8 February 2006

Inquiry into Waste Generation and Resource Efficiency
Productivity Commission
Locked Bag 2
Collins Street
East Melbourne VIC 8003

By email to: waste@pc.gov.au

Dear Sir/Madam

Productivity Commission Inquiry: Waste Generation and Resource Efficiency

Please find attached a submission to the Waste Generation and Resource Efficiency Inquiry, prepared jointly by Product Stewardship Australia (PSA) and the Consumer Electronics Suppliers' Association (CESA). The primary focus of the comments made in this submission relate to electrical and electronic products and associated waste and resource efficiency issues.

Should you have any queries, please contact PSA's Executive Officer, Mr John Gertsakis on T (03) 9417 0124 or johng@productstewardship.asn.au

Yours sincerely

Doug Walter
Chairman
Product Stewardship Australia

Robert Wooley
President
Consumer Electronics Suppliers' Association

Attachments to this submission:
i) A Collective Product Stewardship Approach for Electrical and Electronic Products in Australia.
ii) PSA submission to the EPCH on Co-Regulatory Frameworks for Product Stewardship.

BACKGROUND ON PSA AND CESA

The following summary provides a brief description of PSA and CESA and their core activities and purpose.

About PSA

Product Stewardship Australia Ltd (PSA) is a relatively new, industry-led organisation with a focus on managing environmental issues in the consumer electronics sector in Australia. PSA is now a fully operational not for profit organisation. It has a Board of directors and a part-time Executive Officer.

PSA is forging ahead in the development of a phased, national TV collection and recycling scheme. PSA is also consulting with relevant Government Departments (eg. Environment, Customs, ACCC) to help facilitate the development and strong enforcement of national regulation to deal with those TV suppliers who do not clearly and publicly take their recycling responsibilities seriously. While the initial focus is on TVs (CRT, LCD and Plasma technologies), PSA is planning to expand its eWaste programs to address other End-of-Life electronic products supplied by PSA members. PSA will be strongly placed to develop and deliver effective national eWaste recycling schemes across relevant product categories.

A key part of PSA's activities is to work cooperatively and collectively with other consumer electronics suppliers and retailers in developing a national solution to TV recovery and recycling, including effective consultation with Government. Within this context, PSA is eager to expand and enhance its membership base, while sharing the benefits with other PSA member companies. Membership of PSA is open to companies involved in the manufacture, supply, distribution and/or retailing of consumer electronics in Australia.

For more information about PSA see www.productstewardship.asn.au

About CESA

The Consumer Electronics Suppliers' Association (CESA) represents suppliers of a wide range of consumer electronics in the Australian market. CESA members meet regularly to maintain their knowledge of regulatory compliance issues affecting the supply of consumer electronics in Australia.

CESA offers suppliers of consumer electronics the opportunity to strengthen the industry and individual companies through consultation with government, representation on Standards Australia committees, collaboration on submissions and comments to regulators, networking opportunities and participation in initiative at the forefront of the electronic industry, such as product stewardship and codes of conduct. Members of CESA are committed to improving and maintaining industry and community standards.

CESA has an active Product Stewardship Working Group, and was instrumental in developing the concept of a 'producer responsibility organisation' relevant to the Australian consumer electronics sector and establishing PSA.

For more information about CESA see www.cesa.asn.au

The economic, environmental and social benefits and costs of optimal approaches for resource recovery and efficiency and waste management, taking into account different waste streams and waste related activities.

PSA and CESA acknowledge the importance of maintaining high levels of environmental responsibility and maximising resource efficiency without compromising economic performance. Whether it is about waste reduction, energy efficiency or dealing with restricted substances, there is always scope to innovate and reduce environmental impacts. This also includes the need for society to reconfigure its patterns of consumption in pursuit of a more sustainable future. Such concepts and objectives are consistent with our activities and are further reflected in the programs, management systems and products of our member companies.

A fundamental element in the ongoing activities of PSA and CESA is the concept of Shared Product Responsibility (SPR). We believe that a Shared Product Responsibility approach to dealing with waste generation and resource efficiency is essential and the most equitable and productive means of achieving permanent solutions. There are numerous players and stakeholders in the life cycle of consumer electronics products, all of which benefit to some degree from the production and consumption of such goods. This should directly inform and shape the type of policy and/or legislative instruments that are developed and implemented to deal with waste arising from electrical and electronic products or eWaste. Key responsibilities must be applied across the product life cycle, from design and production, through to distribution, retail and consumption.

All levels of Government must be involved in areas that make sense eg. regulation and its effective enforcement, research and data collection, community education and information, shared investment in waste related infrastructure, as well as consistent procurement/purchasing policies in support of broader environmental policy objectives.

A Shared Product Responsibility approach to dealing with eWaste is able to act on the key economic, environment, social and cultural issues by enabling and allocating responsibility to key players who have direct relevance and credibility to their immediate stakeholders be they suppliers, retailers, consumers, ratepayers, NGOs, government policy makers, environment/conservation education officers, and so on. Each of the groups or sectors active along the supply chain and product life cycle has capabilities, knowledge, networks and expertise relevant to that stage, phase or sector and this should be positively exploited.

Placing the entire burden of managing eWaste on any one stakeholder is inequitable, unproductive and fails to recognise the beneficiaries associated with the production and consumption of consumer electronics.

In particular, PSA and CESA believe that there is a legitimate (and critical) role for producers, retailers, consumers, government and public infrastructure managers to jointly develop and implement eWaste Product Stewardship schemes for consumer electronics that benefit from a collaborative and cooperative approach. This represents the essence of how successful and sustainable national eWaste collection and recycling can operate on a national basis. Combined with effective safety net regulation targeting industry free-riders, there is great scope to make significant progress on both waste reduction and resource recovery over the next decade. Furthermore, PSA and CESA believe that a key element of delivering a sustainable industry-driven scheme or solution for EoL consumer electronics in Australia is the need for minimal but effective government regulation. This position reflects current thinking on co-regulatory frameworks currently in development through the EPHC process.

It should be noted that even with a Shared Product Responsibility approach to dealing with end-of-life (EoL) consumer electronics, producers and suppliers are still likely to carry the major economic burden. The cost of operating a permanent national collection, recycling and education program for EoL consumer electronics and especially discarded TVs will far outweigh any revenue raised from the sale of recovered materials. This further reinforces the rationale and need for a shared approach.

Another important issue to consider is the limited extent to which the Australian marketplace and importers of consumer electronics can effectively influence product design and manufacture taking place overseas. The current nature of eWaste policy and regulation in Australia (and it's absence relative to the European Union), fails to provide any major incentive for substantial design changes based on Australian requirements, at present.

A key response to effectively dealing with waste generation and resource efficiency in relation to consumer electronics has been the relatively recent establishment of PSA – a not for profit company which will manage national eWaste collection, recycling and education programs on behalf of its member companies. CESA was the primary instigator and organisation behind the establishment of PSA. The Australian Electrical and Electronic Manufacturers' Association also provided some input to the establishment phase of PSA. A key document, which elaborates on PSA and CESA's thinking on Product Stewardship for eWaste, is attached and should be referred to for additional background, insights and proposed actions. This document is titled: A Collective Product Stewardship Approach for Electrical and Electronic Products in Australia. It describes and discusses a diverse range of pertinent issues directly relevant to the Productivity Commission's inquiry on Waste Generation and Resource Efficiency.

Institutional, regulatory and other factors, which impede optimal resource efficiency and recovery, and optimal approaches to waste management, including barriers to the development of markets for recovered resources.

One of the most substantial barriers to efficiently advancing the collection and recycling of consumer electronics on a national basis is the unnecessary complexity of having to deal with multiple levels of government and their mismatch of priorities and policies. While the EPHC processes aim to address this factor in theory, the reality is that not all Governments and their agencies hold the same interest or enthusiasm for dealing with eWaste. Nor is there any transparent or consistent logic behind how specific types of eWaste are selected for attention and action.

The development of permanent take-back schemes certainly does not benefit from individual States and/or Territories competing to facilitate or pressure industry into creating and funding Product Stewardship programs on a State by State basis. The lack of policy-informing research further compounds this situation as different jurisdictions have different ideas about which electrical and electronic products should be targeted for action.

PSA and CESA believe that this mismatch of priorities, expectations and timeframes between all levels of government on eWaste is a continuing and significant barrier to seeing solutions developed sooner.

In addition, more could have been done by government to encourage the development of eWaste recovery and recycling programs between relevant industry associations and sectors. There has, and continues to be, a lack of familiarity among government departments about product overlap between industry associations and the resulting implications for how eWaste schemes might develop and be implemented without causing unnecessary confusion among the public and other stakeholders. The issue of how to maximise productive collaboration between industry associations remains an important aspect of implementing national eWaste schemes. A role for government in fostering and supporting such collaboration represents an important and worthwhile activity for government.

PSA and CESA would like to see a much more uniform and nationally consistent approach to dealing with eWaste. Bolstering the EPHC process would be a sensible first step, as would improved policy-informing scientific and social research on relevant ewaste issues.

The exorbitant cost of developing and implementing a national eWaste collection and recycling program for consumer electronics still remains a significant factor. The cost of implementing such schemes will always outweigh any revenue derived from recovered materials. This is especially the case with EoL TVs. Yet, again this further reinforces the need for Shared Product Responsibility approach whereby all beneficiaries and stakeholders can jointly play a role in delivering a national solution.

Having acknowledged that cost is a major barrier, PSA and CESA are still committed to working through the EPHC process and collaborating with other stakeholders to provide a solution to EoL consumer electronics, commencing with TVs.

The absence of any pre-existing uniform, national legislative or regulatory instrument to deal with eWaste has also been a factor. The view by some sections of government and industry, that voluntary take-back measures are the preferred means of reducing waste and maximising resource recovery, has generally been proven a failure. While there are pioneering companies who are undertaking noteworthy waste avoidance and reduction initiatives, their activities are piecemeal do not represent any major environmental gain on a national basis.

Given this context, PSA and CESA believe that the current EPHC process with its focus on a co-regulatory approach is the preferred direction at this time. This will allow PSA to develop and implement its own programs subject to agreed performance measures, while government provide effective enforcement through safety net regulation to eliminate industry free-riders.

For more information, refer to Section 4: The Need for a National Safety Net, in A Collective Product Stewardship Approach for Electrical and Electronic Products in Australia.

Also attached is PSA's submission to the EPHC Discussion Paper on Co-Regulatory Frameworks for Product Stewardship.

The adequacy of current data on material flows, and relevant economic activity, and how data might be more efficiently collected and used to progress optimal approaches for waste management and resource efficiency and recovery

PSA and CESA believe that the level and quality of Australian research and data on issues concerning waste from electrical and electronic products is limited and far from comprehensive. It reflects a piecemeal approach to data collection and is often undertaken within the context of specific projects rather than holistic and nationally oriented policy research.

While there have been several studies on specific sub-streams of eWaste (eg. IT equipment, major appliances), the relevance and usefulness is restricted. This has led to an overall policy context that seems to lack a scientifically robust justification as to why certain types of electrical and electronic products should be recovered, processed and recycled at EoL. This has resulted in confusion about priorities and which types of eWaste should be addressed by industry. For example at a national level through the EPHC process, it is noted that computers, TVs and mobile phones are targeted for Product Stewardship schemes and activities. In NSW, the Government has highlighted the need for industry to focus on computers, TVs, lighting, whitegoods (shredder residues/fluff)), rechargeable batteries utilised in any/all electrical and electronic products (excluding mobile phones). The actual scientific research that should underpin or substantiate such waste priorities (and the required actions) is generally absent which subsequently provides a weak foundation for ongoing policy development, as well as industry responses and solutions.

In overseas countries where advanced policy, legislative and regulatory measures are addressing eWaste, the level of scientific research and data collection is substantially higher and provides greater clarity about specific environmental impacts and issues and the nature of material flows. This in turn enables much more robust input to decision-making about specific eWastes, the risks they might pose, the types of policy and industry responses required, and the timeframes for action. As mentioned earlier, similar Australian research is virtually absent thus weakening the policy development process and community debate.

PSA and CESA believe that there is a critical role for Government and in particular environment agencies to improve and expand Australia's research and data collection measures in relation to eWaste, including performance standards for the recovery, processing, recycling and treatment of eWaste.

Collectively, PSA and CESA represent companies dealing with a broad and diverse range of electrical and electronic products. The need to better understand the range of life cycle impacts and issues associated with such products represents a major imperative for Government policy makers and should be appropriately resourced and acted on through a comprehensive national research and data collection program on eWaste.

In relation to PSA's future collection and recycling activities for televisions, it is proposed that a robust data collection process will be developed and implemented. This will be further enhanced through annual reporting to the public and relevant stakeholders.

For more information, refer to Section 3.7: Data Collection, Monitoring and Reporting, in A Collective Product Stewardship Approach for Electrical and Electronic Products in Australia.

The impact of international trade and trade agreements on the level and disposal of waste in Australia.

PSA and CESA believe that the Australian Government should play a key role in protecting economic, environmental and social interests in a way that does not compromise national policy objectives concerning the same.

While Australia should be globally connected and participate in significant international treatises, conventions and protocols, the focus should be on how such agreements can facilitate high levels of waste avoidance and resource recovery in a way that is economically sensible, environmentally necessary and socially desirable.

In relation to EoL electrical and electronic products, Australia should not export eWaste to countries in a way that environmental and/or social impacts are merely transferred to other locations, nor should Australia import eWastes from other countries and offshore companies, if those wastes generate unacceptable environmental problems or create genuine community concern.

PSA and CESA also believe that there may be regional and/or Asia-Pacific solutions to processing certain types of eWaste, thus making the export and/or import of eWaste a possible option under tightly controlled procedures and environmental controls. There may be benefits in expanding economies of scale through regional solutions by concentrating activities in specific locations, however this will require detailed assessment based on industry capabilities, regulatory requirements, environmental measures, and economic analysis.

Strategies that could be adopted by government and industry to encourage optimal resource efficiency and recovery.

PSA and CESA believe that there are several activities and initiatives which government could adopt o encourage optimal resource efficiency and recovery. These could include:

- Continued and strengthened commitment to the EPHC process currently dealing with Product Stewardship for electrical and electronic products.

- Innovation in regulatory measures that effectively stimulate industry's participation in approved Product Stewardship schemes, such as that being developed by PSA for TVs i.e. commitment to effective regulation that is productively enforced.

- Government funding to help initiate and support and industry collection, recycling and education programs for EoL consumer electronics. Compared to other industry sectors and waste streams (eg. packaging, construction and demolition, green waste), the electrical and electronic sector has received very little government funding to help develop, initiate and refine the planning and adoption of collection and recycling schemes. Increased government support would help significantly accelerate action by all stakeholders.

- A transparent and comprehensive policy-oriented research program to help determine impacts, issues, priorities and timeframes for specific eWaste categories.

- More rigorous government procurement and purchasing policies and procedures that support specific industry Product Stewardship schemes for electrical and electronic products i.e. government procurement is explicitly in harmony with broader environmental policy objectives.

- A clear and nationally uniform government position on recycling of eWaste and whether or not processing should take place in-country or be allowed for processing overseas.

- The development and advocacy of minimum processing and/or recycling standards or requirements for specific eWaste types.

- The development and support of a uniform national approach to community education and promotional activities on eWaste, including harmonisation with other key stakeholders.

- Consideration of a phased landfill ban for specific eWaste types once approved industry schemes are up and running i.e. introduction of a national landfill ban for TVs two years after the collection, recycling and education scheme has commenced.

A range of additional actions and measures are proposed at the end of each section in A Collective Product Stewardship Approach for Electrical and Electronic Products in Australia.

END