# Designing ReMade in Australia

# Discussion paper

# **Recycled Content Verification and Traceability Section**

Department of Climate Change, Energy, the Environment and Water



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### **Acknowledgement of Country**

Our department recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

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# About this paper

This discussion paper explores key design considerations for a brand and labelling scheme to promote Australian made recycled content products – "ReMade in Australia".

- Section one of this paper provides background on the label.
- Section two describes key design considerations for the development of rules that ReMade in Australia products would need to meet to merit the brand. This section may be of most interest to potential brand users.
- Section three describes how the scheme may be administered through a licensing body. This
  section may be of most interest to organisations that currently administer or verify ecolabels
  and other trust marks.
- Section four describes a potential partners program to complement the brand. This section may be of most interest to recyclers and retailers.

# 1 Introduction

Australian governments and industry have invested heavily in Australia becoming less wasteful and more sustainable, but we need to do more as a country to use materials more efficiently.

On 21 October 2022, Australia's environment ministers agreed to work with the private sector to design out waste and pollution, keep materials in use and foster markets to achieve a circular economy by 2030.<sup>1</sup>

A circular economy requires eliminating waste and pollution and keeping materials in circulation at their highest value for as long as possible. Moving towards a circular economy can help us become less wasteful and reduce our impact on the environment and climate while creating sustainable jobs and opportunities.

To transform Australia's waste and recycling sector, governments and industry are investing over \$1 billion in new processing capacity. This is increasing the supply of recycled content and creating new opportunities to support the re-use of material by businesses in Australia.

Building a circular economy supports the Australian Government's plan for A Future Made in Australia, but requires the re-use of materials. To support businesses to integrate recycled content into their products, it's important consumers understand the value of recycled content products and are able to easily seek them out. The Australian Government has committed \$8 million over four years to develop a brand to be implemented as a verified labelling scheme for Australian made recycled content products – "ReMade in Australia".<sup>2</sup>

The brand will be developed and managed as a registered certification trade mark, which means its use will be governed by strict rules. The scheme will include an on-product label to help consumers easily identify products containing Australian recycled content.

This paper describes how the ReMade in Australia brand will be developed and managed and seeks your feedback on key considerations to shape its design.

# 1.1 Brand objectives

The Australian Government is introducing the ReMade in Australia brand to help Australians identify and purchase recycled content products with confidence. While several ecolabels operating globally have a focus on recycled content, none promote products made with Australian recycled content.

The ReMade in Australia brand will promote Australian made recycled content products and provide consumers with information to support sustainable purchasing decisions.

We think the brand can:

- grow consumer confidence in, and demand for, recycled content products
- drive an increase Australian recycled content manufacturing, and
- promote resource circularity in the Australian economy.

# 1.2 Drivers for the brand

In addition to helping develop a circular economy and capture the value of our recycling, introducing a ReMade in Australia brand at this time responds to a number of emerging trends:

**Australians want to shop sustainably.** Demand for sustainable goods is growing globally,<sup>3</sup> and more than half of Australians say they buy sustainable products when they can afford them.<sup>4</sup> Early market research commissioned on the brand shows Australians are interested in buying recycled content products and want support to identify these more easily.<sup>5</sup>

Three in five Australians find it hard to make sustainable purchases.<sup>6</sup> Unclear and confusing labelling is the main barrier Australians cite when asked why shopping sustainably is hard.<sup>7</sup> This is supported by recent findings from the Consumer Policy Research Centre, which found only 31% of claims in Australian markets have supporting evidence or verification to provide confidence the claim is accurate or meaningful.<sup>8</sup>

Australians are worried about greenwashing. Consumer and fair trading issues related to environmental claims and sustainability are a compliance and enforcement priority for the Australian Competition and Consumer Commission this financial year. Early market research on the ReMade in Australia brand shows Australians feel cynical towards environmental claims, and research from the Consumer Policy Research Centre shows Australians also react strongly if they find out a business has been greenwashing – 47% of Australians would stop buying from a business if they knew that business had practiced greenwashing.

Consumers will pay more for sustainable products. <sup>12</sup> Research commissioned by the department shows Australians are willing to pay a price premium for recycled content products. <sup>13</sup> Consumers are more likely to pay price premiums when products are marked with ecolabels, and they have strong levels of trust in government backed ecolabels. <sup>14, 15</sup> Almost 70% of Australians say they are likely to trust a green claim supported by an ecolabel, <sup>16</sup> and 40% of Australians aged 18 to 24 years old look for trusted labels to fact-check green claims. <sup>17</sup>

**Sustainability is increasingly important to business**. Several drivers are making corporate environmental responsibility more important to businesses, including pressure from consumers and shareholders as well as the need to protect a company's reputation and brand.<sup>18</sup>

Regulation is the top cited reason companies adopt more sustainable business practices, <sup>19,20</sup> and examples are emerging where recycled content use is even affecting manufacturers' access to, and competitiveness in, high value export markets. This year, the United Kingdom introduced a Plastics Packaging Tax on all domestically produced and imported plastic packaging with less than 30% recycled content.<sup>21</sup> A 2022 proposal for a new European Commission Directive on Corporate Sustainability Due Diligence could also apply pressure to exporting manufacturers to operate more sustainably.<sup>22,23</sup>

# 1.3 Overview of the ReMade in Australia brand

The ReMade in Australia brand will be registered as a certification trade mark under the *Trade Marks Act 1995 (Cth)*. While standard trade marks distinguish a business's goods or services from those of another trader, certification trade marks show a good or service meets a particular standard or holds a certain characteristic.<sup>24</sup>

Certification trade marks are supported by rules that products must meet before they can bear the certification trade mark. Amongst other things, these rules specify what requirements products must meet to use the certification trade mark and how products are assessed for eligibility.<sup>25</sup> Well known certification trade marks include the Australian Made brand and the Woolmark logo.

Once the Australian Government establishes the ReMade in Australia brand as a certification trade mark registered with IP Australia, the department expects the brand will be administered by a third-party licensing body. The application process for a licence to use the ReMade in Australia brand would include the following:

- A potential brand user applies to the licensing body for a licence to use the ReMade in Australia brand on their product
- The potential brand user provides the licensing body information to demonstrate their product satisfies the certification rules associated with the ReMade in Australia brand
- The licensing body assesses the application and grants the licence (or declines to grant a licence until more information is provided), then
- The brand user then applies the brand to their product.

# 1.4 Process to establish the brand

The department is engaging with manufacturers, the construction sector, recyclers, consumers and other interested organisations to inform the design of the ReMade in Australia brand and its implementation as a verified labelling scheme. The department has also commissioned market research to better understand consumer and businesses values, expectations and behaviours associated with a future Remade in Australia brand.

Recently, the department engaged with a range of stakeholders and conducted a series of online webinars and workshops on the proposed design of the brand.<sup>26</sup> Feedback from these discussions and early feedback from the market research has informed this discussion paper. Your responses to this paper, combined with earlier market research and consultations will help shape the design of the brand.

The department will provide the Government with options for the brand's design for consideration in the first quarter of 2023. The rules for the certification trade mark will then be formally drafted and submitted to IP Australia as part of the department's application to register the brand as a certification trade mark. The process to assess, grant and register the certification trade mark is expected to take some time.

Government will also consider options for the administration of the brand, including if a third party or parties should administer the brand on its behalf.

The brand will be available for use after the certification trade mark is granted and a licensing body has built a process for interested businesses to apply for the brand. At this stage, the department estimates the brand will launch before the end of 2023.

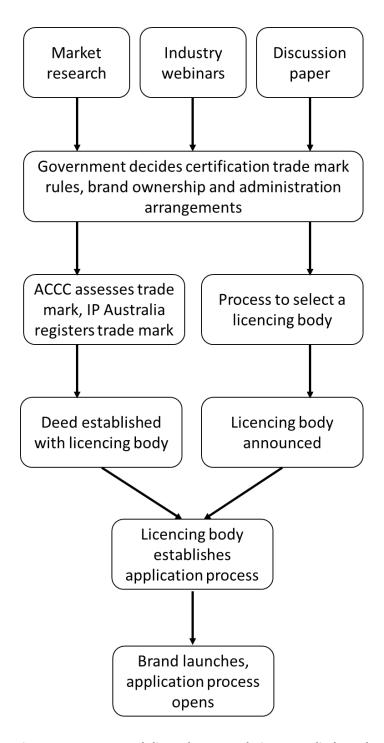


Figure 1: Process to deliver the ReMade in Australia brand

# 2 Key design considerations

# 2.1 The brand will be underpinned by rules

Certification trade marks are supported by rules that products must meet before they can bear the certification trade mark. Amongst other things, these rules specify the requirements products must meet and how products are assessed for eligibility. The Australian Competition and Consumer Commission approves the rules for new certification trade marks before they can be registered with IP Australia.

The rules that support certification trade marks can be complex and cover a range of issues, including:

- the roles and responsibilities of approved certifiers and brand users
- certification processes
- audit requirements and compliance activities, and
- dispute resolution procedures.

This discussion paper seeks input on several key proposed rules to guide decisions on how the brand will operate, and the capabilities required of a third-party licensing body. The key proposed rules are outlined in more detail below.

# 2.2 Scope of the brand's application

### Proposed rule #1: The ReMade in Australia brand will be a voluntary label.

The ReMade in Australia brand aims to promote products made in Australia using recycled content (including Australian recycled content). To ensure the brand supports users of recycled content rather than imposing a burden on them, participation with the brand will be voluntary.

A voluntary label allows innovative businesses that make recycled content products to stand out and provides for recycled content use to be verified so that these products can be bought with confidence by customers. Establishing the brand as a certification trade mark, means users of the brand will be protected, because only those that have a licence can use the brand.

Brand users are likely to benefit in several ways. Users of recycled content such as manufacturers and the construction sector may attract new consumers, receive a price premium for their products, and stand out in markets susceptible to greenwashing. They may also find it easier to show they meet emerging sustainability requirements.

Recyclers that supply brand users with recycled content may benefit from the brand by seeing increased demand for their recyclate, and a greater recognition of their recyclate as quality materials suitable for re-use.

Proposed rule #2: The ReMade in Australia brand will be available to consumer goods, consumer packaging, and construction materials and projects.

The department has heard there is strong industry interest in making the brand broadly available, including to consumer goods, packaging, construction materials and construction projects.

Making the brand available to consumer goods would support the brand's objective to support consumer confidence in, and demand for, recycled content products. Consumer goods are designed and produced primarily for, but not limited to, personal use, including their components, parts, accessories, instructions and packaging. Consumer goods are a broad category including many different product types. A drink bottle, furniture and plant pots are all examples of consumer goods.

Making the brand available to consumer packaging could support industry to achieve the 2025 National Packaging Target for all packaging to include an average of 50% recycled content.<sup>27</sup> Consumer packaging covers all packaging products made of any material for the containment, protection, marketing and handling of retail consumer products. A laundry detergent bottle would be an example of consumer packaging.

At the same time, making the brand available to consumer packaging as well as to products may lead to confusion over what item the brand relates to where a ReMade product is sold within virgin content packaging, or vice versa. There is also the possibility for the brand to cause confusion about the meaning of related labels like the Australasian Recycling Label. Early market research shows some consumers can confuse "recyclable" with "recycled content".

Making the brand available to construction materials (e.g., insulation made from recycled glass) and projects (e.g., a road that includes recycled concrete) would support sustainable procurement outcomes by making suppliers that use recycled content easily visible to procurement officers managing infrastructure projects. A construction material is a material intended for incorporation in a permanent manner in a building or another construction entity.

In workshops, several stakeholders asked the department if the brand would be applicable to business-to-business products and intermediate products. The department is interested in better understanding if the brand should apply to these products.

Applying the brand to a broad range of product types would support greater awareness of and familiarity with the brand across a greater diversity of consumers. A broad application would also help drive the use of recycled content across a greater range of industries and material types.

Conversely, applying the brand broadly may confuse consumers' understanding of the brand if they see it on a range of very different items. Consumer confusion and understanding is seen by sustainable businesses as the number one challenge to ecolabel effectiveness.<sup>28</sup> However, applying the ReMade in Australia brand broadly could prevent a greater fragmentation of labels, which is the second most cited challenge businesses see for ecolabel effectiveness.<sup>29</sup> A broader scope may also raise costs for administration of the scheme as greater technical capacity could be required to verify claims made by brand users across different sectors.

At this stage, the department considers the brand should be able to apply broadly.

### Box 1: Questions on the scope of the brand's application:

- 1. Should business-to-business or intermediate products be included in the scope of the brand, if so what type of business-to-business products would you like to see included?
- 2. How should the ReMade brand be presented to effectively differentiate between a product and its packaging when only one is ReMade?
- 3. Should there be guidelines to define how the ReMade in Australia brand should be displayed on labels, products and projects, or should this be left up to the brand user? For example, should there be a black and white version of the brand as well as a coloured one?
- 4. What unintended consequences could the ReMade in Australia brand have on consumers' understanding or valuation of related labels that might appear alongside the ReMade in Australia brand?
- 5. What consequences could the ReMade in Australia brand have for brand owners' use or adoption of on-pack recycling labels such as the Australasian Recycling Label?

# Proposed rule #3: The licensing body may refuse to grant licences to products that are not aligned to the brand's objectives.

To protect the integrity of the brand, the licensing body will refuse applications to apply the brand to items that do not support the intent of the brand or that might damage the brand's reputation, for example, weapons.

This rule would be similar to a rule outlined in the Cradle to Cradle ecolabel, which states that products which are contrary to the intent of the Cradle to Cradle principles are not eligible for certification.<sup>30</sup>

# Box 2: Questions related to products that should not be labelled:

- 6. Are there specific types of products that should not be eligible to use the brand, because they do not support the intent of the brand or might damage the brand's reputation?
- 7. What factors should the department consider in developing a rule that could allow the licensing body to refuse granting the brand in these circumstances?

# 2.3 Making recycled content claims

# Proposed rule #4: ReMade products will include recycled content as defined by ISO 14021:2016

The ReMade in Australia brand will define recycled content as per ISO 14021:2016 – an international standard for self-declared environmental claims. Recycled content will be the proportion, by weight, of recycled material in a ReMade product.<sup>31</sup> Under ISO 14021:2016, both pre-consumer and post-consumer materials can contribute to a product's total amount of recycled content. Pre-consumer and post-consumer materials are defined below.

Some stakeholders have said they would prefer eligibility requirements for ReMade products not to include pre-consumer recycled content, as manufacturing offcuts are commonly reused and would not drive additional demand for recycled content.

Under ISO 14021:2016, pre-consumer waste offcuts reutilised in the same manufacturing process that generated them are not considered to be recycled content. Including this scope of pre-consumer waste in the definition of recycled content for ReMade products would allow the brand to support industrial symbiosis (where one business' waste becomes another business' input) and increase demand for recycled content that might otherwise become commercial and industrial waste.

The ISO 14021:2016 definition is commonly used by other labels that focus on use of recycled content, and the department considers the inclusion of pre-consumer waste as per the ISO 14021:2016 definition could assist in improving overall waste outcomes in Australia. Resource recovery rates for commercial and industrial waste plateaued after peaking at 59% in 2013-14,<sup>32</sup> and about 70% of items in the average businesses' general waste bin can be reused or recycled.<sup>33</sup> In 2012, a report commissioned by the department found that Australian businesses spend \$1.4 billion each year to send \$26.5 billion worth of materials to landfill.<sup>34</sup> It's clear the full value of these resources are not currently captured by our economy.

### Defining pre-consumer and post-consumer material

<u>Pre-consumer waste</u> is discarded from the manufacturing process before a product reaches its consumer. This waste can be used in recycled content products as pre-consumer material. The ISO 14021:2016 definition of pre-consumer material excludes offcuts which are used again in the same manufacturing process that created them (e.g., rework, regrind and scrap).

<u>Post-consumer waste</u> is generated by households or other end users when a product has reached end of use. This waste can be used in recycled content products as post-consumer material.

# Box 3: Questions on defining recycled content

- 8. Is ISO 14021:2016 the best way to define eligible recycled content for ReMade in Australia? If not, how should eligible recycled content be defined?
- 9. If pre-consumer recycled material is used in ReMade products, how could this be distinguished from virgin inputs or post-consumer recycled content used in that product?
- 10. If ISO 14021:2016 is adopted to define recycled content, how could ReMade applicants demonstrate pre-consumer material has come from another manufacturing process to the one developing a ReMade product?

# Proposed rule #5: ReMade products must contain a minimum percentage of recycled content.

The department considered four options for how the ReMade in Australia brand could present recycled content claims. These are shown as creative concepts in **Figure 2**:

- **Option A** shows a plain label that states the product includes Australian recycled content. All products would bear the same brand, regardless of how much recycled content is used.
- Option B shows a label that states the product contains at least a threshold amount of recycled content. All ReMade products would be required to meet this threshold and all ReMade products (regardless of their percentage composition of recycled content) would display the same statement on their ReMade in Australia label.
- Option C shows a label with a percentage bar underneath to demonstrate a ReMade product's specific percentage content claim. Percentage composition claims would be specific to each ReMade product and differ from product to product.
- Option D shows a label with a star rating system underneath. This option is intended to show
  how much recycled content the product includes relative to technical or regulatory
  constraints. It is not a specific percentage claim, but rather a ranking for how much recycled
  content the ReMade product includes when considered within a product category.









Figure 2: Options to present recycled content claims using a creative concept for the ReMade in Australia brand (note these are creative concepts only)

In industry consultations, the department heard a universal threshold would be challenging to set (a creative concept is shown at **Figure 2**, **Option B**). As different products might be able to include different amounts of recycled content due to technical or regulatory limitations, setting a threshold might rule out some products for the ReMade in Australia brand even if they were including as much recycled content as was possible. Stakeholders also told us that if the brand label specified a threshold amount, products that included recycled content beyond the required threshold would be judged equally by consumers when compared to products that included just the threshold amount. This might discourage brand users from using the maximum amount of recycled content they could.

Businesses using recycled content suggested the threshold would either have to be set at a low amount, or that a different threshold would have to be set for different materials or different product types – a similar concept to the star rating system above.

There were mixed reactions to the option to display a ReMade product's specific recycled content claim (a creative concept is shown at **Figure 2**, **Option C**). While some businesses want to be able to display a percentage recycled content claim on their products, other businesses are hesitant to display a percentage recycled content claim.

Businesses told us displaying a specific percentage claim may be difficult for two reasons. First, if businesses are unable to include a high amount of recycled content in their product for technical reasons, consumers without an understanding of technical constraints may think their efforts to include recycled content are poor. Second, businesses noted the supply and price of some recycled content is volatile. In a context where product labels might take several years for design and print runs, businesses are concerned market forces outside of their control may lead to a fluctuation of recycled content from batch to batch and they might be fined for misleading consumers through greenwashing if the amount of recycled content dropped below their percentage claim.

While the inclusion of an "at least" statement could allow brand users to buffer their claims against market volatility, the department understands businesses' concerns that they could be penalised for misleading consumers if they are unable to meet a specific claim at one point in time due to market volatility.

Businesses that support the use of a specific percentage recycled content claim note this would provide consumers important information to compare substitute products on the basis of recycled content use, and drive competition in the market that pushes for greater uptake of recycled content. The department is also interested in understanding if the use of an "at least" statement could allow brand users to buffer percentage claims against market volatility.

A star rating concept was developed to test with consumers based on industry feedback that ReMade products might be presented with a way to show how effectively a ReMade product included recycled content when technical limitations were considered for that product class (a creative concept is shown at **Figure 2**, **Option D**). This option was most popular among recyclers and businesses using recycled content when asked how ReMade claims should be presented. The

second most popular option was to combine a threshold with the presentation of specific percentage claims.

Stakeholders offered a rating system as an option that could address the complexities associated with choosing a universal threshold, but also noted this option would require technical advice and collaboration with a large number of organisations developing standards for recycled content use, and the development of a large number of new specifications — which would increase the costs of obtaining the brand. One stakeholder also noted that the rating system might also disadvantage some products that are made of different materials within a single product class. For example, a glass bottle and aluminium can, can both be used to package the same type of drink, but the different availability of these materials could lead to one obtaining a higher star rating and hence unintentionally shifting consumer behaviour.

We have heard that brand users should have flexibility in relation to how they display percentage recycled content claims under the ReMade in Australia brand. The department considers that brand users should be able to label their product with a plain brand logo (a creative concept is shown at **Figure 2, Option A**) or with a specific percentage claim against the logo (a creative concept is shown at **Figure 2, Option C**). Where brand users choose to display a specific percentage claim, they will specify the minimum percentage of recycled content used in their product by weight.

Combining a threshold with an option to present a specific percentage claim best reflects consumers' informational needs. When consumers are shown a plain logo option, they feel positively towards it but sometimes want to know more about how much recycled content is used in a product.

When shown logo variants with information on the percentage of the recycled content used in a product, they appreciate seeing a high amount of recycled content use in a product – but they might feel that products showing a low percentage composition of recycled content do not represent a good effort on the part of businesses to integrate recycled content.

After learning about the technical complexities that sometimes limit the amount of recycled content that is able to be used in a product, consumers understand it's not always fair to judge products that include low amounts of recycled content harshly, and they nominate the plain logo as the option that would best support them to purchase sustainably.

Consumers did not understand the star rating system option.

The department is seeking stakeholder feedback to determine an appropriate minimum percentage threshold of recycled content use that should be met to qualify for the ReMade in Australia brand.

Some stakeholders consulted so far have told us a high universal threshold could limit scheme uptake, because technical barriers limit the total amount of recycled content that can be included in some products. We have heard a threshold of five or ten per cent would strike an appropriate balance between achieving the scheme's objectives and keeping the scheme open to participants from a variety of industries.

Some stakeholders have also told us that they want the minimum amount of the recycled content for ReMade packaging to be 50%, so it is aligned with the National Packaging Targets. The targets set a goal for an average of 50% recycled content across all packaging by 2025.

Records that could be used to demonstrate a ReMade product meets a minimum recycled content threshold or contains a certain percentage of recycled content are listed in **Appendix A**.

### Box 4: Questions on making recycled content claims with the brand

- 11. Should the minimum amount of recycled content required for consumer goods, construction materials and construction projects be set at 10% by weight? If not, what should the minimum amount be?
- 12. Should the minimum amount of recycled content required for packaging be set at 50% by weight? Or should there be different percentages for different types of packaging materials?
- 13. How often should a company's operations be assessed by the licensing body to verify percentage recycled content claims?
- 14. How should the ReMade in Australia brand appear when applied to construction projects, such as a new bridge or road? For example, should the brand appear on existing project material and signage?

# 2.4 Promoting Australia's circular economy

Proposed rule #6: The last substantial transformation of a ReMade in Australia product must occur in Australia.

To promote recycled content manufacturing in Australia, the last substantial transformation of a ReMade product must occur in Australia. This is the same requirement goods labelled with the Australian Made logo must meet. Early market research has shown consumers highly value this design consideration as part of a potential ReMade in Australia brand.

A substantial transformation refers to a product being grown, produced or processed in such a way that the product's nature, identity or essential character is fundamentally different to its ingredients or components. For example, moulding sheet metal into a car panel is a substantial transformation but printing a design onto an imported t-shirt is not.<sup>35</sup>

The department notes that there may be broader synergies and opportunities for administrative efficiencies between the ReMade in Australia and the Made in Australia brands.

Information that could be used to demonstrate a ReMade product is made in Australia is at **Appendix A**.

Proposed rule #7: At least 50% of the total amount of recycled content used in ReMade products (by weight) must be Australian recycled content.

To support stronger recycled content markets in Australia and a point of difference for the brand, ReMade products must include recyclate collected and processed in Australia. When trying to

determine what proportion of the total amount of recyclate used in ReMade products should be Australian, the department considered feedback from businesses using recycled content, recyclers and consumers.

Recycling stakeholders typically wanted to see 100% of recyclate used in ReMade products to come from recycling collected and processed in Australia. Most businesses using recycled content wanted a low percentage requirement, citing shortages and supply volatility in Australian recyclate markets. When these concerns were raised, some recycling stakeholders suggested this requirement could be ramped up over time.

Early market research shows consumers like the concept of Australian recycled content, but that they also see waste and pollution as a global issue and so are also supportive of imported recyclate being used to make ReMade products.

The department notes Australia's recycled content markets are still maturing but have grown in recent years and will continue to grow into the future. Combining a requirement for at least 50% Australian recyclate of the overall amount of recycled content should provide brand users some flexibility to manage supply limitations while Australian recycled content markets mature.

Records that could be used to demonstrate a ReMade product includes Australian recyclate are listed in **Appendix A**.

# Box 5: Questions on supporting Australia's circular economy with the brand

- 15. Does a requirement for Australian recycled content to make up at least 50% of the recycled content by weight, used in ReMade products strike an appropriate balance between promoting the use of Australian recyclate and ensuring flexibility for businesses to manage supply? If not, should a lower or higher amount be required and why?
- 16. Should the amount of Australian recyclate required as a percentage of total recycled content used in ReMade products increase over time?
- 17. How should 'Australian recycled content' be defined?
- 18. Are there some recycled content materials that are used by Australian businesses, but are not processed in Australia?

# 2.5 End of use outcomes

# Proposed rule #8: ReMade branded products will be recyclable.

To promote resource circularity and materials efficiency, the department thinks ReMade branded products should be recyclable.

Early market research to test a creative concept for the brand with consumers depicted a brand with the mobius loop. This research showed consumers can confuse "recyclable" with "recycled content", and that consumers might think ReMade branded products are recyclable. Alternative brand graphic options are now being tested with consumers. If ReMade branded products are made from recycled content and are also recyclable, then the potential impact of consumer misunderstanding is reduced.

During our initial consultations, the department heard differing views on this issue. Some stakeholders support making ReMade products recyclable, however, others have noted that there are products that include recycled content and are not able to be recycled, and therefore such a rule could limit uptake of the brand. This could reflect that some items, particularly consumer goods may be challenging to recycle. However, packaging is likely to be more easily recyclable and 78% of construction and demolition waste is already recycled in Australia.<sup>36</sup>

Stakeholders raised that defining recyclability can be challenging, especially when there are different kerbside standards across Australia. Some noted that recyclability should be defined by what can 'actually be recycled in Australia', not just what is 'technically' recyclable. Some stakeholders noted that product recyclability is challenging right now, but that perhaps businesses could access a "premium" version of the brand when their products were recyclable, or that this requirement could be phased in over time.

Information to support the licensing body to assess if ReMade products are recyclable is at **Appendix A**.

### Box 6: Questions on ReMade products' end of use outcomes

- 19. Is a recyclability requirement the best way to ensure that ReMade products support Australia's transition to a circular economy?
- 20. When considering recyclability, should the department take into account different factors for packaging, consumer goods and for construction materials and projects?
- 21. If a recyclability requirement is mandated for ReMade products, what key elements should be included in how recyclability is defined? And why?
- 22. Are there products that use recycled content that are not recyclable but should be eligible for the ReMade in Australia brand? If so, what are these products and why should they be eligible?
- 23. Should the ReMade in Australia brand include a different requirement where recycled content products can achieve outcomes that are higher on the waste hierarchy than recycling?

# 2.6 Product safety, standards, and regulation

Proposed rule #9: ReMade products and projects are developed in line with applicable safety and information standards, including for chemicals use.

Early market research shows consumers care about the chemicals used in the products they buy. Studies also show consumers can perceive recycled content products as "dirty" or "contaminated". As with many products, chemicals of concern have been found at times in recycled content.

There are existing requirements on the use of chemicals in all products (including those made from virgin materials). Peak bodies and businesses have indicated that, while it is important the rules ensure that recycled content products meet these existing safety requirements, the rules should not duplicate these processes or add unnecessary new requirements. One manufacturer also noted this rule would be a useful tool to educate industry about their requirements under the Industrial Chemicals Environmental Management Standard, 38 which is a relatively new standard.

Under Australian Consumer Law and other frameworks (a summary is at **Appendix B**), businesses are already required to comply with any mandatory standards relevant to their work, and many choose to comply with voluntary standards as a matter of best practice.

The department believes a declaration or declarations from brand users to shows their product has been developed in line with relevant safety and information standards and Australia's obligations under international treaties, including for chemicals of concern would help increase consumer confidence in and demand for products that use the ReMade in Australia brand.

The rules that support certification trade marks may include requirements that reference existing documents such as a Code of Practice, an Australian Standard, product or technical specifications. Woolmark is an example of a certification trade mark which has additional product specifications as part of a parallel licensing framework, and the Australian Made Australian Grown certification trade mark incorporates a Code of Practice for brand users into its certification rules.

To help ensure the ReMade in Australia certification rules are developed taking into account a broad range of factors, the department is interested in better understanding what existing standards potential users of the ReMade in Australia brand are already adhering to.

# Box 7: Questions on meeting safety, information and other standards

- 24. What relevant voluntary or mandatory standards, specifications, quality, safety, or label requirements are used within your sector (please specify your sector)?
- 25. What systems or data do you have in place or collect to show compliance with safety and information standards?
- 26. Do you consider the ReMade in Australia certification rules would benefit from the development of standards, guidelines, or technical specifications to support their interpretation? If so, what should the department consider?

# 2.7 Verifying recycled content claims

Proposed rule #10: ReMade brand users will maintain records to prove their product complies with the brand's eligibility rules and provide those records to the licensing body as required.

Independently verifying claims made under the ReMade in Australia brand will be crucial to protect the brand from greenwashing and to support consumer trust in the brand.

To support the licensing body to assess applications to use the brand and undertake important auditing and compliance activities, **Appendix A** outlines a proposed list of records to help verify ReMade in Australia products are eligible for the brand.

There are broadly three options to verify ReMade products' recycled content claims. The level of confidence in recycled content claims increases across these options in line with increasing complexity, cost and requirements for cooperation throughout the supply chain.

The first verification option would be to require brand users to maintain records to support ReMade claims. Some manufacturers and builders already generate and collect relevant records in their normal course of business. Records may include, for example:

- proof of purchase or other records from their recyclate supplier that show the origin of the recyclate used in their products, and
- manufacturing process records that show the relationship between recycled content inputs and outputs, and thus prove the recycled content percentage of their products.

The second verification option requires the establishment of a chain of custody for recycled content. Under a chain of custody arrangement, recycled content is monitored as it moves through a supply chain from a defined starting point (e.g., a materials recovery facility) to an end point (e.g., the brand user). Four chain of custody models are described in **Appendix C**.

The third verification option uses digital traceability systems to track recycled content along the supply chain. These systems can be based on blockchain technology, a digital platform that assembles tamper-resistant blocks of encrypted data on recycled content as it moves through the supply chain. These systems are often coupled with tracer technologies such as radio frequency identification (RFID) tags that physically tag and track recycled content.

Chain of custody and digital traceability systems are most effective when actors across the supply chain cooperate to establish an unbroken chain of information. A few examples of advanced traceability systems in different sectors are provided in **Table 1**.

Recycling peaks, advocacy groups and businesses using recycled content note the systems and infrastructure available to verify recycled content use are variable. They are dependent on business size, what industry a business is in, and the product being made. For example, the food and grocery sector is familiar with sophisticated traceability systems designed to support food safety. It's also

important to note industries' activities lend themselves to different verification techniques and frequencies.

Differences across the broad type of products being considered for eligibility for the ReMade in Australia brand carry over to the verification infrastructure within certain industries. For example, in the construction industry, recycled content levels within construction projects will change based on project requirements and as such would have to be verified on a project-by-project basis.

The department proposes to enable prospective brand users to provide evidence from any of the three verification options to demonstrate compliance with the proposed rules. This will accommodate different business capabilities and enable broader participation. As the ReMade in Australia brand and labelling scheme becomes established over time and capabilities mature, consideration may be given to excluding record keeping as a verification option and requiring prospective brand users to provide evidence under chain of custody or digital traceability systems only.

Table 1: Examples of advanced traceability technologies

Category	Sector	Description	
National Livestock Identification System	Agriculture	Ear tags attached to animals track and trace their movement along the supply chain.	
AWARE™		Blockchain-based scannable 'AWARE' tracer particles are embedded into yarns/fibres.	
<u>FibreTrace</u>	Textiles	Blockchain-based scannable luminescent pigments are embedded into raw fibre (e.g., cotton).	
CirCloLink RFiD THREADS®	•	Radio frequency tags sewn into textile products capture data as they move through the supply chain.	
<u>CircularChain</u>	Biosolids	A blockchain-based traceability solution traces biosolids from source to final use.	
RecycleGO	Plastics	A blockchain-based traceability solution enabled by QR codes on plastic bottles.	
<u>Circularise Plastics</u>	•	A blockchain-based traceability system for plastics.	

# **Box 8: Questions on verifying ReMade claims**

- 27. Reviewing the list of records that could be used to verify ReMade claims at **Appendix A**, are there other records that could or should be used? Should any of the listed records be excluded?
- 28. Providing records to demonstrate ReMade claims could be difficult for newly established products or potential brand users. What additional evidence could be used?
- 29. Does proof of purchase information, such as invoices and receipts, typically provide sufficient information to prove the provenance of materials? What other records can prove the use of Australian recyclate in ReMade products?
- 30. How can percentage recycled content claims be verified where the percentage of recycled content may change from batch to batch? Is a mass balance approach that averages the use of recycled contentment over time sufficient?
- 31. For the construction sector, how could you prove the amount of recycled content used? And at what point in the project's construction timeline would there enough information to be able to substantiate the amount of recycled content used?
- 32. What other factors should the department take into account for the verification of claims associated with construction projects?
- 33. Are there existing recycled content certification schemes that could be recognised to help shortcut the application process for the ReMade in Australia brand? Examples could include Good Environmental Choice Australia, Global Green Tag or International Sustainability and Carbon Certification.
- 34. Should or could a conformity assessment standard or information standard be developed to define and verify recycled content use as part of the ReMade in Australia brand?
- 35. Are you aware of existing information standards that could support or streamline verification for the scheme?
- 36. Should verification requirements be phased, becoming more sophisticated over time as the circular economy matures? For example, should the brand include a requirement to use a chain of custody model or to use traceability systems to prove recycled content claims in the future?

# 3 Licensing conditions

# 3.1 Options for administration of the scheme

# 3.1.1 Options for ownership and administration of the ReMade brand

The department has identified three options for the ongoing ownership and management of the ReMade certification trade mark:

- Option 1: The Australian Government establishes the certification trade mark and manages
  its use and compliance with its rules, including assessing applications to use the brand from
  potential brand users, or appointing third party approvers to do so on its behalf.
- **Option 2:** The Australian Government establishes the certification trade mark but appoints a licensing body to manage its use and administration. This arrangement may also allow the licensing body to appoint third-party certified approvers to assess applications from potential brand users, while the Australian Government would retain ownership over the certification trade mark and its rules.
- Option 3: The Australian Government establishes the certification trade mark, then assigns its ownership, use and management to a licensing body on a conditional basis (such that ownership reverts back to the Australian Government on the occurrence of specified events). The new owner of the certification trade mark would function as a licensing body and would be able to both certify potential brand users, as well as appoint third party certified approvers. The new owner would also be responsible for enforcement and compliance functions in accordance with the certification rules. This is consistent with the current arrangements for the management and use of several Australian certification trade marks, such as Australian Made Australian Grown, and Woolmark.

# 3.2 The role of the licensing body

Once the ReMade certification trade mark is registered, the Australian Government will implement management arrangements in accordance with one of the three options described above. In all circumstances, the Australian Government would retain final control and ownership of the intellectual property and the goodwill associated with the ReMade brand. The general role of any licensing body, if appointed, would therefore be to manage the use and administration of the certification trade mark.

If appointed, the licensing body would also be responsible for developing, together with the department, an application, approval, and auditing framework, as well as an online platform for managing applications and maintaining a register of brand users.

The licensing body may be required to:

 develop and host a platform through which potential brand users and approved users can submit applications to use the ReMade certification trade mark

- review applications to ensure they meet the requirements for use of the certification trade
  mark as set out in the certification rules, including verifying claims made under the brand,
  either through in-house technical capability or by outsourcing to a certified approver
- administer the licensing framework and brand users' use of the certification trade mark including through a cost recovery model, to ensure the sustainability of the brand over the longer term
- establish and administer a compliance audit program, including random and targeted audits, to monitor the use of the ReMade certification trade mark by brand users, and to investigate complaints or instances of non-compliance
- educate brand users on the correct use of the ReMade certification trade mark (including where accidental misuse occurs)
- evaluate the performance of the brand and make recommendations to the department to support the ongoing performance of the brand, including providing regular audit and review reports
- provide an annual report to the department relating to the administration of the scheme, including the number and type of products certified, the number of brand users commencing, renewing and discontinuing their use of the ReMade brand, any licensing and other fees received by the licensee and how they were applied, and information about compliance and enforcement activities
- promote recognition of the certification trade mark as a trusted indicator of recycled content
- protect the goodwill and reputation of the ReMade certification trade mark.

# 3.2.1 Approved certifiers

The rules governing the registration of certification trade marks enable the trade mark owner to appoint 'approved certifiers' to assess licence applications and products, make recommendations to the trade mark owner on the grant of a licence, or make the decision to grant a licence. This authority also passes on to the licensing body who may choose to take on the role of the approved certifier, or appoint one or more certified approvers.

The licensing body and/or the trade mark owner may choose to authorise certified approvers to make decisions on licence applications, or it may authorise them to make an assessment and provide a recommendation or advice on the product's compliance with certification requirements.

The Australian Competition and Consumer Commission must be satisfied the mandatory attributes of a person to become an approved certifier, as set out in the certification rules, are sufficient to enable that person to competently assess whether products meet the certification requirements.<sup>39</sup> The rules also need to specify the appointment and monitoring process for certified approvers. The capabilities of an approved certifier are particularly relevant if the certification rules set out any technical, safety, or scientific specifications that must be satisfied.

# Box 9: Questions on the role of the licensing body

- 37. Are there any other activities you expect a licensing body for the scheme to carry out?
- 38. What relevant experiences and capabilities would you expect the licensing body to have?
- 39. Should the licensing body and certified approver be the same entity or separate entities?
- 40. Do different industry sectors require the licensing body or certified approvers to have particular attributes or technical capabilities to verify their compliance with the certification rules?

# 3.2.2 Supporting the brand's integrity

In addition to verifying ReMade products through the application process, the licensing body that administers the brand will undertake monitoring and compliance activities to protect the brand and brand users.

It is expected that a licensing body would undertake regular auditing and follow up on any complaints of brand misuse. In the event a business has not met the brand's eligibility requirements and is mistakenly using the brand, it is expected that the licensing body would speak with the business to inform and educate them about the brand's eligibility rules and if they have been broken. If a business continued to misuse the brand or intentionally misused the brand, the licensing body could then take stronger and legal action to prevent harm to the brand.

The department has heard some businesses have concerns they might be inadvertently punished for using recycled content and the ReMade in Australia brand if one of their products is found to not meet a specific recycled content claim. For example, that businesses would be referred to the ACCC or fined if their access to recycled content changed suddenly due to market forces outside their control, and virgin materials needed to be substituted into their product.

**Appendix A** outlines a possible approach the department proposes to verify recycled content claims, which aims to provide brand users flexibility while also providing a level of rigour needed to give consumers confidence in the brand.

Provisions to support the brand's integrity, including through monitoring, audit, compliance and enforcement activities, and other mechanisms, such as dispute resolution, will be included in the certification rules.

# 3.3 Licensing conditions

Brand users will be required to meet their obligations under a licence to use the ReMade in Australia brand and ensure they and their representatives understand these obligations. Brand users are also expected to maintain records to show their compliance with certification rules, and provide this evidence on request.

Licences to use certification trade marks are generally granted for set time periods, at the end of which brand users seek to renew their licence, or have their product removed from the register of licensees. Brand users seeking to renew their licence must be able to demonstrate their product still satisfy the rules for use of the brand.

# Box 10: Questions on licensing conditions for the brand

- 41. How long should an initial licence be granted to use the ReMade in Australia brand?
- 42. Should applications to renew a licence to use the brand be as rigorous as the first application to use the brand, or is it sufficient to demonstrate the product remains compliant with the certification rules?
- 43. What regular activities should the administrator take to ensure compliance with the brand?

# 3.3.1 Possible cost of achieving the brand

Like other certification trade mark schemes, the department expects brand users would pay licensing fees to support cost recovery for processing licence applications and verifying recycled content claims. It is still unclear what those costs might be, as the scheme's design has not yet been finalised.

The department recognises small to medium enterprises carefully consider investments in their business, and complex verification techniques may be more or less feasible for businesses of different sizes. For example, a small to medium business might only be able to conduct a mass balance assessment once a year.

# Box 11: Questions on the costs of achieving the brand

- 44. Other branding schemes such as the Australian Made Australian Grown brand use a tiered licensing fee structure to encourage the participation of small to medium businesses, with licensing fees scaling according to business turnover. Should a similar fee structure be used to implement the ReMade in Australia brand?
- 45. In terms of possible costs to use the brand, what other factors should the department consider?

# 4 A possible ReMade partners program

To drive an increased uptake of recycled content in a way which supports improved environmental outcomes, a potential Partners Program could be considered to complement the ReMade in Australia brand and labelling scheme.

Partners programs typically provide a mechanism for organisations who are not brand users to otherwise engage with and support a brand. Partner organisations benefit from their association with the brand. For example, carbon accounting firms can apply to become accredited partners of the Climate Active ecolabel and are listed in a directory.<sup>40</sup> Brand users hire these firms to verify they are carbon neutral when they apply for that brand.

Other partner programs might engage with retailers to promote a brand to consumers. For example, retailers can partner with the Australian Made Australian Grown brand to provide those products a channel to market. This benefits those retailers, as 75% of Australians say they are likely to purchase from retailers that partner with the Australian Made brand.<sup>41</sup>

Communicating the value of the brand to consumers will be very important to the brand's success. Ecolabels do not change purchasing behaviours, markets and environmental outcomes alone, because consumers need to recognise and understand brands before they can value them.<sup>42,43</sup>

The maturation of Australia's recycled content markets is also important to the success of the ReMade in Australia brand, as ReMade brand users will need a verified and reliable supply of quality recyclate. Anecdotally, the department has heard that manufacturers can be hesitant to use recycled content because they may be unsure how it will operate in their production line and if contaminants or other variables in the materials might disrupt efficient production.

Noting these needs, a ReMade Partners Program could have two focus areas: one on helping promote the brand, and one on helping ensure a supply of verified quality recyclate to ReMade brand users.

The department has heard that there is strong interest from recyclers in engaging with the brand as suppliers.

To assure a quality supply of recycled content to ReMade brand users, a Partners Program could potentially recognise quality recyclers as accredited ReMade Suppliers. This would be a separate certification process to the process to apply for the brand as a brand user. ReMade Suppliers might be required to adopt traceability systems to support recycled content claims downstream in the supply chain, test their recyclate to provide brand users information on chemicals of concern, and meet output standards to prove their recyclate is of high quality or suitable for manufacturing.

The department is aware industry is leading on activities that align with this idea of a potential accreditation and auditing program for recyclers, including the National Waste and Recycling Industry Council's report on National Recovered Material Specifications for Sorting and Processing Facilities and the Australian Council of Recyclers' proposal for an Australian Recyclers Accreditation Program.

Any decision to expand the scope of the ReMade in Australia brand to include a partners program would be a decision for Government.

# Box 12: Questions on a potential partners program for the brand

- 46. How should ReMade Suppliers be recognised and promoted to brand users if a partners program were established?
- 47. What output standards do brand users want their recycled content inputs to meet?
- 48. Are there other industry-led activities with an alignment to a potential partners program?

# Glossary

Term	Definition		
Blockchain	Blockchain is a digital platform that facilitates transactions by recording and verifying data across different industries in a secure manner. 44		
Business-to-business product	Business-to-business (B2B), also called B-to-B, is a form of transaction between businesses, such as one involving a manufacturer and wholesaler, or a wholesaler and a retailer.		
Certification trade mark	A certification trade mark identifies goods or services that meet a particular standard or have certain characteristics.		
Consumer product	Consistent with ISO 10377:2013, a consumer product is one designed and produced primarily for, but not limited to, personal use, including its components, parts, accessories, instructions and packaging		
Consumer packaging	Consistent with the definition in the <i>National Environment Protection (Used Packaging Materials)</i> Measure 2011, consumer packaging is all packaging products made of any material, or combination or materials, for the containment, protection, marketing and handling of consumer products. This includes distribution packaging.		
Construction material	Consistent with the Standards Australia Glossary of Building Terms, a construction material is a material construction resource intended for incorporation in a permanent manner in a building or another construction entity.		
Construction project	A construction project is the organised process of constructing, renovating, refurbishing, retrofitting or adapting a building, or other built asset such as a tunnel or bridge.		
Chain of Custody	The path that a material/product takes from its point of production to the end consumer, consisting of each entity that takes legal and/or physical possession along this pathway.		
Ecolabel	An ecolabel identifies products or services proven to be environmentally preferable within a specific category. <sup>45</sup>		
Greenwashing	When a product is incorrectly or misleadingly marketed as having positive environmental impacts, or these impacts are exaggerated.		
Intermediate product	Goods and services consumed as inputs by a process of production, excluding fixed assets. <sup>46</sup>		
Post-consumer material	Consistent with ISO 14021:1999, post-consumer material is generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain		
Pre-consumer material	Material diverted from the waste stream during the manufacturing process.		
Radio frequency identification (RFID) tag	A small object that transmits data by emitting radio waves. <sup>47</sup>		
Recyclable	An item is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale		
Recycled content	Consistent with ISO 14021:2016, recycled content is the proportion, by mass, of recycled material in a product or packaging. Both pre-consumer and post-consumer materials are considered as recycled content, where pre-consumer material excludes material reutilised in the same manufacturing process as that which generates it.		
Last substantial transformation	The last substantial transformation is the last fundamental change in the identity, nature or essential character of an end product. This includes when a product is grown, or when it is produced in such a way that the end product is fundamentally different from its ingredients or components. <sup>48</sup>		
Traceability	Consistent with ISO 22095:2020, traceability is the ability to trace the history, application, location or source(s) of a material or product throughout the supply chain.		
Verification	Consistent with ISO 22095:2020, verification is the confirmation of truthfulness, through the provision of objective evidence that specified requirements have been fulfilled.		

# Appendix A: Types of records to demonstrate adherence to ReMade rules

Possible record types that could be used demonstrate a pro		
Proposed rule	Possible records that could be provided at the application stage and maintained by the licensee*	·· · · · · · · · · · · · · · · · · · ·
Rule 2: The ReMade in Australia brand will be available to	<ul> <li>Completed application form that specifies the product type you are seeking to apply the</li> </ul>	• N/A
consumer goods, consumer packaging, and construction materials and projects.	brand to	
Rule 4: ReMade products will include recycled content as defined by ISO 14021:2016	Proof of purchase for recycled content used	<ul> <li>Site visits to confirm recycled content is used</li> <li>Enquiries with recyclers to confirm supply relationships</li> <li>Inspection of records related to the recycled content used</li> </ul>
Rule 5: ReMade products must contain a minimum percentage of recycled content	<ul> <li>Basic recordkeeping to prove recycled content has been included to at least the minimum percentage threshold, and/or</li> <li>Chain of custody records for the supply chain which state the method used and percentage of recycled content in the final product, and/or</li> <li>Traceability system records</li> <li>Where products are newly developed or the percentage of recycled content changes batch to batch, the licensee will provide:         <ul> <li>The information above to the extent they exist, and/or</li> <li>A plan for your process to use recycled content, and/or</li> <li>A plan for record keeping, chain of custody models or traceability to prove recycled content use, and/or</li> <li>Other supporting documents</li> </ul> </li> </ul>	<ul> <li>Site visits to review the incorporation of recycled content into the product</li> <li>Enquiries with suppliers regarding the volume of recyclate purchased</li> <li>Inspection of your production records, chain of custody records or traceability records</li> </ul>
Rule 6: The last substantial transformation of a ReMade in Australia product must occur in Australia	<ul> <li>Address details for your manufacturing location – such as those found on an electricity bill, and</li> <li>Copy of business licence to operate the manufacturing business or evidence that a licence is not required, or</li> <li>Copy of any licence to use the Australian Made Australian Grown certification trade mark for that product</li> </ul>	Site visits to confirm the location of your manufacturing process
Rule 7: At least 50% of the total amount of recycled content used in the product (by weight) must be Australian recycled content	Proof of purchase for Australian recycled content used	<ul> <li>Site visits to review the incorporation of Australian recycled content into the product</li> <li>Enquiries with suppliers regarding the volume of Australian recyclate purchased</li> <li>Inspection of your production records, chain of custody records or traceability records</li> </ul>
Rule 8: ReMade branded products will be recyclable	<ul> <li>Design documentation that demonstrates adherence to principles such as recycling</li> <li>Packaging Recyclability Evaluation Portal (PREP) assessment that demonstrates packaging is recyclable through Australia kerbside collections (where relevant)</li> <li>Product stewardship documentation (where relevant),</li> </ul>	Review and assessment of documentation provided
Rule 9: ReMade products and projects are developed in line with applicable safety and information standards, including for chemicals use	, , , , , , , , , , , , , , , , , , , ,	<ul> <li>Site visits to assess adherence to relevant standards</li> <li>Review and assessment of records and information provided</li> <li>Potential independent testing of Remade branded products for chemicals of concern</li> </ul>
Rule 10: ReMade brand users will maintain records to prove their product complies with the brand's eligibility rules and provide those records to the licensing body as required	,	Inspection of records

<sup>\*</sup>Note: Records maintained after grant of a licence must cover the production cycle for all products or batches of products produced under the licence.

# Appendix B: Examples of Australian product safety laws, standards and regulations

# The Australian Consumer Law

All Australian manufacturers of consumer goods must adhere to product safety provisions in the Australian Consumer Law (ACL), which forms part of the <u>Competition and Consumer Act 2010 (Cth)</u>, as well as relevant provisions in state and territory fair trading legislation.

These provisions establish the regulatory framework for consumer goods and product-related services to address safety hazards. They include:<sup>49</sup>

- imposing mandatory safety standards or information standards for consumer goods or product-related services
- banning consumer goods or product-related services, either on an interim or permanent basis, or
- issuing compulsory recall notices requiring suppliers to recall consumer goods.

The product safety provisions in the ACL are also supported through a range of other measures such as:

- voluntary actions by suppliers
- government laws that give incentives for making safe products
- · restrictions on selling unsafe products, and
- information and education that enables consumers to choose safe products and use them safely.

There is a range of Commonwealth and state and territory government agencies responsible for monitoring and regulating the safety of different kinds of products, for example:

- general consumer products
- building and building materials
- transport and road safety
- agriculture, and
- chemicals.

### General consumer products

Any products that fall outside the specific product categories are known as general consumer products. These are usually products for personal use around the home.<sup>50</sup>

The ACCC and state and territory consumer protection agencies monitor, promote and oversee their safety. While these agencies do not check and regulate all consumer products, there are certain voluntary and compulsory rules that work to minimise risks.

### These include:

- voluntary standards
- bans and mandatory standards
- recalls, and
- product liability.

# Specific product types and sectors

There are a number of specific types of products, the safety of which is also regulated and monitored by mandatory and voluntary safety standards contained in industry or regulator-specific legislation. For example, products and equipment used in:

- Building and construction
- Road vehicles and road construction
- Gas, plumbing and electrical products, and
- Public infrastructure

are all subject to mandatory standards set out in relevant legislation, guidelines, and arrangements.

# Mandatory and voluntary standards

# *Mandatory standards*

The purpose of a mandatory standard is to make particular safety or information features on products compulsory for legal supply of the product into the Australian market. It is an offence to supply goods that do not comply with mandatory standards.<sup>51</sup>

A mandatory standard on a particular product applies to anyone in the business of supplying that product, including:

- manufacturers
- importers
- distributors
- retailers, and
- hirers.

Mandatory information standards ensure that consumers are provided with important information about a product to assist them in making a purchasing decision.

# Voluntary standards

A voluntary standard sets out specifications and procedures to help ensure products are safe, reliable and perform as intended. They may or may not be safety related. A voluntary standard is generally developed in the context of a known safety problem and includes ways that problem may be managed. In some circumstances, a voluntary standard can be made mandatory (partly or wholly).

# Safety and information standards

# Safety standards

Safety standards specify minimum requirements that products must meet before they are supplied. They are introduced when considered reasonably necessary to prevent or reduce the risk of injury to a person.<sup>52</sup>

If a product is subject to a mandatory safety standard, it must meet specific safety criteria before it can be sold in Australia. These can relate to:

- performance
- composition
- contents
- methods of manufacture or processing
- design
- construction
- finish, and
- packaging or labelling.

### *Information standards*

Information standards provide consumers with information about a product to help them make an informed purchasing decision. Information standards do not necessarily relate to the safety aspects of a product and may for example refer to content and ingredient labelling, or care instructions.

# Appendix C: Chain of custody models

# Chain of custody models

A chain of custody describes the process by which inputs (e.g., recyclate) and outputs (e.g., a recycled content product) and associated information are transferred, monitored and controlled as they move through each step in the supply chain.<sup>53</sup>

From most to least stringent requirements, the four chain of custody methods appropriate for demonstrating recycled content claims are (**Figure 3**):

- Identity Preservation recycled content originates from a single source (e.g., a business) and
  is never mixed with virgin materials as it moves through the supply chain. In facilities that
  handle both, this may require new systems and procedures to prevent mixing and cross
  contamination of recycled and virgin materials (e.g., separate storage areas and
  transportation). Associated records would include records of any movement and storage of
  the material. Identity preservation provides absolute certainty of the origin and percentage
  of recycled content in the final product.
- Segregated recycled material is segregated and never mixed with virgin materials as it
  moves through the supply chain but may be mixed with other recycled materials. As with
  Identity Preservation, new systems may be required in existing facilities, to prevent mixing
  between recycled and virgin materials.
- Controlled Blending recycled content may be mixed with virgin materials at a point in the supply chain according to certain criteria, resulting in a known proportion of recycled content in the final product.
- Mass Balance recycled content is mixed with virgin materials at a point in the supply chain over a defined period, such as 6 months. Manufacturing inputs and outputs over the period are reconciled in documentation to determine the average recycled content for all products produced over that timeframe. Reconciliation can be done on a facility basis.

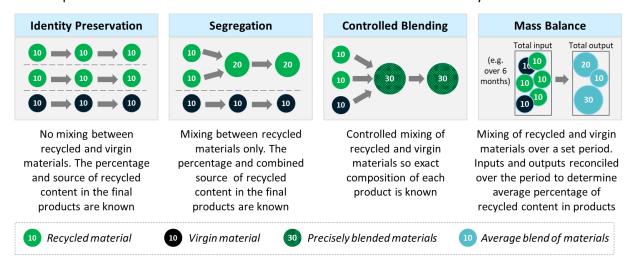


Figure 3: Chain of custody methods

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<sup>&</sup>lt;sup>2</sup> DCCEEW 2022, <u>Portfolio Budget Statement October 2022-23</u>, Department of Climate Change, Energy, the Environment and Water, Canberra.

<sup>&</sup>lt;sup>3</sup> The Economist Intelligence Unit Limited 2021 <u>An eco-wakening: Measuring global awareness, engagement and action for nature, The Economist</u>, accessed 13 December 2022.

<sup>&</sup>lt;sup>4</sup> Liu, L 2020, New research reveals 9 in 10 Aussie consumers more likely to purchase ethical & sustainable products, media release, CouriersPlease, accessed 13 December 2022.

<sup>&</sup>lt;sup>5</sup> WhereTo 2022, ReMade Market Research – Qualitative Research Report: Toplines, WhereTo, Victoria.

<sup>&</sup>lt;sup>6</sup> Blakkarly, J 2021 Eco labels - too many, and too confusing?, Choice, accessed 13 December 2022.

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<sup>&</sup>lt;sup>8</sup> CPRC 2022, <u>The consumer experience of green claims in Australia</u>, Consumer Policy Research Centre, Melbourne, accessed 13 December 2022.

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