

Governance for Product Stewardship



**Product
Stewardship
Centre of
Excellence**

Webinar, 11 November 2021

www.stewardshipexcellence.com.au



Product Stewardship Centre of Excellence

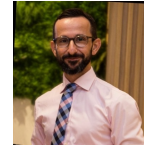


@stewardshipAU

Today's speaker & panel



Damien Wigley
Equilibrim



Spyro Kalos
MobileMuster, AMTA



Lina Goodman
Tyre Stewardship Australia



Tim Schaafsma
Australian Bedding Stewardship Council



Alexander Scott
Vinyl Council



Dr Tony Wilkins
ThinkNewsBrands



Mark Beaufoy
King & Wood Mallesons

Chris Tangey,
E-cycle Solutions



sustainability performance reputation

Governance for product stewardship

11 November 2021

Introduction

Governance structures ensures the right people are the ones making the important and right decisions.

Governance is not just for companies; product stewardship schemes like any organisation no matter how it is structured require good governance to give its members and the community confidence that their interests are being addressed.

Shared responsibilities that work and account towards shifting the cost burden and environmental impacts of products away from the community can only deliver better environmental outcomes.

It doesn't need to be a minefield; so, what are the different governance structures that can be applied and how do they work with a number of product stewardship schemes?

Governance Institute of Australia

the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations'.

Australian Securities & Investment Commission

Corporate governance is a driver of the operations and performance of a company. The term 'corporate governance' is broad and has many components including relationships between stakeholders, frameworks, decision making and responsibility.

Legal Entity Options

There are seven commonly used business structures in Australia:

- Sole trader
- Partnership
- Company
- Trust
- Cooperative
- Indigenous corporation
- Joint venture

It's important to understand the responsibilities of each entity because this will affect:

- the tax you're liable to pay
- asset protection
- costs

Example - Not-for-profit (Company limited by guarantee)

Key features:

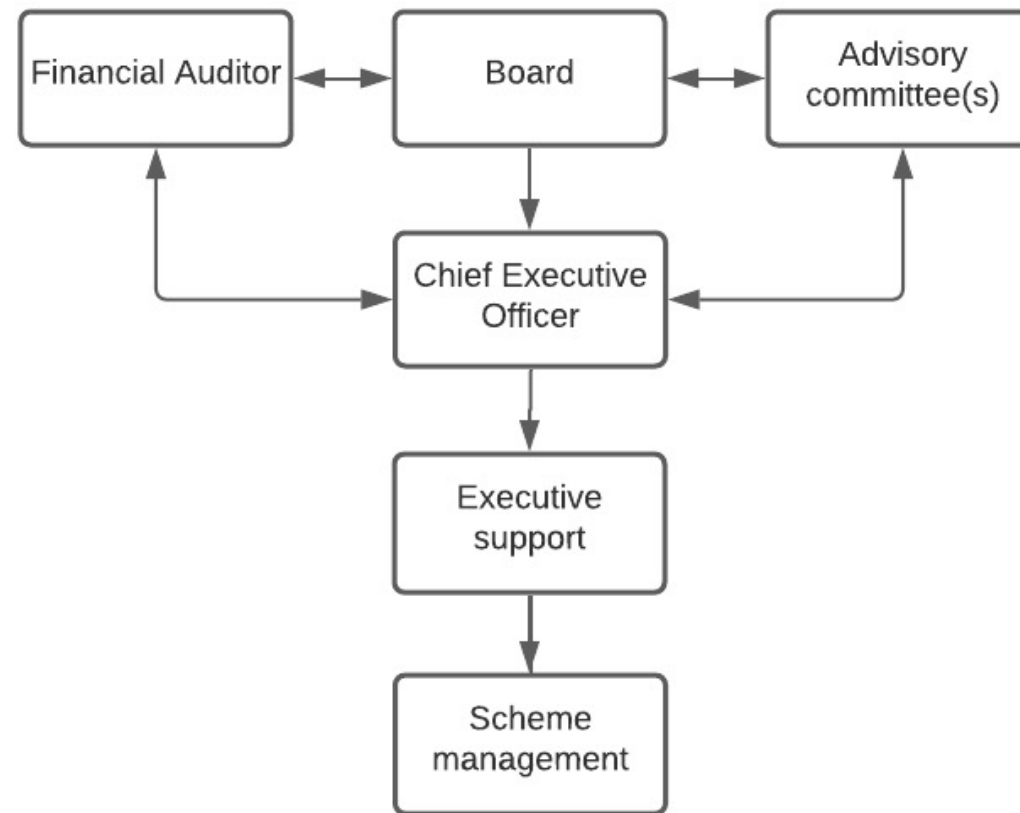
- a CLG, is usually the easiest and most efficient type of structure to operate a charity.
- charities can be established as incorporated associations however they can be more cumbersome to operate in practice and are usually restricted to undertaking activities in their State of Incorporation
- as a public company, a CLG must have a minimum of:
 - i. 3 directors (at least 2 of which must be Australian residents),
 - ii. 1 company secretary; and
 - iii. 1 member.

Example - Not-for-profit (Company limited by guarantee)

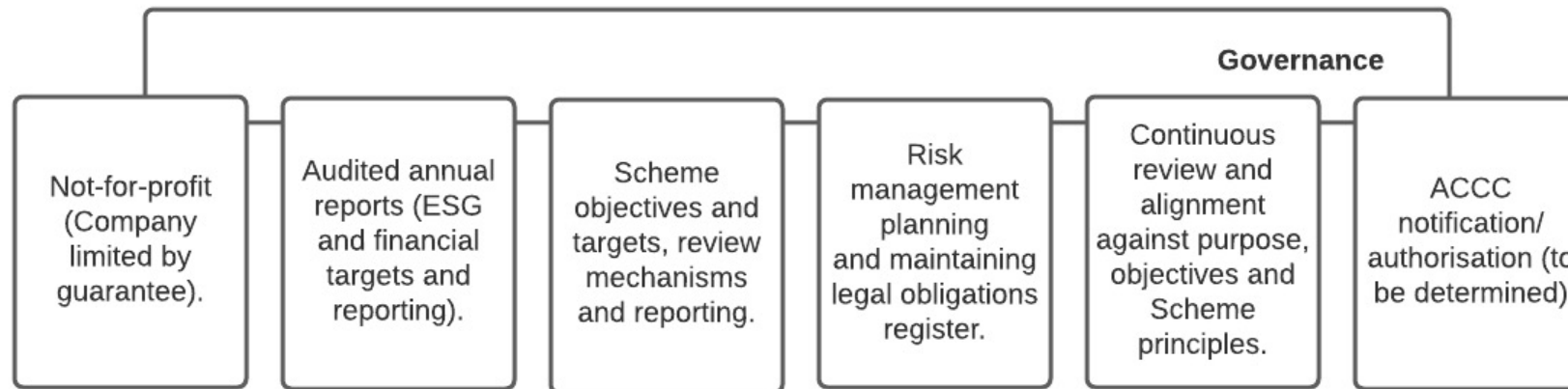
Key features and benefits:

- a member does not have a proprietary interest in the company that can be transferred to other people (such as a share) – membership is a personal, non-transferable interest in the company
- members of a CLG have limited liability
- being a registered charity could include tax concessions (payroll etc.)

High level governance structure

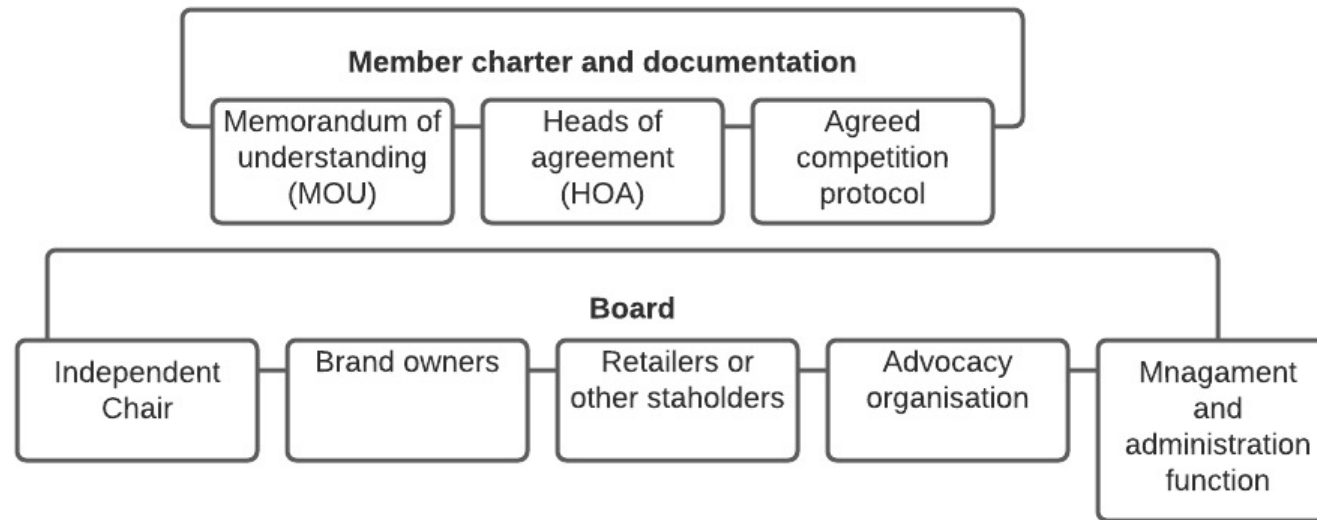


Example - Not-for-profit (Company limited by guarantee)

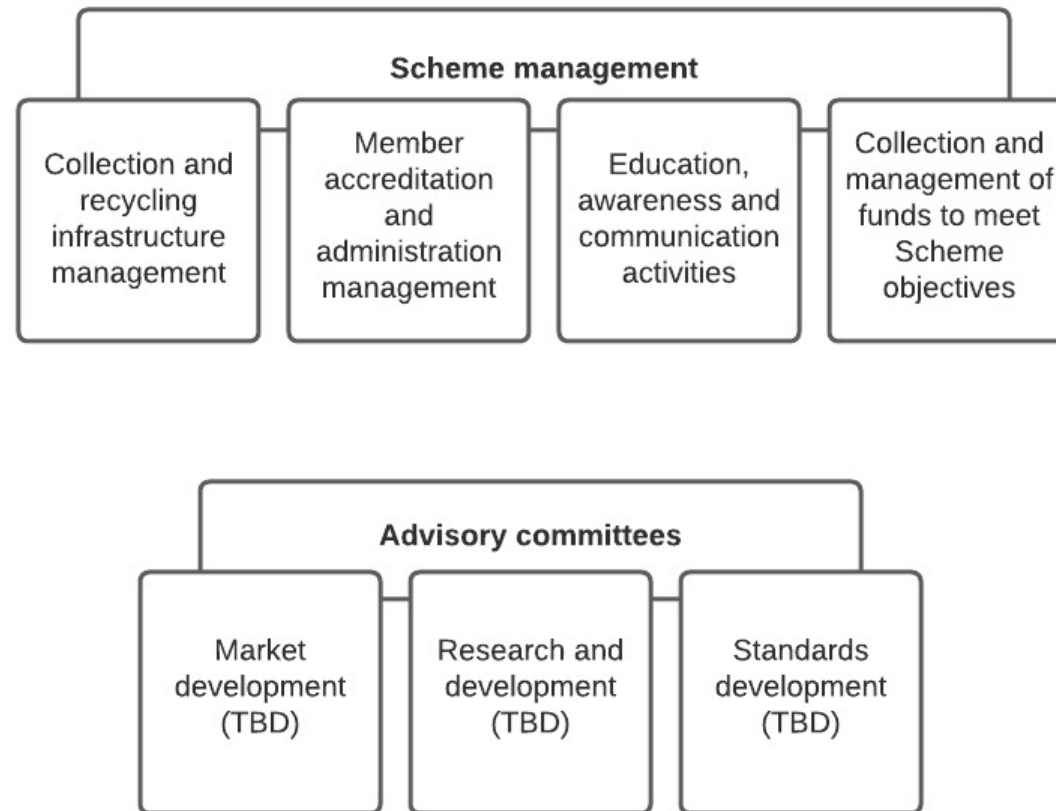


May also include engaging independent legal and/or financial advisory services to supplement the core governance activities

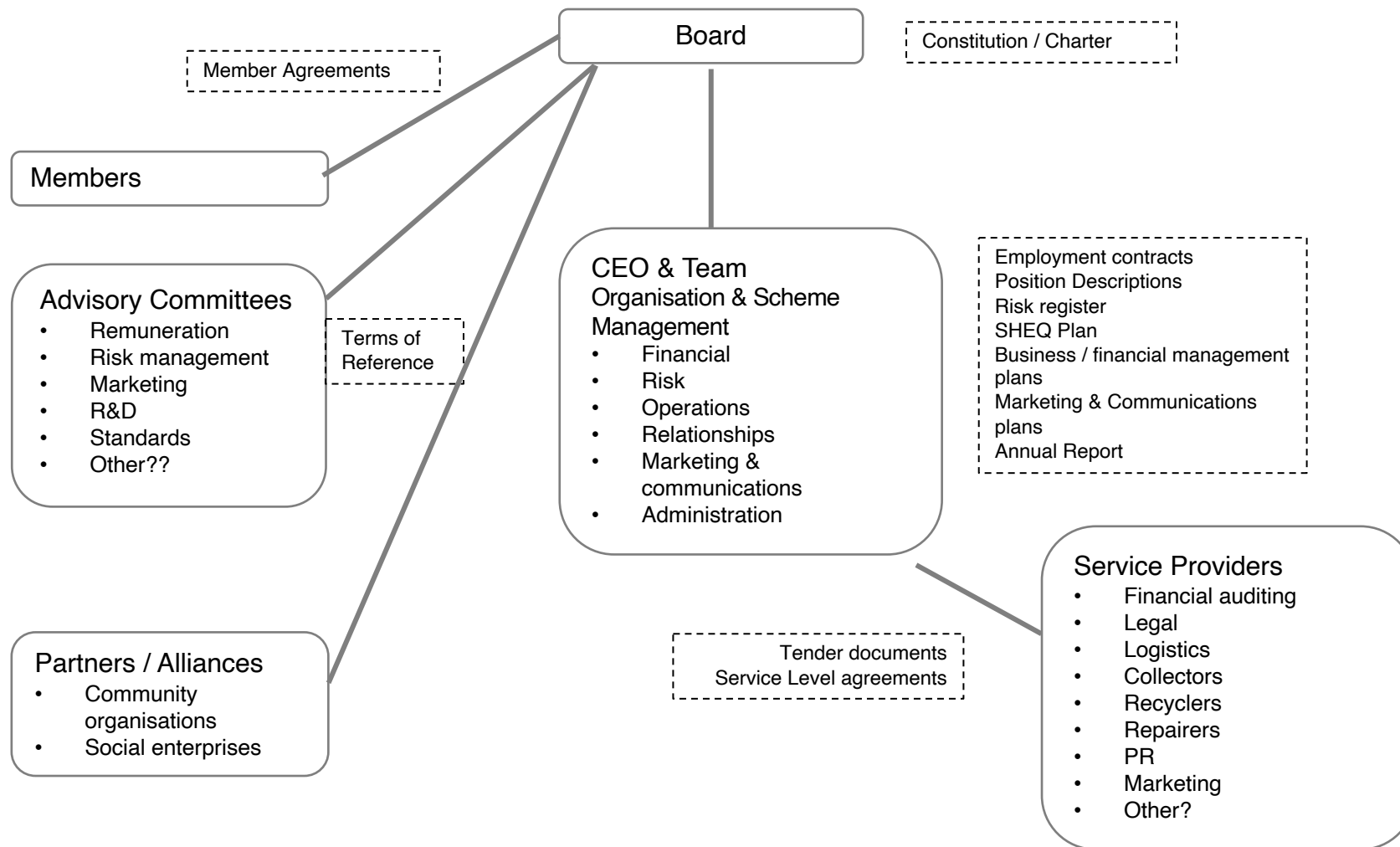
Example - Not-for-profit (Company limited by guarantee)



Example - Not-for-profit (Company limited by guarantee)



Summary - PSO Structure & Governance Documents



Accreditation

<https://www.awe.gov.au/sites/default/files/documents/voluntary-product-stewardship-accreditation-application-guide.pdf>

Product Stewardship Centre of Excellence

- Webinar - ACCC Authorisation
- Practice Note (still to be published)

Ecycle Solutions

- Flat structure - Chair and General Manager manage the NTCRS co-regulator arrangement
- QLS manage the transport and logistics and 15 recyclers across Australia process the collected liable party products
- Governance documentation developed to oversee the entire operations and participation in the NTCRS
 - Structure of the business
 - Overarching managerial responsibilities
 - Stakeholder engagement – recycler protocols/audit structure and risk assessment and management processes
 - OH&S and environmental policies and procedures
 - Operational guidelines and storage requirement
- Performance metrics and reporting of annual recycling targets and material recovery targets and rates ensure transparency across the supply chains.

Vinyl Council of Australia – PVC Stewardship

- A material stewardship scheme – operates through the entire lifecycle of PVC not a PSO in the true sense.
- Includes manufacturing through to end of life including diversion from landfill as well as products that need to commit to include recycled content (provided a standard exists to allow this – may need to look at other programs)
- Full members who sign up to the Vinyl Council are expected to be paid part of the stewardship scheme – funds a position to manage the program
- The PSO consists of technical Steering Group – industry and non-industry (CSIRO, Government etc.)
- Voluntary commitment – comply with various standards and targets that are set
- Policy and procedures to evolve commitments – once commitments are met these are reset and adjusted
- Self reporting through a survey – failure to report may mean that the member may be delisted

Tyre Stewardship Australia – Stewardship Scheme

- Board consisting of industry representatives (members) and non-executive and other experienced appointments.
- Constitution and board policies, conflict of interest
- Meetings are structured around strategy and objectives
- KPI's are provided annually in a public which has been independently assured.
- Finance systems that have been adopted allow for the segregation of obligations and activities and members money which is overseen by an independent entity.
- Charter and policies and procedures have been developed which inform a with a 3-year strategy
- Industry committees – governance and risk, research and advisory committee – market development and funding recommendations,
- Other internal committees - finance and audit, remuneration committee, OTR committee.
- Accreditation and compliance – not board committee – low risk

MobileMuster – Australian Mobile Telecommunications Association

- Originally established 1998 and rebranded 2005.
- Original program was established with a levy:
 - 75% - manufacturer
 - 25% - carriers/retail network
- Managed as a not for profit – established to ensure responsible management at end-of-life phones
- Committee – meets quarterly – overall performance, marketing and communications and operational elements, policy or regulatory updates.
- Annual workplan and three-year strategy
- Highly transparent with respect to KPI's and stakeholder engagement

Australian Bedding Stewardship Council

- Entity that has come out of a charitable organisation that provides employment opportunities.
- In coming out of Community Resources the governance structure was maintained to give comfort to the members given good structure including a board.
- Looking towards the next AGM it is expected that the board will become very active and develop the right structure, framework and behaviors moving forward.

Other industry feedback

- Board consisting of members that are given a unanimous voting rights so as not to skew decision making at a member level
- Recommendation that the PSO form an industry association to stop competing interests
- Accurate information is often difficult to obtain on an individual level – black box data management and collection of funds
- CEO is key to good management structure that could be a board level appointment to ensure that all levels of governance are well informed.

Product Stewardship Centre of Excellence

The Product Stewardship Centre of Excellence's mission is to accelerate the uptake of product stewardship in Australia

The Centre's activities include:

- Mentoring and guidance to establish and implement product stewardship initiatives both schemes and individual businesses
- Outreach and networking – knowledge sharing, connecting, learning
- Resources – White papers, practice notes, case studies
- Training & professional development – Webinars, masterclasses, courses
- Excellence Awards
- Research and Advisory Services - policy, strategic planning, scheme design, stakeholder engagement, business case development, applied research, performance management
- For more information visit the [Product Stewardship Centre of Excellence](http://www.stewardshipexcellence.com.au)
www.stewardshipexcellence.com.au



EQUILIBRIUM

sustainability performance reputation

59 Stubbs Street, Kensington Victoria 3031 Tel: +61 3 9372 5356
194 Varsity Parade, Varsity Lakes Queensland 4227 Tel: +61 4 04 899 961
Web - equil.com.au Email - info@equil.com.au





**Product
Stewardship**
Centre of
Excellence

Questions & Answers

Contact us

Website www.stewardshipexcellence.com.au

Email info@stewardshipexcellence.com.au

Social Media



[@stewardshipAU](https://twitter.com/stewardshipAU)



<https://www.linkedin.com/company/product-stewardship-centre-of-excellence>