

Toy Libraries



AUSTRALIA

Opportunities in the circular economy

Productivity Commission submission

November 2024

Overview of Australian toy libraries

A toy library enables families to borrow a large variety of educational toys, games, puzzles, and equipment in a process like that of a book library. These toys suit children aged from birth to primary school and beyond. Some toy libraries also have board games and puzzles suitable for older children and adults.

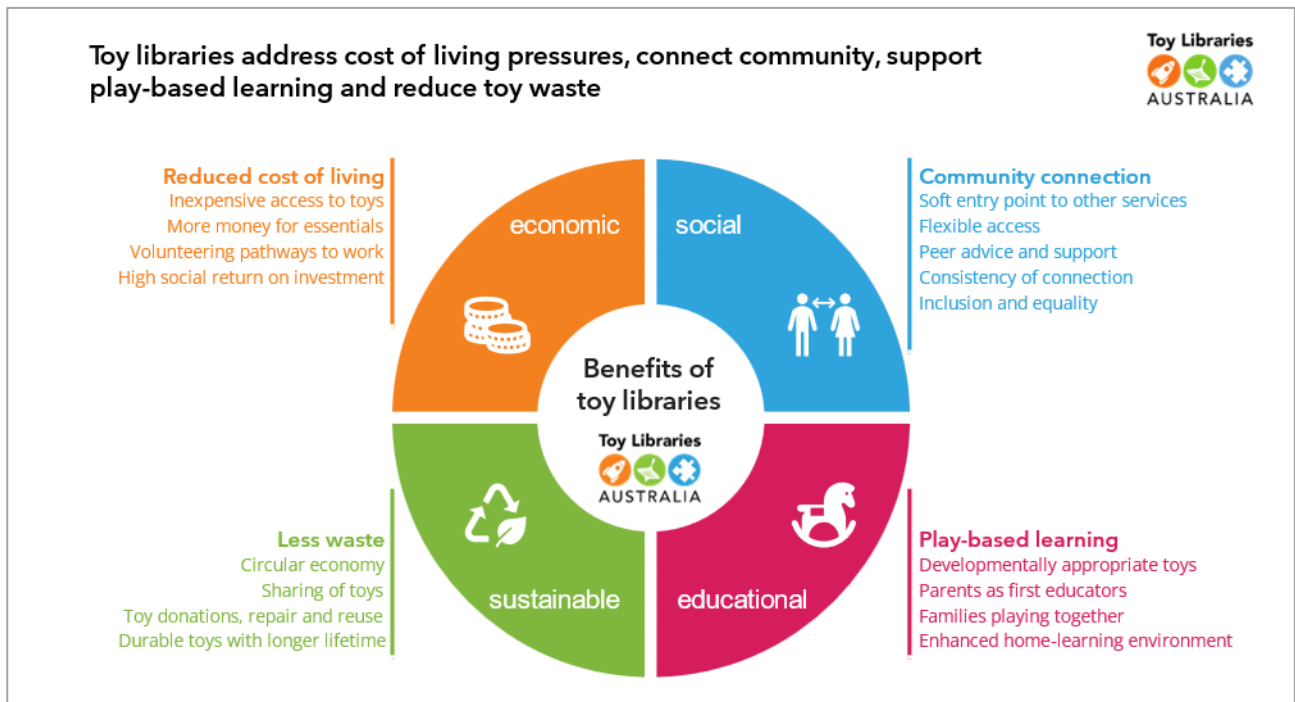


Toy Libraries Australia is the peak body for not-for-profit toy libraries in Australia. Established in 1977, Toy Libraries Australia has grown in its 46-year history to represent 290 of the 387 toy libraries in Australia.

There are 175,000 people borrowing from toy libraries each year. Toy libraries collectively own over 400,000 toys worth over \$15m. Our members operate in a variety of formats and in settings that reflect the needs and capacities of their local communities. About three-quarters of toy libraries are run by volunteer-led incorporated associations, with the remainder run by councils or larger early years' service providers. Toy libraries are generally situated within premises shared with other community services, i.e. early years centres, halls, neighbourhood houses, public libraries, or community centres. The hours of operations vary from an hour or two a fortnight, to those in council book libraries open 7 days a week. Only 40% of toy libraries employ staff to run the toy library.

Non-council toy libraries are generally funded through membership fees, fundraising and corporate sponsorships. Some larger non-council toy libraries receive grant-based council funding, and the Victorian Department of Education and Australian Department of Social Services are supporting toy libraries. However, there is no ongoing operational funding for non-council toy libraries from any level of government. We do not know of circular economy funding of toy libraries.

Benefits of toy libraries



Toy libraries have a broad range of benefits that include social, educational, economic and environmental. The full range of benefits are described in the figure above. Toy libraries are usually considered part of the early years sector, however, the benefits of toy libraries extend well beyond child development. Since the first series of the War on Waste, there has been a growing proportion of members who use toy libraries for sustainability reasons.

There are several ways toy libraries contribute to the sustainable use of toys:

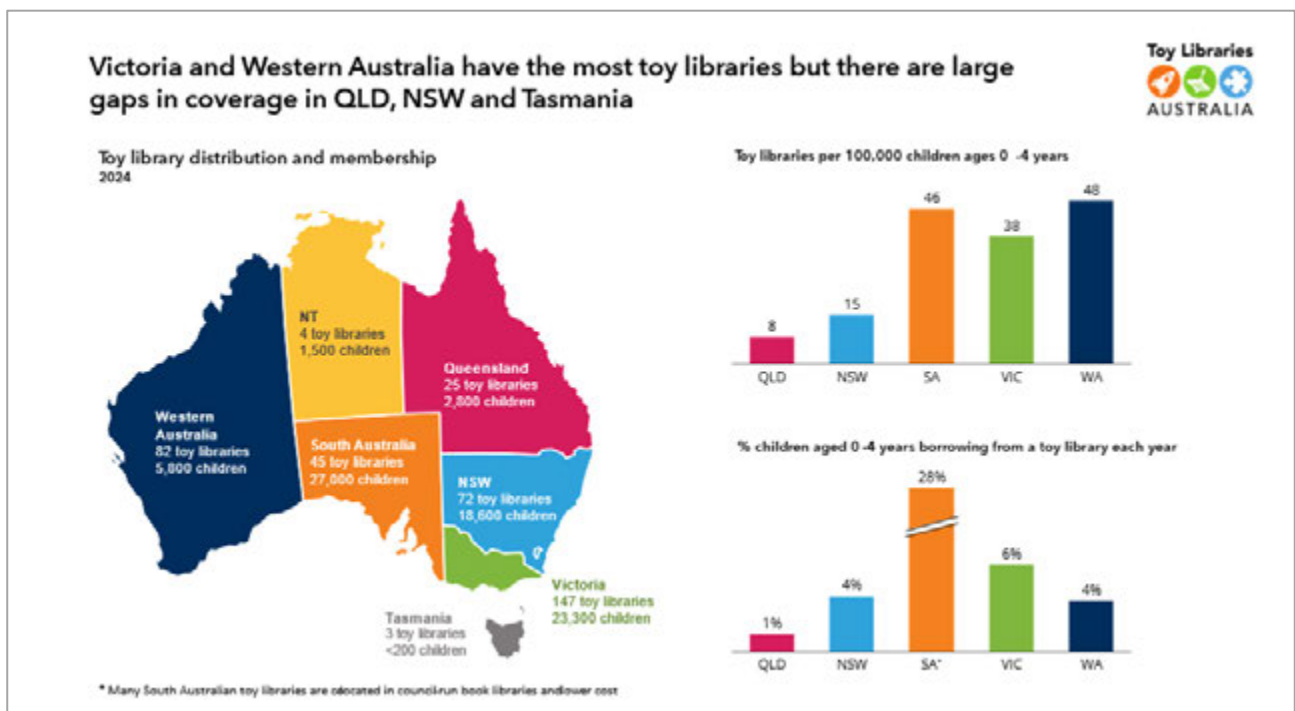
1. Families borrowing from a toy library purchase less toys (R1: Rethink)
2. Through borrowing, the same toy is played with by hundreds of families (R1: Rethink)
3. Toys purchased for a toy library are more durable than average toys and last year for years (R2: Reduce)
4. Toys are purchased wholesale and in bulk, reducing toy packaging and shipping (R2: Reduce)
5. Families donate toys to the toy library (R3: Reuse)
6. Toys are repaired (R4: Repair)
7. Parts from old toys are combined to extend their life (R5: Refurbish)

The benefits from toy libraries are higher order circularity benefits. This is particularly important for toys which are mostly unrecyclable.

Information request 1: Circular economy success stories and measures of success

As described above, toy libraries are a circular economy success story, with sustainability at the core of the model, but emerging organically to meet very different needs without any sustainability specific funding. Only 20% of toy library families¹ say reducing waste or environmental sustainability was the primary reason why they joined the toy library (50% access wide range of toys, 30% save money).

However, the distribution and usage of toy libraries is very uneven across the country. There are significant gaps in metro growth corridors, low socio-economic communities and rural communities.



In South Australia, several decades ago, toy libraries became funded by councils and integrated into book libraries. The opening hours, physical accessibility and low cost of these council run services mean 28% of young children use a toy library in South Australia, compared to the national average of 5.5%.

In Victoria and WA, where strong peak bodies existed, toy library volunteers were supported through peer support and networking, keeping toy libraries open. However, the lack of toy libraries in Queensland, Tasmania and to a lesser extent NSW shows what can happen when volunteer run organisations were not supported. In the 1990s there were 80 toy libraries in Queensland, however, lack of support and funding led to most of them closing.

Toy libraries are a very cost-efficient circular economy response. In the most-common community run model:

- For every hour of paid staff, toy libraries are supported with 2.7 hours of volunteer time
- Over half the funding comes from membership fees (~\$100 per annum)
- Toy purchases are usually funded by grants and philanthropy
- Toy libraries use existing multi-use community facilities

Toy libraries also teach pre-school children about circular economy principles. Children get used to participating in the sharing economy and challenge the need to own products.

¹ Glow Market Research. (August, 2024)

Information request 2: Priority opportunities to progress the circular economy

Potential demand for toy libraries

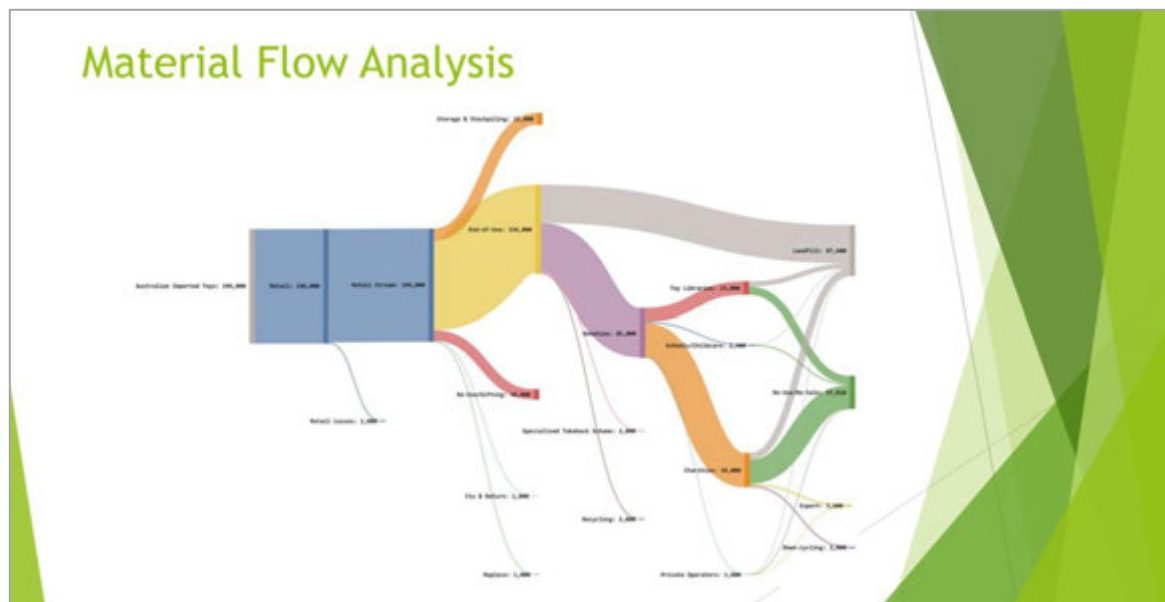
Recent market research undertaken by Glow² (n=1024) of families with children aged 0-6 years found:

- 65% hadn't previously used a toy library
- 80% of those who hadn't previously used a toy library were interested in joining a toy library.

Therefore, the vast majority of parents of young children are interested in borrowing rather than buying toys. However, 60% of LGAs do not have a toy library today.

Impact of toy libraries

Research commissioned by the Australian Toy Association and funded by Sustainability Victoria show that toy libraries already play a significant role in stopping toys from reaching landfill³. 196,000 tonnes of toys are imported into Australia each year and 51% of these are in landfill within one year of purchase. In the Victorian context, toy libraries stop ~12% of all toys from going into landfill through donations to the toy library. This analysis so does not include the waste not generated from purchasing less toys which will be likely larger.



Given only 6% of Victorian children aged 0-4 are currently using a toy library, we suspect this is an overestimation of the current impact of toy library donations, but closer to the total impact if you include the waste avoided from families avoiding the purchasing of toys due to toy library usage.

Other circular economy opportunity for toys

There are limited other circular economy opportunities available in Australia. Nearly all toys sold in Australia and imported by multi-national organisations, with design and production occurring overseas. Changes are very slow to occur. Some manufacturers are beginning to use recycled materials in toy production, however, this is limited. Toys still come with ridiculous amounts of surplus packaging, and even progress on this simple front it slow. Recycling is not a feasible option for toys, due to most toys being made of multiple materials.

Terracycle does have a toy recycling program, which Big W is using. We have been unable to get any detailed information from them as to what percentage of toys are recycled or what happens to the 'recycled' toys.

² Glow Market Research. (August, 2024)

³ Equilibrium and Australian Toy Association. (2022). *Circular Economy Action Plan and Roadmap for Toys*. <https://assets.sustainability.vic.gov.au/susvic/Circular-Economy-Action-Plan-and-Roadmap-for-Toys-Australian-Toy-Association-and-Sustainability-Victoria.pdf>

Information request 3: Hurdles and barriers to a circular economy

Barriers to toy library establishment

There are three main barriers to toy library establishment:

1. **Affordable venues** – in the current model, toy libraries rely on in-kind or low cost venue provision, usually from councils.
2. **Enthusiastic leaders** – in the current volunteer model, toy libraries are not established unless there is someone to take the lead. Even in the council context, toy libraries need a champion
3. **Funding** – small amounts of funding are now available for establishing new toy libraries, but there is no funding for toy library operations. This limits many toy libraries from moving from the small totally volunteer run model to a larger organisation with paid staff

Other barriers to sustainability impact

- **Insurance** – Toy Libraries Australia runs a group insurance program for members. Public and product liability insurance for toy libraries is our largest risk. Two years ago, our previous insurer stopped covering us. As a result, there is now only one insurer who is prepared to cover toy libraries and our liability insurance increased by 40%, after years of annual increases around 10%. No toy library has had a liability claim in the last decade.

This insurance situation has implications for our sustainability impacts, including limiting:

- What we can lend: insurer restrictions mean we cannot lend items that they consider higher risk. This list expands each year and include bicycles, baby equipment and toys with ion lithium batteries.
 - Donations and toy repairs: we were advised by the insurer that ‘preferably toy libraries would only buy new toys’ and ‘not repair toys’. This goes against the ethos of toy libraries, but our current advice to members is very cautious with regards to repairs. We currently do not recommend 3D printing, which could be very effective for extending the life of some toys.
- **Spare parts** – Spare parts for toys are rarely available in Australia, even for expensive toys that could easily be repaired which access to parts. Many companies will offer spare parts in America or Europe but do not offer the same service in Australia. Toy Libraries Australia has direct relationships with the Australian distributors but still cannot access parts. For families, it is nearly impossible to get spare parts for toys. Toy libraries have established mechanisms to swap parts among themselves to try and overcome this barrier.
- **Existing financial incentives** – We have investigated several government programs to support circular economy initiatives. These programs do not work for toy libraries because they often:
 - Require a co-investment which is impossible for toy libraries
 - Target new interventions rather the scaling proven initiatives
 - Focus on large scale programs rather than grass-root initiatives

Information request 4: Governments' role in the circular economy

Governments could easily support the scaling of not-for-profit sharing economy initiatives including toy libraries, tool libraries, the party kit networks and many others by:

- Providing small amounts of ongoing funding to sharing economy initiatives, providing them the certainty they need to plan for growth
- Funding a new sharing library grant program
- Running marketing campaigns to increase awareness of sharing economy initiatives (this needs to be done in a planned way and in conjunction with growth funding so libraries have the capacity to meet growing demand)
- Establishing a government insurance program for not-for-profit circular economy organisations based on the Victorian VMIA model for community services organisations⁴
- Require all toy importers who make spare parts available in other markets, to make them available in Australia at a similar cost
- Provide detailed written advice (or fund Toy Libraries Australia to develop advice) on guidelines for repairing toys that meet the requirements of all AS/NZ safety standards. This would not only assist toy libraries, but also other early years organisations and consumers.

The expenditure required to create significant growth in the sharing economy is small compared to other government initiatives and not capital intensive. For example, a \$10m per annum commitment would be transformational for sharing libraries.

Thank you for the opportunity to provide a submission. We would be happy to meet with you to provide more information regarding toy libraries.

Debbie Williams
Chief Executive Officer



⁴ <https://www.vmia.vic.gov.au/insurance>