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Department of Environment, Land, Water & Planning

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Fields marked with an asterisk (\*) are mandatory.

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| **I am making this submission on behalf of \*** (please specify one of the following)  Individual  Non-government organisation / community organisation  Business  Local Government  Other government entity  Other:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **Name of organisation (if applicable):** Sims Recycling Solutions | |

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**Introduction/Abstract**

Sims Recycling Solutions (SRS) is a subsidiary of Sims Metal Management (SMM), one of the largest tradeable scrap metal companies in the world. Formed in Australia in 1917, is the dominant Australian scrap management player in the market.

In 2002 SRS was formed as a dedicated e-waste recycling arm of the business, to enhance the service offerings to our customers who demand a positive environmental outcome and a recycler that delivers brand protection through compliant processes and at a competitive cost. Today SRS is recognised as the world’s leading recycler of electronic equipment with over 30 mul*t*i-service processing facilities across five continents. The company’s extensive global experience in this field has enabled it to develop innovative technologies which facilitate the separation and refinement of hazardous and valuable materials from waste equipment.

Closer to home, SRS was established in Australia in 2005 from Melbourne and provides end of life recycling services to many OEM’s, Manufacturers, LGAs and businesses throughout Australia. The business operates from four strategically placed locations throughout Australia in Melbourne, Brisbane, Sydney and Perth providing high end environmentally compliant solutions to the e-waste problem in Australia.

SRS is driven by the highest standards of corporate governance and compliance, and leads the way in answering the challenge of sustaining valuable resources. We provide an ethically and environmentally responsible service in sustaining the lifecycle of electronic equipment. The service is delivered to the highest standards of quality and client value with the unique result that it contributes to both the client and the client’s own customers’ Corporate Social Responsibility (CSR) targets.

SRS provides reassurance to customers and the community, by operating to internationally recognised, environmental, health and safety and quality management standards including accreditation to ISO9001, ISO14001, ISO18001 & AS/NZ 4801 as well as R2 (Responsible Recycling). These management systems and our recycling objectives simplify and help strengthen our client’s trust in our services.

Our processing facilities include Australia’s only fully automated WEEE shredder and downstream separation process which allows SRS to maximise material recovery rates through utilisation of best available technology.

In 2013, following the implementation of the National Television and Computer Recycling Scheme (NTCRS), SRS established Electronic Product Stewardship Australasia (EPSA) as a fully functioning and approved Co-Regulatory Arrangement under the Scheme. In its first two years EPSA has succeeded in setting the best-practice benchmark for Australian e-waste recycling and worked closely with the Commonwealth (and State) Government’s to deliver the objectives and targets of the Scheme.

SRS applauds the Victorian Government for its leadership in looking to take action and further reduce the levels of e-waste that are currently landfilled and thereby contributing to environmental harm and resource loss. As such SRS provides in-principle support for measures which will lead to an improvement in the sustainable management of this waste stream.

In our submission below we have addressed the majority of questions posed in the Discussion Paper. Should the Department wish to seek clarification or more information please do not hesitate to contact us.

**Responses to questions raised:**

***Q 1: Is the proposed definition of e-waste clear to you?***

Yes SRS believes the definition is clear however by definition it excludes products such as batteries themselves which are an inherent part of the e-waste stream and which often present as a problematic element given the toxicity of certain battery chemistries and the costs associated with liberating and treating them appropriately. In a local context there is also a limited recycling capacity which has seen a significant portion of this waste stream shipped off shore for recycling. We note that batteries are listed as priority for action under the *Product Stewardship Act 2011* Products Listing.

***Q 2: Are the proposed categories of e-waste clear to you? If not, can you suggest any specific changes to the existing categories, or another method of categorisation?***

We recommend the inclusion of batteries under an appropriately named category. Evidence suggests consumption / use of batteries is growing to in order support mobility/portability and energy storage objectives of products entering the market place.

Furthermore the definition should include and clarify the status of parts and components such as cables, CRT glass, and hard disk drives etc.

Products such as cameras should be included under “toys, leisure and sports equipment”.

***Q 3: What specific issues do you believe we need to address by banning e-waste from landfill?***

An eventual ban on e-waste to landfill is completely supported by SRS. By eventual we mean when the capacity for compliant and best practice processes in the industry as a whole are in place and operational.

As with the NTCRS we caution Government on the potential hazards of disposal of focus items such as CRT Glass, batteries, toner powder and mercury devices. The transparent and monitored disposal of such items is essential to the long term viability of an e-waste to landfill ban.

SRS believes immediate and unplanned landfill bans are in effect a very blunt instrument and as such are potentially not effective. Furthermore in all likelihood a landfill ban would require significant and long term commitment to effectively police and enforce the mandate which has a high cost associated with it. By banning e-waste from landfill there may be no onus on designers, brand owners and manufacturers to address sustainability factors such as durability, material selection and ease of disassembly/recycling which would deliver higher end outcomes. SRS believes the potential of a ban raises many questions that would need to be addressed in order to provide clarity to all those affected. A summary of these issues/questions that should be addressed are as follows:

* Guidelines / standards need to be developed in the first instance around the definition of e-waste that is considered recyclable vs un-recyclable. At present recyclers often take receipt of e-waste in such a state that renders it as a Workplace Health or Safety issue requiring the material to be landfilled. In other words the material is not recyclable e-waste. One exception could be material that is intentionally damaged or broken by the recycler in order to fraudulently claim that focus materials are to be landfilled. Whilst the definition of which products form part of the e-waste stream are clear a portion of this waste stream will present itself at recyclers in a form that makes it impossible or extremely expensive to process. This is particularly the case for disassemblers/recyclers who use manual processes to liberate the components and materials. Consequently numerous processors will discard/landfill or reject e-waste products that can’t be safely handled or from which it can’t readily extract the materials. Whilst recyclers who have automated /non-manual processes for waste recovery are better able to process this fraction it should be noted that not all processors have this technology at their disposal. The Government will need to give consideration as to how this will be handled / regulated.
* Recycling outcomes – simply banning e-waste from landfill will not ensure that this waste stream is recycled to the desired standards. The Department should ensure standards are put in place (such as those mandated by AS 5377) which provide the minimum baseline of what is acceptable. Furthermore these standards will need to be enforced in some manner to prevent rogue recyclers capitalising on the ban without adhering to acceptable safety and environmental standards. One such enforcement measure should be the requirement of recyclers to prove independently the complaint disposal of focus items and plastics.
* Where will the onus lie? - End of life e-waste is disposed of through various channels which are managed / operated by various stakeholders.
  + Households - Will householders be penalised in some way for placing e-waste in their kerbside services? Any enforcement at this level is likely to be very expensive to police and would require extensive re-education in the first instance. It is likely a portion of householders would start illegally dumping material in order to avoid possible detection.
  + In some jurisdictions the ban is ‘enforced’ at waste/recycling collection and aggregation points. In the Victorian context this is likely to be operations such as Council waste transfer stations and recovery facilities. Enforcing a ban at this point in the chain may deter local government from playing an active role in waste collection and recovery unless the associated costs can be passed on or is borne by other parties.
  + Landfill operators – application of a landfill ban at the end of the pipeline will force costs on landfill operators who have not derived any financial gain from the manufacture and sale of the products in question unless provisions are made for other parties to bear the cost of a final sort before the waste enters the landfill.
  + Processors / Recyclers – will benefit from increased volumes however will need clarity in terms of what fraction can be landfilled if deemed not recyclable (see first bullet point above)
* As noted in the Discussion Paper there is a considerable disparity between financial costs of landfilling versus the cost of recycling ($150-$250 per tonne compared to $500-$1000 per tonne). A landfill ban in and of itself does not address this gap and there may be unforeseen and adverse consequences as a result of unscrupulous operators seeking to avoid the cost of **proper** recycling (either through stockpiling, inappropriate/cursory recycling or trans-boundary movements). The Government should investigate and support initiatives that bridge this gap (i.e. support for improved infrastructure etc) and facilitate shared responsibility/product stewardship approaches to ensure any higher costs are borne by those who derive profit/gain through manufacture / sale and use of the electric and electronic products. Consideration should also be given to measures which support the development of a ‘circular’ economy where there is greater demand for the commodities liberated in recycling.
* Recycling Capacity – prior to implementing a landfill ban the government must give consideration to ensuring there is adequate processing capacity to deal with a likely influx of e-waste. We recommend that consideration be given to grants or other financial incentives to assist recyclers to expand capacity and improve recycling outcomes. History has shown (as in the case of the NTCRS CRT Glass stockpiles that providing grants to businesses that hope to have a solution is catastrophic. Hope is not a solution, the solution either exists or it does not.
* National Television and Computer Recycling Scheme – A ban on e-waste to landfill is almost certain to see greater volumes of TVs and IT equipment being collected for recycling. To date the Liable Parties which fund the Scheme have not been willing to pay for any material over and above the mandated targets hence consideration needs to be given to the timing of any landfill ban (which in future years may help Co-Regulatory Arrangements meet the ambitious targets) but in the present environment may need to be funded by alternative sources.

***Q 4: What do you see are current and future impacts of e-waste on the environment or human health? Can you provide examples?***

Electronic and electrical products continue to be manufactured using substances such as mercury, lead, cadmium and berrylium amongst others which if not managed in accordance with best practice guidelines can be detrimental to human health and the natural environment. It is therefore imperative that businesses and organisations managing this waste stream do so in compliance with auditable standards and that Authorities play an active role in monitoring and enforcing the relevant standards

***Q 5: What do you see as potential impacts (both positive and negative) from recovering e-waste?***

SRS is of the view that potential impacts of recovering e-waste are overwhelmingly beneficial. The benefits will be economic (employment and investment in infrastructure), environmental (lower greenhouse gas emissions, reduction in resource depletion and diminished negative impacts associated with the extraction and processing of raw materials) and social (through better management of hazardous substances that are embodied in many electronic products and which are harmful to human health). However we caution that simply opening the flood gates will introduce the “grey market” and poor outcomes will be realised through poor practices, illegal exports and general dumping of the difficult outputs.

Measures such as landfill bans may also play a positive role in preserving stocks of lithium which is scare and close to depletion. At present greater stocks of lithium are found in manufactured products which support the notion of improving our “above ground mining.

***Q 6: Do you believe there are particular reasons for not recovering e-waste?***

No SRS believe there is an environmental, economic and / or social benefit from recovery of e-waste.

***Q 7: Do you believe there are other issues with the e-waste recycling market, or with specific stages of the e-waste recycling market?***

SRS believes one of the key issues within the e-waste recycling market pertains to standards of recycling and the traceability of the commodities and materials liberated.

In the current market there is a significant span in terms of what “recyclers” achieve. This covers at one end of the spectrum those that simply extract some of the high value commodities and then landfill / dump the rest (a high portion based on weight) through to those who recover in excess of 90% and ensure that commodities end up with approved downstream vendors where these commodities are further recovered down to base elements that can be reused.

SRS appreciate the value of preventing e-waste from being landfilled however unless this waste stream is recovered and recycled to an agreed and acceptable standard it is likely that a portion will be processed in a manner that is unsafe or whereby the harmful materials cause damage locally or in other jurisdictions when they undergo further processing / reuse.

It should also be noted that prices for many commodities has decreased significantly in recent times. For example the global metals market has proven extremely challenging with ferrous metals currently trading at around 30% of its 2013 price. This has a marked impact on the profitability of recyclers and disassemblers.

***Q 8: Are you aware of other barriers to achieving a sustainable e-waste recycling market?***

SRS believes that in addition to “elastic” definitions of what constitutes recycling (as described above) a number of the key barriers exist which hamper the development of a sustainable e-waste recycling market. These are as follows:

* Limited effective policing of recyclers resulting in illegal shipments of e-waste off-shore or at a minimum lack of transparency/accountability of the final destinations of liberated commodities.
* Comparatively cheap landfill – there is a significant disparity between the cost of landfilling versus recycling in the present environment which makes it cheaper to dump e-waste in landfill.

***Q 9: Do you think e-waste and its components are undervalued in Australia?***

The price of e-waste and its components are largely determined by global markets rather than the domestic market. A decline in local manufacturing has led to less demand in a local context which further exposes e-waste recyclers to global markets.

The type of e-waste determines the value, and it is impossible to draw any conclusions on the value of e-waste until the split by Major Categories are known. It is simple to speak about the value of PCB and cables from the recycling of a CRT Television, however, this value is quickly diminished and in fact completely overwhelmed by the cost of the compliant disposal of the CRT tube inside of the televisions.

***Q 10: Do you believe that banning e-waste from landfill will achieve these outcomes?***

SRS believe, as articulated above, that immediately banning e-waste from landfill will not address the key issues facing the sector. Whilst the prospect exists that it will increase volumes without the proper compliant planning to ensure industry are capable to process this material as a whole it will not necessarily result in this waste stream being managed and processed to standards acceptable to the community. With respect to the specific outcomes sought:

* Increased community awareness – At present we believe most householders and small business lack awareness of the availability of e-waste recycling services such as those provided by the NTCRS and MobileMuster etc. A landfill ban would not address this unless coupled with a significant communications/promotions campaign, possible incentives and/or penalties for breaches.
* Increased Recovery of e-waste – this is a possible but not certain outcome unless standards are stipulated for what constitutes recycling. Recovery may only increase if clear minimum standards exist and these are standards enforced else it may be determined by market forces for the embodied commodities, which at present are weak.
* Provide certainty for industry – this is only likely to occur if the ban is coupled with effective policing to ensure the recycling sector operates to agreed and enforceable standards. A ban of itself may stimulate waste generators/owners to channel e-waste through the cheapest available disposal points which may encourage the entry of fly-by-night / rogue operators which undermines the stability / certainty being sought.
* Create more jobs – SRS believes that a ban is likely to result in increased jobs in the areas covering the collection and processing of the e-waste, however without effective regulation these jobs can span both the bona fide recyclers and the ‘grey’ market / rogue operators. stream.
* Improve recycling technology – this is likely to occur if the ban is coupled with the prospect that the waste stream is to be recycled to a ‘high’ standard and it is clear how this cost will be met. Improved technology may however counter increased employment as it lessens the need for manual work however it generally does lead to improved worker safety outcomes.

***Q 11: Are there other outcomes you believe the commitment should, or is likely to, achieve?***

As in the NTCRS the recycling sector should not be given time to “catch up”, this somewhat lenient timeframe given to recyclers who were substandard has not resulted in any new entries to the NTCRS being sustainable either commercially or environmentally.

***Q 12: What criteria do you think will be useful to help us determine how the different types of e-waste are managed in Victoria?***

In addition to the criteria outlined in 6.1 of the Discussion paper we recommend the following additions:

* Scarcity of the embodied materials of electrical/electronic products.
* Environmental / life-cycle impacts associated with the extraction and refining of raw materials to be used in new electrical/electronic products.
* Market failures evident with respect to product stewardship approaches / recovery & recycling.

***Q 13: Do you think some regions will require more time to prepare for a landfill ban than others?***

No comment.

***Q 14: What changes, if any, will need to occur in your region before e-waste can be banned from landfill and managed appropriately?***

SRS anticipates that most actual recycling of e-waste will occur in the higher population centres where greater volumes are present and where investments can be more readily justified. On this basis waste generators/owners in rural and regional areas will incur higher logistics costs to deliver this waste stream to recyclers. Waste generators/owners may require assistance to establish infrastructure and logistics process to minimise or offset these higher costs.

***Q 15: Do you think banning e-waste from landfill in Victoria will need to take a phased approach? If so, what do you think should be key considerations in determining how the phasing occurs?***

* Rural and regional landfills often do not operate to the same high environmental standards or controls as those in the metropolitan areas. It is therefore likely that these operations have a greater negative and unmanaged environmental impact and therefore there is greater environmental benefit of addressing these areas as a matter of priority.
* As with point 1 above, the cost of freight to city recyclers may also cause some angst and may lead to unsustainable practices.
* Availability of appropriate aggregation/storage/recycling infrastructure – where this is available bans can be implemented is shorter time spans.

***Q 16: Do you believe there are other principles that must be considered in the development of Victoria’s approach to ban e-waste from landfill?***

SRS believes the principles outlined in Table 3 constitute a comprehensive set of criteria. As stated earlier we believe however that a landfill ban does not effectively address the waste hierarchy in terms of avoidance (design for sustainability) nor does it articulate a shared responsibility approach. In addition to the principles outlined SRS believes the Department should give consideration to standards of reuse/recovery/recycling it seeks.

***Q 17: What other tools do you think the government should consider when designing Victoria’s approach to banning e-waste from landfill? Be as specific as you can and consider details such as:***

***• Types of infrastructure that might be required***

***• Types of existing technologies available, both in Australia and overseas***

***• Opportunities for invention and development of new technologies***

***• Investment required***

***• Time required to implement***

***• Guidance that industry might need or want***

***• Information that community might need or want***

***• Level of government support and intervention***

SRS believes that new infrastructure and technologies can play a key role in improving both the efficiencies and safety associated with processing e-waste as well as assist in generating purer commodity streams which enable recyclers to sell materials for higher rates on the open market. The increased revenue stream can in turn assist recyclers to charge lower gate fees. SRS believes that support from Government in the form of grants, tax breaks etc can be an enabler for investment and for fast tracking of expansion plans.

Lead times for investment and implementation will generally be in the order of 12-18 months but is subject to the nature of the actual infrastructure.

With respect to government intervention, as stated in other areas within this submission, SRS believes it is desirable if not imperative that Regulatory authorities monitor and enforce relevant laws and mandated standards.

The major roadblock for investment is the uncertainty of feedstock. SRS have the global experience to deliver solutions that would be far and away superior to anything seen in the industry today. The exposure and risk is around the volume of material that can be generated. Volumes lost to sub-standard practices are the major reason that recyclers may not invest in Victoria and jobs for workers.

***Q 18: How do you think community could be supported to ensure e-waste continues to be recovered and recycled?***

At present many householders are unaware of recycling services for e-waste including those that are free to the consumers. In many cases these services are readily accessible through national retail chains with extensive store networks, council waste transfer stations and even mail back (MobileMuster). Despite this uptake remains comparatively low which is in part attributable to the lack of awareness but also due to a reluctance of consumers to dispose of items that store private information and/or and are perceived to have a high value. Greater public education is needed to address these barriers.

***Q 19: What unintended consequences do you think the landfill ban could cause? Please provide as much detail as possible and refer to any research or case studies that might help to support your feedback.***

If the waste generator/owner faces increased costs to dispose of unwanted e-waste this may result in a portion of the waste stream being hoarded, stockpiled, dumped illegally or ‘recycled’ via the cheapest means. These scenarios represent a potential loss of valuable resources and in instances of lower end recycling may result in adverse impacts on the health of individuals employed to process the waste stream or environmental harm if hazardous material is not managed in accordance with best practice standards.

***Q 20: How do you think the design of the approach to banning e-waste could be designed to mitigate these unintended consequences?***

Initiatives that will assist to avoid the above include:

* Shared responsibility frameworks whereby any potential costs are borne by those who derive benefit/profit from the manufacture, sale and use of the products.
* Specifying and implementing standards for the recycling of e-waste.
* Robust monitoring and policing, including downstream supply chains to ensure waste that is recycled is done so in a responsible manner.

***Q 21: Are you aware of any policy developments or reviews, both interstate and nationally, that may be useful in the design and implementation of the e-waste commitment?***

As the Department is aware both the South Australian and ACT government have implemented similar bans. If not already the Department should investigate the impacts of these bans against the outcomes that sought (outcomes as articulated in Section 5 and those recommended by stakeholder submissions).