

# Local Government Principles for Product Stewardship

## Issues for Local Government

Waste management is increasing in complexity and cost. There is also increasing community and political expectation regarding the management of products at end of life. Product Stewardship offers a key way for industry to take responsibility (physical or financial) for the waste that it generates through the sale of products. The community looks to Local Government for leadership and service provision in relation to waste management services, therefore Local Government (and ultimately the communities they serve) bear responsibility when Product Stewardship Schemes fail. Without Product Stewardship, which addresses the key principles outlined in this document, there will be increasing costs for the community (collected through rates and charges by Local Government), resource recovery targets will be difficult to reach and a transition to a circular economy unlikely.

Local Government provides a range of waste management services to the community dependent on their need, including kerbside, vergeside and drop off options. Many of the products which are covered, or will be covered, by Product Stewardship are not suited to disposal through kerbside or vergeside options – for a range of reasons including contamination concerns, Work Health and Safety considerations and to maximise recovery. Therefore, drop off locations will be needed to effectively recover these products.

There are various approaches to Product Stewardship being implemented currently, with legislation at a national and State/Territory level with a range of mandatory, co-regulatory and voluntary approaches. To date, Schemes have been developed with varying levels of Government direction and consistency (of approach and output). At a national level there appears to be a clear preference for the development of voluntary Schemes, and while a few may be effective, these approaches do not guarantee the outcomes that Local Government and the community need.

## Product Stewardship Schemes in Australia

Product Stewardship Schemes in Australia are diverse in their approaches, including the legislation that is relevant to their implementation, the focus of the schemes, the governance structure, approach to targets and funding model. Local Government has actively engaged in the development and implementation of Schemes where there is a clear opportunity to reduce costs and improve access for the community. Through the process of engaging with the Schemes Local Government has seen positive outcomes, innovative solutions and developed important learnings. There have also been negative outcomes, where Local Governments have incurred considerable costs. Some examples of the variety of Product Stewardship Schemes that have been, or are being implemented, show the variety of outcomes which occur without any consistency to how Product Stewardship is approached.

*Paintback* – voluntary, unaccredited scheme\* – currently saving the WA Community over \$600,000 a year, through savings to the Household Hazardous Waste Program.

*National TV and Computer Product Stewardship Scheme* – Co-Regulatory Scheme under the national Product Stewardship Legislation, has been successful but is now costing the WA community \$300 a tonne to recycle products included in the Scheme

and does not cover the \$700 a tonne to recycle other electronic waste. National targets do not provide an equitable outcome for WA WA is 10% of the national population but is only collecting 5% of the material through the Scheme. In the past collections from Local Government have been ceased when Scheme Targets have been met.

*Australian Packaging Covenant Organisation* – co-regulatory scheme, through jurisdiction-based legislation – over many years it has focused on funding projects and packaging design. The Scheme does not address the costs of recycling packaging material or give producers any physical responsibility for their products at end of life.

Used Oil Program – mandatory scheme, with national legislation – this scheme provides a subsidy to recyclers with the preference for oil to oil recycling accessing a high subsidy per litre. This has driven the development of oil to oil recycling across Australia and provided funding for collection infrastructure and community education.

Tyre Stewardship Australia – voluntary, accredited scheme\* - is focusing on market development and accreditation, but not addressing the considerable costs associated with tyre recycling and the issues with illegal dumping.

Flurocycle – voluntary, accredited scheme\* - based on an accreditation model which does not fund any collection or recycling of these materials. Through the HHW Program recycling fluorescent has cost the community approximately \$70,000 annually.

Curby Trial – voluntary, pilot scheme – this trial used an opt-in approach which provided a community in NSW with bags put place in the kerbside recycling bin full of flexible plastic. Local Governments have expressed considerable concern about this approach. In WA all Local Governments and Material Recovery Facility operators have agreed to exclude flexible plastics from the kerbside recycling bin as it contaminates the paper stream and is a low value product which is difficult to recover. Another cause for concern is the potential for inconsistent messaging, State and Local Government have consistently promoted – leave material loose in the bins messaging. There are also considerable Work Health and Safety concerns regarding opening of bags, as the content is not known.

The Federal Government, through the National Product Stewardship Investment Fund, has invested in 20 projects to establish/enhance Product Stewardship schemes. The Centre of Excellence for Product Stewardship represents an opportunity to ensure that Schemes are developed consistently and to maximise access – however they do not have a regulatory role.

Right to repair and built in obsolescence issues - while this could be incorporated into Product Stewardship Schemes it has not been to date. The Productivity Commission Right to Repair work and legislation in other countries exists alongside, and is complementary to, Product Stewardship.

*\*This refers to the accreditation under the Recycling and Waste Reduction Act 2020.*

# Key Principles for Effective Product Stewardship

## **RESPONSIBILITY**

### ***1. Producers and importers should take responsibility for the end of life product impacts***

In the absence of Product Stewardship, the end of life impacts of products are disconnected from the design, manufacturing, and consumption choices that drive them. Waste impacts, both environmental, social and financial, are borne by the community at large. Product Stewardship requires manufacturers and producers to take responsibility for the whole of lifecycle impacts of their products. This has the potential to create a price signal and provides incentives for up-stream change to reduce waste and improve recycling outcomes.

### ***2. Product Stewardship Scheme should cover the entire cost of product recycling***

Any Scheme should cover the entire cost of the product recycling (collection and recycling), not just a proportion of the costs. Product Stewardship provides the link between the benefit the producers receive for selling a product with ensuring that product will be appropriately dealt with at end of life. It ensures that the community, through Local Government, are not subsidising these costs.

## **ACCESS**

### ***3. Leverage Existing Schemes and Collection Locations***

Every Scheme does not have to start from scratch regarding collection locations, they may be able to leverage existing schemes and collection locations. As one example, through the Container Deposit Schemes there is a national network of take back locations. These drop off locations may be able to be utilised more fully to collect other materials, which can't be disposed of through kerbside or vergeside.

### ***4. Make it easy, convenient and consistent for the community***

The key to successful Product Stewardship Schemes is making it easy, convenient and consistent for the community to access all Schemes. That means, for example, having common drop off sites where a large range of products can be taken back to, in locations which are close to where people live, and which it is simple and straightforward to access. Kerbside and vergeside options are also easy and convenient but are not appropriate for many products.

### ***5. National coverage and equitable access for all***

Products can be distributed all over Australia, there is therefore an expectation that material will be recovered nationally as well as ensuring good access for regional areas. Each Product Stewardship Scheme works out its accessibility framework, however a common approach needs to be agreed to ensure that a consistent approach is in place for all products.

## **SCHEME DESIGN**

### **6. Evidence based**

Before being implemented by industry, a proposed voluntary product stewardship scheme should undergo a detailed analysis which includes:

- The range of voluntary product stewardship approaches which were considered, prior to the preferred approach being selected
- Identification of costs, benefits and risks relating to the proposed Scheme and where these costs, benefits and risks will be apportioned
- The impact on existing collection systems, including Local Government operations such as kerbside collections
- The degree to which the Scheme incentivises consumer participation.

### **7. National Product Stewardship legislation should be used**

The *Recycling and Waste Reduction Act 2020* is national legislation with the option of mandatory, co-regulatory or voluntary product stewardship. The Commonwealth should consider mandatory product stewardship schemes where co-regulatory or voluntary approaches have not, or are unlikely to, succeed. For products which have a national reach, this legislation should be used to ensure consistent regulation across Australia. This approach will also gain economies of scale in relation to implementation and communication and reduce duplication of effort.

### **8. Timely action and industry cooperation**

While nationally consistent approaches are preferred, Schemes need to be developed in a timely manner with cooperation and engagement with industry. The failure of a national Container Deposit Scheme led to the development of different Schemes in each State and Territory, with slightly different designs and approaches.

### **9. Product Stewardship Schemes should be demand based and aim to recover the maximum amount of material possible, rather than being limited by targets**

Targets work to drive recovery rates; however, they can become a problem if they are easily exceeded or only applied nationally (as with the TV and Computer Scheme). Local Government, as a service provider, cannot turn the community away if a national target has been reached: they keep taking the material and pay the costs associated. Schemes need to ensure they are collecting enough funds to cover costs of all products being collected. Budgets can be managed by staged implementation and approaches to communication. For some material types, targets can drive positive outcomes, for example with the Container Deposit Schemes, however this needs to be assessed for each material type.

### **10. Product Stewardship Schemes should focus on 'no cost' at end of life options for consumers or provide incentives for recovery**

The consumer should not be charged to dispose of a product, this price should be built into the purchase price of the product and be enough to ensure legacy products can also be recovered. Implementation of existing Schemes has clearly shown that the community do not, generally, want to pay for recycling costs at end of life.

For some product types a financial incentive for recovery has yielded very positive results, for example with the Container Deposit Schemes being implemented nationwide.