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

Email: repair@pc.gov.au

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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