

A submission in response to the current draft findings
The “Right to Repair” inquiry
Currently being undertaken by
The Productivity Commission

This submission is presented in the context of the current broader national agenda, to craft and facilitate the transition to a fully functioning Circular Economy, especially in relation to the entire urban waste stream; from the existing “linear” material flows that are currently presenting as wastes and undervalued/“downcycled” secondary materials, to self-managing , integrated, “circular” material flows, that retain/maintain resource value and present all such materials back to the productive economy as reliable high quality recyclates. Within this framework, we propose that the key aims and objectives identified to optimise RtR objectives (installed capacity/capability, efficient logistics, expert information exchange/provision, dispute arbitration, actual services and “whole of life” data management) could be provided as no more than an incremental client service provision, rather than any isolated, standalone sector.

But first, a summary description of the basic Option #4 material management system and channel (RM Section 4.4):

- The actual waste flows and material sources expected via this **Option #4** resource value recovery channel, under this “**everything else**” category
- The prime “customers” for such facilities...inbound and outbound
- The range of basic, specific and related/ancillary services that would/could be offered (**including being a potential vital “link in the chain” for the efficient management of RtR needs and services**)
- Some basic design features/principles/rationales for these facilities
- Some self-supporting funding models for such a commonly branded, nationally harmonised network of such **Option #4** facilities

1) Waste flows and sources that such Option #4 facilities have been conceived/designed to process:

Generically, every item, product or material that any resident (&/or C&I generator) could possibly have in their lawful possession, and subsequently need to discard, or pass on to the most suitable “next use”, and for which the discard Options 1,2 and 3 above present as entirely unsuitable, or even specifically banned by the appropriate authorities...&/or, if discarded into Options 1, 2,and 3 above would not only have their respective HNRV (Highest Net Resource Value) realised, but by their presence in such unrelated value realisation/processing channels, would devalue the respective product streams that Options 1, 2, and 3 had been specifically designed to achieve (see RM Section 4)

- i) **Bulky hard waste**, kerbside collected materials. Currently these “third world” practices, “trash” all the inherent value of these materials, all of which present as essentially heterogeneous and valueless in their discrete heaps, but if aggregated like with like, present as semi homogeneous material flows that could support specific and generic material specific secondary resource flows (ie: one stained and soggy mattress dumped at kerbside will always be a waste....whereas 200 old mattresses aggregated via an Option #4 facility are a resource....Ditto e-waste etc ...This is just one design objective of Option #4 facilities that underpins their inherent value and cost effectiveness)
- ii) **Materials suitable for donation** to Not-For-Profit (NFPs) , charity type operations, but where the current practice of such “enthusiastic” donations often leaves the actual charity with an unbudgeted waste disposal cost for all the materials and items that can’t actually be presented for sale or reuse. Option#4 facilities provide charities with **everything they want and can sell**, with NONE of the rubbish
- iii) **All materials** (current and in prospect) **that are, or will be the subject of a specific Product Stewardship scheme**. Our Federal Environment Minister is eagerly anticipating that >100 new such scheme will be initiated before end 2021! This aspiration is completely illogical ...and unaffordable. Each scheme will require a) the collective product sector to seek ACCC dispensation to “collude” in the drafting of a common/collaborative business model to be able to demonstrate to Government that the proposed scheme is adequate to achieve the pre-determined/agreed goals, then b) each scheme needs to establish collection, aggregation, pre-treatment, final reprocessing, treatment, disassembly, **repair**, or such other end use that meets the Governments objectives. As currently envisaged, all the initial logistical operations are in effect common, and could be made available by this proposed Option #4 receipt, appraisal aggregation and forwarding service to the end user/processor of choice for the collective Product Stewards or sectors such that community participation is maximised and scheme costs minimised, simply by sharing a common infrastructure offering
- iv) **SMEs/“Tradies”**. Fixed and mobile. The main, at scale, C&I sector is adequately serviced by the traditional “Front Lift” service contractors, but the “fixed” SME’s and the “white van” mobile tradies exhibit some crucial “waste” or “by-product” generation characteristics: they do not produce enough material to warrant any significant level of basic source separation service from the “front lift “ contractors, which results in all their potentially homogenous materials finishing up in the heterogeneous residual” urban waste flows. Waste audits have established that an electrician, a carpet layer, a painter, a plumber, a baker, a hairdresser etc etc, produce waste streams that are almost identical each week, and hence a reliable, homogenous material flow if aggregated like with like... for which **Option #4** facilities, if readily and systematically accessible, could channel >40% of total waste flows to a HNRV outcomes at a fraction of the alternative cost of wasting these same materials via the heterogenous “front lift” pathway
- v) **The leasing economy/product provided as a service**. This particular service offering that has been explicitly anticipated and included in the current “Basis of Design” documentation for the proposed Option #4 facilities....and is very closely aligned with what we expect could provide a “game changing” service platform to facilitate optimised levels of product life extension **by repair** as well.

The defining design criteria for these proposed Optio#4 facilities is to provide the essential “missing link”, full service and fully supervised platform, in the entire CE “circle”, (RM Preface and Section 3) such that PI&Ds have every practical option available to them, as they plan the most sustainable and practical life cycle outcomes for their respective products or services. In summary, this means that PI&Ds should be able to rely and plan to select discard Options 1, 2, 3, or 4 for all or

any divisible portion or their commercial offering, be it the packaging?...Yellow bin channel; perhaps a functional by-product...hoover fluff?...Red bin channel; or organic/biomass materials....food waste or pizza boxes?.....OR the need to contract for a much more nuanced and tailored service, such as individual item assessment and fully informed direction...as specified by all the individual PI&Ds. (see below)

2) The prime customers for the proposed Option #4 facilities:

Materials inbound:

LGAs, for and on behalf of their ratepayers, with special reference to:

- i) A systematic alternative to bulky, hard waste collections, (all materials and items brought in by the residents themselves as a free service underwritten by their participating council... as and when the need arises, rather than waiting for the next council service)
- ii) Product Stewardship scheme materials and items, currently presenting (usually) as an unbudgeted obligation on councils; (again brought in by individual residents whenever convenient or needed...as a free service provided under an umbrella arrangement with the relevant PI&Ds)
- iii) Local fixed and mobile SME's and Tradies, who often rely on a council service when commercial "front lift" services are quite disproportionate. (usually as account customers under specifically negotiated contracts on a case by case basis)
- iv) Donated items, (again brought in by individual donors, but instead of presenting items directly, or via collection bins, were initial quality control is impossible, and the charity can incur a subsequent "disposal cost for un-re-sellable items, the Option #4 staff can directly channel valuable items back to the respective charities, and channel all/any unsuitable donations to a secondary/generic resource recovery pathway, and so avoid the potential of any disposal fees being incurred);
- v) Leasing/Product-as-service material pathways. Such service offerings require multiple sites to manage the logistics of assessing/removing/repairing older functional units hand distributing new/renovated replacement items;
- vi) **And so to the RtR issue/opportunity;** Option #4 facilities will have expert product assessment staff, who could act as impartial advisors in relation to all issues and possibilities in relation to repair options, and/or as specific agents for particular PI&Ds where appropriate

Outbound materials:

As a facility design criteria, the Option #4 facilities pledge that whatever, or however items or materials are presented they will only leave, in a homogeneous, or at least definably semi homogeneous condition and aggregated into commercially significant volumes for scheduled dispatch to markets or expert end users who can/will extract the HNRV from the delivered materials or items.....whether as generic material flows, predominately at the discretion of the facility operators. Or as specific items and materials, under contract to, and at the discretion of the relevant PI&D (or their managing collective); Or returned to the relevant/contracted charities, entirely fit for subsequent sale/re use.

3) The range of basic, specific and related/ancillary services that would/could be offered

The primary inbound customer traffic is expected to be the general public bringing in items or materials that represent:

- a) materials managed by the facility on behalf of the local council and which otherwise might have presented as kerbside, hard waste materials...(some may even be the subject of a

specific PI&D PS scheme....but individual residents will not need to be expert in such delineations....once handed over, all such materials would be directed to their highest and best use)

b) materials specifically to be managed for and on behalf of a specific PI&D needs &/or PS responsibilities, and

c) materials/items to be assessed and aggregated for return direct to nominated/specific charities

The secondary inbound customer traffic is expected to be locally operating SME's (fixed) and "tradies" (mobile)....most with pre-arranged accounts to expedite throughput

In all cases the services offered/provided would include:

- initial load assessment and deposit location/direction and customer status (free if covered by council participation or overarching PI&D PS arrangement, on acc't if qualifying SME/Tradie)
- oversight of actual unloading into main receptacle(s), and other if mixed load
- transport of filled receptacles to "back of house" sorting, pre-treating, aggregating facility and subsequent forwarding to market/end user/selected processor.

This service platform offers expert material/item assessment, could/should be in a position to offer a reliable and readily accessible "front of house" service to any brand or PI&D client wishing to systematically manage the **RtR** issue/ potential more cost effectively than any alternative "go-it-alone" approach.

A derived conclusion expressed in the current draft report is that the PC is seeking to advance recommendations that could/would address the three main product provider (brands/PI&Ds) types:

- Those enthusiastic to optimise the benefits of offering systematic Repair/Life Extension services to their precious customer base, hoping to enhance brand recognition, and burn in improved brand loyalty
- Those who can see the potential benefits of providing appropriate product life extension/repair services....but just can't see a logical and cost effective pathway with regard to the suite of operational options currently available
- Those recalcitrants who seek to avoid the operational complications of after sales/repair obligations

This submission aims to:

- facilitate and expedite the provision of service that the "enthusiastic" aspire to,
- nudge the waivers with the demonstration of a system that removes their need to "reinvent the wheel"
- expose the recalcitrants to the informed glare of the customers

4) Some basic design features/principles/rationales for these

Option #4 facilities; (refer to Road Map attached for full detail)

Over the last 20yrs the Option #4 concept has been extensively researched, peer reviewed, economically and commercially assessed and focus grouped, establishing the following crucial design criteria to ensure the proposed operational outcomes will be achieved, and the adopted headline design objectives being to:

- Retain, enhance and maximise the inherent resource value of all materials or items under management
- Minimise the unit cost for the delivery of this service, and

- Provide a nationally harmonised service platform to enable PI&Ds to achieve their planned and preferred product or service life cycle ambitions

And to achieve these benefits, these facilities must:

- I. Present as a commonly branded, nationally available network of readily recognised facilities, all with common and unambiguous levels of service; (perhaps 2500 facilities nationally, servicing approx 10k pop each, with a mobile extension service operating out of regional facilities to fully service remote and rural populations)
- II. **Never** located or related to any form of traditional “waste” facility. Always located where the community lives their lives; on the way to school, work, shops, etc, and suitable to be located adjacent to service station, fast food outlets, BIG Box commercial centres, and the like
- III. Standardised systems and layouts to encourage customer familiarity
- IV. No weighbridge or gate keeper, just informed and helpful “vehicle side” transactions and directions
- V. Expert and informed advice for the acceptance of certain products and materials ...as would be ideal to address **the repair** potential and options on behalf of both the customer and the relevant PI&D
- VI. Never cluttered, or projecting a “tip shop” ambience, always destocked at night or as required to present as user friendly as a service station or fast food outlet (all front of house Option #4 facilities would share incorporated “back of house” assessment, pre-treatment, aggregating and subsequent forwarding capabilities)
- VII. Incorporating style and architectural design such that the “drop off/bring back” experience feels entirely compatible with locations adjacent to the source retail facilities/shopping centres
- VIII. Linked into each customer’s blockchain (or similar other system) so as to provide continuous all-of –life-cycle material flow and compliance data

5) Some self-supporting funding factors for such a commonly branded, nationally harmonised network of Option #4 facilities.

All financial modelling to date has demonstrated that the rollout of such a national network of Option #4 facilities, can deliver all the above benefits, and fully service the capital employed on a simple fee-for-service commercial basis. The “headline” features of such modelling includes:

First: individual PI&Ds (or their collective sector associations) would negotiate a fee for every unit processed via these Option #4 facilities. Because the national facility network, would be effectively utilising the same capital cost systems and infrastructure for a myriad of customers, this net cost per unit processed is projected to equate to only some 1% to 25% of the budget all recently interviewed PS schemes are currently charging themselves, and for what is usually only a 10% to 25% recovery rate of the “deemed” end of life product presenting as available for recovery.

It is in this context that the facilities could offer valuable **RtR** services, tailored to each customer needs. Eg; basic assessment and advice, or interfacing with approved or licenced repairers, or even hosting selected repairers on site for high volume opportunities? Such an outcome would be greatly appreciated by **A)** above (the majority of enthusiastic participants) as a major contribution to enabling them to respond to customer demand at the lowest possible unit cost; those potential PI&Ds who currently find committing to such services, **B)** above, as to hard to initiate in isolation; and **C)** above, those recalcitrants who would then have no further reason to obfuscate.

Second: participating local councils, would be asked to transfer their existing hardwaste collection budget to the local Option #4 facility, along with the service responsibility to recover all the same materials for HNRV realisation

Third: collective or individual charities (or other appropriate NFPs) would be offered a crucial role in running/operating these facilities (no one has more experience in evaluating/assessing value and potential when handling “pre-loved” items and materials, and are most likely to project a sensitive and informative interface with incoming customers) on the basis that their contracted employment fee could also account for the benefit they would derive from having “first dibs” at acquiring resalable materials/items (without the negative overhead of having to pay disposal fees for donated items that they could not use/sell)

Fourth: SME’s/Tradies: would pay a negotiated fee-for-service (per item or Tonne), but in the case of, say plumbers/electricians, who would bring in copper pipes or wire etc, the facility would credit such value in monthly statements to streamline logistics for such customers

And finally, since such facilities are proposed to attract a range of ancillary services, due to their prime positioning, such as e-commerce parcel management, or the base station for “2 men and a truck” services, or even community info/education spaces to facilitate the broad community opportunities emerging as the CE is established. Recent discussions with the main stream shopping centre/mall owner/operators, has confirmed that they see considerable advantage in closely associating Option#4 facilities with their actual retail service offering, with their shopping centre/retail core business....linking their primary product retail activity, with the directly related end-of-first-life function, and generating greater “foot traffic and eyeballs” in the process.

In summary, even though an investment in such a nationally harmonised facility network (perhaps some 2500 sites nationally...as a preliminary target) would be in the order of \$2.5B as a once off expense, this initiative aims to **actually achieve** the outcomes that the approx \$2b/pa in annual waste levy income was supposed to achieve. The community is currently paying these levies but without receiving any of the CE benefits and outcomes they had been advised would ensue. And the secure revenue for all the services (above) and avoided disposal costs, and reclaimed product value, combine to deliver a very appropriate RoI for facility operators, without asking rate/tax payers for another dollar.

6) Specific responses to ToR, the 5 proposed reforms, and the various Draft Findings

The ToRs:

1)...The attached” Road Map” advocates for the existing Product Stewardship legislation to be broadened to **effectively be a national obligation on every PI&D releasing products and services into the economy in Australia....**whether actually manufactured or headquartered in Australia or overseas. **This obligation need be no more costly or onerous than each having “trade waste” obligations for liquid wastes, or emission approvals for real or potential releases to atmosphere, or any other condition of an operation licence, especially if the fully integrated systems and infrastructure are available to assist each PI&D to address such obligations in the most efficient manner possible. The crucial logic behind this approach is that if PI&Ds are to be treated as the primary decision makers in any ensuing “circle”where all other stakeholders are to focus on fully servicing PI&D needs and ambitions, then obliging participation and compliance can be presented as entirely equitable and cost saving.**

The “legislative arrangements “ to then govern **RtR**, can then be approached in context.

2)...”Barriers and enablers”. The above proposal suggests a highly researched national network platform against which these issues can be negotiated and resolved as efficiently as possible....even if the broader (RM) context seeks to resolve a much wider suite of related, but compatible, objectives. So no need to invent a “wheel” just for **RtR**, when such matters can be best resolved in aggregate

3)...Ditto

4)...the RM and above proposal have been specifically designed and developed over >20yrs to provide the universal platform that will allow PI&Ds to completely reconsider the optimum lifecycle of the respective products and services, and the optimised value proposition for their precious consumer base.

5)...as discussed 6) above

The 5 Proposed Reforms

1)... Enhanced access to consumer rights: the expert staff on site at each R-Hub could be trained and empowered to provide impartial advice to any party coming to site with a RtR query, at minimal cost since they would be on site to perform a range of other paying functions.

2)... Enable access to all types of repair services: as 1) above

3)...Ditto. Such an impartial expert could not only advise customers, but could report compliance issues, and advise participating PI&Ds

4)...Ditto, such trained and expert on site staff could also provide valuable information to brands, customers or regulators in relation to durability and reliable issues....based on the daily experience gained assessing such products and issues on a regular basis.

5)... The entire RM and the streamlining of new and existing PS schemes via these Option #4 (R-Hub) facilities could effectively resolve all such e-waste management issues for a fraction of the unit cost and having created the potential to lift recovery rates (as percentage of the “deemed” annual arisings) to some 75% -80%

The various Draft Findings:

DF 2.1: the RM generally and the Option #4 facilities in particular have been specifically designed an optimised public interface platform for the achievement of the most efficient and cost effective outcomes for all qualifying products. The collateral is that this performance platform is also ideal for removing frustrating barriers, many of which currently cloud objective decision making in relation to logical **RtR** options

DR 3.1: the expert team on site at all Option #4 facilities would be in a perfect position to provide impartial advice to customers if and when an item is presented....all as a backup service to the respective PI&Ds provided via point of sale staff, or web site advice generally

DR: 3.2: the Option #4 operators could be tasked provide informed advice to customers as to the next steps that they perhaps could/should take...all with a friendly manner and a smile.

DR 3.3: DITTO

IR 3.1: DITTO. Option #4 operators could be engaged to research and offer frank and fearless to both consumer and the relevant PI&D

DF 4.2: The national Option #4 network could readily host OEM or independent repairs

IR 4.1: n/c

DF 4.3: n/c

IR 4.2: in so far as PI&D reluctance to fully engage in **RtR** issue is driven by the apparent complexity and cost of opening the door to such possibilities, the Option #4 national network services could break down such an involvement hesitancy in favour of wholesale participation.

DR 4.1: n/a

DF 4.1: as DR 3.1, 2 and 3 above

DR 4.2: n/c

IR 4.3: n/c

DF 5.1: n/c

DF 5.2: n.c

DF 5.2: ditto DR 3.1 above

IR 5.1: Ditto

DF 6.1: see IR 3.1 for similar service offer

IR 6.1: Because the expert operators at all Option #4 facilities in the nation network will be handling and appraising these products and issues every day, their ability to inform PI&Ds, customers and potential regulators could be very beneficial to all parties

DF 7.1; DR 7.1: the shortcomings of the current e-waste recovery systems is a primary focus of the current Option #4 national network roll out initiative. See RM attached

DR 7.2: Option #4 will offer to close the loop with all participating PI&Ds, being blockchain (or equivalent) ready/compatible, such that complete lifecycle management and control is achieved for all concerned....including even the constituent parts of certain products such as e-waste in particular