

Submission to the Productivity Commission inquiry into a

# Right to Repair

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Technology & Engineering

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## RIGHT TO REPAIR

The Australian Academy of Technology and Engineering (ATSE)<sup>1</sup> is pleased to contribute to the Productivity Commission's inquiry into a consumer right to repair in Australia.

ATSE strongly supports a legislated consumer right to repair products, which will enable better outcomes for consumers and reduce environmental impact. Repairing products rather than replacing them represents better value for the consumer's money, and creates a loyalty relationship between consumer and manufacturer. Repairing or remanufacturing products for resale is also more cost effective than making new products, as it requires less resources and avoids waste. Repair economies support job growth through the development of small, local business offering these services. Repair diverts substantial valuable resources from landfill, particularly electronics, which contain environmentally harmful substances in much higher quantities than other products.

ATSE's recent landmark report on technology readiness in Australia's waste management and resource recovery sector recommended a legislated consumer right to repair products in Australia, starting with electronics (recommendation 1.1(c)). In *Towards a Waste Free Future*<sup>2</sup>, ATSE found that consumers are increasingly demanding repair services, particularly for electronics, and that unfixable devices contribute to the mounting problem of e-waste.

The right to repair movement is gaining momentum globally, with people increasingly holding manufacturers accountable for the durability and sustainable credentials of their products. More than 20 states in the United States of America (USA) have now introduced Right to Repair Bills.<sup>3</sup> Europe has new standards for appliance durability, which include a requirement for manufacturers to supply spare parts for up to 10 years for some whitegoods.<sup>4</sup> These regulations also require manufacturers to ensure maintenance and repair instructions are available to professional repairers. Sweden has introduced a number of tax incentives and concessions for consumers to repair household items such as whitegoods rather than replacing them. This had the effect of reducing the consumer cost of repair by as much as 85 per cent and stimulating jobs in the repair service industry. Although the main focus of this inquiry concern right to repair in physical products, the prevalence of software use means that new processes and regulations will be also needed in that area.

A legislated consumer right to repair creates certainty for business development and investment, as well as sending a strong signal to consumers about responsible and sustainable consumer behaviour. ATSE strongly supports the development of policy settings which will drive innovation in product design and allow for accessible and economically viable means of repair in Australia, as a step towards a more sustainable economy. To this end, **ATSE recommends:**

- Creating a legislated consumer right to repair products, starting with electronics.
- Targeting manufacturing grant programs and tax incentives toward innovative design for waste avoidance or minimisation, including reparability.

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<sup>1</sup> The Australian Academy of Technology and Engineering is a Learned Academy of independent, non-political experts helping Australians understand and use technology to solve complex problems. Bringing together Australia's leading thinkers in applied science, technology and engineering, ATSE provides impartial, practical and evidence-based advice on how to achieve sustainable solutions and advance prosperity.

<sup>2</sup> Australian Academy of Technology and Engineering (2020) *Towards a Waste Free Future*. Available from: <https://www.atse.org.au/research-and-policy/big-issues/helping-australia-get-technology-ready/waste-and-resource-recovery-report/>

<sup>3</sup> Wiseman, L., & Kariyawasam, K. (2020) US and EU laws show Australia's right to repair movement is well overdue. Available from: <https://theconversation.com/us-and-eu-laws-show-australias-right-to-repair-moment-is-well-overdue-127323>

<sup>4</sup> Harrabin R. (2019) EU brings in "right to repair" rules for appliances. BBC News. Available from: <https://www.bbc.com/news/business-49884827>

- Creating standards and certification systems for reused, repaired and remanufactured goods to build consumer confidence and promote sustainable design.

## Barriers to repair

ATSE's 2020 report [Towards a Waste Free Future](#) highlighted key barriers to repair in Australia.

Local repairers are frequently unable to repair devices due to inaccessibility of the device's software information or technology. Intellectual property and copyright laws restrict small businesses such as mechanics and electronics repairers from being able to access the information required to repair goods, and they have called for government regulation to create a right to repair that facilitates the provision of this information. Some small businesses will repair products, but the catch for consumers is that if they repair their product at an unauthorised repair centre, the product's warranty will often be voided. In many cases, it is often easier, quicker and cheaper to purchase a new device than repair it. In addition to the expensive consumer costs, unfixable devices and products therefore also contribute to the mounting problem of landfill and e-waste.

Consumers in Australia are not yet fully engaged with responsible practices of repair and reuse. To support a change in behaviour, consumers need information on how to use products efficiently and safely, and how to repair products responsibly. The introduction of online databases or labelling standards to provide consumers with information about the environmental and health impact of a product's lifecycle will support consumer awareness and promote positive consumer behaviour.

## Implications for E-waste

With electronic products part of almost every aspect of our lives, the mountain of broken and obsolete devices is growing. Consumers are increasingly demanding repair services. Often, broken devices need to be sent to the manufacturer for a diagnosis of the issue and then, if possible, a costly repair. Often, manufacturers advise purchase of a new device rather than repair.

E-waste is the fastest-growing waste stream in the world, estimated at 48.5 million tonnes in 2018. It is environmentally damaging if it ends up in landfill — as almost 80% does worldwide.<sup>5</sup> These waste streams are growing exponentially, and are also more complex, containing rare metals and toxic materials in much higher quantities than current products.

According to the World Economic Forum, Australia is among the highest e-waste generating nations in the world; in 2016 we generated 23.6 kg of e-waste per capita.<sup>6</sup> Currently, 50 per cent of Australia's e-waste ends up in landfill.<sup>7</sup> Australia's current policy settings for managing the potential environmental and health effects of e-waste are insufficient to respond to this increasingly complex challenge.

A right to repair electrical and whitegoods, promoting and facilitating that option, would increase the longevity and durability of these products, as well as preserving valuable materials and reducing the level of hazardous waste ending up in landfill.

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<sup>5</sup> World Business Council for Sustainable Development (2018) Cradle to Cradle - Circular Economy Guide. Available from: <https://www.ceguide.org/Strategies-and-examples/Design/Cradle-to-Cradle-R>

<sup>6</sup> Baldé CP, Forti V, Gray V, Kuehr R, Stegmann P. (2020) The Global E-Waste Monitor 2020: Quantities, flows, and the circular economy potential. Available from: <https://www.itu.int/myitu/-/media/Publications/2020-Publications/Global-E-waste-Monitor-2020.pdf>

<sup>7</sup> Australian Bureau of Statistics (2020) Waste Account, Australia, Experimental Estimates. Available from: <https://www.abs.gov.au/statistics/environment/environmental-management/waste-account-australia-experimental-estimates/latest-release>

## Benefits of a right to repair

Materials have value at all stages of their lifecycle, and a right to repair would ensure Australia can maximise the value of materials for the benefit of the economy, society and environment.

Minimising waste through efficient design will become more cost effective, and repairing products to resell will cost less than manufacturing from virgin materials. There is also an increasing corporate social responsibility imperative to design out waste, and produce sustainable products. Consumer demand will shift the economic feasibility of these technologies more and more in the decade to 2030 as the world's population increases along with competition for resources.

The collection and management of data on a product's usage, performance, wear and lifecycle could also provide valuable information that can be used to maximise efficiency, reduce repair costs, and greatly facilitate the ability to remanufacture products.<sup>8</sup>

There are a number of other potential positive flow-on effects associated with a right to repair, such as an increase in small and local businesses offering repair services. A legislated right to repair would drive growth in Australia's repair service industry, creating jobs and boosting small business.

## Policy to drive a shift towards repair

During the development of ATSE's report *Towards a Waste Free Future*, stakeholders consistently reported a lack of incentives or policy requirements for designing products for durability, reuse, repair or recycling in Australia, as opposed to landfill. Nor are there basic sustainable design standards or specifications for Australian-made or imported products.

A legislative approach to repair may take several years to come into effect in Australia, but rapid development of design guidelines and standards could accelerate outcomes by creating consumer demand and voluntary industry action.

The design of a product and its resulting waste are separated in Australia's current perception, but should be conceptualised together. Government regulation can incentivise manufacturers to adopt eco-design principles and create a level playing field where manufacturers are not disadvantaged in acting responsibly. For example, the European Commission has implemented Eco-design Directives through regulations designed to extend the life of many appliances, including through repair.

Manufacturers are required to make appliances repairable and durable, provide replacement parts for up to 10 years, and make available repair and maintenance instructions for professional repairers.<sup>9</sup>

Australia should look carefully at the experience of other markets, particularly Europe, to ensure that any Australian standards do not create unintended barriers or impediments to innovation and new, more sustainable products entering the domestic market. Engaging industry associations to ensure standards and incentives are fairly and broadly applied may also lead to a competitive advantage for Australian products.

In order to accelerate the paradigm shift towards design for reuse and repair, and to remove existing barriers to repair, ATSE recommends:

- Creating a legislated consumer right to repair products, starting with electronics.
- Targeting manufacturing grant programs and tax incentives toward innovative design for waste avoidance or minimisation, including reparability.

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<sup>8</sup> World Economic Forum (2019) Making Manufacturing Sustainable by Design. Available from: [http://www3.weforum.org/docs/WEF\\_Making\\_Manufacturing\\_Sustainable\\_by\\_Design\\_Report.pdf](http://www3.weforum.org/docs/WEF_Making_Manufacturing_Sustainable_by_Design_Report.pdf)

<sup>9</sup> European Commission (2019) Regulation laying down ecodesign requirements. Available from: [https://ec.europa.eu/energy/topics/energy-efficiency/energy-label-and-ecodesign/regulation-laying-down-ecodesign-requirements-1-october-2019\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/energy-label-and-ecodesign/regulation-laying-down-ecodesign-requirements-1-october-2019_en)

- Creating standards and certification systems for reused, repaired and remanufactured goods to build consumer confidence and promote sustainable design.

ATSE would be pleased to further assist the Commission in this inquiry. For more information, please contact Samires Hook, ATSE Policy Project Manager ([samires.hook@atse.org.au](mailto:samires.hook@atse.org.au)).