



Vinyl Council Australia

Vinyl Council of Australia

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Submission by the Vinyl Council of Australia

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Secretary
Senate Environment and Communications Legislation Committee
PO Box 6100 Parliament House
CANBERRA ACT 2600

Dear Secretary

Inquiry into the Product Stewardship Bill 2011

Background

The Vinyl Council of Australia represents the vinyl (or Polyvinyl Chloride) industry in Australia. Our members are drawn from across the PVC supply chain in Australia, including the local resin manufacturer, product manufacturers and suppliers, traders and manufacturers of intermediates and logistics companies. Vinyl products are used in most sectors of the Australian economy including building and infrastructure, health, packaging and consumer goods.

PVC products add significant benefit to society, including environmental benefit, as a function of their excellent performance, durability and affordability. However, as with any manufactured product, there are impacts which need to be understood, characterised and addressed along the product life cycle.

The Australian PVC industry voluntarily established a Product Stewardship Program as a framework for initiatives it can undertake to address environmental and health issues associated with the life cycle of PVC. It was launched by the Federal Environment Minister in 2002 and the Commonwealth continues to engage with industry through the program.

Given the experience of the PVC industry in adopting a voluntary product stewardship program, we welcome the opportunity to provide comment to the Senate Committee inquiring into the Product Stewardship Bill 2011. With a track record of operating a program for over eight years, the Vinyl Council is well placed to share its experiences.

The vinyl Council believes that raw material suppliers, product manufacturers, product distributors and consumers are joint stewards for the safe and beneficial production, use and disposal of PVC products. This is what we understand by 'product stewardship': the shared management of the health, safety and environmental aspects of PVC products through their life cycle.

We believe that our Product Stewardship Program approach is consistent with the National Waste Policy's key directions and the Objects of the proposed Product Stewardship Act.

Support for a national, flexible approach

The Vinyl Council welcomes a nationally consistent approach to product stewardship and waste policy to address the current fragmented approach. We support the intention of the legislation to be flexible and to allow voluntary, co-regulatory and regulatory product stewardship approaches.

The experience from our industry, here and in Europe, has been that voluntary Product Stewardship schemes can be an effective mechanism to encourage and drive innovation and change. As an example, the signatories to the Australian PVC industry's Product Stewardship scheme have reduced the use of lead-containing compounds by 95 percent since 2002 and are on track to complete the phase out of lead by the end of 2010 (currently being verified) (refer to www.pvcproductstewardship.org.au for more information).



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Overseas, the European PVC industry's voluntary scheme Vinyl 2010 has been particularly successful (refer www.vinyl2010.org).

It is worth noting that the European Commission adopted a *Communication on Environmental Agreements at Community Level*⁽¹⁾ in 2002. This specifically allows for the possibility of using voluntary instruments to achieve environmental objectives.

The Commission noted that "*voluntary instruments may, for operators in the sector, constitute a stimulus for innovation and research and, if accompanied by appropriate incentives and disincentives, an encouragement to achieve ambitious environmental objectives and consider environmental quality as a primary parameter of competitiveness*"⁽²⁾.

The Vinyl Council supports regulatory outcomes that conform, in particular, to the following principles:

- That they be science-based, particularly where it concerns proposals for additional regulation of chemicals;
- That they have regard to minimising the impact on competition;
- That they not unnecessarily restrict trade;
- That they are developed in consultation with the groups most affected and/or groups with relevant experience and understanding;
- That they are compatible with the business operating environment.

We make the following specific comments in respect of the Bill:

1. Section 5 Part 1: Product Stewardship Criteria

In respect of the Product Criteria, the criteria is currently so broad that virtually any product could be nominated for one of the product stewardship approaches. We understand that products and materials may be proposed to the Environment Protection and Heritage Council (EPHC), which will maintain a "working list" of wastes under the legislation for voluntary, co-regulatory or mandatory approaches. Rather than requiring at least two criteria to be met, we suggest requiring the following two to be mandatory, plus a minimum of one additional criteria to be met in order to ensure a high level of effectiveness and quality in adoption of product stewardship approaches:

Mandatory criteria:

- *The products are in a national market;*
- *There is the potential to increase the conservation of materials used in the products, or increase the recovery of resources (including materials and energy) from waste from the products.* Arrangements should be encouraged where there is a net conservation of resources as a result of recovery and recycling of a class of products. If pursuit of a product stewardship scheme results in a net loss of resources (including energy and water), the effectiveness and suitability of having the scheme needs to be questioned.

With respect to the criteria "the product contains hazardous substances", we would like to see the term hazardous defined with clear reference to existing regulatory or labelling measures and defined thresholds of such substances in the final product.

2. Voluntary Arrangements:

Of particular interest to our sector, are the provisions in the Bill for accreditation of voluntary

¹ Brussels, 17.7.2002 COM(2002) 412 final Communication from The Commission to The European Parliament, The Council, The Economic And Social Committee And The Committee Of The Regions on Environmental Agreements at Community Level; Within the Framework of the Action Plan on the Simplification and Improvement of the Regulatory Environment

² http://europa.eu/legislation_summaries/enterprise/interaction_with_other_policies/l28126_en.htm



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product stewardship arrangements. Section 12(2) of the Bill states that a voluntary arrangement must be “*designed to further the objects of this Act*”.

We would like it understood that an established voluntary product stewardship program, such as our industry’s, was not designed to further the objects of the Act, nevertheless provided such established programs are consistent with the objects of the new Act, they may be considered for accreditation. In other words, the intent may be that an “arrangement” is designed to further the objects of the Act based on an established, or new, product stewardship scheme, in order to seek accreditation of that scheme.

3. Product Stewardship Logo: The Vinyl Council supports the option of branding for accredited schemes based on a logo of choice with the use of text indicating the arrangement has been accredited by the Regulator. The branding might be considered as part of the application process. Again, this may be relevant to the accreditation of a pre-existing scheme which already has a trade mark in use.
4. Section 13: Who may apply: We support the option of industry associations being eligible to put forward proposals for product stewardship programs related to a class of products.
5. Data & Reporting: We call for flexibility in the approach to requiring data collection and reporting for accredited, co-regulatory and mandatory schemes. The Regulator should be mindful that depending on the type of scheme and the stage it is at, both quantitative and qualitative information may be relevant. Specific reporting requirements may vary between single product, end-of-life extended producer responsibility schemes and whole-of-life material supply chain schemes.

Given our industry’s eight year experience of setting voluntary commitments under its scheme and driving improvement in the life cycle of PVC products in Australia, we would welcome further opportunities to engage with the Committee over this important piece of legislation.

Yours faithfully

Sophi MacMillan
Chief Executive