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Submission to Inquiry into Waste Generation & Resource Efficiency

The Chair,
Inquiry into Waste Generation
and Resource Efficiency,
Productivity Commission

Thank you for the opportunity to submit our thoughts to this Inquiry. This submission deals with two key issues – the place of the consumer in driving extended producer responsibility and legislation/regulation.

Issue 1: The Power of the Consumer

In our opinion this inquiry might also consider the impact of expanded consumer awareness based on a standard national rating that applies to the whole-of-life cycle costs and environmental impacts of a wide range of products and services.

Informing consumers, whether they be organisations or individuals, of a need to make purchasing choices based on whole of life cycle impacts, would orchestrate a shift in attitude to those same negative impacts at the level of product design and production.

The Australian Greenhouse Office and other organisations have attempted to do this through such avenues as the Energy Rating and Energy Star programs. Whilst it is mandatory for certain electrical products to be rated (e.g. refrigerators, single phase air-conditioners, clothes washers & dryers), these ratings tend to be limited to key inputs such as energy and water usage in the operation of the product (e.g. refrigerator). They do not appear to incorporate whole-of-life-cycle costs. As consumer education and the importance of balancing environmental and economic costs and benefits increases, such information is likely to have a considerably greater impact on driving producer responsibility. Currently, obtaining comparable life-cycle data on a range of products in a category is not easily within the reach of the consumer.

A life-cycle rating would consider at least:

- Virgin versus recycled materials used
- Energy, water, raw materials and toxic substances used in the manufacturing process and in the product
- Resources required, emissions and waste created during use
- Impacts of distribution
- Ease of recycling

- Percent of product that can be recycled
- Waste & emissions on disposal
- Social impacts

Whilst developing a standard rating system would be a considerable task, consumers must be able to purchase products, confident that they have chosen those that have the least environmental impact. A consideration in this confidence is the impartiality of the rating body. The Australian Consumers' Association may be an appropriate choice. The rating "mark" must be clearly identifiable and easily understood by consumers.

Developing a national standard would involve enlisting the support of key stakeholders in identifying the parameters of the rating system. Benchmarks may be set for an industry group or specific supplier.

Data Collection

For many organisations gathering robust data on resource efficiency and life cycle costs is fraught with complication. For example, in a recent effort to understand the environmental impact over the life-cycle of printed catalogues and leaflets, we were unable to find substantive data which we could quote with any confidence. The data depended on a range of variables such as the:

- Percent of recycled versus virgin material used
- Type of ink used (e.g. vegetable-based or petroleum based)
- Efficiency of the printing equipment used
- Methods of distribution
- Percentage recycled after use (category-specific)
- Costs of recycling versus landfill (dependent on geographic location, types of transport used, contractual arrangements etc)

Clearly, some organisations are better equipped than others to undertake such an exercise, whether because of financial or human resource limitations, or the quantity and nature of inputs to the product or service being analysed. However a reasonable understanding of such impacts, based on a level playing field, is important in encouraging extended producer responsibility.

The availability of such data would also demonstrate which products/industries/parts of a life-cycle require the most urgent attention.

Issue 2: Regulation within Industry

It is likely that both industry and government prefer an approach of cooperation and innovation in finding solutions to the production and disposal of waste. By example, Toyota and Fosters have gained competitive and economic advantage by innovating throughout the life-cycle.

Self-regulation and co-regulation is beneficial to such leading organisations. However there are often vested interests that discourage initiatives such as consumption reduction. There are also self-regulation mechanisms that do not seem to be very robust. In some instances there seems to be little evidence that the self-regulation authority is widely known by the communities they seek to support.

One example is in the distribution of unsolicited & unaddressed printed matter to residences and businesses. Reducing the amount of printed matter would have significant social, environmental and economic impact in the following areas:

Printing industry	Reduced printed matter
Advertisers	More targeted marketing
Distributors ¹	Reduced distribution
Local Councils	Reduced waste collection and disposal costs, reduced litter
Local businesses	Reduced litter, more targeted marketing
Residents and businesses	Improved streetscapes, choice over print matter delivery

In 2001, the NSW EPA presented a report on Managing the Delivery of Unsolicited and Unaddressed Advertising Material. It found:

Anecdotal evidence indicates that some members of the community find the delivery of unsolicited material as either a nuisance or a waste of paper. The prevalence of 'No junk mail' signs on letterboxes is one indication of some people's concern. Other people welcome the delivery of such material as providing a valuable service.

The *Environment Protection Act 1970* in Victoria has been amended to provide for a penalty for distributing unsolicited advertising material to residences that have identified the do not wish to receive it:

Previously litter enforcement officers were unable to prevent the delivery of unwanted advertising material to premises. This has been a cause of frustration to individuals who have clearly indicated that they do not wish to receive this information. The Act rectifies this situation by making it an offence to deliver unsolicited advertising material where a sign clearly indicates that material is unwanted (that is a 'no junk mail' sign or 'no advertising material' sign is present), thereby enabling litter enforcement agencies to act on behalf of their communities.²

Other States have either no regulation on such distribution, or limit it to distributed material that becomes litter.

NSW Department of Environment and Conservation lists examples of unlawful delivery of advertising material such as:

- Leaving a number of price lists for a take-away restaurant on top of the letterboxes outside of a group of flats. (However no offence is committed if the price lists are placed inside each letterbox.)
- Placing promotional material on top of a boundary wall or fence to residential premises

¹ In 2004 \$300m was spent on distribution of unaddressed advertising versus \$400m on addressed - Australian Catalogue Association Industry Survey 2003

² http://www.epa.vic.gov.au/Publications/Legislation/Resource_Efficiency_Act/litter_laws.asp

- Placing advertising material under the windscreens of vehicles parked in a parking station or in a private driveway (or wedging brochures in the door of a vehicle)
- Leaving a pile of unsecured brochures on the access footpath to a number of town houses³

Various State and local government bodies note the difficulty in enforcement of these regulations.

In terms of self-regulation, the Distributions Standards Board (DSB) is the self-regulation body of the Australian Catalogues Association. The DSB provides “No Advertising Mail” stickers to residents on request, and a phone support service for reporting non-compliance.

However the DSB can only deal with producers and distributors who are co-signatories to their Code of Practice. In addition, many people do not know of the services offered by the DSB. ⁴

It seems that this is an example of self-regulation that isn’t working effectively. We believe that more government intervention is necessary to promote innovative solutions and demand producer responsibility. These initiatives might include national uniformity in legislation regarding litter and the distribution of unaddressed, unsolicited printed matter.

Another example where regulation will have a positive impact is in the standard of recycled material. Air-cell Innovations Pty Limited, a manufacturer of non-fibre building insulation, cited difficulty in using recycled plastics and aluminium foil. Variance in quality and lack of national standards impacts on the manufacturer’s ability to meet quality standards. Hence they do not yet use recycled material. (The writer has provided Air-cell with the details of this issues paper).

Finally, it is important that some form of support for small business, where innovative solutions are challenged or threatened by market dominance of large corporations, be provided.

We hope that the above thoughts assist in your Inquiry.

Yours sincerely,

Janelle Wallace
General Manager

³ EPA NSW website on littering : <http://www.environment.nsw.gov.au/litter/faq.htm#am3>

⁴ The website "[Envirotalk - Tired of Junk Mail? Try This](#)" shows the issues that concerned residents face. This particular website refers to people whose interests are environmental and may not be representative of the whole population. What it shows is the lack of knowledge and exasperation of residents in how to deal with unaddressed mail, and have the “opt-out” method work for them.