



Stewardship for Consumer and Other Electrical and Electronic Products

Submission

February 2022

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1 Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a response to the Department of Agriculture, Water and the Environment (DAWE) *Stewardship for Consumer and Other Electrical and Electronic Products Discussion Paper*.

The MAV is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879 and the *Municipal Association Act 1907* appointed the MAV the official voice of local government in Victoria.

The MAV's primary role is to represent and advance the interests of local government. We work to raise the sector's profile and ensure its long-term security; facilitate effective networks and support councillors; and provide policy, advocacy and strategic advice, capacity building programs, and insurance services to local government.

Waste, recycling and the circular economy are key areas of interest and responsibility for local government. The MAV and Victorian councils are strong supporters of the waste hierarchy and have long advocated for there to be more focus on the design and manufacturing stage of a product's lifecycle in order to avoid waste and help ensure products are genuinely recyclable.

The discussion paper highlights many of the challenges of recycling e-waste. It rightly notes that councils are 'on the front-line grappling with increasingly difficult to manage electrical and electronic products with plastics and hazardous substances, which often have little to no market value.'

With volumes of e-waste increasing year on year, the MAV and Victorian councils are strong advocates for a comprehensive e-waste product stewardship scheme. We agree with the DAWE taskforce that everyone who imports, designs, produces, sells, uses and disposes of electrical and electronic products has a shared responsibility to reduce the human health and environmental impacts, while growing the circular economy. We urge the Federal Government to commit to a comprehensive e-waste product stewardship scheme or schemes this year.

The absence of product stewardship for all e-waste means that the costs associated with dealing with end-of-life recycling or disposal of non-scheme goods are not borne by those deriving a direct benefit from the goods but instead are borne by ratepayers irrespective of their individual consumption choices. This approach contradicts the polluter-pays principle and does nothing to promote waste avoidance and minimization behaviours. By contrast, product stewardship promotes consideration of waste impacts in product design by requiring manufacturers and importers to take responsibility for end of life treatment of their products. This ensures the real costs of reuse, recovery, or disposal are integrated into the cost of production.

This submission does not attempt to address all the questions posed within the discussion paper. Instead we have focused our response on key issues of interest to our member councils.

Recommendations:

We urge the Federal Government to:

- commit to a comprehensive e-waste product stewardship scheme or schemes this year to ensure all e-waste is covered by a scheme, with the scheme (or schemes) to be operational by mid-2023
- ensure all existing and new schemes provide equitable and reasonable access and service to metropolitan, rural and regional areas, supporting both existing collection points and providing additional points where there are clear geographic gaps
- ensure all existing and new schemes fully fund the provision of drop-off point infrastructure and the true true cost of transporting, processing and recycling e-waste
- require all electrical and electronic goods retailers to provide a drop-off service for e-waste
- rule out allowing schemes to collect e-waste via municipal kerbside waste and recycling services
- commit to regularly reviewing existing product stewardship schemes to ensure:
 - the scheme is adequately funded
 - the scheme is collecting the volumes of material it claims to be collecting
 - that material is being collected, handled, processed and recycled safely
 - that metropolitan, rural and regional communities are being provided with equitable and reasonable levels of access

2 Market and regulatory failures

The discussion paper does a very good job at highlighting some of the market failures and other challenges of improving recovery and recycling of e-waste, including that much e-waste is made of low value, difficult to recycle, and hazardous materials. Without a product stewardship scheme covering these items, there is little incentive for recyclers to collect these goods.

The absence of strong markets for many of the materials contained in e-waste is a significant roadblock to successfully transitioning to a circular economy. Government messaging and community expectations about e-waste recycling are frequently out of touch with the operational reality of trying to find recyclers willing to accept these often low value and hazardous materials.

Currently, much of the cost and challenges of dealing with e-waste are left to local government to manage and ratepayers to fund. The absence of product stewardship schemes for all e-waste enables importers, designers, producers, retailers, and consumers of electrical and electronic products to avoid responsibility and to pass on the cost of end-of-life management to the community at large.

One of the key advantages of product stewardship is that it ensures those benefiting from a product are also covering the costs of disposal or recycling of that product. This provides designers and manufacturers with a direct financial incentive to avoid waste and consider the material make up of their goods to enhance repair, reuse and recyclability.

Under the *Recycling and Waste Reduction Act 2020* and its predecessor, the *Product Stewardship Act 2011*, the Minister is required to publish a priority list of products that he or she is considering making subject to some form of regulation. Electrical and electronic products have been on that list since 2016/17.

In the 2016/17 listing, reference is made to giving consideration to whether the National Television and Computer Recycling Scheme (NCTRS) should be expanded to include other categories of electrical and electronic products. The same comments are made in the 2017/18 listing and again in the 2020/21 listing. The DAWE website doesn't show any lists for 2018/19 and 2019/20.

In the 2021/22 listing, electrical and electronic products again feature however there is no longer any mention of the possibility of expanding the NCTRS. Instead the listing indicates that the telecommunications industry is to design and develop a business case for an industry-led scheme for communications products such as modems and routers by June 2022. In relation to other electrical and electronic waste, the listing provides that manufacturers, importers, distributors and retailers should "demonstrate measurable product design improvements to increase the durability, reparability, re-usability and/or recyclability of electronic and electrical products by June 2025."

The shift away from referencing a comprehensive NCTRS or something equally ambitious is concerning. It also appears out of step with the Assistant Minister's opening comments in the discussion paper that the government is committed to consulting with key stakeholders on developing products stewardship arrangements for electrical products not already covered by the NCTRS.

We welcome the clear deadline given to the telecommunications industry to develop the design and business case for a scheme by mid-2022. We call on the Minister to set the same target for other e-waste streams not currently covered by product stewardship. Manufacturers, importers, distributors and retailers must be required to bear the costs of end-of-life management of their products. Their long-standing and ongoing failure to minimise waste and improve durability, reparability and recyclability highlights the critical and urgent need for regulation to drive action and accountability.

The development of a scheme for solar PV is critical and we encourage DAWE and state governments to consider how existing regulatory frameworks for these products can be adapted to include product stewardship for end-of-life panels.

The discussion paper references the European Union's Waste Electrical and Electronic Equipment directive which makes producers legally responsible for the collection, treatment, recovery and environmental disposal of their products once they reach end-of-life. Retailers have an obligation to offer in-store take back, or join a distributor take back scheme. We support Australia adopting a directive with the same obligations on producers and retailers.

3 Product stewardship scheme collection points

International experience shows that ease of access to collection points is critical to the success of product stewardship schemes. An approach similar to a container deposit scheme may be feasible for some small electrical and electronic goods, although serious consideration would need to be given to how to safely manage the occupational and public health and safety risks given the hazardous content of some e-waste. All retailers of electrical and electronic goods should be required to provide return points or collection services.

The MAV firmly opposes any approach that would enable and encourage the disposal of e-waste in kerbside bins. Irrespective of whether the e-waste is in an “easily identifiable bag”, as suggested in the discussion paper for small appliances, the occupational and public health and safety risks are too great. Incidents such as fires in collection trucks caused by batteries and other electrical goods are already too frequent an occurrence. We further note that such an approach would also undo local government and Victorian Government efforts to educate the community about the e-waste landfill ban and how to safely dispose of these items.

Finally, in relation to the 96 per cent of projected end-of-life phones being held onto in homes and businesses, it is likely lack of consumer confidence about how personal information stored on phones will be handled prevents greater rates of recovery. Brand owners, together with recycling scheme operators and government have a critical role to play providing assurances in this regard.

4 The NTCRS

In both the discussion paper and the priority product lists, several references are made to the NTCRS providing “free” collection and recycling of end-of-life televisions, printers, computers, computer parts and peripherals. We note that in Victorian councils’ experience, the NTCRS only partly funds the collection and recycling of these goods, with councils expected to pay the shortfall. The cost to councils is often substantial and has increased significantly for several councils over the last 6-12 months. We also note that the scheme has largely failed rural communities due to underinvestment and a reluctance from co-regulators to provide regular collections. It is unacceptable that some large shires are only funded to provide one collection point – and the funding allocated only covers part of the costs of participating in the scheme.

In order to ensure equitable access to the service without placing an unfair burden on ratepayers, the scheme must cover the full costs of necessary infrastructure upgrades at drop-off sites as well as regular collection services from these sites across all areas. Drop-off sites should also be required to be provided at all points of sale for products covered by the NTCRS.

As key stakeholders in the scheme, strong engagement and regular consultation and communication with local government is also essential. The MAV and Victorian councils would welcome the opportunity to work more closely with DAWE in relation to this scheme and other schemes.

There must also be sufficient government resources provided to ensure effective administration and enforcement of the scheme, including health checks on co-regulatory arrangements and the effective oversight of downstream recycling.

5 Landfill bans

The introduction of Victoria's e-waste landfill ban serves as an important cautionary example of why bans aren't always an appropriate policy response. The Victorian e-waste landfill ban was introduced with limited community education, insufficient collection points and a poor understanding of the local recycling capacity and markets for e-waste. Implementation and ongoing management costs for the ban have largely fallen to local government.

The Victorian government's approach to the ban failed to drive any upstream change, with the costs associated with managing e-waste being borne by all ratepayers rather than by the e-goods producers and consumers. Removing e-waste from landfill via an expanded National Television and Computer Recycling Scheme or new e-waste product stewardship schemes would have been a far more effective and equitable policy.

A landfill ban should only be a supplementary tool to product stewardship schemes. Product stewardship places obligations on those most able to affect change at the front end of the product lifecycle. This is critical if we are to achieve a genuine circular economy.