

# Questions on the Proposal to regulate e-products

Your answers to the following questions will help us develop a fit-for-purpose regulatory product stewardship scheme.

There are 44 questions. You can use this document to submit an organisation-wide response with input from multiple people. When you have completed this document register your details at the [Have Your Say consultation page](#) and upload your submission by Sunday 23 July 2023.

## Introduction

1. I am a(n): **[Check up to 3 boxes below]**

- |  |   |
|--|---|
| <input type="checkbox"/> Consumer                    | <input type="checkbox"/> Recycler                                     |
| <input type="checkbox"/> Manufacturer or distributor | <input checked="" type="checkbox"/> Industry body                     |
| <input type="checkbox"/> Retailer                    | <input type="checkbox"/> Academic                                     |
| <input type="checkbox"/> Recycling scheme            | <input type="checkbox"/> Commercial power generator                   |
| <input type="checkbox"/> Installer                   | <input type="checkbox"/> Other <b>[Explain in the text box below]</b> |

2. How concerned are you about solar PV system waste? **[Check 1 box below]**

- Very concerned
- Concerned
- Neutral
- Unconcerned
- Very unconcerned

3. How concerned are you about waste from electrical and electronic equipment?  
**[Check 1 box below]**

- Very Concerned
- Concerned
- Neutral
- Unconcerned
- Very unconcerned

4. Do you think government intervention (such as regulation) is needed for Australia to better manage small electrical products waste?

[Select **Yes**, **No** or **Maybe** from the **Choose an item** drop down below]

yes

[Type a response in the text box below if you answered **Yes** or **Maybe** at question 4]

The introduction of a national product stewardship scheme covering SEEE will enable businesses to have certainty on their liability and the actions they need to take to manage e-waste in a national context. Implementation and enforcement would need to occur at a national level. A fragmented approach, such as the current e-waste bans which vary by state and territory or a proliferation of schemes with niche scopes, will add complexity to manage the problematic waste stream, and would present a large reporting and/or financial burden to businesses.

Any government intervention would need a significant notice period, as under the proposed regulation some businesses would have a large number of products in scope and would need time to calculate internal costs and understand the impacts to their business, and for financial planning purposes more broadly.

5. Do you think government intervention (such as regulation) is needed for Australia to better manage solar photovoltaic system waste?

[Select **Yes**, **No** or **Maybe** from the **Choose an item** drop down below]

yes

[Type a response in the text box below if you answered **Yes** or **Maybe** at question 5]

Solar photovoltaic systems continue to grow strongly and both large scale and small-scale systems will be a large part of Australia's energy future. This is largely beneficial, but entails an end-of-life management challenge that is both high volume and complex, given the diversity of materials involved and the differing economics of recovering them. National standardisation of waste management for solar photovoltaic waste will ensure consistency and minimum outcomes for recycling procedures, enabling business and investment certainty.

6. Do you think there is sufficient information available to consumers on how their choices can reduce e-waste and how to safely manage e-waste?

[Select **Yes**, **No** or **Maybe** from the **Choose an item** drop down below]

no

[Answer question 7 below if you selected **No** at question 6]

7. What additional information do you think should be made available to consumers?

[Check any or all the boxes below]

- Information on the difference my purchase and disposal choice can have on human health and the environment.
- Accessible information on how I can easily dispose of my unwanted e-waste.
- Easily understood information on the impacts if my e-waste goes to landfill.
- Information on the rules relevant to me in my state/territory and what I should do to comply with these rules.
- Other. **Type a response in the text box below to explain.**

8. Select one or more of the following objectives you think the scheme should focus on.

[Check any or all the boxes below]

- Reduce waste to landfill.
- Increase the recovery of reusable materials.
- Provide convenient access to e-stewardship services across Australia.
- Support Australia's transition to a more circular economy.
- Foster shared responsibility across the lifecycle of covered products.

9. What objectives should be included or excluded? **Type your response in the text box below.**

## Scheme administration

10. Explain any concerns about the scheme model proposed in the discussion paper?

**Type your response in the text box below.**

There is a lack of feedback mechanism from Liable Parties to any other party of the model, particularly of note is the lack of feedback/dispute resolution mechanism from Brand Owners to Government or the Scheme Administrator on the performance of the Scheme Administrator or other parties within the system.

Ai Group is supportive of a single nation-wide scheme administrator, provided the scheme administrator is not-for-profit or has no other interaction with the system, as a way to avoid and/or manage any real or perceived conflict-of-interest.

We would also note that there would need to be a highly transparent reporting framework used by the Scheme Administrator to allow visibility of financial flows and costing structures, to ensure the administrator is setting reasonable fees and that the funds are being used correctly.

Members who are currently part of the NTCRS have expressed concerns over possible cost increases with the shift to a single scheme administrator and current coregulators being grandfathered as network operators, and therefore we would like to see the costing model being proposed.

11. What do you think are the key benefits from the scheme model proposed in the discussion paper? **Type your response in the text box below.**

Centralisation of reporting should mean simpler reporting for affected businesses as a whole.

12. Is there a different scheme model you believe would be more effective?

**[Select Yes or No from the Choose an item drop down below]**

no

**If you answered Yes at question 12, type your response in the text box below to describe the model and its benefits.**

## LIABLE parties' responsibilities

13. Do you agree that only first importers and producers should be liable parties?

**[Select Yes or No from the Choose an item drop down below]**

yes

[Answer question 14 below if you answered **No** at question 13]

[Answer question 15 below if you answered **Yes** at question 13]

14. What other participants in the supply chain should be considered liable parties, and why?

Type your response in the text box below.

15. The Scheme administrator is responsible for setting fees paid in advance by liable parties. If any, describe what role government should have in setting fees?

Type your response in the text box below.

None, the scheme administrator should be responsible for fee setting, with a clear and transparent costing structure to inform the monetary contributions of Liable Parties. The role that government can play is ensuring that the costing structure is transparent, accurately represents costs of outputs, and is in line with market values.

16. How could eco-modulated fees be incorporated into the proposed scheme?

Type your response in the text box below.

Given the lack of evidence for the success of eco-modulated fees in international schemes, Ai Group would support not including them at this time.

If the government were to pursue eco-modulated fees, there would have to be clear and achievable criteria for preferential treatment, and any eco-design criteria should be publicly consulted before inclusion. The modulation in fees on liable weight would need to be sufficient to cover research and development of alternatives – to make the changes economically viable – and to encourage consumer behaviour change.

17. Financial reserves will accumulate from the fees collected from liable parties for solar photovoltaic (PV) systems because there may be decades between when the products are placed on market and when they become waste. If any, describe what role government should take in managing these funds.

Type your response in the text box below.

As with management of other long-term liabilities, the funds collected should be preserved and grown through a balanced and professionally managed portfolio of assets with a collective risk, return and liquidity suitable for the needs of the scheme. Contributions and earnings on this portfolio together need to be sufficient to meet new liabilities but could also help process legacy waste from current installed capacity and orphan waste (waste abandoned by de-installers in the current paradigm and left for consumers to deal with). In managing the funds held for future waste, there would have to be transparent reporting and very high-quality governance to ensure this money is not spent on any other purposes.

## Scope

18. Are there any small electrical and electronic equipment products you believe should not be covered under the scheme?

[Select **Yes** or **No** from the **Choose an item** drop down below]

no

[Answer question 19 below if you answered **Yes** at question 18]

19. Which products and why? **Type your response in the text box below.**

20. Are there small electrical and electronic equipment products that you would like to see added to the list of included products in the discussion paper?

[Select **Yes** or **No** from the **Choose an item** drop down below]

no

[Answer question 21 below if you answered **Yes** at question 20]

21. Which products and why? **Type your response in the text box below.**

22. Can you suggest a better method than Harmonised System (Import) codes for defining in-scope products? **Type your response in the text box below.**

While Ai Group is supportive of the use of Harmonised System (HS) codes to determine in-scope products, further detail would need to be developed where HS codes cover both electronic and non-electronic products (e.g. 9503.00.20 - Dolls representing only human beings, including parts and accessories for those dolls).

Clarity is also necessary on how the department (or Border Force) will identify liability where products below and above the weight threshold are imported / manufactured and are identified under the same HS code (e.g. 8516.10.00 - Electric instantaneous or storage water heaters and immersion heaters).

Details on how locally manufactured products will be identified and accounted for in the data collection for liability is needed.

23. Should the scheme cover all parts of a solar PV system?

[Select **Yes** or **No** from the **Choose an item** drop down below]

yes

Please explain. **Type your response in the text box below.**

The inclusion of PV panels and the peripheral products such as inverters, racking and cabling will enable streamlined drop-off of the waste and create efficiencies for recyclers who already process more than just the PV panels. The inclusion of high-value materials – such as the copper wiring – in the scheme will also help recyclers with the economic viability of participating in the scheme and processing lower-value materials.

24. Are there any products, or specific solar PV products, that should not be covered?

**Type your response in the text box below to explain which products and why?**

25. What do you think are the pros and cons of including, within the scheme, large format energy storage batteries which are attached to solar PV systems?

**Type your response in the text box below.**

The inclusion of large format energy storage batteries in the scheme would enable convenience for de-installers of PV systems, but this benefit would have to be weighed against the increase in fire risk when these batteries are collected at sites with other potentially flammable or hazardous products / waste.

26. It is proposed the scheme will cover batteries that are embedded in small electrical and electronic equipment but not loose batteries (e.g. AAA batteries). Do you have any concerns regarding the scheme approach to waste containing embedded batteries?

[Select **Yes** or **No** from the **Choose an item** drop down below]

no

[Type your response in the text box below if you answered **Yes** at question 26.]

## Targets and obligations

27. Do you believe that the set of targets and obligations detailed in the discussion paper are appropriate for a product stewardship scheme which covers small electrical and electronic equipment?

[Select **Yes** or **No** from the **Choose an item** drop down below]

yes

[Answer question 28 below if you answered **No** to question 27]

28. What changes would you suggest to the proposed targets and obligations?

[Type your response in the text box below.]

We do not propose changes, but note that the estimation of waste generated has been a complex and fraught process at times in the context of the NTCRS and may not be easy in the new scheme, despite the sensible proposal to have a single scheme target. Ongoing consultation with industry and the resource recovery sectors will be essential.

29. Do you think the set of targets and obligations detailed in the discussion paper are appropriate for a product stewardship scheme which covers solar PV?

[Select **Yes** or **No** from the **Choose an item** drop down below]

yes

[Answer question 30 below if you answered **No** at question 29]



30. What changes would you suggest to the proposed targets and obligations?

[Type your response in the text box below.]

## Transitional arrangements for legacy waste from large-scale PV systems

31. Do you agree it is appropriate that owners be responsible for covering the cost of managing all legacy waste from large-scale commercial solar PV systems (100kW and above?)

[Select **Yes** or **No** from the **Choose an item** drop down below]

yes

[Answer question 32 below if you answered **No** at question 31]

32. What alternative do you suggest? Type your response in the text box below.

33. Do you think it is appropriate to impose a mandatory requirement on owners of large-scale solar PV systems (over 100kW), built before the scheme commenced, to provide information about how they are managing waste?

[Select **Yes** or **No** from the **Choose an item** drop down below]

yes

[Answer question 34 below if you answered **Yes** at question 33]

34. What information should owners of large-scale solar PV systems, built before the scheme commenced, be required to provide to the Scheme Administrator?

[Check any or all boxes below]

- Serial Numbers of deinstalled solar panels, inverters, and batteries.
- Information on the organisation/s that are responsible for the decommissioning of these systems.
- Information on the organisations that are recycling the waste from these systems.
- Information on reuse or export of products.
- Information on the disposal of these systems in landfill.

Other. Type your response in the text box below.

[Answer question 35 below if you answered **No** at question 33]

35. Explain why not. Type your response in the text box below.

## Scheme arrangements for solar PV

36. The paper suggests less than 100 kW capacity as the definition of small-scale solar PV systems eligible for free services (where they were installed prior to the scheme commencing).

What definition do you suggest from the list below? [Check 1 box below]

- 0-15 kW (predominantly households)
- 0-50kW (mostly households and small business)
- Agree with the less than 100kW proposed (households and businesses)

37. How can the Scheme make collecting and transporting waste from PV systems convenient, efficient and cost-effective for electricians and PV system installers?

Type your response in the text box below.

38. What are the minimum requirements that should be set for a collection site to accept PV systems? Type your response in the text box below.

Given the current lack of a specific Australian / ISO standard for PV panels and associated products, the minimum requirement should be compliance with AS 5377:2022 Management of electrical and electronic equipment for re-use or recycling.

39. Should requirements differ between types of hosts? (For example, for those hosted by local government and those hosted by PV distributors). Type your response in the text box below.

40. How could the Scheme provide incentives for recyclers to recover more valuable material over time and ensure safe management of hazardous material from solar PV systems?

Type your response in the text box below.

Having a robust approvals process of recyclers by the scheme administrator that includes high minimum safety and quality control elements would create an impetus for recyclers to actively manage risks and hazardous materials, as would compliance with AS 5377:2022.

41. The Scheme could allow liable parties, that have imported or produced solar PV systems and components, other options to manage their liability. This could apply when components are used in a large-scale solar project, such as solar farms. These options involve either the liable party or the owner of the large-scale project providing a decommissioning plan and bond, which would allow the financial liability to be met over a longer time frame.

Do you think this approach is appropriate?

Select Yes, No or Not sure from the Choose an item drop down below

not sure

Answer question 42 below if you answered Yes or Not Sure at question 41

Answer question 43 below if you answered No at question 41

42. If the owner chooses other options to manage their liability the liable party could be exempt from paying upfront fees to the Scheme Administrator for some components. Which of the following requirements should apply for the Scheme Administrator to provide an exemption?

Check any or all the boxes below

- The products or components where an exemption is being sought, must solely be used in a large-scale solar PV system project, such as a solar farm.
- A decommissioning plan that details how the system will be decommissioned, in-scope products will be recycled, and residual and hazardous waste will be managed must be provided to the Scheme Administrator.
- A plan of how requirements of the scheme that would otherwise apply would be met. For example, obligations under the scheme.
- A plan on how the commitments of the decommissioning plan will be transferred if the system is sold before decommissioning.
- The owner provides an appropriate bond, surety or guarantee for the commitments made in the decommissioning plan.
- Other (please specify)

43. Explain why not. Type your response in the text box below.

44. Are there any other comments you would like to make in response to the paper?

Type your response in the text box below.

Regarding SEEE access obligations, members have noted that consideration should be given to the operational hours of sites outside of standard business hours to improve accessibility and minimise barriers to consumer participation. Compliance with AS 5377:2022 by collection sites, network operators, transport organisations and recyclers would enhance national consistency and address a number of safety concerns raised by members.

Further information on the expectations surrounding collection sites would be appreciated, as retailers have noted there are concerns around existing space constraints, safety, and contamination risks.

Ai Group would like to seek clarity on the ownership of education collateral and if the material will be available for brands (i.e. liable parties, retailers, etc) to use on their websites/in-store to educate their customers on the scheme's stated education goals. Ai Group would also like to see more detail on how the education material will address the awareness-raising of drop-off/collection locations, which is not currently addressed in the goals listed in the paper. Clarity on how the Scheme administrator or government will assess product sustainability for the proposed education material would also be needed.

Regarding reuse, members have expressed concerns regarding the impact on warranties and recall liabilities for products reused through the scheme. Brands would have no visibility or control of the reused products and would need assurances that they would not be held liable for returns or safety-related incidences, where reuse has occurred through this system instead of recycling.

Ai Group would like to raise that government policy and incentives, such as incentives to move to more energy efficient technologies, can perversely increase waste generation due to items being replaced before the end of the installed technology's useful life.

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