

# Position Statement on Extended Producer Responsibility

June 2020

**The Boomerang Alliance supports Extended Producer Responsibility as an essential and effective means to achieving resource recovery and circular economy goals for problematic wastes.**

Extended Producer Responsibility (EPR) or Product Stewardship (PS) is an extension of the 'polluter pays' principle. It recognises that manufacturers and importers of products have a responsibility for the management of that product, throughout its lifecycle and including its end of life management.

The OECD defines EPR as:

*The principle that manufacturers and importers of products should bear a significant degree of responsibility for the environmental impacts of their products throughout the product lifecycle, including impacts from...the selection of materials...the production process...and, from the use and disposal of the product.*

There are two basic approaches to product responsibility by manufacturers - Extended Producer Responsibility places primary responsibility on the manufacturer, whilst Product Stewardship places responsibility on the manufacturer but also including government, retailers, consumers and secondary markets involved in the products lifecycle, under a shared responsibility model.

**The Boomerang Alliance supports 7 basic principles of an EPR or PS Scheme:**

1. Manufacturers and producers must apply an eco-design approach that anticipates and eliminates negative environmental impacts from the manufacture, use and disposal of their products. This means minimising the use of virgin resources and toxic materials and designing their products for easy reuse or recovery.
2. All environmental lifecycle costs including impacts from extracting resources, product manufacture and transportation and end of life management should be included in total product cost.
3. Government must ensure a level playing field by establishing rules and regulations to require all products in a market to meet the same recovery requirements.
4. Producers or any Producer Responsibility Organisation (PRO) established to manage a stewardship scheme must be accountable and publicly transparent about product and scheme performance.
5. Any PRO must be fair and participatory in its decision-making. It should not be dominated at a Board level by the most powerful players in the market, and it should have independent and community representation to a level that will ensure decisions are made based upon the best interests of the stewardship scheme and not its individual players.
6. All stewardship schemes should have mandated time-bound performance targets, with penalties for non-compliance.
7. All stewardship schemes should be publicly accountable and provide annual performance reports and future scheme strategies.

## Product Stewardship in Australia

In Australia, governments have favoured the PS model with some established under the Product Stewardship Act 2011.

The objects of the Act are:

- To reduce the impact that products and substances contained in them have on the environment and people.
- Encourage or require manufacturers, importers, distributors, and other persons to take responsibility for those products throughout their lifecycle, including taking action that relates to avoiding and generating waste, reducing or eliminating waste from products, reducing or eliminating hazardous substances from products, managing waste as a resource and ensure that products are reused, recycled, recovered, treated and disposed of in a safe, scientific and environmentally sound way.
- To contribute to Australia's international obligations.
- To contribute to reducing the amount of GHG emitted, energy used, and water consumed in connection with products and waste from products.

The Product Stewardship Act establishes three possible governance arrangements - voluntary, co-regulatory and mandatory.

There are a number of product stewardship schemes (only some of which operate under the Act) - TVs and computers, tyres, mobile phones, oil containers and plastic microbeads. There are no national mandatory schemes established in Australia, however state-based drink container deposit schemes are mandatory.

Packaging is not included as a Product Stewardship scheme. Packaging recovery outcomes are managed by the Australian Packaging Covenant Organisation (APCO) as a voluntary scheme under the auspices of the National Environment Protection (Used Packaging Materials) Measure 2011 (NEPM).

### **Boomerang Alliance Perspective**

- All current national PS Schemes are voluntary or co-regulatory with no mandated requirements or penalties imposed for failing to meet targets.<sup>1</sup> As a result, most schemes are abandoned or fail to deliver on their targets and schedules.
- There are no legislated requirements on manufacturers or importers to meet eco-design principles.
- There are no legislated requirements for manufacturers or importers to financially contribute to the collection or recovery of disposed products. The current practice of shared responsibility means that the costs of disposal/recovery are borne by the consumer, governments and the secondary resource industry, not the manufacturers or importers. An exception, and a successful example, are the Container Deposit Schemes now operating in Australia.
- The current list of PS schemes should be reviewed and all products that represent a problematic waste should be subject to mandatory product stewardship arrangements.
- There needs to be a Product Stewardship Scheme for packaging established (it could be administered by APCO) that sets mandatory recovery targets (for example, government targets include that all plastic packaging be reused, composted or recycled by 2025). Voluntary arrangements under NEPM have failed. According to APC/APCO data the recovery rate for plastic packaging in 1999 (when the APC was established) was 20%. In 2018 the plastic packaging recovery rate was 16%.
- All product stewardship schemes should be fully supported by government policies and practices on procurement and agreed investments that meet goals and timeframes. A published plan and investment strategy should be produced for every PS scheme.
- The Act should require the use of environmental accounting so that the full environmental, social and employment benefits of a scheme are assessed.

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<sup>1</sup> There are penalties for failing to provide information and reports