

# TRANSCRIPT

## STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

### Inquiry into the Environment Protection Amendment (Banning Plastic Bags, Packaging and Microbeads) Bill 2016

Melbourne — 20 April 2017

#### Members

Mr David Davis — Chair

Ms Harriet Shing — Deputy Chair

Ms Melina Bath

Mr Richard Dalla-Riva

Ms Samantha Dunn

Mr Khalil Eideh

Mr Cesar Melhem

Mr Daniel Young

#### Participating Members

Mr Greg Barber

Mr Jeff Bourman

Ms Colleen Hartland

Mr James Purcell

Mr Simon Ramsay

Ms Jaclyn Symes

#### Witnesses

Mr Becher Townshend (sworn), Executive Director, and

Mr Graham Attwood (sworn), Board Member, Expanded Polystyrene Australia.

**The ACTING CHAIR (Mr Melhem)** — I declare open this Standing Committee on the Environment and Planning hearing. Today’s hearing is being undertaken by a subcommittee. This is being done to enable the committee to manage several inquiries being undertaken concurrently. All matters heard today will, however, be considered by the full committee. The committee is hearing evidence today in relation to the inquiry into the Environment Protection Amendment (Banning Plastic Bags, Packaging and Microbeads) Bill 2016. The evidence is being recorded. I welcome our two witnesses for this afternoon’s session, Mr Becher Townshend and Mr Graham Attwood, from Expanded Polystyrene Australia. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders; therefore the information you give today is protected by law. However, any comments repeated outside this hearing may not be protected. As I said, all evidence is being recorded. You will be provided with a proof version of the transcript in the next couple of days. I invite you — one of you or both — to make opening remarks of, let us say, 5 minutes each, and then we will take some questions.

**Mr TOWNSHEND** — I will lead off if that is all right. My name is Becher Townshend. I am the executive director of Expanded Polystyrene Australia, which is the peak organisation for manufacturers and producers of expanded polystyrene. I have invited along today a board member from our board, Graham Attwood. Graham has some 30 to 40 years experience working directly in the EPS industry and is also currently working with Sustainability Victoria and the MWRRG on a number of recycling initiatives for the sector. The aim is that I will talk through a brief submission which we have prepared, and we will distribute it to the committee electronically after the hearing, simply on the basis that we would have liked to get it to you before but the timing did not work for us. I will talk in broader terms, and then Graham can provide any technical details or further input to your questions. I will make a brief opening statement, which will hopefully cover the substance of what we are talking about today. As I said, I will distribute the submission after the hearings.

Expanded Polystyrene is a popular choice for the storage, transportation and distribution of fruit and vegetables in Australia, offering efficient insulation and strength properties at a very light weight and cost-effective price. Expanded Polystyrene Australia — EPSA — is the national peak body for EPS manufacturers. The association has a long history of leadership on the production of fruit and vegetable boxes for use in the sector. In summary, the bill seeks to restrict the supply and sale of polystyrene packaging used for perishable fruit and vegetables. In the briefing note released by the proponent of the bill it states the following:

The bill will make it unlawful for retailers to sell perishable fruit or vegetables that are wrapped, sealed or otherwise contained in plastic or polystyrene packaging. It is totally unnecessary for, say, cucumbers to be wrapped in plastic, or for capsicums or apples to be sealed in plastic and polystyrene packaging.

Packaging used in this context is not polystyrene but polyethylene. However, the bill does not make this distinction. As a result, the bill will see a blanket ban on the use of EPS packaging in the fruit and vegetable industry in Victoria and have significant financial, social and environmental impacts, with estimated losses of up to 200 direct and indirect jobs nationally as well as the loss of some \$2 million of capital investment annually, with a significant flow-on from that on the economy, forcing the closure of a number of mainly family-run small businesses overnight.

If introduced, in addition to these significant economic impacts, the ban on EPS packaging for the fruit and vegetable industry will mean significant increases in the cost of packaging, transport and storage of fruit and vegetables in Victoria, with flow-on impacts to farmers, wholesalers, retailers and consumers. Families will pay more to put healthy options on their tables. Secondly, it will lead to an increase in the carbon footprint of the supply of fruit and vegetables in Victoria. More environmental damage will be done if EPS is banned in the supply and sale of fruit and vegetables in this state. Thirdly, it will add significantly to the food waste issue in Australia, which already sees significant produce spoil due to logistic and storage issues associated with fruit and vegetables — more wasted food at a time when the world needs all the food it can produce.

Why is EPS so widely used in the fruit and vegetable industry? EPS has a very high thermal and impact protection for sensitive goods such as fresh fruit and vegetables, including broccoli, corn and beans, as well as fresh high-value seafood, pharmaceuticals, transplant organs and home delivery services such as Lite n’ Easy. Its lightweight packaging reduces the load of transport, air and road miles, as well as fuel consumption. It leads to a reduction in food spoilage rates, which is currently estimated to represent some 10 to 15 per cent in certain sectors of fruit and vegetable production, as well as the saving of consequent resources wasted on extra production. The economics of EPS fruit and vegetable industries are, on our estimates, approximately 20 to 25 million fruit, vegetable, seafood and food packaging boxes manufactured nationally, with a large proportion

of these within Victoria each year. Much of this production is used within the state but is also used for high-value exports, such as grapes to China and so on. Many boxes enter Victoria from interstate with production such as broccoli. As stated, we estimate between 100 and 200 direct and indirect jobs will be lost nationally, with possibly half of these in Victoria, as well as some \$2 million in annual investment being lost.

I will not go through the rest of the submission; I will open it up to some discussion and perhaps some more technical input from Graham. I would say, though, to the committee and to anybody listening in today or reading the transcript: one of the really disappointing aspects of this bill from our point of view is that we have been trying to engage with the Greens to discuss this issue, and we feel that, had we had that opportunity, many of the issues that we are facing today, where we are saying ‘What the bill is seeking to do and actually what the bill does are two very different things from an EPS packaging point of view’ could have been avoided. We are a small organisation. We are a small sector. We do not have a lot of resources. But I would say to anybody reading or listening or anybody on the committee we are more than happy to talk and explain what EPS is — as in expanded polystyrene — what it is not and where it does fit in a modern world from an environmental impact point of view.

The only thing I will finish with is EPS is a 100 per cent recyclable product, and we have distributed two examples of that in the form of some picture frames, which we have given the two members, just to show that the product is fully recyclable.

**The ACTING CHAIR** — Thank you. Mr Attwood, would you like to add — —

**Mr ATTWOOD** — No; open to questions. That is fine.

**The ACTING CHAIR** — Just on the last point about the engagement, you said you are happy to have engagement with, I suppose — you did refer to the Greens as the sponsors of the bill. But have you got any thoughts about the bill in relation to there being anything in the bill that can be workable for your industry? I know you focused mainly on packaged food and food and vegetables, which is considering your members in your industry your main focus. We have heard a lot of evidence in relation to that point about the pros and cons in relation to that issue, and I think you have articulated that in your argument. But what about in relation to other areas the bill is looking at addressing — for example, single-use plastic bags? Have you got any views on that? It might not be a part of your industry, but both as an industry player and a consumer or a participant, have you got any views on that issue?

**Mr TOWNSHEND** — I can only speak from my experience of Tasmania — and it is really only a personal experience — where plastic bags have been banned. The net effect is I used to go to the supermarket and I used to get a plastic bag for my groceries, now I go to the supermarket and I pay for a plastic bag, which I get with my groceries, and on the plastic bag it has written, ‘This plastic bag is recyclable’, and that is because, I think, it is made of a thicker grade of plastic, so therefore I could use it again. So on a purely personal basis I find it difficult to see what benefit that provides in Tasmania, and my view would be that clearly the issue of plastic bag use is really about public education and about encouraging people to use hessian bags and those kinds of things.

Our primary concern is that the bill seeks to ban trays in supermarkets where vegetables are placed on them — fruit and veg — and wrapped in clear plastic. What we are saying is: what it actually does is ban the use of EPS boxes from the farm gate all the way through to the retailer, and I do not think, on the reading of the information we have seen, that was the intent of what was going on, but the consequences are huge. I suppose at first we say it is an unintended consequence, and secondly, from that point of view we would really like it knocked out. Thirdly, we say to people who have concerns about EPS: on our side of things we are more than happy to talk to people and we would encourage people to talk to us.

**The ACTING CHAIR** — That is the purpose of bringing a bill to a committee: so the committee can explore all these avenues and hear from stakeholders themselves. So have you got any practical examples or areas in the bill you can live with or you would like to change? Because looking at your presentation on page 1, you do recognise that plastic bags and so forth are a problem. A lot of them finish up on our beaches and in landfill. We all recognise that the way we are doing business at the moment is a problem. There is a proposed bill, which was proposed by the Greens party, so we all agree, I think, there is a problem. The thing we are disagreeing on and we are trying to work through is: what is the perfect solution? I am not sure we could ever get to a perfect solution, but from your point of view, can you take us through what practical steps you would

like to see in the bill which address some of your concerns but also meet the environmental concerns? As an obligation of the state, we all agree on this issue in relation to pollution.

**Mr TOWNSHEND** — I will make a comment, and then I will throw to Graham. From our point of view the move to ban EPS will have a net environmental loss, not a gain. That would be the first point.

**The ACTING CHAIR** — Can you expand on that a bit?

**Mr TOWNSHEND** — What we are arguing is that, firstly, it leads to increased food waste, and that is because, say, with broccoli for example, the thermal qualities of an EPS box mean that broccoli can be preserved for a longer period of time.

**Ms DUNN** — Can I just interject at this point for a point of clarification. We will use broccoli as the example. Do retailers actually sell boxes of broccoli in those containers?

**Mr TOWNSHEND** — They can, yes.

**Ms DUNN** — They can, but do they?

**Mr TOWNSHEND** — They do. On my understanding, it is not widespread. What I am saying is the bill does not make that distinction. The bill says in terms of the use of EPS boxes for fruit and veg, they are banned. It does not say they are banned for retail display, for example. It says they are banned.

**Ms DUNN** — I think the bill talks about obligations on retailers. That is why I am seeking clarity around it. I completely understand you are talking about boxes that are used in transportation, possibly from a wholesaler to a retailer or a fresh fruit market — whatever.

**Mr TOWNSHEND** — Or from the farm gate.

**Ms DUNN** — Yes, exactly. But when it gets to the retailer, you have suggested in your evidence that that then moves to a polyethylene tray, not necessarily this polystyrene box?

**Mr TOWNSHEND** — What we are saying is that the explanatory note or the briefing note that was issued with the bill by the Greens — this is what the bill is all about — talks about the sale of fruit and veg in supermarkets on trays wrapped in clear film. I think that is the intent of this bill. Then you read the bill, and the bill says ‘Ban EPS’.

We are saying, firstly, they are made out of polyethylene, not expanded polystyrene. First things first: you are not banning the right thing. Secondly, we are saying that because you are banning EPS you are going to ban all this — —

**Ms DUNN** — Yes, so you believe it captures a whole supply chain of that product?

**Mr TOWNSHEND** — Yes. On my reading of the bill, it says ‘Ban EPS for fruit and veg’, so it knocks out all of this. What we are saying is we are not even commenting on the trays because we do not represent the producers of those trays. We are saying, you want to knock those out, but you are not knocking those out. They will still be able to be sold theoretically, but what will happen is your box of broccoli that comes from a vegetable grower, is put in a truck, goes to a wholesaler — say it goes to the Epping market — and then goes to your local fruit and veg shop and then is put on display, bang! That cannot be used. I do not think that is the intent of the bill. So we are saying, you are going to kill us. You are absolutely going to kill us, and you are not going to achieve your outcome. That is why we want to talk, because it is not your intent.

**The ACTING CHAIR** — And that particular box is a recyclable box anyway, so yes.

**Mr TOWNSHEND** — Yes, 100 per cent recyclable.

**Mr ATTWOOD** — Perhaps I can make a couple of comments as well, Mr Melhem. You are asking the question about the analogy with plastic bags. Over 30 years worth of dealing with the industry generally — not just polystyrene but polymers and plastics — this is not a new issue that has been raised for the community. The key thing and the analogy is that whenever decisions are taken about considering banning or constrictions or restrictions, it is critically important that the right information over the totality of that supply chain is taken into

consideration. When we talk about the net benefit — environmental, food waste — it is literally from cradle to grave. To take a snapshot of one part of it is only half answering that question.

With regards to EPS packaging in that supply chain, it is critically important that the complete life-cycle assessment is taken into account. When we talk about potentially Victorian issues of banning and restricting, we absolutely need to consider the totality of things like food miles, fuel consumption, lightweighting, food spoilage, what impact it has back in the farmers' fields when they have to replough and waste a lot of energy, resources and money reploughing spoiled material, because the impact of not allowing EPS materials to be used as transportation is significant spoilage.

The other question. When it comes down to the point-of-sale element and if retailers and other supply chain elements at the far end use EPS for display — they can do and do do. We are not talking here just about the primary and two major supermarkets. We are talking about the complexity of our supply chain into regional marketplaces and farmers markets. These all absolutely recognise the value of having EPS transportation supply-chain packaging, and it is really important that the totality of the point of sale is considered, not just the two major supermarkets, which sometimes leaves out the guys on the extreme.

To address the last point you raised in terms of recyclability, the industry association for over 20 years has been advocating and has actually supported and financed complete recycling of EPS packaging and is still going through that process now. As Becher said, I am working with Sustainability Victoria and the Metropolitan Waste Management Group to work through new avenues, new systems and new networks to provide a complete closed-loop system. Sometimes that is not necessarily recognised or understood because it is not necessarily a part of the industry that is very prevalent, but it is critically important to all our members and to the employees and the people that work in it.

**The ACTING CHAIR** — I am pleased we are focusing on that part of the bill, and probably we will not be spending much time on the other areas which are not affecting you. If I just focus on that, can using expanded polystyrene reduce the need for other packaging — for example, if we expand the use of the polystyrene packaging system or some method?

**Mr ATTWOOD** — I might make mention of some of the innovations that are going on. I can give you perhaps two examples that are really important. Some of the innovations currently underway are hinged polystyrene boxes. As you might imagine, your typical 18-litre esky box contains a lot of volume, so when it comes to transporting empty boxes through to farmers' fields and back again, the transporting of empty boxes can consume a lot of fuel and miles. The innovations that are now taking place will allow flat packing of these sort of materials that will drastically improve the efficiency from manufacturing through to farmers' fields and back again. Included in that are things like multi-use boxes that traditionally and previously have tended to be single use. The technology and the quality control systems that are now being developed will allow significant reuse and inclusion in multiple use.

Those are the sorts of innovations that are currently taking place that will allow this to grow further and provide protection of some of the sensitive food materials that we have. I am sure that most people who are listening into this might well query and question the quality of the fruit and vegetables that sometimes appear on supermarket shelves. Some of the quality is less than perhaps we would like, to put it mildly, and part of that is to do with the degradation of foodstuffs as they are transported from farmers' fields to food distribution centres.

**The ACTING CHAIR** — On that point have we got any scientific evidence or have we got any figures to actually support the view? We have heard from a number of witnesses that polystyrene and this sort of packaging can extend the life of fruit and vegetables. Are there any figures that we can refer to or additional evidence?

**Mr ATTWOOD** — Within the association over many years there have been scientific studies and trial work done, particularly with the green, sensitive fruits and vegetables such as broccoli and green beans, in terms of the amount of deterioration during transportation over 24 hours or 48 hours in what is called the cool chain. We have internal documentation that is supported elsewhere that, in some cases for the more sensitive fruit, can suggest figures of typically 10 to 15 per cent of food wastage from actual harvest in farmers' fields to supermarket shelves.

**The ACTING CHAIR** — Are you able to provide us with some copies of this material?

**Mr ATTWOOD** — We can probably provide some summaries of that information.

**The ACTING CHAIR** — And some sort of supporting evidence or reference — that would be great.

**Mr TOWNSHEND** — We have also got, and we have referred to it in our briefing paper, a life-cycle study that compares an EPS box with a cardboard box that was prepared by Melbourne University in 1996. We would argue it still stands. It is a reasonably dated study, but if anything it probably stands more now than it did in 1996. We can provide a copy of that. It is an academic read, but there is a good summary on the head page, for what it is worth.

**Ms DUNN** — Thank you, gentlemen, for your presentation today. I just want to, for a moment, talk about what you talked about in terms of the product being 100 per cent recyclable. I note occasionally when I do end up with those products in my house that some of them even have a number stamped on them. I cannot remember if it is a six or — —

**Mr ATTWOOD** — Yes, six.

**Ms DUNN** — I think it is a six. I am interested in understanding, I guess, the process around recycling and how that actually works, particularly in a Victorian context.

**Mr ATTWOOD** — Perhaps I can explain a little of the background. As you quite rightly say, a number six printed on any of the EPS packaging refers to polystyrene. In terms and in context of the bill, I think it is worthwhile trying to differentiate between commercial versus domestic recycling. I will perhaps just talk for a minute about domestic, which is household.

We all have that challenge of getting our new TVs and computers with polystyrene packaging, and where does it go. Most councils at the moment suggest that expanded polystyrene foam is not and should not be put into our yellow recycling bins, and the reason for that is primarily because it takes up a heck of a lot of volume — it is actually 98 per cent air, polystyrene. So whenever you see that, you are talking about air, and 2 per cent is actual plastic or polymer.

From the point of view of domestic recycling, the way in which that works is that there are currently five local councils that, through their transfer stations, offer drop-off points for expanded foam to be dropped off as well as some private organisations that are operating foam-recycling systems, either as part of co-mingled or as part of direct and single product. As well as that, the manufacturers of polystyrene who are our members also offer drop-off points by arrangement with anyone who chooses to contact them. That is from a domestic point of view.

I will talk about commercial as well, because at the moment that would probably constitute a significantly larger volume of foam. Not all of those councils I mentioned earlier offer that service commercially. However, some do offer it commercially at commercial rates to be negotiated, because in this world nothing is for free. Part and parcel of that whole process is to provide a good solid, strong network that allows commercial entities to negotiate and put complete recycling systems in place. The same would apply to commercial entities operating within our manufacturing organisations.

The other element I point to is, as part of this overall recycling chain with EPS, we have what is quite a neat and well-established network system whereby polystyrene foam can subsequently be reused in the building and construction industry. We have a significant amount of collection whereby the building and construction industry that uses particular foam products offers a collection system to building sites and to retailers that are able to distinguish and isolate their particular foams. Those are subsequently collected. They are reused, re-ground and reproduced in what are called underground foundation support systems. There is a recycling rate typically upwards of 50 per cent associated with that particular supply chain, and any of the clean foam that is available through retailers or distribution centres can be recycled through collection and negotiation with the commercial entities.

So there is a strong element of being able to do that. As I mentioned before, I am working with the Metro group and Sustainability Victoria to establish CBD-based and also regional-based recycling systems that will do exactly that.

**Ms DUNN** — So in terms of recycling this particular material, you have said five councils at the moment are offering that. I am interested in understanding — there is a certain amount of polystyrene that is manufactured — if you know the recycling rates of that quantum. Is it all getting recycled or is some ending up in landfill?

**Mr TOWNSHEND** — I think this is one Graham will be better equipped to answer. There is one distinction to make though. There is EPS, which is manufactured in Australia, in this context fruit and vegetable boxes and those kind of things, then there are significant amounts of imported EPS, which comes as part of your TV, whitegoods, those kinds of things. I think Graham will be able to talk with some authority on the recycling rate by local manufacturers — for example, a fruit box produced in Mildura gets fruit in it, gets sent to the Victorian Epping markets, the fruit gets sold, the box at the end of the process gets recycled or the actual manufacturer at the beginning of the process will take the box back. So there are reasonably high recycling rates, but Graham has probably got a better handle on it.

**Mr ATTWOOD** — The rates can vary depending on which part of the state we operate in, depending on which councils operate, and what sorts of systems and networks they have in place. The reality is this is probably in its infancy. In terms of the economic viability of a lot of these recycling centres, across the board the recycling industry as a whole — regardless of whether it is plastics, polymers, paper or cardboard — is going through a really interesting and challenging cycle that is backed into what is happening in the economy generally — the raw material costs of polymers and paper, and the oil price basically. So when the oil price is high the economics work out pretty well for the recycling operations. When oil prices are depressed it is very, very difficult to operate at an economic or break-even point. So it does tend to change from year to year, but typically in terms of availability of recycling and collection systems we are probably talking anything from 25 to 50 per cent of availability of networks to allow that recycling to happen.

The question then comes about at point of sale in exactly the same way as waste management. How does the cost of that recycling mechanism actually work its way through? For those of us who are ratepayers, part of our rate-paying actually goes into providing services and facilities with waste management collection. For commercial areas it is not quite the same because it is obviously a commercial system that needs to take that into consideration.

**The ACTING CHAIR** — How many of these boxes will actually leave the farm gate and go to market or whatever? Could the same box come back to the farm gate?

**Mr ATTWOOD** — To put some quantum around it, nationally and annually about 25 million boxes are involved in fruit and vegetable, seafood and home delivery such as Lite n'Easy. So there are 20 to 25 million boxes a year that are working all the way through. For the cleaner, if you like, non-organics contaminated areas — and for that you would probably point your finger to, say, Lite n'Easy and other areas that have got secondary packaging — they can be used two, three, four times and then go through a QC process that allows that to be further developed or it is said 'That's reached the end of its useful life'.

Quite a few of the boxes currently, if they are packaging corn or broccoli in Queensland and moving through 24 or 48 hours of cool-chain B-double transportation from the Lockyer Valley through to the Melbourne wholesale markets, would be single use. Some of those would be double use. Within the retail markets there is an internal secondary use that goes on before they actually get to the end of their useful life. If we think about the new markets at Epping that have opened up in the last two years, inside that facility is a closed-loop EPS recycling system so all of the tenants there are able to fully recycle their systems and reuse their boxes as part of their supply chain. Of course it is far better economically for those guys to reuse rather than having to purchase brand-new transport systems each time.

**The ACTING CHAIR** — Is there any incentive you are aware of where people are encouraged to actually recycle these boxes around the country? Is there best practice in any of the states where people are encouraged to recycle these boxes and put them back through the system or use via a thing like the building industry, which you talked about earlier?

**Mr ATTWOOD** — The primary incentive is twofold. Basically, reusing resources, which is very, very important to the fruit and vegetable manufacturer and the farmer, and the second is actually reducing the cost of their total supply chain and transportation costs. So that is the primary incentive.

There is not a buyback scheme per se. Is one likely to happen? Who knows in the future? There is not one there that exists in the same way that is being considered for Coke bottles, for instance, and the reuse of bottles that is under consideration right now. That system does not exist for EPS or for any other primary, flexible or rigid plastics at the moment. It might well do in the future.

There is a lot of debate going on globally about how well to incentivise the recovery and recyclable issue, particularly to the economic cycle that goes on. When things are all buoyant and happy everyone is pretty convinced and pretty committed to the whole process. When things are tough economically — and we have seen this globally in the last two years — some of the recycling networks actually fall off the parapet and struggle big time in terms of collection.

But I have got to say that the reality — in terms of the alternative right now — is for all waste to go through to landfill, which is not what anybody wants to see. Long term, it is not viable, and the reality at the moment is landfill pricing to dispose of goods to landfill is actually still quite cheap. That is not something that our industry would advocate.

**The ACTING CHAIR** — Is the industry looking at some further innovation — for example, to reduce the need to send these materials to landfill? What is on the horizon?

**Mr TOWNSHEND** — For example, we are developing a code of practice that can be adopted by all members of our association, so if you have got EPS product sitting in your backyard, you can drop it off to us or to our members who will recycle it. One of Graham's main briefs is to work here in Victoria with the authorities towards establishing some better networks for recycling — to work on pilots and those kinds of things. With the landfill issue one of the challenges we have is that when you drive a truck through you get charged on the basis of weight. The challenge for EPS is that it is not weighty but it is bulky. So if there was a shift in the way in which landfill pricing was considered in terms of bulk, then that would have an impact and that would help drive the economies of scale around recycle.

There is in fact a council in New South Wales, on the coast, that has worked on that process and has come up with a recycling process for EPS which is actually cost neutral. But one of the main reasons for our organisation existing is to work with governments and decision-makers to come up with solutions to these problems because with the use of EPS there are aspects of its application that are very beneficial in the bigger scheme, and given that, we believe it is a product that should remain. So we are keen to work with decision-makers to, firstly, inform them of what it is and what it is not — and there is a lot of misinformation about the product — but secondly, to say: look, we want to work with you to get an outcome on this because we produce a great product that has some great benefits, but we acknowledge that it is an important thing to ensure that the community does not have a negative impact out of what we do as an organisation and what we do as businesses. So that is why I opened with: look, we are happy to talk, because there is a lot of misinformation. Hence my point about the trays versus what we are actually talking about, and it is just a lack of understanding unfortunately.

**Ms DUNN** — I just wanted to go back to recycling rates for a second because, Graham, I know you said there was 25 to 50 per cent network availability. I just want to clarify: do you mean the recycling rates are between 25 and 50 per cent or the opportunity to recycle in terms of a network of — —

**Mr ATTWOOD** — The opportunity would be significantly more than that in Victoria. The reason I was talking about opportunity was because as part of the supply chain mechanism right now we are clearly aware that there are certain parcels of the supermarket chains who elect at this point to divert through to landfill rather than recycle. So we are clearly aware of that. We continuously work with the major and the minor supermarkets to look at reasonable options for them to get an economic outcome and a complete cradle-to-grave outcome that meets their requirements, minimises the — —

**Ms DUNN** — Yes, has the environmental benefits.

**Mr ATTWOOD** — Yes.

**Ms DUNN** — What is the recycling rate at the moment, setting aside the imported EPS, just looking at the Australian — —



**Mr ATTWOOD** — Depending on which way you look at it, from an EPS point of view it is probably going to be somewhere approaching 20 per cent.

**Ms DUNN** — Twenty per cent; okay. Do you have any idea in relation to that imported EPS what the recycling rates might be?

**Mr ATTWOOD** — That is a really good question. The straightforward answer is no.

**Ms DUNN** — There is not a straightforward answer?

**Mr ATTWOOD** — We do not have the data to be able to lock down and understand that imported mechanism. The obvious reason for that is because if you take some of the whitegoods retailers — the Harvey Normans, the Bing Lees — their primary interest is not about collecting and monitoring data about the packaging.

**Ms DUNN** — Yes, about packaging; you are quite right.

**Mr ATTWOOD** — We have considered over the years about whether we can actually talk to the federal government about quarantine and custom-based measurement, and the reality is that the quantum and the size and the value of that particular product line is not going to get any real serious attention. It is something we would like to do; it is something we would like to lock down. It is guesswork at the moment.

**Ms DUNN** — Yes, fair enough.

**Mr TOWNSHEND** — The challenge is from a manufacturing point of view the manufacturers in Australia are committed to a recycling process and within their supply chains do the best they can to recycle. The challenge as an industry from where I sit as the executive officer is that we also get all the odium of the imported product, and while we can put some reasonably positive rates in terms of the work we do with the people we supply our boxes to, there is also all this other crud that turns up from overseas unfortunately, and that is a more problematic issue to deal with. But as Graham pointed out, when the economies of scale are there from a financial point of view in terms of recycle, happy days — people are seeking the product. But when the economies of scale are not there, then it is a real challenge.

**Ms DUNN** — Your presentation talked about extending the shelf life of fresh produce. I am just wondering: are you aware of any independent studies you might be able to point the committee to in terms of supporting that evidence at all? You can certainly take it on notice and get back to us.

**Mr TOWNSHEND** — Just to be clear, we are not necessarily talking about in the shop, we are talking about — —

**Ms DUNN** — Yes, you are talking about the farm gate.

**Mr TOWNSHEND** — Yes.

**Ms DUNN** — That part of the supply chain.

**Mr TOWNSHEND** — Yes.

**Mr ATTWOOD** — We have some information. Some of it is internal, which is internal commissioned studies, but there are also some externally commissioned studies through universities and through external parties that we can once again summarise and provide some information to you.

**Ms DUNN** — My very last really quick one: you mentioned you were trying to engage with the Greens, so have you in fact engaged with the Greens?

**Mr TOWNSHEND** — Well, this is as close as we have had to a face-to-face meeting. I attempted to organise a meeting with Nina. The challenge was by the time we were close to a meeting with Nina the bill went before the house, the bill was debated and it was deferred to this committee. So we ended up in this funny kind of place where we would have loved to have caught up but we could not catch up.

**Ms DUNN** — So it was about before the bill came to the house?

**Mr TOWNSHEND** — Yes. So we were trying to catch up to say, ‘Before you write the bill, talk with us because we can probably save you a little bit of pain in terms of the bill itself’.

**The ACTING CHAIR** — I am sure an amendment can be arranged. And then on the way out you can exchange cards and make arrangements and meet. So, gentlemen, thank you very much for your contribution. I understand you are going to supply us with some further information. We would appreciate it if you wanted to put out a small summary about what changes you would like to see in the bill which you have already covered in your submission. A copy of the transcript will be emailed to you in the next few days to make sure we have recorded your contribution correctly. Again, thank you very much.

**Witnesses withdrew.**