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January 29, 2021

Right to Repair
Productivity Commission
4 National Circuit
Barton ACT 2600, Australia

Submitted via online form

RE: Right to Repair Inquiry and Issues Paper

The Australian Industry Group (Ai Group) welcomes the opportunity to make a submission regarding the Right to Repair Inquiry.

Ai Group is a peak national employer association representing and connecting thousands of businesses in a variety of industries and sectors across Australia. Our membership and affiliates include private sector employers large and small from more than 60,000 businesses employing over 1 million staff.

Ai Group is committed to the pursuit of solutions to the waste crisis that are both financially and environmentally sustainable and recognise the place that right to repair (R2R) has in this discussion.

Information request 1:
As noted in the paper, there is no single definition of R2R. There are numerous movements globally, often focusing on different areas of the issue. In the Australian context, it seems likely that what we are aiming for is an increase in the repair of physical products by competent, suitably qualified persons, thus extending product life, minimising waste and creating a more circular economy.

This is a worthy aim, however there are many complexities to the repair landscape that must be considered. In terms of definition and scope, meaningful consultation with manufacturers is pivotal. This is because repairability needs to be considered during the design and development phase of product evolution if any such policy is to be successful.

In consultation with members, it is clear R2R should be defined as clearly as possible to avoid any ambiguity between the key terms of 'repair,' 'maintain,' and 'modify'. Modification of product (making changes to something which extends past its initial scope of delivery) was of concern to one member, who noted that:

"[Modification] can have serious environmental and safety consequences, and potentially violate intellectual property rights. Change [to] any equipment or engine settings [may]

negatively affect emissions or safety compliance."

In addition to the design of products and practicalities of repair, safety remains a significant concern. For example, there are many areas in the layouts of electrical products that consumers or unqualified repair persons should not be allowed to access (to avoid injury or death). This is not unreasonable, and a desire to repair should never trump genuine safety precaution.

An example provided by an Ai Group member is the now commonplace use of tamper proof fasteners on some products. Whilst in many (if not most) instances, these legitimately protect consumers or unqualified repairers from danger, their use also slows down professional repairers by adding more time to the process of inspection and repair.

Furthermore, for security and IP reasons some manufacturers choose to limit access to certain electronic circuits, electrical control units or specialised devices containing their proprietary designs. This is another issue that will need detailed attention.

Finally, we should analyse the validity of the claim that Australians don't have a right to repair (or enough right to repair) in the first instance. The topic of smart phones comes up often in the R2R debate, yet in 2018 an Australian Federal Court ruled in favour of the ACCC against tech giant Apple for telling consumers they would not honour a warranty in the event they took their iPhones to third-party repairers. They found this to be a breach of the Australian Consumer Guarantees in the Australian Consumer Law[1]. Apple received a multi-million dollar fine for the breach.

Ai Group makes no comment on the case; however, the outcome would indicate that Australians do in fact, have the right to repair their phones – they're just not doing it as much as some would hope. The most obvious reasons for this are:

- People often replace their phones due to genuine technological advances that render previous models less desirable; and
- Repairs are often financially unattractive. Repair is labour-intensive compared to original manufacture, the productivity of repairers has not increased in line with the productivity of manufacturers, and Australia has high labour costs.

If the R2R exists but is not communicated to consumers well enough or is not financially viable, other meaningful solutions must be sought. These might include new efforts to increase the productivity and reduce the cost of repair or add further momentum to existing efforts to build a circular economy where materials are recovered and returned as inputs to production.

Increased costs to consumers without a genuine lift in repair rates is of no benefit to the community, and is something industry, government and consumers all have an interest in avoiding.

[1] 'Is Australia ready for a 'Right to Repair'?' Griffith University, February 2020

Information Request 2:

A) The types of products and repair markets the PC should focus on should be based on the availability of safe and competent repair. This includes widespread availability of requisite skills and qualifications, as well as access to parts and IP where appropriate.

This is not to say that we cannot or should not aim to expand the range of products with a R2R applicable over time through the development of skills and competencies and strengthening supply chains for parts. Additionally, options such as the ACCC recommendation for a mandatory scheme for the sharing of car repair and service information could be examined against a range of products.

Expanding R2R applicable product options could be tackled similarly to the Minister's List for product stewardship schemes, whereby each year the Minister for the Environment sets a priority list for possible schemes. This list signals the need for industry to work together to develop product stewardship options for these products[2]. This approach gives industry the option for early voluntary intervention and limits the risk of products currently unsuitable for safe or reliable repair being prematurely tampered with and causing harm to the community (whether physically or fiscally) due to a blanket R2R rule.

B) Products requiring mechanical or low-level electrical repairs may be best suited for R2R in the first instance as they pose less risk to the community than the proliferation of regular interventions in high-risk or complicated product categories.

An example of 'high risk' or complicated product is software that incorporates vital safety features into unit operation, such as a chain brake on a chainsaw or the overload safety switches on handheld tools. Having non-accredited repairers or household tinkerers who have downloaded a manual interfere with such software could risk human safety.

The best early outcomes are likely to be found where repair work standards are well-established and replacement parts are obtainable (such as work performed in small appliance repair or vehicle maintenance). To expand and mainstream R2R will require us to establish similar repair work standards and availability of parts to those mentioned above in additional categories.

A challenge concerning computer technology and e-waste is manufacturers' desire to create new and innovative products, and consumer appetite to possess the latest technology. There is an obvious short upgrade cycle resulting in a substantial volume of e-waste, although we note the continued success of product stewardship initiatives providing relief in this space. Due to the fast pace of the innovation cycle, it may always be a struggle to entice either party to regularly utilise any repair option over replacement and upgrade. However, one Ai Group member noted that smarter design combined with standards development for allowing the removal and replacement of certain parts to upgrade technology without discarding the whole device may be of assistance in some circumstances.

C) Ai Group have chosen not to single out specific products in this instance, however as noted in Information Request 2 (A&B), a focus on products with existing and easily expandable safe and competent repair options would be the best place to start, followed by individual

[2] Product stewardship schemes and priorities, The Department of Agriculture, Water and Environment

and measured consideration of complex or high-risk products in close consultation with manufacturers.

Information Request 3:

A) Ai Group acknowledges the barriers discussed in the paper, including the complexities associated with online shopping and goods imported into the country by the consumers themselves as well as new payment technologies such as 'buy now, pay later.' However, we note that these barriers are not caused by manufacturers themselves.

The Australian Consumer Law (ACL) provides excellent protection to consumers, however we acknowledge that in many cases consumers do not know their rights. In terms of the policy options mentioned in the paper, Ai Group would be supportive of the provision of additional information (educational material on rights, repairability or warranties) to consumers at the point of sale. Where it can be effective, better education about existing rights and responsibilities is preferable to additional regulatory impositions.

Further clarification of what 'reasonable' means in relevant ACL warranties (such as in relation to the availability and time period of repair supplies) for given products would be useful for both consumers and business in terms of dispute avoidance and management of ambiguity.

B) Generally, there is no agreed regulatory timeframe for manufacturers to keep spare parts for products outside of the warranty period. An agreement about a uniform acceptable time period to stock spare parts made in consultation with impacted manufacturers may improve access to repair remedies and could possibly take place through a code of conduct (voluntary or otherwise), or something similar.

On this point, a member in the consumer electronics industry with significant industry reach commented that:

"Account should be taken of the [cost of making] parts available for repair over extended periods of time… Additionally, these parts may never be required, and likely come at a cost that would dissuade the average user from seeking repair of an older product. Some parts may degrade while in storage and re-manufacture [may not be] an option, as technology rapidly moves on in the consumer electronic market and [required] manufacturing facilities may no longer be available, making the supply of such parts impractical."

Another member in the telecommunications industry advised that the cost of parts may be prohibitive in products that are less common or popular, which may impact the financial viability of repairs of those products or place undue stress on smaller manufacturers and lead to competition issues.

We note that manufacturers do have the ability to 'opt out' of the requirement to provide spare parts and repair facilities by advising consumers at the time of purchase that repair facilities and parts will not be available after a specific time. While there may be valid reasons to use this clause (like in the example above), it may be prudent to consider tightening or removing the 'opt out' clause in some instances, considering Australia's circular economy goals and commitments.

C) Being forced to repair in the first instance would represent a reduction of rights for both consumer and supplier, who can choose between repair or replacement based on the product issue and specifics of the complaint. As such, consumer guarantees should remain neutral between repair and replacement. However, it is worth noting that we are not choosing only between repair or landfill when considering this question. In many relevant product categories, the major manufacturers or retailers have or are developing sound product stewardship initiatives and replaced materials are increasingly given a second life.

Given Australia's geography the environmental impact of repair itself is an important consideration. If there is substantial transport/logistics involved in returning items and sourcing parts, the greenhouse gas emissions and other undesirable latent consequences should be weighed as a cost, just as those in initial production should be. These considerations are very dependent on context – both the nature of the product and the location of its use.

If repair was to become mandated to a default or favoured option, it should consider the above factors along with the fate of the item if replaced (e.g. does the product have scope for a meaningful second life?). A blanket preference for repair may be costly, involve additional hardware replacement and generate emissions through extra transit.

D) It is hard to believe something as large and complex as the ACL would be well known or easily decipherable to the average consumer.

The issues paper notes that the availability of repairs under the ACL may be limited by factors such as consumer awareness of their rights and their abilities to enforce those rights. An obvious, cost-effective solution is better consumer education, which should be provided by government in partnership with industry. This could be delivered to various audiences (secondary students, students in relevant TAFE/University courses, as print or digital accompaniment to products purchased etc.) in order to increase the uptake of repair for faulty items and the use of other available remedies where appropriate.

Some businesses already take exceptional care to keep their customers informed of their rights. One noted that:

"[Our product warranty is] is communicated at purchase [and] reinforced via a follow up email. The information is readily available via the internet, and in the technical materials accompanying the product at point of sale. Additionally, customers can opt-

in to service reminders from the store they purchase the item from. Since all [of our] products are sold in a face-to-face environment, the salesperson goes through the warranty measures at point of sale. [We focus on] customer service and product advice to ensure product longevity throughout its lifecycle."

Best practice examples such as this could be drawn upon for wider adoption throughout industry.

Information Request 4:

A) Ai Group received the following detailed information regarding this question from a member involved in the power equipment industry:

"[Our business has] around 300 servicing dealers in its national network. In addition, some dealers have arrangements in place to repair products purchased by consumers from mass merchandisers. Some competitors have close to 1000 servicing dealers/retailers nationwide. All do product repairs and servicing, as it is a big part of their businesses. On average, there are 2 servicing technicians employed [per location] … they are always busy and always looking for more skilled technicians. Hourly repair rates vary from $80 to $110 per hour, plus parts. Times taken to repair equipment can vary on the problem and complexity of the units being repaired."

B) In response to this question, a member commented that:

"[Most] independent repairers [in the power equipment industry] do not possess direct accounts or are not permitted to purchase replacement parts direct from distributors. Therefore, many do not use genuine replacement parts and there will always be concerns related to the quality of replacement or after-market parts in this market sector. In addition, [we] harbour some concerns about the skills, education levels and workmanship of many independent repairers, as most have not received or not been given the opportunity to take part in any official factory training, which large companies normally provide to their own authorised repairers."

The best way to address concerns regarding quality and safety is to ensure that there are clear and enforceable expectations regarding competency/qualifications (including knowledge of applicable Australian Standards) required by any business or individual engaged in repair activities. This may involve partnership with industry (whether voluntary or mandatory) to provide official factory training to third-party repairers to address the issues raised above.

Data security, privacy and safety are important issues in R2R. There is ongoing international debate about whether R2R helps or harms cyber security. Several manufacturers overseas have opposed R2R raising concerns about weakening the security of their products. Other concerns raised include protecting companies' proprietary information and IP, and whether source code should be open-access or closed. Ai Group comment awaits further advice from members. However, it is clear that any impacts of a R2R on data security, privacy and safety should be fully

considered. Furthermore, strengthening cyber security in products involves establishing trusted supply chains and networks for the lifecycle of the product. Authorised access to proprietary information has wider implications than the cost and availability of repair.

C) Ai Group is aware of some success in the utilisation of authorised dealers/repairers that service similar products for multiple brands. The ability to service like products for more than one brand helps these repairers to create an economy of scale with access to genuine parts and up to date service training covering the latest technologies. The outcome is a reliable and safe repair option for the consumer.

It is our understanding that in many industries, a distributer will set up servicing dealers after evaluating population needs, market demographics and expenses. Distributers may spend substantial time in researching the viability of servicing locations. One member in the power equipment industry noted that while the process of appointing a servicing dealer was quite infrequent, it was their view that it was open and competitive.

A member in the installed consumer appliances space noted that the repair market in their industry is understood to be quite competitive. The majority of repairs are generally carried out by accredited agents who have received training from OEMs, and they work regularly. When installed consumer appliances (gas heaters, air conditioners, water heaters etc.) break down, consumers are more likely to opt for repair in the first instance, as it will almost always be cheaper and more convenient than replacement. Another member in the outdoor power equipment industry reported the same scenario. In these cases, interference in a repair ecosystem that is largely functional may have negative unintended consequences.

D) Ai Group has heard that some repair agents charge significant 'call out' fees to provide quotations for the repair of larger appliances or equipment. In this case, it is often the cost of the assessment and quotation, rather than the cost of the repair itself, that is prohibitive to the consumer in pursuing a repair pathway.

Additionally, short-sighted consumer behaviours, switching costs, poor information availability, lack of insurance options and consumer lock in all create barriers to competition in repair markets.

Members have reported that in many cases consumers do not bother to obtain repair quotes, favouring replacement in the first instance. This may be to do with wider societal trends towards the 'use and throw' model of consumption that has been favoured for many years. This is unfortunate for manufacturers/suppliers who may want to engage in more repair activity but are not able to as they are subject to the will of the consumer.

A preference for immediate or rapid replacement may also come from a place of genuine need. For example, when a refrigerator breaks down, consumers need an urgent remedy to safely store perishable foods.

Having said this, some members are working hard to overcome barriers to repair. One member in the telecommunications industry advised us they are working on a repair service for phone screens and investigating better insurance options for consumers to boost repair. This is a good example of best practice and proactive business behaviour with the goal of lifting repair rates in Australia.

E) There will always be conflict between competitive primary markets and non-competitive repair markets, or non-competitive primary markets and competitive repair markets. However, regardless of the strengths of either market, there are manufacturers that see value in building and producing high quality serviceable products, noting there is good money to be made in the parts and repair industry. In other words, a one-time customer can be made into a repeat customer through repair, and this is an attractive business opportunity.

   Additionally, many businesses are incorporating circular economy principles into their business models and taking an increased interest in sustainability. There are both customer demand and regulatory elements to this shift, which will see more businesses engaging in both markets (regardless of present and projected competition level in either).

F) Ai Group is confident that our current regulatory settings to deal with anti-competitive behaviours are sufficient.

G) Rather than introducing an additional R2R to an already complex and costly regulatory environment, the PC should instead consider a recommendation that government review existing instruments to ensure they are fit for purpose and make any refinements required to address gaps.

   Additionally, consumer education should be increased and financial incentives for repair over replacement could be considered. These measures can stimulate activity in repair markets, making competition and cost reduction more likely.

Information Request 5:

A) Ai Group does not have any comment on this request.

B) Intellectual Property (IP) laws are complex, far-reaching and have global implications. Requiring manufacturers to disclose proprietary knowledge could undermine a host of IP laws. Additionally, measures which limit a manufacturers control of the market for replacement parts could conflict with patent exclusivity[3]. This creates uncertainty in terms of balancing consumer rights (including right to repair) with the rights of manufacturers to protect their IP. As such, R2R cannot and should not be considered without reviewing its interaction with IP rights.

[3] Leah Chan Grinvald and Ofer Tur-Sinai, 'Intellectual Property Law and the Right to Repair', 88 Fordham L. Rev. 63 (2019), p. 63

C) Ai Group does not have any comment on this request.

D) The accredited dealer/repairer approach discussed in Information Request 4(C) may be the safest way to approach provision of legal access to embedded software in consumer and other goods for the purpose of repairs. The original equipment manufacturers (OEMs) could reduce their risk of being exploited by third parties by giving dealers/repairers an accreditation and persuading their customers to use them (instead of unauthorised parties). This access should be granted only when repairers have completed requisite training through the relevant OEM(s) and remain subject to regular validation. This is because having a certain trade qualification or similar does not necessarily mean a repairer has the appropriate product specific knowledge to carry product specific repairs safely and efficiently. An accreditation model can preserve the OEMs' influence on their products after sale and preserve repair revenue while giving consumers a clearer, cheaper and more trustworthy pathway to repair. Such a model also prevents unqualified persons causing damage to equipment and in some cases, potentially creating dangerous conditions.

This option is similar to the 'Duty to Deal' example discussed in Table 1[4] of the paper.

Table 1 **Examples of international approaches to a 'right to repair'**

Policy	*International example*
Duty to deal – requirements for OEMs[a] to provide independent repairers fair access to parts, tools and/or repair information	Vehicle repair legislation in Massachusetts; EU vehicle repair regulation; EU Ecodesign Directive regulations for appliances
Obligations on manufacturers to **produce spare parts** for a specific period	EU Ecodesign Directive regulations for appliances

In addition to the obligations on OEMs, one member suggested that consideration also be given to requiring repairers to guarantee their work. This would help with the possible fairness issue that comes with a R2R expectation that OEMs fix the sub-par repair work of third parties (although an OEM accreditation model associated with a duty to deal would likely address this issue).

In the event that it does become mandatory for OEMs to provide access to repair information in particular, one member expressed the following view:

"It is reasonable that the owner should be the entity responsible for choosing whether or not they employ an 'endorsed' repairer, a third-party repairer, or repair it themselves. [However, if this is the case] we would actually argue that in addition to mandatory provision of that information, the manufacturer should be legally protected from harm caused if the owner (or their appointed service provider) suffers harm or loss in carrying out the repairs described in the service manual."

[4] Right to Repair Productivity Issues Paper (December 2020), p. 25

Information Request 6:

A) It is important to note at the outset that knowing a product will eventually (irrespective of time frame) become obsolete due to technical advances or consumer preference is not predatory behaviour. We live in a society of continually advancing technology, innovation and trends which routinely lead to natural obsolescence of many products. Consumers are and should be allowed to discard products that still 'work' in favour of alternatives that better meet their needs. As discussed in Information Request 2 (B), product stewardship initiatives are an effective way of managing this waste and of giving discarded products a meaningful second life, with some businesses even incorporating them into newer iterations of the same products.

   Ai Group also rejects the view that industrial designers and engineers routinely design products to create premature failure to generate more profit for OEMs. While there are always nefarious players in any given environment (market or otherwise), the short life cycle of many products is easily explainable by competitive pressures on manufactures to supply products that meet consumer needs at the lowest possible price. To achieve the rock-bottom price points consumers have come to expect, manufacturers must lower production costs. Among the strategies to do this is to reduce specifications for components and assemblies to the minimum necessary to meet consumer preferences and performance standards. Lower build quality specifications and the parts that make them up can add higher levels of uncertainty in respect to their long-term reliability and durability. This trade-off must be weighed in the particular context of different product markets and different consumer preferences. Extended product life is of little value to consumers who expect to use the product briefly or upgrade it rapidly.

   When forced to make every possible cut to remain in the market at all, it is no surprise that the quality of many products has been eroded over time. While many manufacturers still do a good job of creating quality product at a low price, some could invest more in production to facilitate the durability and repair prospects of some products. However, it is likely that the increased cost would be met with resistance from consumers. Where this is the case, we may consider that products were formerly over-engineered for actual consumer needs.

   Overall, of three potential definitions of 'planned obsolescence, we consider that nefarious decisions to shorten product life to drive higher sales are largely exaggerated, while regular product updates to pursue and maintain market share and the balancing of product life with production cost to meet consumers' preferences are in the consumer interest.

B) It may be very difficult in practice to make such a distinction. Planned obsolescence would involve design and production of products with the view that the consumer will 'use them up' in a specific amount of time. Some people refer to this as 'design for the dump.' Some products must be designed this way (for example, smoke detectors are often replaced while they are still working as an important pre-emptive safety provision). On the other end of the spectrum, it could involve examples such as smart-phone companies being caught using software to slow down 'older' devices and push

earlier replacement[5].

Natural obsolescence can also be called perceived obsolescence, whereby a working or repairable product is replaced simply because it is now less desirable to the consumer. Therefore, it is rendered obsolete by perception rather than actual function. Similarly, a genuine technological innovation may lead a consumer to replace an item (such as a phone or personal computer) creating waste, but also providing the consumer with a superior product.

When considering planned obsolescence, value engineering should also be contemplated. In some cases, it is wasteful to build an extremely durable product, knowing that due to technological innovation it is unlikely to remain in use after a few years. In this case, a less durable design may conserve resources, while delivering a more affordable product to the consumer. When combined with effective product stewardship options for end of life, this may be a more desirable option to repairability (in some cases).

Another important concept to consider is 'servitisation' – the move of some businesses from a business model of selling products, to one based on supplying the services that those products enable. The classic example is the aircraft engine maker Rolls Royce, which offers propulsion services and monitors, manages, repairs and replaces engines as part of that. Software-as-a-service has seen a similar move from sales of discrete copies of annually updated software packages to the sale of subscriptions to continuously updated online services. Servitisation involves similar pressures to replace older products and models to acquire and maintain market share and meet consumer preferences, bounded by consumer willingness to pay or switch providers for updated products. We have not so far seen servitisation impugned in discussions of 'planned obsolescence', but it would seem straightforward for practices decried as the latter to be reworked as the former.

C) Until there is a meaningful shift in the way we consume we will need to responsibly manage the waste that this produces. It is not just manufacturers who may plan for the obsolescence of products, consumers themselves who do not buy with longevity in mind are already planning obsolescence at the time of purchase, whether consciously or subconsciously. Fast fashion or $10 toasters are among the best examples of this. Increased productivity underpins the production and consumption of more goods that were once scarcer and of necessity more durable. Consumers may spend more on, for instance, rapidly outmoded clothing fashions than is 'necessary'. It would be possible for many adults to make do with the same clothes for years. But it would diminish the quality of many people's lives, in return for benefits that are either questionable and inchoate (a less materialistic culture?) or real but better pursued by other means (a reduction in waste to landfill and the impacts of resource extraction).

[5] 'Mobile phones engineered 'not to last', expert says,' ABC News, 2014

D) Globally, a handful of companies have been penalised due to planned obsolescence. One of the more obvious examples is that of some tech companies, who have been required (in more than one jurisdiction) to pay penalties for using software updates to reduce the lifespan of certain products, or for restricting third party repairs.

In Australia, there has been a clear emphasis placed on the management of waste and movement to a circular economy in recent years. This is evidenced by, among other things, the substantial funding announced by the Federal Government in the last several years to modernise recycling facilities and stimulate more product stewardship options. Product stewardship can be a very powerful tool in the mitigation of impacts of obsolescence (planned or natural).

E) Ai Group is supportive of quality, national design standards. Our commitment to this is demonstrated by our involvement with around 400 Standards Australia committees. Although greater detail would need to be ironed out in consultation with industry, the use of repairability ratings or labelling provisions to give consumers a greater understanding of product durability and repairability could be a useful tool to influence consumer behaviour for the better.

It is worth noting however, a uniform reparability index rating would require extensive product benchmarking and a specialised series of tests developed for each product to simulate a product's normal working life. This may be complicated and costly.

F) As discussed in Information Request 6 (E) and throughout this paper, more could be done to provide consumers with quality information about durability and repairability of products.

Information Request 7:

A) There is a known issue with the quality and reliability of waste data in Australia which has been acknowledged by government at all levels. The National Waste Report is one of the more reliable sources of data on the subject.

B) As above.

C) In recent years much attention has been given to the fate of Australian waste product which is exported for recycling elsewhere. This has led to the recent banning of the export of waste plastic, paper, glass and tyres. The Government believes that most collected e-waste in Australia is recycled (on or offshore), mostly through operations processing white goods and similar products[6].

Ai Group are supportive of the adoption of new technologies in Australia, including the firming up of efficient and adequate waste-to-energy and landfill options for waste types that cannot be given a meaningful second life on- or off-shore at this time.

[6] National Waste Report (2020), p. 88

D) As previously discussed, the National Waste Report (2020) has found that most collected e-waste in Australia is recycled, however, there remains room for improvement in the collection space (for example, avoiding e-waste being wrongly removed in municipal solid waste collections). Several Australian states, including Victoria and South Australia have active e-waste bans on landfill and product stewardship schemes such as the National Television and Computer Recycling Scheme (NTCRS) and the proposed Battery Stewardship Scheme are working effectively towards increased collection and better handing of our e-waste.

E) Due to the natural obsolescence of electrical products and the costly nature of repairs, it is likely that consumers will continue to replace these products and in doing so, generate e-waste. More consumer education about repair options and the ongoing circular economy trend may, however, lead to a reduction.

For e-waste we cannot avoid, the current trend towards modernising our recycling capabilities and the strength of existing, proposed and developing product stewardship schemes will help to address the costs of e-waste to the community.

Information Request 8:

A) In many cases, Australians already have the right to repair their products through existing laws, they are simply unaware of it or unwilling to use it. The Australian regulatory environment is already complex and costly enough, without adding additional and needless layers.

Instead of a new blanket approach to R2R, the PC should instead recommend a review of existing consumer laws and protections to identify gaps or opportunities for refinement.

Refinement could include (but is not limited to):

- Removal or restriction of the 'opt out' clause in the ACL;
- Adoption of suggestions like the ACCC recommendation for a mandatory scheme for the sharing of car repair and service information across numerous product types;
- Duty to Deal and advertisement of repair options to consumers to stimulate both economy of scale and the safe management of IP as it pertains to repair;
- A nuanced approach to any formal R2R recommendation applying to products found to be without adequate R2R coverage; and
- Consideration of labelling options which address repairability and durability (to aid informed consumer decision-making).

Finally, the PC should recommend government invest in increased consumer education about rights and responsibilities under the ACL and other instruments, in partnership with industry.

B) As previously discussed, one of the greatest barriers to increased repair is the consumers themselves, who often favour immediate replacement over a lengthier repair process and who often replace products not due to fault, but because something they perceive to be better has become available.

   This consumer education and behaviour change piece is largely out of scope for OEMs, but without it we are unlikely to see repair rates increase to the desired degree.

C) As discussed throughout this paper, Ai Group are amenable to the policy options mentioned in table 1, particularly 'duty to deal,' product design standards, product information and labelling and subsidies for repair (like those given to households in Sweden, Austria and France) while building economy of scale in the repair market – provided these are developed and implemented in close consultation with industry.

D) Ai Group have no additional comment beyond the international examples discussed above in relation to table 1 in the issues paper.

Final Comments:

A formal R2R may well boost repair rates in Australia, however without also considering safety, accreditation and the financial viability of repair versus replacement, it is unlikely to have the desired impact. After all, a R2R is only useful if people can and will choose to use it. If existing rights are anything to go by, consumers preference replacement over repair. To combat this, significant education, support and smart policy thinking is required.

It is desirable to avoid adding to our already complex and costly regulatory environment and instead, to review and refine the many instruments presently available to consumers.

Refinement of existing instruments, filling of any necessary gaps and enhanced consumer education combined with the growing product stewardship landscape for any eventual waste will likely be just as effective in helping Australia to meet its waste and circular economy goals.

Should you wish to discuss the matters raised in this submission, please contact our adviser Rachael Wilkinson on 0413 352 286 or rachael.wilkinson@aigroup.com.au.

Sincerely yours,

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