



Extended Producer Responsibility schemes for packaging in Austria

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Implementation of EPR for packaging in Austria



- 1990 - implementation of the Waste Management Act (WMA)
- 1993 - WMA as basis for the implementation of a producer responsibility scheme for packaging (EPR) determined by the Packaging Ordinance 1993
- The first collection and recycling system for packaging waste (PRO) namely the ARA system was founded under the lead of the Austrian chamber of commerce
- ARA is a non-profit organisation owned by Austrian companies and started as a monopolist in a captive market

Steps in a captive market in the past

- Producers/distributors of packaging were forced
 - to contract with the PRO and
 - to pay **material specific fees** to the PRO to defray the costs for the treatment of packaging waste conformable to law.
- **Obligatory collection and recycling rates** for each packaging material mainly to be fulfilled by the PRO
 - **important part** of the packaging ordinance
 - necessity to **improve the existing separate collection** from glass/paper to glass/paper/plastics/metals.



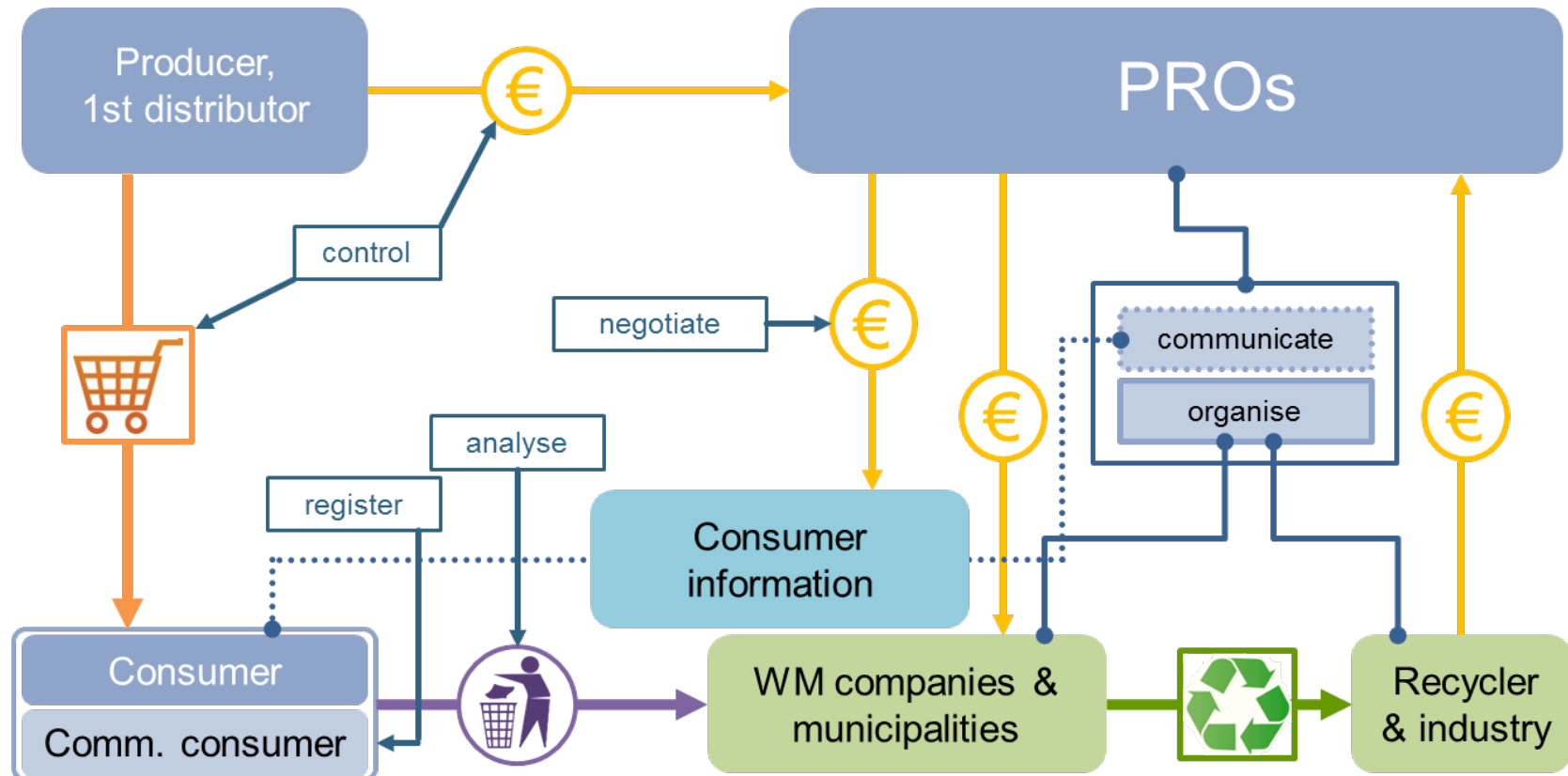
Steps in a captive market in the past

- **Convenient and plain infrastructural measures** were a key to success
 - differently coloured waste collection bins (red for paper, yellow for plastics,...)
 - high density of collection points (mostly kerbside collection)
- The PRO had to contract with all communities. These contracts had a **high flexibility to raise the acceptance** for the new system
 - infrastructure could be owned by PRO or by communities
 - communities could operate as waste collectors and recyclers
 - PRO paid for services of municipal waste consultants



Set up of the EPR system

- Organisation of collection and recycling of packaging waste by ONE company (household sector)



Austria as top performer

- Austria is **one of the leading countries** since several years **in collecting and recycling of packaging waste** in the European Union
 - Thus additional goal of the re-design to **ensure continuity of high amounts of separate collected packaging waste**
- Collection of packaging waste in Austria 2015 (only household waste):
 - Paper: approx. 18 kg per inhabitant and year
 - Glass: approx. 27 kg per inhabitant and year
 - Metals: approx. 3 kg per inhabitant and year
 - Plastics: approx. 17 kg per inhabitant and year

From history to an open EPR market

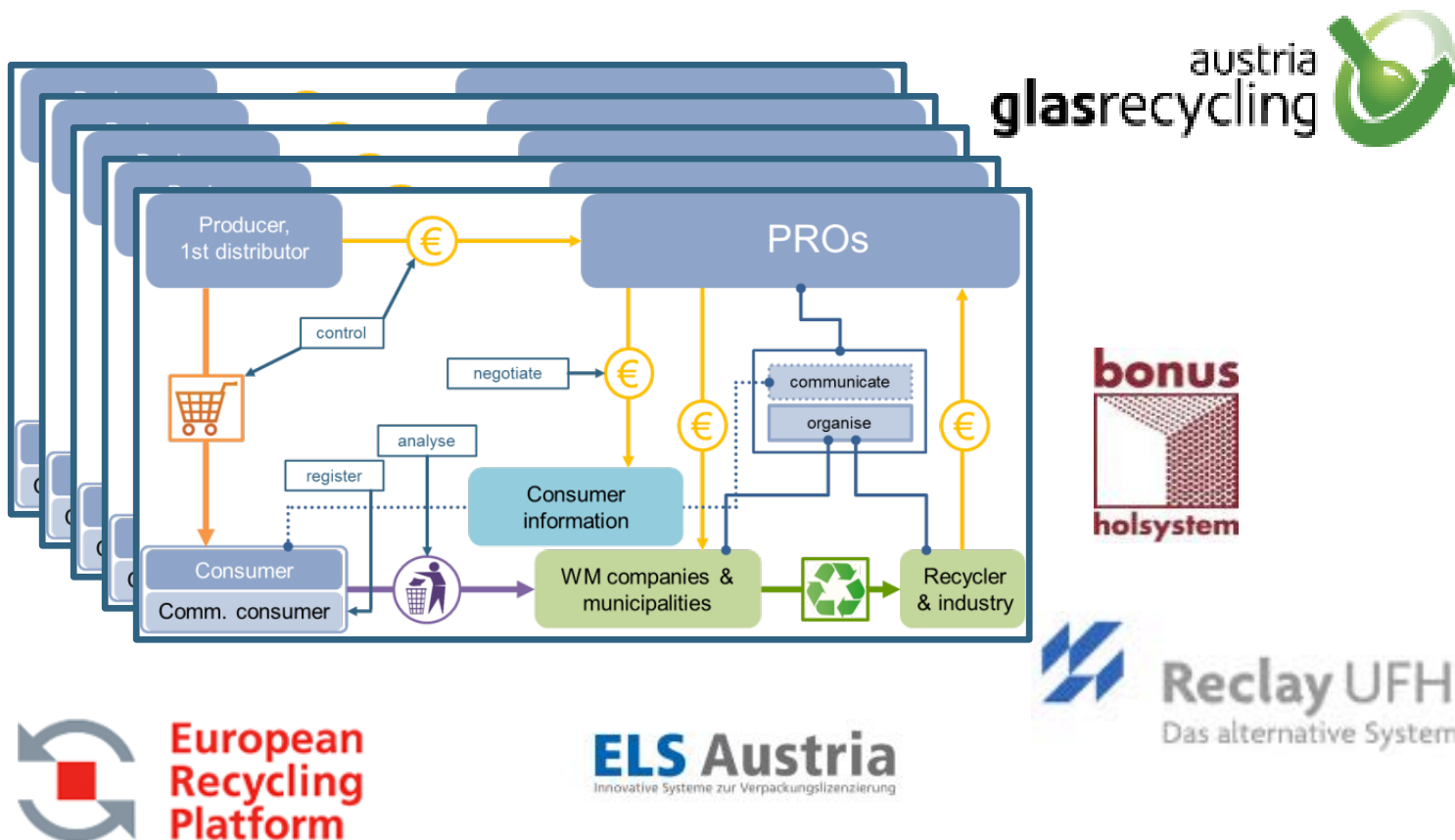
- Due to the EU-regulations Austria had to re-design the legal framework to **enable free access to the market** of producer responsibility for packaging
 - This process was implemented by an amendment of the WMA in 2013 and the packaging ordinance in 2014 which has to be set up in operational function by 01/01/2015
- Duties for the PROs from old laws were slightly adapted but mostly transferred to the new ones
- **Competition in a market of appr. 180 Mio. € per year and 1 Mio. tons of packages.**



From history to an open EPR market



- Multiplication of duties through free market conditions



Adaption to an open market

- New legislation to **allocate between household and commercial packages** (and fees) to facilitate fair competition
 - Allocation rates due to the “way of disposal”
 - ... if 100% of the packages are normally disposed as household waste, 100% of household fees have to be paid for this type of package
- Licence fees 2017 (examples):

Material	Household (EUR/kg)	Commercial (EUR/kg)
Paper	0,095	0,035
Plastics	0,610	0,070
Ferrous metals	0,26	0,060

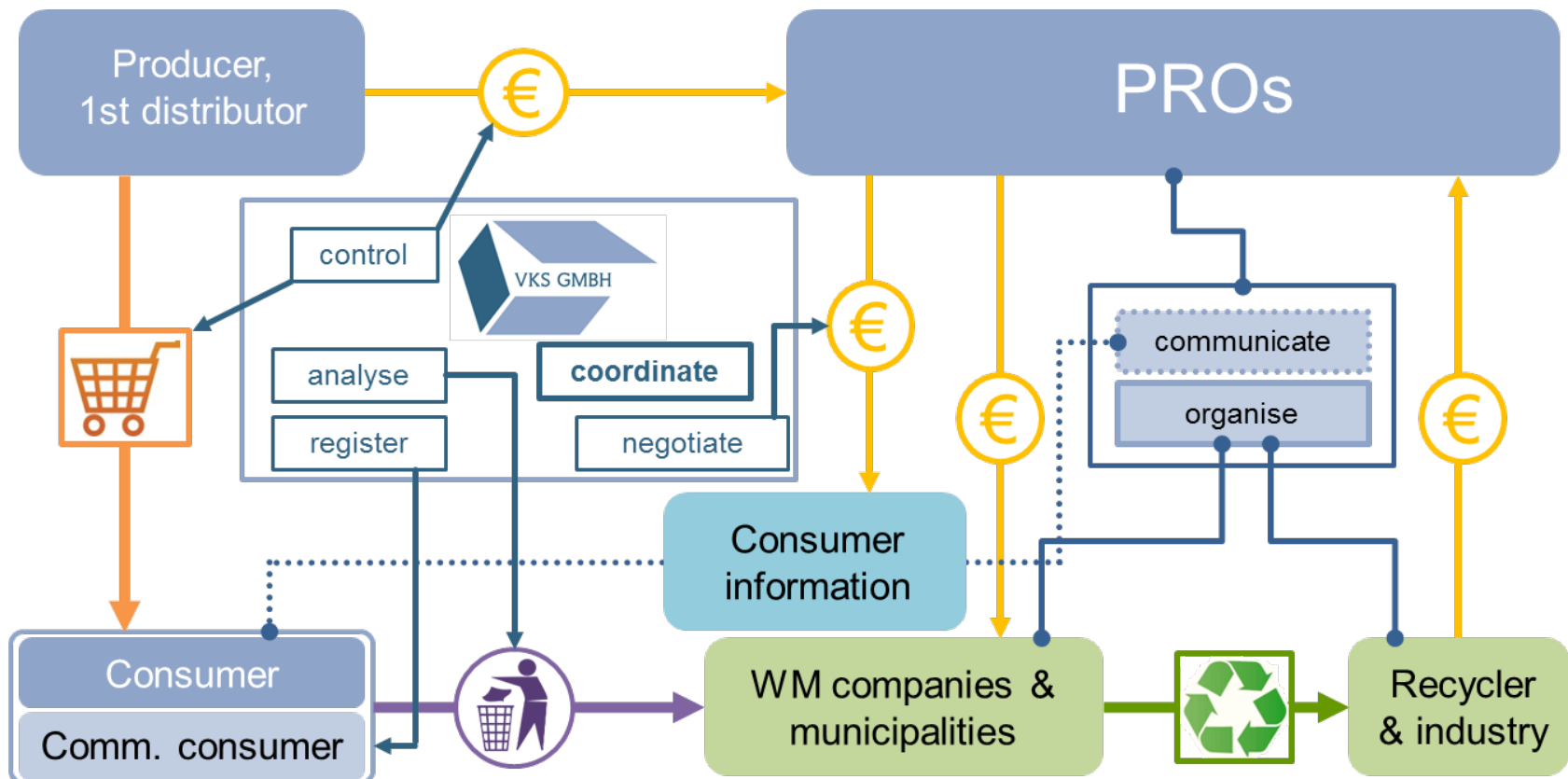
Adaption to an open market

- Lottery of “collection districts” to **allocate regions** (and their amount of packaging waste) **to the PROs** based on their market share (repeated every 5 years)
 - To get all PROs involved and avoid confusion as only one PRO is responsible for each region
- **Monthly market share** officially published at the website of the BMLFUW
 - Cost accounting of PROs with waste collectors, municipalities,...

Ergebnisliste				
Sie haben gesucht nach: Haushaltsverpackungen, Monat: Februar, Jahr: 2017, Datenstand von: 28.01.2017 23:59:59				
◆ Sammel- und Verwertungssysteme	◆ Papier	◆ Glas	◆ Metalle	◆ LVP
Altstoff Recycling Austria Aktiengesellschaft	78,28%	N/A	86,48%	74,95%
AUSTRIA GLAS RECYCLING GmbH	N/A	87,42%	N/A	N/A
Bonus Holsystem für Verpackungen GmbH & Co. KG	1,74%	0,30%	1,25%	2,32%
ELS Austria GmbH	0,13%	0,13%	0,30%	0,35%
INTERSEROH Austria GmbH	5,01%	4,76%	4,55%	10,67%
Landbell Austria Gesellschaft für nachhaltige Kreislaufwirtschaft mbH	1,74%	0,35%	1,06%	1,81%
Reclay UFH GmbH	13,10%	7,04%	6,36%	9,90%
Summe	100,00%	100,00%	100,00%	100,00%

The VKS GgmbH as neutral player

- These have been the surroundings and source for the foundation of the **VKS as neutral element**



The VKS GgmbH as neutral player

- The WMA offers the opportunity to the Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW), to establish a company which **supports the ministry to supervise and coordinate** different activities in the competitive producer responsibility scheme.
 - The VKS was established by decision of the BMLFUW in 2014.
- **All PROs have to contract with the VKS** as obligatory requirement to get approved by the BMLFUW.
- The **approved PROs have to bear all costs of the VKS** as agreed on by contracts.

The VKS GgmbH as neutral player

- The VKS is :
 - not a regulator but **a supporter of the PROs** being contracted based on civil law
 - no authority in the sense of a legal court but **keeps an eye on fair competition**
- Despite a changed framework through a competitive market, the **quality and convenience for the public has to remain the same** to ensure the high level of acceptance and enthusiasm for collecting packaging waste as required

Tasks and activities of the VKS

- **Coordination between competitors** to find one opinion, decision and provide the **service of an intermediary** between stakeholders and PROs
- **Coordination of those contracts and agreements with communities**, which otherwise had to be arranged by each competitor with the identical content
- **Acting as mediator** if a conflict of interest between the competitors occurs

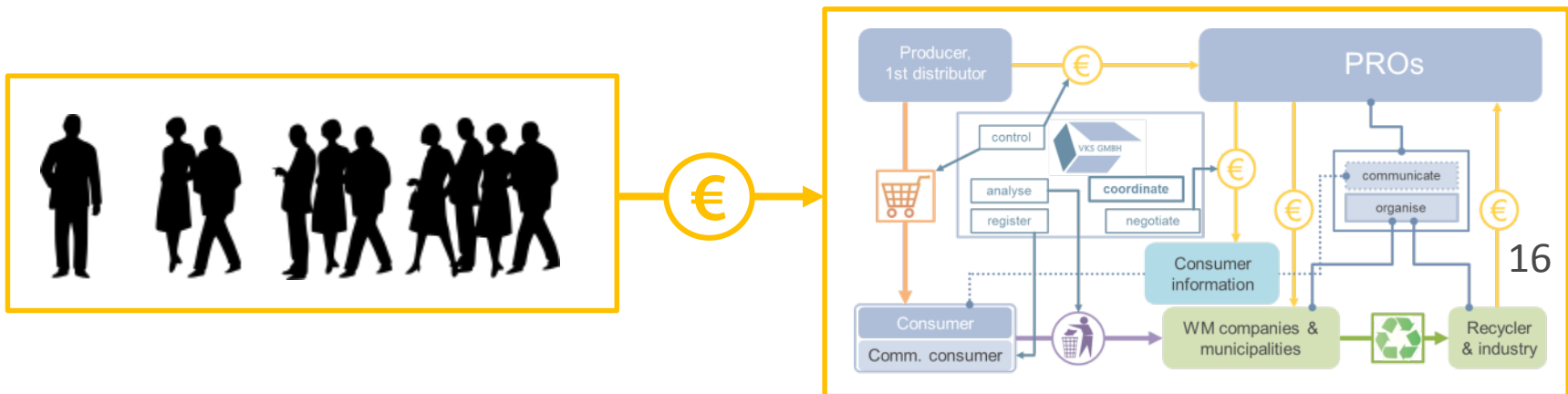
Tasks and activities of the VKS

- Coordination and organisation of a **common system to control** those who have to pay the duty for the waste collection (= licence fees of first distributor on the market of packaging material) and to keep an eye on any indication of an unfair competition
- Organization of **sorting analysis of packaging waste to get a neutral result** of net collected packaging waste and to provide necessary data for the monitoring of the collection system's performance (e.g. collection & recycling quota)
- Coordination of **consumer information about separate collection and prevention** of packaging waste

Tasks and activities of the VKS

- Provider of an online registry system for companies with commercial packaging waste, to enable companies access to services of the PROs and to avoid certain administrative efforts (registration, templates, reports to the ministry,...)
- Another important role of the VKS results to the fact that the packaging waste **PROs have to pay 0.5 % of their licensing revenues for waste prevention measures.**
 - The VKS administrates these subsidies as trustee and organises the selection of the best waste prevention projects by an independent jury.

Thanks for your attention!



- In the end... consumers for the entire system!
- Even in a free market – all players should act with care and in a responsible manner!