



POSITION PAPER DISPOSAL FEE

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SUMMARY

The NVMP Association is a proponent of the visible disposal contribution. It is the most transparent and cost-effective manner of financing the processing of e waste. Moreover, the contribution makes the consumer aware of the necessity for responsible processing of discarded electrical and electronic equipment and low-energy lamps at the end of their service life.

The disposal contribution prevents competition among manufacturers from putting pressure on the funding for responsible processing of e-waste, while it does not disrupt competition.

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In the Netherlands there is broad support for responsible processing of discarded electrical and electronic equipment and low-energy lamps. Manufacturers of the equipment and lamps have accepted responsibility for this and have established Wecycle to organise the collection and recycling.

Until 2011, the processing was financed with a visible disposal contribution that the consumer paid at the time of purchase of an appliance. That contribution still applies for large white goods, but it too will be eliminated by 2013.

The European Commission, Council and Parliament reached an agreement on 20 December 2011 concerning the revision of the WEEE Directive. The Directive establishes that member states can require manufacturers to demonstrate that the costs of collection, processing and environmentally sound disposal on behalf of the buyers has been collected at the time of purchase of new products. The specified costs are no higher than the best estimate of the actual costs incurred.

The NVMP Association feels it is unfortunate that the visible disposal contribution is being eliminated, because the Association values the transparency and effectiveness of the visible disposal contribution. The benefits at a glance:

1. The visible disposal contribution is transparent

The costs of recycling are visible on the bill for every purchased refrigerator, washing machine, television or computer. The manner in which this money is spent is documented in the publically available annual reports of the concerned organisations. Stakeholders can access the reports, and the government can easily verify that the appliances are actually processed in a responsible manner.

(www.producenten-verantwoordelijkheid.nl)

2. The visible disposal contribution is cost-effective

The net costs of disposal are added to the bill for an appliance. The manufacturer and the retailer do not add any profit margin to this amount, as opposed to when the disposal costs are included in the integral cost price. With the elimination of the disposal contribution, the customer has the impression he is paying less, because an item has been eliminated from his bill, but in reality those costs are incorporated into the price of the product and then an additional margin is charged on top of that, applied again and again at each link in the chain. Clearly, then, the customer pays not less, but more.

3. Consumer awareness

The visible disposal contribution reinforces consumer awareness every time a purchase is made. The customer sees what sustainable recycling costs, he pays for it and he can hold the manufacturer responsible for it. The contribution on the bill results in ten million 'awareness moments' per year. When the costs of disposal become hidden in the cost price, the consumer is no longer confronted with the issue of sustainable recycling.

4. No disruption of the competitive market

The visible disposal contribution is, in itself, a price agreement, but it is one that is made with complete transparency between society and manufacturers. In each product category it is alike for all parties: large or small, domestic or foreign, long-term resident or newcomer. The contribution has no impact on market competition.

5. No competition based on sustainability

A uniform disposal contribution is charged for each type of appliance, regardless of brand. The contributions are collected and made available for the controlled, sustainable recycling of all brands of appliances. Sustainable recycling is therefore not a competitive issue and, as such, cannot be squeezed in a price war. That can happen, however, if manufacturers include recycling costs in their cost price: that cost price is constantly subject to competitive pressure which drives manufacturers to rationalise and implement cost-cutting measures, and in some cases to shirk their responsibilities.

6. Grip on recycling

Society as a whole is also able to monitor how much money is being contributed, how much is spent on collection and recycling and how many discarded appliances are disposed of responsibly. Moreover, it is clear which portion of all the e-waste is processed via this transparent recycling system, what finds its way to a destination via regular charity shop organisations and junk dealers, and what leaks away to (illegal) dumps or export. Making use of this insight, decisions can be made to alter the ambitions for sustainable recycling and to increase or reduce the disposal contribution accordingly.

7. The visible disposal contribution has proven effective

Studies have shown that the visible disposal contribution is widely accepted by the consumer.¹ Today more than 32% of the 23.8 kg of e-waste discarded per resident is collected and sustainably recycled via the municipal civic amenity sites, retailers and other collectors.² A third of the costs of that processing are paid for by the yield of the recovered materials and another portion by the disposal contribution. Over the past years, during which the collection and recycling grew from zero to the current level, the visible disposal contribution has established a cash reserve of €230 million. That money covers around a third of the costs for the processing of the historic stock of 2.8 billion kg of appliances currently in use in the Netherlands, which will be collected in the coming years.

¹ TNS Nipo: 'Marketing and government policy), 5 November 2007

² United Nations University: *The Future Flows Study into complementary waste streams for e-waste in the Netherlands, 2012*

* GfK Panel Services Benelux: 'Possession, disposal and acquisition of brown and grey goods' 2007

A decorative graphic at the bottom of the page featuring a teal and blue abstract design with a circular element, possibly representing a recycling symbol or a globe.

About the NVMP Association

The NVMP Association was established in 1999 and represents 1500 manufacturers and importers of electrical equipment and low-energy lighting in the Netherlands. These manufacturers and importers have established the first national system in the world for the responsible collection and sustainable processing of electrical appliances and low-energy lighting. The implementation thereof has been entrusted to the non-profit organisation Wecycle.

For more information

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