Re: Zero Waste Victoria's feedback on the Productivity Commission's Draft report for the Right to Repair inquiry

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Contact:

This submission gives feedback to

- Draft recommendation 3.1 Guidance on reasonable durability of products
- Information request 3.1 Repair facilities, Spare Parts and software updates

  (specifically whether consumers have faced difficulties accessing spare parts or repair facilities under guarantees when their product breaks or develops a fault, including specific examples of the type and age of the product, and the costs incurred by the consumer)
- Information request 6.1 Product Labelling Scheme
- Recommendation 7.1 improving the management of e-waste

Draft recommendation 3.1 Guidance on reasonable durability of products

DRAFT RECOMMENDATION 3.1 GUIDANCE ON REASONABLE DURABILITY OF PRODUCTS

The Australian Competition and Consumer Commission (ACCC) should develop and publish estimates of the minimum expected durability for products within major categories of common household products.

The estimates would be a guide only to support application of the acceptable quality consumer guarantee in section 54 of the Australian Consumer Law. It could use ranges to take into account lower and higher value products in each category.

The ACCC guidance should be developed in consultation with State and Territory consumer law regulators, consumer groups and business groups representing product suppliers and manufacturers, and should be updated over time.

It's agreed the (ACCC) should develop and publish estimates of the minimum expected durability for products.

In addition, **the Commission should make a recommendation to the ACCC to take into account the repairability of a product, based on its design**. Minimum design standards and parts accessibility guidelines should be developed to appropriately ensure repairability of products which ought to be able to be repaired.

We must take this approach and mandate design standards to support the National Waste policy which states: "Preventing waste generation, including through design of products, and changing consumer behaviour to preference durable, reusable and reparable products."

If a product cannot be reasonably repaired, it ought to be prohibited from manufacture, sale and distribution in Australia.

Note: reasonably repaired, in my view refers to - if there is a similar product, which can be, or historically could be repaired, then it is reasonable to expect that current and future models of similar products can also be repaired.

Product design should also take into account materials which can be readily recycled or repurposed. The materials used could improve (or decrease) durability and/ or repairability of a product.

If the design of a product means the item cannot be repaired, when it ought to be able to be, then sale or distribution of it in Australia should be prohibited. Any exemptions should only be granted in special circumstances which demonstrate why a product has been designed in a way which does not allow for it.

If a product has been designed without considering repair or longevity of a product, and this ought to be considered an unacceptable design flaw, which is not acceptable because it will inevitably lead to premature obsolescence.

Information request 3.1 Repair facilities, Spare Parts and software updates

(specifically whether consumers have faced difficulties accessing spare parts or repair facilities under guarantees when their product breaks or develops a fault, including specific examples of the type and age of the product, and the costs incurred by the consumer)

I have a 3-in-1 airfryer, which has recently stopped working while under warranty, within less than 12 months of acquiring it. Kmart asked for it to be returned, after the lockdown ends, for replacement. I specifically asked if it could be repaired, and was told that it will be replaced.

And while consumers will be happy with a replacement under warranty, most will also be satisfied if it is repaired and working. Furthermore, if the product was out of warranty, the consumer ought to be able to have it repaired.

As a consumer while I too would like a working product, I would prefer for it to be repaired.

Information request 6.1 Product Labelling Scheme

INFORMATION REQUEST 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 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.*

I support product labelling standards to enable consumers to receive information about product durability and repairability prior to purchase. Often consumers don't consider repair until it comes time to repair, but if the information was available, many would consider it.

It would also be beneficial to know about the end of life of the product. Conscious consumers want to know if products can and will be recycled. There is a push to a circular economy and this needs to be a consideration.

Breville is an example of manufacturer who offers both repair and replacement warranties https://www.breville.com/au/en/support/Warranty.html

Which is an indication that some of their products are repairable, and some may not be repairable.

It would be beneficial for all electrical household goods to indicate whether or not it is readily repairable.

Perhaps with a symbol, that indicates if the product stops working that it is repairable, with contact details to the parts supplier (if the manufacturer is not the supplier of the parts)

BEHAVIOUR CHANGE

Generally consumers have been conditioned to purchase new when something stops working. Which is not surprising considering you often can't repair household electrical goods.

As referenced in the National Waste Policy, there needs to be a change in consumer behaviour to preference durable, reusable and reparable products. Behaviour change can only happen if products are required to meet this criteria.

While some consumers' personal preference is to 'prematurely' dispose of their products. If products were more readily repairable, many consumers would opt to repair these products. And if appropriate incentives (or disincentives) were in place, alongside behaviour change programs to shift the mindset about acquiring durable, reusable and reparable products. Then consumers preferences will change and this will support and enable a stronger repair market too.

Regardless, there will be some consumers who will still preference premature disposing of products, which in turn can support the second-hand economy. According to Gumtree "42% of Australians say they are more likely to sell items through the second-hand economy now than before COVID-19."

https://blog.gumtree.com.au/wp-content/uploads/2020/08/Second-Hand-Economy-Report-Aug-2020.pdf

Which can alleviate affordability concerns for low-income households, as the second-hand economy often enables lower prices than if purchasing a cheaper version, new.

Box 6.7 The French repairability index

France recently implemented (January 2021) a mandatory repairability index for smart phones, laptops, televisions, washing machines and electric lawn mowers. The index aims to:

- increase consumer awareness about the possibility of extending their products lifespans and encourage consumers to purchase more repairable products, to help reduce e-waste and encourage the circular economy
- reduce product obsolescence — planned or not — to help preserve the natural resources required for production.

The index is a score ranked out of 10 and must be displayed near the product at the point of sale, and online next to the price of the product. The score is self-declared by the manufacturer — regulated through the French market surveillance authorities — and covers five categories, each worth 20 per cent:

- documentation: availability of technical documentation
- disassembly: ease of disassembly of the product for repair and the types of tools needed
- availability of parts: the duration of spare parts availability and the time taken to deliver them
- price of spare parts: the ratio of the sale price of spare parts to the price of the product
- product-specific assets: a score determined by product-specific sub-criteria. For example, for smart phones, laptops and televisions this criterion includes software aspects.

The score of each five categories should also be made available to consumers at the point of sale, and upon request. The repairability index will be replaced by a sustainability index in 2024, which will include both repairability and reliability aspects.

French repairability index product labels

Sources: Ministère de la Transition Écologique (2021); Right to Repair (2021).

For most consumers it's likely too difficult to fully understand what the score represents. While this number takes into account a summary of repairability, it doesn't specify the limiting elements. For instance, the parts could be readily available, but if it cannot be easily disassembled to be repaired, it could still score quite high. Which could provide a false level of confidence, to the consumer, about how repairable an item is.

As a consumer, more information is needed to be able to make an informed purchase decision, taking repairability into account.

Each of the categories the French repairability index uses, would be useful information, but as a quantitative summary, I would need more information to be convinced that it will appropriately indicate repairability.

I understand manufacturers would prefer a single labelling option, rather than one for each country. So if Australia were to adopt the French model, we could build on this. In addition it should also include a descriptor for each category such as where to order parts, and a minimum time which parts will be guaranteed to be available (which should extend beyond the time of the warranty, or extended warranty)

As many of these products are manufactured and distributed internationally, manufacturers will prefer a standardised approach, which is understandable. While a wait-and-see approach seems like an easy option, and it would be, Australia would be better placed to run a pilot program, perhaps focusing on products which aren't covered in the French repairability index such as vehicles, machinery or power tools.

Recommendation 7.1 improving the management of e-waste

DRAFT RECOMMENDATION 7.1 IMPROVING THE MANAGEMENT OF E-WASTE

The Australian Government should amend the National Television and Computer Recycling Scheme (NTCRS) to allow e-waste products that have been repaired or reused by co-regulatory bodies to be counted towards annual scheme targets.

The exact design features that need to be incorporated into the NTCRS to enable reuse options should be determined in consultation with the scheme's liable parties and co-regulatory bodies. The changes should be designed in a way that minimise any adverse incentives, including risks from:

- double-counting, where the same products cycle through the scheme without legitimately being reused
- unlawful exports for reuse that result in more products in the informal recycling sector, generating worse health and environmental outcomes.

Any future co-regulatory or mandatory product stewardship schemes should also include repair and reuse as options within their targets.

AMENDING THE NTCRS to enable more reuse

I agree with this recommendation. In addition, the National Television and Computer Recycling Scheme (NTCRS) needs to be extended to include everything with a power cord or battery.

The NTCRS needs to take into account:

- design which enables the repair of products; ensuring accessibility of parts, tools & instruction to support product repair
- Upgradability of products – e.g., can a microchip or part be replaced to upgrade the hardware of a product, or does it need to be replaced to upgrade to better or newer technology

- When the product is recycled, has it been designed with materials which can be readily recycled, or disassembled.
- Proportion of recycled, reclaimed or reused components in the product and relevant environmental considerations in the manufacture of the product.

There is little incentive via NTCRS to do anything other than recycle collected e-waste. This results in functional products being destroyed, rather than being put to higher value uses through repair and resale.

I agree that annual recycling targets for the NTCRS should be modified to count products which have been repaired or refurbished for reuse by co regulatory bodies.

Surveys could be done at the point of sale, to collect data to learn

- If the new item is replacing an old item, or if it is additional equipment
- If an item is being replaced, what is happening with the old item? Is it
    - Passed to another family member
    - Being sold 2nd hand
    - Given away in usable order
    - Recycled
    - Other
- If an item is being replaced, what is the motive
    - Desire for the latest technology
    - Need a better model to meet your needs
    - Not able to repair the product
    - Other

- This data would inform the regulator as to the volume of products which cannot be repaired, or upgraded compared to the consumers desire to replace a product which was in an acceptable working condition. Which would support reviews of the NTCRS in the future.

Currently the NTCRS tariff is based on weight, which is not a metric which supports repair. If a product is more (or less) repairable, it should be taken into account with the tariff.

For example, a product which is designed so it can be updated with the latest technology by means of replacing a component, should be considered a more durable option, that one which cannot be updated.

As part of these changes to the target, reuse would need to be clearly defined, to avoid double counting of the same e waste.

If it will be appropriately useful, I am happy to further discuss or elaborate by providing more on this point.