

30 March 2012

SCEW.secretariat@environment.gov.au

The Secretary
Standing Council on Environment and Water Secretariat
GPO Box 787
Canberra, ACT 2601

Dear Sir

RE: Packaging Impacts Consultation RIS

The Australian Information Industry Association (AIIA) is the peak national body representing the ICT sector in Australia. Membership comprises over 400 members, including all major manufacturers and suppliers of ICT products and services.

One of AIIA's active work groups is the Environmental Special Interest Group, or ESIG. It currently includes Apple, Brother, Canon, Dell, Epson, Fujitsu, Fuji Xerox, HP, IBM, Lenovo, Konica Minolta, Toshiba and Ricoh. For many years the ESIG has worked with government on a range of issues of mutual concern including Minimum Energy Performance Standards for ICT equipment and the establishment of an industry-managed scheme to recycle end of life computer products.

The last mentioned activity is now in a critical phase, with a Producer Responsibility Organisation proposed for approval under the Product Stewardship Act, recruiting more members and refinement of operational arrangements underway. In this context ESIG has reviewed the Packaging Impacts Consultation RIS.

AIIA's ESIG notes the economic analysis incorporated in the RIS, together with the positive benefit attributed to a co-regulatory scheme. Having secured a co-regulatory framework to support the products recycling initiative, AIIA recognises the value of such an approach in a market where there are relatively few suppliers.

Accordingly, if *any* proposals for change to the management of packaging waste are introduced, *AIIA's ESIG supports option 2a, the introduction of co-regulation under the Product Stewardship Act 2011.* However, given the nature of ESIG members' packaging waste and the specific market dynamics, AIIA's preferred position is that the *APC be maintained in its present form until the proposed 2015 review date.*

Packaging waste generated from the ICT sector is not significant in total volume and a number of market factors work to ensure a high proportion of computer and printer product packaging is appropriately recycled. To provide context, the following brief outline of market dynamics clarifies the likely impact of product packaging in the waste stream.

The computer and printing equipment market comprises less than twenty international manufacturers. To achieve efficiencies, manufacturing occurs in a limited number of sites for worldwide distribution. Consistent with that model, standard products are manufactured for global distribution and suppliers constantly monitor and respond to enhancements in standards required in the countries they supply. Product supplied into all markets is compliant with relevant standards,

both government proclaimed and community based. Manufacturers seek to ensure packaging is minimised (in order to reduce shipping costs) to the maximum extent possible, consistent with protecting the product.

Product supplied in the business to business market is subject to sale on terms requiring removal of packaging prior to or on delivery. This packaging is processed through industry participants' waste recycling programs.

Sales into the consumer market are characterised by a complex distribution process comprising an original supplier selling through two levels before purchase by an end customer. Product packaging is ultimately removed in the home where it can be recovered through domestic recycling. Increasingly, consumers retain packaging for later use in moving the product.

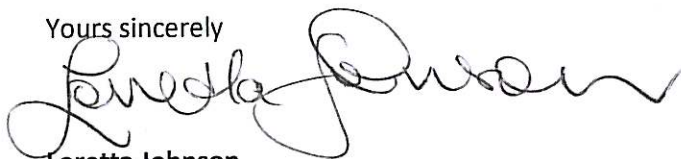
AIIA commends the Federal Government for its efforts to drive environmental benefits in the design of packaging and in the levels of reuse and recycling of unwanted packaging materials. We note the significant challenge relating to recovery of packaging discarded in 'away from home' environments such as shopping centres and at public events. We also note the level of community willingness to incur cost to achieve better outcomes in waste recycling.

A standardised national approach to waste management issues is crucial to sound policy direction in this area. All regulatory platforms should also have sufficient 'teeth' to ensure *all stakeholders* in the manufacture, use and disposal of packaging are required to contribute to its management in a manner that is equitable having regard to the volume of waste they create.

Most ESIG members are signatories to the Australian Packaging Covenant (APC). We note the APC has been quite successful in setting and meeting targets and appears to be making progress on encouraging manufacturers to adopt the Sustainable Packaging Guidelines. Furthermore, we believe the efforts of government and the APC should be more narrowly focussed on specific areas of concern, so that real improvements can be made in packaging design and litter avoidance, rather than pursuing a catch-all strategy that treats all packaging as being of equal concern. As part of such a focus consideration could well be given to reducing the reporting burden placed on responsible packaging users.

Please don't hesitate to contact AIIA if you require further clarification or comment.

Yours sincerely



Loretta Johnson

General Manager – Policy and Government Relations | AIIA

m: 0427 790 574

e: l.johnson@aiia.com.au

w: www.aiia.com.au