

Moving towards a more circular economy through reuse and repair



Photo: Raeng

Canada must embrace circularity and move away from linear production and consumption to modernize its industrial activities and economy. A circular economy is a system of production, exchange and consumption that optimizes the use of resources at all stages of the life cycle of a good, while reducing the environmental footprint of individuals and communities.⁵¹ In 2020, Canada had a circularity rate of only 6%,⁵² an issue that needs to be addressed in a context of increasingly scarce natural resources.

In this circular model, the initial strategies involve “rethinking” production to minimize virgin resource consumption and reduce extraction at the source. Next, there is a focus on “optimizing” product use and extending the lifespan of goods, including promoting reuse and repair. Lastly, resources are given new life through recycling.⁵³

Priority circular economy strategies, including reuse and repair, lack financial support. In this regard, several stakeholders participating in the Reuse Symposium co-hosted by ECCC in 2022 highlighted “the difficulties in moving from

government-supported funding to larger-scale [reuse] initiatives.”⁵⁴ Indeed, efforts and funding are primarily directed to recycling.

Reuse to reduce single-use

Canada has several public policies in place to reduce the use of single-use plastics, including a Management framework for single-use plastics and the adoption of a roadmap to strengthen the management of single-use and disposable plastic products in September 2022.⁵⁵ However, there is no funding to support reuse initiatives, which the Green Budget Coalition believes would be vital to successfully deploy reusable alternatives, particularly in the food sector. Increased funding for businesses to scale up reusable alternatives would give the public greater access to zero waste solutions.

Access to repair to support the Canadian economy and population

In Canada, the repair industry is predominantly composed of small and medium-sized enterprises.

51 RECYC-QUÉBEC, “Lexique” (2022). <https://www.recyc-quebec.gouv.qc.ca/lexique/>

52 CAC, “Turning Point: The Expert panel on the Circular Economy in Canada” (2021). https://www.cca-reports.ca/wp-content/uploads/2022/01/Turning-Point_digital.pdf

53 Equiterre, “Working Towards Repairable Appliances and Electronics in Canada” (2022). <https://www.equiterre.org/en/resources/rapport-pour-des-appareils-electromenagers-et-electroniques-reparables-au-canada>

54 Séguin, Jacinthe and Laurie Giroux, “What We Heard Report: Reuse Symposium and Policy Dialogue on Reuse in Canada 2022” (2023). <https://plasticactioncentre.ca/wp-content/uploads/2023/03/Symposium-on-Reuse-and-Policy-Dialogue-WHAT-WE-HEARD-REPORT-January-2023-final-2.pdf>

55 Canadian Council of Ministers of the Environment (CCME), “Strategy on Zero Plastic Waste” (2019). <https://ccme.ca/en/res/strategyzeroplasticwaste.pdf>

COMPLEMENTARY RECOMMENDATIONS

In 2021, 61.8% of 36,407 repair businesses identified were micro businesses and 38% were small businesses.⁵⁶ A socio-economic and environmental study of the Canadian remanufacturing and value retention processing sector conducted for ECCC analyzed the expansion of these activities by 2030 in the context of a circular economy. The findings suggest that these activities could generate annual revenues of \$47-51 billion and create 402,000-452,000 jobs, showcasing the sector's promising economic potential.

91% of Canadians have purchased at least one household appliance or piece of electronic equipment (HAEs) in the last two years, and in 2019, Canadian households spent \$972 per year on these appliances. However, only 18.6% of those surveyed had their last broken appliance repaired. That's 63.4% of people who have experienced broken appliances in an average of 2.6 years after purchase.⁵⁷

The government has committed to create a 15% tax credit, up to \$500, "To extend the life of household appliances [...] to cover the cost of repairs performed by technicians."⁵⁸ However, tax credits do not reduce the initial payment for a repair, reducing the incentive to repair. For this reason, we prefer a different approach.

In France, a repair fund was established in the fall of 2022, and will reach €102 million (CAD \$150 million) annually in 2028 to cover the entire HAEs sector. This fund allows people who are faced with a broken appliance out of warranty to obtain a discount at the time of the repair.⁵⁹

⁵⁶ Government of Canada, "Businesses - Canadian Industry Statistics" (2023). <https://ised-isde.canada.ca/app/ixb/cis/businesses-entreprises/811?lang=eng>

⁵⁷ Equiterre, "Working Towards Repairable Appliances and Electronics in Canada" (2022). <https://www.equiterre.org/en/resources/rapport-pour-des-appareils-electromenagers-et-electroniques-reparables-au-canada>

⁵⁸ Prime Minister of Canada, "Deputy Prime Minister and Minister of Finance Mandate Letter" (2021). <https://www.pm.gc.ca/en/mandate-letters/2021/12/16/deputy-prime-minister-and-minister-finance-mandate-letter>

⁵⁹ Equiterre, "Annex 8: Description and issues relating to France's Repair Fund" (2022). https://cms.equiterre.org/uploads/Initiatives/150_Pour-des-objets-durables-et-r%C3%A9parables/EQT_rapport_reparation_annexes_EN8.pdf

Recommended Investments:

The federal government should support reuse initiatives as alternatives to single-use plastics as well as reducing the cost of repair to ensure greater access.

- **\$87 million over three years** to implement a repair fund to reduce the cost of repairing electronics and appliances, **then \$87 million per year, ongoing.** [ISED, FIN]
- **\$100 million over three years** to establish a reuse fund to support businesses and organizations developing reusable container and packaging solutions as alternatives to single-use plastics, **then \$35 million per year, ongoing, until the effective implementation of reusable containers and packaging in Canada.** [ECCC, ISED]

Contact

Amélie Côté – acote@equiterre.org



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