

Framework for Extended Producer Responsibility

The following guidelines represent the views of a coalition of supporters of Extended Producer Responsibility (EPR), who share a common goal that the existing NSW legislation is implemented in good faith to its fullest extent, with the minimum delay, and to the maximum benefit of the community, environment and industry.

Benefits of EPR:

- Stimulate resource recovery and recycling industries.
- Improve resource efficiency through better product design.
- Reduce waste management costs.
- Reduce the environmental impact of product waste.

Rewarding Best Practice

- EPR schemes should be supported by significant financial incentives and rewards for companies whose performance exceeds the prescribed targets.

Creating a Level Playing Field

- While commercial advantage needs to be respected, minimum standards for the successful recovery of resources by all players in an industry, including importers, should be established. A level playing field is critical - failure to comply with standards should attract significant financial penalties and public exposure. Repeat offenders should attract even greater penalties.
- Clear and substantial targets must be set and linked to specific timelines with interim milestones where industry schemes are considered. Failure to meet these targets within the timelines must trigger mandatory schemes without the opportunity to extend the (failed) scheme. Legitimate delays accompanied by early warnings, however, should be able to trigger interim solutions.
- Mandatory schemes in NSW (possibly in concert with Victoria) should be the preferred option over voluntary schemes in order to eliminate free-riders and reward best practice.

Reporting

- Reporting on the meeting of targets must be mandatory and transparent. A system of independent verification and public reporting must underpin reporting on recovery rates.
- The extent and complexity of compliance regimes must allow for the size of operation and should recognise that SMEs generally have less impact. There should be a flexible approach to reducing administrative burdens (such as reporting) for organisations with limited resources.

Consultation

- A Technical Reference Group should be formed to assist government to implement Extended Producer Responsibility schemes. The constitution of this group should represent the entire spectrum of the community and must not be dominated by special interest industry groups. Its operations must be fully transparent, with full public disclosure of meetings, agendas and other operational information relating to consultation.
- Meaningful, ongoing negotiation with environment groups, local government, industry and the community should be carried out on an equal basis to manufacturers. Small recyclers, resellers, remanufacturers, reprocessors, sustainable manufacturers, retailers, and insurance, finance and transport groups will be directly effected by Extended Producer Responsibility schemes and must be actively engaged in the consultative process. It is critical that special interest groups within the manufacturing and waste management industries do not dominate the consultative process.

State Leadership

- NSW should continue its leadership on this issue, recognising the ongoing value of this approach to our large state market and in the evolution of inter-state and national action.

(Please indicate your organisation's support for this framework by contacting Jane Castle at Total Environment Centre on (02) 9299 5680 or jane.castle@tec.org.au.)

Extended Producer Responsibility

Background Paper

Extended Producer Responsibility (EPR) has emerged as a key resource conservation and waste avoidance tool throughout Europe and Asia and is now the necessary next step on the path towards sustainable production and consumption in Australia. In 2001 EPR entered NSW legislation through the *Waste Avoidance and Resource Recovery Act (2001)* which calls on the Environment Protection Authority to advertise a priority statement each year on the EPR schemes it plans to recommend to the Minister for the Environment.

EPR transfers the responsibility for post-consumer products from ratepayers and councils to producers and consumers. In doing so, responsibility for sustainable product design is placed back in the hands of those who are most instrumental in determining the environmental impacts of products – those who design and produce them in the first place.

Producers initiate and market products, decide what materials go into them, determine how long they last, how toxic they are and how easy or difficult they are to recycle. These are decisions over which consumers have little say. By placing the onus back on producers, EPR provides the incentive to design products for longevity, reuse, remanufacturing and recycling. In doing so, it reduces the environmental burden of products, making them cleaner and more resource efficient.

EPR schemes come in many forms, including up-front levies, deposit-refunds and physical take-back. The NSW EPA has named 16 'wastes of concern' to be targeted over the coming year, including TVs, computers, Ni-Cad batteries, tyres, packaging, mobile phones, CCA treated timber, whitegoods, PVC and electronic products. In response, many industries are now designing national schemes that could be underpinned by regulation. The key to their success will lie in their effective implementation.

The Benefits of Extended Producer Responsibility:

Producers – rewards sustainable practices; creates a level playing field; creates a greener image; assists products to become internationally compliant; improves corporate sustainability.

Community – reduces the amount of hazardous materials being released into the environment; conserves non-renewable resources; reduces litter.

Recyclers – increases demand for recycling operations; encourages the development of new technologies; increases supply of recyclate; increases employment opportunities.

Remanufacturers – increases demand for remanufacturing, repair and second-hand component use industries; increases employment opportunities.

Insurance Industry – increases profitability through the more efficient use of 'end-of-life' products; reduces premiums for customers.

Waste Management Industry – reduces waste management costs; reduces pressure on landfills; provides new opportunities for the development of collection infrastructure.

Local Governments – relieves local governments of the burden of managing inappropriate waste.

The Economy – facilitates more accurate price signals that reflect real costs; corrects market distortions that favour unsustainable products; creates more jobs.

For more information see: <http://nccnsw.org.au/member/tec/projects/Waste/epr.html/>