



29 June 2018

The Director
Environment Standards Division
Stewardship and Waste Section
Department of the Environment and Energy
GPO Box 787
Canberra ACT 2601
email wastepolicy@environment.gov.au

Ask for: Bill Millard
Phone: 9932 1096
Our Ref: A2883906

Dear Waste and Resource Recovery Team,

Submission on the review of the *Product Stewardship Act 2011*

Hobsons Bay City Council welcomes the opportunity to provide input to the review of the *Product Stewardship Act 2011* (the Act), including the National Television and Computer Recycling Scheme (the Scheme).

The principles of product stewardship and extended producer responsibility are important to local government who are often expected to bear the financial burden of introducing recycling systems to minimise the environmental impact of products. Strengthening and expanding existing schemes and the exploration and introduction of new schemes that deliver the best outcomes for communities, business, local government and the environment is supported.

Of particular note is that at the 27 April 2018 meeting of Commonwealth and State and Territory Environment Ministers, the Ministers endorsed a target of 100 per cent of Australian packaging being recyclable, compostable or reusable by 2025 or earlier. Governments will work with the Australian Packaging Covenant Organisation (APCO) to deliver this target. Ministers also endorsed the development of targets for the use of recycled content in packaging, and committed to including circular economy principles in an updated national waste strategy by the end of the year. Therefore consideration needs to be given to how these commitments should be reflected in the Act.

This submission seeks to address each of the five points raised in the review terms of reference.

If you would like to discuss this submission further, please contact Bill Millard, Director Strategic Development on 9932 1096 or email billard@hobsonsbay.vic.gov.au.

Yours sincerely

Aaron van Egmond
Chief Executive Officer



Submission on review of the *Product Stewardship Act 2011*

Hobsons Bay City Council is situated on Port Phillip Bay, approximately between six and 20 kilometres south west of Melbourne's central business district. It covers an area of approximately 64 square kilometres and has more than 20 kilometres of foreshore, quality residential areas, large expanses of environmentally significant open space and a range of major industrial complexes, which contribute significantly to the economy of Victoria. These features contribute to the City's culture, which is strongly linked to its maritime heritage, environment, industry and lifestyle. It is home to approximately 95,000 residents. Council doesn't own or operate resource recovery facilities and relies on private or neighbouring councils' waste and resource recovery facilities to manage disposal and recycling of products.

This submission seeks to address each of the five terms of reference for the review of the *Product Stewardship Act 2011* (the Act).

TOR 1. The extent to which the objects of the Act are being met and whether they remain appropriate.

Using the example of the implementation of the National Television and Computer Recycling Scheme (the Scheme), it is unclear whether the Scheme is achieving the objectives of the Act other than ensuring products are recycled, recovered, treated and disposed of in a safe and environmentally sound way. Other objectives of the Act include encouraging or requiring manufacturers, importers, distributors and other persons to take responsibility for those products throughout their lifecycle. This could be achieved by avoiding and reducing the generation of waste from products, reducing or eliminating hazardous substances in products and managing waste from products as a resource. Though there would be some manufactures taking steps to achieve these objectives, in general there is little evidence to suggest that the Scheme is encouraging the industry to invest and make changes in achieving this objective.

Therefore product stewardship schemes should focus more on the higher level objectives of the waste hierarchy such as waste avoidance and prevention. The product design should encourage reusability, ability to repair easily by customer, minimum waste generation during manufacture and product use, the use of recycled material in products, usage of raw materials that have least impact on environment and minimal packaging. Product stewardship schemes must provide incentives to the industry to invest in research and development so that they make continuous improvement in their product design and raw material usage. This first review of the Act is a suitable opportunity to make a shift to this approach.



TOR 2. The effectiveness of the accreditation of voluntary product stewardship schemes and the Minister's annual product list in supporting product stewardship outcomes.

Voluntary product stewardship schemes

Of concern is whether the voluntary or self-regulatory schemes would achieve the same high rates of compliance by industry and waste avoidance and resource recovery as mandatory or co-regulatory schemes. Therefore it is important to apply the lessons learnt from the National Television and Computer Recycling Scheme and international products stewardship schemes in setting out governance arrangements on reporting and audit requirements.

In addition, it is understood that MobileMuster and FluoroCycle are two arrangements currently accredited by the Australian Government under the voluntary accreditation arrangement within the Act. The Product Stewardship Regulation 2012 provides a framework for setting cost recovery fees for accredited arrangements.

Councils are generally unaware of the status of these arrangements and are unsure of their roles and responsibilities under the Act. For example, councils are unsure about accreditation conditions of existing voluntary schemes on their participation rates, geographical coverage and reporting requirements. It is suggested to provide clear instructions and information to all stakeholders on a regular basis, of their roles and responsibilities and how they can benefit from arrangements, particularly if changes occur after a review of an accreditation period.

The Minister's Product Stewardship List

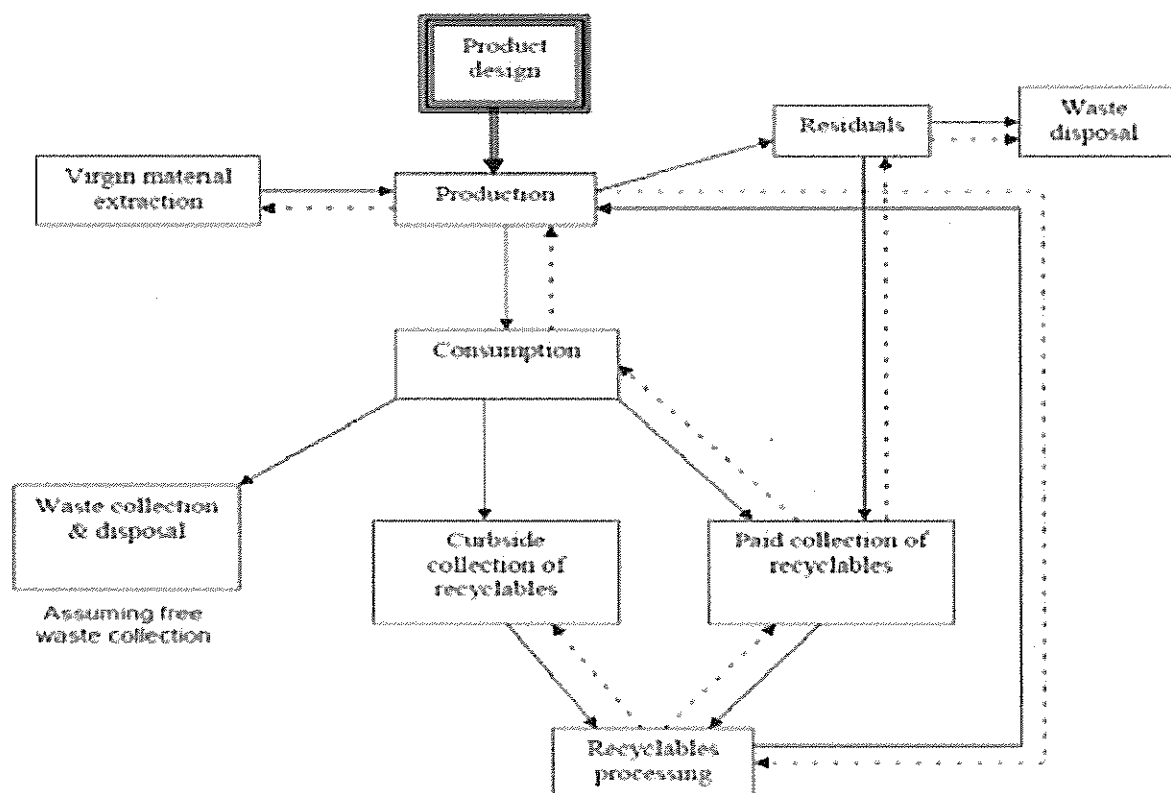
The published list of products being considered for some form of accreditation or regulation under the Act provides some certainty to local government, the community and business about what is being considered for coverage. It also provides 12 months notification required to the class of products being considered for some form of accreditation or regulation under the Act. However there has been a lack of clarity about the process for and timely consideration of these classes of products. For example electrical and electronic products are included in the 2017-18 and 2016-17 list but it is unclear what actions have been taken to address these products at a national level. This lack of clarity has the potential for state and territories to introduce different schemes ahead of a national approach and create inconsistency across the nation that may dis-benefit the industry, communities, local government and the environment. For example the Victorian Government's commitment to ban electronic waste from landfill by July 2019 has been met with criticism by local government about the scope and format of the ban and its effect on illegal dumping and costs to councils and their communities. The Victorian Government's approach has not considered product stewardship and is primarily relying on local government to deliver its commitment with limited funding. It is critical that the Victorian Government's ban does not undermine or detract from current and future opportunities to improve national product stewardship schemes.

Part of the review is the introduction of the Product Impact Management Strategy (PIMS), which aims for Australian, State, Territory and local governments to work



together with input from industry to address product impact issues using a standardised process for assessment, action and escalation (where necessary). It is hoped that this process will provide clarity and improve consistency of consideration and implementation of government approaches to addressing priority products.

A diagram provided by the Department of the Environment and Energy (refer below) on the flow of materials and flow of payments when designing a product assumes that the waste collection and disposal would take place for free (solid lines depict material flows; dashed lines the money flow). This assumption is incorrect as in practice the industry is not considering the cost of waste collection and recycling or disposal of their product. Therefore there is a need to extend the payment flow to include waste collection and disposal.



The Australian Government should explore whether products that are mostly littered and end up in waterways (e.g. advertising materials, cigarette butts and take away food wrappings) be considered for product stewardship schemes. Funding for collection and disposal of these items could be included as a 'disposal levy' at point of sale.

Due to strong community interest and cost to local government, other products that could be considered for the Minister's product stewardship list include mattresses, toys, balloons, straws, textiles and packaging.

Packaging has been included in the 2013-14 and 2014-15 list and removed after a 2014 Packaging Impacts Regulation Impact Statement (RIS) process recommended that the Australian Packaging Covenant (APC) continue to be the principal national instrument to



reduce the environmental impacts of consumer packaging in Australia. Given the renewed interest nationally in the effects of all types of packaging on the environment as an outcome of State, Territory and supermarket approaches to eliminating single use plastic bags and the effects of China's National Sword Policy, packaging should be placed back on the list in the near future for re-consideration. This re-consideration is supported by recommendations of the 2016 senate inquiry into the threat of marine plastic pollution packaging and the outcomes of the meeting on 27 April 2018 of Commonwealth and State and Territory Environment Ministers. The changes in the national recycling market as a result of China's National Sword Policy is likely to have changed the arguments for and against container deposit schemes and as such should be reviewed.

TOR 3. The operation and scope of the National Television and Computer Recycling Scheme.

The Australian Continuous Improvement Group's (ACIG) main findings and recommendations of the Scheme are supported.

Specifically ACIG's finding that while the Scheme is working well overall for all participants, there are improvements that could be made to enhance its efficiency and effectiveness. In order to provide equitable access to collection services, the suggestion to set up mandatory minimum annual collection levels, minimum service requirements or a combination of both are supported. Also supported is the suggestion to update the reporting provisions to require reporting on energy recovery.

There is potential to expand the Scheme to cover other types of electronic waste. The Scheme is a complex program with multiple key stakeholders and an expansion may become more complex and difficult to administer. If expanded to electronic waste the preference would be where all liable parties fund the collection and recycling based on the total weight of products manufactured or imported. This would assist the Scheme to apply a blanket rate across a wide range of products (as broad as the European Union's Waste Electrical and Electronic Equipment scheme) and manufactures.

It is understood why mobile phones, refrigerators and air conditioners would be excluded when expanding the Scheme, but it is important to highlight that it may cause public confusion due to different recycling options for different electronic waste products.

The legislative change for the Australian Government required to recover the costs incurred in administering the scheme is supported.

In addition to ensuring liable parties meet their obligations under the Scheme, the Scheme should focus on 'health checks' of co-regulatory arrangements and improvement in downstream recycling as mentioned in the review. There is concern regarding ACIG's finding that while the competition among administrators helped in a price drop, it may not lead to best outcomes. The competition and price pressure may cause recyclers to adopt sub-standard processes, leading to poor environmental and health and safety outcomes. The Australian Government is urged to allocate sufficient resourcing for the Scheme to ensure that monitoring the performance of co-regulatory



arrangements be fully implemented and that the stakeholders' expectations for improvements are met.

It is also important to be aware of the broader context and commencement of a new product stewardship scheme that might impact on the prevailing market conditions and other State and Territory initiatives. An example is the potential expansion of the Scheme to cover 'other e-waste' products when the Victorian Government is scheduled to introduce an e-waste ban from landfill from July 2019. It is critical that the Victorian ban does not undermine or detract from current and future opportunities to improve national product stewardship schemes.

It is understood that activities are being undertaken to review the Scheme with minor amendments. The amendments involve adjustments to conversion and scaling factors, which are numerical values used in estimating the weight of televisions and computers imported each year, and entering the waste stream each year. Addressing these changes now rather than waiting for the completion of the review so they can be implemented for the start of 2018–19 is supported.

Importantly since local government has a vital practical role in delivering the Scheme, it is important to ensure strong engagement and regular consultation and communication.

TOR. 4. The interaction of the Act with other Commonwealth, state and territory and local government legislation, policy and programs.

As previously mentioned there is a lack of clarity about the process for and timely consideration of classes of products listed to be considered under the Act and how this has effected State and Territory activities. It is hoped that the introduction of the PIMS will improve clarity and consistency of action on priority products.

The potential expansion of the Scheme to cover 'other e-waste' products may have impact on the Victorian Government's introduction of an e-waste ban from landfill from July 2019 and therefore the Victorian Government's scope and format of the ban should be reconsidered.

TOR 5. International and domestic experience in the use of product stewardship to deliver enhanced environmental, social and economic outcomes through product design, dissemination of new technologies and research and development.

The Australian Government's effort in convening the Global Product Stewardship Council to bring together Australian and international speakers to talk about product stewardship is supported. Since many companies have multinational presence, it is important to reflect international standards and regulations for product stewardship. This would give consistency and certainty to business, industry, governments and consumers.

The Australian Government is encouraged to take initiative in bringing various stakeholders together under one platform to share the lessons learned and experiences gained in developing standards and developing workable schemes for various products.