23 July 2021

Right to Repair
Productivity Commission
www.pc.gov.au/inquiries/current/repair

RE: RIGHT TO REPAIR DRAFT REPORT JUNE 2021

To Whom it May Concern,

Thank you for providing Australia and New Zealand Recycling Platform Limited (ANZRP) with the opportunity to respond to the Right to Repair Productivity Commission Draft Report.

ANZRP is a co-regulatory arrangement under the National Television and Computer Recycling Scheme (NTCRS). ANZRP is a not-for-profit, member-based company representing some of the largest ITC brand owners (who are liable parties under the NTCRS) such as Canon, Dell, HP, Epsom, Fuji Film, Microsoft and Toshiba as well as retailers such as Officeworks.

ANZRP has responded to the e-waste and NTCRS recommendations made in the Right to Repair Draft Report. Some of ANZRP's members will lodge submissions to the remaining recommendations.

Please find our submission attached.

Sincerely,

Warren Overton
CEO

DRAFT RECOMMENDATION 7.1 IMPROVING THE MANAGEMENT OF E-WASTE
The Australian Government should amend the National Television and Computer Recycling Scheme (NTCRS) to allow e-waste products that have been repaired or reused by co-regulatory bodies to be counted towards annual scheme targets.
The exact design features that need to be incorporated into the NTCRS to enable reuse options should be determined in consultation with the scheme's liable parties and co-regulatory bodies. The changes should be designed in a way that minimise any adverse incentives, including risks from:
• double-counting, where the same products cycle through the scheme without legitimately being reused
• unlawful exports for reuse that result in more products in the informal recycling sector, generating worse health and environmental outcomes.
Any future co-regulatory or mandatory product stewardship schemes should also include repair and reuse as options within their targets.

ANZRP supports reuse of electrical and electronic products over recycling where practicable in line with the waste hierarchy. Making changes to the NTCRS to support reuse could be feasible, however, not enough research on the size and complexities of the reuse market for in-scope products has taken place to determine this. In addition, there is an established overseas repair and refurbishment market where e-waste generated in Australia is managed, often at facilities where the original products are manufactured (noting that in-scope product under the NTCRS is manufactured overseas). ANZRP recommends that the required research and pilot/trial programs take place before any changes to the NTCRS to incorporate reuse are considered. Some of the existing practices and issues that should be examined further are outlined below.

IT Asset Management:

- There is an existing IT asset management industry in Australia where businesses, government departments and organisation such as schools, universities and hospitals lease IT equipment (such as computers, laptops, monitors and printers) from asset management companies. Asset management companies purchase IT equipment and enter into a contract with customers to lease these products for a fixed period (e.g. three to four years).
- At the end of the contracted lease period, customers return their equipment to their asset management company. The asset management company assesses (often using certified e-waste recyclers) these products to determine whether they can be repaired or refurbished (based on a variety of factors including the functionality, condition and model of the product).
- Products that are assessed as able to be repaired or refurbished are then sent to an e-waste repair/refurbishment company. Many of these companies are based overseas (particularly in Asia at large, well established facilities where new product manufacture takes place), so products are exported (as functional, working product) for repair/refurbishment and are resold in overseas markets.
- The NTCRS currently accounts for exports of product for reuse in the scaling factors

used to determine the annual scheme recycling target. The scaling factors are used in the calculation of waste arising and take into account that not all new electrical and electronic product imports result in available e-waste to the NTCRS in the same year (due to product being exported for reuse and the fact that not all purchases of new products are replacement purchases). The scaling factors were last updated in 2018 (based upon ABS export data) and should be reviewed before any changes to the scheme recycling target are considered. At the same time, the size of the asset management repair market should be determined.

- Currently, co-regulatory arrangements achieve their annual recycling target via collecting in scope e-waste from a mix of reasonable access sites, B2B customers, member individual responsibility (IPR) programs and recycler sourced collections (commonly referred to as 'ad hoc volume'). Ad hoc volume is where recyclers source in scope e-waste from their own customers and networks, recycle the e-waste and then sell a co-regulatory arrangement a certificate of destruction ('COD') stating the product mix and total weight (i.e., CODs are traded). Co-regulatory arrangements are using this avenue more and more to meet their recycling target, yet some co-regulatory arrangements perform few (if any) checks to confirm the validity of the ad hoc volume (e.g. that it does not contain out of scope product, has not been double counted/sold to another co-regulatory arrangement, has not undergone any preliminary dismantling by a site not certified to AS/NZS 5377 (the 'Standard'), that the volume has not been 'made up'). If reuse was to be included in the NTCRS target, it is likely that a similar 'ad hoc volume' scenario will take place with asset managers whereby certificates of reuse will be traded with co-regulatory arrangements and there will be scope for this to be abused if not governed appropriately.
    - A potential way to trace material recycled/reused under a formal product stewardship scheme/the NTCRS and to avoid double counting is to have a Department administered database (which could be outsourced to a consultant) which generates unique CODs with a unique identifier. Only CODs generated by this system would be able to be used to count towards a co-regulatory arrangement's target.
    - The database could have an interface where recycling facilities could log into and generate CODs for NTCRS regulated products they recycle/reuse. This would result in standard CODs being used across the Scheme and could include information such as type of product recycled (e.g. TV - CRT, monitor – flat panel display, desktop PC, printer, out of scope, waste to landfill), tonnage (by product type), name of facility and location of facility.
    - The database could have an interface where co-regulatory arrangements could retire CODs. This would include CODs for ad hoc volume. The database could have facility where each unique ID could only be retired once and could check that CODs generated in a financial year can only be retired in the same financial year.
- Currently, co-regulatory arrangements are required to use recyclers certified to the Standard. However, as recyclers do not have legal requirements under the NTCRS

Rules, the NTCRS Regulator does not monitor recyclers' conformance with the Standard (it just receives recyclers' certificates of certification via co-regulatory arrangements' annual reports lodged via PS Online) nor compliance with HSE regulations (which is regulated by the States and Territories). Further, the NTCRS Regulator does not monitor whether co-regulatory arrangements monitor recycler conformance/compliance with the Standard and HSE regulations or take any actions when issues are identified. There have been multiple instances of e-waste recyclers participating in the NTCRS performing non-compliant activities most notably stockpiling (with some instances leading to fires), illegally exporting non-functional product for recycling in non-OECD countries and not providing a safe workplace for workers handling hazardous components/materials. If reuse is included in the NTCRS, e-waste recyclers will perform the additional function of assessing whether in scope e-waste can be repaired over recycled and will perform preparation for reuse activities (note: there is a preparation for reuse section in the Standard and other international e-waste standards). This creates further scope for co-regulatory arrangements to use e-waste recyclers who do not conform/comply with the Standard or HSE regulations.

    - Changes to the NTCRS Rules should be made so that the Department can monitor compliance of recycler activities. This could be a requirement that co-regulatory arrangements are required audit recyclers themselves or that co-regulatory arrangements are required to undergo audits by the Department which extend to recycling facilities used by them (and it will then be up to the co-regulatory arrangements to enter into agreements with recycling partners to allow the Department to access their facilities and provide documentation requests).

Repairs of Products Under Warranty:

- Many product OEMs who are liable parties under the NTCRS have programs to repair product returned under warranty (noting that consumers can purchase extensions to warranty periods).
- Some of these OEMs have warranty agreements with component manufacturers (e.g. motherboards, memory cards, power supplies, video cards) who may or may not be liable parties.
- The returned products can be:
    - Fully repaired in Australia and then either returned to the customer or resold in Australia. This may involve using new or repaired components.
    - Exported for repair in overseas markets. This may involve using new or repaired components. The repaired product can then be returned to Australia or resold in overseas markets.
    - Assessed in Australia and faulty components removed and replaced with new or repaired components. Faulty components are sent to overseas repair facilities (often where new components are manufactured), sometimes via consolidation centres. In some cases, the product OEM retains ownership of the component but in other cases ownership can transfer to the component manufacturer (this ownership is important when

determining responsibilities under the Basel Convention). Components that have been repaired can be sent back to Australia or resold/used in an overseas market. Components that were sent for repair but assessed as unrepairable will be recycled overseas.

- Components or 'spare parts' are a key factor in the repair market. However, the NTCRS scheme target is based on whole units imported into Australia (using Customs data). Any changes to the NTCRS to incorporate reuse will need to consider the stocks and flows of components.

Repairability of E-waste Collected via the NTCRS:

- In scope e-waste collected under the NTCRS generally comes from consumers via council waste transfer stations and retail collection sites as well as B2B direct pick-ups. It is generally considered that consumer generated e-waste is older and of a lower quality than business generated e-waste (noting that asset managers control a lot of this e-waste) and the likelihood that it can be repaired is lower.
- However, no formal studies have been completed to determine (1) the percentage of consumer vs business generated e-waste and (2) the average age and repairability of in scope e-waste collected under the NTCRS. This should take place before any changes to the NTCRS to incorporate reuse are considered.

DRAFT RECOMMENDATION 7.2 USE OF GPS TRACKERS TO MONITOR E-WASTE EXPORTS
The Australian Government should amend the monitoring arrangements for the National Television and Computer Recycling Scheme so that global positioning system (GPS) trackers can be used to determine the end-of-life location of e-waste collected for recycling as part of the scheme. This should be done using a risk-based sampling approach that focuses on the types of products and supply chains that present the highest risk of unlawful exports or disposal of e-waste.

ANZRP supports the use of GPS trackers as part of compliance monitoring programs to confirm that e-waste collected for recycling through the NTCRS ends up at the intended Australian-based recycling facility. ANZRP currently uses GPS trackers as part of its compliance and assurance procedures. However, we note the following challenges we have had to overcome:

- The usage of GPS tracking devices is subject to surveillance legislation in some states. Whilst the exact legislation varies by state, the use of surveillance devices to intentionally track and record employee activity is an offence unless the operator of the system has the consent of all parties to the activity. Only South Australia, Queensland and Tasmania do not have regulations applicable to the use of GPS tracking devices.
- To meet these regulations, ANZRP has notified all of its recycling partners that e-waste delivered to them by ANZRP may contain GPS tracking devices via an executed ANZRP Recycling Services Agreement.
- ANZRP also notifies logistics providers and their specific drivers when they are in possession of a GPS tracking device. ANZRP's main logistics provider in metro areas

has surveillance mapping systems built into its trucks that their drivers are aware of and have consented to.
- Due to the size of GPS trackers, they cannot be fitted into all types of in-scope e-waste (e.g. laptops). Computers, flat screen monitors and TVs, desktop printers and multi-function devices are the main products that ANZRP uses GPS trackers in.

In is noted that the NTCRS Regulator has no jurisdiction over collection sites, transporters or recyclers under the Recycling and Waste Reduction Act and NTCRS Rules so it would not be able to use GPS trackers in States and Territories subject to surveillance legislation.

Pg 253 – NTCRS Reasonable Access: "the 'reasonable access' requirements could be modified, to no longer require every co-regulatory body to run collection services in every region."

ANZRP supports the above statement as it would ensure a reliable and ongoing service is provided to each outer regional and remote location. This could be achieved by implementing an allocation tender process for outer regional and remote sites as follows:
- Require only one co-regulatory arrangement to run a collection site/series of events to meet the Reasonable Access Outcome for outer regional and remote locations.
- The Department (or a consultant or clearing house) could issue a request for tender to all co-regulatory arrangements for all rural and outer regional locations. The period of service could be fixed (e.g. three years). Those co-regulatory arrangement who choose to respond, would outline the following in their submission:
    - Reasonable access location being covered
    - Type of collection service
    - Name and location of collection service including partners (e.g. local council, retailer, community group)
    - Description of the collection service including days and hours of operation, products accepted, collection unit type
    - Communication and promotion plan
    - Details of conformance to the Standard or other HSE requirements (i.e. collection and storage requirements)
    - Fees
- The Department could assess responses based upon meeting regulatory requirements, quality and cost of collection service. It could then award reasonable access contracts to co-regulatory arrangements for the locations they were successful for.
- The Department could determine the total fees to be charged by all successful co-regulatory arrangements, determine the total liability for each co-regulatory arrangement (e.g. proportionate to their share of the Scheme Target), issue invoices and manage payments.