

# Australian Sustainable Business Group's

**Submission on**

**Reform of Packaging Regulation  
Consultation Paper**

**October 2024**



Sydney

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## EXECUTIVE SUMMARY

The Australian Sustainable Business Group (ASBG) welcomes the opportunity to comment on the [Reform of Packaging Regulation Consultation paper](#) (the Paper).

The Australian Sustainable Business Group (ASBG) is a leading environment and energy business representative body that specializes in providing the latest information, including changes to environmental legislation, regulations and policy that may impact industry, business and other organisations.

ASBG supports a strong circular economy, which also embraces that overseas markets supply most of our packaging and therefore should be the main end markets for our recycled materials. Also supported is the setting of clear scientifically based limits on harmful chemicals in packaging.

ASBG has been a long supporter of the Australian Packaging Covenant Organisation (APCO). However, ASBG shares a frustration with the APCO in the lack of support, since its inception, despite formal agreements under the Used Packaging Covenant to do so, by all Australian Governments. To judge the performance of the APCO on its outcomes is considered unfair due to the lack of enforcement on free riders by Governments. The question is what would have the APCO achieved if it did receive Government support?

The Paper chooses the Extended Producer Scheme as its preferred Option. Again ASBG considers this is based on an unfair assessment on APCO and industry lead alternatives, and the impacts and effectiveness of an Australian EPR. There have been no cost benefit studies undertaken, just an acceptance the EU EPR scheme would work here. Consequently, through the submission ASBG focuses on and identifies the weaknesses of the EPR and ignored benefits of the APCO's approach. The main recommendation is to support a modified version of Option 1, where there is cooperation by all Governments to support the APCO, including enforcement on free riders, but also support for the development, supply, siting and operation of recycling facilities and necessary downstream waste management infrastructures. Also included in this are increased cooperative roles for all levels of Government, where:

- The Commonwealth Government improves the ability to export recyclates and recycled materials in various forms; this will require a review of the export bans in place.
- State and territory Governments to provide in coordination with APCO, strategic assessments, planning, siting etc. of all layers of waste management infrastructure to enable a more circular economy to evolve with less green tape.
- Local Governments to be permitted and encouraged to provide supply of recyclates etc. from bin collections to recycling facilities which can benefit from economies of scale.
- All including the APCO to provide educational programs etc. aimed at reducing contamination in bins etc. Here Councils can also provide disincentives for supply of contaminated bins.

The EPR scheme provided in Option 3 lacks many details, but will be very expensive, where costs of over \$1b p.a. or more, are likely as a starting amount. EPR taxes on packaging materials will result in perverse outcomes where good packaging materials will simply rise in price to just under their competitive poorer packaging material (now taxed) rate. This undermines the incentives to change packaging materials to a more recyclable type. Also concerning is there is no identification of how the \$1b will be spent. Will it be all on packaging and or the circular economy or just go into internal revenue? Without the above coordinated and effective approaches from all Governments the EPR scheme will not achieve a significant increase in packaging recovery. Consequently, EPR will be an additional consumer tax where businesses will be blamed by Governments for not meeting targets, which they have very limited control over.

## RECOMMENDATIONS

ASBG recommendations to the Government:

R1 ASBG Recommends the 3 Options presented in the Paper be assessed using a full economic and scientifically based Regulatory Impact Analysis as required by the Office of Impact Analysis.

R2 ASBG recommends a modified version of Option 1 as the preferred option, which includes:

- Additional support and integration with the circular economy by Governments to ensure adequate infrastructure, legislative and rules to manage used packaging along with other wastes.
- Ability for *ad-hoc* industry sector coregulatory arrangements to be permitted in addition to APCO continuing.

R3 ASBG recommends that all Australian Governments coordinate and cooperate, under a NEPM and or via Commonwealth legislation, to address the four main circular economy waste management issues including:

- Local Governments to be able to work and to work together in providing collection of recyclates and other wastes which provide certainty of required supply volumes for gaining financial support for appropriate recycle infrastructure. Local Government to also provide disincentives for bin contamination.
- All Governments, and the APCO coordinate appropriate education to assist in reducing contamination from kerbside bins.
- Commonwealth, state and territory Governments to:
  - o Prepare clear volume and economic analysis to identify gaps, shortcomings and require future waste infrastructure requirements publically available reports to progress towards a circular economy.
  - o Implement the siting and operations of such require waste infrastructure,
  - o Introduce new tools to deal with NIMBY and other obstacles using improved methods
  - o Create emergency waste management plans if appropriate infrastructure fails in operations or is otherwise blocked.
  - o Where necessary use legislation to ensure construction of necessary waste infrastructure
- The Commonwealth review the export bans on paper, plastics, glass and tyres to enable simpler and quicker access to overseas' recycling facilities where appropriate and end markets.

# 1 OVERVIEW

ASBG supports the overall thrust to improve the recovery of used packaging and circularising its return to the packaging or other supply markets, in order to reduce used packaging waste going to landfill. Also supported is the setting of scientifically based limits on harmful chemicals, which is also achieved under DCCEEW by [IChEMS](#).

The Reform of Packaging Regulation Consultation paper (the Paper), marks a potential major change in way Australia manages its used consumer packaging. However, the main commencement of management of used packaging materials started in 1998. The history behind the 3 Options provided in the Paper needs to be placed in perspective. Also the current management of used packaging, especially its recycling and reuse also requires consideration. Both are highly relevant the proposed choice of future management of used packaging.

## 1.1 Overarching ASBG Position

Overall, ASBG has been a long term supporter of the Australian Packaging Organisation and its precursors. Consequently, the treatment of APCO and its Strategic Plan (SP) is considered to have been undertaken in a flawed manner in the Paper. While APCO is supported, there are a number of successful voluntary schemes such as for newsprint. Consequently, the bulk of used packaging would be continued to be managed by a upgraded and fully supported APCO, there should be room for industry sector led schemes also.

The Paper presents the Extended Producer Responsibility Scheme (EPR) as clear preferred option. However, the paper, which seems to follow a rough Regulatory Review format, it fails to follow the [Regulatory Impact Analysis](#), which should include a full economic cost-benefit analysis.

ASBG also considers the Paper in its use of 9 Key Principles leaves out a number of critical principles and focuses on international links, which are largely irrelevant. Support for a Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) managed Extended Producer Scheme (EPR), based on the European model appears absolute in the Paper, despite the flawed assessment undertaken. A key missing issue is that the Commonwealth has no control over the planning, supply, management and supply of recyclates to appropriate waste and recycling infrastructure.

Overall an EPR scheme will principally be a tax on packaging, at varying rates, costing consumers an upto an estimated \$3. 81b p.a.<sup>1</sup> or about \$150 p.a. for each Australian. Comparison with the UK's EPR scheme costs reduces this on a per capita basis to a total of around \$1b in collected revenue. Additionally, and also concerning is there is no information provided on how this revenue will be allocated. Such revenue may offer some grant and seed moneys, to assist in needed used packaging infrastructure. However, many of the issues plaguing used packaging recycling and product recycling are not solvable by money alone. Major improvements to waste regulation, planning, analysis etc. is required, but these powers, constitutionally, sit firmly within state and territory jurisdictions undermining Option 3.

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<sup>1</sup> [Will \\$3.8 billion be enough to fund Australia's sustainable packaging future?](#)

As the EPR scheme is not linked to any supply of required used packaging infrastructure, such investments, it appears, will be left to the private sectors. However, such necessary infrastructure investments are either unachievable, or so uneconomic, they will not be pursued due to e.g. local planning issues etc. Unless the planning processes and generation of supply of recyclates are significantly improved the increase in recovery rate will be likely less than that under a modified Option 1.

***R1 ASBG Recommends the 3 Options presented in the Paper be assessed using a full economic and scientifically based Regulatory Impact Analysis as required by the Office of Impact Analysis.***

## **1.2 History Long Term Lack of Government Support for the Covenant**

The management of packaging in Australia has been based on the Used Packaging NEPM which was first introduced in 1998. Packaging has been managed largely under the Australian Packaging Covenant (APC), which was revamped with an upgraded [Used Packaging NEPM](#) (UP NEPM) in 2011.

In section 9 UP NEPM it says “...participating jurisdictions should establish a statutory basis for ensuring that signatories to the Covenant are not competitively disadvantaged in the market place by fulfilling their commitments under the Covenant. Consequently, since 1998, all state jurisdictions placed legislative putative action on brand owners who do not sign the Australian Packaging Covenant (APC) but failed to act. This packaging paper laws, was ineffectual as no jurisdiction made additional criteria where these laws could be enforced anywhere in Australia, until recently<sup>2</sup>.

Despite many calls from industry to better enforce its laws, even to list known free riders in parliament for embarrassment, was not undertaken. In 2021 an independent review found there have been significant failures in the implementation and enforcement of the regulatory arrangements. The APC was supposed to work as a co-regulatory arrangement, but there was no help, assistance or otherwise from any Australian Government at all. Consequently, it is remarkable that Australian Packaging Covenant Organisation (APCO) has persisted for over 20 years, with no effective coregulatory arrangements.

Consequently, the APCO has been working on a purely voluntary basis only since its inception in 1998. Nevertheless, the independent review found APCO operates effectively as a voluntary stewardship initiative. ASBG contends if the APCO had been Government supported, where at least free riders were strongly encouraged to sign up with the APCO, then the environmental performance of packaging, currently around 50% recovery rate, would be much higher. Despite the abrogation of proper enforcement and management of packaging by all Government jurisdiction the APC has performed better than expected to date.

## **1.3 Recycling Infrastructure Limitations Due to Governments Laws Policies and Rules**

The other major issues affecting the recovery rate of used packaging are the obstacles placed in its way by legislation, policies and rules set by Government at all levels on waste management in general. These

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<sup>2</sup> In May NSW set a 90% recovery rate under its POEO Waste Regulation 2014

impediments, undermine the ability of brand owners and suppliers, supporting recycled facilities to set up reasonable systems to further decrease used packaging into landfill etc.

Many jurisdictions environmental agencies focus heavily on onerous environmental protection, with the circular economy, resource recovery and recycling required to take a back seat. Most state and territory Governments do not properly plan for waste management and recycling, tending to leave this to the private sector, subject to strong environmental controls. Consequently, they are required to meet increasingly more difficult, tighter criteria and longer planning and or approval times. Example of this include:

At the Commonwealth Level:

- The introduction of the [export ban on 5 recycling streams](#). This was introduced to protect receiving countries environment from Australia's export of recyclates. Extending the [Basel Convention](#) process to these recyclates. However, there was some intention to generate jobs in Australia by forcing onshore processing of recyclates streams.

As most of the packaging materials sold in Australia are generally imported, consequently, it would make sense to send these material back to their manufacturing sources overseas. Australia simply does not have the manufacturing capacity to absorb these materials, due to a small and shrinking manufacturing sector<sup>3</sup>. To improve the market ability of used packaging, and other recycled products, the Commonwealth needs to make it easier to export recyclates and recycled products into overseas markets.

At the State and Territory level:

- The significant planning approval requirements where the proponent of a recycling or its downstream underflow processes, require proof of performance on the unique input streams. However, this is usually a [Catch 22 scenario](#), as the plant must be allowed to be built and operated in at least commissioning phase to demonstrate its air & water emissions are compliant, before it receives permission to be built.

Added to this was Government's increasing support for [NIMBY](#) or complainers, especially where planning controversy occurs. In all waste management infrastructure, the NIMBY is present, though the level of influence varies between jurisdictions. For waste disposal, especially landfills and Energy from Waste (EfW), NIMBY has existed for over 50 years and can spread to recycling facilities. Governments need to consider new and better means in dealing with NIMBY for unfashionable, but necessary infrastructure developments.

Stopping waste disposal sites at the planning level directly impacts recycling facilities. Recycling facilities remove contaminants from the feed recyclates, they invariably generate a waste or residue stream requiring disposal. Additionally, there are major cities across Australia that face considerable waste and recycling systems impediments, due to a lack of effective local waste planning, collection systems, recycling and disposal infrastructure and its support at the planning level. Here NSW leads, for example:

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<sup>3</sup> [Qenos' Botany site closes](#) in 2024, with [Altona following](#). It was to install [an Advanced Recycling](#) plant, turning most plastics back into HDPE and a liquid hydrocarbon fuel.

- A NSW Government study finds that the Greater Sydney region will exhaust its non-putrescible landfill capacity by 2028. One of its two putrescible landfills will fill and also close by 2032. Due to planning approval failures of new landfills for Sydney's waste—[Ardlethan landfill proposal](#) was knocked back by NSW Government in 2015—no new landfills for Greater Sydney have been proposed or started in the planning system due to financial risk. Residues from recycling facilities in the Sydney area will either close or need to find new disposal sites. It is likely most rural landfills will reject Sydney's waste as they are controlled by local Councils and were installed for local use only. This means much of Sydney's non-putrescible waste will go to South East Queensland, where commercially operated landfills will accept the waste, unless the QLD Government steps in.
- NSW amended its POEO General Regulation to prevent EfW facilities<sup>4</sup> being built except in [specific locations](#) away from urban areas. 4 areas were selected, but the closest to Sydney, Lithgow, was removed about 1 year after. Consequently, the closest EfW facility which can be located is Parkes, some 350 kms from Sydney, the main source of wastes and recycling residues. 2 EfW projects [have stalled in the NSW planning process](#); Narwonah plant at Dubbo and Veolia's [Advanced Energy Recovery Centre at Woodlawn](#), near Goulburn, caught arguably in a planning Catch 22. Both are being subjected to forms of the Catch 22 problem. In contrast the EfW [Copenhill](#), in Copenhagen is 2.5 km from the city centre.
- In contrast Victoria has identified the planning issues and enacted Recycling Victoria (RV), now 2 years old, to oversee the planning, siting, input supplies and operation of all waste infrastructure in Victoria. For example, Victoria has 2 EfW receiving planning approval and 3 at the planning stage. RV is considered highly bureaucratic, but is performing its analysis, planning functions better than other states.
- Western Australia leads in having 2 EfW facilities being recently approved.

#### At the Local Government Level:

- Recycling is generally more efficient when undertaken at scale. So as a rule of thumb, the larger the recycling facility the more efficient in both material and financial means it is. However, ensuring supply of recycling facilities by Local Government is fraught. Local Government laws and procedures can prevent or dissuade the joining of multiple Councils to sign up to use a single or common set of recycling facility, or MRF. This is currently true in NSW where rules covering waste contracts must be with only one Council.

Having multiple contracts with multiple Councils is fraught with difficulties and undermines the ability to secure a needed volume of recyclates materials. This impacts on the financial viability of the proposed recycling facility. A better method is to either enable Councils to cooperate under one contract or have such collection powers handed over to another state or territory wide authority, such as in the case of Recycling Victoria.

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<sup>4</sup> [EfW facilities](#) are an important waste to landfill reduction waste process. Here pre-processed, unrecyclable wastes, e.g. processed shredder floc, have their energy extracted, turned into electricity. The ash is usually <10% of the volume of inputs.



## 2 REVIEW OF THE PAPER'S OPTIONS

This section reviews the 3 Options provided under the Paper.

### 2.1 Option 1: APCO Continues with Compliance Support from Governments On Free Riders.

Option 1 is supported in principle ASBG, but requires modification. ASBG considers for all Options, the role of Governments should be expanded to address the issues with overall waste infrastructure, rules, policy and regulations. These are discussed in more detail in section 3.

The Paper cites a number of issues with Option 1 which are listed below and ASBG comments are provided.

<b>Paper's Issues</b>	<b>ASBG Comments</b>
The APCO Outcomes on used packaging recovery is considered poor	What would have been the performance if the APCO had been fully supported by Australian Governments, which it was not? ASBG believes the % recovery outcomes would be significantly higher.
Ongoing systemic issues identified in the Independent Review remain and are likely to continue to undermine the effectiveness of the co-regulatory arrangement. and Greater compliance and enforcement remain a challenge... Industry scheme participation remains at risk... no disincentive for free riders..	This issue indicates that Governments will continue to fail to deal with free riders and there is going to be on-going support. This is not the fault of the APCO, but Governments. The Commonwealth could mandate the enforcement of free riders, by state and territory Governments. However, this could be subject to constitutional challenges. ASBG contends that under a modified Option 1, Governments will be required to fully support the APCO and improve their management of waste overall.
There is no mechanism to introduce nationally consistent mandatory obligations, including recycled content thresholds	ASBG considers that, if necessary, the Commonwealth or under a modified UP NEPM, could, under coregulatory arrangements, set nationally consistent obligations, such recycling content requirements, in consultation with APCO and other stakeholders. Note that APCO can also set nationally consistent standards for its signatories, with the threat of expulsion, and hopefully Government action, if failing to meet such criteria. The Paper seems to ignore the ability to significantly change the Used Packaging NEPM to address these issues.
Education campaigns would require additional funding and resourcing	This is true of APCO is the main funding raiser. However, recycling and contamination are part of the overarching circular economy, necessitating educational support for all other recycling other than for just used packaging. it seems there is an issue with Government's not collecting revenue under this Option. Also most jurisdictions collect waste levies as a potential source of waste management funding.

Overall the issues with Option 1 are:

- Governments, especially the Commonwealth, seems to object to the APCO collecting the revenue for dealing with used packaging.
- All Governments, due to their abrogation of any co-regulatory assistance to APCO, appear to dislike the control of used packaging being with a non-Government organisation. Based on this premise, they have refused to assist APCO in any way since its inception in 1998.
- The Commonwealth Government can enforce nationally consistent rules and state and territory enforcement through its legislative powers. It just chooses not to identify this as an option which could be done to address the issues raised in the Paper.

**R2 ASBG recommends a modified version of Option 1 as the preferred option, which includes:**

- ***Additional support and integration with the circular economy by Governments to ensure adequate infrastructure, legislative and rules to manage used packaging along with other wastes.***
- ***Ability for ad-hoc industry sector coregulatory arrangements to be permitted in addition to APCO continuing.***

## 2.2 Option 2: National Mandatory Requirements for Packaging

Option 2 is where state and territory Governments, deal with used packaging using a very limited set of tools. This seems to be based on the limited Use Packaging NEPM set. This includes the inability —under the NEPM—to raised funding. In contrast, Box 7 the Paper indirectly likens the Container Deposit Schemes (CDS) to the proposed Extended Producer Responsibility scheme (EPR) in revenue funding. However, the Paper ignores that state and territory Governments collect considerable funding via CDS.

Option 2 also appears to focus on product bans, such as the single use plastic products which are currently, and inconsistently banned by a number of state and territory Governments. The Paper adds in the ability to mandate minimum recyclability performance, which could lead to similar inconsistencies across Australia.

Overall, ASBG does not support Option 2 as it is presented in the Paper. While ASBG considers this Option 2 is purposely limited, to favour Option 3, actions only by State and territory Governments is a poor choice. As indicted in s2.1 a joint set of efforts by APCO, coregulatory arrangements and where appropriate national or Commonwealth legislation to close loopholes etc. is required.

Nevertheless, elements of Option 2 should be incorporated into Option 1. Also ASBG cannot see Option 3 working without many elements of Option 2 being used. Given that state and territory Governments have constitutional control over waste management and its planning ASBG can see no other approach but the needed inclusion of them. Albeit with a more structured approach to dealing with the analysis, strategy, planning, siting and ensurance of recycalte volume supply.

## 2.3 Option 3: Extended Producer Responsibility Scheme for Packaging

Implementation of an EPR for packaging across Australia, enforced and administrated by the Commonwealth Government, likely under an arm of the DCCEEW, is the main element of Option 3. EPR is a European scheme where local manufactures and importers of packaged consumer products etc. are

required to pay a levy on the weight of the packaging used. This weight based fee is based on a number of factors such as the material type used, the mix of materials and its recyclability.

An rough [assessment](#) of the European EPR schemes was undertaken, which found if Australia adopted an average levy per kg of packaging it would collect a revenue of around \$3.8b p.a. or about \$150 per Australia per annum. [UKs EPR scheme](#) is estimated to cost about [£1.4b annually](#). Adjusted to Australia on a per capita basis this amounts to \$1b annually. As this would apply to many consumer products, the costs would be passed on to the consumer. Given Australian are facing a cost of living crisis and inflation, currently, is trying to be reduced, such costs on consumers will be counter to general economic policies. Perhaps, the 4-year implementation phase in means this will be a reduced issue, or not.

The Paper cites a number of benefits and issues with Option 3 which are listed below and ASBG comments are provided the following tables.

<b>Table 2: Paper Benefits with Option 3 and ASBG Comments</b>	
<b>Paper's Issues / Postion</b>	<b>ASBG Comments</b>
Stronger behavioural incentives to support recyclable design and packaging reduction. Fee modulation can also support incentivising other improvements to packaging. Packaging design and innovation to minimise fees	The set fees for certain packaging materials will result in distorted markets for packaging material types. For example, DEECCW indicated <sup>5</sup> LDPE will a high fee compared to HDPE, so the HDPE will increase its price in the market to be just under LDPE for packaging. Hence, the savings will be minimal and so will be incentives to change packaging methods. This is considered a perverse outcome of EPR. Also many imported products have their designs made overseas, where packaging lines may change printed material, but not the line. The CAPX to change a line for many imported product packaging lines just to satisfy the Australian market will be considerable. This is not the case in Europe where there are economies of scale in packaging, EU rules and recycling infrastructure.
Alignment with emerging international best practice and opportunity to increase the influence of EPR across the international packaging market...	This makes the assumption that what is good internationally, largely Europe is good for Australia. This ignores that Australia is a much smaller market, has limited recycling abilities compared to the EU and suffers from the tyranny of distance at all levels in the packaging chain.
Supports industry wide action and outcomes through setting scheme outcomes for the administrator. These could include outcomes for collection, recycling or education which can be harmonised on a national level.	Industry and importers are limited in what they can do to. As discussed in section 3, the supply of appropriate waste infrastructure, collection and access to markets for recycled materials is controlled by Governments at all levels. If the improvements to Option 1 were made the expensive EPR scheme would not be required. ASBG also doubts if Option 3 can deliver better outcomes than an improved Option 1 scheme, considering there would be no delay from a change over.
Nationally consistent approach limits free riding	ASBG considers its simply the lack of will of Government to police free riders. If there was agreement and legislative support, say at the Commonwealth or national level the free rider issue would not exist.
Improved consumer recycling awareness and behaviours through education and mandatory on-pack recyclability labelling, increasing	ASBG fully supports educational systems to improve the circular economy overall. Used packaging is only a subset of the issues. Reduction in contamination not only benefits from education, but also enforcement. Many Councils are currently

<sup>5</sup> DCCEE Slide set Design Standards Working Group Overview - Reform of packaging regulation. ASBG notes that iQRenew announced its [LDPE soft plastics recycling plant near Taree NSW](#).

recycling rates and improving the quality of kerbside waste streams	either charging, fining or refusing collection of contaminated bins. This is again a Local Government action which should be added to Option 1.
End markets for recycled content are established driving demand for recycled material and supporting improvements in collection and recycling capacity.	Most end markets for recycled materials is overseas, especially for paper and plastics. Metals is one of the few where local recycling can deal with it and in volume.

<b>Table 3: Paper Risks and ASBG Issues with Option 3 and ASBG Comments</b>	
<b>Paper's Issues</b>	<b>ASBG Comments</b>
EPR fee system would be complex and could create initial barriers to entry for new producers, and challenges in compliance and enforcement	EU countries can provide the issues with an EPR scheme as it has been in operation for >20 years in some countries.
Inappropriate fee setting can limit change or produce unwanted outcomes	As ASBG has indicated, the EPR fees on packaging material types will create market distortions, increasing the more desirable packaging materials costs to achieve higher profit for its supply. Such distortions are considered above Government control unless price setting is used, which comes with its own considerable issues. As a consequence, the EPR will generate perverse outcomes in Australia, which will likely hinder change in packaging for recyclability etc.
Advanced eco-modulated fees could provide more granular behavioural incentives; however, they would carry greater administrative costs that would need to be recovered	ASBG agrees with this, where most of the work will be passed on to brand owners. Perhaps verification can be either undertaken by 3 <sup>rd</sup> parties or the Government. Regardless they will impact on new product entries etc. Perhaps a tired system with lower requirements for smaller market share/package volumes can be made. However, EU issues with EPR indicate the eco-modulation approach can be heavily bureaucratic, leading to additional hidden costs on top of EPR direct fees. If this is not modified to reduce administration costs in proportion to the scale of packaging use, SMEs will suffer the most. Also an issue is that the regulator can be slow to react to the installation of new used packaging recycling facilities etc. Here packaging materials can swap grading recyclability one the plant opens. However, with slow EPR scheme oversight the higher EPR fees continue unjustly sometimes over a year.
Misalignment of Australian and international approaches could result in additional costs and impact competition.	ASBG does not understand why this is an issue. If imported products find the EPR scheme expensive as they use an EU or other standard or approach, why support them over locally made products? The only area of assistance is for export of Australian products, but most are in bulk. Overall this is considered a small issue.

<b>Table 4: ASBG Issues with Option 3 and ASBG Comments</b>	
<b>ASBG's Issues</b>	<b>ASBG Comments</b>
The EPR scheme is very expensive compared to alternatives.	While the \$3.8b revenue from EPR is an estimate based on EU average material type fees, there is concern that this is closer to the mark. The <u>UKs' EPR scheme</u> is expected to cost at least £1.4b (\$2.7b) or AUS \$1b based on a population model. What is needed is a comprehensive economic modelling of the EPR, as per R1 and include at least Option 1 with modifications.

<p>EPR will lead to perverse outcomes</p>	<p>Introduction of price by weight on certain packaging materials will simply distort the market. Lower feed packaging materials will be made more expensive. The impact of EPR fees will see generally very small margins differences in the range of packaging materials available. Given the associated costs of changing packaging lines to deal with new materials, such EPR change impacts will be much slower than anticipated.</p>
<p>The EPR scheme can lead to considerable uncertainty for businesses, disproportionately impacting on SMEs</p>	<p>As there are little details on the fee amounts, only general categorisations in eco-modulation, perhaps with EU or UK fees to go on, and no minimum market start point set, this will lead to considerable uncertainty for businesses involved. Issues from EU EPRs include the burdensome bureaucratic requirements on measurement, reporting one packaging and unnecessary requirements to prove packaging is exempt or in a specific category. Of the above SMEs are particularly vulnerable, but there is no indication of a cut off level or even wind down in reporting according to market scale.</p>
<p>The EPR scheme seems to assume the funding will be made effective in improving used packaging recycling etc.</p>	<p>There is no mention in the Paper on how the revenue from EPR will be used. The APCO Strategic Plan does identify how expenditures will be allocated including improving used packaging infrastructure. Also there is no consideration in the paper of how Governments can and will assist — as discussed in Section 3— with recycling infrastructure, collection, residue management and improved access to markets, especially overseas ones. If a full Regulatory Impact Analysis is made the amounts and efficacy of expenditures would need to be properly analysed.</p>
<p>There is no indication on how the Commonwealth will use the EPR funds and its actions and influence to improve Australia’s circular economy.</p>	<p>There is no indication of how and how much of the EPR revenue will be allocated to better manage used packaging. Will the revenue be hypothecated to used packaging, less administrative costs? Or will most go to consolidated revenue where a small amount is released for used packaging management? How will the moneys be allocated? there are many choices such as grants, financial assistance etc. This need much improved clarification. Providing money to certain recycling actions cannot address local and regulatory issues which require effective Governance. However, such Governance rests with state and territory Governments, which Option 3 ignores.</p>

### 3 RECYCLING SYSTEMS MUST BE INTERLINKED WITH USED PACKAGING RECOVERY

Recovery of packaging is directly linked to the availability and quality of the recovery infrastructure. There is little point in setting targets for recovery of packaging when there is no, or insufficient infrastructure to manage these recyclates streams.

The Paper only seems to consider a circular economy for packaging. This is a fundamental error as used packaging is a minor component of Australia's current and future circular economy. Used packaging is one set of recyclates streams and should not be seen except as a subset. As a consequence, the Paper mentions the '*lack of reprocessing infrastructure due to high economic and capital expenditure costs,*' and in section 3.3 points to the \$250 million Recycling Modernisation Fund (RMF). However, it fails to identify that far more is required to enable adequate recycling and waste infrastructure across Australia. There is no reference to good research undertaken to show what is required<sup>6</sup>.

Worse the tone of the Paper is that the packaging industry, importers and users of packaging should fix this. However, the issue of fixing the circular economy where packaging achieves higher outcomes cannot be done with grants and funding alone. There are legal, political and many other obstacles in the path of achieving a better circular economy, one where most of the power is held by the state and territory Governments.

#### 3.1 Requirements of Government to Improve the Circular Economy

Regardless of which Option is selected Governments need to address a number of legislative, rules and policies which are required to significantly improve the circular economy and support used packaging management. These key areas include:

1. Council collection systems required to ensure appropriately source separated recyclates are prepared well and collected at scale, which goes beyond individual Council and even regions of Council's borders. Having consistent messages about bin acceptance should improve source separation. Cutting across Council's reluctances and other obstacles, to work together should produce much large volumes of recyclates to a facility, enabling more efficient recycling.
2. Better and simpler education on source separation and bin use will result in lower recyclate contamination levels. With a modified Option 1 being implemented across wider regions then a more consistent education on the type of bin to place your recyclates into will be at least region or even state wide. This avoids bin confusion across urban areas which currently exists.
3. Enabling the strategic analysis, planning and siting of recycling infrastructure and its downstream residues and other waste infrastructures. Fixing the above point will enable for fewer, but larger and more efficient recycling facilities to be sited. An effective means to deal with NIMBY, not just with recycling facilities, but their residue facilities.
4. A more efficient means to enable the export of recyclates overseas to markets which can accept them. The current export ban on paper, plastics, glass and tyres requires a revamp. The current rules and application process need to be reassessed to permit locally unrecyclable recyclates to gain

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<sup>6</sup> One good research example is [NSW Waste and Sustainable Materials Strategy 2041](#), which its recommendations have unfortunately been ignored by the NSW Government on needed waste management infrastructure.

export licences. For example, liquid paper board, can be recycled overseas, due to better economies of scale there. Overly restrictive onshore pre-processing can be inefficient, leading to market failures and other undesirable outcomes.

Without also addressing the above key issues by Government the performance of recovery of used packaging is significantly diminished. Government's must address these issues as throwing money at the problem, does not address these above issues. Used packaging recovery will continue to underperform with the manufacturers, importers etc. of packaging likely wearing the blame in the media.

### 3.1.1 Coordination of Council Collections

Item 1, from above, better coordination between multiple Council collections to maximise economies of scale<sup>7</sup> and lowering contamination levels, is needed. This is ultimately a state and territory jurisdictional level action as they set the rules and legislation for Local Government, including their waste collection practices. Too often large recycling facilities, including MRFs fail due to lack of finance as a direct result of the inability to gain guaranteed supplies of recyclates to justify investments. Consequently, to correct such supply issues require the intervention of state and territory governments to:

- Change rules preventing Council cooperation and encouraging cooperation on waste management issues
- Requiring that regions of Councils must cooperate, if necessary over-ruling individual Council divergence from required recycling area cooperation.
- Alternatively, providing powers to a new strategic, planning and operational authority, which sets state and regional

Locating such powers to the Commonwealth Government, would be problematic, as the collections, while at much larger catchment areas in the above approach, would likely differ across Australia. For example, Western Australia has a rather different set of recycling challenges than does the Eastern States. The main role the Commonwealth could provide is a national common policy, which permits reasonable levels of flexibility at the state and territory level.

### 3.1.2 Improved Recycling Education

Item 2 is to improve recycling education. With larger standardised areas, using the same form of recycling bin use, standardisation of the public education is easier, simpler and more open to mass communication. This type of educational would be under the powers of the state and territory jurisdictions. The type of recycling bin use would be largely based on the main recycling facility/ies the bin will go to.

The Commonwealth could play a role in a general national educational program, but it would need to be general, as different regional areas will have different acceptance criteria to their recycling facilities.

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<sup>7</sup> As a rule of thumb, recycling is most efficient at large scale. For example, paper and metal recycling.

### 3.1.3 Planning for Recycling Facilities

As used packaging is a component of all recycled materials, it cannot be the lead in the strategic planning and siting of recycling facilities and their downstream residue management facilities. However, a coordinated approach to waste management planning and operations is being hampered by many factors, such as the NIMBY syndrome, financial and other regulatory barriers to entry. The Paper, fails to look at this bigger picture beyond used packaging.

There are many state and territory jurisdictions facing considerable difficulties in siting adequate waste infrastructure. Used packaging represents about 6.08 MT which compares to [Australia's total 63.8 MT of core waste generated](#) in 2021-22, or about 10%. As a consequence, used packaging is a minor input in Australia's circular economy.

To improve used packaging's recovery rate requires improving the overall waste management systems in each state and territory, not just for packaging as it cannot do this alone. Key issues which require addressing include:

Better methods by state, territory and Commonwealth Governments to deal with NIMBY and other obstacles. Including:

- Better community engagement with appropriate benefits made for accepting communities
- Longer term planning of waste infrastructure<sup>1</sup> areas
- Pre-arranged emergency plans for when waste and recycling infrastructure is either inadequate or suffers downtime, such as due to bad weather
- Where necessary use over-riding legislation (least preferable) to enable siting of essential waste infrastructure<sup>8</sup>. This can be done at the state, territory and Commonwealth Government levels.

The last point of legislating against local community blocks would be required if a health issue arises from the failure to appropriately manage wastes. [Health is a human right](#) and court challenges in for example Italy, have been used due to garbage on the streets which occurred in [Naples in 2009](#).

### 3.1.4 Exporting of Recyclates

The current export ban on paper, tyres, glass and plastics could be improved, it is objectives—more towards a circular economy—made less costly, bureaucratic and efficient. There are many used packaging types — and other used products—which are of a small volume or for other reasons are not recycled in Australia. However, they are generally appropriate recycling facilities overseas with appropriate economies of scale, have good environmental performance and have direct access to end markets. On shoring of such processes is simply too costly, of too low volumes, highly inefficient and have no or little Australian market. Restricting such used packaging to onshore processing of various levels will simply lead to higher costing consumer goods. A change to the export bans on recyclable wastes requires major changes to its objectives, which can be more a hindrance to an efficient and effective circular economy, sending used packaging materials back to their main markets.

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<sup>8</sup> Waste infrastructure in this context has a broad overarching meaning including resource recovery, recycling facilities, MRFs, Energy from Waste, landfill disposal etc.



***R3 ASBG recommends that all Australian Governments coordinate and cooperate, under a NEPM and or via Commonwealth legislation to address the four main circular economy waste management issues including:***

- ***Local Governments to be able to work and to work together in providing collection of recyclates and other wastes which provide certainty of required supply volumes for gaining financial support for appropriate recycle infrastructure. Local Government to also provide disincentives for bin contamination.***
- ***All Governments, and the APCO coordinate appropriate education to assist in reducing contamination from kerbside bins.***
- ***Commonwealth, state and territory Governments to:***
  - ***Prepare clear volume and economic analysis to identify gaps, shortcomings and require future waste infrastructure requirements publically available reports to progress towards a circular economy.***
  - ***Implement the siting and operations of such require waste infrastructure,***
  - ***Introduce new tools to deal with NIMBY and other obstacles using improved methods***
  - ***Create emergency waste management plans if appropriate infrastructure fails in operations or is otherwise blocked.***
  - ***Where necessary use legislation to ensure construction of necessary waste infrastructure***
- ***The Commonwealth review the export bans on paper, plastics, glass and tyres to enable simpler and quicker access to overseas' recycling facilities where appropriate and end markets.***

## 4 REFORM OF PACKAGING REGULATION PAPER CRITIQUE

### 4.1 Assessment of the Three Options and ASBGs' Comments

Below is table 1 where ASBG comments are made on the Key Principles in Table 20 of the Consultation paper.

**Table 5: Assessment of base case and options against the principles & ASBG Comments**

Extracted from Reform of Packaging Regulation Paper				
Principle	Option 1	Option 2	Option 3	ASBG Comment
1 <b>Nationally consistent obligations and requirements to ensure a level playing field and increase certainty for businesses producing packaging and placing it on the market</b>	Poor Inconsistent obligations between Covenant and state and territory legislation that supports the NEPM not addressed in this option	Partial Yes, through Commonwealth legislated requirements but limited in scope compared to existing Covenant obligations	Good Commonwealth legislated requirements and eco-modulated fees for design for recyclability	National consistency brings certainty, but so does the APCO Strategic Plan (SP), which seems ignored, or over-ruled by inter-jurisdictional differences, which are not that significant. The National consistency of APCO's SP can be enforced if Government's fully implements their Used Packaging NEPM responsibilities. Any perceived Failure of the APCO in outcomes was and is largely due to the complete lack of support and enforcement on free riders by all Australia Government jurisdictions. Consequently, the performance of the APCO is commendable when its hands have been considerably constrained. ASBG considers if properly supported by Governments, with the improvements discussed the APCO model will deliver as good if not better circular economy outcomes as the EPR model. Hence the 'Poor' rating is undue and the result of Government inactions
2 <b>Clear obligations for industry to support effective action...</b>	Poor Inconsistent obligations between Covenant and state and territory legislation that supports the NEPM	Partial Clear obligations for individual	Good Clear obligations for individual and industry	As above, but there was also no attempt by Governments to work with the APCO and its methods and targets. The only inconsistency is between Government jurisdictions, not the APCO. Note NSW in <a href="#">May gazetted a 90% recovery rate</a> , but no indication on enforcement yet has been seen.

3	<b>...and investment across the packaging life cycle</b>	Partial Strategic plan supports, strengthened compliance and enforcement aim to improve scheme participation and investment in whole of supply chain actions	Poor No financial mechanism to fund or invest in whole of supply chain actions	Good Legislated EPR requires participation	<p>Investment in recycling and recovery will require financial certainty for producers. Nothing in the EPR scheme attempts to address waste regulatory blockages, such as</p> <ul style="list-style-type: none"> <li>• The export bans</li> <li>• Failure by Governments to assist in planning and siting of new recycling and</li> <li>• New landfill space required for recycling residues</li> <li>• Ensuring collections are consistent and supplied in appropriate volumes by multiple Councils to ensure financial backing.</li> </ul> <p>Consequently, to be effective engagement, encouragement and perhaps a modified or new NEPM is required.</p> <p>It is assumed industry means producers or brand owners, as the majority of packaged products sold to the public are imported. APCO &amp; its SP if properly supported by Government would achieve similar or better recovery outcomes for packaging. Though this would require state and territorial support to assist with waste infrastructure siting etc.</p> <p>The EPR Option 3 approach ignores the perverse outcomes of various fees for packaging materials.</p>
4	<b>A system where industry takes responsibility for the packaging it places on market</b>	Partial Strategic plan supports, strengthened compliance and enforcement aim to improve scheme participation and investment in whole of supply chain actions	Partial Individual businesses are responsible for the packaging they POM	Good EPR administrator accountable for meeting industry-wide scheme outcomes	
5	<b>Flexibility to accommodate innovation in packaging design and recycling technologies</b>	Partial Flexible implementation for APCO members	Partial Requires industry to improve packaging POM to meet restrictions and bans. However, bans can reduce flexibility to innovate and can have unintended consequences	Good Eco-modulated fees for design for recyclability support flexible implementation	<p>ASBG disputes that the EPR —a Government run blunt regulatory tool— will generate better outcomes than an APCO’s industry controlled and designed plan which has clear targets and outcomes. Also the EPR generates perverse market outcomes in packaging materials which is not addressed.</p> <p>Innovative recycling technologies are often blocked by environmental agencies. For example, requiring pre-testing until they are satisfied the process will not cause E. harm. But with no process testing cannot be done, a classic Catch 22. This is beyond the control of the Commonwealth. Reform here must start at the planning and regulatory approval stages for all waste infrastructure. (see chapter 3)</p>

6	<b>Measurable, enforceable and enforced obligations to sustain industry and community confidence</b>	<p>Poor</p> <p>While this option seeks to increase compliance and enforcement to address free riders, it does not address inconsistent implementation of and the NEPM or clarify obligations of liable parties under the NEPM</p>	<p>Good</p> <p>Single Commonwealth regulator</p>	<p>Good</p> <p>Single Commonwealth regulator. EPR fees support effective and efficient compliance and enforcement</p>	<p>APCO under its SP can provide the appropriate measurability, but relies on Governments to enforce. Comment 1 also applies here.</p> <p>There is considerable doubt that EPR will achieve the % recovery relates and reductions to landfill as the APCO &amp; its SP will. A review of the efficacy of EU EPRs should be undertaken first to assess their effectiveness.</p> <p>Also while the EPR is Commonwealth run, the supply of adequate recycling and recovery infrastructure remains with the states and territories, which requires better coordination. This means the Commonwealth EPR will have no control over planning and siting of waste infrastructures, which is critical to it achieving its outcomes.</p>
7	<b>A system that contributes to Australia meeting its international obligations</b>	<p>Poor</p> <p>No way to impose mandatory requirements on all regulated entities, but industry-led action can support outcome</p>	<p>Partial</p> <p>Can impose mandatory requirements, no regulated industry coordinating mechanism or funding to support system improvement</p>	<p>Good</p> <p>Can impose mandatory requirements, and scheme administrator can support early industry-led action</p>	<p>What international obligations does Australia have to packaging? It seems that the international connection is simply there to justify the Commonwealth's control over an environmental matter, which constitutionally is a state matter.</p> <p>Commonwealth could play a role is controls on imported product packaging via boarder control, but this is limited. However, state and territory Governments have adequate powers on companies operating in its area to identify free riders etc. Under a modified NEPM consistency can be set where all Governments should follow.</p> <p>Why is global best practice (GBP) required? If GBP is considered relevant, then the APCO can include it as a requirement on their signatories.</p> <p>However, there is a considerable difference in the waste and recycling infrastructure, distances and markets in EU compared to Australia. What may be best practice in the EU may not be in Australia due to considerable differences.</p> <p>A poor rating is based on a lack of APCO signatories is due to lack of Government support on free riders as per comment 1.</p>
8	<b>A system that is based on global best practice, while accounting for Australia's geographic and market context</b>	<p>Poor</p> <p>APCO eco-modulated fees will support industry to take more responsibility to increase recycling to support delivery of the NPTs and goals of the Covenant, but limited to Covenant Signatories only</p>	<p>Poor</p> <p>Potentially limited in its scope due to restrictive requirements when EPR approach is best practice. There are no industry wide targets and regulation targeting only the most significant issues (e.g. chemicals). There is no funding mechanism.</p>	<p>Good</p> <p>EPR and flexible implementation can support industry's ability to lead on innovation and best practice</p>	<p>Why is global best practice (GBP) required? If GBP is considered relevant, then the APCO can include it as a requirement on their signatories.</p> <p>However, there is a considerable difference in the waste and recycling infrastructure, distances and markets in EU compared to Australia. What may be best practice in the EU may not be in Australia due to considerable differences.</p> <p>A poor rating is based on a lack of APCO signatories is due to lack of Government support on free riders as per comment 1.</p>

**9 A system aligned with global standards to maintain and increase industry access to global markets and alignment with global supply chains**

Poor  
Strategic plan supports, but limited to Covenant Signatories

Partial  
Commonwealth legislation can only limit extent to which standards can be applied using restrictions or bans, noting eco-modulation would not be available to achieve outcomes

Good  
Commonwealth legislation can set national requirements as needed. EPR supports greater alignment with global standards in a way that also supports flexibility and innovation.

Why is alignment to global standards on used packaging so important? How much will it affect exports? ASBG considers these issues can be accommodated by the APCO. ASBG is concerned that mandating global standards will make it easier for imported goods. This would appear contrary to the Government's [Future Made In Australia policy](#) and Act's intentions.

## 4.2 Additional Key Principles

The Reform of Packaging Regulation Paper<sup>9</sup> justifies the use of Extended Producer Responsibility (EPR) by assessing against a limited set of chosen Key Principles. As discussed the Paper has some of the elements of a Regulatory Impact Analysis (RIA), but it is far from complete. For example an RIA is built on Principles-based regulation, where the Australian Law Reform Commission states:

*Principles-based legislation relies on principles to articulate the outcomes to be achieved by the regulated entities. According to Professor Julia Black, principles are 'general rules ... [that] are implicitly higher in the implicit or explicit hierarchy of norms than more detailed rules: they express the fundamental obligations that all should observe.' Black states that principles-based regulation avoids 'reliance on detailed, prescriptive rules and rel[ies] more on high-level, broadly stated rules or principles.*

As a consequence, Principles are used to assess a draft Regulation under the Regulatory Impact process. The Paper in choosing the best options does this seemingly flagging a future Regulatory Impact Assessment process. However, what is questioned is the selection of the Key Principles used, see table 20 of the Paper, to assess the three Options provided. ASBG considers the chosen Principles of assessment are inconsistent with the rest of the document especially its executive summary.

ASBG in simply reviewing the Paper's Executive Summary identified additional key principles, which should have been included in the assessment of the 3 Options in Chapter 7 of the Paper. These Additional Key Principles, include:

- Reduce the impacts of packaging on our environment
- Increased recovery and reuse
- Closing the gaps in recycling capacity
- Increasing end markets, both locally and overseas.
- Reduce the volume of packaging waste to landfill

Table 6 is the additional Key Principles made into a similar table of comparisons of the 3 Options.

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<sup>9</sup> See <https://consult.dcceew.gov.au/reform-of-packaging-regulation/new-survey?edit=sbm3100a47941a70036df518&code=9f10c423569ab67659450025&page=6>

**Table 6: ASBG’s Additional Key Principles**

	<b>Principle</b>	<b>Option 1 Modified</b>	<b>Option 2</b>	<b>Option 3</b>	<b>ASBG Comment</b>
A1	Reduce the impacts of packaging on our environment	<p>Partial</p> <p>If free riders are forced to join the APCO and are acted upon by the environmental agency. APCO and environmental agencies work together to identify and require free riders to join APCO. other issues as required</p>	<p>Good</p> <p>Environmental agencies can enforce compliance with national standards on packaging and its wastes.</p> <p>Environmental agencies can via enforcement of IChEMs and other instruments deal with chemical contamination in packaging.</p>	<p>Partial</p> <p>The Commonwealth leads on POPs and sets legislative criteria.</p> <p>As the Commonwealth Government has control over the chemical contaminants in packaging and recovery rates of materials.</p>	<p>The easy issue is the management of undesirable chemical contaminants in packaging e.g. PFAS. The more difficult is dealing with a range of waste issues, such as littering, usage of landfill space, illegal dumping, air and water emissions etc. Also as most of the packaging is coming from imports then the majority of recyclates in various forms should go back to those manufacturing overseas markets. Australia cannot be a unilateral circular economy as the mass balances on imported materials should be somewhat balanced with exports. This is why the current export ban on paper, plastics, glass and tyres requires a review with the circular economy, including international links is required.</p>
A2	Increased recovery, reuse of packaging	<p>Partial</p> <p>APCO to work with Government in the design and operation of collection system, waste infrastructure and where appropriate access to overseas market. In that the supply and siting of needed recycling infrastructure is largely controlled by state and territories</p>	<p>Partial</p> <p>State and territories can integrate their packaging targets to the supply of recycling and waste infrastructure. However, some jurisdictions face considerable challenges in siting such infrastructure due to their planning and other regulatory and policy constraints.</p>	<p>Poor</p> <p>The Commonwealth has little control over the supply of recycling and other waste infrastructure which is a state or territory matter.</p> <p>The Commonwealth’s export ban, is an obstacle to the circular economy as it limits/prevents materials going back to overseas recyclates markets which supply the imported packaging material inputs etc.</p>	<p>A key issue here is the management of the supply of new recycling and waste infrastructure etc, (see section 3) is needed to generate a more functional circular economy. Firstly, the Commonwealth has limited powers here, especially over planning.</p> <p>Also, many state and territory jurisdictions are lagging in the supply of adequate waste infrastructure. Given the unfashionability of waste infrastructure, many Governments and agencies have instigated regulatory obstructions to their siting. The Commonwealth with its export ban on 5 recyclates adds to the set of regulatory and policy obstructions to a better circular economy. Again a national, perhaps led by the Commonwealth is required to provide better harmonisation between states and territories Governments on their aspects of waste management. Here a subset of requirements would in turn support the used packaging required strategic planning, approval siting, supply of inputs to enhance the efficiency of a much improved circular economy with overseas links.</p>

A3	Closing the gaps in recycling capacity	<p>Partial</p> <p>APCO signatories can financially support new recycling and waste infrastructure, but require certainty in doing so. This will be achieved by cooperative arrangements, even coregulatory, with all Governments.</p>	<p>Partial</p> <p>While the states and territories have some control over new facilities, they are hamstrung by their planning systems and strong support for any NIMBY opposition which plagues waste infrastructure. This impedes financial certainty</p>	<p>Poor</p> <p>The Commonwealth has no powers over planning and siting required recovery and waste infrastructure</p>	<p>As in A2 above, and also the problem of locating recycling facilities closer to the generation points. Processing recyclates to any level will generate a residue stream which requires additional waste management infrastructure to manage, such as landfills and EfW facilities. A common issue here is dealing with the NIMBY syndrome. Waste infrastructure is especially affected, but so are others e.g. energy. This issue is acute in Greater Sydney where it will run out of non-putrescible landfills in 2028. ASBG expects rural Councils to refuse to accept Sydney's waste. The closest commercial landfills are in South East Queensland, likely to result in reactions from that Government.</p> <p>A better way is needed to locate unfashionable but necessary infrastructure as discussed in section 3.</p> <p>As most of the packaging disposed of is made overseas, either completely or as materials, there needs to be a better link back to these markets.</p> <p>A comprehensive review of the export bans is required. This would ideally be linked to an overall circular economy strategy where all Governments agree to implement properly.</p>
A4	increasing end markets, both locally and overseas	<p>Partial</p> <p>APCO can bind its signatories to % recycled content, but requires support from Government to enforce such requirements.</p>	<p>Partial</p> <p>State and territories can enforce % recycled content, but only on local manufactures.</p>	<p>Partial</p> <p>Commonwealth can enforce % recycled content on imported and locally made packaging, but requires enforcement by states and territories as well.</p>	<p>As most of the packaging disposed of is made overseas, either completely or as materials, there needs to be a better link back to these markets.</p> <p>A comprehensive review of the export bans is required. This would ideally be linked to an overall circular economy strategy where all Governments agree to implement properly.</p>
A5	Reduce the volume of packaging waste to landfill	<p>Good</p> <p>The APCO Strategic Plan considers reduction of waste to landfill and installation of good recovery infrastructure and access to overseas markets for additional recycling and material sales.</p>	<p>Partial</p> <p>As State and territories can integrate their packaging targets to the supply of recycling and waste infrastructure. Insufficient supply of landfill space will directly impact on recycling as it requires somewhere for its processing wastes to go.</p>	<p>Poor</p> <p>As the Commonwealth Government has no control over waste related infrastructure. If this fails, the Commonwealth will claim it has no control on this. It is a state and territory matter.</p>	<p>Making industry solely responsible for recycling of packaging with little control on the ability to plan for new recycling facilities, plus the export bans in place, will place them in a very difficult corner. APCO and Governments must coordinate with each other to provide a clear path forward to a used packaging circular economy. Cooperation between Governments is essential otherwise inefficient outcomes will occur resulting in larger volumes being sent to landfill. Improved collection systems, recycling facilities, financial certainty etc for not just recycling facilities but the residuals from such, including Energy from Waste, and where necessary appropriate landfill space are made.</p>



## 5 CONCLUSION

If a modified Option 1 is chosen then a much increased level of used packaging will be recycled, either on shore or overseas, subject to acceptable levels of contamination. As APCO is run by business it will have a keen eye on the more economic efficiency of recovery and recycling of used packaging. Governments and APCO working cooperatively and with a common aim should optimise the circular economy for used packaging and also for all used products. Also recognised is the used packaging component of the circular economy is a minor part of a whole efficient and effective system, which includes overseas facilities and markets.

Governments at all levels have roles to play in maximising the efficiency of the circular economy. This will require detailed analysis to identify the main gaps in the waste management systems, based on volume flows, distances from generation points and end markets etc. all based around good economics and sound scientific principles. Such plans will then need to be implemented. Siting of all forms of waste management infrastructure is vitally important to an effective circular economy. This would largely be for state and territory Governments to undertake,

Local Governments will have any restrictive cooperative, with other Councils, removed on waste, to enable support from financiers that recycles supply for a new recycling facility is guaranteed.

State and territory Governments will need to better address community opposition to new recycling and downstream waste infrastructure siting issues, such as NIMBY.

The Commonwealth Government will assist in the exportation of collected and processed used packaging, back to the general markets overseas which supplied the materials. It will also assist in the coregulatory arrangements for used packaging and provide direction to other jurisdictions.

Should you require further details and clarification of the contents of this submission please contact me.

**Yours Sincerely**



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