

Waste Generation and Resource Efficiency Inquiry
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Commissioner,

The Building Products Innovation Council (BPIC) has noted with interest the draft report of the Commission into Waste Generation and Resource Efficiency. BPIC is generally supportive of the draft recommendations in the report, and in particular strongly agrees with the underlying theme that any consideration of further regulatory controls must be supported by rigorous assessment including an analysis of net benefits.

BPIC would like to again suggest that in any consideration of the net benefits the environmental impact should be considered in the light of application of full life cycle assessment. This concept, initially raised in our earlier submission to this inquiry, ensures that a balanced and objective approach is behind any weighting of environmental impacts. This of course also has a direct effect on the full net benefit analysis.

Underpinning much of the research to support particular policy responses must be reliable data. BPIC supports and reinforces our earlier views that the Commission should strongly endorse more data collection to lay the foundations for careful alternative waste management policies. This in turn relates to the Commission draft recommendation 7.1 that suggests the application of the waste hierarchy should not be applied to the extent that it is rigidly followed in isolation of wider costs and benefits. BPIC also agrees with draft recommendation 7.1 where the Commission notes that the setting of waste minimisation or recycling targets is not the role of waste management policy.

BPIC acknowledges the efficiencies that could be delivered by the adoption of a nationally consistent waste classification system. We understand that, as with other nationally consistent approaches, there may be a need for variations in a limited number of local circumstances, while the majority of regions could apply the agreed national approach.

In terms of the discussion concerning the possible application of landfill levies to address greenhouse gas emissions BPIC believes this would be both inappropriate and difficult to administer. For example, this approach does not take into account activities that mitigate emissions from manufacturing or application of, in our case, building materials.

As the Commission has noted there are currently a number of initiatives that are using co-regulatory approaches to address social or environmental concerns. There are moves to extend this type of environmental regulation to some building materials. This is being driven by State or local government activities but to our knowledge has not been subjected to the broader analysis of the costs and benefits of such an approach. We agree with the Commissions approach to product stewardship schemes (or similar) as expressed in draft recommendation 10.2, i.e. these should only be considered where there is evidence of a net benefit for the community and other policy options would not deliver greater net benefits.

BPIC also notes the Commissions discussion on the limits to the specification of materials incorporating recycled content as practices by some Government purchasing organisations. BPIC is still of the view that the appropriate approach is to ensure that materials are selected on merit, which combines a consideration of the fitness for purpose, the economics and the environmental impacts. Most importantly, these environmental impacts must be assessed using full life cycle assessment.

In general, BPIC is supportive of the Commissions findings and recommendations. Please feel free to contact us should you have any further questions.

Yours sincerely,

Tony McDonald
Chief Executive
31 July 2006