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12 January 2018

Managing e-waste in Victoria
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Dear Sir / Madam

Proposed E-Waste Ban

Horsham Rural City Council has been participating in the process of exploring the E-waste ban proposed to be implemented in Victoria, and appreciates the opportunity to comment on the proposals.

The proposal is complex, reflected by the size of the Policy Impact Assessment document, which contains a lot of detail about how the proposal will work. Some key elements of the proposal are:

The PIA proposes that Option 1c is preferred, being:

Option 1c: Comprehensive landfill ban (all e-waste) with medium level of access to collection services

With a medium level of access being defined as (Section 3, Table 5, regional areas):

- *One permanent drop-off point for every municipality*
- *plus, one for every other town of 4000 people*
- *plus, mobile collection events for every other town of 2000.*

Which would lead to a recovery rate of 60% of e-waste. (Table 9)

While the principle of a ban on e-waste disposal to landfill has significant merit, there are many questions that remain to be answered, or issues which are not yet adequately addressed.

The financial analysis presented is difficult to interpret. Some points that seem to arise from this are:

- Figure ES.1 of the Marsden Jacobs report seems to show very low benefits to the environment and community, but much greater benefits to recyclers / processors. Moderate benefits to local government are shown in this figure - the basis of which seems doubtful.

- The text on the following page (un-numbered, but p126 of the pdf) indicates:
 - *The regional analysis – metropolitan areas versus non-metropolitan areas – reveals that the net benefits of options will largely flow to metropolitan areas, with non-metropolitan areas likely to have net costs.*
- Also the following paragraph from p126 does not appear to be consistent with the graph of ES.1
 - *In non-metropolitan areas, the net cost of Option 1a of \$32.9 million over the period of the analysis (2017-2035) represents a cost per Local Government Area (LGA) of approximately \$0.7 million or a cost per person of about \$22. In metropolitan areas, the net benefit of \$52.9 million over the period of the analysis for Option 1a represents a benefit per LGA of about \$1.7 million or a benefit per person of about \$3. It is important to note however, that **most of those benefits will not be realised at the local government level.** [bolding added]*

It is difficult to reconcile this analysis with the statement in Table 21 on p105 of the pdf document that indicates under the heading “Resources needed”:

- *Approximately \$500,000 across all councils per year to support regulation and administration of WMPs, as outlined in the cost-benefit analysis*

That would be about \$6000 per Council. This seems unlikely, i.e. is much less than anticipated. It is not reflective of the economic assessments presented.

A synthesis of these points leads to the following questions / comments:

- The benefit to society in general appears relatively small, based on the low benefits for environment / community, compared to processors. This strongly suggests that the market should drive the benefits – but this is not being seen to the scale desired. Does this mean that the assumptions in the economic analysis should be reviewed? (e.g. the level of market demand).
- The costs to regional areas will be significantly higher than metropolitan areas. Many regional councils are not well-resourced to implement a ban. In particular, the medium level of access defined in Table 3 would mean that many regional areas are poorly served. What then happens to the e-waste in these areas? It is highly likely that it will end up in garbage collection, and not be able to reasonably practically be separated by councils prior to ending up in landfill. Councils should not be penalised for this.
- These two points combine to paint a gloomy picture on the impact of the e-waste ban on local government in rural / regional areas. The risks and costs to local government in these areas appear to exceed the potential benefit to the broader community and the environment.

Attendance by Councillors and staff at a Sustainability Victoria workshop on the proposals, held at Ararat on 13 October 2017 also provided further information of relevance to this subject, including.

- This introduction of an e-waste ban differs from the introduction of recycling, in that it is a legislated ban. It follows that there should be a greater onus on the legislator to support the implementation of the ban.
- An example cited in this regard is that the State Government should directly manage the collection and re-distribution of e-waste. There would appear to be significant potential for overlap in developing either 79 separate procurement processes if done by Councils, or 7 if done by regional waste groups. It makes sense for the State Government to implement this

arrangement, as it has access to funding from the Landfill Levy which could be directed to this purpose.

- It appears that there are limited or no markets for some e-waste products. How will it be possible to develop procurement arrangements for products that cannot be processed? Will this lead to stockpiles of new materials developing? Will stockpiles be managed by individual Councils or by processors? Will these stockpiles contravene legislation regarding duration of holding products? Recent news of the tightening of receipt of materials by China would seem to amplify this point.
- Resources proposed to be allocated to education seem low, in particular in getting the message out through the regional waste groups, which have a track record of being most effective in that space.

I would welcome the opportunity to further explore these points with you as the proposal for an e-waste ban develops.

Yours sincerely



John Martin

Director Technical Services

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Dear Sir / Madam

Proposed E-Waste Ban

Horsham Rural City Council made a submission on the proposed e-waste ban earlier this month.

Since making that submission, Council has received and reviewed a copy of the Municipal Association of Victoria's (MAV) submission on this proposal.

This further submission by Council is to express its support for the MAV Submission on Managing e-waste in Victoria, as included with this letter.

Yours sincerely



John Martin
Director Technical Services



Managing e-waste in Victoria

Policy Impact Assessment

Submission

January 2018

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Executive summary

The Victorian Labor Party committed to an e-waste landfill ban in the lead up to the 2014 state election. While the Municipal Association of Victoria (MAV) strongly supports the goal of reducing waste to landfill, it is concerning that such a commitment was made prior to a public examination of the implications of such a ban, including the various costs and benefits.

The Policy Impact Assessment (PIA) recently released by the Department of Environment, Land, Water and Planning confirms our fears that that government intends to implement a policy that will potentially deliver few benefits at significant cost to councils and ratepayers.

The MAV strongly believes the principle of product stewardship should underpin any e-waste landfill ban in Victoria. Product stewardship approaches are preferable because they help ensure that most of the cost of e-waste recovery is borne by those importing, producing, selling and purchasing electronic goods, instead of by ratepayers more broadly. They also have the ability to drive industry to factor in end-of-life considerations into their product design.

Victorian councils already participate in a number of product stewardship schemes, including for televisions, computers and computer paraphernalia, batteries, mobile phones, and printer cartridges. Councils have made clear that they would similarly support schemes for a broader array of e-waste, and they welcome and applaud the Victorian government's efforts to establish a product stewardship scheme for photovoltaic (PV) panels.

The government has made clear that it intends to introduce its landfill ban on 1 July 2018. This is highly concerning given issues and challenges highlighted by the PIA that still need to be worked through.

It is clear from the PIA that implementation of the ban will result in substantial known and unknown additional costs to councils and ratepayers. Councils will need to update waste management plans, renegotiate and enter into new contracts, upgrade waste infrastructure, increase staffing at transfer station collection points, and rework council waste information and education materials. The bulk of these costs councils are expected to accept without any support from the State. Put simply, this is a cost shift to councils. In a rate-capping environment, the State should be clear that these new and additional costs will place pressure on other council services.

The PIA notes that provision of an easily accessible and convenient network of collection points will be essential to the success of the ban. Despite this, it is clear that the State intends to introduce the ban before all of the necessary e-waste infrastructure and collection points are in place. Sustainability Victoria's \$15 million e-waste infrastructure upgrade program will not be rolled out until after 1 July 2018. As a result many council transfer stations, upon which the ban relies, will not meet the relevant standards for safe handling and storage for e-waste when the ban enters into force. Councils without transfer stations or with populations not easily able to access transfer stations will likely need to establish and manage alternative collection points at their own cost.

Recent research undertaken by BehaviourWorks Australia for the State found that most Victorians don't know what "e-waste" is let alone how to safely dispose of it. Citing this research, the PIA notes that a

comprehensive and ongoing education campaign will be critical to help Victorians understand their obligations under the ban. Despite this, the government has allocated a mere \$1.5 million dollars over three years for education and information to support implementation of the ban. This allocation is manifestly inadequate and, importantly, is at odds with the PIA cost benefit analysis which assumes a spend of \$1 million per year for three years and \$500,000 per year thereafter.

There are several unknowns in relation to the readiness and capacity of e-waste reprocessors to deal with a significant and sustained increase in e-waste feedstock. The recycling market is volatile and influenced by a range of global factors. China's recent decision to ban certain waste product importation highlights the exposure of the recycling industry to factors outside of local control. As the collectors of e-waste, councils (and therefore ratepayers) will carry a significant amount of risk if the market does weaken and councils are unable to pass on collected e-waste to reprocessors at a reasonable cost. State investment in market development is essential.

E-waste currently comprises approximately one per cent of the waste going to landfill in Australia. Notwithstanding the fact that e-waste is one of the fastest growing waste streams and there are multiple good reasons to support keeping it out of landfill, it is also one waste stream where alternative, industry-led, effective responses can and are being pursued.

Recommendations

We call on the government to rethink its proposed approach to the landfill ban and instead focus its efforts on supporting and advocating for expansion of e-waste product stewardship programs. The review of the *Product Stewardship Act 2011*, currently underway, provides a timely and tangible opportunity for the Victorian government to improve e-waste recycling rates.

If the government is determined to pursue its proposed approach to the ban then we consider the following to be essential in order to offer the ban some chance of success without imposing an undue and unreasonable burden on councils and ratepayers:

- delay entry into force of the ban until the \$15 million Sustainability Victoria infrastructure support program has been rolled out and all priority collection points have been upgraded to meet the relevant standards for safe handling and storage
- allocate funding from the Sustainability Fund to:
 - support councils to provide additional collection points that are safe and readily accessible to the Victorian community
 - compensate councils for any reasonable additional waste management costs borne by councils as a direct result of the ban for the first 24 months of the ban
- work with retailers to establish collection points at outlets that sell electronic goods
- increase the funding allocation for the education and information campaign for the ban to at least \$3 million over three years, as per the cost benefit analysis, to enable implementation of a clear, consistent and effective campaign across Victoria
- strengthen advocacy to the Australian government to expand existing product stewardship schemes and establish new schemes so that the costs associated with recycling e-waste are borne by those producing, selling and purchasing the products.

Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a submission in response to the Department of Environment, Land, Water and Planning (DELWP) 'Managing e-waste in Victoria' Policy Impact Assessment and the associated draft waste policies. This submission also provides our views on the e-waste landfill ban support programs being delivered through Sustainability Victoria (SV).

The MAV is the statutory peak body for local government in Victoria. Formed in 1879, we have a long and proud tradition of supporting councils to provide good government to their communities. We represent all Victorian councils and work to advance the interests of the local government sector as a whole.

The Victorian Labor Party committed to banning e-waste from landfill in the lead up to the 2014 Victorian state election. While the MAV strongly supports the goal of reducing waste to landfill, we are concerned that such a commitment was made prior to a public examination of the implications of such a ban, including the various costs and benefits. The Policy Impact Assessment (PIA) recently released by DELWP confirms our fears that that government intends to implement a policy that will potentially deliver few benefits at significant cost to councils and ratepayers.

In October 2015 the MAV made a submission to DELWP's first discussion paper regarding the e-waste landfill ban. In that submission, we clearly noted our and councils' various concerns in relation to the proposed ban. Key points raised include the need for:

- the principle of extended producer responsibility and product stewardship to underpin e-waste recycling. This would help ensure that the costs of the ban are predominantly borne by those who produce, sell and purchase electronic products, and not by councils and ratepayers more broadly;
- provision of collection points that are safe, easy, and convenient to access, including at electronic goods retailers;
- substantial State investment in appropriate collection and storage infrastructure and in market development;
- a comprehensive State-led education campaign that makes clear what e-waste is and why disposal to landfill is unacceptable; and
- a fair and reasonable approach to enforcement of the ban, recognising the challenges of detecting and dealing with a range of small sized electrical products.

The Government's proposed approach as set out in the PIA, the draft policies and the support initiatives largely fail to address our early concerns regarding the ban. If the Victorian government wants a ban that is cost-effective, fair and efficient, then the government must listen to councils' concerns and work with councils to address those concerns. Councils' role in managing general household waste and engaging with the community on a variety of waste-related issues makes them a critical partner in the implementation and ongoing success of any new approach to dealing with e-waste.

E-waste recycling in Victoria

Of all the waste management issues that require Victorian government attention and investment, it is unclear why the Victorian Labor Party chose to make e-waste a top priority. As noted in the PIA, e-waste currently comprises approximately one per cent of the waste going to landfill in Australia.

Notwithstanding the fact that e-waste is one of the fastest growing waste streams and there are multiple good reasons to support keeping e-waste out of landfill, it is also one waste stream where alternative, industry-led, effective responses can and are being pursued.

There are numerous recycling programs already in place for e-waste, with 50 per cent of the 106,000 tonnes of e-waste generated in Victoria in 2014 reprocessed by an e-waste reprocessor or a metal recycler¹. Some of these programs, such as those covering large white goods, are driven by the strong market value of the recoverable components of the goods, and involve little, if any, government intervention. Local government supports the collection and recycling of white goods via both hard waste collection services and its transfer stations.

A significant amount of other e-waste is recycled via product stewardship and extended producer responsibility schemes established through national co-regulatory arrangements and industry-led programs. Victorian councils support and provide services for a number of these schemes, including the National Television and Computer Recycling Scheme (NTCRS), MobileMuster, Cartridges 4 Planet Ark, and battery recycling initiatives. Councils support these programs because they help ensure that the costs of recycling e-waste are predominantly borne by those who import, produce, sell and purchase the electronic goods, instead of by ratepayers more broadly.

Product stewardship

In our response to DELWP's first discussion paper regarding the e-waste landfill ban we made clear our strong support for the principle of extended producer responsibility and product stewardship and argued that this principle should underpin the ban. We note that the three overseas jurisdictions highlighted in the PIA – Oregon in the US, the UK and Japan – largely rely on a product stewardship approach to fund the costs of managing e-waste.

While we accept that the *Product Stewardship Act 2011* does not allow for the Victorian government to unilaterally introduce a product stewardship scheme for Victoria, it is disappointing that the PIA dismisses the possibility that the government could just focus its e-waste-related efforts on advocacy to the Australian government and to industry to expand existing product stewardship schemes to encompass a broader array of e-waste. The PIA fails to explore whether any elements of a product stewardship approach can be progressed by the State independently.

The PIA references the work underway to develop a product stewardship scheme for photovoltaic (PV) panels. The MAV and councils applaud this initiative and the leading role that the Victorian government is playing. We consider this to be a prime example of where the Victorian government's e-waste efforts should be directed.

¹ Page 5 of PIA

In March 2017 the Federal Minister for the Environment and Energy, the Hon. Josh Frydenberg MP, announced a review of the *Product Stewardship Act 2011*. According to the review's terms of reference, the review will be conducted by the Department of the Environment and Energy, informed by consultation with industry, state, territory and local governments and the community, and a final written report will be provided to the Minister in early 2018. This is a prime and very timely opportunity for the Victorian government to advocate for a more comprehensive suite of e-waste product stewardship programs.

It remains to be seen whether the introduction of a Victorian e-waste landfill ban will dampen national government and industry-led efforts to pursue expanded product stewardship schemes. We are greatly concerned that the ban risks reinforcing the current federal government's preference to leave waste policy to the states to figure out. This would be a poor outcome indeed if it is the case.

Business as usual

The PIA notes that 'in the absence of further government intervention, the aggregate volume of hazardous e-waste components entering Victorian landfills is actually expected to *decline* in the near future'². This decline is largely due to the reduction in disposal of lead-heavy cathode ray tube televisions, with 'manufacturer trends, cost-saving incentives, market competition and corporate responsibility initiatives' also possibly playing a role³. Interestingly the PIA predicts that continued growth of other e-waste, particularly PV panels, will reverse the decline. This prediction presumably assumes no further government intervention and therefore no progress in setting up a PV product stewardship scheme which the Victorian government is already helping to develop.

The base case or business as usual scenario with which the five options considered in the PIA are compared assumes that there is no regulatory ban on e-waste to landfill; no additional investment in collection, storage and processing infrastructure; no additional investment in specific education campaigns; and the NTCRS and MobileMuster continue as currently planned. We consider this to be a poor reflection of business as usual in Victoria and an unhelpful and inaccurate assumption on which to base a cost benefit analysis for the proposed ban.

As noted above, e-waste recycling is not uncharted territory for Victoria. There are already numerous recycling programs in place for various e-waste products and there are new industry-led programs currently under discussion, including for PV panels. The State is participating in the review of the Product Stewardship Act and, as noted in the PIA, is actively advocating for expansion of product stewardship schemes.

Recognising that the trajectory of waste generation in Victoria is not sustainable, the State supports market development for resource recovery and also helps fund infrastructure upgrades at waste and resource recovery facilities to improve handling, storage and recycling of materials. The base case is in our view too pessimistic in terms of what could be and already is being achieved to increase e-waste recycling without a regulatory ban.

² Page 29

³ Ibid

Complementary measures

The PIA stresses the importance of complementary mechanisms, including education, provision of sufficient collection and storage infrastructure, and development of recycling industries, to support the landfill ban and to help ensure it doesn't disproportionately affect those furthest downstream. We are concerned that the complementary measures proposed by the State fall far short of what is needed.

We note that one of the key findings in the Marsden Jacobs cost benefit analysis is that 'it is highly unlikely that a landfill ban will be effective in achieving substantial improvements in e-waste recycling rates unless an identified 'gap' in the cost of collecting, sorting and transporting e-waste intended for recycling is met through additional investment by State government'⁴.

Collection and storage infrastructure

The collection network

The PIA notes that provision of a network of convenient and accessible e-waste collection points will be essential to encourage community compliance with an e-waste landfill ban.

Under the preferred option identified in the PIA (Option 1c), the collection network supporting the ban will comprise:

- in metropolitan areas – one permanent drop-off point for every 250,000 people plus mobile collection events in municipalities that don't have permanent points and in metropolitan fringe
- in regional areas – one permanent drop-off point for every municipality plus one for every town of 4000 people plus mobile collection events for every town of 2000 people

According to the PIA, the mobile collection events will be similar in design to Household Chemical Collection mobile events, with about 50 events held in regional and rural areas and 25 in metropolitan areas each year. The PIA estimates that the proposed collection network under this option will provide approximately 98 per cent of metropolitan and 88 per cent of regional and rural Victorians with reasonable access to an e-waste service.

Reasonable access is defined in the PIA as a travel distance of less than 10 kilometres each way in metropolitan areas, requiring less than 20 minutes of driving each way in non-peak hour traffic. In regional areas reasonable access is defined by the proportion of the population living within 25 kilometres of towns providing an e-waste service, which also requires less than 20 minutes of driving time each way.

Councils do not share the State's view that these distances are likely to be considered reasonable by the community. For inner metropolitan councils, the proposed network conflicts with the push towards car-free living and easy access to essential services. Councils simultaneously encouraging residents to not

⁴ Page 1 of Marsden Jacob Associations cost benefit analysis

be car dependent and then requiring them to drive up to 10 kilometres each way to drop off their e-waste is, understandably, unlikely to be well received.

Likewise, broader metropolitan Melbourne councils as well as regional and rural councils consider widespread community compliance with the ban unlikely unless the proposed network of collection points is greatly improved. In councils' view, unless more convenient and readily accessible collection points are provided, there will be substantial illegal dumping of e-waste and mixing of e-waste in with general waste, including in household garbage bins where non-compliance will be largely undetectable and virtually impossible to police.

Rural councils note that the PIA is essentially silent on what the options are for the 12 per cent of rural Victorians who will be without "reasonable" access to a collection point. Unless councils are able to fund additional collection points themselves these communities are presumably expected to go without an e-waste recycling service. This raises important questions around environmental justice for rural Victorians.

An obvious good location for additional collection points would be at electronics goods retailers where consumers could deposit their waste products at the same time that they shop for replacement goods. This option doesn't require would-be recyclers to make a special trip to comply with the ban but rather leverages travel that they'd be making regardless of the ban. It also incorporates an element of product stewardship into the ban. We call on both the State and electronic good retailers to provide this service to Victorians.

Transfer stations

Council transfer stations, which already play a key role in providing collection and storage points for waste and resource recovery, have been identified by the State as having a critical role to play in the success of the ban.

According to the PIA, transfer stations will 'effectively function as a critical 'intermediary' or 'clearing house' between the supply of e-waste from households and other waste generators, which is uncontrollable in terms of volume and composition, and the demand for e-waste items from the recycling industry, which may have certain requirements or require certain standards in terms of consistency of composition and volume'⁵.

Page 55 of the PIA sets out some of the expectations and challenges for council transfer station operators, including:

- ensuring infrastructure meets the standard for safe handling and storage of e-waste
- responsibility for sorting and clearing e-waste stockpiles before reaching capacity
- finding downstream takers of e-waste who are also willing to accept lower value e-waste
- potentially incurring transportation costs to transfer e-waste to recyclers

⁵ Page 55

In order to be suitable to receive, sort and store e-waste, transfer stations will need to comply with the Australian Standard for the Collection, storage, transport and treatment of end-of-life electrical and electronic equipment (AS5377). The PIA notes that currently only 65 of the 296 transfer stations in Victoria have adequate infrastructure to safely manage e-waste onsite, 16 of which are in metropolitan areas and 49 in regional areas. This finding is supported by the many councils who've raised concerns that they don't have the necessary infrastructure in place to receive and store increased volumes of e-waste.

Under the preferred option, it is considered that 39 transfer stations will require major upgrades and a further 65 transfer stations will require minor works. The total cost of transfer upgrades is estimated in the PIA to be \$4.3 million. The State has allocated \$15 million over four years to 'design and implement a program to ensure there is an adequate collection network across Victoria'. Councils do not consider the \$4.3 million to be a reasonable cost estimate and are concerned that the \$15 million may not even be adequate if there is to be a genuinely reasonable level of access to up-to-standard drop-off points. It is unclear what funding has been allocated for the ongoing cycle of mobile collection events and how soon after entry into force of the ban these events will start to be provided.

While the \$15 million e-waste infrastructure program is a welcome investment by the State, it is greatly concerning that this program will not be rolled out until after the 1 July 2018 ban commencement date. This means that the majority of council transfer stations will still not be compliant with the standard for safe handling and storage of e-waste when potentially large volumes of e-waste start being dropped off. This is not an acceptable situation. The ban should not come into force until the entire infrastructure program has been successfully rolled out. Councils have both a legal obligation and a moral obligation to provide a safe environment for their staff and others attending their facilities. The current proposed timing of the ban means councils will not be able to meet these obligations.

We note there is no State funding allocation for the additional staffing likely required at transfer stations to deal with handling and sorting increased volumes of e-waste. The PIA estimates the additional resourcing requirement to be:

- 0.8 FTE for each of the 24 metropolitan transfer stations at which a permanent drop-off point will be established, at a cost of approximately \$65,000 for labour (including on-costs) plus an additional \$3000 per site each year to cover promotion which equates to \$81 per tonne of e-waste (excluding white goods)
- 0.1 FTE for each of the 80 regional transfer stations – also equating to 81 per tonne of e-waste (excluding white goods)

Despite this additional cost being a direct result of the State's decision to impose a ban, the State has not made any commitment to assist councils to meet these costs. Again, ratepayers are expected to foot the bill.

Councils without transfer stations within their municipality are understandably concerned about the availability of collection points for their residents. It is anticipated that residents in these municipalities in particular will have a strong expectation that their e-waste will be collected as part of their council's hard waste service.

Hard waste

The PIA fails to acknowledge that the State's preferred approach to the ban will have direct cost and resource impacts on council hard waste and dumped rubbish collection arrangements. Additional manned vehicles will likely need to be deployed for these collections. Additional storage, transfer/transportation and processing costs will also be incurred.

The proposed timing of the introduction of the ban is also problematic in that fails to take into account that council waste contracts are typically multi-year and involve forward planning in terms of budgeting, tendering and negotiation. Councils currently renegotiating their contracts find themselves in the very difficult and vulnerable position of trying to factor in the ban, without knowing exactly what it will cover and how it will be implemented.

Sorting and transportation of e-waste

As mentioned above, transfer station operators that have permanent e-waste collection points will have a range of new responsibilities arising from the ban, including sorting and clearing e-waste stockpiles before they reach capacity and finding downstream takers of e-waste who are also willing to accept lower value e-waste.

The Marsden Jacob Associates cost benefit analysis contained within the PIA sets out the approximate costs for handling and sorting of e-waste and transportation of e-waste to recyclers. In the table below are the approximate costs for the preferred option for the first 10 years of the ban. Given these costs are expected to be borne by councils, the MAV has totalled the amounts of each of these costs in a given year and then divided the total by 79 to give an approximate cost per council. It is important to acknowledge that the cost will vary markedly from council to council depending on their location and the volume, type and quality of e-waste received. Councils that operate transfer stations are likely to incur costs from residents from other municipalities that are without a transfer station.

Option 1c	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Handling & sorting	\$2,168,613	\$2,168,665	\$2,370,253	\$2,459,733	\$2,621,155	\$2,794,866	\$2,982,649	\$3,091,240	\$3,205,993	\$3,326,641
Transport to recyclers	\$38,078	\$39,863	\$2,374,544	\$2,621,648	\$2,954,944	\$3,317,068	\$3,713,850	\$3,864,542	\$4,019,643	\$4,181,349
Total	\$2,206,691	\$2,208,528	\$4,744,797	\$5,081,381	\$5,576,099	\$6,111,934	\$6,696,499	\$6,955,782	\$7,225,636	\$7,507,990
Total % 79	\$27,932.80	\$27,956.05	\$60,060.72	\$64,321.28	\$70,583.53	\$77,366.25	\$84,765.81	\$88,047.87	\$91,463.75	\$95,037.85

Transportation costs are expected to be significantly higher for non-metropolitan councils largely because e-waste from non-metropolitan areas will have to travel greater distances to reach a reprocessing facility. The cost benefit analysis estimates that in metropolitan areas the average distance of e-waste from the collection point to a reprocessor, on a populated weighted basis, will be 42 kilometres, giving an estimated transport cost of \$80 per tonne. In regional areas the average distance,

on a populated weighted basis, will be 179 kilometres giving an estimated transport cost of \$342 per tonne.

Despite this constituting a new and significant cost burden, particularly for our regional and rural councils, the State has not yet made any funding commitment to councils to help them cover these costs. In providing input to this submission, councils note that it will be difficult, if not impossible, to recover these new costs through disposal fees because of the risk of greater illegal dumping. In the context of the State's imposed rate cap on local government, the costs of the State's imposed landfill ban will put pressure on other council services.

Compliance costs

It is anticipated that introduction of the ban will require councils to update their waste management plans at an approximate cost of \$22,750 per council⁶.

Page 62 of the Marsden Jacob cost benefit analysis lists numerous other costs for council and contractor transfer stations and landfills, including for ongoing implementation of e-waste management plans; inspections of transfer stations, recycling sites and landfills; and response to e-waste related reports. These costs are estimated at \$506,800 per year. Assuming most of these costs will be borne by councils, which is somewhat unclear from the PIA, this equates to approximately an additional \$6400 per council per year.

Market development / market risks

According to the PIA, there are a total of 16 e-waste reprocessing facilities in Victoria. In addition to these reprocessors there are also metal recyclers who account for 83 per cent of the e-waste recovered in Victoria, mostly through metal-rich large white goods. Demand for feedstock from reprocessors is influenced by a range of factors, including the market value of recycled components; commodity prices; the cost of reprocessing; and the regulatory framework affecting e-waste streams.

The PIA posits that there are market failures in relation to e-waste recycling pre-processing activities, including collection, sorting, storage and transportation, which mean e-waste recycling in Victoria is unlikely to markedly increase unless government intervenes and exercises its regulatory powers. It's unclear to the MAV whether the success and possible expansion of various industry-led product stewardship arrangements were considered when the authors of the PIA made this finding.

The PIA notes that large white goods, televisions, computers and computer peripherals, and mobile phones tend to be reprocessed because of the recovery programs already in place for these products. It is the lesser value e-waste items such as toasters, kettles, electrical toys and hairdryers that tend not to be recovered. A number of reprocessors have already advised councils that councils will be charged for low value products as they currently do not have markets for recovery of this material.

⁶ Page 64 of the PIA identifies a cost of \$22,750 per council however the total in the table is \$1,979,250 which equates to \$25,053 per council

While consultation with the recycling industry reportedly suggests 'there is latent demand for additional e-waste to recycle' and there's 'willingness' and 'capacity' to process greater volumes, councils are concerned about reprocessors' ability to keep up with a significant increase in feedstock supply⁷. Councils are also concerned that with a sudden and sustained increase in feedstock volumes, that reprocessors may resist taking the lower value items, leaving councils with few cost effective options to dispose of those items.

As noted in the PIA, in addition to meeting demand for feedstock it's also critical to look at the supply side of the market. If there isn't also a strong market for reprocessed and recycled materials, reprocessors and council storage facilities may soon find themselves with unwanted and prohibited stockpiles with no readily accessible disposal options to move the material on.

The PIA mentions that consideration is being given to how best to provide an exemption or hardship type provision to transfer stations operators and e-waste recyclers to enable them to dispose of e-waste to landfill in certain situations. This exemption should be developed in consultation with councils and e-waste recyclers.

Global influences

In July 2017 China, one of the world's largest importers of waste products, notified the World Trade Organisation (WTO) that by the end of 2017 it will forbid the import of 24 kinds of solid wastes, including plastic waste from living sources, vanadium slag, unsorted waste paper and waste textile materials. Since July it has issued numerous other waste-related notifications to the WTO including one in mid-November 2017 in relation to metal and electrical appliance scraps which 'regulates the environmental protection requirements of the imported waste wires and cables, their carried-wastes and the radioactive pollution control'. The stated objectives behind this and other notices are protection of human, animal and plant health and safety, and protection of the environment.

China's July ban notification sent shock waves through the recycling industry worldwide. The implications of the more recent e-waste related notifications are unclear. If the State is to impose its e-waste landfill ban it has an obligation to keep a watch on international developments like these and to adjust the regulatory and non-regulatory settings accordingly. As noted in the cost benefit analysis, there is a great deal of uncertainty about the future value of materials recovered through increased recycling of e-waste because prices are largely driven by global factors and the different value of the various materials recovered from e-waste.

It would be grossly unfair for the State to introduce a ban and then leave councils and ratepayers to shoulder the costs and resulting risks. It would be more appropriate and efficient if the risk and cost is borne by those importing, producing, selling and consuming the goods as this at least would create a driver for these players to tackle the various factors, such as planned obsolescence, that lead to increasing amounts of e-waste being generated.

⁷ Page 21

Education program

The PIA rightly notes the importance of an effective and ongoing communication and education campaign to the overall success of the ban. The campaign will need to educate Victorians about what e-waste is, why it's important to keep it out of landfill, where to recycle it and what their legal obligations are. Education and engagement should be state-wide and State-led, delivering consistent messages via a range of mediums, including prime time television, as occurs with other priority government programs. Consideration also needs to be given to how best to engage with and educate culturally and linguistically diverse communities, noting that tailored approaches will be needed.

While the cost benefit analysis includes provision for an education campaign costing \$1 million per year each year for three years and then \$500,000 per year thereafter for the next several years, the State has only committed to spending \$1.5 million over three years for the design and implementation of a campaign. This allocation is manifestly inadequate.

The PIA identifies the need for the campaign to include 'intensive community education and information in the lead-up to and immediately following key changes, and on an ongoing basis.' We do not see how \$1.5 million over three years could possibly deliver such a campaign. It is also concerning that the cost benefit analysis has been based on a \$3 million dollar investment over the first three years, and not \$1.5 million, thereby potentially distorting the results.

The cost benefit analysis further notes in relation to education and information costs that \$1 million per year for the first three years is the allocation for a medium to high impact campaign, whereas a high impact campaign would involve an investment of \$2 million per year for the first three years. The State's investment clearly needs to be substantially increased.

The PIA identifies the State's education campaign as key to mitigating the risks of increased illegal dumping of e-waste and inappropriate mixing of e-waste with general waste destined for landfill. As noted in the PIA, illegal dumping of waste is already a significant problem costing taxpayers and ratepayers millions of dollars each year. It is incumbent on the State to ensure that the education campaign is resourced properly and on an ongoing basis.

The PIA does not identify any cost to councils associated with community education and information in relation to the ban. This is concerning and a significant oversight given councils are typically the first port of call for residents seeking information about waste-related matters. Regardless of the State's efforts to educate and inform the community which, as just noted, we fear will be grossly underfunded, councils expect that they will incur additional costs associated with responding to community queries in relation to the ban, and updating their online information and waste education materials.

Enforcement

The PIA indicates that the EPA will be taking a risk-based approach to enforcement of the amended Waste Management Policy (Siting, Design and Management of Landfills) No. 264 and also acknowledges that achieving compliance with the new Waste Management Policy (E-waste) may take between 12 and 24 months. Recognising that new infrastructure and processes will need to be put in

place, and contracts renegotiated, it is proposed that there be a customised approach to enforcing the new requirements.

For the first 12 months after the WMP (E-waste) comes into effect a person managing e-waste must be able to demonstrate to the EPA that they're working towards compliance with the policy. After the first 12 months a risk-based approach will be taken focusing on areas that present the greatest risk.

In their role as landfill operators, councils will be required to monitor incoming waste to ensure e-waste is not being dumped. According to the PIA, this will impose an additional cost estimated at 0.5 FTE per site or \$323,050 across all sites. We note that it is estimated that the State's preferred option for the ban will achieve an e-waste recovery rate of 60 per cent by 2035. It is clear that a significant proportion of e-waste is expected to continue to end up in landfill, or be illegally dumped, stockpiled or exported. It is important that this is taken into account when the EPA oversees landfill operators' success in keeping e-waste out of landfill. Councils note that EPA needs to provide further guidance to landfill operators to permit small items of e-waste to be retained at the tipping face where removal is impracticable or presents an unreasonable health and safety risk to landfill staff. This could possibly be addressed through amendments to Chapter 7.4 of the *Best Practice Environmental Management- Siting, design, operation and rehabilitation of landfills (EPA Publication 788)*. As discussed above, significant investment in the collection network and community education will be essential to achieve community support and compliance with the ban.

Ensuring that reprocessing and recycling facilities are not creating new or additional environmental or occupational health and safety hazards will be an important role of the EPA. While the *Environment Protection (Scheduled Premises and Exemptions) Regulations* requires reprocessing facilities recycling more than 500 tonnes per year to obtain a works approval and or a licence to operate, councils are concerned that the introduction of the ban may lead to the proliferation of smaller operators that will function with minimal oversight. It is essential that the EPA has the appropriate resourcing, powers and penalties to take a strong enforcement approach when necessary.

The PIA identifies the Officer for the Protection of Local Environment (OPLE) pilot program as one of the State's planned mitigation approaches to illegal dumping of e-waste and stockpiling and subsequent abandonment of e-waste. We consider this view to be unrealistic given the OPLE pilot program, while welcome, only involves 13 councils and is only funded until December 2018.

Waste management policies

The State is proposing to amend the Waste Management Policy (Siting, Design and Management of Landfills) No. 264 to include e-waste as a material banned from landfill. The policy will also be amended to include a definition of e-waste and to provide a schedule that sets out examples of e-waste. It is noted that 'small batteries' will be deleted as a stand-alone item in the existing policy as it will be covered by the inclusion of the term 'e-waste'.

A new waste management policy has been drafted to describe the responsibilities and requirements for e-waste collection, storage, transport, and treatment. Councils note that Clause 6(1) of the draft Waste Management Policy (E-waste) should be amended to include the term 'resale'.

Evaluation

The PIA provides a brief overview of the government's intended evaluation strategy for the ban. High level detail is provided of what outcomes and long term objectives will be measured, how and when they will be measured, and who will be responsible.

It is interesting and concerning to note that the proposed approach does not include any consideration of the cost to councils or the State of implementing the ban. Given that the evaluation will inform not only the review of the waste management policies but also the assessment of the non-regulatory components of the policy package, we consider cost to be an essential measure to be included. Victorian taxpayers and ratepayers should know whether the policy is good value and cost-effective.

We also seek a commitment from the State to make their evaluation reports publicly available.

Recommendations

The MAV call on the government to rethink its proposed approach to the landfill ban and instead focus its efforts on supporting and advocating for expansion of e-waste product stewardship programs. The review of the *Product Stewardship Act 2011*, currently underway, provides a timely and tangible opportunity for the Victorian government to improve e-waste recycling rates.

If the government is determined to pursue its proposed approach to the ban then we consider the following to be essential in order to offer the ban some chance of success without imposing an undue and unreasonable burden on councils and ratepayers:

- delay entry into force of the ban until the \$15 million Sustainability Victoria infrastructure support program has been rolled out and all priority collection points have been upgraded to meet the relevant standards for safe handling and storage
- allocate funding from the Sustainability Fund to:
 - support councils to provide additional collection points that are safe and readily accessible to the Victorian community
 - compensate councils for any reasonable additional waste management costs borne by councils as a direct result of the ban for the first 24 months of the ban
- work with retailers to establish collection points at outlets that sell electronic goods
- increase the funding allocation for the education and information campaign for the ban to at least \$3 million over three years, as per the cost benefit analysis, to enable implementation of a clear, consistent and effective campaign across Victoria
- strengthen advocacy to the Australian government to expand existing product stewardship schemes and establish new schemes so that the costs associated with recycling e-waste are borne by those producing, selling and purchasing the products.