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Waste Reform and Integration Taskforce
Department of Agriculture, Water and Environment

By Email: writ@environment.gov.au

RE: Response - Stewardship for Consumer and Other Electrical and Electronic Products

The Australian Industry Group (Ai Group) welcomes the opportunity to make a submission regarding consumer electronics stewardship in Australia.

Ai Group is a peak national employer association representing and connecting thousands of businesses in a variety of industries and sectors across Australia. Our membership and affiliates include private sector employers large and small from more than 60,000 businesses employing over 1 million staff.

We remain committed to the pursuit of solutions to the waste crisis that are both financially and environmentally sustainable and recognise the place that product stewardship has in this discussion.

Key Comments

The Right to Repair (R2R) should be maintained as a separate issue

R2R has received significant attention in recent years and was subject to an extensive Productivity Commission Inquiry in 2021, which had a significant focus on e-waste. Duplicating this work elsewhere is an inefficient use of government and industry resources. R2R, though relevant to refer to, should stay out of the scope of this process, and instead be managed through existing mechanisms such as Consumer Law, and other activity stemming from the [R2R report](#). In the event R2R remains in scope, activity must avoid duplication, unnecessary regulatory burdens, and conflicts with existing processes.

Hazardous Waste should be maintained as a separate issue

If or where there is a view there is a failure in the management of hazardous waste in Australia, whether this be of e-waste or any other product, existing regulatory settings should be reviewed (generally these would be state and EPA matters). Duplicating this work elsewhere is an inefficient use of government and industry resources. In the event hazardous waste remains in scope, activity must avoid duplication, unnecessary regulatory burdens, and conflicts with existing environmental management processes.

When it comes to convenience and collection, shared responsibility is imperative

Total consumer convenience is impossible given the sheer volume of waste, and diversity of waste in Australia. Therefore, there is a shared responsibility between consumers, businesses, and governments in the management of e-waste. Industry is broadly supportive of the expansion of collection networks (such as council drop off points). It may also be appropriate to facilitate household level collection of e-waste via existing kerbside options (such as the paper's example of small bags to differentiate e-waste included with regular recycling – funded

by council(s) and/or product stewardship scheme(s) where appropriate). However, bespoke collections entirely funded by industry would be a step too far.

Government(s) should invest heavily in consumer education regarding the responsible disposal of e-waste and the local options available, whatever they may be.

Too many product stewardship schemes risk lacklustre results overall

This paper covers a large range of products, many of which are similar only in that they are characterised as e-waste at end of life. Industry is concerned that too many schemes are being developed for narrow or niche product classes, and this creates not only costly and unmanageable complexity, but also holds back an ability to achieve economy of scale. Where schemes are the solution, work should be done to consolidate as many products as possible into single schemes to keep things simple for businesses and promote scale. This will not be without challenge given the unique considerations of each product, however close and collaborative consultation with industry could help to overcome the obstacles.

Australia specific certifications and product labelling should be avoided

Australia must recognise that it is a small market. Expecting global businesses, or local businesses who also export, to attain Australia specific certifications regarding management of e-waste is impractical. Particularly where businesses already hold credible certifications in other regions. Creating a mechanism to recognise credible existing certifications held overseas by businesses and recognising them in Australia would be more reasonable and can deliver desired outcomes while cutting costs for industry and governments by saving on duplication.

Australia specific packaging regarding management of e-waste is impractical, costly, disadvantages businesses, and potentially reduces consumer choice. Ai Group encourage government to collaborate with industry on an alternative solution that gives consumers easy and clear access to important information regarding the local stewardship of products without creating a necessity to manufacture Australia only packaging. We would be pleased to offer our support and member collaboration to further discuss a solution that does not disadvantage Australia's competitiveness.

The devil is in the (technical) detail

Ai Group members have identified some technical issues within the discussion paper, but wider consultation with industry to get more technical 'eyes' onto paper is needed to make sure recommendations and solutions posed are technically practical.

It is imperative that Australia take a national approach to the stewardship of e-waste

Fragmentation between states, and the risk of duplication or layers of complexity between schemes remains a significant risk to the acceleration of product stewardship activity in Australia. There must be a coordinated national effort to remove barriers to better stewardship, and to support communities, businesses, and governments at all levels to achieve better end of life outcomes for all products, inclusive of e-waste.

Specific Response

Q1.1

What market and regulatory failures make it challenging for you to safely reduce the accumulation of e-waste in Australia?

Poor markets for recycled product, inefficient or non-existent collection/processing infrastructure, poorly targeted e-waste landfill bans, export constraints (including shipping and supply chain uncertainties), and a lack of a coordinated national approach are all challenges to reducing e-waste and finding scalable solutions for its management.

Q1.2, Q1.3 & Q1.4

- **Under what circumstances is voluntary product stewardship more appropriate and why? What are the advantages and disadvantages of voluntary product stewardship?**
- **Under what circumstances is co-regulatory product stewardship more appropriate and why? What are the advantages and disadvantages of co-regulatory product stewardship?**
- **Under what circumstances is mandatory product stewardship more appropriate and why? What are the advantages and disadvantages of mandatory product stewardship?**

Voluntary product stewardship happens at a company level in many businesses, from takeback programs to leasing solutions to targeted efforts to design-out and/or avoid waste. Voluntary stewardship encourages innovation and flexibility without adding cost and burden through red tape. However, where voluntary schemes are concerned, there are significant challenges such as free-riding, avoidance, and issues in achieving scale.

Australia has seen some success in the [mandatory and co-regulatory stewardship](#) spaces (Product Stewardship for Oil Scheme – PSO, National Television and Computer Recycling Scheme – NTCRS, Australian Packaging Covenant Organisation - APCO). However, there have been notable challenges for co-regulatory arrangements such as APCO due to failure to undertake meaningful compliance activity at a state level under the National Environmental Protection Measures (NEPM). This highlights the weaknesses of co-regulatory solutions with insufficient regulatory underpinnings and compliance activities to back them.

The most appropriate model, whether, mandatory, co-regulatory or voluntary, will change based on the composition of the industry in question as well as the products and materials themselves – but a need to effectively incentivise industry to take part, measure and monitor progress and enforce compliance (where/when appropriate) remain enablers of success for all.

Q2.1

How can the data be improved?

Ai Group acknowledge the well-documented need to improve the quality and granularity of information regarding waste in Australia. However, this question extends well beyond e-waste and should be a national discussion and exercise in problem solving. The best place to explore these issues would be in a single process, in connection to the [National Waste Report](#).

Q2.3

Would an approach similar to a container deposit scheme be a feasible option to safely reduce the volume and rate of small appliances becoming e-waste? Why, or why not?

Some product stewardship schemes use levies to fund themselves. However, until a decision is made about what products are to be included in a scheme, who will run the scheme and what

regulatory model will underpin it, it is premature to comment on whether a levy system can and should be used, or if another system, such as membership, would be more appropriate.

Q2.4

Would providing households with an easily identifiable bag to place small appliances into before placing in kerbside bins be a feasible option for safely reducing the volume and rate of small appliances to e-waste? Why, or why not?

In theory, this idea can work. This option is very similar to [the soft plastics project recently piloted by Nestle](#), which showed early positive signs. To succeed, it is likely Australia would need a strong product stewardship scheme in place (creating market conditions conducive to these e-waste products having value when collected) and all material recovery facilities (MRFs) actively participating in the program to safely identify and remove the bags from collected kerb-side recycling. We would also need appropriate infrastructure to process the volumes collected, and/or viable export options. This would require coordination between governments at all levels, industry, the community, as well as a robust consumer education piece.

Q2.6

Aside from lifting NTCRS targets, does anything else need to be in place to drive increased recycling and recovery rates for televisions and computers?

End markets for recovered goods need to be supported. This is perhaps easier with e-waste, as many components are high value, but surrounding plastics and other lower value materials create a problematic residential waste stream. Ensuring our processing infrastructure is sufficient to handle all components of e-waste can help drive increased recycling and recovery rates for televisions and computers. Additionally, export of 'clean' processed and/or sorted e-waste inputs for credible use overseas should be supported. Materials meeting this criteria should be viewed as commodities, not waste.

Q2.7

Would collection targets based on convenience rather than volume improve the environmental, social, and economic outcomes of the NTCRS?

Convenience presumably has great bearing on volumes collected. Therefore, it remains appropriate to focus on volume, with convenience and access to collection being viewed as an enabler. Work can be done to expand and better target drop off points. This can be achieved through collaboration between stakeholders including local government, industry, and community groups.

Q2.8

Is the payment of levies by importers and manufacturers to co-regulators an effective and efficient way to fund high-efficiency recycling activities? Why or why not?

Some product stewardship schemes use levies to fund themselves, but the levies themselves are not what makes a scheme successful and efficient in improving recycling outcomes for products. Success comes from efficient and effective scheme or program management. In some cases, schemes (co-regulatory and otherwise) may prefer other models for funding, including membership options. High-efficiency recycling activities may also involve management and funding outside of schemes, including services provided by councils and funded by rate payers. To that end, decisions to use levies should be made on a case-by-case basis.

Q2.9

Is there a role for the Australian Government in setting a levy that importers and manufacturers pay to co-regulators? Why or why not?

The Australian government should not have a role in setting a levy on importers and manufacturers. The government's role is to provide the regulatory architecture under-pinning a scheme or collection activity, run audits as appropriate, and to make sure schemes are promoting competition between recyclers. Scheme operators, in consultation with their members, should be responsible for setting and collecting levies, collecting membership fees and/or otherwise setting up the appropriate financial arrangements to fund activity.

Q2.10

Should the true cost of recycling be a consideration in setting a levy for importers and manufacturers? What outcomes would be realised by considering this?

Ultimately, the community (consumer) is responsible for the 'true cost' of recycling, whether it be through their taxes, rates, or levies/fees on the products they buy.

The community pay taxes and rates to have their waste collected and managed, recognising this is an essential service. It is inappropriate and unethical to hand these costs away to businesses while these funds are being collected by governments.

For example, some councils have effectively handed the cost of recycling over to charities by cancelling hard-rubbish collections, claiming this promotes sustainability. The volume of hard rubbish did not change, and charities report being inundated with waste, costing them funds that could have otherwise been spent on supporting the community. In this case, councils have used greenwashing to cut back services, causing irresponsible disposal of hard waste to climb.

Appropriate regulatory settings and investment in infrastructure can support markets and end of life options to improve our recycling outcomes. Industry has a part to play, but government(s) must not abdicate their responsibility or double dip financially.

Q2.11

Should recycling (or refurbishment and repair if counted) that occurs overseas contribute to material recovery targets in Australia?

Yes. Circular Economy can't exist in any one city, state, or country. In some cases, it may be appropriate to export collected items or clean waste components for processing, reuse, and refurbishment overseas. If this is transparent, credible, traceable and leads to a genuine extension of life, or second life – it should be counted towards domestic recovery targets. Australia needs to remain pragmatic about what is achievable onshore and open to supporting vibrant export markets for recovered materials.

Q2.13

What are the opportunities for better data-collection at the point of recycling and recovery?

Please see response to Q2.1.

Q2.17 & Q2.18

- **Would strengthening commercial leasing arrangements to include high-efficiency recycling for end-of-life management of other large equipment improve environmental and social outcomes? How could this be done, and would it be a short-, medium- or long-term intervention?**

- **Could leasing options for consumer products in this category be promoted? How could this be done, and would it be a short-, medium- or long-term intervention?**

Leasing can be an integral part of a holistic, circular approach to product stewardship¹ and many commercial leasing arrangements already promote best practice stewardship outcomes and are/could be applicable to products in this category. However, the government should not interfere in commercial leasing arrangements between private businesses. More education could be provided to businesses to promote the stewardship opportunities associated with leasing, and government could consider offering financial incentives to help further promote this activity.

Q2.19

What other feasible interventions need to be made so that Australia can shift from 90 per cent low-efficiency recycling of other large appliances to a greater proportion of high-efficiency recycling? Would it be a short-, medium- or long-term intervention?

In addition to the suggestions already made in response to this paper (strengthening end markets for recovered materials -including export markets, investment in infrastructure, expansion of collection networks and activities, avoidance of red-tape, financial incentives etc.), there are two kinds of energy and emissions intervention that would likely help:

1. Energy policy and electricity market design aiming at competitive advantage in clean energy costs, providing a significant boost to energy-intensive forms of recycling. However, delivering this objective is a large and complex topic.²
2. Climate policy to internalise the externalities of emissions embodied in materials. This could take many forms, from regulations targeting increased low- or zero-emissions content to tighter Safeguard baselines and benchmarks for relevant facilities to outright carbon prices, coupled with measures like carbon border adjustments. Policies in this broad direction would substantially increase the attractiveness of recycling materials and products that are emissions intensive to produce conventionally, or costly to produce without emissions.

Q2.20

Should product stewardship aim to promote repair and reuse of second-hand solar panels (including in overseas markets)? What state and territory electrical safety laws and regulations, and other energy market considerations, are relevant to promoting a second-hand PV panel market?

Solar panels are the subject of significant ongoing innovation and evolving regulation, including for controllability to support the wider electricity system. While promoting recycling is important, it is not clear that there is large value in promoting re-use.

Q2.21

How can existing measures promoting and regulating domestic and utility PV systems be leveraged to accelerate solar panel stewardship in Australia?

One option in the near and medium terms would be to promote participation in any product stewardship arrangement by amending the Renewable Energy (Electricity) Act to make issuance of Small-scale Technology Certificates (STCs, the principal form of Commonwealth support for rooftop PV uptake) contingent on the underlying system coming from a participant

¹ [‘The Potential of Leasing as a Product Stewardship Strategy,’](#) Rachael Wilkinson, Product Stewardship Centre of Excellence (August 2021)

² See Ai Group [2020 Post Pandemic Policy Statement on Climate and Energy](#) (and forthcoming 2022 Pre-Election Policy statement for further detail on this complex topic.

in the product stewardship scheme. Any such requirement would need careful consultation with the solar and electricity retail sectors to ensure it is applied in a workable manner.

Q2.22

Who should be responsible for paying the costs of transporting solar panel waste for processing and recycling, and what are measures could be implemented to promote equitable and efficient transport and logistics for solar panel waste?

The issues involved are quite like those in the NTCRS, which has also faced significant differences in transport and handling costs across Australia and experienced the kind of bulge in end-of-life product which will also eventually result from rapid uptake of PV in the last decade. Making importers and (almost non-existent) local producers responsible may seem logical. However, two points to keep in mind are:

1. Solar manufacture is a low-margin and extremely competitive business. There is likely to be ongoing churn in the sector, and it would be quite possible for some suppliers to decide that additional compliance costs outweigh the returns from supplying a commoditised product to Australians. Therefore, careful calibration would be needed to ensure benefits outweighed costs.
2. Local, State and Federal governments also share in the responsibility. They could be formally part of any scheme, or simply address waste beyond the targeted recovery rates.

Q2.23

What measures can be adopted to cover the cost of managing waste from legacy/orphan panels, and what measures can be implemented to assure the integrity of a stewardship scheme from 'phoenixing', risks arising from export of second-hand panels and dumping?

These issues are similar to those seen with televisions and computer equipment, where there are large ongoing markets but scope for unstable or short-term supplier participation. The answer in that case is to require all substantial current suppliers to participate in a product stewardship scheme, and to spread the total load of handling end-of-life product recovery across all participants.

Q2.25 & Q2.26

What needs to be in place to divert the 82 per cent of lighting from landfill? Why and would it be a short-, medium-, or long-term intervention?

Would an approach similar to container deposit schemes be a feasible option for safely reducing the volume and rate of lighting to e-waste? Why and would it be a short-, medium-, or long-term intervention?

Expanding existing e-waste schemes, particularly the NTCRS, to include lighting could be effective and might be simpler than lighting-specific options. The idea of a lighting-specific deposit scheme could have some merit given the existing price point of LED lights. But a parallel collection-and-repayment system seems clunky compared to piggybacking on e-waste collection arrangements for the NTCRS. As discussed previously, our view is that too many product stewardship schemes risk lacklustre results overall, but we acknowledge the significant challenges associated with 'mega-schemes' that incorporate numerous and diverse products.

Q2.27

Would providing households with an easily identifiable bag to place small appliances into before placing in kerbside bins be a feasible option for safely reducing the volume and rate of lighting to e-waste? Why and would it be a short-, medium-, or long-term intervention?

As discussed, easily identifiable bags to place small e-waste/lighting into for collection with intermingled kerbside recyclables can work in theory. However, to succeed there needs to be a viable market for the e-waste collected, the MRFs need to be resourced to manage the collection of the bags, and Australia needs the infrastructure to manage processing, and/or access to export markets to assist. Similarly, kerbside collection cannot be all things to all people – at some point we will need to exercise pragmatism about what can be collected and managed at a kerbside level.

Q2.29

What needs to be in place to divert the 96 per cent of mobiles from people's drawers? Why and would it be a short-, medium-, or long-term intervention?

Many businesses offer take backs and repair services for mobile phones. There is also a lively second-hand market (Facebook Marketplace, eBay, Gumtree etc.) for used mobiles. More could be done to understand consumer barriers and motivations where consumers are not utilising these options, and instead choosing to stockpile mobiles at home. It is also important to note that stockpiled mobiles may have value to consumers in other ways, such as eventual use as an emergency back-ups, or as music players, toys for children and so on.

Q3.1 Q3.2

How can compliance be lifted across the supply chain and across jurisdictions, or for a particular program or compliance issue?

What approaches are the most efficient and effective to ensure compliance is properly resourced?

Government has the option for regulatory interventions as a means of supporting and driving stewardship schemes and activities. A good example of an issue regulatory intervention can help to manage, or resolve, includes the elimination of scheme free-riders. However, as the [Product Stewardship Centre of Excellence](#) warns, the devil is in the details. For example, free-riders can be unintendedly introduced into a regulated product stewardship scheme during scheme design (e.g., exemptions for scheme participation based on criteria such as size of business can create legal loopholes for free-riders to exist)³.

Regulators need clear mandates as well as appropriate funding and support to undertake regular and meaningful compliance activities. Mandatory or co-regulatory schemes without enforcing authorities or compliance mechanisms may fail to ensure participation or adherence to specified rules of all⁴. Scheme operators are not regulators, regulators are enablers for schemes, and the responsibility of governments, not businesses and schemes, to manage and fund.

³ ['Overcoming Free-Riders: strategies to maximise industry participation'](#), T. Brydges & N. Florin, Product Stewardship Centre of Excellence (September 2021), p.6

⁴ Ibid.

Q3.3

What steps can be taken to improve confidence in the electrical and electronic product and recycling industry?

Viable processing options and end markets for collected materials would create confidence in the recycling industry. Where collection is possible and healthy markets exist, investment in the sector will follow.

Q3.4

Are there international standards that could be adopted and/or more widespread to promote Australia's circular economy?

As discussed, consideration for recognising relevant credible certifications from other regions would help Australia unlock greater benefits from global markets. Additionally, Standards Australia has formed EV-022 (Circular Economy) which will participate in the development and adoption of international standards, as well as the development of Australia specific standards if/where deemed necessary. Government should take interest in the work of this committee and its technical experts.

Q3.5

What are the most efficient and effective methods for influencing electrical and electronic product design to increase sustainability? Why and would it be a short-, medium-, or long-term intervention?

Product design issues around durability and sustainability as they relate to e-waste and other products are well explored in [Ai Group's response](#) to the Productivity Commission's Right to Repair Inquiry. Here, we note the clear disconnect between what we (consumers, governments) say we value (sustainability, recycling), and what we are willing to sacrifice or pay for these things.

For example, the short life cycle of many e-products stems from competitive pressures on manufactures to supply products that meet consumer needs at the lowest possible price. To achieve the rock-bottom price points consumers have come to expect, manufacturers must lower production costs. Among the strategies to do this is to reduce specifications for components and assemblies to the minimum necessary to meet consumer preferences and performance standards. Extended product life, repairability and sustainability is of little value to consumers who expect to use the product briefly or upgrade it rapidly. When forced to make every possible cut to remain in the market at all, it is no surprise that the quality of many products has been eroded over time, and sustainability has taken a backseat to price.

While many manufacturers pursue greater sustainability outcomes for their products as a best practice, many are prevented from doing so due to the above market pressures. If the government does intervene in product design, it needs to do so in a way that promotes an even playing field. Alternatively, it could consider a reward system for those manufacturers who do undertake best practice circular design.

Q3.6 & Q3.7

- **How do international conventions impact the electrical and electronic products supply chain?**
- **Should product stewardship aim to achieve the outcomes of international conventions and why?**

Australia must acknowledge that many regions are ahead of us in their circular economy

transition, and in their approach to the stewardship of e-waste. We should learn from these regions, recognise best practice, adopt international standards, and recognise credible international certificates where possible. This approach would promote scale, which in turn can lead to innovation and growth.

Q3.8

Does Australia have sufficient recycling capacity to manage the expected 674,000 tonnes each year of e-waste in 2030 without exporting some e-waste?

In recent years the export of waste has been somewhat demonised, in some cases fairly, however many waste exports are legitimate. If we do not manage misconceptions around the legitimate export of waste as an input/commodity, we risk reactive policy that is not in the interest of the community or environment. The export of e-waste should be encouraged where it is efficient, traceable, and legitimately contributing to a meaningful second life for products and materials. This is not waste. These are resources for export, and our enthusiasm for these viable markets should mirror the enthusiasm we have for other major exports such as minerals and agricultural products.

It is unlikely Australia has the infrastructure necessary to manage e-waste in the expected volumes, and it may not be viable from an industry perspective to build it when there are credible and lucrative export options available. Therefore, in addition to making best use of local capability and opportunities, government should promote a vibrant, credible export market for e-waste, whether processed or unprocessed.

Q3.10

What interventions are required to encourage manufacturers/importers to disclose the hazardous chemicals composition of products to help recyclers and others meet international convention requirements?

If or where the view exists that regulatory settings for disclosure or management of hazardous waste is insufficient domestically and/or against international commitments, existing regulatory settings should be reviewed to avoid duplication.

Q3.11, Q3.12, Q3.13 & Q3.14

- **What is your experience of the impacts of e-waste landfill bans and/or mandatory recycling in Australia?**
- **Do you expect e-waste landfill bans (or otherwise highly restrictive levies and other policies) to be implemented in other jurisdictions?**
- **What are the potential benefits and perverse outcomes of developing a common approach to e-waste landfill bans across Australia?**
- **Do other complementary measures need to be in place before or concurrently implemented with landfills and, if so, what are they?**

It is our view that landfill bans on e-waste have had perverse impacts because Australia is lacking the required complementary features such as processing facilities, collection capability, stable export controls, and sustainable end markets for product. Among negative results, charities have been inundated with dumped e-waste. It seems the KPI on landfill bans has been diversion from landfill, with no thought or consideration given to what happens to the collected items outside of this – including the risks associated with stockpiling. This is essentially greenwashing and an over-simplified attempt at a solution to a complex problem.

States tend to follow each other, so it would be unsurprising to see more e-waste landfill bans introduced in the near future – regardless of Australia's progress, or lack thereof, toward

putting the complementary measures in place to give e-waste a reliably meaningful life outside of landfill.

Generally speaking, Ai Group support a common approach between Australian jurisdictions. However, the perverse outcomes discussed above apply to any ban, whether in some jurisdictions, or all of them.

Q3.17

Can product labels help consumers make their decisions on what electrical and electronic products to purchase? Do consumers want this information? Are there particular electrical and electronic products for which consumer labels would be more effective than others?

While some consumers may use labelling (as it relates to sustainability) to make decisions, many consumers interest themselves mostly, or solely with price and performance. There are mixed views within our membership regarding the level of value additional information would have with regard to matters of sustainability such as repairability, durability or ethical disposal at end of life. What is clear, however, is if the decision is taken that consumers do need access to more information, it needs to be delivered in such a way as to avoid creating a necessity for Australia only packaging and labelling, as this will be costly, and undermine the attractiveness of doing business in our relatively small market.

Q3.18

Can product labels and other technologies help consumers and recyclers lift the efficiency and recovery rates in recycling end-of-life electrical and electronic products?

For the consumer, clear and accessible information on how and where to dispose of e-waste responsibility (provided there are sufficient collection options available) may help get more product to recyclers.

However, in view of efficiency for recyclers, labels for individual product information may not cause significant improvement. This is because recyclers would not handle each product individually, but rather handle many products at once through automated processes.

Ai Group maintain that creating a requirement for Australia specific packaging and labelling should be avoided, and government and industry should collaborate on an alternative solution to getting consumers more information about repairability and disposal of e-product.

Q3.19

For both consumer and end-of-life product labels, are the regulatory and financial costs likely to outweigh the benefits? Would alignment with international schemes (now and into the future) reduce the costs?

It is our view that the regulatory and financial costs likely outweigh the benefits associated with forcing manufacturers to produce Australia specific packaging. Alignment with international schemes through recognising credible accreditations, certifications, and compliance activity in other regions as fit-for-purpose in our much smaller market would be encouraged.

Q3.20 & Q3.21

- **How could reasonable access in regional and remote Australia be improved? How would this work?**
- **Should regional and remote communities have individualised collection targets?**

**If so, how would this work and what perverse outcomes might be realised?
If you do not think regional and remote communities should have individualised collection targets, please explain why?**

There is an issue of equality when it comes to remote and regional Australia benefitting from the stewardship schemes they contribute to financially.

The government could consider the following options to help lift access:

- Cut regulatory red tape that may prevent businesses from having early conversations about collaborative regional/remote solutions (such as fear this may be misconstrued as anti-competitive or cartel behaviour by the ACCC, particularly if pricing must be discussed).
- Bringing together suppliers and logistics providers servicing regional and remote communities to better manage this activity (for example, if a full truck enters a region and leaves empty, this may be a missed opportunity to collect e-waste and other materials for processing on return).
- Consider if scheme and government funding could be reviewed to better resource regional and remote communities.

Industry can and should work with governments and communities to improve access to drop-off points where possible, as well as review their logistics activities to look for opportunities to help bring waste out of regional/remote communities, not just product in.

However, waste collection is an essential service government are responsible for delivering and are funded to deliver by their constituents. Government leadership and financial support will be essential, as this problem should not be the responsibility of industry, and industry alone.

Q3.22

How could repair and reuse be included into the National Television and Computer Recycling Scheme, or any other product stewardship scheme? How could any identified perverse incentives be addressed?

If a product is repaired or re-used, regardless of the scheme it is in, it should be recorded as a successful result. Transparency, traceability, and credibility are all required to curtail any perverse outcomes or incentives. Failure to include repair and re-use has the perverse outcome of it being more viable to seek a solution for collected product that is lower on the waste hierarchy.

Q3.23

What other ways can the Australian Government and others foster reuse and repair in electrical and electronic products in Australia?

R2R should stay out of the scope of this process, and instead be managed through existing mechanisms such as Consumer Law, and other activities stemming from the R2R report. The Productivity Commission recently released its report on R2R and duplicating this work in this and other processes risks causing delays to meaningful action.

Q3.33, Q3.34 & Q3.35

- **Does waste to energy (W2E) have a role in the management of end-of-life electrical and electronic products in Australia? If yes, why is waste-to-energy a better option and what is driving community concerns?**

- **Should the amount of e-waste sent to waste to energy facilities be limited to avoid building a reliance on incineration? Why?**
- **Is it feasible for waste to energy to be seen as a last resort once all other waste management options further up the waste hierarchy have been exhausted? Why?**

It is worth noting at the outset, W2E sits above landfill in the [waste hierarchy](#).

As discussed previously, while e-waste often contains a higher share of valuable and recoverable materials, and greater overall recovery should be promoted, there is likely to be a significant residual (lower value) waste stream over the medium term that will otherwise go to landfill. Some of this waste will be inert in landfill, but much of it will generate methane emissions that are powerful greenhouse gases. Much, but not all, of that methane can be flared or burnt for power in modern landfills.

Burning the waste directly for energy can be a viable alternative. It produces significant direct emissions, but these can be still be lower than the existing alternatives.

There are a couple of risks in W2E, including:

- Emissions intensity increases over time as more organic waste is diverted from the W2E feedstock stream, leaving an ever more fossil-derived feedstock with higher net emissions.
- Competition for feedstock between W2E facilities and circular economy facilities either strands W2E investments or holds back circularity.

Clear consideration of future feedstock stream adequacy is important, and governments should look for tools to promote greenhouse emission minimisation at W2E facilities (whether license conditions, crediting arrangements, tradable baselines or otherwise) and promote synergies with carbon capture, utilisation, and storage developments.

In terms of community concern, W2E is relatively new to communities in Australia, who may be justifiably concerned about emissions and other impacts to human health. Regardless, in some cases W2E may genuinely be the best solution available, and education can be provided to communities to help alleviate concerns and improve understanding.

Other Comments

Incorrect category classification of water heaters

A member noted that electric water heaters appear in the paper as “small appliances”, despite some of these products being 2 meters high and weighing in at 100kg. It is unlikely this would meet the definition of ‘small’ by any reasonable standard.

Heat pump water heaters are captured in the “temperature exchange” category, and this may be a more appropriate classification for all water heating products, with the exception of *instantaneous water heaters*, which are in fact “small appliances” and could be separated out as such.

Competitive concerns

A member in the consumer electronics space expressed the view that e-waste stewardship should begin with ‘larger’ products that are unlikely to be parallel imported. Their concern is that putting smaller appliances in an e-waste program with a cost impost on the purchase price will disadvantage local suppliers as customers will look to save money online and through

parallel importers. This feeds into a wider free-riding issue and the challenges associated with disproportionate burden for stewardship and other programs being imposed on Australian businesses while largely unregulated imports create an uneven playing field.

Should you wish to discuss the matters raised in this submission, please contact our adviser Rachael Wilkinson on 04XX XXX XXX or rachael.wilkinson@aigroup.com.au.

Sincerely yours,

Louise McGrath
Head of Industry Development and Policy