within 90 days of signing the Covenant, signatories are required to develop and submit an Action Plan detailing how they propose to implement their Covenant commitments. Action Plans can be developed for a 12-month period or up to the five-year life of the Covenant. They can be submitted either as an individual or a joint Action Plan through an industry association or group of companies or with mentors.

Industry Transitional Funding Arrangements

A program referred to as the 'Transitional Arrangements' has been agreed under the Covenant. The program will consist of studies and other measures aimed at improving the cost-effectiveness of kerbside collection programs, and at strengthening and expanding markets for collected materials. The objective is a more sustainable, market-based recycling system.

Funded up to \$34.5 million, the Transitional Arrangements program will run for three years. The cost of the program is to be shared between government and industry, with industry committed to raising up to \$17.45 million during the life of the program.

An industry association—National Packaging Covenant (Transitional Arrangements) Industry Association Inc—has been established to coordinate and manage the industry contribution.

As part of their Covenant commitment, each Covenant signatory in the packaging supply chain undertakes to contribute to the industry portion of the cost of the Transitional Arrangements.

A schedule of contributions has been developed for industry Covenant signatories. This sets out the annual contribution to the Transitional Arrangements to be made over three years, based on the organisation's position in the packaging supply chain and its turnover in packaging-related sales.

The National Packaging Covenant (Transitional Arrangements) Industry Association has reviewed timelines and contributions to the Transitional Arrangements Program. From 1 June 2001, the minimum annual contribution to the Transitional Arrangements program will be \$500. Signatories to the Covenant should receive an

invoice 10 days after signing; on receipt of the invoice, they have 30 days in which to make their contribution.

Schedule of industry annual contributions to the Transitional Arrangements Program (from June 2001)

Australian turnover \$	Raw material supplier \$	Packaging manufacturer \$	Packaging user \$	Wholesaler/ retailer \$
Over 20B	180,000	540,000	200,000	265,000
10-20B	130,000	405,000	150,000	215,000
5-10B	60,000	300,000	80,000	80,000
3-5B	30,000	130,000	40,000	60,000
1-3B	18,000	80,000	20,000	32,000
750M-1B	10,000	30,000	10,000	16,000
500-750M	5,000	20,000	7,000	11,000
250-500M	3,000	14,000	4,000	7,200
100-250M	2,000	7,000	2,000	3,400
75-100M	1,000	5,000	1,000	1,700
50-75M	700	2,500	600	1,200
25-50M	500	1,700	500	700
10-25M	500	1,500	500	500
5-10M	500	1,250	500	500
2-5M	500	1,000	500	500
1-2M	500	750	500	500
250K-1M	500	500	500	500
Up to 250K	500	500	500	500

How to sign the National Packaging Covenant

All organisations are welcome to participate. Potential signatories are encouraged to read the Covenant to fully understand the obligations expected of signatories.

These include obligations to:

- ◆ produce Action Plans
- ◆ adopt product stewardship policies and contribute to the effective environmental management of packaging throughout its life cycle
- ◆ apply the principles of the Covenant in their own operations
- ◆ encourage greater recognition that packaging is a resource to be re-used where practical and feasible
- ◆ recognise and implement the Environmental Code of Practice for Packaging.

If you wish to view the Covenant document, it can be downloaded at the following Internet address: www.ea.gov.au/industry/waste/covenant/covenant.html

or contact : Covenant Council Secretariat
Environment Australia
PO Box 787
Canberra City ACT 2601
Tel: (02) 6274 1679
E-mail: barbara.butt@ea.gov.au

Mentoring

To assist small business participate in the National Packaging Covenant, the Commonwealth has introduced a new initiative that provides small businesses (partners) with an opportunity to work with industry associations and larger organisations (mentors) to participate in a cost-effective manner.

If you are interested in being a Covenant mentor, please contact Ms Tara Harris on (02) 6274 1370 or tara.harris@ea.gov.au

More information

For more information visit Environment Australia's internet site:

www.ea.gov.au/industry/waste/covenant/index.html