

## **EXTENDED PRODUCER RESPONSIBILITY FORUM**

### **AUSTRALIAN AND NORTH AMERICAN PERSPECTIVES: THE ROLE OF LOCAL GOVERNMENT AND PRODUCERS NSW LOCAL GOVERNMENT ASSOCIATION**

**Tuesday 26 September 2006**

#### **'Making headway on ideology and politics'**

Jeff Angel Director, Total Environment Centre

Well we're a long way from the ground here today but no where near as far from Minto, a South-western suburb of Sydney. Minto's about an hour's drive from here – up the M5 on a good day - and it's the only place in Sydney you can take your computer to be recycled – and when you get there, you have to pay for the service – no wonder most people put their computers out on the street. TEC has had the Minto experience, that's where we took our old computers the other day. It's also the experience of the many environmentally aware people who ring TEC asking about computer recycling.

While Minto is a state of the art facility, it represents the very sad state of EPR in NSW today. There are massive barriers to collection and return of products.

It's not surprising that we have a waste problem when it's so difficult to recycle. Trying to get manufacturers to develop their own scheme is a bit like trying to walk to Minto with a computer and monitor and printer strapped to your back. Yet this is what the NSW Government is still attempting to do, despite repeated failures.

We've heard about the reasons for this. On the surface it seems to come down to the need for a national approach. Which is fair enough in theory, but a national approach doesn't have to be arrived at by the back-roads – we need to remind the NSW Government that the tollway plans are ready.

NSW showed leadership when it brought in its Waste Avoidance and Resource Recovery Act in 2001. The Act allows the Minister to regulate for EPR if there's no effective, voluntary scheme in place. For computers and many other products, there's been no effective, voluntary scheme in place since 2001. But rather than apply the legislation, the Government has been trying to use it as a threat, to cajole industry into establishing its own voluntary scheme, with supposed safety net regulation to follow. This is a flawed strategy, and an abuse of the legislation.

It's beyond me why anyone would think that industry would set up its own scheme when there's no economic incentive to do so and when the threats have been exposed as hollow. It's also beyond me how an industry could set up its own scheme

when it is so fragmented that its main representative organisation – the Australian Information Industry Association – only represents 50% of producers.

So it's no surprise that the last proposal from the AIIA was roundly rejected by Environment Ministers because it failed to take responsibility for historic and orphan computers, and industry funding – a cost that would have been paid for by consumers – was the last resort option. Yet, the NSW Government persists with the mirage of a voluntary industry scheme. It's not surprising that industry is getting used to calling the Government's bluff.

Industry is due to present its latest proposal before the next meeting of Environment Ministers in November, and the community has every right to be suspicious, particularly if this proposal isn't made public. After all, it's the community that is paying for the collection and dumping of computers, and it is the community and the environment that are suffering from the effects.

The community, of course, is completely and rightly frustrated. It's like Groundhog Day. Year after year the Government gives the computer industry a deadline to implement its own scheme, year after year the industry says it's working on it. Year after year Government gives industry more time to get it right. And year after year the mountains of garbage grow.

It's been five years since the WARR Act came in, requiring the Department of Environment to publish an annual Priority Statement – there have been two so far. Both give computer and other manufacturers more time to get it right – despite the recommendations for regulation from the Expert Reference Group. For each of the five years since this Act came in, the steady flow of toxic pollution into our landfills has continued – contaminating other wastes and leaching into our groundwater. Over a million computers go into Australian landfills every year, and with 2.4 million sold last year, this number is only going to rise. With each computer containing 2 kilos of lead – you do the sums – 2 thousand tonnes of lead each year. Over five years, that's 10,000 tonnes of a known, avoidable poison going into the ground.

It's not very common for companies to side with environment groups – but that's what this government industry paralysis has led to - community groups, local governments and recyclers are all so fed up that they've formed the Let's Do IT! Alliance – calling for NSW to implement its own laws and for other states to ban computers from landfills.

If EPR was some whacky policy idea from outer space you could perhaps understand the Government's reluctance to regulate. But this is not new. We've had the Product Stewardship for Oil and the Ozone Protection Act here for years – both are EPR type schemes. So the concept is not new, and neither is the implementation of legislation. Neither is EPR a new concept for manufacturers - the very same companies that are blocking EPR for computers and other electronics in Australia are subject to – and now comfortable with - regulatory EPR in other countries. So what's the big deal?

While government and industry are sinking in the roundtable quagmire, recyclers with the technology, the capital and the experience are running on the spot. They're ready to transform from themselves from a niche industry to a flourishing, permanent part of the economy.

The main argument that the NSW Government is using to avoid regulating is interstate barriers – this is a bit of a red herring. States can - and do - act alone when necessary. It's been demonstrated time and again that the sky will not fall in – like when NSW mandated lead-free petrol.

Once the most powerful state regulates for EPR, other states will follow suit – particularly when they have similar waste reduction targets to meet. Or you go the back-roads – a meandering route that makes lengthy detours around stagnant cul-de-sacs such as reliance on a fragmented and resistant industry to develop a voluntary scheme and bureaucratic inertia at 'safety-net' house. Then there's the part where you realise you forgot the dog and you go back home and start again – that's the part where you try to get collection and recycling targets into the voluntary scheme – only after it's already been developed by industry.

If we ever get a proposal for an effective, voluntary industry scheme – and the key word is effective - it will be many years before we found out how well it is operating. If it is falling short, as the National Packaging Covenant did, it will be another big fight and even more years before we find our way back to straight forward regulation.

So there's a sting in the tail for the forward looking EPR legislation that NSW brought in, in 2001. Failure to follow through is getting costly in terms of reputation. It now appears that NSW has lost its leadership position – and the other states are overtaking.

TEC has just released REBYTE! a model computer recycling scheme, in the absence of any government action. It sets out how we can judge what industry comes up with. Come November when the next industry version lands on the table, we will be ready to name greenwash.

The local councils of NSW should not be quiet about this. The time is right for councils to be heard, and they should be vocal in calling for the State Government to fulfill its commitments, to get problem product wastes off the streets and into the hands of recyclers, funded by the right economic incentives. And the Let's Do IT! Alliance will be working closely with councils to get this message out.

Things are looking a bit brighter in other parts of the country, as we've heard. Last week saw Western Australia bring out its own EPR Bill, and Container Deposits are also on the way in that state. And it's not just a nostalgia trip – there are very contemporary reasons for container deposits:

Unlike the days in the 1960's and 70's - when container deposits were in place and most drinks were consumed at home - now up to 50% of beverages are bought away from home at recreational, public space and eating venues. And there is no comprehensive collection system for these containers. As a result, litter is a problem, as is the enormous waste of resources.

Deposits – a form of EPR - can solve these problems by creating the incentive for people to return their containers or for others to collect them – automatically funding collection infrastructure. It's much cheaper and effective than so-called public space recycling infrastructure which is not well managed or used.

While the argument about deposits on away from home containers is indisputable, industry has claimed that the deposit system would destroy kerbside recycling. They say it will rob local councils of important revenue, because there will be less recyclables in the weekly collections. Industry is wrong about that - and the evidence is found in overseas container deposit systems (for example, California) that happily live side by side with kerbside recycling.

In fact, not all containers are returned by consumers to the point of sale or collected by others; quite a few are still left out for kerbside collections. Councils actually make money from the deposits. Let's face it, councils wouldn't be supporting container deposits if they believed it would send kerbside broke!

The re-birth of container deposits is important, not just because it will increase recycling, conserve resources and reduce litter. Container deposits are important because they will be a crucial gateway for other EPR schemes. For one thing, they will create the infrastructure that other schemes can share or replicate – drop-off centres, depots, reverse logistics. If combined with other schemes - for example, mobile phones - they could help achieve far greater economies of scale. Importantly, though, will be the spreading of the idea that producers should take responsibility for the waste. Container deposits are already hugely popular with the public, and this will only grow.

It's simple – deposits create the fund to support collection infrastructure – regulation makes industry cooperate and produces a level playing field.

EPR is the paradigm shift that we're ready for. People already know that recycling is good. And if there's a deposit on one product, why not another? Why not all products? If there's one on my container, why not on my mobile phone? Why not my computer? The idea of an incentive to bring products back for recycling is common sense and will be seen as such by future generations.

Australian governments and our community have a choice between the failed voluntary approach epitomized by the first National Packaging Covenant and a more systemic regulatory option. The NPC was institutionalized delay.

The NPC contains the very challenge we face as in 2008 it will undergo a mid-term review and Ministers are empowered to select additional economic complimentary instruments or ditch it all together. 2008 will be a climax for the EPR battle.

Already conservative business groups are arming themselves with resources such as the Productivity Commission waste inquiry. While its draft report has been widely criticized, industry and conservative bureaucracies will no doubt use to counter the EPR push. It is not a quality intellectual or policy product, but an ideological platform. It recycles the failed paradigm, and I'm happy to call it rubbish.

This is all about whether the private vested interest feeds off the public interest (ratepayers contributions and the environment) or the polluter pays and we send strong signals to manufacturers that they cannot evade responsibility.

We need to mobilize for the paradigm battle – and the politics.

So let's get on with it.