

3 April 2009

Mr Martin Stokie
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via email: pw.economics@au.pwc.com

Dear Mr Stokie

This letter constitutes Lighting Council Australia's response to *A Draft Framework for Product Stewardship in Australia*.

Introductory comments

Lighting Council Australia is the peak body for Australia's lighting industry. The Council represents manufacturers and suppliers of luminaires, control gear, lamps and associated technologies.

Lighting Council Australia is strongly of the view that a primary objective of government when promoting product stewardship schemes should be achieving nationally consistent outcomes. Industry cannot countenance individual state or territory based schemes because of the distortions and inefficiencies they cause. In this respect Lighting Council Australia has been critical of the South Australian Government's Draft Environment Protection (Waste to Resources) Policy and Explanatory Report released in November 2008.

Lighting Council Australia recognises its responsibilities with respect to waste from lighting products and is prepared to work with government on product stewardship matters. An example includes Lighting Council's considerable commitment to *Flashback*, a pilot lamp recycling scheme currently underway in metropolitan and regional Victoria undertaken in conjunction with Sustainability Victoria and other stakeholders.

The remainder of this letter responds to the individual questions posed in the *Guidance Document*.

In the context of considering product stewardship as a policy option, does the framework provide a practical mechanism to decide if product stewardship is appropriate?

As indicated above, Lighting Council Australia believes that only a national product stewardship scheme is appropriate. We therefore contend that 'Victoria's commitment to the pursuit of product stewardship' (p7) is insufficient justification for proceeding. All jurisdictions must be similarly committed. It is recommended that the statement under the bullet point 'Policy objectives' on p7 be amended to reflect a requirement that all jurisdictions in Australia share a common commitment.

In other respects the framework provides a sound mechanism for determining whether product stewardship is appropriate. In particular Lighting Council supports the contention that market failure alone does not warrant government intervention, and that 'the consequences of inaction by government must be high to justify intervention'.

Only after a rigorous, case-by-case assessment of the environmental impact of individual products can intervention be justified. This was reinforced by the Productivity Commission in its Waste Management report when it stated, '...before intervening, governments must consider the findings of a thorough review of scientific evidence on a product's alleged environmental and public health impacts.'¹

Does the framework provide a workable mechanism to help guide the development of a product stewardship program?

In outline, yes. More detail would be helpful.

Are the definitions provided in the framework sufficiently clear? For example, is it clear what is meant by product stewardship?

For the benefit of the uninitiated it may be helpful to explain in more detail terms such as 'product stewardship', 'life cycle approach' and 'co-regulation'. Lighting Council supports the distinction made between product stewardship and extended producer responsibility. In particular we see product stewardship as a shared responsibility involving a range of stakeholders, including producers, government and consumers. We therefore support the philosophy behind use of the term product stewardship in the Draft Framework, rather than extended producer responsibility.

Is the framework comprehensive in its coverage? Does the framework allow for general application? Is it easy to use and interpret?

The Draft Framework could not be described as comprehensive. For example, how do we determine when there has been market failure? How do we determine that the 'consequences (of environmental degradation) are high'?

For ease of comprehension it may be helpful to transform the questions posed alongside Step 1 and Step 2 to statements (for example, Step 1 could read 'Determine whether product stewardship is an appropriate policy response').

Nevertheless, with the acceptance of Lighting Council's reasoning on the subject of policy objective raised above, the principles enunciated in Figure 2 are sound and are supported.

¹ Productivity Commission Inquiry Report No 38, Waste Management, October 2006, p311

Do you think the framework aligns with other government policies?

Lighting Council Australia has insufficient information to determine whether the framework aligns with other government policies. While noting that the Environment Protection and Heritage Council Ministers agreed to develop the Framework at its November 2008 meeting, Lighting Council is confused by recent announcements by the Commonwealth and SA governments that they intend to also develop waste policies.

Can you foresee any unintended consequences if the framework was to be applied?

The unintended consequences of adopting a product stewardship scheme in a single jurisdiction would be severe. It could lead to higher prices for goods in that jurisdiction and in extreme cases a refusal to supply.

Do you have any suggestions on how improvements can be made to the framework?

Our overriding recommendation is to make it apparent that the Framework will only be adopted if all jurisdictions agree.

We also emphasise the importance of early consultation with industry in introducing successful product stewardship schemes. This would be a useful addition to the Draft Framework.

Lighting Council Australia hopes these comments are useful. We are happy to work with PwC and the Victorian Government to further refine the Draft Framework.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bryan Douglas', written in a cursive style.

Bryan Douglas
CHIEF EXECUTIVE OFFICER