

Your reference: C2010/924  
Our reference: ED11/39  
Contact: Sharon Owens, 8837 6062  
Alex Young, 8837 6040

Mr David Hatfield  
Acting General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

Dear Mr Hatfield

I refer to your invitation to Lisa Corbyn, Director General, to make a submission on application A91251 by the Australian Paint Manufacturer's Federation (APMF) to impose a levy on paint to fund a 12 month paint collection and recycling trial in Victoria. The Director General has referred your letter to me and I am responding on her behalf. Thank you for the opportunity to comment.

New South Wales has been a strong advocate for product stewardship initiatives and was the first jurisdiction to implement a product stewardship policy in Australia. Since 2004, NSW has published Extended Producer Responsibility Priority Statements, which identify particular wastes that are of concern in NSW. The 2010 Statement continues to list paint as a 'waste of concern' (see <http://www.environment.nsw.gov.au/resources/warr/101012EPRrpt.pdf>).

End of life paint makes up the majority of material collected through the NSW Household Chemical Cleanout (HCC) program. The HCC program is similar to Sustainability Victoria's Detox Your Home program and targets potentially hazardous wastes from households including gas bottles, paint, oils, batteries, and household chemicals. Typically, about 25,000 householders per year attend HCC events (40-43 per year across NSW), indicating strong public support for such collections. DECCW has been running the program since 2003 and it is the biggest program of its type in Australia.

The volume of material collected through the HCC program has been increasing year on year, with a 10% increase in total volume of all materials collected from 2008/09 to 2009/2010. Paint represents 59% by weight of materials collected and has been the fastest growing material stream in the HCC program. The cost to DECCW for processing and disposal of paint was about \$600,000 in 2009/10, with local councils and other government agencies also spending another \$200,000 through other collection events. That is, around \$800,000 was spent by government in 2009/2010 for processing and disposing of paint. If the cost of setting up and staffing the HCC collection events is also calculated, the proportion that is attributable to paint (i.e. 59%), is about \$350,000 in addition to processing costs. This places the cost to the NSW community for paint collection and treatment at over \$1 million per year and increasing.

The Department has been in discussion with the paint industry on the development of a product stewardship scheme for end of life paint in NSW for a number of years. In 2008, the APMF agreed to run a short-term household paint collection trial in NSW, which followed on from an earlier trial in Victoria. The APMF also provided \$150,000 to help off-set the costs for paint collected through the NSW HCC program. The costs of the trial and the payment were covered by the APMF membership without recourse to a levy on consumers, although it is assumed that the cost would have been passed on to consumers.



PO Box 644 Parramatta NSW 2124  
Level 2, 1 Fitzwilliam Street Parramatta NSW  
Tel: (02) 8837 6000 Fax: (02) 8837 6099  
ABN 30 841 387 271  
[www.environment.nsw.gov.au](http://www.environment.nsw.gov.au)

At that time, the APMF had indicated that it would develop and implement of a national product stewardship scheme for end of life paint. To aid this, the Federation was given full access to all costings for household paint collection, processing and disposal from both DECCW, local councils and WSN Environmental Solutions which operates landfills and transfer stations (including paint collection points) in NSW.

NSW is strongly supportive of the paint industry taking responsibility and implementing a voluntary scheme for collecting and treating end of life paint. We are also generally supportive of industry levies to support voluntary industry schemes. For example, NSW is supportive of the MobileMuster, ChemClear and DrumMuster programs, all of which involve ACCC approved industry levies.

However, in this instance we are concerned that a limited Victorian trial will not lead to the long-discussed national scheme. If a national scheme does not eventuate, then there will be little public benefit to NSW consumers for supporting paint collections in Victoria, particularly given that around 40% of the funds will come from this State, based on population.

There are two elements to the APMF's proposal – one is to take financial responsibility for household paint collection and processing in Victoria and the other is to pilot a trade waste collection/recycling scheme. In relation to household paint, there is no reason why the paint industry could not take financial responsibility for existing NSW collections of household paint, as well as the Victorian collections. In the same way that the APMF is to take over financial responsibility for the existing collection program in Victoria, the NSW program has been running since 2003 and is very well established. It could continue without interruption. Indeed we see no barrier to the industry initiating a national scheme for end of life household paint at this time. There will also be other States who are in a similar position to NSW, currently funding household paint collections in the absence of industry action.

As previously stated, the Department has already provided the APMF with complete access to all NSW HCC program costs, as well as arranging access to costs incurred by other NSW organisations. It is our understanding that Victoria has done likewise. Responsibility for household paint could therefore be taken up immediately, without recourse to further trials.

DECCW is supportive of the APMF application for authorisation if the levy is applied to fund NSW household paint collection at least, if not national collection. If the APMF application is approved as currently proposed, NSW consumers will be paying twice in relation to paint – once through council rates and State revenue to fund existing collections, and again through a national levy for which they see no benefit.

This more expansive scheme for household paint could run concurrently with a trial of trade paint collection in Victoria. Such a move by the industry would provide sufficient evidence of their intention to develop a scheme that will eventually cover all end of life paint (household and trade).

If you wish to discuss this further, please contact Mr Alex Young, Senior Manager Waste Strategy on (02) 8837 6040.

Yours sincerely



**BERNARD CARLON**  
Divisional Director  
Sustainability Programs