



**Interim Submission
Department of Environment
Operational Review of the National Television and Computer Recycling Scheme**

February 2015

Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate. This Submission therefore represents the consolidated view of Western Australian Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

This Submission is yet to be endorsed and will be considered by MWAC on **18 February 2015**.

Executive Summary

On behalf of Western Australian Local Governments, the Association is pleased to have the opportunity to comment on the *Operational Review of the National TV and Computer Recycling Scheme*. This Scheme has delivered significant improvements to TV and Computer recycling across Australia, more than doubling the recycling rate. Local Governments initial experience with the Scheme has been a positive one, with the costs associated with recycling TVs and Computers greatly reduced.

Unfortunately, the recent reduction in services by some of the Product Stewardship Arrangements (the Arrangements) has had a substantial impact on Local Government. Local Government entered into contracts with the Arrangements in good faith and had a reasonable expectation that commitments made in the contracts would be honoured. The actions taken by the Arrangements undermine Local Government confidence in the Scheme and the Arrangements ability to effectively implement it. Taking on the responsibility to deliver a service is a substantial commitment. Local Government has been collecting and recycling material from the community for a substantial period of time and understands that once a service has been introduced, it needs to be sustained. The response by Arrangements to the unprecedented level of demand for services, has been to turn off their involvement beyond their legislative responsibilities (particularly with respect to tonnes collected, and access points provided). Arrangements need to understand the implications of the responsibilities that they are taking on in providing services, and that managing the community demand for services is, at times, impossible.

Costs associated with recycling end-of-life products such as TVs and Computers in WA is substantial. Local Government strongly supports product stewardship and considers that the costs associated with managing these end-of-life products should be borne by the producers of products rather than the wider community. To resolve the immediate issues with the Scheme, Local Government recommends that Option 3 for increasing the recycling targets is adopted.

This Submission outlines what aspects of the Scheme the Association considers must immediately change, to ensure it can function effectively and provide Local Government with certainty regarding the producer's commitment to cover the costs of recycling. This Submission also discusses longer term considerations, such as how 'design for disassembly/recycling' principles can be introduced into the Scheme.

Summary of Recommendations

Recommendation 1: That the Federal Government works with Arrangements, Industry and Local Government to rebuild Local Governments confidence in the Scheme.

Recommendation 2: That the Federal Government:

- a) **Coordinates the Arrangements promotion of the Scheme to ensure that clear and consistent messages are provided to the community and Local Government.**
- b) **Recognises Local Governments unique position in relation to public expectations regarding service provision and gives due regard to all risks Local Government could potentially be exposed to when considering changes to the assumptions underpinning the Scheme (such as changing the calculation for waste arising).**

Recommendation 3: Strengthen the definition of reasonable access in the Regulations to address issues associated with the geographic spread of capital cities and providing improved, practical access to services in non-metropolitan areas.

Recommendation 4: Use the most recent Census data, to allow for accurate calculation of the number of required access points in any given year.

Recommendation 5: Ensure all jurisdictions are provided with 'reasonable access to TV and Computer recycling' by implementing jurisdictional based recycling targets.

Recommendation 6: For Temporary Collection events, introduce a mandatory requirement that the Arrangements:

- a) **Undertake an improved level of advertising for events.**
- b) **Host events at times and locations that facilitate community access.**
- c) **Provide the appropriate Local Government staff with sufficient notification that the event will be taking place.**
- d) **Publish the amount of tonnes collected from each event.**
- e) **Undertake an assessment of the effectiveness of any given event, focusing on the number of attendees and tonnage collected.**

1 Introduction

Local Government in Western Australia is a long term and enthusiastic supporter of Product Stewardship, as it can be used to address the entire lifecycle impact of a product. This includes end-of-life management considerations, as well as design and manufacturing issues¹. Product Stewardship acknowledges that the parties involved in producing, selling, using and disposing of products have a shared responsibility to manage end-of-life products in a way that reduces their impact on the environment, human health and safety². The way in which Product Stewardship has emerged in Australia (and elsewhere), reflects the economic objective of internalising the environmental externalities associated with product life-cycle. This means a primary focus on changing who bears the costs associated with end-of-life product management. The costs are usually moved from a government body, or the demand side of the market (the community at large), to the producer of a particular product.

In turn, this is intended to provide an incentive for producers to take into account environmental considerations along the products' life, from the design phase to their end-of-life.

The WALGA Extended Producer Responsibility Policy Statement (2008)³ states *Local Government endorses the Extended Producer Responsibility approach as an important part of achieving sustainability. Local Government considers that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required in achieving sustainable, economic, social and environmental principles. Local Government considers that these key outcomes are:*

¹ MWAC (2014). Australian Product Stewardship Schemes Discussion Paper. Available online. www.wastenet.net.au.

² Department of the Environment (2014). Product Stewardship. Available online. www.environment.gov.au/product-stewardship.

³ WALGA (2008). Extended Producer Responsibility Policy Statement. Available online. www.wastenet.net.au.

- *Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products;*
- *Improved valuation, pricing and incentive mechanisms;*
- *Greater investment in infrastructure and research and development; and*
- *Greater transparency and accountability.*

Local Government asserts that the producers and manufacturers of TVs and Computers must, as a minimum, take responsibility for managing the impacts and costs associated with recycling these products when they reach end-of-life. One way producers could reduce this end-of-life cost is to design products that are less hazardous, and easier to reuse or dismantle for recycling.

Local Government understands that the scope of the current Operational Review is limited to considerations that will address the immediate problems facing the Scheme. However, to ensure the Scheme is viable in the long term, a broader discussion about Product Stewardship is required, that focuses on product design. These comments are intended to highlight issues which can be addressed in the statutory review of the Product Stewardship Act, and associated Regulations, scheduled for 2016.

Local Government, as a community representative and service provider, requires an immediate response to the issues associated with the National TV and Computer Recycling Scheme. In resolving these issues, it is vital that all stakeholders remember that the Scheme was designed to provide a service to the community. All affected stakeholders must work together to ensure that the Scheme can provide comprehensive and consistent community access to TV and Computer recycling. In October 2014, Arrangements started to reduce their assistance to WA Local Governments. Without an immediate resolution, services provided by Local Governments are being scaled back, terminated, made subject to new restrictions or fees introduced to cover recycling costs.

The Submission examines the current context in WA for the TV and Computer Recycling Scheme, including the original expectations and understanding of the Scheme, the current situation and its impact, and responds to the various questions posed in the Department of Environment's Discussion Paper.

2 Context for this Submission

2.1 Original expectation and understanding

During the development of the Scheme, Local Government was of the understanding that one of the requirements of the Scheme was that collection points accept TVs and Computers free of charge. The Department of Environment's website still states:

*"Some changes to existing services may be required for councils to be service providers or to partner with industry in the Scheme. For example, relevant environmental and occupational health and safety requirements must be met and **fees cannot be charged to householders or small business for the collection of products under the Scheme**"⁴*
[emphasis added].

Local Governments in WA are well aware of the issues that can result from this type of prerequisite from experiences with other Product Stewardship Schemes. Consequently the majority of Local Governments responded by ensuring contracts with Arrangements had no restriction on the amount of material that could be recycled from the various sites. As collecting material at drop off sites comes at a cost to the sector, many Local Governments negotiated a fee to cover the costs associated with collecting the materials. Arrangements agreed to the conditions put forward by Local Government in WA as reasonable.

Due to a greater than expected demand for services, Arrangements have now terminated many agreements with Local Government, and substantially scaled back services in Western Australia. The latest advice from both the Federal Government and Arrangement providers is that industry is only responsible for recycling 35% of material in the current Financial Year and that Local Government/State Government should take responsibility for the remainder of the material. The implementation of the Scheme has significantly raised community expectations for access to free recycling. The costs of TV and Computer recycling have to be covered

⁴ Department of Environment (accessed 22 January 2015). Local Government Involvement in the Scheme. Available online. <http://www.environment.gov.au/protection/national-waste-policy/television-and-computer-recycling-scheme/local-government>.

somehow by the Local Government hosting the site. This places the Local Governments that are providing collection sites in a very difficult position, as with the closure of sites they are receiving material from outside of their boundaries. It is not reasonable for the residents of one Local Government, to subsidise the environmentally responsible disposal from residents (and businesses) from outside of the Local Government area.

With the establishment of contracts, Local Government had the reasonable expectation that the Arrangements would honour their commitments. This mitigated the need for Local Government to budget for TV and Computers recycling. That contracts entered into in good faith were terminated with no prior warning. In many cases, there was not even an offer to negotiate contracts terms. The approach that was taken by the Arrangements undermines Local Government confidence in the Scheme and the ability of the Arrangements to effectively implement it.

Ultimately, the Department of Environment and the Arrangements/industry have very defined areas of responsibility under the Scheme – as regulators and those responsible for recycling a fixed proportion of material. The practical reality for Local Government is that the community expects material taken to drop off points to be recycled at no charge if that is what has been advertised. Therefore, Local Government is responsible for *any* material where the recycling cost is not covered by industry, not the 65% identified in the Review. Local Governments responsibilities, liabilities and risks are therefore far greater than the Department of Environment, the State Government or industry. Any changes that the Department makes to, for example waste arising, will have a negative impact on Local Government if it reduces Industry's responsibility to recycle a higher proportion of material than it does currently.

Recommendation 1: That the Federal Government works with Arrangements, Industry and Local Government to rebuild Local Governments confidence in the Scheme.

Recommendation 2: That the Federal Government:

- a) **Coordinates the Arrangements promotion of the Scheme to ensure that clear and consistent messages are provided to the community and Local Government.**
- b) **Recognises Local Governments unique position in relation to public expectations regarding service provision and gives due regard to all risks Local Government could potentially be exposed to when considering changes to the assumptions underpinning the Scheme (such as changing the calculation for waste arising).**

2.2 Current situation

The National Television and Computer Recycling Scheme has had a significant impact in WA. Since industry funding for collection sites was introduced in 2012, a number of Local Governments have signed up to host either industry funded permanent or temporary collection sites for the Scheme. These Local Governments have had their costs for TV and Computer recycling substantially reduced. The Scheme has provided the added benefit of supporting the local e-waste recycling industry.

Even prior to the scaling back of services, the same level of benefits that other States were enjoying were not achieved in WA. In February 2014, the Federal Government released the first annual Report into the Performance of the Scheme, the *National Television and Computer Recycling Scheme Outcomes 2012–13*. Based on the data provided in this Report, less than 2.6% of the total material recycled across Australia was collected from Western Australia (see Table 1). When considering that the population of Western Australia accounted for approximately 10% of Australians at the time, it is clear that the manner in which the Arrangements were providing services was not equitable.

State/Territory	Number of services provided	Total collected weight (tonnes)	Percentage of total collected weight	Percentage of Australian population ⁵
Australian Capital Territory	7	3,279.25	10.19%	1.65%
New South Wales	165	10,584.93	32.89%	32.04%
Northern Territory	4	4.44	0.01%	1.05%
Queensland	105	3,175.22	9.87%	20.12%
South Australia	53	4,759.96	14.79%	7.22%
Tasmania	21	280.95	0.87%	2.22%
Victoria	229	9,290.57	28.86%	24.80%
Western Australia	51	811.07	2.52%	10.89%
Total	635	32,186.39*	100%	100%

Table 1: Scheme collection services in each state and territory, as of June 2013 (Adapted from Table 2 of the *National Television and Computer Recycling Scheme Outcomes 2012–13*)

*The total has been adjusted from that of the Report, to enable accurate percentages to be calculated.

Local Government is sceptical of how Arrangement providers are delivering their regulatory obligation to 'provide 97% of the Australian population with access to scheme services,' given the amount of tonnes collected from WA. This is further discussed in Section 2.4.

Having built the expectation within the Local Government sector that all TVs and Computers they collect will be recycled and the costs for this would be covered, Arrangements have now made it clear they are only responsible for 35% of material that is available for collection in 2014-15. This leaves the management of the remaining material to Local Government. Unfortunately, the figure of 35% is calculated using national figures. The States where it is cheaper and easier to recycle quickly filled this quota in the 2014-15 Financial Year, leaving the Local Governments in other, more remote areas to cover the costs of managing all remaining material.

While it clearly makes sense financially for Arrangements to focus collection/recycling efforts in areas of greater population density, the intent of the Scheme is to provide reasonable access to all. Scaling back recycling programs in areas where they have been introduced is not a positive contribution towards building community confidence in a Scheme and ensuring the long term sustainability of recycling. In this respect, strict adherence to a 35% (short-term) target reflects a very narrow focus, as it subordinates long term recycling and behaviour change objectives to short term financial ones and falls short of providing the intended reasonable access to TV and Computer recycling.

Now that the Arrangement providers have scaled back their activities, it is highly likely that the tonnes collected from Western Australia, as part of the Scheme, will be greatly reduced. Section 2.3 provides an estimate of the likely reduction, based on information received from Local Governments and the local recycling industry. The full extent and impact of the reduction will not be fully known until the Federal Government releases the Outcomes Report 2014-15. As the 2012-13 report was released in February 2014, we may not know the full impact until February 2016.

2.3 Impact on Permanent Collection Sites

A number of Local Governments were advised in late 2014 that the contracts they had in place with DHL (Dropzone) and ANZRP (Techcollect) to host permanent collection sites were going to be either terminated or reduced. There was no prior warning that this was about to occur or offer to negotiate. From discussions with other States and Territories, it has become clear that the sites across Australia which are having services terminated or reduced are more likely to be the regional/remote sites. Western Australia has many sites within this classification, due to the dispersed nature of its population.

The Regulations provide an outline of the requirements for Reasonable Access based on the populations of areas. The interpretation of the Regulations in WA, based on information from the Federal Government, is that each Arrangement must establish:

- At least 6 access points in the Perth metropolitan area
- At least 18 access points for the remainder of the State, with:
 - o Access points in (or within 100km of) Bunbury, Busselton and Mandurah

⁵ Australian Bureau of Statistics 3101.0 - Australian Demographic Statistics, June 2014. Available online. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0>.

- Access points in (or within 150km of) Albany, Geraldton, Kalgoorlie-Boulder, Manjimup, Margaret River and Narrogin
- Access points in (or within 200km of) Broome, Carnarvon, Derby, Esperance, Karratha, Kununurra, Newman, Port Hedland and Tom Price.

Although the Scheme was designed in a manner which allows for 'higher' levels of servicing in regional centres, the reality of the situation is that Western Australia has a mainland that covers 2,526,786 square kilometres (33% of Australia)⁶. The information used to calculate the amount of access points with respect to population levels is from a 2006 ABS publication. As of 2011, the population residing in Western Australia had increased by 278,358 people – an increase of approximately 14%⁷. As the original intent of the Scheme was to provide services in areas where the community resides, it is imperative that the data and metrics that the access points were established on are reviewed. Local Government has been forced, through necessity, to provide waste management services to this increased population. To allow industry the ability to provide a minimum level of services, based on out of date population data is not in line with the concept of a 'shared responsibility.' It is strongly recommended that when the Scheme is reviewed in 2016, the population data is updated to the most recent ABS figures.

In metropolitan Perth, the majority of the ANZRP and DHL permanent sites that are still operating are run by commercial businesses located less than 20km from the CBD (see Figure 1). This is problematic, as they are far removed from where the majority of the population resides or visits. In Perth, the urbanised area stretches a distance of 144km (from north to south). Terminating collection sites in such a widely dispersed metropolitan area, results in a situation where community access to services is significantly reduced.

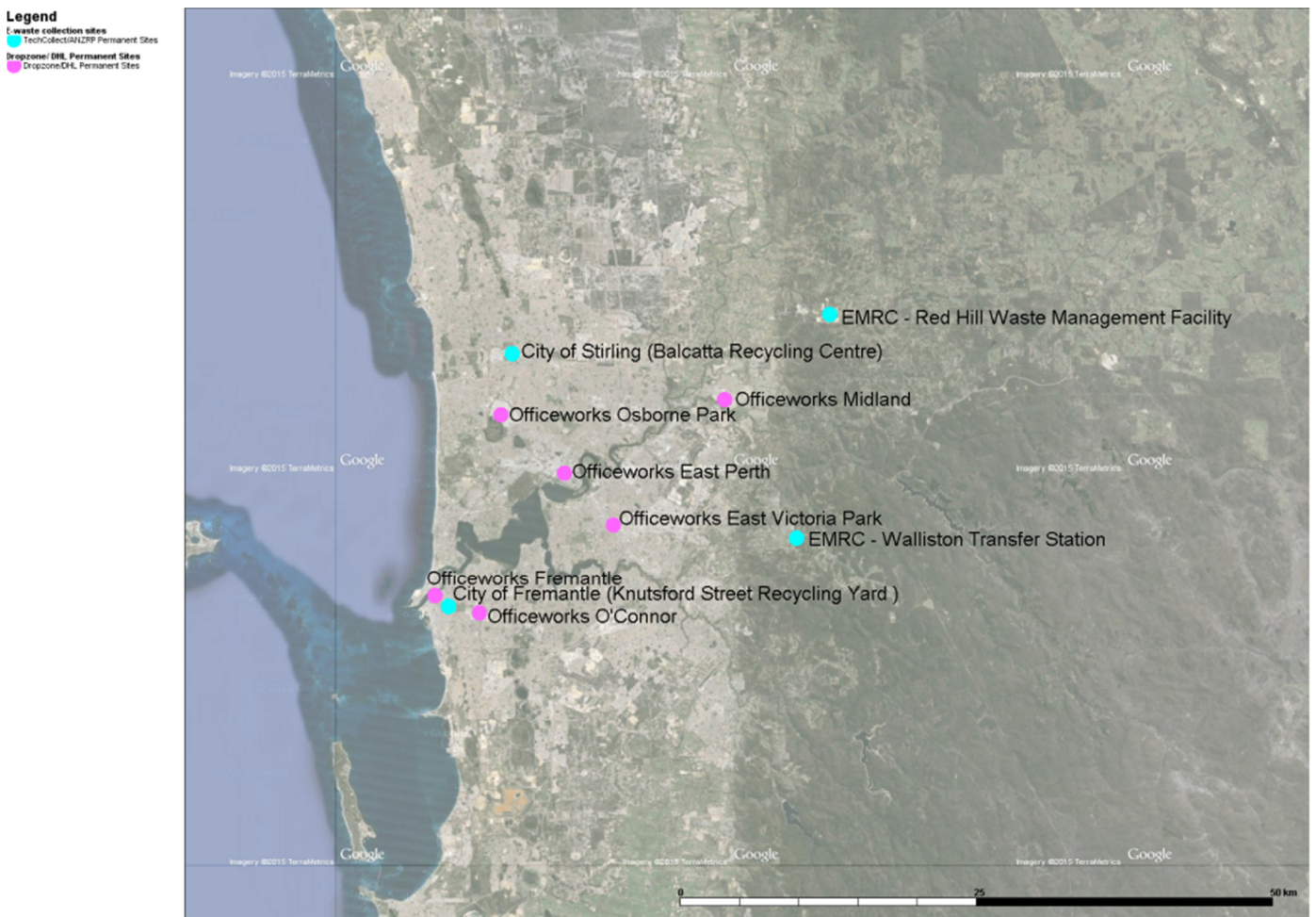


Figure 1. Remaining ANZRP (blue) and DHL (pink) permanent collection facilities.

⁶ Landgate (accessed 16 January 2015). Interesting Facts about Western Australia. Available online. <https://www.landgate.wa.gov.au/corporate.nsf/web/Interesting+Facts+About+Western+Australia>.

⁷ ABS (accessed 3 February 2015). QuickStats. Available online. <http://www.abs.gov.au/websitedbs/censushome.nsf/home/quickstats?opendocument&navpos=220>.

It is encouraging to see commercial retail businesses taking a much needed role in e-waste recycling, however they are yet to receive a great deal of material. WALGA has been advised by industry representatives, that the six Officeworks sites are only collecting approximately 20 tonnes of material annually. It is clear that the community does not associate 'Betta Electrical', 'Harvey Norman', or 'Officeworks' with e-waste recycling. However, the community is quick to draw an association between Local Government and e-waste recycling, due to its role in managing the highly visible kerbside and vergeside collection systems and drop off points.

One of the key problems with the Scheme is that the Arrangements do not collectively promote their activities. The central information point created by Planet Ark to resolve this problem, has not been updated to reflect terminated permanent collection sites, and does not necessarily list all temporary collection days. Local Government considers that this disparity in communications does not assist in providing reasonable access. A more systematic and professional approach to communicating with, and engaging the community, on the part of Arrangements would be welcomed.

The majority of Local Governments that have been adversely affected, did not budget for a situation where Arrangement providers would terminate contracts. Local Governments are now forced to choose between cutting or delaying essential works to fund TV and Computer recycling from existing budgets, or introduce a charge to cover the costs of recycling TVs and Computers. This also has implications for the messages that can be communicated to the community regarding collection points, recycling fees etc. As a result of the Scheme, Local Governments are now struggling to manage increased community expectations for access to what were initially advertised as 'free' recycling services. Unlike industry, Local Government cannot turn on / off collection sites based on a minimum level of compliance with 'Reasonable Access.' Local Government is accountable to, and obliged to provide services to the community. Local Governments are more likely to receive negative community feedback on reduced services, than Arrangements that the community does not associate with e-waste recycling.

It is the view of Local Government that Arrangements should cover the collection, sorting and treatment costs of separately collected waste management minus the revenues from recovered material sales (thus the full net cost).

'Full-costs' include:

- Collection, transport and treatment costs for non-separately collected waste (waste covered by the Scheme but not entering the separate collection channel, e.g. waste collected together with mixed municipal waste)
- Costs for public information and awareness raising (in addition to each Arrangement's own communication initiatives), to ensure participation of consumers with in the scheme (i.e. through separate collection).

WALGA has worked with Local Governments and local recyclers to develop an estimate of the financial impact of the reduced/ terminated services. Prior to the reduction in services, the tonnes of TVs and Computers collected at the permanent collection sites managed by Local Government in partnership with DHL or ANZRP was approximately 71 tonnes per month, at a cost of approximately \$55,000 per month.

Such a large reduction in services has significant implications for Local Government and is causing ongoing issues. Local Governments have had to bear unexpected costs, stockpile material on site, and spend time negotiating contracts with another Arrangement (where possible), or directly with recyclers. The cost of recycling TVs and Computers in WA may well be higher than other States due to larger transport distances. This has seen WA and other jurisdictions with similar issues bear the brunt of the service terminations.

Recommendation 3: Strengthen the definition of reasonable access in the Regulations to address issues associated with the geographic spread of capital cities and providing improved, practical access to services in non-metropolitan areas.

Recommendation 4: Use the most recent Census data, to allow for accurate calculation of the number of required access points in any given year.

Recommendation 5: Ensure all jurisdictions are provided with 'reasonable access to TV and Computer recycling' by implementing jurisdictional based recycling targets.

2.4 Impact on Temporary Collection Sites

Some Arrangements are utilising temporary collection days to meet their access requirements. Although these days may meet the letter of the law regarding access requirements, they do not always meet the intent of providing reasonable access. For example, waste management staff at the City of Greater Geraldton were not aware that Tech Collect held a Temporary Collection Day within the City's boundary on Tuesday 23 September 2014. This collection was limited to the hours of 9am – 2pm, at Toll Express, 82 Flores Road, Geraldton, WA 6350. It is unlikely a significant amount of material was received, as the hours were restricted to a time when most people are at work. Local Government considers that such temporary sites do not satisfy the intent of the Product Stewardship Scheme, which is to facilitate reasonable community access to TV and Computer Recycling. If the Local Government had been made aware of the Temporary day, they would have been able to promote it, helping to ensure their residents were informed of the event.

Recommendation 6: For Temporary Collection events, introduce a mandatory requirement that the Arrangements:

- a) Undertake an improved level of advertising for events.
- b) Host events at times and locations that facilitate community access.
- c) Provide the appropriate Local Government staff with sufficient notification that the event will be taking place.
- d) Publish the amount of tonnes collected from each event.
- e) Undertake an assessment of the effectiveness of any given event, focusing on the number of attendees and tonnage collected.

3 Local Government Responses to Operational Review Recommendations

Table 1: Summary of recommendations and responses

Operational Review Recommendations	WA Local Government Response
Issue: Communication of scheme activities	
<p>1. Co-regulatory arrangements strengthen awareness and increase understanding of the scheme's design through targeted communication activities.</p>	<p>Comment</p> <p>It is unclear what this Recommendation aims to achieve, the type of communication activities that will be undertaken, as well as the stakeholders that will be targeted. The sector does question what the point of communicating with the community is, when material collected over and above the national recycling target could potentially be landfilled in Western Australia.</p> <p>The Local Governments that expressed interest in partnering with Arrangements understand how the Scheme was designed, and the implications of the current situation. From the very outset of negotiations with Arrangements, these Local Governments were extremely concerned at the potential liabilities associated with restricting collection tonnages. This is why the majority of established contracts did not place limits on the tonnes collected as part of the Scheme. For the majority of Local Government managed collection sites, Arrangements agreed to Local Government conditions that placed no restriction on tonnage.</p> <p>An important consideration for this recommendation, involves the community. The majority of the community would not be aware of the Scheme's design, and are unable to access a reliable central point of information about where they can dispose of TVs and Computers. Information on the Scheme is not available from the community's usual source of waste information (Local Government), as the Arrangements do not always communicate with the sector regarding Temporary Collection Days. Additionally, the community is unlikely to understand why some sites are now charging to accept TVs and Computers, while others do not. As the Scheme is designed to provide a service to the community, improved communications to the community are essential.</p> <p>The Arrangements do not have a positive record of working together to communicate a consistent message. Given that the Arrangements are currently trying to reduce their costs, they may be reluctant to spend money on communication activities that could lead to a greater awareness of the role they are supposed to play in TV and Computer recycling. Local Government is concerned that this recommendation fails to take into consideration the competitive nature of the Arrangements, and requests that the Department takes the lead in ensuring consistent messages and responses to problems are circulated. A well-considered campaign is required, that informs communities of available facilities and the relevance of the service. It is suggested that targeted communication activities are developed and delivered by Federal and State Governments as part of the Scheme, with the costs of doing so recovered from the producers and importers. Obviously, for this to be effective, the Scheme must be operating efficiently first. If the Arrangements are left to develop their own communications and responses to problems, consistency will not be achieved.</p>

Issue: Performance of the scheme	
<p>2. Stakeholders consider whether regulatory amendment is necessary to drive uptake of AS 5377 and, if so, whether this could be done without increasing the regulatory burden on industry.</p>	<p>Comment</p> <p>Concern has been expressed regarding this recommendation, in relation to Local Governments' involvement in running collection sites. If there is a regulatory push for 'uptake' of the Australian Standard, there is a possibility that the infrastructure at Local Government collection sites will need to be upgraded. This would require a clear transition period and acceptance that some sites would not initially meet the standard.</p> <p>Considering the sector has already made a substantial contribution to e-waste recycling, all costs associated with upgrading collection sites must be borne by the Arrangements. Another reason that the sector is wary of this proposal for Local Government managed drop off sites, is that the Australian Standard covers a greater range of products than TVs and Computers (which are also collected at Local Government sites). For Recyclers, the use of the Standard is likely to be a positive step, as it provides a consistent benchmark from which to gauge their operations (particularly with respect to the auditing scheme).</p> <p>Any regulatory amendment must be supported by funding and industry participation. It is important that the entire collection system is improved to ensure community access to services – rather than diminished as a result of increased regulation.</p>
Issue: Addressing the shortfall in funded recycling	
<p>3. Stakeholders provide feedback and the Department undertake regulatory impact analysis on the options outlined for possible adjustments to the target trajectory.</p>	<p>Support</p> <p>The Association is encouraged to see that the review of the Scheme recommends an immediate increase to recycling targets for all three options. Given the popularity of the Scheme to date and the need to rectify certain issues, the Association strongly supports an increase in the targets. The Association requests clarification on whether an economic and environmental analysis has / will be completed on the three options.</p> <p>There has been overwhelming support for Option 3, and an appetite for even higher targets from Local Governments in WA. The recycling industry has demonstrated it has the capacity to manage this volume of material. Additionally, it is clear that the current rollout of the Scheme is not keeping up with community demand for services. It is unfortunate that any increase to targets will not provide immediate relief, as many of the Arrangement providers are yet to acquit their excess recycling amounts.</p> <p>Option 3 extends out the date by which the target needs to be achieved and this is also supported, as experience from other recycling schemes suggests that to achieve recycling rates of 60-70% is achievable in the relatively short term, but the final 10% is likely to take longer. Hence the extension of when the target needs to be achieved by is a good way to ensure the targets can be reached.</p> <p>As per the Associations recommendations, there is an urgent need for the recycling target to be applied on a state by state basis, as the amount of material currently recovered from Western Australia is much lower than that of the Eastern States (refer to Table 1). As well as increasing the targets, the definition and application of 'Reasonable Access' needs to be addressed to ensure a consistent approach is applied.</p>

Issue: Underpinning sustainable recycling capacity	
<p>4. Co-regulatory arrangements to better manage the impact of changes to recycling procurement on the recycling industry by providing additional notice of planned changes.</p> <p>5. The Department and co-regulatory arrangements consider options to provide additional information to the market to assist e-waste businesses in planning.</p> <p>6. Stakeholders comment on the proposal to amend the Regulations to establish a settlement date for target data, after which amendments to import declarations would not be taken into account.</p> <p>7. Stakeholders comment on the proposal to amend the Regulations to smooth recycling rates between financial years by allowing recycling undertaken in July and August to count towards recycling targets in the previous financial year.</p> <p>8. Stakeholders comment on the proposal to amend the Regulations to require co-regulatory arrangements to report on their engagement of social and disability enterprises in the context of their annual reports.</p>	<p>Support Improved communication is essential between all stakeholders, on any proposed changes. Local Government considers it would be sensible for the Department to facilitate feedback between stakeholders on items such as:</p> <ul style="list-style-type: none"> a) the progress made towards the recycling target for any given year b) emerging technologies at the point of sale c) trends observed at collection sites d) trends observed by recyclers (suggestions are provided to manufacturers, on design for disassembly). <p>It is also important that consistent messages are distributed by Arrangements, and alignment occurs with broader Local Government and industry waste education programs to the community.</p> <p>Support Local Government supports this initiative, and requests that the Department investigates the suggestions outlined in the response to Recommendation 4. It is imperative that the Department facilitates improvements in the areas of developing, planning and communicating changes.</p> <p>Support The proposal to establish a settlement date is supported, as it will create stability and clarity. The need for absolute accuracy in the amount of material imported, in a particular time period, is ultimately less important than a Scheme that operates in a functional manner and allows all stakeholders to plan.</p> <p>Comment The proposal to implement a settlement date should provide some assistance in this area. There is support for changing the reporting period for Arrangements, to allow for practical considerations related to planning and delivering services over a full year.</p> <p>Comment Local Government agrees with the sentiment of this recommendation, as it would provide information that can be used to model other Schemes in the future. However, it would be useful to know how many jobs overall are generated by the Scheme, rather than limiting it to those generated through social and disability enterprises. Any such requirement for Arrangements to report should also include the employment practices of the recyclers that an Arrangement is using (i.e. does the recycler employ people with disabilities? What OHS standards are adhered to etc), as there are a range of ways commercial operators are also contributing</p>

	<p>in this area.</p> <p>It is worth noting that the engagement of social and disability enterprises was not the original focus or intent of the Scheme. Local Government is keen to see improvements made in other areas – such as ensuring recycling costs are covered, and consistent communications are delivered.</p>
<p>Issue: Reducing the regulatory burden for liable parties</p>	
<p>9. The Department continues work to revise the scheme's product codes and conversion factors.</p> <p>10. Stakeholders comment and provide information on the proposal to consider the waste arising scaling factor applicable to computer systems, and provide any data or research which supports a particular scaling factor.</p>	<p>Support</p> <p>Local Government agrees that revising the product codes and conversion factors is one of the most important measures that can be taken to ensure the financial stability of the Scheme. Given that TVs and Computers do not become waste until some years after they have been brought into the country, there is a risk that the funds raised in any given year will not always meet demand - especially with an increased number of lighter products coming onto the market. The recently announced free trade agreements are likely to reduce the cost of electronics. This presents the Government with an opportunity to adjust the conversion factor to increase the funds generated, to assist with funding recycling of legacy material. Once the legacy material has been taken out of the system, the conversion factor could be altered to reduce the amount of funds collected. Local Government agrees that a broader scope of products is required, as many complaints have been received from the community at Scheme run collection points regarding products such as TV peripherals, and other items with a power cord.</p> <p>Comment</p> <p>Local Government does not have any specific research that would support changes to the scaling factor. It appears that further research is required on how to determine an appropriate scaling factor that can be used to generate sufficient funds to cover recycling costs (in what is a continually evolving system). Any research could be used to support the audit process and monitor performance of the Scheme. A sensible approach, involves using a higher scaling factor initially, until the heaviest material has gone through the system, then revising it downwards.</p> <p>Local Government is extremely concerned at the proposal to alter the calculations for waste arising, and potentially reduce the associated liabilities for industry. Accurate information is required on the actual amount of material that becomes waste in any given year – instead of estimates that are likely to undermine any increase in the recycling rates.</p> <p>Local Government would also like to emphasise the importance of any material exported for reuse going to legitimate end markets.</p>

4 Conclusion

The Operational Review that the Federal Government has undertaken is a necessary and timely response to the challenges that have arisen for the National TV and Computer Recycling Scheme. This demonstrates the Government's commitment to Product Stewardship. Local Government strongly supports Product Stewardship, and welcomes the review. The National TV and Computer Recycling Scheme is the first of its kind in Australia, so challenges were always likely to arise. Lessons learned from the design and roll out of the Scheme will be useful inputs into the development of future Schemes. Although issues have occurred with the Scheme, generally it has been successful at increasing the rates of recycling.

However, Local Government would like to strongly emphasise that the model of shared responsibility which underpins the Scheme, certainly has its limitations. The risks of the Scheme are not evenly shared between all parties. Local Government, as the first point of call for the community for waste issues, has a far greater liability and risk than the Federal or State Government and industry. It is clear from the Arrangements response to the collection of excess tonnes, that their view of responsibility is limited. The way they have responded has increased Local Governments liability. Local Government is concerned that the Department of Environment does not fully understand the scope of the liability that the Scheme is placing on Local Government. The Local Governments providing permanent collection sites do not have a choice to cease collections, or to landfill material which it has been advertised as 'collected for recycling.' Instead the options are to impose a charge for recycling or to sacrifice other operations to cover the costs of recycling. Another option is for the State Government to provide emergency funding for recycling (the Association has made this request on behalf of Local Government). If the timelines in the review are met, it is remotely possible that additional funding will not be required from State and Local Government for the 2015/16 Financial Year.

Local Government is keen to work with the Department and the Arrangements, to ensure that changes to the Regulations will address the issues that were raised through the Operational Review. In addition to these issues, it is imperative that jurisdictional based recycling targets are implemented. If there is not a significant increase in the targets and a commitment to improve 'Reasonable Access' to services for communities in WA, it is likely Local Government will be hesitant to re-engage with the Scheme.