OVERVIEW – PRODUCT STEWARDSHIP

Key fact: Televisions and computers are the first products to utilise the co-regulatory provisions of the *Product Stewardship Act 2011.*

What is Product Stewardship?

Product Stewardship is an approach to managing the impacts of different products and materials. It acknowledges that those involved in producing, selling, using and disposing of products have a shared responsibility to ensure that those products or materials are managed in a way that reduces their impact, throughout their lifecycle, on the environment, and on human health and safety.

More information on product stewardship is available at
http://www.environment.gov.au/topics/environment-protection/national-waste-policy/product-stewardship.
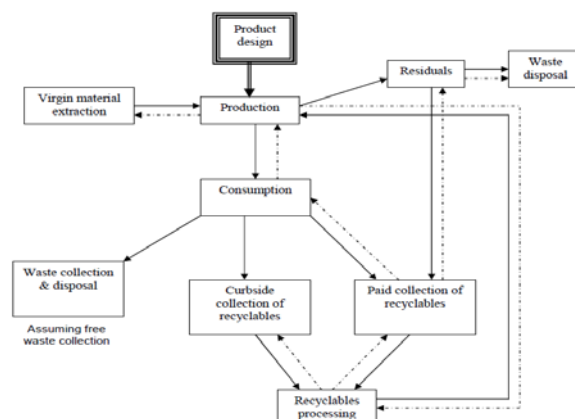
Extended Producer Responsibility

Extended producer responsibility (EPR) schemes are a type of product stewardship that places primary responsibility on the producer, importer and sometimes the seller of the product. Under this approach, producers or importers are required to fund activities to reduce the environmental, health and safety impacts of a product. It is a strategy designed to promote the integration of environmental costs associated with goods throughout their life cycles into the market price of the products.

According to the Organisation for Economic Co-ordination and Development[1], an EPR scheme is characterised by:

1. The shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities

2. The provision of incentives to producers to take into account environmental considerations when designing their products. While other policy instruments tend to target a single point in the chain, EPR seeks to integrate signals related to the environmental characteristics of products and production processes throughout the product chain.

Figure 1. Raw materials and product markets: the flow of materials and the flow of payments (solid lines depict material flows; dashed lines the money flow)[2]

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[1] http://www.oecd.org/env/tools-evaluation/extendedproducerresponsibility.htm - accessed 9/5/13
[2] http://search.oecd.org/officialdocuments/displaydocumentpdf/?doclanguage=en&cote=env/epoc/wgwpr(2005)9/final p. 12

Product Stewardship in Australia

Product Stewardship Act 2011

The *Product Stewardship Act 2011* (the Act) provides an adaptable approach to product stewardship by recognising that each product, material and industry is unique. It allows for products and materials to be covered as the need arises, for example to keep step with Australia's international obligations on managing certain types of waste. The Act allows for industries and products to be regulated in several ways, while also making provision for voluntary activities:

- **Voluntary** accreditation of schemes encourages product stewardship without the need for regulation and provides the community with certainty that accredited schemes are actually achieving what they claim. Product stewardship organisations that are accredited under the legislation must meet specific requirements that ensure they carry out their activities in a transparent and accountable manner.

- **Co-regulatory** product stewardship schemes are delivered by industry and regulated by the Australian Government. The exact requirements, for example, where there is a requirement to meet a certain recycling target and details of the activities to be carried out by a scheme operator will be detailed separately in regulations for each scheme. Televisions and computers are the first items to be regulated under the co-regulatory provisions. Further information on the National Television and Computers Recycling Scheme is available in the relevant factsheet or at http://www.environment.gov.au/topics/environment-protection/national-waste-policy/television-and-computer-recycling-scheme.

- **Mandatory** product stewardship would place a legal obligation on parties to take certain actions in relation to a product. Requirements that can be placed on parties using the legislation include the labelling of products, making arrangements for recycling products at end of life, or requiring a deposit and refund to be applied to a product.

Industry Product Stewardship

There are a number of industry led product stewardship schemes to ensure the products are diverted from landfill and disposed safely.

- **Tyres:** An industry-government working group has finalised guidelines describing the operations of an industry-led tyre product stewardship scheme. The scheme aims to increase domestic tyre recycling, expand the market for tyre-derived products and reduce the number of Australian end-of-life tyres that are sent to landfill, illegally dumped or exported as baled tyres for environmentally unsustainable use. Further information on the product stewardship for end-of-life tyres scheme can be found in the relevant factsheet or at http://www.environment.gov.au/topics/environment-protection/national-waste-policy/tyres.

- **FluoroCycle:** FluoroCycle is a scheme that aims to increase the recycling of lamps that contain mercury and reduce the amount of mercury entering the environment. To achieve this, FluoroCycle provides a national voluntary scheme which businesses, government agencies and other organisations can join as signatories. The scheme gives public recognition to signatories for their commitment to recycling. Further information on FluoroCycle can be found in the relevant factsheet or at http://www.environment.gov.au/topics/environment-protection/national-waste-policy/mercury-containing-lamps.

- **Other arrangements**: There are many other industry led product stewardship schemes, such as MobileMuster, which collects mobile phones, and the Australian PVC industry's product stewardship program which addresses environmental and health issues associated with the life cycle of polyvinyl chloride (PVC, or vinyl). Further information on these arrangements can be found in the relevant factsheet.