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Submission

20 September 2024

Circular Economy Ministerial Advisory Group
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Re: Circular Economy Ministerial Advisory Group Interim Report

The Australian Communications Consumer Action Network (**ACCAN**) thanks the Circular Economy Ministerial Advisory Group (**CEMAG**) for the opportunity to comment on the CEMAG Interim Report (**the Interim Report**).

ACCAN is the peak body that represents consumers on communications issues including telecommunications, broadband, and emerging new services. ACCAN provides a strong unified voice to industry and government as we work towards communications services that are trusted, inclusive and available for all.

To help achieve an Australian Circular Economy by 2030, ACCAN recommends the Australian Government reform national policy settings to facilitate a competitive independent repair sector and develop a national repairability labelling scheme. Doing so would reduce the environmental impact of the communications sector, while also easing cost of living pressures on consumers.

ACCAN supports the CEMAG's identification of the 'right to repair' as an activity the government should consider pursuing in the product design and use space. ACCAN would support the CEMAG recommending that the Australian Government accept and implement the recommendations of the Productivity Commission's inquiry report into the right to repair (**the inquiry report**).

ACCAN also recommends the CEMAG identify the development of a repairability labelling scheme as an activity for the Australian Government to pursue. A repairability labelling scheme would:

- Empower consumers to make environmentally conscious choices.
- Incentivising the sale of products which can be easily repaired in Australian markets.
- Promote more durable communications products to consumers.

For further information, please see **Attachment A.**

We thank CEMAG for the opportunity to comment on the Interim Report. Should you wish to discuss any of the issues raised in this submission further, please do not hesitate to contact me at con.gouskos@accan.org.au.

Yours sincerely,

Con Gouskos
Policy Adviser

Attachment A: Developing A Right to Repair in Australia

Australian consumers use their digital devices for longer than their suggested lifespans

While laptops and mobile phones are relatively expensive consumer goods, costing hundreds or thousands of dollars, they have a very limited lifespan. An analysis of available Australian Tax Office (**ATO**) data notes that:

- The effective life of 'Mobile phones' is three years.[1]
- The effective life of 'Mobile/portable computers (including laptops, tablets)' is two years.[2]
- The effective life of 'Desktop computers (including personal computers)' is four years.[3]

This is contrasted by the use patterns for these devices. The way consumers are using their mobile devices is changing, as 'consumers are holding on to their phones for longer'.[4] Mobile Muster noted:

- 41% of consumers' reason for upgrading their phone is because their existing phone has stopped working.[5]
- 'Australians are slower to upgrade their devices, which means mobile phones are being used for longer by the same owner'.[6]
- '72% of children receive their first phone as a hand-me down from their parents'.[7]

Australian consumers want to repair their devices, but are facing obstacles

Many Australians already choose to repair their digital devices. 38% of Australians have repaired a mobile phone in 2020, with 60% of those who have used a repair service being between the ages of 16-24.[8] According to Mobile muster, 67% of surveyed consumers have had a mobile device repaired at an independent repair shop. Mobile Muster noted that independent repair services respond to local market gaps and provide convenient and affordable repairs with quick turnarounds.[9]

However, these Independent Repair Technicians (**IRTs**) face unnecessary barriers to repairing consumer devices, which impede their ability to offer more affordable repairs to consumers and impacting how their business operates. In its report, the Productivity Commission identified "significant and unnecessary barriers" to consumers' right to repair, [10] finding that:

- Consumers' decision to repair or replace a broken product is primarily driven by price.[11]
- Some manufacturers are limiting IRTs' access to repair supplies.[12]
- Manufacturer justifications for limiting the access of these resources are overstated.[13]

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[1] Hasko, L. 2023. *ATO Depreciation Rates 2023*. Available at: https://www.depreciationrates.net.au/telephony.
[2] Ibid.
[3] Ibid.
[4] Mobile Muster. 2020. *Insights into mobile phone use, reuse and recycling.* p.1. Available at: https://www.mobilemuster.com.au/wp-content/uploads/2020/09/Mobile-phone-use-reuse-and-recycling.pdf.
[5] Ibid p.6.
[6] Mobile Muster. 2020. *Insights into mobile phone use, reuse and recycling*. p.5. Available at: https://www.mobilemuster.com.au/wp-content/uploads/2020/09/Mobile-phone-use-reuse-and-recycling.pdf.
[7] Ibid. p.9.
[8] Ibid. p.14.
[9] Mobile Muster. 2020. *Insights into mobile phone use, reuse and recycling*. p.14. Available at: https://www.mobilemuster.com.au/wp-content/uploads/2020/09/Mobile-phone-use-reuse-and-recycling.pdf.
[10] Productivity Commission. 2021. *Inquiry Report - Right to Repair Overview & Recommendations*. p.6. Available at: https://www.pc.gov.au/inquiries/completed/repair/report/repair-overview.pdf
[11] Ibid p.29.
[12] Ibid p.31
[13] Productivity Commission. 2021. *Inquiry Report - Right to Repair Overview & Recommendations*. p.31. Available at: https://www.pc.gov.au/inquiries/completed/repair/report/repair-overview.pdf

Anti-competitive practices are affecting the repair sector.

ACCAN's engagement in this sector has revealed significant barriers to IRTs' ability to repair devices. IRTs cite a range of issues, including lack of official access to schematics and diagnostics of devices and component supply chains, which leads IRTs to rely upon third parties to access equivalent quality components. Further, IRTs are impacted by the serialisation (sometimes known as part pairing) of mobile devices, which creates a digital signature given to individual components, heavily incentivising consumers to only repair devices with their manufacturer or manufacturer-authorised repair service, or else face limitations to their device's functionality. These factors decrease the availability of affordable internet device repairs for consumers, who rely on them to stay connected.

Australian consumers are paying the price for a weak repair sector.

Unnecessarily restricted repair services puts the burden of cost on Australian consumers. Recent Vodafone research noted that Apple users struggle with repair costs, with more than a third (35.2%) spending up to $250, and almost 12% of respondents forking out as much as $500 to fix their smashed phone screens.[14] Restrictive repair practices and increased repair costs disproportionately impact those least well placed to absorb these expenses.

- Nearly half of all consumers and 60% of 25–44-year-old consumers identify their smartphone as their main digital device.[15]
- People who live with a disability are likely to live on lower fixed incomes and have less money available for new device purchases if an older device breaks.
- According to CHOICE, consumers in regional areas face more prominent barriers to repair as they deal with limited repair options and longer wait times.[16]
- Mobile muster reported that 67% of surveyed consumers have had their mobile device repaired by an IRT, and regional areas rely on IRTs for affordable and timely repairs.[17]
- Restrictive repair practices can limit the options for affordable repair for many consumers.

Australian consumers and small businesses will benefit from a legislated right to repair.

The Australian Government should legislate a right to repair following the recommendations of the inquiry report. Doing so would decrease the barriers that IRTs face in operating their businesses and improve the affordability of devices and device repair for low-income consumers.

A legislated right to repair would benefit consumers and small businesses by:

- Improving consumers' access to affordable repairs for their internet devices.
- Improving consumers' access to affordable secondhand devices.
- Ensuring that IRTs can provide a wider range of repairs to consumers.
- Ensuring that consumers retain their internet devices for longer.
- Improving environmental outcomes from internet device recycling, reducing e-waste.

[14] Mendoza, K. 2024. *Australians would rather live with smashed phone screens than shell out cash for repair.* Commswire Afternoon,26 August, p.2.
[15] ITWire. 2022. *Australian smartphone sales growing slowly, with Android gaining market share*. Available at: https://itwire.com/it-industry-news/market/australian-smartphone-sales-growing-slowly,-with-android-gaining-market-share.html
[16] CHOICE. 2021. *Submission to the productivity commission right to repair*. p.18. Available at: https://www.choice.com.au/-/media/23021c3233204e5ea097d18e303b9309.ashx?la=en
[17] Mobile Muster. 2020. *Insights into mobile phone use, reuse and recycling.* p.14. Available at: https://www.mobilemuster.com.au/wp-content/uploads/2020/09/Mobile-phone-use-reuse-and-recycling.pdf.

A legislated right to repair may be achieved through the insertion of a new provision into the *Competition and Consumer Act 2010* (Cth). A legislated right to repair should include provisions to:

- Enable consumers and small businesses to obtain accessible repair documentation.[18]
- Ensure that device manufacturers make specialised tools available to IRTs.[19]
- Establish an independent device repairability labelling review scheme to give Australians information on product lifespan, repairability and software support.
- Require that device manufacturers design easily repairable products.[20]

The Australian Government should develop a Repairability Labelling Scheme

Introducing a repairability labelling scheme will assist the many Australians who seek to purchase repairable and environmentally conscious products, including internet devices. The introduction of a repairability index in France resulted in 76% of surveyed consumers indicating that they 'noticed the index and found the index to be helpful for orienting their final purchase choice'.

ACCAN considers that Recommendation 6.1 of the inquiry report should take into account international trials of repairability labelling.[21] The index should be improved over time and have its data placed on a public website.[22] More than 85 percent of Australian consumers would value information on product lifespan, repairability and software support.[23]

Early evaluations of the French scheme have found that comparable information about repairability has increased the sales of repairable products and resulted in a shift in product scores, with new models available increasingly offering repairable features.[24] An Australian adaptation of this scheme should include an independent labelling review body to avoid the conflict-of-interest present in manufacturers reviewing their own devices.[25]

[18] Including, but not limited to, the schematics, diagnostics, semiconductor documentation datasheets, circuit diagrams, service manuals of consumer and businesses devices. See Ifixit. 2021. *Response to request for information from the Australian Productivity Commission*. p.4. Available at: https://www.pc.gov.au/__data/assets/pdf_file/0005/272696/sub107-repair.pdf.
[19] Ibid p.5.
[20] Ifixit. 2021. *Response to request for information from the Australian Productivity Commission*. p.9. Available at: https://www.pc.gov.au/__data/assets/pdf_file/0005/272696/sub107-repair.pdf.
[21] HaltObsolescence. 2022. *The French repairability index A first assessment – one year after its implementation*. Available at: https://www.halteobsolescence.org/wp-content/uploads/2022/02/Rapport-indice-de-reparabilite.pdf.
[22] Ibid p.44.
[23] CHOICE. 2021. *Submission to the productivity commission right to repair*. p.26. Available at: https://www.choice.com.au/-/media/23021c3233204e5ea097d18e303b9309.ashx?la=en
[24] BI team. 2023. *Leveraging behavioural insights to design and test the repairability index in France*. Available at: https://www.bi.team/publications/leveraging-behavioural-insights-to-design-and-test-the-repairability-index-in-france/
[25] HaltObsolescence. 2022. *The French repairability index A first assessment – one year after its implementation*. Available at: https://www.halteobsolescence.org/wp-content/uploads/2022/02/Rapport-indice-de-reparabilite.pdf.