

2024-25 Pre-Budget Submission

About the Centre

The Product Stewardship Centre of Excellence (PSCoE) is an independent, not for profit registered charity, that seeks to reduce waste generation and create positive environmental and social outcomes through good design, improved resource productivity and sustainable reuse by accelerating the adoption of product stewardship actions by businesses in Australia. The Centre does this by mentoring, educating, and activating businesses, industry sectors, product stewardship organisations and providing independent advice on product stewardship priorities to the Minister for the Environment in the Australian government.

What is product stewardship

Product stewardship aims to reduce the environmental and human health impacts of products and materials throughout their entire lifecycle (see figure).

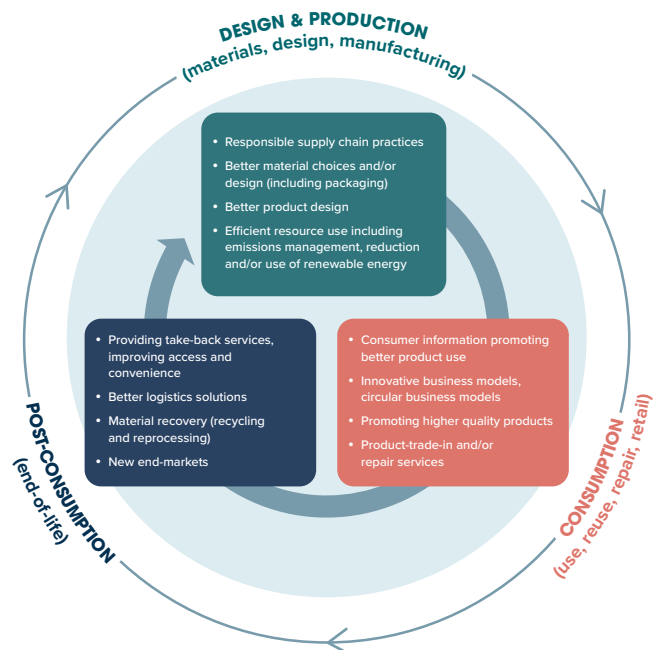
Everyone who designs, makes, sells, and uses a product has a role to play.

However, the primary responsibility for managing impacts across the product's lifecycle rests with those placing products onto the market. This includes brands, importers, and retailers.

Importantly, product stewardship shifts the economic burden of the environmental and human health

impacts of products away from governments and the broader community to the producer and user. As illustrated by extended producer responsibility schemes where the financial responsibility of the collection, recycling, and safe disposal of products at end-of-life is borne by the producers.

Addressing impacts across all three phases of the product lifecycle – Design & Production (*materials, design, manufacturing*), Consumption (*use, reuse, repair, retail*) and Post-Consumption



(*end of life*) (see Figure 1) is also key to meeting the objectives of the Australian Government's Recycling and Waste Reduction Act 2020 (RAWR Act)¹.

Product stewardship also aligns with the core principles of a circular economy to design-out waste and pollution, keep products and materials in use and regenerate natural systems. It is a key implementation pathway for manufacturers and brands to operationalise ESG policies and circular economy objectives.

Why product stewardship?

Product stewardship is a proven effective approach for managing and reducing the environmental and human health impacts of products, packaging, and materials throughout their lifecycle as illustrated in the recent study on the Benefits and Effectiveness² of Product Stewardship by the Centre in partnership with the Institute for Sustainable Futures, University of Technology Sydney³.

In Australia, the benefits of industry funded product stewardship initiatives are significant and wide ranging as demonstrated in this recent research project⁴.

Product stewardship has promoted circular design making products more durable, less hazardous, and more recyclable⁵. It has also led to improved production practices, contributed to CO2 mitigation, and resulted in the diversion of hundreds of thousands of tonnes of used chemical drums, tyres and machine lubricants to mobile phones, televisions and computers from landfill and increased recovery of materials available for manufacturing⁶. All of these predominately funded by industry with minimal investment from government.

¹ The RAWR Act aims to: reduce the impact of human and environmental health of products, realise the community and economic benefits of taking responsibility for products, develop a circular economy, contribute to Australia meeting relevant international obligations.

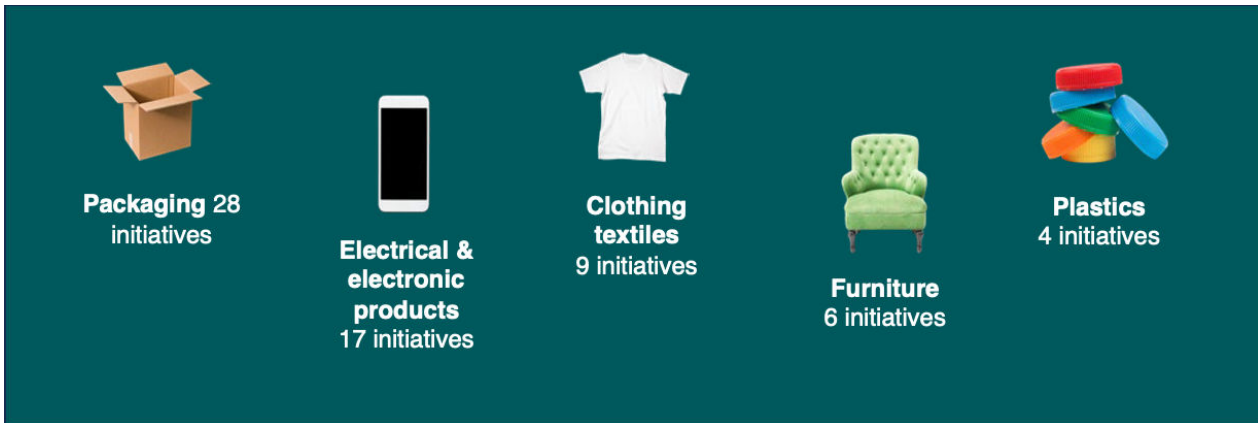
² **Effectiveness** is defined by how well product stewardship initiatives meet their objectives to minimise environmental and human health impacts of products and materials throughout the whole lifecycle

³ Evaluating product stewardship benefits and effectiveness – SUMMARY REPORT, May 2023

⁴ Evaluating product stewardship benefits and effectiveness – SUMMARY REPORT, May 2023

⁵ Environmental, social and economic benefits of product stewardship initiatives in Australia, May 2023

⁶ Environmental, social and economic benefits of product stewardship initiatives in Australia, May 2023



However, this recent study also identified the following limiting factors to effective*⁷ product stewardship in Australia:

- Low rates of investment and participation by businesses in existing and emerging industry-led and funded voluntary schemes
- Low awareness and understanding of product stewardship (business and consumer)
- Overemphasis on end-of-life interventions (i.e. lack of action to design out waste and keep products circulating in the economy for longer)
- Inconsistency in reporting (including poor data collection)

⁷ **Effectiveness** is defined by how well product stewardship initiatives meet their objectives to minimise environmental and human health impacts of products and materials throughout the whole lifecycle

What is needed to improve the environmental and social outcomes of product stewardship

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| Barriers | <p>Low rates of investment and participation by businesses in existing and emerging industry-led and funded voluntary schemes</p> <p>Overemphasis on end-of-life interventions (<i>i.e. lack of action to design out waste and keep products circulating in the economy for longer</i>)</p> |
| Solutions | <p><u>Co-regulation of existing voluntary industry schemes</u> - Government establish co-regulatory rules for the existing tyre, battery, bedding, end of life vehicles and clothing voluntary stewardship schemes to increase industry participation and investment from 50% to 90% and to expand scheme activities that will avoid and prevent waste generation through sustainable product design including reuse of recycled materials, elimination of unsafe chemicals and hazardous substances, as well as increasing product durability, upgradeability, modularity and repairability. This would be in addition to the current regulatory reform underway for small electrical and electronic products, photovoltaic systems, packaging and plastics.</p> <p><u>Support the design and establishment of emerging schemes</u> – Government provide grants to industries to design and establish whole of lifecycle schemes including plastics in agriculture (including silage wrap), treated timber, absorbent hygiene products, child car seats, commercial furniture, sporting footwear and equipment, and resilient flooring that design out waste, keep products and materials circulating in the economy, regenerate natural systems and transition to renewable energy.</p> |
| Estimated Costs | <p><u>Co-regulation of existing voluntary industry schemes</u> – \$5 million over two years</p> <p><u>Support the design and establishment of emerging schemes</u> - \$6 million over two years</p> |

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| Barrier | Low business and consumer awareness and understanding of product stewardship |
| Solutions | <p><u>Business awareness and training program</u> – invest in the the ongoing development of the Product Stewardship Centre for Excellence business outreach, engagement and online training and professional development program for producers, manufacutrers, brands, importers, distributors and retailers</p> <p><u>Consumer awareness of product stewardship</u> – establish a grant program that co-funds existing product stewardship schemes marketing and promotion of their scheme to consumers as well as co-fund existing schemes and to increase consumer access.</p> |
| Estimated Costs | <u>Business awareness and training program</u> - \$250,000 per annum for two years (i.e. \$500,000) |

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| Barrier | Inconsistency in reporting (including poor data collection) |
| Solutions | <p><u>Product Stewardship Gateway</u> – Invest in the further development of the <u>Product Stewardship Gateway</u>⁸ functionality and development of a product stewardship data collection and reporting standard. The purpose of the gateway is to track, analyse and report on the benefits of product stewardship at a national, state and local government level; to increase business and consumer awareness and knowledge of product stewardship activity; to evaluate effectiveness of initiatives and to identify opportunities for manufacturers, brands, importers, retailers, product stewardship organisations, service providers, researchers and government (at all levels) to learn and improve.</p> |
| Cost | <u>Product Stewardship Gateway</u> - \$400,000 |

⁸ The Product Stewardship Gateway is a publicly accessible online database of over 100 existing and emerging product stewardship initiatives in Australia that includes their publicly reported environmental, social and economic outcomes.



For more information

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