



Ms Joanne Chong / Ms Alison Roberts  
Commissioners  
Productivity Commission  
Locked Bag 2, Collins St East  
Melbourne Vic 8003, Australia

Via email: [circular.economy@pc.gov.au](mailto:circular.economy@pc.gov.au)

Dear Commissioners,

**Re: Opportunities in the circular economy**

eBay Australia welcomes the opportunity to provide a submission to the Productivity Commission's Opportunities in the Circular Economy Inquiry.

Operating in Australia for more than 20 years, eBay is Australia's largest pure third party online marketplace. Each month millions of Australians visit ebay.com.au.

Our role as a marketplace is to facilitate a safe and trusted way for businesses and consumers to transact with confidence. While responsibility for listing on our platform remains with the individual or business that originally listed an item for sale, we support sellers and consumers with a range of services, guarantees and feedback opportunities to ensure transactions can be undertaken safely.

Since our founding in 1995, eBay has been a global pioneer in recommerce. Recommerce, or the selling and buying of pre-owned goods, enables pathways for people to maintain their livelihoods and pursue entrepreneurship; allows products to take on a new life by keeping them out of landfills; and inspires passions and fuels hobbies. In fact, pre-loved and refurbished items make up 40% of eBay's gross merchandise volume (GMV) globally.<sup>1</sup>

While we have seen significant increases in consumer interest and activity towards more sustainable purchasing in pre-loved goods,<sup>2</sup> eBay recognises the critical need to build regulatory frameworks and incentives to move consumption away from the linear economic model of "take-make-waste" to a more circular economy. While consumption is critical for economic growth, a linear economy depletes finite resources, generates excessive pollution and waste, and fails to maximise the embedded value of goods.

---

<sup>1</sup> <https://www.ebayinc.com/recommerce-report/>

<sup>2</sup> On eBay globally, the number of sold clothing, shoes, and accessories with "thrifed" in the description increased by over 400% in March 2024 vs. March 2023 (<https://www.ebayinc.com/recommerce-report/>)

As the move to circular economic models are being explored globally, Australia is well positioned to draw on global experiences to build best practice regulation.

Despite the capacity to look beyond our borders for these solutions, we note that many of the changes that would support this transition have previously been identified and previously recommended by the Commission in its reports on right to repair and philanthropic giving. It's critical that governments take the recommendations from these reports and look towards prioritising their implementation to drive these critical changes forward.

Aligned with the Commission's focus in this report to improve materials productivity and efficiency, we provide these initial recommendations:

### **Encourage materials productivity for car parts**

- Help industry develop a certification and grading scheme for green (recycled) car parts to help build consumers understanding and confidence
- Mandate the offering to motor vehicle repair customers the option of using a recycled or used part that is the equivalent of a new original equipment part, when repairing or replacing post warranty vehicles
- Expand the Motor Vehicle Information Scheme (MVIS) to require original equipment manufacturers to provide independent operators including online marketplaces and independent spare parts suppliers vehicle parts information on the same terms currently enjoyed by independent repairers and Registered Training Organisations

### **Improve materials productivity for textiles**

- Explore the introduction of product passports for the textile industry to improve data capture and to encourage resale and reuse of clothing products
- Deliver charitable fundraising reform to make it easier Australians to sell pre loved items in support of charitable initiatives

### **Drive materials productivity for consumer goods**

- Require governments when procuring consumer goods to ensure at least 20% are from refurbished sources and that refurbishment and repair is encouraged when disposing of procured items

We provide more detailed explanations of the drivers for these changes below.

### **Encourage materials productivity for car parts**

As was recently identified by the Federal Chamber of Automotive Industries (FCAI) and Motor Trades Association of Australia (MTAA), approximately five per cent of motor vehicles

in Australia reach their end-of-life each year. This represents 850,000 individual vehicles consisting of both vehicles written-off in accidents and vehicles that have reached the end of their operating lives. This accounts for approximately 1.36 million tonnes of waste. While industry currently recovers some 70 per cent of this waste, the balance is destined, primarily, to landfill.<sup>3</sup>

Mechanisms to better utilise end of life vehicles presents a significant environmental and economic opportunity. Not only do end of life vehicles contain valuable materials such as steel, aluminum and copper that can be remanufactured, recycling parts from end-of-life vehicles (ELVs) for repairs offers even wider economic and environmental benefits.

- *Help industry develop a certification and grading scheme for green (recycled) car parts to help build consumers understanding and confidence*

Recycled or Green Parts can help drive cost savings for consumers (with these parts typically much cheaper than new parts), increase choice and drive job creation in the automotive recycling and repair industry.

To provide consumers with confidence to purchase green parts and to enable business to invest further in recovery activity, investment in the development of an industry led green parts certification scheme is critical.

Such a scheme could form part of industry's calls for a new, nationally-consistent End of Life Vehicle Scheme (ELV) for vehicles weighing up to 3.5 tonnes.<sup>4</sup> Introducing an end of life scheme would align Australia with global markets including the UK<sup>5</sup> and Japan<sup>6</sup> with implementation drawing on the experience within these markets to include:

- Authorised collection and treatment facilities – Establishing standardised facilities with rigorous operating and environmental standards
- Certificates of Destruction (COD) – Implementing CODs to enhance vehicle tracking and support higher recovery standards
- National consistency – Developing a nationally consistent approach to vehicle recycling that aligns with best practices while addressing local challenges

While the development of a nationally consistent and fully functioning ELV scheme will take time, prioritising a Government co-investment to assist industry in developing a certification scheme for parts grading would help drive standardisation across industry, and build consumer confidence in the uptake of their use.

---

<sup>3</sup> [https://www.fcail.com.au/wp-content/uploads/2024/08/ELV-Summary-report\\_August-2024.pdf](https://www.fcail.com.au/wp-content/uploads/2024/08/ELV-Summary-report_August-2024.pdf)

<sup>4</sup> [https://www.fcail.com.au/wp-content/uploads/2024/08/ELV-Summary-report\\_August-2024.pdf](https://www.fcail.com.au/wp-content/uploads/2024/08/ELV-Summary-report_August-2024.pdf)

<sup>5</sup> See <https://www.gov.uk/guidance/elv>

<sup>6</sup> See <https://www.japaneselawtranslation.go.jp/en/laws/view/3829/en>

The UK's Vehicle Recyclers Association (UK VRA) has developed a Standard and certification scheme for green parts that may provide useful guidance on how a similar scheme may be introduced in Australia<sup>7</sup>.

The purpose of the UK VRA's certification scheme is to provide end users of reclaimed vehicle parts with the confidence that:

- The reclaimed vehicle part has been accurately identified, recorded, tested, removed and sold by a vehicle recycler that operates a robust quality management system; and that
- The reclaimed vehicle part has been marketed and sold by a vehicle recycler that has, and abides by, the appropriate environmental authorisations.

The Standard applies to UK-based vehicle recyclers operating an end-of-life vehicle authorised treatment facility, and includes requirements for:

- A quality management system;
- End-of-life vehicle acquisition and identification;
- Parts grading, testing, recording and storage; and
- Parts marketing, sale, delivery and traceability.

While adoption of a nationally consistent ELV scheme in full is supported, prioritising the development of a parts grading scheme to help standardise green parts and give confidence to consumers on a parts condition a quality would help provide an immediate uplift to improve materials productivity.

- *Mandate the offering to motor vehicle repair customers the option of using a recycled or used part that is the equivalent of a new original equipment (OE) part, when repairing post warranty vehicles.*

To help further drive the adoption and uptake of green parts, consideration should be given to Australia adopting regulations that mandate the offering of a green part equivalent to a new OE part, when licenced repairers or insurers offer to repair post warranty vehicles.

Such an approach has been adopted in France where recycled or used replacements parts must be offered to a consumer when seeking a repair. The part must meet the same standards required from a new part in terms of quality, durability, and safety. Undamaged used parts extracted from totalled vehicles of a similar make/model/age as the vehicle being repaired are most likely to be able to meet such stipulations.

---

<sup>7</sup> <https://www.vrauk.org/partsstandards.aspx>

With green parts, in good condition, generally presenting a significant cost saving to consumers, offering consumers a choice at the time of repair will enable them to make positive environmental and economic choices when repairing their vehicle. It will also serve to grow Australia's domestic car recycling capabilities.

- *Expand the Motor Vehicle Information Scheme (MVIS) to require original equipment manufacturers to provide independent operators including online marketplaces and independent spare parts suppliers vehicle parts information on the same terms currently enjoyed by independent repairers and Registered Training Organisations*

Right to Repair laws are a key tool in boosting materials productivity. Right to repair enables and encourages the repair and reuse of products keeping products in circulation for longer and reducing demand for virgin materials.

The Motor Vehicle Information Scheme (MVIS)<sup>8</sup>, which took effect July 1 2022, requires original equipment manufacturers (OEM) to make service and repair information (including diagnostic tools) available to independent repair shops and registered training organisations at a price that does not exceed fair market value.

This reform was welcomed by industry and has helped boost access for independent repairers, drive downstream competition and allow for greater access of choice for consumers when looking to undertake repairs.

Although access has been opened, certain vehicle spare parts data is being significantly restricted by original equipment manufacturers to online marketplaces and parts retailers resulting in lower levels of access and choice of parts for consumers and business.

As a pure third party online marketplace, improving the quality of information in relation to car parts (including green parts) to both enable consumers to find the part they need and for sellers to be able to provide accurate and clear information to ensure they are part of a consumer's consideration set is critical.

As currently in force, the MVIS only imposes obligations on manufacturers to provide motor vehicle service and repair information to motor vehicle repairers and registered training organisations (RTOs) at a price that does not exceed the fair market value.

By contrast the EU's Motor Vehicle Block Exemption Regulation<sup>9</sup> (MVBBER) has helped enable independent operators, **including** independent spare parts suppliers and repairers as well as end users, to access this information on fair, reasonable and non-discriminatory terms<sup>10</sup>. As eBay is able to access this fitment information in the EU from a broader range of

---

<sup>8</sup> <https://www.accc.gov.au/by-industry/cars-and-vehicles/motor-vehicle-information-scheme-mvis>

<sup>9</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010R0461>

<sup>10</sup> We note that increased access to information for independent operators and spare parts retailers in the EU has been an indirect effect of the MVBBER which does not mandate information access like the MVIS.

manufacturers, this helps drive improved choice for consumers, support faster sales for sellers and encourage competition within parts generally.

Many of the sellers within eBay's parts and accessories category are established independent repair shops. Ironically, via their owned sales channels (eg their own website) these sellers can provide verified fitment information (as access under the MVIS is guaranteed) - however when listing the same item on eBay this information is regularly unavailable.

Expanding the MVIS to ensure independent operators including online marketplaces and independent spare parts suppliers can access vehicle parts information on the same terms currently enjoyed by independent repairers and RTOs would significantly improve the scheme, reduce costs for consumers and help drive and encourage repair.

### **Improve materials productivity for textiles**

- *Explore the introduction of product passports for the textile industry to improve data capture and to encourage resale and reuse of clothing products*

With more than 200,000 tonnes of textile waste going to Australian landfills, and more than 100,000 tonnes shipped overseas each year, Australia needs to take positive steps to encourage the reuse, repair and recovery of clothing materials.

Seamless, Australia's first clothing stewardship scheme, marks a clear line in the sand for Australia's clothing industry significant and the opportunity to move away from linear models towards clothing circularity where responsible stewardship and citizenship are embedded across the lifecycle from clothing design and production, through to consumption and recirculation.

Central to driving these efforts is increasing the capability and capacity of the reuse sector and wider community to collect, sort, repair and sell more reused clothing, and to introduce new profitable circular business models.

The introduction of a digital product passport (DPP) a digital record providing comprehensive information about a product and its entire value chain can play a critical role. Information can include origin of the product, materials used, environmental impact, and disposal recommendations.

While the Australian government has put in place a voluntary framework for traceability for recycled content<sup>11</sup>, developing a specific framework for textiles would significantly improve data capture of goods within the supply chain as well as actively encourage the use of textiles for longer through resale and repair.

---

<sup>11</sup> <https://www.dcceew.gov.au/environment/protection/waste/recycled-content-traceability>

The EU's eco design regulations<sup>12</sup> provide a useful reference point for this work. Those regulations mandate the inclusion of a digital product passport on textiles, furniture and other products. Leveraging insights from the development of those regulations Australia should explore the applicability of a similar passport scheme for textiles focussed on:

- A unique product identifier (UID)
  - Relevant information related to the manufacturer or importer
  - Information on how the product may be resold
  - Relevant information for consumers and end-users on how to return or dispose of the product at end-of-life
  - Relevant information for, recycling, or disposal at end-of-life
- 
- *Deliver charitable fundraising reform to make it easier Australians to sell pre loved items in support of charitable initiatives*

In a positive for circularity, research from eBay has demonstrated that there has been a significant shift in Australian shopping habits, with a marked decrease in fast fashion purchases and a rise in the popularity of pre-loved fashion. Over the past three years, 21% of Australians have reportedly reduced their fast fashion purchases, with 10% reporting a significant decrease.<sup>13</sup>

eBay research also found that 31% of Australians are now buying pre-loved fashion in an effort to avoid contributing to the fast fashion industry. This shift in consumer behaviour has seen the average yearly returns for pre-loved fashion sellers increase by 25% between 2022 and 2023. Australians are now making \$1,231 versus \$1,538 respectively from selling pre-loved fashion.<sup>14</sup>

While eBay is proud to be supporting the transition to more conscious consumption of clothing and enabling economic opportunity for Australians through resale, we believe that resale of pre-loved fashion can be a catalyst for further positive contributions through charitable fundraising reform.

eBay has a proud history of supporting charitable reselling. Leading Australian charities including Vinnies, Salvos and Save the Children utilise eBay as an online channel to re-sell goods to help drive their charitable activities.<sup>15</sup> eBay supports these charities through significant discounts to their selling fees.

---

<sup>12</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A0142%3AFIN>

<sup>13</sup>

<https://www.ebayinc.com/stories/press-room/au/fast-fashion-is-a-faux-pas-aussies-growing-love-for-pre-loved-fashion-soaring-to-new-heights/#:~:text=According%20to%20eBay%20research%2C%20the,loved%20pieces%20than%20on%20eBay.>

<sup>14</sup> *ibid*

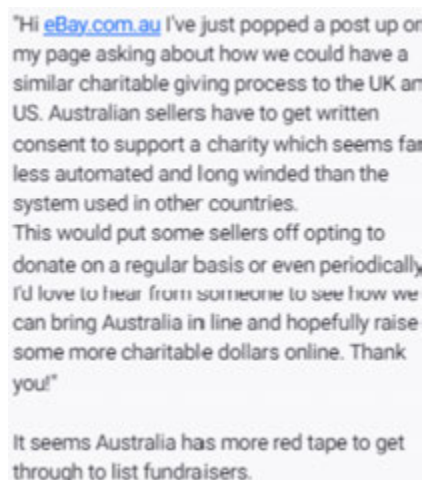
<sup>15</sup>

[https://www.ebay.com.au/b/eBay-for-Charity/bn\\_7116136159?srsltid=AfmBOool7naHXzUe13ZAHLZX5MCAAtKsIPCrtjiM3rsgB0s5Vr\\_CM0JM](https://www.ebay.com.au/b/eBay-for-Charity/bn_7116136159?srsltid=AfmBOool7naHXzUe13ZAHLZX5MCAAtKsIPCrtjiM3rsgB0s5Vr_CM0JM)

While eBay also supports fundraising on behalf of charities by individuals, current regulatory frameworks are overly complex creating clear disincentives for individuals looking to support charities by listing and selling items.

Amongst other requirements, to comply with these rules, sellers on ebay.com.au require advanced written consent from the charitable organisation they are fundraising on behalf of and this consent needs to be included within the listing of an item.

For eBay users coming from other markets, this process is confusing and complex and reduces their willingness to fundraise. Recent public feedback from an eBay user outlines these concerns:



"Hi [eBay.com.au](https://www.ebay.com.au) I've just popped a post up on my page asking about how we could have a similar charitable giving process to the UK and US. Australian sellers have to get written consent to support a charity which seems far less automated and long winded than the system used in other countries. This would put some sellers off opting to donate on a regular basis or even periodically. I'd love to hear from someone to see how we can bring Australia in line and hopefully raise some more charitable dollars online. Thank you!"

It seems Australia has more red tape to get through to list fundraisers.

In those markets, sellers can use a charity search module to find their favourite charity, choose to apply a percentage of their sale proceeds and then finalise their listing. Payment to the charity is then automated once the item sells.<sup>16</sup>

Australia's current regulatory framework for charity fundraising means that creating such functionality is significantly more complicated. Simplifying fundraising rules to make compliance more straightforward can drive significant benefits to both encourage donations towards charities as well as reduce the volume of donated materials that charities need to process.

We note the Productivity Commission's previous support for the delivery by state and territory governments of reforms to harmonise and simplify fundraising authorisations.<sup>17</sup> We strongly support these reforms progressing as a priority to both drive community fundraising and reduce processing burdens experienced by charities.

---

<sup>16</sup> <https://www.ebayforcharity.org/uk/get-involved/selling-for-a-charity/>

<sup>17</sup> "State and territory governments are working to progress reforms to fundraising authorisation and nationally-harmonised fundraising conduct requirements to reduce regulatory burden for charities. It is important that these reforms are fully delivered." taken from <https://www.pc.gov.au/inquiries/completed/philanthropy/report/philanthropy-overview.pdf>



## Drive materials productivity for consumer goods

- *Require governments when procuring consumer goods to ensure at least 20% are from refurbished sources and that refurbishment and repair is encouraged when disposing of procured items*

As a key acquirer of goods and services, governments can play an important role in driving adoption towards circularity. eBay is encouraged by the introduction of a sustainable procurement policy<sup>18</sup> for the Australian Public Service as a mechanism to inform procurement choice and to drive the public service towards more sustainable choices including refurbished goods. We believe this policy should be broadened to require agencies to set a mandatory target to ensure 20% of procured items are from refurbished sources. The principles identified in this policy should furthermore be adopted by governments at a state and local level.

Recent research undertaken by SEC Newgate Australia on behalf of eBay indicates that consumers' experience when purchasing a refurbished electronics item is overwhelmingly positive with 82% of those surveyed indicating that they were happy having purchased a refurbished item instead of a new one.<sup>19</sup> Seeking suppliers who can offer suitably refurbished or repaired items can be a clear positive for users and fit for purpose.

Such an approach was supported by those surveyed with 67% indicating they would like to see government agencies source refurbished equipment where possible.

Governments can further drive refurbishment and repair by ensuring that these activities are encouraged as a first, best choice when disposing of consumer goods. To drive better practices, agencies should be regularly audited on their efforts to ensure they are maximising refurbishment and repair when disposing of consumer goods.

We look forward to engaging further with the Commission as its study progresses. If you wish to discuss these matters further with you, please feel free to contact the writer to arrange a meeting.

Yours sincerely,

Luke Aitken  
**Director, Government Relations and Public Policy**  
**eBay Australia and New Zealand**

---

<sup>18</sup> <https://www.dcceew.gov.au/environment/protection/waste/sustainable-procurement>

<sup>19</sup> SEC Newgate Mood of the Nation - Custom Report for eBay - September 2024 (Available on request)