

# Policy Statement – Product Stewardship Schemes

## Background

Local Government has historically been responsible for managing much of the products consumed by the community. Unfortunately, rapidly changing waste streams have turned the process of managing post-consumption products into an expensive and complicated activity for Local Governments.

Industry should take responsibility (physical and/or financial) for the waste that it generates through the entire life cycle of the products it produces through the implementation of effective product stewardship. WALGA acknowledges the approach can also be referred to as Extended Producer Responsibility.

Local Government calls on the Commonwealth Government to implement effective Product Stewardship schemes, for all products, that drive environmentally and socially sustainable outcomes through the design, manufacture and distribution of products that can be more easily reused, repaired, recovered or recycled.

If national action is not progressed within a reasonable timeframe or in a way that meets the needs of the Western Australian community, then Local Government supports a State based approach to Product Stewardship.

Effective Product Stewardship schemes are crucial to Local Government, as they can redistribute the responsibility for managing post-consumption products from Local Governments and the community, onto others in a product's supply chain.

Many products that are covered, or are earmarked to be covered, by Product Stewardship schemes are not suited to be collected through kerbside or verge side options for a range of reasons including contamination concerns, safety considerations and to maximise recovery. Therefore, accessible alternative options such as drop-off points supported by a transparent and stable recovery pathway are required.

Without effective Product Stewardship, 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 is unlikely.

Local Government considers Product Stewardship schemes should be developed where and when they are most necessary and most practicable. Priority waste or product types for product Stewardship schemes should be established prior to developing specific schemes.

## Prioritising Product Stewardship Action

When prioritising waste or product types for Product Stewardship schemes, proponents should address the following questions:

- a. Does the waste or product cause significant environmental or social impacts?
- b. Does the waste or product cause significant costs for waste processors?

- c. Does the waste or product have unrealised potential for recycling/resource recovery?
- d. Is the waste or product likely to be disposed of illegally?
- e. Does the waste or product cause significant community concern?
- f. Is the producer well placed to reduce the impacts of their products?

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, and innovative solutions and developed important learnings.

There have also been negative outcomes, where Local Governments have incurred considerable costs through covering shortfalls in scheme funding. A consistent approach incorporating the following key principles is required to ensure Product Stewardship schemes achieve their aims and support Local Governments and their communities to maximise reuse and recovery of materials.

Local Government considers a framework approach should be taken to ensure all products manufactured, distributed, and sold are part of an effective Product Stewardship Scheme.

## Key principles for effective Product Stewardship

### 1. Producers and importers should take responsibility for post consumption product impacts

In the absence of Product Stewardship, the post-consumption 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 lifecycle impacts of their products, ensuring those products are recycled. This has the potential to create a price signal and provide incentives for up-stream change to reduce waste and improve recycling outcomes. Schemes must designate clear roles to each participant in the product chain, with clear responsibilities for specific outcomes to all participants determined during scheme development.

### 2. Product Stewardship Schemes 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 the product will be appropriately dealt with at the end of life. It ensures that the community, through Local Government, are not subsidising these costs.

### 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 verified.

### 4. Schemes must be easy and convenient for the community to access

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 that 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 upon to ensure that a consistent approach is in place for all products.

## **6. Product Stewardship should be evidence based**

Before being implemented by the 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.

Schemes should be supported with reliable evidence that demonstrates that the objectives of the scheme are likely to be able to be delivered. In its twin roles as a community representative and waste management service provider, Local Government has an obligation and a right to expect that proponents will demonstrate the merit of proposed Product Stewardship schemes. This must be done with reference to respectable and verifiable evidence.

Schemes must be specific and clear about what they seek to achieve and provide means by which to assess whether these objectives have been achieved. The achievement of objectives must be assessed with reference to measurable targets and the failure to meet targets must be accompanied by clear and firm consequences.

Local Government supports schemes that can demonstrate social benefits as an outcome.

## **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 that 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, 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 the 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 additional cost at the post consumption stage to encourage responsible disposal by consumers**

The consumer should not pay an additional charge 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.