



9 August 2018

The Director
Stewardship & Waste Section
Department of the Environment and Energy
GPO Box 787
Canberra ACT 2601

Dear Sir/Madam

The Australian Local Government Association (ALGA) appreciates the opportunity to make a submission to the Australian Government's review of the *Product Stewardship Act 2011*, including the National Television and Computer Recycling Scheme. We thank you for the extension of time granted for making this submission.

ALGA has consulted with its State and Territory Local Government Associations in preparing the submission. Comments in this paper should be read in conjunction with separate submissions made by State and Territory Local Government Associations and councils.

Should you require any further information in relation to the matters raised in this submission, please contact Lauren Heritage-Brand on telephone (02) 6122 9400 or email lauren.heritage-brand@alga.asn.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Adrian Beresford-Wylie'.

Adrian Beresford-Wylie
Chief Executive



AUSTRALIAN
LOCAL GOVERNMENT
ASSOCIATION

Submission to the Department of Environment and Energy

**In response to the review of the Product
Stewardship Act**

August 2018

1. INTRODUCTION

The Australian Local Government Association (ALGA) appreciates the opportunity to make a submission to the review of the Product Stewardship Act and Television and Computer Recycling Scheme.

The information contained in this submission is the result of consultation with State and Territory Local Government Associations, however it does not replace the individual views of those bodies, who may have submitted separately during the public consultation process. As such, the information contained below should be considered as supplementary information.

ALGA is the national voice of local government in Australia, representing 537 councils across the country.

Local Government's Relationship with Product Stewardship Matters

In structure, ALGA is a federation of state and territory local government associations. ALGA was established in 1947 and throughout its history has been closely involved in issues of national significance affecting the local government sector as a whole.

With the recent developments affecting the waste and recycling industry – and more broadly, product stewardship - ALGA's Board confirmed its commitment to continuing and increasing the Association's input into national policy and advocacy in these fields on behalf of its State and Territory Associations.

The interest and engagement of ALGA, and the local government sector more generally, with product stewardship has been ongoing since the introduction of the Act but has particularly focused at the end of cycle stage, i.e. waste management. Due to the high level of sectoral involvement in waste management, ALGA regularly liaises with peak industry bodies that may be administered under the Act, such as co-regulatory and voluntary bodies administering television and computer waste, packaging and battery recycling. ALGA is also involved with AgSafe's drumMuster program, authorised under the ACCC as a voluntary program by AgStewardship Australia Limited.

We also liaise with the Commonwealth Department of the Environment and Energy, other industry peak bodies and State and Territory Local Government Associations on an ongoing basis to ensure local governments are well informed and their interests considered in policy and program development.

Local government has a long history and expertise in municipal waste management. Municipal waste management services are complex and the range of involvement and service offered to residents and businesses by councils varies between councils. Services can include, but are not limited to:

- waste collection, waste disposal and kerbside recycling;
- participation in various product stewardship initiatives;

- management of landfills, gas capture and co-generation of power, diversion of waste from landfills for example green waste to produce compost; and
- management of waste management contractors.

Local governments also play an important role in sharing information on waste collection and disposal capabilities in their area, including dates and location of collection/drop off events that eventuate under product stewardship schemes.

Local government partners with other levels of government on a variety of policy initiatives including, for example, bans on plastic bags in some states, introduction of Container Deposit Schemes, community education and litter reduction.

ALGA supports the application of the waste hierarchy (i.e. the tiered system of waste management options based on their environmental desirability, ranging from disposal (this could mean incineration) through treat, recover, recycle, re-use, reduce to avoid). Application of the waste hierarchy should be the basis for future policy directions, such as working towards a national circular economy policy agenda. In achieving these goals, ALGA believes that manufacturers can do more to accept responsibility for the management and production of their waste and the cost burden of processes required to deal with contamination, such as the use of mixed materials in product design and packaging. Such costs should not fall disproportionately on the rate payer at the end of the product life cycle.

ALGA believes this is an important part of product stewardship and an area for improvement through review and ongoing implementation of the Act and its associated instruments and programs.

2. COMMENTS IN RELATION TO THE TERMS OF REFERENCE

TOR1: The extent to which the object of the Act are being met and whether they remain appropriate

ALGA believes the objects of the Act are appropriate, albeit that there is limited success in the extent to which they are currently being met.

The Act articulates that full product life cycle considerations are to be made. However, ALGA believes that implementation of the Act to date demonstrates there is far more emphasis placed on end of life cycle considerations, i.e. waste management, than on product design, supply chain/transport and resource use considerations. In particular, few schemes seem to place emphasis on object (3) (b) of the Act, “to contribute to reducing the amount to greenhouse gases emitted, energy and water consumed in connection with products and waste from products”.

It is unclear, in many schemes, how well resource use issues (water, energy and emissions) are truly considered and minimised in the design and implementation of product stewardship schemes. ALGA recommends that the wording of the objects of

the Act could be strengthened by putting clear emphasis on the importance of product design stages, including supply chains and embedded resources.

Another important object of the Act is to encourage or require action, as listed in s4(2). This refers to the voluntary, co-regulatory or mandatory constructs of schemes allowable under the Act. To date, little emphasis has been placed on mandatory or co-regulatory schemes, and as such this appears to have diminished the intent of this object. As a result, it is ALGA's view that that there is a limited extent to which the objects of the Act are being met and we believe that this needs to be addressed as a priority as part of this review.

TOR2: The effectiveness of the accreditation of voluntary product stewardship schemes and the Minister's annual product list in supporting product stewardship outcomes.

Linking to the comment made in relation to TOR1, ALGA suggests that implementation of the Act has been limited through an over emphasis on voluntary schemes, with apparently little will at a Federal level to push for co-regulatory or mandatory arrangements. In saying this, ALGA does note that industry players must see a benefit to becoming an accredited scheme under the Act, rather than establishing their own unaccredited scheme. Should the accreditation system be too onerous, costly or time consuming, industry is unlikely to see benefit.

From a community-local government perspective, accredited schemes give communities confidence that the government is playing an active role in an area the community feels is important (as demonstrated in recent community surveys about the need for government intervention on recycling etc.). Nevertheless, on balance, ALGA supports taking a streamlined approach to voluntary scheme accreditation, but we believe this must be accompanied by the transparency and accountability of those involved, so that the community can be re-assured that all parties, including government, are playing their roles actively.

With regard to the list of products, annual lists are useful from a community/local government perspective to understand areas of focus and greatest needs. With the introduction of the Assessment Action Escalation (AAE) Process and Work Plan, there needs to be clarity on how the annual product list and that AAE process interact. It must be clear that the process is able to provide flexibility to address urgent issues, provide a longer-term view to flag to industry that action is required and also assure communities that problematic product types have been identified and are being addressed in a strategically, but timely manner.

It has been noted, however, that the annual listing process does not create sufficient impetus for action by industry, which again can create frustration and confusion at a community level about the resolution of product stewardship issues.

ALGA has been advised via its State/Territory Associations that the local government sector would be keen on having a more active role in identifying product

categories for listing, due to their active involvement in the end of life management of many products.

It is also worth noting that, due to the construct of industry business models, it may be that some parties are involved in multiple schemes. Should requirements differ between schemes, due to the absence of clear minimum standards, this can cause confusion at the community level on the effectiveness and worthiness of schemes. This may lead to a lowering of interest, for example, to participate in key events such as coordinated collection days or points co-run with Councils. A preferred outcome would be implementing consistent minimum requirements across product types, with flexibility to enable scheme-system design improvements incorporating learnings from other/newer/older schemes.

Another key recommendation is to consider the role of Councils in the implementation of schemes, and ensure they are appropriately consulted when designing/accrediting a scheme. Anecdotal feedback suggests that there have been incorrect assumptions at times that the local government sector will play a role in implementation of some schemes, without adequate consultation on or agreement to such roles.

TOR3: The operation and scope of the National Television and Computer Recycling Scheme (NTCRS).

ALGA notes that separate submissions into this review have been made by state/territory local government associations, which have included detailed comments, via numerous Councils, on the NTCRS. ALGA supports the recommendations of those submissions in that they are able to cite more specific examples of how effectively the scheme is operating at a local/regional scale.

From a national local government perspective ALGA is supportive of the NTCRS but we believe its effective operationalisation is limited, or reduced, in remote/regional areas such as in Western Australia, Queensland and Northern Territory. There are limitations on product stewardship schemes where those schemes relate to specific and narrow product categories, especially in remote/regional areas. As such, expanding of the scope of the NTCRS may be an option to address scale and distance challenges.

The feedback received about the limited operationalisation of the scheme in remote/regional areas also highlights the reality that if the design of schemes does not include sufficient consultation with local councils early in the process, with adequate agreement reached on roles, they are unlikely to be effectively implemented. This has been demonstrated by the termination of collection site contracts in some Western Australia areas.

The negative outcomes for remote/regional areas regarding the NTCRS may highlight under-resourcing issue with the scheme, and a need to put more emphasis on manufacturers', importers' and product designers' responsibilities as part of considering a product's full life cycle.

TOR4: The interaction of the Act with other Commonwealth, state and territory and local government legislation, policy and programs.

Reference has been made above in TOR2 regarding the interaction with the annual product list and the proposed AAE process, as well as ensuring that the local government sector has been adequately consulted when considering accreditation of schemes. Adequate consultation can assist in identifying potential interaction with other local government policy and programs, as well as identify potential areas for improvement/efficiencies for both local government and the proposed scheme, such as coordinating multi-scheme collection events/locations.

Advice from the local government sector indicates that there have been numerous cases of assumed adequate consultation during the setup stages of product stewardship programs, when in reality little has occurred, leading to an expectation that local governments would take on responsibilities – either known or unknown during the set-up stage – without question. Communities easily develop an expectation of local government's role, leading to additional resource burden or cost increases which may not be adequately factored into the fee structure of product stewardship schemes. The unwanted outcome of this failure is losing community support of the scheme and undermining product stewardship in general.

In order to address some of these risks, a local government product stewardship reference group could be established to review scheme proposals and provide structured feedback. This has been raised informally with some industry peak bodies and State/Territory local government associations with favourable feedback.

TOR5: 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.

In general, ALGA supports product stewardship programs in that they recognise the role of communities and local governments as consumers, as well as waste, environmental and social managers. As such, overall, the domestic experience of product stewardship has achieved positive outcomes in these regards.

At present there are limited examples (from the local government sector perspective) of how product stewardship has encouraged new technology dissemination and research and development. Expansion of these possibilities would be of interest, where it is resource-effective and supports a shared responsibility approach between consumers, producers and governments.

3. CONCLUSION

Product stewardship is an important part of moving towards a sustainable future, with economic, social and environmental benefits. Given the Australian community's current interest in moving toward a more circular economy, ALGA is supportive of the ongoing implementation and strengthening of the Product Stewardship Act, as well as the National Television and Computer Recycling Scheme, insofar that it reflects more balanced cost sharing across the full product life cycle.

ALGA appreciates the opportunity to comment on the review of the Act and the NTCRS.

ALGA Secretariat
August 2018