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Stewardship for Consumer and Other Electrical and Electronic Products Discussion Paper – LGNSW Submission

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW welcomes the opportunity to provide comment on key aspects of the Stewardship for Consumer and Other Electrical and Electronic Products Discussion Paper as LGNSW supports the principle of producer responsibility schemes to reduce waste generation and drive circular economy. Furthermore LGNSW advocates for the reinvestment of the NSW waste levy (collected by the NSW Government) to enable work to continue with the Federal Government to introduce producer responsibility schemes for emerging problem wastes such as electrical and electronic waste in addition to other hazardous wastes.

LGNSW has long advocated for producers to be required to take greater responsibility for their products, as there is clear evidence that effective producer responsibility schemes result in positive outcomes for councils and communities. Typically councils will have less waste to manage, communities do not bear the costs for product disposal and the environmental impacts of waste to landfill, including the generating of emissions can be reduced. It is equally clear that where producers bear responsibility for the cost and logistics of disposal, reprocessing or recycling there is an impetus to consider design improvements which can also drive circular economy and a reduction in waste generation.

Councils provide waste, recycling, and resource recovery services to the community, provide and operate recycling and disposal infrastructure and work tirelessly to reduce the amount of waste ending up in landfill by educating residents, businesses and schools about waste avoidance and recycling. In addition, councils have repeatedly demonstrated their interest in seeking out solutions to emerging waste issues and working with all levels of government to determine suitable options. As such the local government sector is well placed to provide comment on the discussion paper and proposed product stewardship scheme covering electrical and electronic products.

Background

Electrical and electronic product waste is growing at a rapid rate across the globe and the Global E-waste Monitor of 2020, a collaborative effort of the Sustainable Cycles (SCYCLE) Programme estimates that the world's e-waste will increase from 54 million tonnes in 2019 to 75 million tonnes in 2030. At the same time, the diversity of electronic waste is changing, electronic products that have previously only represented a small portion of the total electronic waste are increasing which necessitates the broad definition of electronic waste as described in the discussion paper.

LGNSW commends the Federal Government for the expansive product listing contained within the discussion paper and concurs that a broad definition of electrical and electronic products is required to enable the wide array of household products readily available in the marketplace to be included in any scheme. A definition such as “anything with a battery or plug” will enable councils to easily convey details of what is included in the scheme through the education campaigns which they are typically responsible for. Good communication and community awareness is key to the success of any product stewardship scheme and will ensure that resource recovery can be maximised.

Increasing volumes of waste coupled with low rates of recycling and the challenges associated with the export of e-waste to countries where reprocessing technologies pose a risk to human and environmental health highlight the need for the Federal Government to take the lead on a future electrical and electronic product stewardship scheme. Such a proposed scheme will need to cover the wide range of products as proposed within the discussion paper, the vast majority of which are not included in the National Television and Computer Recycling Scheme (NTCRS) and resultingly end up in landfill where councils have not implemented stand-alone electronic waste collection schemes at a financial cost to that council and community.

LGNSW and NSW councils have supported the NTCRS since its inception in 2011 but would recommend that there are reforms which could be implemented ahead of the development of any new scheme covering electronics and electrical products. These reforms would allow the proposed new scheme to build upon a more robust NTCRS and ensure that any insights gained through the rollout of the NTCRS could be carried forward to the electronic and electrical product scheme wherever possible.

Feedback previously identified by NSW councils which may inform a review of the NTCRS and help shape future product stewardship schemes has included:

- Significant financial challenges with the shortfall of scheme funding leading to councils being required to prop up costs and subsidise on-ground implementation of the scheme. The financial costs of collecting out of scope items should not be underestimated. During the previous review of the NTCRS scheme in 2018 a Sydney council provided the example of collecting 14.29 tonnes of e-waste for recycling (that's approximately four 20-foot shipping containers) from one single drop off event; 34% was 'out of scope' e-waste not currently covered by the NTCRS. That council had to cover the cost of recycling five tonnes of e-waste from just one event, and often the percentage of out-of-scope items is higher.
- The increase in e-waste volumes that are not covered under the existing scheme has impacted the industry's ability to service the market and remain economically viable, even in dense urban areas such as Sydney.

- Councils being required to build upon Federal Government community education campaigns and develop local supporting information at council's time and cost to ensure scheme ease of use. A more expansive community education campaign is needed especially for regional and remote areas where councils already have less resources.
- Councils continue to manage changing community expectation, as the range of "e-waste" has increased there is growing community expectation that all electronic waste should be recycled. Councils have typically been required to manage out of scheme electronic waste through localised collections at councils' cost, to avoid reputational damage and negative community sentiment. It is very difficult and resource-intensive to refuse items from residents who go to the effort of collecting, storing and transporting electronic items for recycling.

LGNSW would suggest that the Federal Government review the feedback previously provided by the local government sector on the NTCRS and other producer responsibility schemes (as appropriate) to ensure that any recommendations be implemented across both schemes.

Response to Key Issues

3.1 Compliance

LGNSW notes that the discussion paper identifies compliance as a shared activity across all levels of government and industry, however councils are commonly left with the responsibility of on-ground compliance due to their position as the service delivery partner that engages most frequently with the community. Councils are required to manage the compliance regarding in scheme/out of scheme waste materials, manage illegal dumping of electronic household waste where it is not disposed of correctly, are responsible for educating the community around how producer responsibility schemes operate and finally where items are not included in-scheme councils manage compliance around other disposal options for those items.

Councils are not resourced to manage any increased compliance costs resulting from the development of a new product stewardship scheme covering electronic and electrical products. The cost of compliance should be recovered through the scheme and not passed on to the local government sector.

Recommendation 1: LGNSW recommends that the Federal Government allocate appropriate resources to undertake compliance activities and the full cost of compliance is recovered through the scheme.

3.2 Design and Manufacture

LGNSW supports the statement within the discussion paper indicating that improving design and manufacture is the beginning of stewardship and that product design will influence not only the longevity of the product but eventually dictates what end of life options are available for any product, from the most through to the least preferable.

Councils have little influence in product design and manufacturing and as such LGNSW would recommend that it is the Federal Government's responsibility to drive the shift away from the linear business model which applies to the production and sale of most electronic goods in Australia.

To achieve a shift towards a circular economy, substantial changes will be required in consumer practice which is currently driven by high throughput and the need to continually "upgrade" products. Producers and retailers can look to many examples where companies have made commitments to design out waste and improve their green credentials in the marketplace to make products more sustainable and appealing to new markets.

Product design is a key factor influencing future circular economy outcomes and as such this should represent a priority area for consideration. Designing out waste is one of the seven key principles contained within the NSW Government's Circular Economy Policy Statement. The policy suggests that not only can improved product design enable increased recycling and reprocessing through a product stewardship scheme or similar but that innovating product design for longevity, re-use, remanufacture and resource recovery will make it easier for customers to share, repair or upgrade goods and that increasing service offerings as well as increased remanufacture and repair activities will minimise the amount of resources used and avoid the generation of waste.

Recommendation 2: LGNSW recommends that the Federal Government includes improved product design and manufacturing specifications within the requirements for producers involved in a product stewardship scheme covering electrical and electronic products to drive a shift towards circular economy

3.8 Reuse and Repair

Considerable Government investment is needed to grow the reuse and repair sector to drive circular economy outcomes for electrical items. For example, the UK has a national reuse network and the UK Government invested \$7.2 million (AUD) in 2020 to assist local government and reuse operators with the reuse and recycling of electrical waste.

To help support reuse and repair, an expanded product stewardship scheme for electrical items could include:

- Assistance in raising awareness of repair and reuse options and providing incentives for major retailers to offer convenient and affordable repair services.
- Identify facility and opportunity gaps in Australia that would benefit from reuse or repair centres and direct funding towards community-based reuse and repair centres, with funding linked to recovery rates for electrical items and data capture for monitoring and evaluation.
- Targeted support for small to medium technology repair businesses that might also be able to address the gaps in repair services in locations across Australia. This might include supporting the expansion of services to include secure data wipes, offering subsidised repair for high value electronic items that are difficult to recycle or discounts for vulnerable demographics (e.g. unemployed, pensioners etc.)
- Integrating take back schemes for obsolete electrical items into small and major retailers (e.g. Officeworks, Harvey Norman and JB HIFI). Especially for retailers that

may also be incentivised to take back the single use plastic and polystyrene packaging that typically comes with electrical items.

- The Federal Government should support, through tax deductions or other financial incentives, those manufacturers that do produce repairable and durable products that meet a specified minimum standard.
- Consider import levies/requirements for imported goods to ensure they meet circular economy requirements and have repair/recycling schemes in place.
- Specify minimum warranty periods for electrical products and legislation supporting consumers' rights to repair.

3. 9 Roles and Responsibilities

LGNSW along with NSW councils acknowledge that the National Waste Policy outlines the role that all levels of government must play in supporting resource recovery and reducing the generation of waste. However councils are not well placed to bear the burden of responsibility for any new product stewardship schemes and LGNSW supports the implementation of a mandatory scheme supported by all tiers of government and industry where producers are responsible for all scheme costs including compliance.

Traditionally product stewardship schemes have focused on using industry engagement and voluntary commitments rather than mandated actions to drive resource recovery. This voluntary model has not addressed the complexities of market forces, nor created a shift away from the linear business model or resolved the issue of cost shifting resulting in some scheme costs being managed by councils.

Any new scheme must be designed in such a way that manufacturers, importers, distributors and retailers are tasked with delivering the scheme and being financially or physically responsible for managing actual end-of-life impacts.

Many electrical items contain hazardous materials (e.g. mercury in batteries or lighting) highlighting that a mandatory approach is needed to protect environmental and human health at all lifecycle stages. Batteries for instance have been responsible for a number of fires in kerbside recycling, collection trucks and processing facilities where the ramifications of incorrect disposal can be significant.

Mandatory schemes can also create a level playing field for all manufacturers and retailers. If costs for items increase due to regulation, there may be greater incentives for consumers to purchase more durable and repairable products thereby driving demand for these attributes.

An approach could also be taken where manufacturers, importers and retailers are prohibited from selling or distributing new products, where there is no clear pathway to manage end-of-life impacts in an environmentally sound manner.

Recommendation 3: LGNSW recommends that a product stewardship scheme covering electrical and electronic products should be mandatory and that producers should be responsible for managing the costs and the logistics of the scheme.

Recommendation 4: LGNSW recommends that whilst local government is a key service delivery partner within the waste industry that the local government sector should not bear any undue burden of responsibility for product stewardship schemes.

Conclusion

In addition to the comments provided within this submission, LGNSW is pleased to offer broad support for the feedback provided by other State and Territory organisations on the Stewardship for Consumer and Other Electrical and Electronic Products Discussion Paper, noting that these will advocate in the interest of the Local Government sector and the role that councils would have in any future product stewardship schemes.

This consultation period has unfortunately coincided with a number of other state and federal consultations due at a similar time which is likely to reduce individual council's capacity to provide feedback on this discussion paper. As there are a number of issues raised in the discussion paper that could directly impact councils, LGNSW recommends that when DAWE has more detailed plans for the scheme that it consults again with councils, collectors and processors. For instance, some councils may be particularly concerned by the suggestion of a dedicated small electrical equipment bag in kerbside recycling. Such a proposal would require careful consideration from both Materials Recycling Facilities (MRFs) and councils because of contamination issues in the recycling stream, the processing equipment to separate and sort recycling and the hazardous nature of some electrical items. Batteries in electrical items that are then placed in kerbside recycling could ignite fires in bins, trucks or at MRFs.

Thank you again for the opportunity to comment on the Stewardship for Consumer and Other Electrical and Electronic Products Discussion Paper. If you would like further information on LGNSW's position, please contact Alison Thompson, Senior Policy Officer – Waste on 02 9242 4056 or alison.thompson@lgnsw.org.au.

Yours sincerely



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