



WALGA

## Discussion Paper

# Australian Product Stewardship Schemes

June 2014

## 1. Executive Summary

There are many types of Product Stewardship Schemes operating in Australia. As a policy tool, Product Stewardship can be used to address the entire lifecycle impact of various products (this includes end-of-life considerations, as well as design & manufacturing issues). The majority of Australian Schemes operate on a voluntary basis, and focus predominately on end-of-life management. The preference towards a voluntary approach can come from a genuine industry commitment to reduce the entire lifecycle impact of products, or resistance to government involvement in the way industry carries out its activities.

This Paper is intended to inform the discussion on the way Product Stewardship has developed in Australia, and identify what characteristics make a Scheme effective. For Local Government, this Paper will address the key considerations which inform Local Governments decision to take part in the development and roll out of a Product Stewardship Scheme.

## 2. Introduction

Product Stewardship acknowledges that the parties involved in producing, selling, using and disposing of products have a shared responsibility to manage end-of-life products in a way that reduces their impact on the environment, human health and safety<sup>1</sup>.

Extended Producer Responsibility Schemes (EPR's) generally place a greater onus of responsibility for end-of-life management, on the producer, importer and retailer of products.

Both Product Stewardship Schemes and Extended Producer Responsibility Schemes tend to incorporate or be consistent with concepts such as 'polluter pays,' 'life-cycle assessment' and 'full-cost accounting.' These Schemes can be designed to address multiple issues, such as: resource conservation, litter control, reducing reliance on landfills or Waste to Energy facilities, promoting the Waste Hierarchy or promoting cleaner production. They can also be used to address the downstream impacts of products such as process interference, financial costs to Local Governments or the environmental costs of inappropriate disposal.

### Local Government Position

The WALGA Extended Producer Responsibility Policy Statement (2008)<sup>2</sup> states that:

*"Local Government endorses the Extended Producer Responsibility approach as an important part of achieving sustainability. Local Government considers that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required in achieving sustainable, economic, social and environmental principles. Local Government considers that these key outcomes are:*

- Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products;*
- Improved valuation, pricing and incentive mechanisms;*
- Greater investment in infrastructure and research and development; and*
- Greater transparency and accountability."*

Local Government's previous experience in assisting various industries to deliver Product Stewardship Schemes, has led to the development of the following assessment criteria (refer to the Policy Statement for the expanded rationale):

- *“Reflect appropriate priorities (Schemes should be developed where and when they are most necessary and most practicable);*
- *Set clear objectives and targets;*
- *Establish clear responsibilities;*
- *Can be implemented in a timely fashion;*
- *Apportion costs appropriately;*
- *Give due consideration to the specific characteristics of the waste or product type; and*
- *Support claims with reference to credible evidence.”*

### **3. Schemes Operating Within the Federal Legislative Framework**

There are a number of Product Stewardship Schemes operating under Federal legislative frameworks. The following sections provide a summary of the various Acts, or regulatory mechanisms, that are currently governing Product Stewardship Schemes at the Federal level.

#### **3.1 Product Stewardship Act 2011**

The *Product Stewardship Act 2011* provides a framework for three types of Product Stewardship Schemes: voluntary, co-regulatory and mandatory. This allows a relatively flexible approach to be applied to various products and industries. The Act also establishes the Product Stewardship Advisory Group, which provides recommendations to the Minister each year, on what types of products should be considered potential candidates for Product Stewardship Schemes. The criteria that must be met for a product to be considered appropriate for 'action' under the Act are:

- “5(a) the products in the class are in a national market; and*  
*5(b) at least one of the following applies in relation to the products in the class:*
- (i) the products contain hazardous substances;*
  - (ii) there is the potential to significantly increase the conservation of materials used in the products, or the recovery of resources (including materials and energy) from waste from the products;*
  - (iii) there is the potential to significantly reduce the impact that the products have on the environment, or that substances in the products have on the environment, or on the health or safety of human beings.”*

#### **Voluntary Product Stewardship**

Voluntary Schemes are operated on a collaborative basis by industry, without regulation by Government. Under the *Product Stewardship Act 2011*, Voluntary Schemes can be accredited by the Environment Minister, to provide the community with certainty that a Scheme is achieving what it advertises. Although three applications were submitted in the 2013 Voluntary Product Stewardship round, there are yet to be any announcements of Schemes awarded formal accreditation.

#### **Co-regulatory Product Stewardship**

Co-regulatory Schemes are delivered by industry and regulated by Government. These Schemes require liable parties of a particular type/class of product, to become a member of an approved co-regulatory arrangement provider. The exact requirements of how a Scheme must operate are specified in regulations (this includes community access to services, recycling targets, record keeping, reporting, review or even cancelling a Scheme). To date, only one Co-regulatory Scheme has been implemented under the *Product Stewardship Act 2011*. A brief summary of this Scheme is provided below.

Fast Facts: National Television and Computer Recycling Scheme <sup>34</sup>	
Year of Establishment	2012
Type of Scheme	Co-regulatory
Scheme Focus	End-of-life
Widely Adopted in WA?	As of June 2013, 51 collection services were provided in WA by three arrangement providers (there were 635 services Australia wide). This includes both permanent drop off facilities and temporary event styled days. It is unclear if the arrangement providers met their legislated requirements for providing services.
Total Material Collected	Industry's target in the first year of the Scheme was to recycle 30% of waste arising (41,327 tonnes). A total of 40,813 tonnes was recycled, with 811.07 tonnes of this total collected in WA.
Comment	This Scheme has proved to be extremely successful, setting the bench mark for future Schemes. All importers and manufacturers have met their requirement to join an arrangement provider. The majority of arrangement providers are working towards, or have met their legislative requirements. Local Governments that have made the decision to be involved in providing collection sites, have had to negotiate a number of contractual issues. Some arrangement providers were more difficult to negotiate with than others.

### **Mandatory Product Stewardship**

Mandatory Schemes consist of a high level of Government involvement. The Government places certain parties under a legal obligation to undertake certain activities for their products.

Requirements that can be placed on parties using regulations include:

- Restricting the manufacture or import of products;
- Prohibiting products from containing particular substances;
- Labelling and packaging requirements;
- Requiring a deposit and refund to be applied to a product; and
- Other requirements relating to reusing, recycling, recovering, treating or disposing of products.

To date, no Mandatory Schemes have been approved under the *Product Stewardship Act 2011*.

### **3.2 Product Stewardship (Oil) Act 2000**

The *Product Stewardship (Oil) Act 2000* establishes a general framework for the collection and recycling of used motor oil in Australia (including re-refining, and reuse). This Scheme uses a levy-benefit system, with a 5.449 cent levy applied to every litre of new oil that is sold. These funds are used to provide incentive payments to used oil recyclers to increase used oil recycling. The regulations list seven types of used oil products that can receive benefits. Payment for the first category (lube-to-lube) is significantly higher than the other categories (such as low-grade fuel oils that can be used in high temperature applications). This has encouraged significant investment in re-refining technologies over the last decade<sup>5</sup>.

The Scheme was reviewed in 2013. The Government is yet to announce its response to all the review's recommendations. However, the Federal Budget 2014-15 indicates that the levy will be increased to 8.5 cent per litre<sup>5</sup>.

Fast Facts: Oil Product Stewardship Scheme <sup>789</sup>	
Year of Establishment	2001
Type of Scheme	Mandatory
Scheme Focus	Environmentally sustainable management, re-refining and reuse of used oil, as well as supporting economic recycling options for used oil.
Widely Adopted in WA?	Yes
Total Material Collected	The total estimated volume of oil collected under the Scheme was 315 megalitres in 2011-12. 80 megalitres of this total underwent a recycling process that produced re-refined oil.
Comment	This Scheme has had its shortcomings in WA, with a collapse of market demand for used motor oil in 2007 which increased the costs of recycling oil in WA. Costs have mainly returned to pre-2007 rates (i.e. nil cost for many collections). However in the Eastern States many collection points are paid for their used motor oil.

### 3.3 Australian Packaging Covenant

The Australian Packaging Covenant (APC) was established as an agreement between government, industry and community groups. It is tasked with addressing packaging sustainability issues (such as design, manufacturing techniques, and whole of life considerations). The Government requires brand owners with an annual turnover greater than \$5 million to join the APC and become a signatory, or comply with the *National Environmental Protection Measure (Used Packaging Materials) 2011*. Each State implements this NEPM through its own regulations, resulting in varying regulation between jurisdictions<sup>10</sup>.

All signatories are required to adopt the Sustainable Packaging Guidelines, develop Action Plans and report on their progress annually.

Fast Facts: Australian Packaging Covenant <sup>11</sup>	
Year of Establishment	1999
Type of Scheme	Co-regulatory
Scheme Focus	Design and manufacture, end-of-life
Widely Adopted in WA?	There are very few packaging brand owners in WA.
Total Material Collected	The Covenant does not directly collect material.
Comment	The APC provides funding for a variety of projects designed to increase recovery of packaging. During 2005-2010, a significant number of projects (24% of general/state based projects and 51.5% of national projects) greatly exceeded milestone completion dates and/or significantly under achieved in meeting project targets/milestones, or were cancelled on account of poor performance or changed circumstances. Very few APC funded projects have resulted in measureable improvements to the recovery of packaging materials in WA. The APC uses the Sustainable Packaging Guidelines to address design and manufacturing considerations, with signatories required to adopt the Guidelines. The effectiveness of the Guidelines is difficult to measure, as it is to some extent more of a 'process' rather than 'outcome' based requirement.

### 3.4 Refrigerant Reclaim Australia

The *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* puts into effect Australia's international commitments under the Montreal Protocol on Substances that Deplete the Ozone Layer. Amongst other things, the Act requires that the refrigeration and air conditioning industry recovers, returns and safely disposes of ozone depleting and synthetic greenhouse gas refrigerants. Importers of refrigerant are required to participate in a Product Stewardship Scheme (and pay a levy for all imported material). Refrigerant Reclaim Australia manages the Scheme, and uses levy funds to coordinate the collection and destruction of harmful refrigerants.

Fast Facts: Refrigerant Reclaim Australia <sup>121314</sup>	
Year of Establishment	1993
Type of Scheme	It is mandatory for importers to join the Scheme
Scheme Focus	End-of-life
Widely Adopted in WA?	Unsure
Total Material Collected	More than 4,600 tonnes have been recovered and collected (1993-2014). The majority of material is destroyed.
Comment	RRA was established to create an industry-wide recovery program, as well as an outlet for all recovered refrigerant. A levy is paid by all companies importing refrigerant. This levy allows the cost burden of managing these materials to be shared across the whole industry. Industry participants are allowed to charge customers the costs of recovering refrigerant from systems. The RRA also provides rebates for the return of recovered refrigerant by authorised companies and persons.

### 3.5 Return Unwanted Medicines

The Return Unwanted Medicines Project (RUM Project) is a federally funded initiative that collects and appropriately disposes of unwanted and out-of-date medicines at no cost to consumers. The medicines are collected at pharmacists and then disposed via high temperature incineration. This program is important, as it reduces the risk of accidental poisoning in the home, as well as environmental harm through inappropriate disposal in the general waste / waste water treatment systems.

Although this program is not a Product Stewardship Scheme (in the sense that it is funded by the Federal Government), it is still worth noting - as the possibility of adopting a Product Stewardship approach is currently under investigation.

Fast Facts: Return Unwanted Medicines <sup>1516</sup>	
Year of Establishment	1998
Type of Scheme	Funded by the Federal Department of Health. Currently investigating Product Stewardship options.
Scheme Focus	End-of-life
Widely Adopted in WA?	The majority of WA Pharmacists take part in the program.
Total Material Collected	In WA, a total of 54,913 items were collected in 2012-13. Nationally, the overall figure was 619,336 items.
Comment	Funding constraints have limited the ability of this program to expand. As a general comment, pharmacists are supportive of the program (collection containers and transport costs are covered by the program).

#### 4. Schemes Operating Within State & Territory Legislative Frameworks

A number of states and territories across Australia have legislation that allows Product Stewardship Schemes to be introduced. South Australia has the longest running, and most successful Scheme of any Australian jurisdiction.

Jurisdiction	Legislation	Schemes Implemented
Australian Capital Territory	Division 2.2 Waste Minimisation Act 2001	Nil
New South Wales	Part 4 <i>Waste Avoidance and Resource Recovery Act 2001 No 58</i>	Nil*
Northern Territory	<i>Environment Protection (Beverage Containers and Plastic Bags) Act 2012</i>	Container Deposit Scheme
Queensland	Part 3 <i>Waste Reduction and Recycling Act 2011</i> <sup>17</sup>	Nil
South Australia	Part 8 Division 2 of the <i>Environment Protection Act 1993</i>	Container Deposit Scheme
Tasmania	Unknown	Nil
Victoria	Section 1H <i>Environment Protection Act 1970</i> <sup>18</sup>	In Victoria, Sustainability Victoria has led and funded a number of product stewardship initiatives (some occurred in partnership with industry): <ul style="list-style-type: none"> <li>- ByteBack (computers)</li> <li>- BatteryBack (batteries)</li> <li>- PaintBack (paint)</li> <li>- FlashBack (compact fluorescent lights)</li> </ul>
Western Australia	<i>Waste Avoidance and Recourse Recovery Act 2007</i>	Nil

\*Implementation Strategy 2011–2015. Strategy 3.2: ensuring that, in the absence of substantive progress nationally, NSW will implement producer responsibility arrangements and action at the state level by 1 July 2013<sup>19</sup>.

#### 5. Voluntary Industry Led Schemes

There are a number of voluntary industry led Product Stewardship Schemes operating in Australia. This section provides a brief summary of these various Schemes.

Fast Facts: Australian Institute of Petroleum Oil Container Collection Program <sup>2021</sup>	
Year of Establishment	Early 2000's
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	There are currently 28 collection sites. This is likely to be scaled back in coming months.
Total Material Collected	430 collection sites were maintained by VIP Packaging for AIP, with around 500 tonnes of plastic being recycled into various industrial products (2013).
Comment	This Scheme was implemented to complement the Oil Product Stewardship Scheme. The intent of the Scheme was to collect oil containers from people that were dropping off used motor oil at various locations across Australia. There are a number of shortcomings with the Scheme, with recent announcements of a potential reduction in services. This has occurred as some oil companies are not financially supporting the Scheme.

### Fast Facts: Australian PVC Industry's Product Stewardship Program<sup>22</sup>

Year of Establishment	2002
Type of Scheme	Voluntary
Scheme Focus	Predominately design and manufacture
Widely Adopted in WA?	Unknown
Total Material Collected	This program does not directly collect material.
Comment	There are over 35 signatories to the program that have made commitments to address the environmental and health issues associated with polyvinyl chloride (PVC, or vinyl). These commitments relate to production and storage, the safe use of additives, waste management, research and public reporting.

### Fast Facts: Battery Recycling Programs (funded by retailers and waste management service providers)<sup>232425</sup>

Year of Establishment	Various
Type of Scheme	There are various retailer outlet funded programs (BatteryWorld, Aldi, IKEA), as well as programs funded by waste management contractors (Transpacific-Cleanaway, SITA).
Scheme Focus	End-of-life
Widely Adopted in WA?	Unknown
Total Material Collected	National recycling figures are not yet readily available. The Australian Battery Recycling Initiative is collating this information, as part of its research into Product Stewardship Schemes.
Comment	The programs provided by retailers and waste management contractors are a welcome outlet for used batteries. Please note, that in addition to these programs, State and Local Governments are also funding recycling programs. The Battery Implementation Working Group recently released a Discussion Paper, looking at a range of options that could be taken to introduce a Voluntary Battery Product Stewardship Scheme. To date, it has been difficult to ascertain the views of brand owners towards Voluntary Schemes.

### Fast Facts: Cartridges 4 PlanetArk and Fuji Xerox 'Integrated Recycling System'<sup>2627</sup>

Year of Establishment	2003 (PlanetArk) 1995 (Fuji Xerox)
Type of Scheme	Voluntary
Scheme Focus	End-of-Life & refurbishment
Widely Adopted in WA?	PlanetArk: network of over 30,000 public drop off and office collection locations Australia wide. Fuji Xerox: unknown
Total Material Collected	PlanetArk: 24 million printer cartridges, or 11,000 Tonnes of materials (2003-2014) Fuji Xerox: unknown
Comment	PlanetArk: this program enjoys a relatively high level of publicity. It is unknown what percentage of waste arising is captured through the program. Fuji Xerox: very little information is available on this recycling program. Cartridges recovered from customers are either remanufactured at the Eco-Manufacturing Centre (Sydney) or recycled at the Integrated Recycling Centre (Thailand).

Fast Facts: ChemClear and drumMUSTER <sup>28293031</sup>	
Year of Establishment	2000 (ChemClear) and 1999 (drumMUSTER)
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	drumMUSTER: There are 786 active collection sites across Australia, provided by 455 collection agencies. ChemClear: over 100 farmers used the program during the WA collection in April-May 2012. The collection vehicle visited 38 Local Government sites, and collected over 18 tonnes of agvet chemicals.
Total Material Collected	drumMUSTER: over 23 million agvet chemical containers have been collected (>28,000 tonnes of recyclables). ChemClear: 392,387.14 lt/kg of chemicals have been collected.
Comment	The Schemes are funded by a 4c per lt/kg levy. Agsafe delivers both Schemes on behalf of AgStewardship Australia. drumMUSTER collects empty chemical containers, whereas ChemClear collects and disposes of agricultural and veterinary chemicals. Under ChemClear, Group 1 chemicals that were manufactured by companies supporting the Scheme are collected at no charge. The collection of Group 2 chemicals comes at a charge (unless there is a State Government subsidy). Group 2 chemicals are products from manufactures that do not support the Scheme, are unknown, unlabelled, out of date, or mixed agvet chemicals.

Fast Facts: Dyson Product Take-Back Scheme <sup>32</sup>	
Year of Establishment	2010
Type of Scheme	Voluntary
Scheme Focus	Design and manufacture, and end-of-life
Widely Adopted in WA?	Unknown
Total Material Collected	Unknown
Comment	Dyson Australia is following the lead of the UK, and implementing a product take-back Scheme for their products. Customers wishing to recycle their old Dyson can contact Dyson Customer Care by email: <a href="mailto:aucustomercare@dyson.com">aucustomercare@dyson.com</a> . Dyson have previously used recycled Dyson parts, in new vacuum machines (aptly named the 'Recyclone').

Fast Facts: FluroCycle <sup>3334</sup>	
Year of Establishment	2010
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	As of June 2013, 185 organisations were involved nationally.
Total Material Collected	This Scheme does not directly collect material
Comment	FluroCycle aims to increase the recycling of lamps that contain mercury and reduce the amount of mercury entering the environment. The Government provided funding of \$600,000 for the first three years of the Scheme. The Scheme is administered by the Lighting Council of Australia, with commercial businesses joining as signatories. Signatories are required to make a commitment that they will recycle mercury containing lamps.

<b>Fast Facts: Mobile Muster<sup>35</sup></b>	
Year of Establishment	1998
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	There are over 4,000 public collection points across Australia, in addition to a 'post back' option.
Total Material Collected	From 1998 to June 2013, 1,014 tonnes were collected and recycled (including 7.7 million handsets and batteries and over 518,000 kg of accessories).
Comment	MobileMuster is administered by the Australian Telecommunications Association. A number of manufacturers, telecommunications service providers and network carriers and distributors fund the Scheme. All mobiles are accepted, including batteries, chargers and accessories, with components recycled locally / in developed countries overseas. Considering the <u>members</u> of MobileMuster bring over 7 million mobiles into Australia every year (consumers are now replacing mobiles every 18-24 months), it could be argued that the Scheme has had a low uptake.

<b>Fast Facts: National Timber Product Stewardship Group<sup>36</sup></b>	
Year of Establishment	2007
Type of Scheme	Voluntary
Scheme Focus	Market development, education, and research and design projects.
Widely Adopted in WA?	Currently concentrating efforts in NSW, but resources are used by companies across Australia.
Total Material Collected	This program does not directly collect material.
Comment	The main objective of the NTPSG is to increase the recovery of post-consumer timber and wood. It has members from all sectors of the timber supply chain (major industry associations and companies that supply raw material, process, import, manufacture and distribute timber and wood products throughout Australia). The NTPSG has developed (and is implementing) a strategy to meet this objective.

<b>Fast Facts: Publishers National Environment Bureau (PNEB) and Norske Skog<sup>37</sup></b>	
Year of Establishment	1991
Type of Scheme	Voluntary
Scheme Focus	Manufacturing and end-of-life
Widely Adopted in WA?	Yes.
Total Material Collected	The recycling rate for newspapers is approximately 80%. This is one of the highest rates of recycling for any type of material in Australia.
Comment	PNEB & Norske Skog has a National Environmental Sustainability Agreement with the Federal Government. This initiative has proved to be very successful, with substantial industry commitments and investments made in various areas, such as market development, processing and manufacturing initiatives.

Fast Facts: TerraCycle Cigarette Waste Brigade <sup>38</sup>	
Year of Establishment	2014
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	Unknown
Total Material Collected	504,178 units were collected, as of May 2014.
Comment	TerraCycle is working with the tobacco industry in Australia (British American Tobacco Australia, Philip Morris Limited and Imperial Tobacco Australia), to recycle cigarette waste into various products. Members of the Cigarette Waste Brigade collect waste, and send it to TerraCycle. Collectors receive TerraCycle points that can be redeemed for payments to charity.

Fast Facts: Tyre Product Stewardship Scheme <sup>39</sup>	
Year of Establishment	2014
Type of Scheme	Voluntary
Scheme Focus	End-of-life
Widely Adopted in WA?	Yet to be implemented
Total Material Collected	This Scheme does not directly collect material.
Comment	The Scheme will be administered by Tyre Stewardship Australia (TSA), with members paying a voluntary levy on all tyres imported into Australia. TSA has been tasked with increasing domestic tyre recycling, improving the market for recovered tyres and reducing the number of tyres that are landfilled, exported, or illegally dumped. This Scheme has not delivered any measureable improvements in the Australian market to date.

## 6. Example of a Collapsed Scheme – Paintback (WA)

There are examples of Schemes that have operated in Western Australia with some degree of industry involvement that have been unsuccessful. Understandably, this has led to a great deal of frustration in the Local Government sector. There is a view commonly held by Local Government that industry is not held accountable for the consequences of these non-successful Schemes. These consequences include increased community expectations for access to services, increased Local Government costs, as well as other risks.

The Paintback Scheme was established in 2005 by the Western Australian Waste Management Board, in association with Bunnings, Dulux, Sims Metal and the Mindarie Regional Council. This Scheme was based on the Victorian Scheme (which is still in operation). The public was able to drop off unwanted paint at the Mindarie Regional Council facility, which was then delivered to the Dulux re-processing facility in O'Connor for treatment. Consumers could purchase a paint made from this material from Bunnings outlets in two shades: Doeskin (light) and Iron Bark (dark)<sup>4041</sup>. Unfortunately, the decision was made by industry to close the re-processing facility which led to the cessation of the Scheme.

## 7. EU Directive on Packaging and Packaging Waste

The concept of Extended Producer Responsibility has been applied to various products and packaging in Europe for a number of years. *The European Parliament and Council Directive 94/62/EC on Packaging and Packaging Waste* aims to harmonise national measures to prevent or reduce the impact of packaging and packaging waste on the environment and to ensure the functioning of the internal market<sup>42</sup>. It contains provisions on the prevention of packaging waste, as well as re-use, recovery and recycling of packaging waste (including targets linked to

timeframes). The Directive also contains provisions on reducing hazardous materials in packaging<sup>43</sup>.

All packaging placed on the EU market is covered by the EU Packaging Directive, whether it is used or released by the industrial, commercial, and servicing sectors, or households. The Packaging Directive does not contain any specific directions for member states to implement the principle of Extended Producer Responsibility, instead allowing each member state to determine what mechanism will be used to collect waste packaging and finance recycling and/or recovery activities. As a result, there is no standardised approach between member states in financing methods, logistical models, or even the sources of packaging waste that must be collected and treated. However, most member states have made the decision to use Extended Producer Responsibility as a way to meet the objectives of the Directive. Examples of the various approaches taken by member states, are included in the Commission Report on the Implementation of Directive 94/62/EC<sup>44</sup>:

*“There are major differences between the various types of applied producer responsibility systems. These differences concern both the operation and financing of separate collection and recycling. Only in Austria and Germany, the collection is operated under the direct responsibility of the producer responsibility system (through contracts with waste management companies). In most of the other Member States, separate collection from households is organised under the responsibility of municipal authorities. Some producer responsibility schemes cover only household packaging waste, some schemes cover both household and industrial packaging waste, and some collect and recycle exclusively industrial packaging waste.*

*The systems in Austria, Belgium and Germany cover the entire cost of collection and recycling. Most other systems cover only the additional costs to municipalities, such as the costs which arise from a difference between the collection and recycling of packaging and a situation where packaging is not collected separately and sent to disposal. In most countries, contributions to producer responsibility schemes are collected at the level of packagers or fillers. In the case of foreign products, economic operators placing a product on the market of a given Member State are to cover the costs. Other countries use a shared producer responsibility concept where contributions to the system are levied at different points in the packaging chain from material producers to distributors. The United Kingdom uses a specific form of producer responsibility where recycling is financed via a tradable certificate scheme.”*

It should be noted, that the majority of EU countries are now using the “green dot system” to help industry manage their packaging waste obligations. The appearance of the Green Dot on a packaged product essentially means that the producer has pre-paid the costs of collecting, sorting, recovering or recycling of the packaging to a qualified national recovery organisation. The umbrella organisation PRO Europe (Packaging Recovery Organisation Europe) licenses the Green Dot trademark to participating producers. The fees charged are based on the type of packaging material that is used, with plastic and composite packaging having the highest fees, and paper, cardboard and glass the lowest fees (by weight)<sup>45</sup>.

Those countries using the ‘Green Dot’ system are: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, France, Germany, Greece, Hungary, Ireland, Israel, Latvia, Lithuania, Luxembourg, Malta, Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden and Turkey<sup>46</sup>.

## **8. Defining Effective Schemes**

As outlined in the summaries of the various Product Stewardship Schemes in this Discussion Paper, there have been a number of instances where Product Stewardship Schemes have failed to meet the needs of the community. This is especially true, if the Scheme was established as a means of avoiding direct Government intervention.

It is clear that the Local Government definition of a successful voluntary Scheme differs to that of industry. Employing a voluntary industry led approach in an industry where the concept of Product Stewardship is not widely understood or previously adopted, can result in conflict between community expectations, as well as factions of industry itself during the design phase of

a Scheme. This was observed during the formative phase of both the battery, and tyre Voluntary Product Stewardship Schemes. This conflict could have been completely avoided, if there was clear guidance from the Federal Government on what outcomes constitute a successful voluntary Scheme – and the various design options available to deliver those outcomes.

## 6.1 Discussion

This section is intended promote discussion on the current focus of Product Stewardship Schemes and the potential for future advocacy during the development of new Schemes.

### **What does Product Stewardship in Australia currently deliver?**

The majority of Product Stewardship Schemes operating in Australia, focus on managing end-of-life products. End-of-life management is often viewed as the ‘easiest’ element of a products lifecycle impact to address, as it only requires a change in which party pays for (or directly manages) the product at end-of-life. End-of-life focused Product Stewardship Schemes do not require direct changes to producers/manufacturers activities. There are differing opinions on the ability of this approach to encourage producers/manufactures to change their processes and reduce end-of-life liabilities. End-of-life costs are likely to form a relatively small part of the overall costs of doing business. It is worth noting that the decision making process at the Federal level, which requires Regulatory Impact Statements (cost/benefit analysis) for any regulatory intervention, is likely to have had an impact on the focus of Schemes.

Product Stewardship has not been widely used in Australia to address the use of hazardous materials in products. The driver for change in this area usually relates to international obligations and treaties or significant environmental/human health impacts.

The way Product Stewardship has been implemented in Australia has resulted in a number of Schemes that operate independently. This has a number of flaws, such as a disjointed collection network, and competing advertising. Ideally, new Product Stewardship Schemes should leverage off the success of existing Schemes, as well as address the entire lifecycle impact of a product.

### **What is Local Governments number one priority in relation to Product Stewardship Schemes?**

Historically, the primary focus for Local Government in negotiating the development of Product Stewardship Schemes has been a reduction in costs to Local Government to manage various products.

Local Government has also advocated for a reduction in the environmental impact of products, and an increase in the level of reuse, recycling and recovery that occurs.

### **What are the other priorities for Local Government in relation to Product Stewardship Schemes?**

Local Government in WA has actively engaged in the development and roll out of a range of Product Stewardship Schemes. Some Schemes have been more successful than others. How Local Government defines ‘success’ varies, but usually includes a range of elements such as reduced environmental impact, increased recycling rates, transparency, good coverage and stability. An alternative approach is to measure success based on an analysis of the triple bottom line. That is, using measurements based on the environment, social and economic needs.

### **For future Scheme development, what should be the priorities for Local Government?**

As mentioned, the primary driver for Local Governments considering involvement in a Product Stewardship Scheme is cost. Local Government has previously requested that problematic materials that are expensive and difficult to manage require a higher level of commitment from responsible parties and regulation from government, through either a co-regulatory or mandatory Product Stewardship Scheme.

Local Government does support the concept of industry led responsibility, as an industry run Scheme reduces the administrative burden on government and places more onus on the industry regarding the type of products produced. However, there needs to be an acknowledgement that there have been situations where industry led action is less than effective in the WA context.

*In future, what are the key priorities for Local Government that need to be negotiated if industry would like Local Government support/participation in an industry led Scheme?*

Some suggestions include:

- **Reduced costs:** any Scheme should at least cover the reasonable costs of current service provision and where possible build on the services that Local Government already has in place. In the event collection targets are exceeded, industry must commit to continue meeting costs;
- **Service to the majority of community:** reasonable access for the majority of the population to services, regardless of geographic location;
- **Clear and measureable targets / objectives:** a Scheme should have clear outcomes and a mechanism to review these outcomes;
- **Ongoing commitment:** a Scheme should be designed to operate during changing situations, over a prolonged period of time (changing situations can include market collapse, a change in political direction etc.);
- **Consistent communications:** use of centralised communications and promotions to effectively communicate with the community; and
- **Regular review mechanism:** the effectiveness of a Scheme needs to be regularly reviewed, and additional measures implemented, should the Scheme fail to function adequately.

## 9. Conclusion

The majority of Product Stewardship Schemes that have been introduced in Australia have focused primarily on appropriate end-of-life management. Namely, which party should have physical or financial responsibility for collecting, processing, recycling or disposing of end-of-life products. Although this is a good place to start, there is a risk that this approach to Product Stewardship, could result in a number of missed opportunities.

Clearly, a Discussion is required on the future approach to be taken by Local Government, in negotiating with industry during the development of industry led Schemes.

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