



Response to Wired for Change Discussion Paper and on the Proposal to Regulate Small Electrical Products

Charitable Recycling Australia is the national network of charitable purpose-driven reuse and recycling enterprises. Our members collect, reuse, repurpose and or recycle more than 1 million tonnes of materials year and extend the life of 285 million products a year.

We have an existing network of about 3,000 retail sites that span metropolitan, regional and remote Australia. Our members are firmly embedded in their communities, actively employing people and generating funds to support a range of social welfare programs.

Our member enterprises are already leaders in this space and as Australia's largest reuse network, and *Charitable Recycling Australia* bring together all these organisations.

Members include The Salvation Army, St Vincent de Paul Society, Australian Red Cross, Save the Children, Lifeline, Anglicare, RSPCA, Uniting, Good Sammy Enterprises, Red Nose, Uniting, Brotherhood of St Laurence, Family Life, Sacred Heart Mission, Helping Hands, Outlook Victoria, Endeavour Foundation, Diabetes, Epilepsy Foundation, Green Collect, Alinea, City Mission, Link Vision and dozens more.

The sector has been operating under circular economy principles for over 140 years since the first charity shop was launched in Australia in the 1880s with the aim of extending the life of household products through reuse and investing the proceeds for the social benefits.

The reuse sector also saves 880,000 tonnes of CO2 emissions and 89,000 megalitres of water a year.

- **Website:** <https://www.charitablerecycling.org.au/>
- **Charitable Impact:** <https://www.charitablerecycling.org.au/education/charitable-impact/>
- **Member Enterprises List:** <https://www.charitablerecycling.org.au/member-enterprises/>
- **Reuse Impact Calculator:** <https://www.charitablerecycling.org.au/reusecalculator/>
- **Find a Reuse or Op Shop:** <https://www.charitablerecycling.org.au/findopsv2/>
- **National Reuse Measurement Guidelines:** <https://www.charitablerecycling.org.au/about/policies-and-projects/national-reuse-measurement-guidelines/>
- **Resource & Waste Hierarchy:** <https://www.charitablerecycling.org.au/about/policies-and-projects/resource-and-waste-hierarchy/>

Response to Individual Survey Questions

Q - How concerned are you about solar PV system waste?

Very concerned

(NOTE: - Charitable Recycling Australia is more focussed on the issue of small electronical and electrical equipment and appliances, we nonetheless accept that solar PV system waste is also a problem and support actions to reduce the problem.

How concerned are you about waste from electrical and electronic equipment?

Very Concerned

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

YES

The nature of the problem of used small appliances and associated waste is complex with long and wide supply chains, both up and down stream.

The lack of taking collective responsibility and effective voluntary participation in reducing environmental risk is manifest in the market response to the problem – in this case, there is unacceptably poor total recovery, reuse and recycling rates for small appliances in Australia.

Therefore, regulation is needed to send a market signal, establish consistent rules for players, incentives broad engagement and target evidence-based preferred outcomes.

Q - 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?

MAYBE

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

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.

A lot of good information exists to inform people however the Government should consider the overall use of the term “waste” and “e-waste”. This issue extends beyond this current regulatory proposal and should be considered for the overall policy, strategic and legislative framework the Australian Government and other governments employ.

The underlying principles are that:

(a) materials for recovery, reuse and recycling are not waste, they are themselves products, they are for further use and for the economy to efficiently manage

(b) product stewardship is about the whole lifecycle of the product not only its end-of-life management

(c) end markets for recovered products and materials need to be encouraged, enhanced and expanded and treating them as waste management outlets constrains their activities.

Therefore to be most effective, the Government and the scheme – and the underlying policy framework – needs to communicate to consumers and all stakeholders that choices in design, material selection, use and end-of-life disposal are all important to improve the environmental impacts of products.

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

- 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.

Charitable Recycling Australia is of the view that all of the objectives listed are worthy of focus, and are also interdependent and interrelated.

We would emphasise however that the discussion paper states that an objective of the scheme is to encourage reuse of recovered small appliances – and Charitable Recycling Australia believes reuse of products is an objective that the scheme should focus on equally with recovery and recycling.

This is based on the evidence that reuse and life extension of products generally produces much greater environmental outcomes than material recovery, recycling and avoided landfill alone.

Q - Explain any concerns about the scheme model proposed in the discussion paper?

The proposed model is understood and is largely clear and it is logical that it is proposed in this manner to address the stated objectives. We nonetheless would make some general observations.

Firstly, it is acknowledged in section 5 of the discussion paper that management of e-waste does not meet community needs. Putting aside for now that that as we have pointed out in this submission, the scheme should be about product lifecycle improvement and not only "waste", this fundamental acknowledgement does also not seem to be addressed in the proposed model. We make that observation because the proposed model is essentially the same as current management under the National Television and Computer Recycling Scheme (NTCRS). Therefore the discussion paper states current practices are inadequate but then proposes to use current practices.

Secondly, under the liable parties provision it is noted that thresholds for small appliances need to be developed. This is an important piece to understand when considering the proposed model. The sooner this can be determined and discussed the better.

Lastly, it seems from the discussion paper that it is proposed for the scheme administrator to be a private company of some sort, and not Government. If this reading is correct we would ask for this to be discussed further. As has been the case with some of the container deposit schemes rolled out in

Australia, the structure and role of the administrator needs to be focused only on delivering the scheme objectives in a sustainable and effective manner. We believe Government is most likely best placed to provide that level of assurance and delivery.

Q - What do you think are the key benefits from the scheme model proposed in the discussion paper?

The proposed model seems to adequately address the roles of all stakeholders and will enable participation in relevant areas of responsibility. The proposed structure remains faithful to and seems to be able to address the stated scheme objectives.

Q - Do you agree that only first importers and producers should be liable parties?

YES

Q - 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?

Government has a fundamental role to ensure there is appropriate participation of liable parties and other stakeholders, that appropriate standards are set, met and enforced and that companies pay their share for the operation of the program.

If as the discussion paper states, the scheme is going to not only meet the stated objectives but also seek to generate additional environmental and social benefits then Government will have a role in ensuring that price signals and fees are sufficient for these triple bottom line outcomes.

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

Identify best practice eco-modulation fees developed for other successful schemes, and review their applicability for this scheme, while maintaining a key focus on upholding the integrity of the waste hierarchy to prioritise interventions and avoid unintended consequences.

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

NO

Q - 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?

YES

Which products and why?

Lamps and small lighting equipment (desk lamps, floor lamps and other moveable lighting) – because there is a lot of these products in the market and they are disposed of by consumers and need better environmental management.

E-cigarettes and vapes – these are increasingly entering e-waste streams and causing problems due to their materials in them, they are being littered and there are media reports that they are an increasing cause of fires in waste and recycling collection systems.

Toys (more definition in what toys are in or out of the program) – while toys are noted in the discussion paper and the appendix specifies code 950300 which is for scooters, bicycles, tricycles, books, puzzles, toy musical instruments, electric trains, models – which is not all electronic and is not the full range of what is actually electronic. It would be beneficial to more specifically define what and electronic and electrical toy is to ensure the scope of these products is properly captured in the scheme.

Q - Can you suggest a better method than Harmonised System (Import) codes for defining in-scope products?

NO

Q - 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?

YES

The proposal with regards to battery operated devices could benefit from clarification.

The discussion paper says that embedded battery products are included but loose batteries are not. Embedded is assumed to mean that the battery is fixed to or part of the product.

Appendix B specifically includes some products such as for example battery operated watches, clocks and toys. Products such as those examples have separate and removable batteries, so the battery is not embedded in the device or product.

In practice, if products such as battery-operated clocks, watches and toys are included then they may be delivered by the consumer to a collection point or network operator with the batteries or without the batteries.

It is assumed that such batteries that are removable may therefore be able to be taken out of the product and then come under the arrangements of other product stewardship schemes (namely the Battery Stewardship Scheme). While that process feasible, it is nonetheless potentially complex and adds handling and costs.

Charitable Recycling Australia is of the view that this situation needs to be considered and specifically addressed in the final scheme design.

Targets and obligations

Q - 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?

NO

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

Charitable Recycling Australia agrees with the over-arching scheme targets and has no comment with respect to the access obligations, education and awareness requirements or recognition of other recycling.

However, we strongly caution that careful consideration needs to be given to the proposed scheme target, recovery target and reuse obligations.

Firstly, the scheme target establishes that the scheme's prime objective and overall singular target is recycling. As a genuine product stewardship approach the scheme should not be limited in this way. Product stewardship is not intended to be a policy measure and tool only for waste management and therefore the scheme target should reflect the range of outcomes to be encouraged, incentivised and rewarded. Such outcomes include design for sustainability and environment, efficient manufacturing, material selection and life extension and reuse (and reuse will be discussed further below).

Secondly, the recovery target and obligations as proposed is again focused on end-of-life and waste management, not the whole lifecycle and environmental impacts of the product. The proposed recovery measure does contemplate that many small appliances present issues of limited material recovery, and Charitable Recycling Australia agrees with that note. The processing of many small appliances for material recovery is currently based on shredding the products and targeting only metals recovery – with the plastics, rubber, circuit board and other materials largely lost to landfill.

Thirdly and most importantly, the target for reuse is an obligation and not a target. Charitable Recycling Australia is of the view that reuse needs to be considered as a higher order product stewardship target as it generally achieves better environmental and social outcomes than material recovery and recycling. In the absence of specific targets for reuse, it is highly likely that there will be a reduction in the current rate of product reuse as the products will be pursued for recycling for liable parties to meet their recycling targets and obligations.

While it is appreciated that it is a complex task to set scheme targets and specific liable party targets that require and incentivise reuse, it is fundamental to the scheme achieving its objectives. Charitable Recycling Australia encourages the Government to undertake a more detailed assessment of options for targets on reuse.

Q - Are there any other comments you would like to make in response to the paper?

As our submission has highlighted, the charitable reuse sector in Australia is an existing, vibrant and effective network for environmental improvement

We note that the discussion paper and proposed scheme generally envisages that the scheme will work in concert with other and existing State based programs. This warrants for consideration and analysis. We note in particular that current State legislated e-waste restrictions are themselves inconsistent, and that the proposed national program does not target all electronic and electrical products that are covered in the States. This seems to be grounds for confusion amongst consumers and scheme participants as well as potentially causing administrative and compliance burdens and barriers for operators.

A key issue is that Charitable Recycling Australia supports reuse. Reuse delivers extensive environmental and social benefits. Reuse must also be accompanied by appropriate checks and balance – the issues of safety and liability are paramount and need to be considered and factored in to the scheme design.

Items to be reused through the scheme must be appropriately test and tagged through nationally accredited training with certified and calibrated test and tag units and must also comply with all other relevant state and federal laws. On this point, we note that the Victorian Government is committed to repair and reuse of electrical items as a key driver of the Circular economy and has funded grants for this.

We note also that small appliance manufacturers and importers express concerns about reuse due to safety, liability and insurance issues - namely that they might somehow be liable due to faulty used and second hand products. This needs to be addressed upfront through Good Samaritan type laws that set out that persons acting in accordance with the scheme are protected from liability

Charities are key stakeholders and as a large and important pathway for the recovery of used small electronic and electrical products can contribute significantly to the scheme design and operation. We would therefore request that Charitable Recycling Australia be afforded the opportunity to be more closely involved in the final scheme design.

On the above point, the sessions to discuss the proposed regulations did not provide a clear timeline for the next steps in this process. Charitable Recycling Australia notes that it would be prudent for there to be consideration of further information in doing the final scheme design. For example, charities currently collect, test and tag small appliances and redistribute them to people in need. The extent of this activity is unknown at present, let alone the corresponding social, environmental and economic impacts. It would assist scheme design and elements such as reuse targets if such detail was known and factored in.

It is expected that in moving to a regulated approach there will need to be a Regulatory Impact Statement or similar (RIS). Charitable Recycling Australia also expects that there would need to be a cross-industry advisory group of some form to support the RIS process. Charitable Recycling Australia would welcome such an approach and encourages it to be an open and inclusive process.