



WALGA

WORKING FOR LOCAL GOVERNMENT

Better Practice Guidelines

Reuse Shops

JUNE 2016





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Introduction

These Better Practice Guidelines have been developed by the WA Local Government Association, with funding from the Waste Authority through the Waste Avoidance and Resource Recovery Account. The focus of this project is to assist Local Governments in diverting reusable materials from landfill through establishing or improving Reuse shops.

The Guidelines draw on a number of different strategies used by Local Governments to manage their Reuse shop. The aim of the Guidelines is to build a broader awareness of successful practices and provide guidance for Local Government looking to set up or improve their Reuse shop operations.

The term Better Practice, rather than Best Practice, has been used to recognise that these Guidelines, and waste management practice generally, change over time. There is no static Best Practice, rather there is ongoing improvement through developing better practice.

A range of research and engagement activities have been undertaken in the development of these Guidelines. The information provided by WA Local Governments on current reuse practices at waste collection sites has been used as well as national research. A separate *Better Practice Reuse Shops Background Paper* includes this information.

Section one of the Guidelines identifies what Reuse shops are, provides a brief overview of the factors which have led to the development of these Guidelines, identifies existing and potential complementary mechanisms and highlights some of the legal considerations relevant to Reuse shops. Section two outlines better practice approaches for Reuse shops, from initiation to operation and finally evaluation.

Section One: Background

1.1 WHAT ARE REUSE SHOPS?

Reuse shops accept and sell reusable items and can be established at waste collection sites, such as transfer stations and landfills. These shops may be known by a range of names including tip shops, recycle shops or trash and treasure shops. The term Reuse shop has been used as the focus of this project is to divert reusable material from landfill, not to separate recyclable materials for processing. The choice of terminology also recognises a transition from considering items as a waste, to focusing on the reuse of products.

Reuse shops provide an opportunity to extend the life of reusable materials rather than disposing of them to landfill. Reusable items can be made available to communities for purchase or at no cost. The sale of reusable products can provide Local Governments with a source of revenue while also reducing the cost of landfill. Reuse shops can also provide additional benefits to the community, by providing lower cost goods and employment opportunities.

1.2 HOW SHOULD LOCAL GOVERNMENT USE THESE GUIDELINES?

Reuse is part of a suite of waste management approaches identified in the waste hierarchy which rates these strategies in order of their general environmental desirability. Reuse of waste rates highly in the waste hierarchy but is often difficult to implement in practice. Reuse shops are a practical way that Local Government can encourage reuse.

It is intended any Local Governments, no matter the population, should be able to use these Guidelines to assist in the development and operation of a Reuse shop. The Guidelines take a step by step approach which moves from feasibility, to planning, to operation and finally evaluation. Not all elements of these Guidelines will be relevant to all facilities. In Appendix A, two case studies are provided which outline how two very different Reuse shops operate – the Cockburn Recycle Shop and the Shire of Exmouth Trash and Treasure picking area. Appendix B includes self-assessment check lists for all sizes of Reuse shop (both those managed by a Local Government and those outsourced to another organisation).

The Reuse shop Guidelines have been prepared by WALGA for the purpose of assisting Local Governments in Western Australia. The information contained in the Guidelines is true and correct at the date of the publication. WALGA does not warrant or represent that the information is exhaustive or complete. WALGA will not be liable for any loss or damage suffered or incurred by any person arising from the use or reliance on the information contained in the Guidelines. Local Governments are advised to obtain their own legal advice on matters raised in this Guideline.

1.3 WHAT SUPPORTING MECHANISMS ARE THERE?

The approach suggested in these Guidelines focuses predominantly on what Local Government can do to actively encourage reuse of material that would otherwise be disposed of to landfill. It is acknowledged that there are a range of complementary measures needed to encourage waste reduction behaviours in communities. These measures include waste avoidance and minimisation education and outreach campaigns, promotion of community and charity collections, better practice verge and kerbside collection, effective Product Stewardship Schemes and fee for service waste disposal.

1.4 APPLICABLE LEGISLATION

Disposal of Property

Section 3.58 of the *Local Government Act 1995* provides the head of power for disposal of property. The Local Government (Functions and General) Regulations 1996, Pt 6, Section 30 exclude certain types of property disposal from a requirement to tender, in relation to disposal of property:

- (3) A disposition of property other than land is an exempt disposition if –
 - (a) It's market value is less than \$20,000; or
 - (b) The entire consideration received by the Local Government for the disposition is used to purchase other property, and where the total consideration for the other property is not more, or worth more, than \$75,000.

As the material sold or given away through a Reuse shop is unlikely to be of that value, the exclusion would apply and there would be no requirement for tendering.

Mandatory Safety Standards & Bans

The Australian Consumer Law (ACL) is a schedule to the *Competition and Consumer Act 2010* and is administered by the Australian Competition and Consumer Commission (ACCC). The ACL has provisions on product safety, which includes mandatory safety standards and bans. Standards are defined as documents that set out specifications and procedures that ensure products, services and systems are safe, reliable and consistently perform as intended. Mandatory standards set the requirements for appropriate safety or information features on a product. Supply of reusable items at Reuse shops must comply with mandatory standards. The ACCC recommends that checks for mandatory standards and bans be undertaken when selling products second hand. Section 3.4 on Product Acceptance Criteria identifies how this can be managed by a Reuse shop.

Electrical Standards

If electrical equipment or household appliance are going to be sold or given away at a Reuse shop then the *Western Australian Electricity Act 1945* and the Electricity Regulations 1947 apply. For the protection of both the customer and the people selling electrical appliances or equipment, there are requirements that all electrical appliances or equipment sold are in a safe condition. Section 2.11 provides information on how to meet the requirements for electrical items.

Occupational Health and Safety (OH&S)

Consistent with Local Governments general responsibilities as an employer, they must comply with the *Occupational Health and Safety Act 1984*, which establishes the statutory framework for providing a safe working environment. This Guideline is not a comprehensive resource relating to the OH&S issues associated with running a Reuse shop but does highlight some considerations which have been raised during the consultation process.

Section Two: Better Practice Approaches

This section outlines better practice approaches, based on research undertaken, for Reuse shops. The sections are structured to identify the aim of the activity, a range of approaches which can be taken and the rationale for these approaches. It should be noted that not all sections will be relevant to all sizes of Reuse shops. Appendix B provides a check list of key issues for consideration by Reuse shops based on the following classification:

- Small: No staff on site, small area for deposit and collection of items. Purpose of the shop is to reduce waste to landfill.
- Medium: Staff available on site, but not dedicated to shop. The shop operations are undertaken on a commercial basis as well as aiming to reduce waste to landfill.
- Large: Dedicated staff for shop. The shop operations are undertaken on a commercial basis as well as aiming to reduce waste to landfill.
- Outsourced: To commercial operator or charity/community organisation. The purpose and operations of the shop would be defined in the contract/or by the contractor.

2.1 FEASIBILITY

Aim: To ensure that a Reuse shop is practically feasible and economic feasibility has been assessed.

Approaches

In assessing the feasibility of a Reuse shop the primary considerations are practicality (is there sufficient material being received) and the economic viability of the operation. The way that feasibility is assessed at a particular site will be dependent on its size.

Options for assessing feasibility include:

- Contact a similar Local Government with a Reuse shop that can provide guidance on the amounts and types of material collected, the costs associated with site management and community engagement with the Reuse shop.
- Undertake an assessment of the materials being delivered on site, for a specified time period. Staff can assess what materials brought on site are saleable and at what price.
- Trial a Reuse shop. The Local Government specifies the time period and collects data on the daily amount and type of material retrieved for reuse. Using this information the Local Government can calculate the cost to dispose of the material to landfill, the time staff spent separating and displaying items and potential revenue generated.

Rationale

While it would be ideal for all Local Governments managing a waste collection facility to divert more waste from landfill, a Reuse shop may not always be a practical or economically viable option. A Local Government considering establishing or expanding a Reuse shop at their site will need to consider the viability of the shop including the amount of material the shop will receive, the costs associated with running the shop and the funds likely to be generated from the sales of the shop (if applicable). If a Local Government is developing a large scale Reuse shop, which will require

investment, then a more detailed business case is likely to be required. A Local Government may decide that although a Reuse shop will not fully fund its own operations, the positive community outcome makes it worth having the shop. Alternatively the Local Government may choose a low cost operating model which works for that site.

Waste Avoidance and Resource Recovery Levy

The Levy applies to any waste generated or landfilled in the metropolitan area.

This relates to Reuse shops in several ways:

- If the Levy is charged on any material over the weighbridge (including material diverted to the Reuse shop) then the Local Government is able to claim back the Levy if material is diverted from landfill. This necessitates keeping good records of the amount of material diverted.
- If the Levy is not charged on material directed to the Reuse shop, it comes a cost to the Local Government if material is not subsequently sold.

2.2 SHOP SET UP: SITE PREPARATION

Aim: Suitably located site, with a set up that includes sufficient infrastructure and a plan for traffic flow to and from the Reuse shop.

Approach

Shop location – It is preferable the shop is set up within the waste site, inside fences and after the weighbridge/gate, rather than separate to the site.

Site plan – Develop a plan for the general layout of the outdoor area, including parking and thoroughfare to the delivery area.

Drop off area – A dedicated area, set aside, near the entry of the waste collection site that is easily accessible by the public to deliver items. Items recovered for the Reuse shop should be stored separately and checked for suitability and priced prior to being sold.

Shop area/infrastructure – A Reuse shop can comprise of a shed and/or an outdoor area. Sea containers are also useful for storing excess stock and seasonal items (see Example).

Rationale

Shop location – If the Reuse shop is set up inside the waste site it has several advantages, including security and better separation of material. For larger sites, any material brought onsite can be weighed.

Site plan – Having a clear plan of traffic flow will enable the safety of those on site to be prioritised. If the delivery area is designed so that there are sufficient areas for vehicles to turn this keeps vehicle reversing to a minimum, which assists with safety.

Drop off area – If the site is staffed, they can direct incoming loads to that area as well as moving recoverable materials to that area.

Shop area/infrastructure – The suggested set up allows for a range of items to be stocked. A shed is useful to store items which are weather sensitive e.g. electrical items and furniture. While an outdoor areas allows for larger items to be stored e.g. bricks and outdoor furniture

EXAMPLE: Sea container storage

City of Cockburn keeps two sea containers at the Cockburn Recycle Shop for storage. One container is ventilated and stores reusable paint rather than disposing of it as household hazardous waste.

The other container is used for the storage of seasonal stock and excess materials to ensure items are kept out of view until they're sellable. For example, storing electric fans during winter, for sale in the summer months.

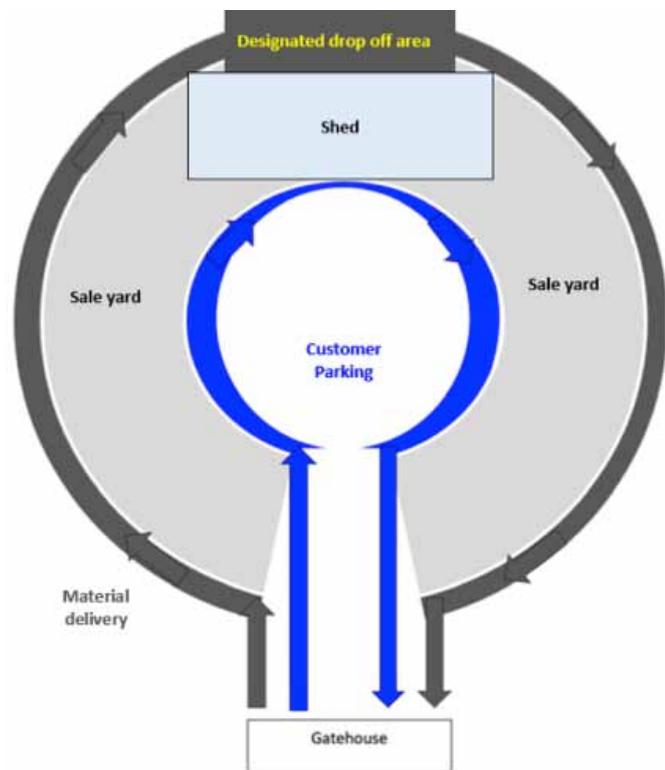


Figure 1 is an example layout for a Reuse shop, with dedicated delivery drop off area, customer parking and indoor and outdoor sales areas.

Figure 1: Schematic of Reuse shop layout (adapted from Blue Environment, 2014)

2.3 SHOP SET UP: SECURITY

Aim: Adequate security that protects the Reuse shop from unauthorised access, vandalism and theft.

Approach

Depending on the set up of the Reuse shop, varying levels of security will be required. For small sites, ensuring the Reuse shop is located within the perimeter of the waste collection facility is a good approach. For larger sites, fencing, security lighting and CCTV can be effective however, could be vandalised and damaged. This leaves Local Governments with considerable and reoccurring repair costs. Based on consultation with Local Government, the most effective break in deterrent was considered to be electric fencing.

Rationale

A secure location is also essential to deter crime. Locating the Reuse shop within the facility means that any person coming on site has to go through the security for the facility before attempting to enter the Reuse shop.

Feedback from Local Government indicated that normal fencing, lighting and CCTV was effective, but with sufficient incentive could be circumvented. For example fences and CCTV lines can be cut. Local Governments can install electric fencing around a Reuse shop, even if it is already inside a waste collection facility. Electric fencing may be able to be installed onto already existing fencing.

2.4 SHOP SET UP: PRODUCT ACCEPTANCE CRITERIA

Aim: Establish clear Product Acceptance Criteria for the Reuse Shop, with reference to Australian Mandatory Safety Standards and Bans and saleability of items.

Approach

Two primary considerations drive whether a product should be accepted by the Reuse shop – is the material safe and is it saleable. In developing a Product Acceptance Criteria, legal considerations include:

- ACCC advice on avoiding unsafe products (Table 2).
- ACCC Product Safety Mandatory Standards and Bans Fact Sheet (Appendix C). Detailed information on each item is available from the ACCC website.

In looking at saleability of product, some key considerations include:

- Involving staff in the development of the criteria.
- Consideration should be given to the ‘saleability’ of items and the amount of time they kept in the shop.

Product inspection	Detail
Physically check second-hand products	<ul style="list-style-type: none"> • See, handle and test product • Avoid products that have suffered an impact. While a product may look undamaged, it may have weaknesses that make it unsafe for use.
General features to check	<ul style="list-style-type: none"> • Comes with full instructions for assembly and use • Is sturdy and stable • Has all parts and works correctly • Has no tears, sharp edges or points • Has had no changes made that will make it unsafe • Has no history of being in an accident or being damaged • Can be fixed, if necessary, by the original supplier.
Check for bans and mandatory standards	<ul style="list-style-type: none"> • Mandatory safety standards or bans may cover the new version of many second-hand or hand-me-down products. • Identify the items in your current stock or intended stock that must comply • Check for features similar to those in planned, new or modified products to find out whether they may also need to meet standards.
Check for recalls	<ul style="list-style-type: none"> • Suppliers may have undertaken a past voluntary recall of a second-hand product that consumers may wish to buy or accept as a gift or loan. Recalls are usually undertaken because the supplier has identified a safety issue with the product. • Consumers can do an easy search on the Recalls Australia website to check for any recent or past recalls of products. • Avoid buying or accepting gifts or loans of second-hand products listed as a past or current recall.

Table 2: Extract from ACCC ‘Avoiding unsafe second-hand products’

Rationale

People delivering items to the Reuse shop may have only used the products for a short time, so the products may be near new and in quite good condition. Despite this, products could still present a potential hazard to staff and customers. Local Governments managing a Reuse shop need to develop clear guidelines on assessing and handling all items that are delivered to a Reuse shop prior to sale.

Reusable items may be unsafe if they are broken or damaged, have been repaired incorrectly or are missing safety instructions. Reusable items could also pose a hazard if they are so old they fail to meet the requirements of current product safety standards and bans for similar products. See example on products for babies and small child.

Researching safety requirements and mandatory standards can be a time consuming process, so Local Governments can decide to exclude some items completely from the Reuse shop and post this list on signs at the site. An example Product Acceptance list is provided in Appendix D.

Staff involvement in the development of criteria, ensures there is clear understanding of why certain products are not going to be sold (in relation to safety standards) and it can enhance staff sense of ownership and accountability in running the Reuse shop. This also links to the Section 3.5 on pricing. The saleability of a product is important to consider, the ideal Reuse shop – as with other retail experiences – is to have a turnover of products which encourages people to return to the shop on a regular basis.

EXAMPLE: Excluding baby and small child items

Baby and small child items, including prams, cots and car seats are subject to a range of safety regulations which need to be specifically referenced to determine if the equipment is safe to sell.

WALGA's Roadwise Program, which provides up to date child car restraint guidelines, advises that any child car seats delivered should be dismantled and disposed of.

2.5 SHOP SET UP: PRICING AND SALES

Aim: Clear and consistent pricing approach along with a record of sales (as required).

Approach

Pricing – The suggested approach is that Local Governments develop general pricing guidelines, in collaboration with onsite staff. These guidelines can include consideration of staff discounts and how staff purchases should be undertaken.

Displaying pricing – There are a variety of different methods of displaying prices for items and each Local Government will find a system that works best for them. Currently Local Governments are using three different approaches:

1. No pricing displayed – determined by the operator on the day
2. Displaying general prices for groups of items
3. Pricing each item individually.

A combination of the latter two options are recommended, with items priced with individual stickers or in containers or shelves with a marked price.

Sales – If there is a charge for material sold at the Reuse shop, the shop can operate on a cash only basis but an investment in a cash register, with automatic receipt printing with general category descriptions (e.g. furniture), could assist in reporting purposes.

Rationale

Pricing – To ensure staff are confident and consistent in applying prices, developing the pricing schedule in collaboration with staff is a good approach. Staff can then charge similar prices for items and gain an understanding of the general value of items, with some flexibility to negotiate price to ensure stock sale. See Mindarie Regional Council Case study.

Having a clear staff discount policy assists in clarifying staff expectations, such a policy could state entitlements (e.g. standard discount is 25% on all staff purchases at the Reuse shop) and exclusions. The policy could also specify that staff purchases need to be processed by another staff member and if the policy extends to all Local Government staff or just waste facility staff.

Displaying pricing – This saves customers having to ask staff for prices and promotes consistency.

Sales – For larger sites, a cash register will reduce the staff time needed to manually write receipts, as well as end of day takings reconciliation. It will also increase security of money on site. A daily record of takings provides data on what reusable materials are being sold and what isn't so popular.

The cash register can also record an approximate weight of items sold, to give an indication of the amount of waste that is diverted from landfill (See Waste Avoidance and Resource Recovery Levy).

CASE STUDY: Mindarie Regional Council Pricing Guidelines

The Tamala Park Tip Shop, operated by Mindarie Regional Council, uses price guidelines as a starting point for staff to negotiate consistent prices with customers. The guide lists common items sold at the shop, with price increasing depending on the items' condition. An extract from the guide as follows.

Books/DVDs	DOC
Assorted soft/hardcovers*	\$1.00 upwards
Bric-A-Brac	DOC
Bags, wallets, handbags, shoes, trinkets etc	\$1.00 upwards
Camping	DOC
Swags etc	\$20.00 upwards
Tents, gazebos, shade sails	\$5.00
Childs' Toys and Games	DOC
Assorted toys	\$1.00 upwards
Electronic – Tagged and Tested	DOC
Various items	Priced on the day
Filing Cabinets	DOC
2 drawer	\$10.00 upwards
3 drawer	\$20.00 upwards
4 drawer	\$30.00 upwards
Flooring	DOC
Carpet, vinyl	\$5.00 upwards

- Staff can negotiate price with customers, including accepting or rejecting a lower price to reflect the item's quality. There is also a policy of reducing prices if a customer is buying in bulk.
- All electrical items are tested and tagged before sale. All items that undergo testing have a value for this service added to their cost.
- Prices for unfamiliar items is usually determined by researching its retail value, and setting an initial price of about 30% of its retail value. The price can be altered up or down depending on its condition. This may rise to up to 75% of an items 'new' value if it is in good condition, or is an item where there is some demand.
- Prices are not set, they are regularly re-tested to reflect current market conditions. Also if items are not shifting, their prices are adjusted accordingly. Over the last three years the Tamala Park tip shop has achieved in excess of 30,000 transactions per year. In that time the average price of each transaction has grown from \$9 to \$11 per transaction. This was largely achieved through improved quality of stock and fairer and more consistent pricing.

2.6 SHOP SET UP: DISPLAYING STOCK

Aim: Display products in a manner that minimises hazards and is attractive to customers.

Approach

Minimise hazards – in line with usual OH&S considerations, shelving that products are displayed on should be robust and not above head height. Heavy items should be stored on lower shelves, lighter items on higher shelves. Customers should not dismantle products in the shop to access spare parts. Some items such as electrical equipment and furniture, should not be displayed in the outdoor yard to protect them from weather damage.

Attractive to customers – this includes display smaller items on racks and shelves, and larger items together. Keep the display areas uncluttered, dusted and organised so that it is appealing to customers.

Rationale

Minimise hazards - To ensure that product can be displayed well and accessed easily by customers consideration should be given to the quality and height of the shelving. To reduce the risk of staff injury or customers dropping products, heavier items should be stored on lower shelves.

Reuse shops are a useful source of spare parts and customers may want to disassemble products for specific parts. This presents a safety concern and should not be allowed. Any spare parts can be displayed near working products to make them easily accessible, such as lawn mower parts in a container near lawn mowers. Customers should be advised that goods are otherwise sold as is.

Attractive to customers – Arranging items so they are organised, easy to find and view will assist in making the shop more attractive to customers. Also arranging similar items together allows customers looking for a particular product to compare their options.

2.7 SHOP SET UP: SIGNAGE

Aim: Signage provides relevant information and is prominently displayed.

Approach

Considerations should be given to the following signage/markings:

- Shop name and opening hours
- Traffic control (e.g. speed limits)
- Directions to drop off area
- Waste material not accepted (particularly useful for unmanned sites)
- All goods are to be sold “as is”
- OH&S signage, including fire control equipment, emergency exits, assembly points and pointing out hazards. Pathways can be painted on the floor.

Rationale

Clear signage assists customers to shop and reduces the amount of staff time spent providing information to customers. The OH&S signage is essential in case of emergency. The suggested ‘Goods sold as is’ signage is to make it clear that disassembly of products in the shop is not acceptable (as per Section 2.6).

2.8 SHOP SET UP: MARKETING PLAN

Aim: Identify approaches, and plan for, Reuse shop marketing.

Approach

A marketing plan can be a simple list of methods for promoting the Reuse shop. To simplify promotion in Local Government communications, include generic information on shop opening hours and location. The Reuse shop marketing plan can include:

- Signage at the entrance of the waste collection facility
- Local Government website
- Social media
- Waste and recycle calendar
- Press releases
- Local community newspaper
- Bulletin boards in community hubs
- Having site open days and offering tours for school and community groups

Rationale

Marketing the Reuse shop will encourage more people to visit and can be part of ongoing community education campaigns on waste minimisation and reuse (see Section 2.9). As they provide a benefit to the local community, Reuse shops can attract interest from local media outlets. Regular press releases may be picked up by local media, which can provide ongoing, free advertising. Local waste diversion and reuse successes can be promoted, such as the volumes of waste sold through the Reuse shop and alternative uses for materials. Online marketing can be effective, particular if linked into an existing group.

CASE STUDY: Goomalling

The Goomalling Reuse Centre has a very active Facebook page (Search Goomalling Reuse Centre – the Tip Shop) with regular updates of new items for sale and frequently posts inspirational photos of creative reuse projects.



Pictures: stock and project ideas from Goomalling Reuse Centre Facebook

2.9 SHOP OPERATIONS: COMMUNITY EDUCATION AND ENGAGEMENT

Aim: Utilise Reuse shop as a way of engaging and educating the community

Approach

Reuse shops can be part of wider engagement initiatives. For example the Shop can host school and community groups to learn about waste minimisation and reuse.

Rationale

Reuse shops promote the value of otherwise discarded materials and this provides opportunities for changing how communities think about waste. There are opportunities to work with local artists and community groups to use reusable materials in art installations for the shop or public spaces.

Some Local Governments use the income from sales at their Reuse shops to fund community projects.

EXAMPLE: Worms love fridges

Degassed white goods and old bathtubs can be promoted as excellent worm farms or garden beds. A worm farm fridge displayed at the shop can be part of a community education campaign and promote reuse of inoperative white goods.

2.10 SHOP OPERATIONS: OPENING HOURS

Aim: Establish opening hours which maximise the time for drop off materials and minimise costs associated with running the Reuse shop.

Approach

There are a variety of approaches that can be taken towards setting opening hours which will be site specific.

Rationale

For larger sites Local Governments can consider using different opening hours for stock delivery and stock sale. Receiving items at the shop 7 days a week means there are more opportunities for stock to come to the shop rather than straight to landfill. Limiting the days that customers can purchase items to 5 days or less provides staff with time to assess and price items, clean and tidy the shop, set up and display items, and test and tag electrical equipment.

In locations with limited or no staffing, such as at the smaller sites, having opening hours the same for dropping off items and shopping is likely to be the most practical approach.

2.11 SHOP OPERATIONS: SELLING ELECTRICAL EQUIPMENT

Aim: Electrical equipment should not be sold through the Reuse shop, unless it has been tested for electrical safety and tagged.

Approach

Reuse shops selling electrical equipment must ensure that all items are safe and appropriately inspected, tested and maintained by a competent person. Only staff that have been certified as competent should inspect, test and tag electrical equipment for sale at Reuse shops.

Rationale

The *Electricity Act 1945* prohibits the sale of household electrical appliances unless 'approved' by an Australian regulatory authority. Such approval may be issued if the person who intends to sell the appliance satisfactorily demonstrates that he or she has accepted the responsibility of ensuring that the appliance is safe for use. The most common way to achieve this is to provide proof that the appliance complies with standard specifications and tests for electrical safety.



Example: Electronics sold untested

In order to undertake the visual and electrical testing that is required, staff need to be certified as competent. There are both nationally recognised and non-accredited courses available. There are several Registered Training Organisations which can provide this training to Local Government staff or other interested parties.

EnergySafety, which is responsible for the technical and safety regulation of the electrical industry in WA, provides some guidelines on determining if electrical equipment is safe for sale. Where the origin or history of an electrical appliance is not known then that electrical appliance or equipment should be inspected and tested, before it is sold, to ensure it is safe to use. The history of an electrical item accepted at a Reuse shops is unlikely to be known since they are predominately accepted as "used goods." It is therefore recommended that all electrical products sold are inspected, tested and tagged before sale.

2.12 SHOP OPERATIONS: HUMAN RESOURCES AND SITE SUPERVISION

Aim: To ensure the Reuse Shop is operated to a high standard.

Approach

If the Local Government is operating the Reuse Shop, then Local Government staff will be undertaking this activity, as part of the waste collection site operations. Sufficient staff training is essential and can include:

- Induction training, including safe operating procedures for all aspects of the site
- Pricing guidelines and price negotiation
- Cash handling and sale records
- Product acceptance criteria
- Items excluded from sale
- Electrical test and tagging certification
- Operation and maintenance of any machinery, such as forklifts
- Procedures for customer service and complaint response
- Usual OH&S including heavy lifting and emergency response procedures

Rationale

Local Government management of a Reuse shop means that any revenue raised through the shop can be used to offset Local Government operational costs or other Local Government priorities. Examples of Local Governments which manage their Reuse shops, include the Henderson Recycle Shop operated by the City of Cockburn and the Tamala Park Recycling Centre operated by the Mindarie Regional Council.

Staff should be accessible to community members in the Reuse shop to answer questions, process transactions and ensure a safe operating environment is maintained. Having staff present to coordinate the drop off of items at the delivery area can maximise resource recovery. Staff can also salvage items from the waste collection site throughout the week, for sale in the Reuse shop.

Staffing of the Reuse shop can be balanced with the influx of items on weekends and other shop open days. Depending on the volume of material received, 1 or 2 staff per day can operate the drop off area, assess items and make small repairs, as well as test and tag electrical items. On the days that the shop is open to sell items, multiple staff should be available, with a dedicated staff member on the cash register and 1 or 2 staff to supervise the sale yard and assist customers.

Staff should be trained to ensure they have current information on the operation of the Reuse shop. Staff are likely to enter other parts of the waste collection facility so they should also receive an induction on all aspects of the site.

2.13 SHOP OPERATIONS: OUTSOURCING

Aim: To ensure that the Local Government is not exposed to liability or risk due to Reuse shop operations.

Approach

Outsourcing the running of the Reuse shop can include management by a private contractor, specifically or as part of the waste collection site operations, or management by a community group or charity.

It is suggested that Local Governments outsourcing their Reuse shop operations review their current contract to ensure that, as a minimum, there are provisions relating to:

- Compliance with Legal Requirements
- Indemnity
- Insurance

Another potential inclusion is a clause relating to Safety Obligations. For Local Governments seeking to outsource their Reuse shop, these clauses can be included from the outset. Appendix E provides some examples, it should be noted that these are examples only and should be used in consideration of the other clauses in the outsourcing contract.

Rationale

By making sure the contract includes clauses relating to Compliance with Legal Requirements it will protect the Local Government if the operator does anything unlawful. The Indemnity clause will protect the Local Government in case the operator breaches any of the contract provisions. The contract should also clearly state the responsibility is vested with the Operator with regard to complying with the provision. The Safety Obligations requirement can be specifically tailored to highlight the need for contractors to ensure:

- Any electrical equipment sold will be tested and tagged in line with Energy Safety requirements (See Section 2.11)
- Products sold will be checked to ensure they meet ACCC Product Safety: Mandatory Standards & Bans (See Section 2.4 and Appendix C)

When outsourcing it is important to regularly liaise with the contractor to ensure the operations are progressing as has been agreed and that particular conditions are being met. This could include a requirement for the contractor to report on the amount and type of material sold through the Reuse Shop.

2.14 SHOP OPERATIONS: EVALUATION

Aim: Evaluate the Reuse shop operations as required.

Approach

For your size of Reuse shop, identify which data is needed to evaluate the performance of the shop. This information can include types or product sold, approximate weights, revenue generated, staff feedback and staff time.

Rationale

Collecting data on the amount of material received and sold at the Reuse shop and any revenue generated is one way of monitoring and evaluating the long term progress of the business. A log of the approximate weight of items sold will be useful for reporting to the Local Government Waste and Recycling Census and if claiming back the Waste Avoidance and Resource Recovery Levy.

For smaller sites, estimating the amount of material that goes through the Reuse area can be difficult. Taking regular photographs of material can be one way of identifying the types of products in demand. Any staff time in sorting products can also be estimated.

Regularly checking in with staff to find out how operations are progressing is another way to evaluate the Shops operations.

APPENDIX A: CASE STUDY – CITY OF COCKBURN & SHIRE OF EXMOUTH

City of Cockburn

The Cockburn Recycle Shop is part of the Henderson Waste Recovery Park in the City of Cockburn. The Recycle Shop aims to divert reusable items away from landfill and to provide an inexpensive source of household items and materials for the community, especially those facing financial hardship. While the Recycle Shop does generate an income stream for the City, profit is not the foremost consideration in providing this service.

The Recycle Shop receives reusable items, from both staff salvage and community visitors, to the onsite transfer station. The weighbridge operator directs patrons to the shop's receiving area if the load appears to contain suitable items. The Recycle Shop is owned and operated by City of Cockburn, rather than contracted out. This is to ensure operational practices are in line with the City's standards and inappropriate items are not sold. Inappropriate items include products that do not meet Australian Safety Standards or are clearly not fit for purpose.

A charge applies for disposal of all items to the Henderson Waste Recovery Park, including items delivered to the Recycle Shop. All items that enter the Recovery Park are treated as waste and so are charged for entry. This policy is to deter attempts to deliver items to the Recycle Shop that are unsuitable for reuse in an attempt to avoid the gate entry fee. Payment for the waste ensures the Recycle Shop operators have control at all times as to what will or will not be sold in the shop. City of Cockburn residents receive a trailer pass with six vouchers each year and these can be used to deliver items to the Recycle Shop. Alternatively, visitors can pay the standard entry fee.

The Recycle Shop itself is a large shed (approximately 40m x 12m) and outdoor area, with an undercover section for receiving goods. The site has good security with an electric fence and security system. The Shop includes a sea container for storage of surplus stock and seasonal items. Keeping items out of view during off-seasons gives the Recycle Shop the opportunity to introduce them when they're sellable, such as storing fans during winter and bringing them out in the summer. The Recycle Shop occasionally receives stock from closing businesses and excess volumes are stored and slowly shelved in the store as items sell.

Good stock presentation is a key aspect of the Recycle Shop. The shop uses shelves, racks and containers for items, with large items arranged in groups. There are clear walkways and designated areas for specific item categories. Small items are stocked near the cashier counter to deter theft. A charity clothing bin is also kept in the Shop to encourage diversion of textiles.

To maximise diversion of reusable material, the transfer station is open daily, as is the receival area at the Recycle Shop. However, the shop itself is only open Friday – Sunday and some public holidays. This strategy is used to attract turnover when customers are likely to visit rather than stretch the sales over seven days. The opening hours are structured to accommodate community visitors who usually visit on the weekends. Commercial visitors are more likely to drop material off at the site during the business week and have little interest in the Recycle Shop. The Recycle Shop is open on Fridays to ensure that local second hand dealers have an opportunity to buy items.

The decision to limit the number of days the Recycle Shop is open also reduces staffing costs. The Shop receival area is operated by 1 staff member daily to assess items, make repairs, and tidy the stock in the shop. Staff are also trained to test electronic equipment and tag these as suitable

for sale. During the 3 days the Shop is open, 2 more staff members operate the shop itself, with 1 dedicated cashier and another assisting customers and tidying the shop. The shop does not provide a telephone number for customer enquiries.

The same staff are usually rostered at the Recycle Shop as they gain experience on what is a fair and achievable price for items. The Recycle Shop started with a price guide but with the huge variety of items it became less useful. The Shop now relies on staff experience. The number of staff who can determine item prices is limited to ensure pricing is more consistent.

Staff have ability to negotiate price with customers to ensure stock turnover. If stock doesn't sell the price is reduced. If items still can't sell then they are removed from the shop and recycled if possible. Many customers visit the Shop regularly and are deterred if they see the same items week after week.

The Recycle Shop obtained legal advice regarding liability and warranty of products for sale. The shop advertises with signage that items are sold "as is" and that the items have been recovered from waste and may not be fit for purpose. If it is economically viable to do so, the staff will value add items, such as cleaning spark plugs and filters to revitalise a previously nonworking lawn mower. Staff do not make any claims that items are in good condition. Warranty claims have not been an issue previously, although on rare occasions low value items have been returned and exchanged to minimise fuss.

All items in the shop are priced with individual stickers or in containers with a marked price. The Shop is cash only and a cash register prints a receipt with a general category description (such as furniture) and the price. A record of the approximate weight of items sold is also recorded for Landfill Levy recovery purposes. Landfill diversion rates are also a positive way to engage the community.

The Shop also has a written policy for a 25% staff discount on marked prices. This is to provide staff with a good deal, but also makes it clear that all items received at the Recovery Park belong to the City of Cockburn. Staff cannot determine a price for an item for themselves, this decision is made by a supervisor. Staff purchase trends are also monitored to ensure that they aren't reselling the items as a side business.

The Cockburn Recycle Shop has a family friendly focus on shop items but does exclude baby and small child items, like cots. Without significant research, the Shop staff cannot be certain the items would meet Australian Safety Standards but the cost of the research time would likely be greater than the value of the item. The Cockburn Recycle Shop provides a straightforward, practical Reuse shop system and sets a high standard for Local Governments looking to start or improve their own Reuse shops.



The Cockburn Recycle Shop

Shire of Exmouth

Shire of Exmouth provides a Trash or Treasure picking area at the Qualing Scarp Landfill where reusable household items can be taken for free.

The Landfill is open Monday – Saturday and some public holidays. The Landfill staff inspect incoming loads and direct patrons to drop off reusable items to the picking area. The Trash or Treasure picking area is well established and many visitors will drop items off without direction from the landfill staff.

The staff will allow an item to stay in the picking area for 3-4 weeks. If it hasn't been taken by then it is disposed of at the main face.

In addition to the Trash or Treasure picking area the staff also ask customers with timber pallets that are in good condition to be deposited in the pallet area. Lots of customers come in wanting pallets and the landfill staff use them to stack recyclables on such as Pb Acid batteries, electric motors, and baled aluminium. Any damaged pallets are disposed in the green waste area for burning.

Diverting reusable items to the picking area and overseeing the collection of pallets is a small part of the day to day operations at the landfill but provides a useful example of an effective, basic setup to encourage waste diversion and reuse.

The waste disposal fee structure at the landfill further reinforces waste diversion by encouraging source separation. Customers are charged more for 'mixed waste' than waste that has been appropriately separated and dropped off at the different designated areas. 'Mixed waste' loads include material that could have been separated for reuse and recycling. If customers haven't separated their waste they pay the 'mixed waste' fee which is higher than the 'general waste' fee.

The outdoor layout of the picking area means that reusable materials are very susceptible to weather damage, particularly dust. The Shire plans to redevelop the recycling centre at the landfill in the coming months, including a lean-to veranda to hold the picking area and resolve the issue of weather damage.



Trash or Treasure picking area at Qualing Scarp Landfill

APPENDIX B: EXAMPLE SELF-ASSESSMENT CHECKLISTS FOR REUSE SHOPS

These checklists have been developed to assist Local Governments assessing their current Reuse shop operations against Better Practice Reuse Shop practices. The checklists are not intended to exhaustively cover Occupational Health & Safety issues. Further guidance on this topic is available in the various WorkSafe WA guidance documents on the Department of Commerce website.

Large and Medium Reuse Shop – Checklist

A large Reuse shop has been characterised by dedicated staffing for the Reuse shop, operations undertaken on a commercial basis. A medium Reuse shop would be characterised by staff available on site, but not dedicated to the shop operations, the operations would be undertaken on a commercial basis.

Requirement	Current Status	Improvement Needed?
2.2 Shop set up: Site preparation		
<i>Aim: Suitably located site, with a set up that includes sufficient infrastructure and a plan for traffic flow to and from the Reuse shop.</i>		
Shop location - is the shop set up inside the waste facility?		
Site plan – do you have a plan for the site layout (including parking and drop off area)?		
Drop off area – is there an easily accessible area for the public to drop off goods?		
Shop area/infrastructure – do you have a shed, or other covered infrastructure?		
Shop area/infrastructure – do you have outdoor area?		
Does the site have to pay the Waste Avoidance and Resource Recovery Levy?		Note: If yes, ensure records of amounts of material diverted from landfill are recorded
2.3 Shop set up: Security		
<i>Aim: Adequate security that protects the Reuse shop from unauthorised access, vandalism and theft.</i>		
Is the Reuse shop site secured (e.g. locked fencing)?		
Is the Reuse shop monitored by CCTV?		
Is there security lighting at the site?		

Requirement	Current Status	Improvement Needed?
If these measures are in place, are they effective at discouraging/ deterring unauthorised access?		Note: If no, then consider electric fencing.
Is there electric fencing around the Reuse shop area?		
2.4 Shop set up: Product Acceptance Criteria		
<i>Aim: Establish clear Product Acceptance Criteria for the Reuse shop, with reference to Australian Mandatory Safety Standards and Bans and saleability of items.</i>		
Does the Reuse shop have product acceptance criteria? [links to Section 2.7 - Signage]		Note: If no, then criteria needs to be established, using information provided.
If there are product acceptance criteria, do they take into account Australian Mandatory Safety Standards and Bans and the saleability of items?		
Were staff involved in the development of the criteria?		
2.5 Shop operations: Pricing and Sales		
<i>Aim: Clear and consistent pricing approach along with a record of sales (as required).</i>		
Does the Reuse shop have pricing guidelines?		
Do the pricing guidelines include a position on staff purchases and negotiation with customers?		
Are prices of items displayed?		
Are sales and weights of products recorded?		
2.6 Shop set up: Displaying stock		
<i>Aim: Display products in a matter that minimises hazards and is attractive to customers</i>		
Are products displayed on robust shelving?		Note: If no, then need to immediately address OH&S in shop.
Are products displayed at no greater than head height?		
Are heavy products stored on lower shelves?		
Are products displayed in an organised way (like products together)?		
Are the display areas well-kept and uncluttered?		

Requirement	Current Status	Improvement Needed?
2.7 Shop set up: Signage		
<i>Aim: Signage provides relevant information and is prominently displayed.</i>		
Is there signage for the Shop name and opening hours?		
Is there the necessary traffic control signage?		
Is signage present to direct customers to the drop off, acceptance and shop areas?		
Does signage identify products that aren't accepted/sold at the Reuse shop?		
Is there signage that indicates goods are sold 'as is'?		
Are there the necessary OH&S signage/line markings?		Note: If no, then this needs to be addressed.
2.8 Shop set up: Marketing plan		
<i>Aim: Identify approaches, and plan for, Reuse shop marketing.</i>		
Do you have a list of how the Reuse shop will be promoted?		
2.9 Shop operations: Community education and engagement		
<i>Aim: Utilise Reuse shop as a way of engaging and educating the community</i>		
Does the Reuse shop have a role in community engagement – for example is it part of site tours?		
2.10 Shop operations: Opening hours		
<i>Aim: Establish opening hours which maximise the time for drop off materials and minimise costs associated with running the Reuse shop.</i>		
When can materials be dropped off and purchased from the Shop?		Note: If Reuse shop is staffed, consider restricting opening hours – see City of Cockburn case study.
2.11 Shop operations: Selling electrical equipment		
<i>Aim: Electrical equipment should not be sold through the Reuse shop, unless it has been tested for electrical safety and tagged.</i>		
Does the Reuse shop sell electrical equipment?		
Is the electrical equipment tested and tagged by a competent person?		Note: Electrical equipment should not be sold if it has not been tested and tagged.

Requirement	Current Status	Improvement Needed?
2.12 Shop operations: Human Resources and Site Supervision		
<i>Aim: To ensure the Reuse shop is operated to a high standard.</i>		
What training processes are in place for staff working at the Reuse shop?		Note: Review staff training to ensure it is comprehensive.
2.14 Evaluation		
<i>Aim: Evaluate the Reuse shop operations as required.</i>		
Is information on type, weight and revenue collected?		
Is there an evaluation process in place for the Reuse shop?		
Is a regular process for staff feedback on operations in place?		

Small Reuse Shop – Checklist

A small Reuse shop is characterised by no staff on site, a small area to deposit and collection of items.

Requirement	Current Status	Improvement Needed?
2.2 Shop set up: Site preparation		
<i>Aim: Suitably located site, with a set up that includes sufficient infrastructure and a plan for traffic flow to and from the Reuse shop.</i>		
Shop location - is the shop set up inside the waste facility?		
Site plan – do you have a plan for the site layout (including parking and drop off and shop area)?		
Shop area/infrastructure – do you have a shed, or other covered infrastructure?		
Shop area/infrastructure – do you have outdoor area?		
2.3 Shop set up: Security		
<i>Aim: Adequate security that protects the Reuse shop from unauthorised access, vandalism and theft.</i>		
Is the Reuse shop site fenced?		

Requirement	Current Status	Improvement Needed?
2.4 Shop set up: Product Acceptance Criteria <i>Aim: Establish clear Product Acceptance Criteria for the Reuse Shop, with reference to Australian Mandatory Safety Standards and Bans and saleability of items.</i>		
Does the Reuse shop have product acceptance criteria?		Note: If no, then criteria needs to be established, using information provided – this can be a simple list of things which will be removed from the Drop off area.
2.6 Shop set up: Displaying stock <i>Aim: Display products in a matter that minimises hazards and is attractive to customers.</i>		
Is the area where products are displayed checked regularly?		
Are items re-arranged by staff?		
2.7 Shop set up: Signage <i>Aim: Signage provides relevant information and is prominently displayed.</i>		
Is there clear signage directing people to the drop off/shopping area?		
Is there the necessary traffic control signage?		
Are there the necessary OH&S signage/line markings?		Note: If no, then this needs to be addressed.
2.8 Shop set up: Marketing plan <i>Aim: Identify approaches, and plan for, Reuse shop marketing.</i>		
Do you have a list of how the Reuse shop will be promoted?		
2.9 Shop operations: Community education and engagement <i>Aim: Utilise Reuse shop as a way of engaging and educating the community</i>		
Does the Reuse shop have a role in community engagement – for example is it part of site tours?		
2.10 Shop operations: Opening hours <i>Aim: Establish opening hours which maximise the time for drop off materials and minimise costs associated with running the Reuse shop.</i>		
When can materials be dropped off and purchased from the Shop?		
2.11 Shop operations: Selling electrical equipment <i>Aim: Electrical equipment should not be sold through the Reuse shop, unless it has been tested for electrical safety and tagged.</i>		

Requirement	Current Status	Improvement Needed?
If electrical equipment is dropped off what is the policy?		Note: Electrical equipment should not be there for collection if it has not been tested and tagged.
2.12 Shop operations: Human Resources and Site Supervision		
<i>Aim: To ensure the Reuse Shop is operated to a high standard.</i>		
What training processes are in place for staff at the Reuse shop?		Note: Review staff training to ensure it is sufficient.
2.14 Evaluation		
<i>Aim: Evaluate the Reuse shop operations as required.</i>		
Is there a process for evaluating the Reuse shop?		

Outsourcing your Reuse Shop

When outsourcing a Reuse shop operations, some of the key considerations in the contract relate to ensuring the contractor is complying with Legal Requirements, there is an indemnity provision and that Safety Obligations are highlighted.

3.13 Shop operations: Outsourcing		
<i>Aim: To ensure that the Local Government is not exposed to liability or risk due to Reuse shop operations.</i>		
What are the terms and conditions of your contract with the operator?		Note: Specifically are there requirements for Compliance with Legal Requirements, Indemnity and Safety Obligations.
Is your contractor required to report on the amount / type of material which is sold through the Reuse shop?		
3.14 Evaluation		
<i>Aim: Evaluate the Reuse shop operations as required.</i>		
Is there a process for evaluating the implementation of the contract?		

APPENDIX C: ACCC PRODUCT SAFETY: MANDATORY STANDARDS & BANS



Product safety: Mandatory standards and bans

Mandatory standards

Below is a list of products with mandatory standards regulated by the *Competition and Consumer Act 2010* and enforced by the Australian Competition and Consumer Commission (ACCC).



Aquatic toys



Baby dummies



Baby walkers



Balloon-blowing kits



Basketball rings and backboards



Bath aids for babies



Bean bags



Bicycle helmets



Bicycles (pedal)



Blinds, curtains and window fittings



Bunk beds



Care labelling for clothing and textiles



Child car restraints



Cigarette lighters (disposable)



Cigarettes (reduced fire risk)



Cosmetics (ingredients labelling)



Cots (household)



Cots (portable, folding)

Product safety: Mandatory standards and bans

Mandatory standards (*continued*)

	Exercise cycles		Soccer goals (moveable)
	Fire extinguishers (portable, aerosol)		Sunglasses and fashion spectacles
	Fire extinguishers (portable, non-aerosol)		Support stands for vehicles
	Hot water bottles		Swimming and flotation aids
	Jacks (trolley)		Swimming pools (portable)
	Jacks (vehicle)		Tobacco health warnings
	Luggage straps (elastic)		Toys (projectile)
	Motorcycle helmets		Toys and finger paints containing lead and other elements
	Nightwear for children (including paper patterns)		Toys containing magnets
	Prams and strollers		Toys for children under three
	Ramps for motor vehicles (portable)		Treadmills
	Recovery straps for motor vehicles		

Permanent bans

Supplying the following products is permanently banned in Australia. Permanent bans are regulated by the *Competition and Consumer Act 2010* and enforced by the ACCC.



Baby dummies with unsafe decorations



Novelty cigarettes



Baby dummy chains with unsafe decorations



Pools and spas with unsafe design features



Candles with lead wicks



Sky lanterns



Combustible candle holders



Smokeless tobacco products



DEHP in children's plastic items



Tinted headlight covers



Fire footbags



Tongue studs without holes



Gas masks containing asbestos



Toothpaste containing Diethylene glycol (DEG)



Glucomanan in tablet form



Toy-like novelty cigarette lighters



Magnets—small, high powered



Toys containing beads (inflatable, novelty and furniture)



Mini jelly cups containing konjac



Undeclared knives or cutters in children's art, craft and stationery sets



Mini motorbikes with unsafe design features



Yo-Yo water balls

Interim bans

Interim bans may be made by the state, territory or Commonwealth Minister. Their duration may be 60–120 days. Check the Product Safety Australia website (www.productsafety.gov.au) for details of any interim bans.

Product safety: Mandatory standards and bans

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For more information about mandatory standards, bans, recalls and emerging issues—and to subscribe to email alerts and RSS—visit our websites:

www.productsafety.gov.au

www.recalls.gov.au

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APPENDIX D: EXAMPLE – PRODUCT ACCEPTANCE CRITERIA

The following items will not be sold and cannot be accepted at the Reuse shop*.

Excluded items	Exemptions
Aquatic toys and floatation aids	None
Blinds with chords	Blinds without chords supplied with all tensioning devices, warning labels and manufacturing instructions. Curtains without cords
Bunk beds	None
Child car seats and restraints	None
Child play equipment/toys under 3	Toys for children over 3 years accepted
Cots (household and portable)	None
Fire extinguishers and safety gear	None
Heaters (gas, electric or any liquid fuel burning)	Electric column style oil heaters, halogen elements and bar style heaters are acceptable and can be offered for sale only after tested and tagged for electrical safety.
Helmets (all including bicycle, motorbike and horse riding)	None
Knives	Knives used as part of table cutlery. Customer must be 18+ to purchase.
Mattresses	None
Prams and strollers	None
Vehicle jacks	None
Vehicle ramps and support stands	None

*These examples taken from Salvation Army Product Acceptance Criteria.

APPENDIX E: EXAMPLE – CONTRACT CLAUSES

Complying with Legal Requirements

1. The Contractor shall (at its own cost) comply with all Legal Requirements in any way affecting or applicable to the Goods and/or Services and/or the performance of this Contract.
2. Without limiting in any way the generality of the foregoing or Clause X, the Contractor shall identify and duly and punctually observe, perform and comply with the provisions of any Legal Requirements for workplace safety and health, including but not limited to the *Occupational Safety and Health Act 1984 (WA)* and all improvement notices, prohibition notices and codes of practice (if any) issued thereunder and having application to this Contract.
3. If a Legal Requirement is at variance with a term of this Contract the Contractor shall notify the Principal in writing. If such Legal Requirement necessitates a change to the Goods and/or the Services and/or the way in which they must be provided, the Principal may direct the Contractor as to how the inconsistency must be addressed. Such inconsistency shall be at the Contractor's risk and the direction will not entitle the Contractor to any adjustment of the Contract Price or to make any other claim for relief.

Indemnity

1. The Contractor shall indemnify and keep indemnified the Principal and the Principal's Personnel from and against all Loss and other liabilities of any kind arising directly or indirectly from:
 - a. any breach of any provisions or warranty or any of the other terms and conditions of this Contract by the Contractor or the Contractor's Personnel;
 - b. any Wilful Misconduct or a negligent act or omission of the Contractor or the Contractor's Personnel; and
 - c. any claim made by a third party against the Principal or the Principal's Personnel, to the extent that the claim arose out of the act or omission of the Contractor or the Contractor's Personnel, except to the extent of liability which is caused by the Wilful Misconduct or a negligent act or omission of the Principal or the Principal's Personnel.
2. The Principal need not incur any cost or make any payment before enforcing any right of indemnity under this Clause.

Safety Obligations

[Drafting note: This occupational health and safety clause is of a general nature only and does not take account of the health and safety risks associated with a specific contract, specific regulatory requirements that might apply to the contract or an individual Principal's contractor safety management policies and procedures. Specific legal advice on the occupational safety and health requirements should be considered on a contract by contract basis.]

1. The Contractor must perform all relevant functions and fulfil all relevant duties of an employer, occupier and all other obligations as a duty holder under all Legal Requirements applicable to workplace health and safety.
2. The Contractor must supply or arrange to be supplied all things necessary to ensure the Services are carried out and the Goods are provided in a manner that is safe and without risks to health.
3. The Contractor must ensure that the Services are performed and the Goods are provided in a manner that is safe and without risks to any person, including by ensuring that the Contractor's Personnel entering the Delivery Point perform in a safe manner.
4. The Contractor must:
 - a. as soon as practicable, but in any event, within 24 hours, notify the Principal of any accident, incident which is notifiable under any Legal Requirement, injury or property damage which:
 - i. occurs during the provision of the Goods and/or Services; or
 - ii. is associated with the Goods and/or Services; and
 - iii. provide the Principal with any further information when requested by the Principal.
5. In performing its obligations under this Contract, the Contractor must ensure the health, safety and welfare of the following people when they are on, or immediately adjacent to, the Principal's premises over which it has control:
 - a. the Principal and the Principal's Personnel;
 - b. the Contractor's Personnel; and
 - c. the public.
6. The Contractor must provide all assistance reasonably requested by the Principal in connection with any workplace health and safety investigation related to this Contract or the Goods and/or Services.
7. The Contractor must, at its cost, comply with any direction from the Principal to modify or stop any activity that the Principal considers breaches this Clause X.
8. If the Principal observes or becomes aware of a condition that breaches this Clause X, the Principal or the Principal's Representative may direct the Contractor to remove or, to the extent reasonably possible, mitigate the effect of that condition, and the Contractor must (at its cost) comply with that direction and modify the Contractor's method of work in order to avoid that condition arising.

9. The Contractor acknowledges and agrees that any direction given by the Principal or the Principal's Representative under Clause X does not relieve the Contractor from complying with its obligations under this Clause X.

Insurance

- 1.1 Where the Contract is for Goods, the Contractor must effect and maintain with a reputable insurer goods insurance covering insurance of the Goods against all risks to the point of delivery at the Delivery Point and, if the Goods are rejected by the Principal, from the time the Contractor collects the Goods from the Principal, for an amount not less than the full replacement costs of the Goods.
- 1.2 Where the Contract is for Services, the Contractor must effect and maintain with a reputable insurer the following insurance policies for the entirety of the term of the Contract:
- a. public and products liability insurance covering liability for damage to property and the death of or injury to any person (other than as covered under a workers compensation policy) in an amount of not less than \$10 million in respect of each and every claim, unlimited as to the number of occurrences for public liability;
 - b. workers compensation insurance as required by Law, including cover for common law liability for an amount of not less than \$50 million for any one occurrence;
 - c. motor vehicle insurance covering all vehicles, plant and equipment (whether owned, hired or leased) used in connection with the Contract for loss or damage of not less than the market value and third party liability of not less than \$20 million in respect of each and every claim;
 - d. insurance covering the Contractor's own property, goods, materials owned, hired, leased or used by the Contractor, for an amount not less than the market value of those insured items; and
 - e. any additional insurance required by an applicable Law or reasonably requested by the Principal; and
 - f. where the Contractor is providing professional services, professional indemnity insurance of not less than \$2 million for each claim and in the aggregate for all claims arising in the same insurance period, covering the liability of the Contractor for any professional services provided by the Contractor and the Contractor's Personnel under the Contract. Where this insurance is effected on a 'claims made' basis, the policy must be maintained for a period of at least 7 years after the Completion Date or the earlier termination of the Contract.
- 1.3 The Contractor must provide to the Principal, within 3 business days of a written request, certificates of currency for each of the insurance policies required under clauses 1.1 or 1.2 (or both, as applicable).
- 1.4 If the Contractor subcontracts any part of the Contractor's Obligations, then the Contractor must ensure that every subcontractor effects and maintains all of the insurances required under clause 12.1 or 12.2 (or both, as applicable), as appropriate for the work being performed by that subcontractor, before the subcontractor commences any of the Contractor's Obligations.

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