Ms Yvette Goss
Right to Repair
Productivity Commission
4 National Circuit
BARTON ACT 2600

Email: repair@pc.gov.au

23 July 2021

Dear Ms Goss

Re: Right to Repair Productivity Commission Draft Report

Thank you for the opportunity to provide feedback on the Productivity Commission's *Right to Repair* draft report. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's $15.5 billion waste and resource recovery (WARR) industry. With more than 2,000 members from over 500 entities nationwide, we represent the breadth and depth of our essential sector within business organisations, the three (3) tiers of government, universities, and NGOs.

Alongside the growing need and desire to reduce waste and improve resource efficiency and sustainability, Australia's WARR industry is pivotal to, and continues to invest in, the shift towards a circular economy which underpins this successful transition. Pleasingly, steps continue to be taken by all levels of government to support greater circularity, as seen through the development of policy and regulatory initiatives, backed by significant funding, to drive domestic recycling, processing, and remanufacturing.

Australia's National Waste Policy Action Plan includes a target to reduce total waste generated in Australia by 10% per person by 2030[1] and WMRR believes that a Right to Repair policy could assist to meet these national targets and support the circular economy transition by encouraging improved product design, the sharing economy, considered consumption, and influence sustainable material management.

WMRR agrees with the Commission's position that environmental outcomes must be balanced against social and economic considerations. This is in line with the holistic approach represented by the recommendations in WMRR's original submission to the *Right to Repair* issues paper (attached at Annexure A) that would allow the Commonwealth to capture synergies across national objectives by safeguarding consumer rights, working towards Australia's national waste targets, and meeting the longer-term goal of a circular economy. It would also support resource efficiency and drive economic growth and employment opportunities in the growing repair sector.

[1] National Waste Policy Action Plan 2019

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Broadly, these synergies and opportunities can be captured in part through the legislative proposals that WMRR had previously proposed, which are relatively light-touch and aim to foster extended producer responsibility (EPR) primarily through economic incentives rather than prescriptive regulations. These are reiterated below. Their introduction is proposed to be within the product stewardship scope of the *Recycling and Waste Reduction Bill 2020*, specifically to:

- Require manufacturers to provide spare parts and repair manuals for a minimum legislated timeframe (including the warranty period).
- Introduce economic incentives to encourage innovative design for waste avoidance and minimisation, including repairability through:
    - a manufacturing grants program; and
    - tax incentives.
- Drive the development of standards and certification systems for reused, repaired and remanufactured goods to build consumer confidence and promote sustainable design.

WMRR's full submission can be found below. Please do not hesitate to get in touch with the undersigned if you would like to further discuss WMRR's submission.

Yours sincerely

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SUBMISSION

Request for information	WMRR's response
2 The Australian repair sector (general)	Product durability and repairability are key to increasing a product's lifespan and influencing end-of-life management. These characteristics are pivotal in driving circularity and are aligned to the adopted waste management hierarchy where reuse and repair are higher order activities. Thus, WMRR believes that product design is an area that requires significant reform. WMRR acknowledges the Productivity Commission's efforts in seeking to uncover and remedy barriers to consumers' ability to repair and agrees that a broad range of policies are involved when enabling the right to repair, for which there is also no universal definition. What is significant and required is a robust Right to Repair legislative framework, one that is aligned to the appropriate and relevant policies, (e.g., consumer law, labelling standards, intellectual property, etc.) and integrated in a systems-based WARR approach. Legislation can solve numerous sustainable material use issues by requiring manufacturers to improve product design to not only improve sustainable consumption, increase a product's lifespan though improved durability as well as providing pathways for repair and refurbish, but at end-of-life, improve both the recyclability and uptake of recycled material in remanufacturing. Decisions made at the product design stage hold the greatest influence over what happens during the use and end-of-life phases of a product. WMRR acknowledges the work the Commission has undertaken in exploring the legislative options and reforms overseas as the lessons in countries such as Europe and US, where there has been greater traction in this area, have the potential to positively inform the Australian framework, particularly when one recognises that we work in a global economy with global companies operating in multiple markets, many of which are already subject to regulatory frameworks on this issues. That said, WMRR continues to advocate that the practical and logical next step would be to embed Right to Repair regulation within the existing legislative framework for product stewardship and Extended Producer Responsibility (EPR) provided by the *Recycling and Waste Reduction Bill 2020*. As noted in our submission in February 2021, Right to Repair should be part of a strengthened EPR scheme and can play a complementary role to the Commonwealth's product stewardship framework.

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	WMRR strongly believes that at present, Australia's product stewardship framework does not go far enough; while voluntary and co-regulatory schemes are well-intended, what is currently lacking are mandatory schemes that will mandate obligations on generators to manage end-of-life, including the costs of managing materials at this stage. While WMRR is under no illusion that at least a portion of these costs will be passed to the consumer, the key is to be transparent in how and why they are factored into the purchase cost. In a successful mandatory EPR scheme, where producers have genuine responsibility for the full lifecycle of their products, medium- to long-term planning will then come into play in managing these costs, for example, by designing for disaggregation and reuse of a producer's own parts to create a demand for recycled products and reducing reliance on virgin materials. WMRR notes that product stewardship schemes are a solution for when we are not efficiently and effectively managing a product at end-of-life as best as we could, and we don't have a home for it. WMRR points to the European Ecodesign initiative as a potential long-term solution for a host of materials as this not only removes the need to manage the full cost at end-of-life, but it also has other far-reaching benefits such as increased product durability and reduced reliance on virgin materials (the end goal must be longer life as opposed to repair). This program establishes a framework that sets mandatory ecological requirements for all products sold in the EU. The aim of this initiative is to ensure that manufacturers will, at the design stage, be obliged to reduce energy consumption and other negative environmental impacts of products (noting that 70% of carbon emissions are related to material management), while enforcing considerations such as recyclability, polluting emissions, waste, and water use. Building local industries and job creation are other economic benefits that should be considered (not just cost, which as noted above, can be managed). WMRR highlights the Commission's findings that the repair sector is growing, including some 57,000 businesses employing 203,300 Australians in 2018. This sector should be supported, particularly as Australia embarks on its post-COVID recovery, and further jobs as well as up/re-skilling opportunities could be created for everyday Australians by legislating to support a more holistic Right to Repair. WMRR notes the challenges of rising cost of labour and spare parts as a deterrent to repair, particularly as prices of new electronics continue to fall while consumers opt to purchase ever-changing (and

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	rapidly advancing) technologies and products. We would argue however, that there are potentially long-term cost savings for households and businesses through first and foremost, landfill diversion, as well as greater resource efficiency and value preservation. These challenges should also be managed through appropriate tax incentives for manufacturers that promote repairability and sustainable product design to offset the cost difference between repair (and recycling at end-of-life as well as use of recycled materials) and manufacturing costs, including the use of virgin materials.
3.1 – Repair facilities, spare parts and software updates To better understand whether consumers have reasonable access to repair facilities, spare parts and software updates, the	WMRR advocates for the use of independent repairers without the voiding of warranties – and consumers must be informed of their options and rights - and supports draft recommendations 3.1, 3.2, and 3.3. WMRR agrees that "reasonable product durability" requires clarification and that the ACCC should develop and provide guidance in this area with regards to major household product categories. This will moreover help educate consumers about appropriate product lifetimes – and in so doing, influence consumption choices - and discourage premature product replacement. WMRR further agrees that this guidance should be updated over time and adds that updates should reflect (and encourage) improved product durability as a result of an EPR approach to product stewardship, including improved repairability. However, while the Commission believes the European approach to durability labelling is perhaps too broad, WMRR stresses that adopting such an approach – that communicates estimated lifetime and repairability of products to consumers at the time of purchase – is a good and reasonable starting point; considering the quantity and range of products that Australia currently imports, consistent labelling is key.
6.1 Product labelling scheme The Commission is seeking further evidence on the significance of information gaps that might contribute to premature obsolescence, including: • The specific type of information gaps (such as on product repairability, durability, or the environmental	WMRR fully supports the development of a product labelling scheme to provide consumers with better information on product durability and repairability, enabling informed decisions about true lifecycle costs of an item. Labelling standards on the durability and repairability of new products could be complemented by the development of certification standards for refurbished and repaired items, as was mentioned in WMRR's original submission to the Commission's issues paper. Such certification standards could encourage consumers to make more sustainable purchase of repaired items, combatting a current lack of information about/confidence in the durability of repaired and refurbished products.

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impacts of products) that prevent consumers from making informed purchase decisions. • The significance of these information gaps (for example, the cost to consumers from obtaining information independently). • Evidence that these gaps are undermining the efficient operation of the market (for example, evidence that consumers are systematically overestimating product durability and repairability when making purchase decisions). • Whether these information gaps affect specific types of products more than others. The Commission is also seeking input on how government and industry might work together to design a product labelling scheme to maximise the net benefits to consumers and the community.	As well as building consumer confidence in and communicating the value of repaired goods, certified refurbished items could save consumers money by offering a high-quality item that is repaired at a cheaper cost. Some big companies are already working in this area, for example Apple with its refurbished MacBook options. However, developing government-backed certification standards (which would need to be co-developed with different sectors, e.g., electronics) would enable smaller, independent repairers to repair, refurbish and sell on unwanted goods to consumers with confidence, alongside providing their regular repair services. This could boost Australia's repair industry and increase its productivity while encouraging circularity by cycling old goods back through the economy. Product labelling is also especially important for Australia as we do not have adequate design guidelines or restrictions on the material composition of products, including chemical composition. Take for example the issue of per- and poly-fluoroalkyl substances (PFAS), which are prevalent in common household products such as microwaveable popcorn bags, pizza boxes, aerosols, children's clothing, carpet and non-stick cookware. Despite their prevalence, we do not have requirements to design these out nor do we have labelling to inform consumers of their existence in common, everyday products. WMRR encourages the Commission to consider the European Union model of managing organic pollutants through its REACH program (Register, Authorisation and Restriction of Chemicals Program), as well as the Classification, Labelling and Packaging Regulation (CLP) scheme, which requires identification of the material to ensure consumers can make an informed choice. On labelling related to repairability, WMRR believes that France is a good model to follow where the government recently passed laws mandating the provision of information on product repairability to consumers through labelling, is implementing a mandatory repairability index for televisions, smart phones, laptops, washing machines and electric lawn mowers, and has, since the early 90s, had an Eco-Label program that is applied to 27 products and services to help both the public and private purchasers easily identify officially approved green products across the EU. These marked products meet specific eco-friendly criteria that have been developed to apply to everyday consumer goods and services.

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7 Managing e-waste (general)	Preventing e-waste is not merely an "environmental objective" as the draft report states but represents an economic opportunity to recapture otherwise-lost valuable materials and could mitigate risks associated with prices changes in the global precious metals market. WMRR supports proposals to reform the NTCRS to preference repair over product replacement or refund; the ability for the scheme to capture higher order priorities of the waste hierarchy should be endorsed. WMRR also believes that the government should amend monitoring arrangements for the NTCRS so that GPS trackers can be used to determine the end-of-life location of e-waste collected for recycling as part of the scheme to provide certainty on where these materials are going, and to enable policies to drive on-shore processing, which would create local jobs and economies as well as drive domestic market development. While WMRR agrees with the report's finding that Australia's landfill systems are highly engineered and effective in substantially reducing the impacts of hazardous materials in e-waste, these materials do have implications throughout the disposal process, from collection to transport to MRFs and landfills. Thus, the language used in the document is not helpful in encouraging landfill diversion (to meet our national 80% diversion target) or in educating about the value of products or in driving a move towards low carbon societies. WMRR acknowledges that e-waste remains a significant issue but would also highlight that greater emphasis must be placed on white goods; the Commission's report has included global data which is not an accurate representation of Australia's landscape where we currently generate approximately 700,000 tonnes per annum of end-of-life white goods. Focus needs to be given to these materials, particularly around how we can increase their lifespan through repair and refurbishment, as well as taking a leaf out of the EU's service model of leasing.

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Annexure A

Ms Yvette Goss
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1 February 2021

Dear Ms Goss

Re: Right to Repair Issues Paper

The Waste Management and Resource Recovery Association of Australia (WMRR) welcomes the opportunity to provide feedback to the Productivity Commission's *Right to Repair* issues paper.

WMRR is the national peak body for all stakeholders in Australia's $15.5 billion waste and resource recovery (WARR) industry and we have more than 2,000 members from over 500 entities across the nation, representing the breadth and depth of the sector within business organisations, the three (3) tiers of government, universities, and NGOs. WMRR's purpose is to lead the success of the industry while ensuring that the environment and community are protected through the safe and responsible management of waste and resources.

WARR is an essential service and it is an economic and job multiplier; a strong domestic remanufacturing base has the potential to create four (4) times more jobs than landfilling or exporting, and we know that 9.2 jobs are created for every 10,000 tonnes of waste recycled compared to 2.8 jobs for the same volume sent to landfill[1].

At present, the WARR industry employs approximately 50,000 full-time employees in a range of important activities, including (but not limited to) the manufacture of valuable products from resource recovered materials, recycling, energy recovery, and responsible management of residual materials including energy from waste. In 2018-19, Australia generated 74 million tonnes of waste, of which 63% was recovered, including recycling and energy recovery[2]; these figures, alongside Australia's adopted national waste targets, represent a significant opportunity to improve our efforts in integrated WARR management, aligned to the waste hierarchy that preferences waste avoidance. The latter can be best achieved through improved product design, repair, the sharing economy and more considered consumption.

Australia also has a vision to transition to a circular economy, which is one that is restorative and regenerative by design and based on the key principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. As waste is a result of the way

[1] Access Economics 2009

[2] National Waste Report 2020

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products are designed, it is imperative for a circular economy that decisions are made at the design stage – before materials become "waste" –and these are decisions that will play a significant role in driving repair, recycling, and remanufacturing.

WMRR welcomes the Productivity Commission's inquiry and in theory, supports Right to Repair for myriad reasons that can be found in our submission below, including that it is a key part of achieving a circular economy in Australia. The commission has captured a high-level overview of the potential considerations of a Right to Repair policy, which is a good foundation for building a strong regulatory and policy framework that will enable repair as a viable long-term option within a circular economy. As noted in the paper, both the EU and the US have Right to Repair legislation and directives and not only is it time for Australia to follow suit, we are well placed to also consider the lessons and successes of those that have gone before us instead of reinventing the wheel.

A circular economy is one that maintains material at its highest and best value for as long as possible. By placing emphasis on longer lifespan (e.g., through regulating design standards, warranty periods, access to spare parts, just to name a few options), what we are in fact doing is looking to reduce consumption and disposal of valuable material, and look to responsibly manage products and materials to maximise circularity and avoid waste creation. Building a circular economy is however, a shared responsibility, one that requires whole of supply chain support in order to move Australia away from a throwaway, linear (take-make-dispose) society to one that values materials and drives circularity.

WMRR welcomes the opportunity to participate in the commission's forthcoming public hearing(s) and the undersigned can be contacted to further discuss our feedback.

Yours sincerely

Gayle Sloan
Chief Executive Officer
Waste Management and Resource Recovery Association of Australia

Submission

1. The challenges and opportunities

Australia has seen significant shifts in policy and regulatory frameworks in recent years, with growing interest, desire, and support to better manage our resources. Recently the federal government has made numerous commitments to drive circularity, including the launch of a Modern Manufacturing Strategy – which includes recycling and clean energy as a priority – the COAG waste export bans, substantial funding including the $190 million Recycling Modernisation Fund, and the Recycling and Waste Reduction Bill 2020, which replaces the Product Stewardship Act. Notably, the Bill captures product reparability and reusability as mandatory product stewardship requirements that may be prescribed by rules.

WMRR has been engaging with governments on how, as key material managers of valuable used resources, the WARR sector can maximise opportunities to drive numerous WARR impact areas, including environmental outcomes and carbon emissions, recycling and recovery, remanufacturing, investment in the economy, and employment.

What is arguably not being capitalised on at this time, however, are the obligations that should be placed on generators of products [through policy approaches such as Extended Product Responsibility (EPR)], to better lengthen the lifespan of products and better manage end-of-life. Right to Repair must also form part of EPR and drive a circular economy in Australia.

At present, we know that one of the key challenges to achieving a circular economy is poor product design that leads to the loss of source material, does not require emphasis to be placed on re-use or repair, and continues to use composite or problematic material for obsolescence rather than for repair, reuse, disassembling and recycling[3]. A Right to Repair legislative framework can solve many of these issues by requiring manufacturers to improve product design in order to end planned obsolescence and drive repair. Moreover, decisions made at the product design stage hold the greatest influence over what happens during the use and at end-of-life phases, not only in terms of energy consumption, but also in terms of lifespan, maintenance, repair, reuse, upgrade, recyclability and material handling.

The key opportunities that will be captured by Right to Repair include:

- Development of new sub-sectors and growth of existing sectors related to repair, including domestic parts manufacture/remanufacture, repair shops and services, distribution, and more. There is also an opportunity to develop existing networks of men's sheds, not-for-profit organisations, charities, and repair cafes. All of these lead to growth of local economies and greater job creation for Australians, both in the metro and regional areas, and will work to decouple Australia from areas of the global economy.
- Regulations that will incentivise resource efficiency (while disincentivising the use of non-renewable resources), driving Australia's transition to a more circular economy.

[3] Circular economy roadmap for plastics, glass, paper and tyres, CSIRO 2021

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- A rethink of the value chain where the focus goes beyond recycling to direct reuse and repair, enabling efficiency gains in material and energy use while preserving the economic value embedded in products and reducing resource use – an all-around win for the environment, society, and economy. Depending on the sector, value retention processes could reduce primary material demand by upwards of 80% while remanufacturing may increase skilled labour hours by up to 120%[4]. Carbon emissions could also be reduced by upwards of 79% (depending on the sector) through remanufacturing, repair, and refurbishment.[5]

Defining 'Right to Repair' and regulations

As noted in the paper, there is at this time, no universal definition of Right to Repair. That said, there is no need to reinvent the wheel particularly as the EU and US have made headway in this regard. WMRR recommends following the EU's directive by developing consumer legislation to regulate the right of consumers to have products repaired within the legal guarantee period and requiring product manufacturers to design products that minimise waste, are easier to repair, and meets the principles of a circular economy, as well as ensuing that spare parts are readily available for the lifespan of the product.

What the regulations should seek to do include:

- Making it mandatory for manufacturers of new products to provide both spare parts and repair manuals for a minimum mandated time period (including warranty period) – this has already been legislated in France and introduced across other European jurisdictions through the ten (10) ecodesign measures.
- Rolling out tax incentives for repairs, such as those legislated in Sweden. The aim is to financially incentivise repair and reuse, and disincentivise single-use/throw away products and behaviours. Tax systems can play a pivotal role in the way we manage our natural resources and there is an opportunity to review how tax reform, e.g., a tax on the use of virgin materials, single-use, etc, can provide incentives to extend product lifespan, encourage more efficient resource use, and ultimately, drive circular design.
- Establish national standards for reusability and repairability.

Products of focus and next steps

In the absence of system-wide schemes that can manage products, consideration must be given to producers being made responsible for taking back their products for collection and recovery (including re-use and recycling models), and in that same vein, for improving the repairability, reusability, and recyclability of the product itself. Right to Repair should be part of a strengthened EPR scheme in Australia and could complement the Commonwealth's product stewardship framework within the *Recycling and Waste Reduction Act* 2020, which as noted above, already broadens the Act's objectives. Thus, Right to Repair regulations (and requirements for producers) could be introduced within the framework of this Act.

[4] A 1.5C World Requires A Circular and Low Carbon Economy, First Edition, June 2020, UNDP

[5] Ibid

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As such, priority products for Right to Repair should be those that are currently part of existing product stewardship schemes, including e-waste (computers and televisions) and mobile phones, as well as those that are or have been considered by the Minister for product stewardship approaches, such as photovoltaic systems, air conditioners and refrigerators. WMRR further recommends the consideration of product groups that come under the EU's ecodesign regulations as many are manufactured internationally and harmonised repair standards and rules could apply, and as the EU has undertaken extensive research in selection of these products to determine their potential for cost-effective GHG emissions reductions. These products include:

- Washing machines
- Dishwashers
- Electronic displays (beyond TVs)
- Electric motors
- Light sources and separate control gears
- Power transformers
- Welding equipment
- Electric motors
- External power supplies

Needless to say, extensive consultation with supply chain stakeholders during the development of these regulations is imperative to determine specific objectives and strategies based on product type.

Importantly, WMRR recommends that the following occur as a matter of priority:

- Creating a legislated consumer right to repair products, starting with electronics.
- Targeting manufacturing grants program and tax incentives toward innovative design for waste avoidance or minimisation, including reparability.
- Creating standards and certification systems for reused, repaired and remanufactured goods to build consumer confidence and promote sustainable design.

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