

## Written evidence submitted by Valpak

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### 1. Could you explain the factors have contributed to missing targets and the decline in tonnage of electronic waste collected in recent years?

The current UK producer collection targets are set each year by the Government. They are intended to contribute to the UK successfully meeting certain minimum EU collection targets set out in the EU's Waste Electric and Electronic Equipment (WEEE) Directive. The Directive targets are expressed as a percentage of the average total Electric and Electronic Equipment (EEE) weight placed on the market over the previous 3 years. Up until 2018, the annual target was 45%, and for 2019 and future years the target has been set at 65%.

Total UK collections are made up of those collected and financed on behalf of producers under the WEEE regulations, in addition to a number of other collections made "outside the system", for example commercial collection of large domestic appliances, collections of used IT equipment from businesses for reuse in other markets. The Government adds the amount collected within the WEEE regulations system to "substantiated estimates" of the WEEE collected through alternative routes, in order to report the total UK collections, against which the 45% and 65% targets are measured.

Examples of some factors (in addition to those you have specifically asked about below) that contribute to missing the collections targets include:

- Some collections occurring "outside the system" not being properly quantified or reported.
- Some categories of equipment are experiencing a gradual decline in total product weight because of technology change. For example TVs, which despite getting larger in screen size, are declining in weight per unit, which has resulted in targets based on the weight of equipment produced in previous years becoming increasingly difficult to meet in some instances.
- UK businesses, especially small businesses, who wish to dispose of so called "dual use" electrical items (i.e. those which are similar to household items and would contribute towards the UK's overall collection target) are facing particular difficulties, as many Local Authorities do not allow businesses to access their recycling centres or they charge them to do so. Businesses therefore need to make alternative arrangements, which may lead to some material not being properly collected for recycling or reuse.

**In particular, could you explain the relative importance of issues related to:**

#### **a. Free-Riding, particularly by overseas producers**

Free riding is a persistent issue within the system and is particularly evident within the distance selling sector. This is because of the prevalence of on-line marketplaces providing a "shop window" for many small overseas based producers. Currently, the WEEE regulations require marketplace operators to only take responsibility for the products they directly sell themselves and not for goods they stock, despatch or market on behalf of others. Further, there has been little evidence or reporting of the enforcement authorities taking forward action against unregistered producers in the WEEE sector.

It is important to note that whilst reducing free riding would not contribute to collecting more WEEE, it would lead to the costs of collecting WEEE being spread more fairly amongst obligated producers.

#### **b. Annual targets inhibiting long-term investment**

It can be stated with a degree of confidence that the lack of visibility of longer-term targets presents a barrier to funding investment in WEEE collection and treatment capacity. It detracts from the willingness of both treatment operators and producer compliance schemes to work together to define and justify suitable projects.

#### **c. The compliance fee system**

The compliance fee mechanism is a key part of the UK WEEE system, providing an alternative form of compliance in years when insufficient WEEE is collected. However, the detailed methodologies adopted in the last few years have meant that whilst the fee is comparable with the actual costs of current WEEE collections, there is a perception that the cost is relatively low when compared with the likely significant increases in cost which may be necessary to collect more WEEE. This is because volumes collected through current collection systems have been largely stable and any attempt to increase volumes significantly is likely to require a major step change in approach, for example collecting material directly from households through kerbside collections rather than relying on people taking WEEE to their local civic amenity (CA) site.

In addition, as both the implementation of a compliance fee mechanism and collection targets are announced annually and only for one year at a time, this creates a market climate where there is very limited forward visibility of expected costs and targets, making forward planning difficult.

#### **d. Competing producer compliance schemes (PCS)**

I believe that, on the whole, competing producer compliance schemes have been a benefit to the UK system. Competition has driven PCSs to innovate on collection methods, working with collectors and treatment sites in order to maximise the amount of tonnage and evidence they produce, at a competitive cost to member producers. However, for this to be effective there must be consistent expectations and requirements on schemes through their approval process and ongoing monitoring.

One area which I believe requires attention is that less than half of the 28 approved PCSs currently arrange and manage direct collections from Local Authority CA sites themselves. Many rely on surplus evidence generated by other schemes or on collections of other non-household material arranged by treatment facilities. There is no requirement in the current regulations to source, for example, a proportion of material from your own collections, and this is an area where I believe change could be beneficial.

#### **e. Theft and fraud during the recycling of electronic waste**

Theft and fraud are major problems in some equipment categories and undoubtedly contribute to a situation where reported collections are lower than would otherwise be the case. This issue is particularly prevalent in the case of cooling equipment (with valuable copper compressors being stolen), TVs (particularly flat screens) and IT equipment.

I believe some studies have been attempted to quantify this but am not aware of the results being fully published.

#### **f. Consumer and public awareness**

This is a key area that could be improved, although some initiatives are currently underway to improve awareness. Surveys have shown that consumers are often confused

over what and how to recycle their electrical equipment and there are thought to be significant volumes of hoarding or disposal of WEEE in residual waste.

Under the current system, communication and awareness raising amongst the public is mainly left to Local Authorities through their local recycling communication programmes, with the funding for these having been significantly reduced over recent years. A lack of central coordination or managed awareness raising campaign specifically for WEEE has also contributed to continued non-success in this area.

Despite this however, the compliance fee mechanism has helped raise a significant fund in recent years and part of this has now been directed towards developing a national campaign for WEEE communication. The launch of the campaign was delayed until early May because of the COVID-19 pandemic, and I understand the campaign will be rolled out more extensively later this year.

**2. The Environment Bill in its current form allows for a future extended producer responsibility (EPR) system for e-waste. What would an EPR system reflecting full net costs look like and how does it differ from the current system?**

The current WEEE system means that producers already bear all the costs for WEEE transport, recycling and treatment from the point where WEEE is collected by Local Authorities, however this does not represent the “full net cost”. The cost of operating, manning, security etc. at CA sites remains the responsibility of Local Authorities, and the cost of providing any “in-store collections is the responsibility of distributors (retailers).

**3. What is your view on the effectiveness of kerbside collection of electronic waste? Should there be mandatory kerbside collection? The environment bill currently includes a number of waste streams for mandatory collection. Could e-waste be added as another waste stream for mandatory collection from households and business as one proposal we have received suggests?**

This could be a way of significantly increasing separate WEEE collections and recycling from households and is therefore worthy of further investigation in my opinion.

**4. The WEEE forum and REPIC have supported mandatory handover of electronic waste to producer compliance schemes. Can you explain what this means and how this will impact retailers and distributors of electronics?**

I have not seen the details of this proposal but understand that it would require any retailers that have received WEEE through in-store collections to make this available to producer compliance schemes for collection and treatment free of charge. The producer compliance scheme would then be expected to arrange for the material to be collected from store and then either reused, treated and recycled as appropriate.

The concept should be explored further although I am not convinced this will result in a significant increase in material collections because the volume likely to be returned through most retailer in store collections is relatively small. In any event, many retailers are also producer members of compliance schemes and so would effectively be handing the material over to themselves and this would need further consideration.

**5. Can you outline how successful the distributor takeback scheme has been in funding WEEE services and increasing collection rates? Why do you think a mandatory retailer take-back scheme, as recently announced by DEFRA, may not be convenient or cost effective?**

The DTS was very effective at the beginning of the WEEE regulations in providing significant funding to Local Authorities to support both them and the UK Government in providing an adequate national collection network.

To date the DTS has:

- Helped the UK to deliver some of the highest WEEE collection rates in Europe
- Provided £9 million funding to Local Authorities to establish and register their Civic Amenity sites as Designated WEEE Collection Facilities (DCFs) and a further £1 million of subsequent site maintenance funding
- Supported 52 Local Authority projects with £1.9 million funding, to increase the collection and recycling of WEEE in the UK.
- Initiated a final round of project funding for Local Authorities in phase 4 through which it is about to award a further fund of over £600,000.
- Commissioned and funded important research projects to help inform best practice for WEEE collection and project funding.

In total the DTS has raised over £13,000,000 from retailers since 2007.

In 2019 the DTS commissioned research from Eunomia into WEEE collection systems in other European countries, which are largely retailer led. This showed that it is certainly feasible to reach similar collection performance through retailer collections, but that it is not necessarily required to do so. However, it also showed that many other factors are important to consider such as:

- Different approaches and responsibilities for local government
- Resident charging for waste
- Consumer expectations and traditions
- Communication and awareness raising activities

It is clear that only concentrating WEEE collections on Local Authority sites is not convenient for all locations or consumers. For example, people living in urban areas may not have access to a car and their site may not be nearby, which may make the option of taking back used equipment to a retailer a more convenient one.

That said, the study also showed that retailer collections seemed to be most effective in certain types and locations of retail stores, for example larger grocery supermarkets, DIY and specialist electrical stores, with collections deemed to be far less effective in smaller convenience stores, clothing retailers, newsagents and stationers and furniture stores, for example. As a result, it would not appear to be necessary or effective to different stores in close proximity to each other all offering take back, when a single site would be completely adequate and equally convenient for consumers. Therefore, requiring in store take back in all retailers is likely to be ineffective and unnecessarily costly. A better regulatory approach could be to concentrate collections on certain types, sizes or locations of retailer.

## **Re-use of Electronic goods and waste**

**6. Should the Government introduce mandatory targets for the reuse of WEEE? What benefit would they offer?**

This is not an area of detailed expertise for the DTS but is worthy of further investigation.

Encouraging reuse is a key aim of the regulations and has clear environmental benefits. However, collecting used equipment for reuse serves no purpose if sufficient markets for the reused equipment do not exist. Markets for reused equipment in the UK or other western European countries are quite limited, with larger markets potentially found in middle income and developing countries further afield. That said, exporting used equipment to other more distant countries is not straightforward. It has been shown to lead to difficulties such as:

- Unscrupulous operators exporting waste equipment in amongst reusable equipment
- Inadequate packaging leading to equipment damage
- The receiving countries not having sufficiently developed recycling systems to deal with the equipment when it eventually reaches the end of its life

Any consideration of mandatory reuse targets should carefully consider the types of equipment likely to be suitable for reuse, in addition to the availability of reliable and responsible export markets.

## **7. Who should be responsible for promoting greater re-use of EEE products?**

I suggest that this is a shared responsibility between Government, producers, retailers, Local Authorities and the third sector.

## **8. How can data collection be improved to account for increased re-use within the WEEE industry?**

Gathering accurate data on reuse is notoriously difficult, as it is often not a clearly defined or accurately reported activity. For example, there is probably significant reuse of EEE within families which will inevitably go unrecorded, and many websites offer the sale or giving away of second hand equipment which never becomes 'waste'.

A prerequisite to considering better reuse data capture or any potential targets should be to define exactly what is to be included. Does it include all reuse, however informal? Does it include sale of perfectly functional second hand equipment such as mobile phones? Or does it only include equipment which has been discarded as waste but then tested, cleaned and reconditioned as necessary in order to put it back on the market again?

In the case of the last category of equipment there are likely to be important considerations of equipment safety and warranty to address.