Waste 2017 Abstract Submission

**The Business Case for Product Stewardship**

*My presentation is relevant to the following topic area(s).*

🞎 Collection (inc MUD’s, transient population areas) 🞎 Problem/Hazardous waste (inc asbestos, clinical &

🞎 Container Deposit Schemes medical, ocean plastics, paint, tyres etc)

🗷 Economics (inc business cases, data gathering, 🗷 Product Stewardship

monitoring performance) 🞎 Regional issues

🞎 Education (inc community engagement) 🞎 Recycling (inc CRC’s, collection)

🞎 E-Waste 🗷 Regulations and levies

🞎 Grants (outcomes and processes) 🞎 Social enterprise

🞎 Infrastructure (inc major waste grants, EfW, organics) 🞎 State based issues (eg. Fit for the Future NSW)

🞎 Innovative projects (case studies preferred) 🞎 Technology

🞎 Landfill (inc operations, regulations) 🞎 Tenders and contracts

🞎 Litter and/or illegal dumping (inc litter initiatives) 🞎 Other 🞎 Organics (inc collection, processing)

**Presenter information**

**Presenter name:** John Polhill

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**Biography**

John is an experienced product stewardship specialist combining 20 years in the engineering and sustainability sectors.

As Manager, Stewardship Services for Equilibrium John brings a systems or a life cycle approach in the development of practical resource management solutions with a particular focus on evidencing, designing and testing product stewardship initiatives for government and industry.

Prior to joining Equilibrium, John spent eight years as a product stewardship specialist for Sustainability Victoria designing and implementing solutions to improve resource recovery systems for business and government including; leading the design of the national paint stewardship scheme in partnership with the paint industry, supporting the implementation of the NTCRS and designing and trialling e-waste, paint, battery and household chemicals collection systems.

John holds a Master of Corporate Sustainability Management from Monash University, Australia and a Diploma in Mechanical and Computer Aided Engineering from John Moores University, Liverpool, England.

**Abstract Summary**

**The Business Case for Product Stewardship Development**

Globally product stewardship schemes divert millions of tonnes of hazardous and potentially hazardous material from landfill, waterways and our environment, help improve the standard to which material is processed, improves material traceability, fosters innovation in processing technology and creates skilled and semi-skilled jobs. So why are we still reluctant to progress product stewardship in Australia?

Could the higher cost, regulatory approach be an issue in slow take up? Or industry unwilling to join voluntarily driving the regulatory approach or maybe that there is not a design process to follow creating this uncertainty?

This presentation looks at why a stepped process for product stewardship scheme development is needed and suggests a development model for to reach a decision point; regulation or voluntary and finally, why is it beneficial to consider a voluntary approach as a starting point.

**Abstract**

**The Business Case for Product Stewardship Development**

To produce a product suitable for sale, manufacturers around the world follow a process of concept, design, prototype, testing, business case approved, production, market and sale. Therefore, should we not have a similar stepped process to develop a stewardship scheme to recover the product when it is no longer required?

Product stewardship in practice has the ability to change the paradigm of traditional end-of-pipe waste management in Australia into circular economic opportunities. By applying a product stewardship or ‘shared responsibility’ model across a product’s supply chain, including all levels of the community and government, the impact of a product on human and environmental heath can be greatly minimised.

Product stewardship can work to increase revenue from resource recovery, create skilled and semi-skilled jobs and foster innovation in product design and processing technology, so we know product stewardship works as a waste and resource recovery management tool.

In many countries including Canada, North America the European Union, and indeed Australia, Product Stewardship and Extended Producer Responsibility mandates through regulation that companies take greater responsibility for the impact of their product beyond the factory gate and bear the cost of doing so, or risk potentially costly penalties.

In Australia, we can adopt a different approach under the *Product Stewardship Act 2011* beginning with applying a voluntary lens over the design and practicality of a product stewardship scheme before going down the regulatory path. It is this option of pathways that provides a very different approach to designing, costing and implement a scheme. Should this be the starting point of any product stewardship scheme? If so, what is the process of developing such an approach?

By applying a manufacturing lens over the development of a stewardship scheme a stepped process model is formed which guides the development of a scheme through a series of evidenced components. It is the summation of these evidence components that forms the business case and public policy case and ultimately, the decision as to which path industry is going to pursue; seek a form of regulation or continue to act voluntarily.

Under the standard regulatory model, the liable companies pay the cost of meeting government’s operational expectations, achieving set recovery targets and abide by rigorous reporting schedules. The cost to achieve this can be high and in most cases time intensive which can be seen as inefficient to industry. However, there is a trade-off, through government regulation free-riders are reduced to an acceptable level and all liable companies are governed by the same scheme conditions - thus creating a level playing field.

Information from existing scheme overseas suggest liable companies in Australia can save between 4 to 10 times the cost through the implementation of a voluntary model, set their own reasonable KPI’s, targets and access requirements and importantly industry could self-manage the organisation responsible for delivering the scheme.

However, in the main, industry calls for a level playing field to reduce the impact of free riders and therefore advocate for the more costly regulation. Would a stepped, evidenced-based model provide industry with a tool to assess the costs and benefits of regulation versus voluntary to make an informed decision on which direction they wish to take?

This presentation looks at why a stepped process for product stewardship scheme development would support the business and policy case and suggests a model to achieve this and reach a decision point; seek regulation or continue to act voluntarily and finally, why is it beneficial to consider a voluntary approach as a starting point.