

Request for Quote for Contextual Review and Economic Overview

Part of the Mid-Term Review of the National Packaging Covenant

Background

The National Packaging Covenant (Covenant) is the voluntary component of a co-regulatory arrangement for managing the environmental impacts of consumer packaging in Australia. It is an agreement based on the principles of shared responsibility through product stewardship, between key stakeholders in the packaging supply chain and all spheres of government – Australian, State, Territory and Local. Its overall success will be measured by the extent to which it meets the overarching targets and environmental goals as laid out in the Covenant.

The current Covenant covers the period 2005-2010. It has a greater emphasis on data and capture of recyclables in the away from home sector than the previous Covenant which expired in 2004.

A mid-term review of the Covenant is required by the end of 2008. This is partially in response to EPHC consultation feedback in which stakeholders expressed a desire to see a high level of accountability for the Covenant. It is also in response to concerns that the only review of the original Covenant occurred as it was about to expire, and that review had been constrained by time and was hence not as comprehensive as it might have been. With the introduction of KPIs and standardised reporting into the improved Covenant, a higher level of certainty about progress can be assured and a mid-term review will allow for any necessary corrective action to be taken before the Covenant expires in 2010.

If the mid-term review indicates that insufficient progress has been made towards Covenant targets the EPHC has given a commitment to give consideration to implementing complementary mechanisms to address any gaps found in the review. A preliminary investigation into potential Complementary Mechanisms is currently underway.

Due to the broad range of performance parameters the Covenant Council has agreed will be evaluated, the mid-term review has been broken down into a series of discrete projects, each to provide specific information for the overall review report. Please note that this RFQ relates to just ONE of these discrete projects. The findings of this project will be incorporated with those from the other discrete projects into an overall mid-term review report.

Objective of the Covenant

The objective of the Covenant is to reduce environmental degradation arising from the disposal of used packaging and conserve resources through better product design and production and the re-use and recycling of used packaging materials. Covenant performance against this objective will be assessed by reference to five specific performance goals that encompass environmental, social and economic performance.

Covenant Performance Goals

The goals set out below address specific environmental, social and economic goals.

1. Packaging optimised to integrate considerations about resource efficiency, maximum resource re-utilisation, product protection, safety and hygiene.
2. Efficient resource recovery systems for consumer packaging and paper.
3. Consumers able to make informed decisions about consumption, use and disposal of packaging of products.
4. Supply chain members and other signatories able to demonstrate how their actions contribute to Goals 1 to 3 above.
5. All signatories demonstrate continuous improvement in their management of packaging through their individual Action Plans and Annual Reports.

In order to measure the achievement of each of the goals identified, specific overarching targets have been established in the following areas:

Increase in the amount of packaging recycled

Signatories will work together to increase the amount of post consumer packaging recycled from its current rate of 48% (2003 baseline) to 65% by 2010.

Packaging made from specific materials will make a contribution to the overarching target as follows:

- paper & cardboard 70–80% (baseline 64%)
- glass 50–60% (baseline 35%)
- steel 60–65% (baseline 44%)
- aluminium 70–75% (baseline 64%)
- plastics 30–35% (baseline 20%)

Increased recycling rate for “non-recyclable” packaging

Industry signatories will work to increase the recycling of some specific materials that are currently either not recycled or recycled at very low rates due to their design, lack of collection/processing infrastructure or lack of markets. These materials are plastics coded (4) to (7) and non-recyclable paper & cardboard packaging.

The recycling rate of packaging manufactured using these materials will be increased from 10% (2003 baseline data) to 25% by 2010.

Composite packaging is another packaging type with very low recovery rates. No baseline data is currently available for composites.

No increase in the amount of packaging disposed of to landfill.

It is recognized that through increased consumption and population growth the amount of packaging disposed of to landfill could still increase substantially.

To address this, a target has been established of no new packaging to landfill (against 2003 baseline data). This means that any additional packaging will need to be recovered for recycling and not disposed to landfill.

Purpose of Contextual Review and Economic overview

The terms of the National Packaging Covenant include the requirement to complete a comprehensive, independent evaluation of the progress of the covenant against its overarching targets by 31 December 2008. This project is one of a number of projects evaluating specific aspects of the Covenant and will feed into the overall Mid Term Review of the Covenant. This project will help to provide context for the specific contribution of the Covenant and other investigations being undertaken.

Scope of the Project

This project seeks to provide an assessment of the performance of the Covenant by understanding key changes and trends impacting on packaging and by evaluating what the Covenant delivers. It will provide important context to other analyses being undertaken as part of the mid-term review.

There is an understanding that the Covenant as a cooperative industry and government policy vehicle has not been solely responsible for, nor should it claim credit for, the total overall recovery and recycling rate in the community.

The context should be limited to the Covenant and its objectives and its framework of consumer packaging within the broader recycling industry. What the Covenant has been able to directly achieve and an understanding of the economic implications are important in building a balanced view of the success of the Covenant. It should be noted that the Productivity Commission has expressed a view and this should be evaluated.

The consultant is to provide:

1. A brief analysis of the role of, and demands on, packaging. Specifically:
 - Relevant changes and trends in Australian business that are impacting on packaging. Areas to examine could include, but are not limited to:
 - costs and efficiencies
 - labelling requirements
 - brand and marketing requirements
 - trade offs between greater product security/integrity and environmental performance
 - retail sector influence
 - Relevant changes and trends in Australian society that are impacting on packaging. Areas to examine could include, but are not limited to:
 - consumer demand for more product information, portion controls, convenience, security
 - demographic shifts i.e household size, disposable income levels
 - away from home consumption
 - awareness and concern about resource use and efficiency
 - consumption of imported products and packaging
 - Major international trends that impact on packaging
 - Highlight any opportunities to minimise the environmental impact of packaging in the future, with particular reference to resource use, recyclability and energy consumption;
2. Provide the context of the recycling and reprocessing sectors in which the Covenant is operating to give perspective on factors external to the Covenant that influence recycling recovery:
 - Present and likely future demands for materials, including pricing within Australia and Internationally;
 - Status and growth in recovery and recycling systems, at household, business and industry;
 - Australian reprocessing capacity.
3. Provide context and insights into the net, direct benefits and value of Covenant (if any) in the areas of:
 - Packaging industry use and design of packaging;
 - Recycling of packaging; and
 - Waste management more broadly.
4. Using the information above provide a summary view of the Covenant's direct achievements, compared against a range of other similar waste management policies or tools. The summary view must clearly articulate the limitations of this assessment and any comparisons that are made..

The consultant is not being requested to compare the Covenant to other instruments in absolute detail, as this is a much larger job requiring collection and analysis of data that can be accurately compared. Insights into what the covenant has achieved and what other similar waste management policies or tools have achieved and how they might be contrasted or compared – notwithstanding the differences, is being sought.

Reporting Requirements

The report for this project must cover each of the areas listed under Scope of the review (above).

The report for this project will be one of a number contributing to an overall mid-term review report. The successful consultant will be required to submit their report in both Microsoft Word and PDF formats to facilitate the incorporation of their findings into the overall mid-term review report. Further clarification may be sought from the successful consultant after the final report for this project has been submitted for the purposes of integrating this work into the overall mid-term review report.

Methodology

A possible methodology for this project that includes desktop research and analysis of relevant NPC reports and information as detailed in the key reference material list below. Applicants are encouraged to develop or contribute to this methodology.

Project Management

The manager of this project will be the NPC Secretariat.

A Working Group for the mid-term review has been appointed by the NPCC and comprises representatives from all respective sectors. This Working Group advises on the evaluation process and assists in the management of the discrete projects. The Consultant will report directly to the Working Group that will in turn report to the NPCC.

Deliverables

1. Commencement Meeting, as soon as possible after consultant is confirmed
2. Draft Report – June 13, 2008
3. Final Report - June 30, 2008

Timeline

Item	Deadline
Tender deadline	April 18
Commencement Meeting	Week beginning 28 April 2008
Draft report submitted to Working Group	May 30
Final report submitted to Working Group	June 30

Information and Consultation

The successful consultant must draw on all relevant sources of information and liaise with all relevant stakeholders in conducting comprehensive research and analysis of their evaluation of the Covenant.

The successful consultant must also ensure that any legislation or regulation cited is the most current. The consultant should present information as concisely as possible using diagrams or tables where appropriate.

Key Reference Material

- The National Packaging Covenant
- NPC annual report for 05-06 & 06-07
- Annual NPC Data Reports

- IDAS data and annual reports
- Data Review reports
- NEPM reports
- NPC Structural Barriers investigation report
- Major international reports and studies as appropriate – eg.
 - economic instruments in packaging and waste policy – European (www.europen.be), WRAP, INCPEN, David Perchard etc
 - Other reports by various agencies or individuals.
- Relevant overseas legislation

Key Selection Criteria

The successful applicant will be assessed on the following:

1. Demonstrated understanding of the policy objectives, operational activities and processes of the Covenant.
2. Demonstrated experience in analysing complex data sets and assessing future trends
3. Demonstrated experience in analysing qualitative and quantitative data and to assess likely future trends.
4. Provision of a clear methodology for undertaking the analysis and the ability to deliver the objectives of the project within timelines, within budget and to a high quality.
5. The adequacy of the resources which the consultant will make available for the project, including the qualifications and skills of key personnel and their demonstrated experience in the performance of comparable projects.
6. Demonstrated capacity to work independently with a diverse range of stakeholders including Government and industry.
7. Demonstrated experience working with commercial in confidence data.
8. The extent to which the proposal represents value-for-money.

Conflict of Interest

The application for this project received should nominate whether the contractor or their personnel have any potential conflicts of interest.

Confidentiality and Ownership of Intellectual Property

The contractor will be required to keep all material sighted, handled, or produced in connection with this project confidential, including this brief. The contractor must not disclose any information without the prior written permission of the NPCC.

Unless otherwise agreed in writing by the NPCC, all outputs produced by the contractor in undertaking this assignment will remain the property of the NPCC and must not be used by the contractor in connection with any other project.

Absence of Legal Obligation

In inviting or receiving responses the NPCC makes no representation nor do it intend to create any legal relationship with potential parties who choose to respond to the invitation by the NPCC. The NPCC has no obligation or liability to any organisation if it decides not to proceed with the proposal outlined in this document.

Submissions

Tenders may be delivered by hand, mail, facsimile or email but must be submitted by close of business on Friday 11 April 2008 and addressed to:

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For further inquiries, please contact Ed Cordner or Adele Weston on (03) 9861 2325.