

27 February 2025

RaWR-Review@dcceew.gov.au

Department of Climate Change, Energy, Environment and Water
GPO Box 3090
CANBERRA ACT 2601

Dear DCCEEW

RE: ASBG's Submission on the Review of the Recycling and Waste Reduction Act

The Australian Sustainable Business Group (ASBG) welcomes the opportunity to comment on the *Review of the Recycling and Waste Reduction Act (RWRA)*.

The [Australian Sustainable Business Group](http://www.asbg.net.au) (ASBG) is an 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. We operate in NSW, Queensland and nationally and have over 100 members comprising some of Australia's largest manufacturing companies and other related businesses. ASBG is largely represented by the environmental professionals in the member organisations, so has an excellent source of information and advice to assist Government on making better environmental legislation and policy.

ASBG and its members fully supports the moving to a more circular economy where used materials are more efficiently managed, in both physical and economic way. As Australia has been a major importer of consumable products for the past few decades, the circular economy must be seen to include our trading partners and effective and environmentally sound means to return materials for reuse to close the circle.

1 OVERVIEW

ASBG members are involved in the recycling industry directly and or participating in the circular economy, via other means, including being a member of a product stewardship scheme, involved in B2B recycling or other forms. Many materials have been and are recycled effectively and efficiently without the need for legislation or Government intervention, such as asphalt, steel, other metals, paper & cardboard, newsprint, glass etc. This group of materials effectively operates in a circular economy, driven by market forces, hence they generally do not require Government intervention above normal environmental standards for businesses.

The RWRA is viewed by ASBG as the Commonwealth Government's legislative means to assist the circular economy where the market forces have weakened, are not strong enough, or other environmental controls

limit this process. Government support for weak market forces is considered the philosophical basis for the Product Stewardship schemes under RWRA. Improvements to the Product Stewardship schemes are discussed as there are some significant issues, which are not addressed or poorly addressed under the RWRA and its enforcement. Product Stewardship schemes in general are performing at a reasonable level with variation, but could be improved in effectiveness and operation.

Significant improvements in the way Australian Governments at all levels can participate can significantly improve the performance of the RWRA. Better cooperation, planning of recycling infrastructure and dealing with siting obstacles between jurisdictions is paramount required.

Use of the Export Bans on certain wastes is also discussed as it requires to be aligned with the circular economy and environmental protection, but need refocusing and reduction in its costs on circular economy participants. Changes are recommended which deals with increasing the circular economy, and addressing international environmental protection issues.

There are a number of other issues which also are discussed including the waste levies, contamination levels, source separation, effective use of Waste to Energy, landfills and increasing markets for recycled materials.

2 PRODUCT STEWARDSHIP ISSUES

The legislative basis for the Product Stewardship schemes are supported, but requires a revamp, particularly in Government policing. Here Government's main priority products tend to be more about what is seen and used by the public, which generally are those seen, particularly ending up as householder wastes. What is missing sits mainly with the non-voluntary schemes; co-regulatory and mandatory schemes.

Given the high level of market competition in many Product Stewardship schemes, there is an erosive impact of 'free riders' in the market. The source of 'free riders' can occur from many areas, such as new imported product entrants, which ignore such schemes with little consequence. Legitimate participants in a Product Stewardship schemes have no ability to effect a legal action on such 'free riders' and, consequently wear a disproportional cost. If the 'free riders' become too dominant, and Government policing is poor, the Product Stewardship scheme will degrade and in some incidents, may collapse altogether. Under co-regulatory and mandatory schemes, the Government should be there to intervene on identified 'free riders', first requiring their cooperation and financial input. Secondly, undertaking penalty provisions and or prosecutions. ASBG notes that this action could be shared with other jurisdictions. However, poor to no enforcement actions on Product Stewardship schemes is the result¹.

R1 ASBG Recommends the DCCEEW prepare clear enforcement guidelines, provide adequate resources and effectively police 'free riders' identified by legitimate participants under Product Stewardship schemes. Where appropriate, engage with other jurisdictions to enhance the policing processes to further deter 'free riders'.

3 IMPROVING GOVERNMENT COOPERATION MECHANISMS

¹ ASBG notes that Government jurisdictions failed to police the Used Packaging NEPM legislation leading to the poor performance of the Australian Packaging Covenant Organisation.

Government schemes to support market develop for recyclates has provided good benefits. Ongoing support in terms of grants and procurement policies are welcomed and should continue. Before the Australian Government considers developing new circular economy markets, it should first focus on the existing ones where market forces are not working effectively. The Australian Government can assist considerably in improving the setup of collection and recycling infrastructure, especially working with state, territorial and Local Government jurisdictions. While some jurisdictions have a reasonable framework to undertake good planning etc. for a circular economy, a number lag. Given the various levels of powers of Australian jurisdictions all levels of Australian Government need to better work together to enhance the circular economy. ASBG considers the Australian Government has an opportunity to provide a clear circular economy expansion path via a cooperative framework, across jurisdictions to significantly improve the circular economy.

To sustainably improve the circular economy within Australia as reasonably, environmetnally economically and practically, will require a national effort, where ASBG sees the Australian Government take a leading role. Currently there are many legislative and other government/s obstacles which impede the processes of a circular economy, and include, but not limited to:

- The use of waste levies, their variation, application and generally poor hypothecation back to waste management and the circular economy
- Getting the balance right between environmental protection and waste, recycling and the circular economy, which often conflict with the latter generally suffering
- Prevention of essential and important waste and recycling infrastructure due to planning blockages, NIMBY, and jurisdictional positions, e.g.
 - Poor overall planning for efficient waste and recycling infrastructure by jurisdictions
 - NSW's and other states' highly restrictive position on Energy to Waste
 - The siting of new required landfills, which are required for recycling residues
 - Restrictions on Local Governments from cooperating on waste collections to enable larger and better economies of scale recycling facilities to exist

ASBG's [submission on the Reform of Packaging Regulation Consultation Paper](#), in Chapter 3 and Recommended (3), in brief, that Australian Governments to coordinate and cooperate on improving the circular economy including: data collection, analysis, planning, siting, emergency waste management etc. This also rings true for the RWRA.

R2 ASBG recommends the Australian Government lead by example, in a national process to provide and influence a consistent framework of planning, positions and legislation with other Australian jurisdictions with the aim to enhance an efficient, low cost circular economy, which includes Australia and its main overseas trading partners.

4 WASTE EXPORT REGULATIONS

The basis for the waste export bans is, according to the DCCEEW webpage, to ensure Australia is *preventing these materials from being dumped overseas, reducing harm to the environment and human health*. ASBG reads this as an extension of the [Basel Convention](#), which focuses on controlled (hazardous) wastes. As a consequence, the waste bans have been applied to paper & cardboard, glass, plastics and tyres.

4.1 Paper and Cardboard

Of this grouping, paper & cardboard are by far the largest volumes of exported recycle— >[1 Mt p.a.](#), provided they meet the criteria, based on contamination levels and pay export licence fees. ASBG considers paper & cardboard fit under a market driven recycled material, consequently, should require no or very little Government controls as there is generally no market failure. Paper & cardboard must be also recycled overseas as this is a major source of such material from imported products which far exceeds the Australian local market. Consequently, it must be used to feed these overseas markets, closing this circular economy loop.

ASBG view is that the current export ban process on paper & cardboard appears too costly and undermines an essential circular economy process. The recent [disallow motion](#) of the export licence fee of over [\\$13,000](#), per entity for all material types, was passed as it is an considered excessive cost on the greater circular economy. ASBG is of the view that the paper & cardboard export ban process, should either be discontinued or provided at a far lower cost process. For example, a list of approved export receival sites be pre-approved, based on their environmental performance, enabling exporters to demonstrate this is the destination/s. This and other actions could reduce administrative costs and pass on costs to waste exporters.

R3 ASBG recommends:

- ***The costs of licences etc. on waste exporters under the waste export ban process be kept minimal.***
- ***For paper & cardboard either a lower cost more efficient checking process be use or paper & cardboard be removed from the waste export bans.***

4.2 Unprocessed Scrap Metal

The choice of the five waste types under the waste export ban requires reconsideration. ASBG members point out that unprocessed scrap metal, comprising of materials, such as, old white goods, cars etc, are not included under the waste export bans. Steel is the second most recycled material in Australia, after road pavement (largely asphalt), and has had a long history of being a market driven recycled material. However, the process of shredding unprocessed scrap metal generates a large waste stream, known as shredder floc. Unfortunately, increasing waste levy rates have make the cost of shredding metal high in Australia. Consequently, local metal shredders must compete with the shipping of unprocessed scrap metal overseas, where the cost of disposal of shredder floc is much lower, as are the environmental controls in these countries.

According to DCCEEW's [Data on imports of waste and recovered materials into Australia, 2021](#), Australia imported 92,000 t of scrap metal in 2020-21. This importation was required by Australian steel mills as the domestic generation of processed scrap steel could not meet their requirements. Due to the effect of high cost of floc management, it is now becoming far more economic to ship the unprocessed scrap overseas. Then import the processed scrap back to Australia. ASBG considers this is a perverse outcome. Export of

scrap is [banned in 43 countries](#) and restricted in another 28, including the EU indicating the sovereign value and the environmental value of this commodity.

[Section 2\(2\) RWR Act](#) states: *These objects [of the Act] are to be achieved by:*

- (a) regulating the export of waste material to promote its management in an environmentally sound way;*

If the main aim of the waste export bans is to protect our trading partners from environmental harm from Australian wastes, it has missed the opportunity to add unprocessed scrap metals to its waste export ban list. Failure to include unprocessed scrap metal export stands out as a major inconsistency compared to the application of export bans on the four listed waste types. The contaminants in unprocessed scrap are considerable, around 40% of input levels. This flock is largely disposed of in substandard landfills in the countries importing Australian unprocessed scrap metals. Also the long haul processes invariably increase carbon emissions. Additionally, for scrap metals, the circular economy is well established within Australia, unlike for plastics etc. Consequently, there is a glaring market failure in the unprocessed scrap metal recycling market, which requires it to be added to the waste export ban list for both circular economy and environmental protection reasons.

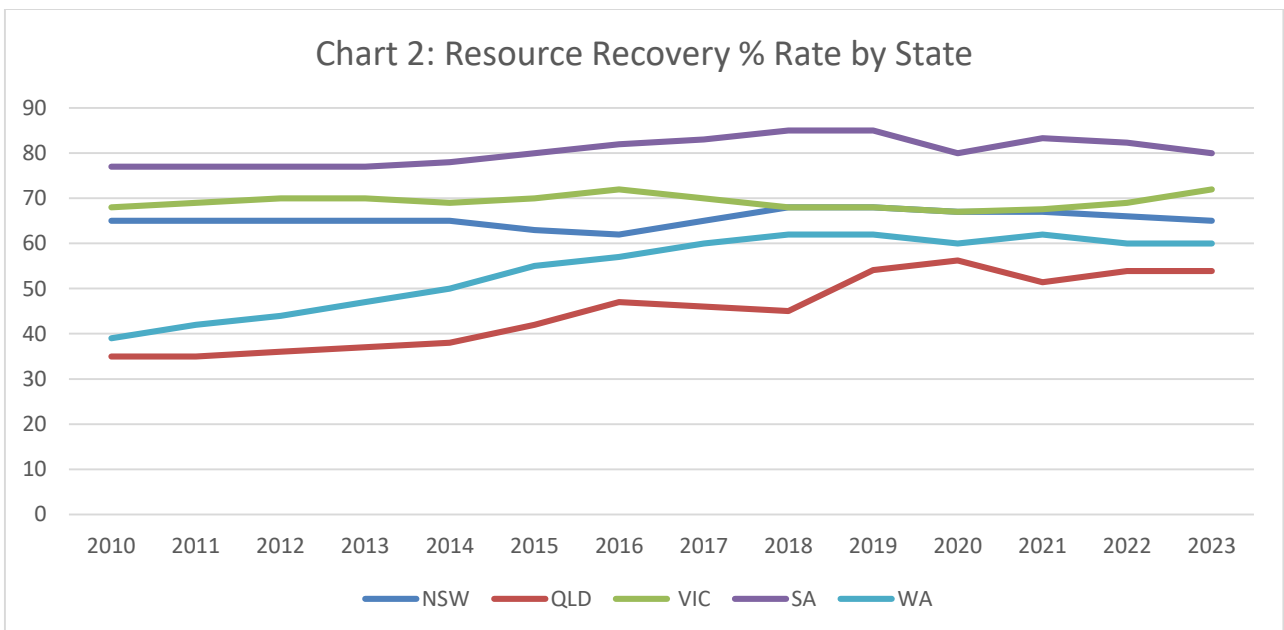
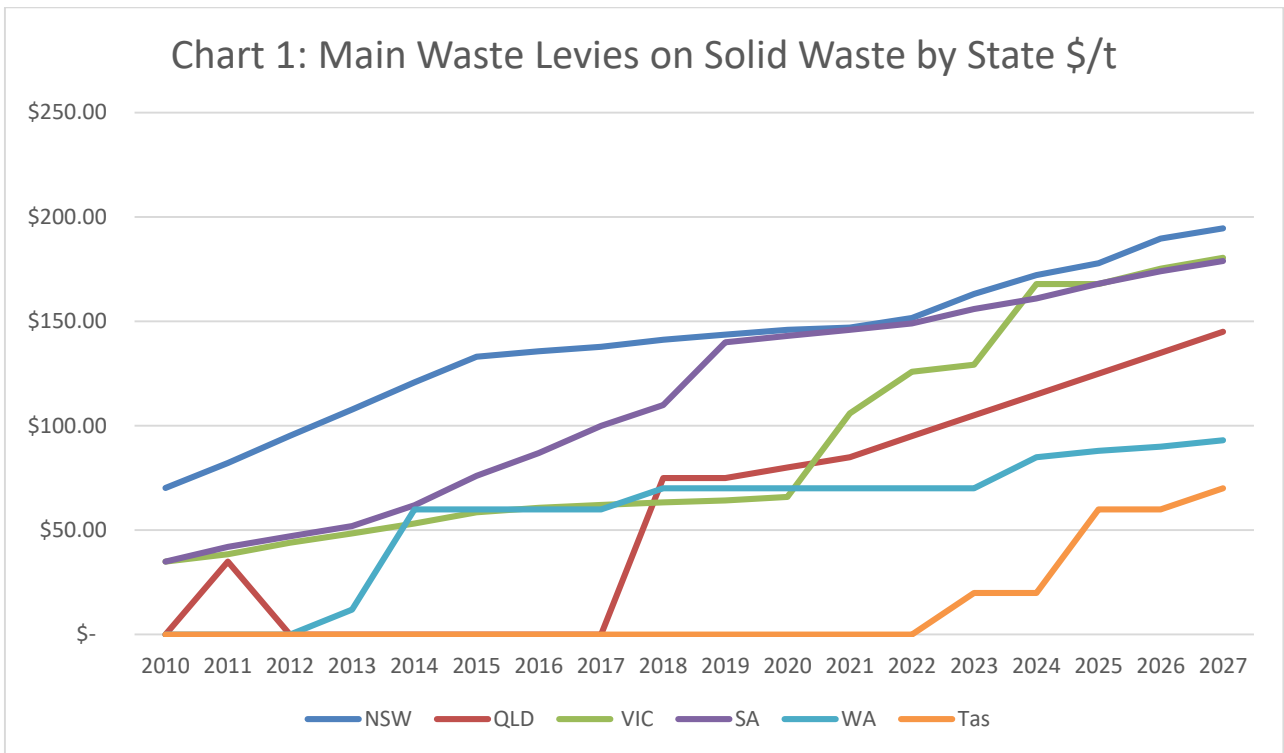
R4 ASBG recommends that unprocessed scrap metal, be added to the waste export ban listing.

5 OTHER MATTERS

5.1 Waste Levies

Waste levies have been increasing across Australia, generally to be more in alignment with NSW's urban high rates. However, differences between levy rates results in transport arbitrage between differing levy areas, especially around state and territory boarder areas. While the waste levies are effective at raising revenue their original task of reducing waste to landfill is poor and trending down.

Chart 1 shows the main solid waste levy rate applied per State from 2010-24 with projections to 2027 at CPI rates. All show a general increase of at least the CPI rate or more. Chart 2 shows each state's published Resource Recovery Rate as a percentage of total waste generated over 2010-23.



Comparing the two charts shows the effectiveness of the waste levy to increase % Recovery Rate has in the last 4-5 years is small if not ineffectual. Why is the waste levy reducing in its effectiveness? There are multiple reasons including:

- Cost of recycling has increased due in part to tighter environmental controls and cost input increases
- Disposal costs associated with recycling residues, which has to generally pay the full waste levy
- Limitations on the types and capacities of recycling facilities
- Lack of non-landfill alternatives for residue management, such as Waste to Energy
- Tighter environmental protection limits preventing recycling e.g. asbestos, PFAS etc.

- Waste export bans – leading to more waste types going to landfill e.g. plastics due to lack of recycling facilities

These charts indicate the waste levies effectiveness of reduction of waste to landfill, have reached a peak, and further increasing with only deliver revenue gains. It also shows that the waste levies are increasingly affecting recycling, by being an increasing cost impedence on management of their residues. Yes, Waste to Energy can be a fix for this but has other issues and is discussed below. Alternatively, recycling facilities should receive a waste levy discount such as 50% as applied in Queensland.

The Australian Government can play a role in engaging with the jurisdictions to limit waste levy arbitrage by establishing national policy or positions dealing with waste levy differences. A strong economic and environmental research backed by Australian Government recommendations should assist jurisdictions to address these waste levy issue, before they become inter-jurisdictional conflict issues.

5.2 Landfills and Waste to Energy

Landfill disposal of waste is located at the least desirable level in waste hierarchies. However, landfill disposal is essential part of the waste infrastructure and management. While the circular economy does much to reduce waste to landfill, elimination is not practically possible. Consequently, having landfill capacity is an essential, no economy can do without it.

The Sydney area is facing a [landfill crisis when in 2028](#) all its non-putrescible landfills will be filled. While surrounding Local Governments have reasonable landfill capacity, this will be likely strongly reserved for that Council's citizens. Sydney's waste will then need to seek commercial landfills, as here price, not source location will affect acceptance. This means Sydney's waste will again begin an exodus to SE Queensland, resulting in jurisdictional conflict. Though refusal to accept Sydney's waste appears to conflict with [s92 Australian Constitution](#) – Free trade between states.

Landfills share a similar issue with Waste to Energy (WtE) – large [local opposition](#) at the planning or siting stage, also known as [NIMBY](#). Recycling residues will require a landfill for their end disposal. Here ~80% reduction in such residue volume can be achieved by placing suitable residues through a WtE facility. However, only a few jurisdictions, e.g Western Australia and [Victoria](#), have achieved recent planning approval for WtEs. NSW has made it very difficult to site a WtE facility, [with Tarago](#)— the closest permitted—some 250 kms away from Sydney. A planning attempt was made but the NSW EPA's criteria has been so difficult this has been postponed or maybe abandoned. Jurisdictional avoidance of WtE is the vote loosing fear from NIMBY and not its environmental advantages. Overseas such as in Denmark, where 20% of heating and ~5% of the country's electricity comes from WtE; [Copenhill](#) is located only 2.5 kms from the centre of Copenhagen.

R4 ASBG Recommends the Australian Government assist jurisdictions in the siting and development of controversial but necessary waste and recycling infrastructure, via cooperation, provision of good analysis, planning reports and educational materials showing that such facilities are necessary for a good circular economy.

5.3 Household wastes

More attention is required to deal with the contamination issues in household recycling bins. Victoria has been a leader in standardising household bin content and waste types. Also [Victoria has](#) required a separate glass bin (purple lid), as glass is often a problem contaminant at recycling facilities. ASBG supports the standardisation of household recycling bins in both types and content. Across much of Australia the preferred contents of household recycling bins vary according to the contract secured by the Local Government, However, the latter means that Local Governments should cooperate more and choose a recycling set of facilities, which require the same input and offer efficiency by their economies of scale. However, there are rules across jurisdictions preventing Local Governments from such cooperative and joint contracts and agreements. This requires addressing to improve the circular economy.

Variation in recycling bin input makes education on bin use difficult. Householder education is strongly supported, where they can be informed of what can and cannot go into each recycling bin. A national educational program based on consistent household bin inputs, would be far better than the piecemeal variable messages program currently used.

Contamination of household recycling bins is exacerbated when Council reduces the size of the red bin (landfill waste). The result is a general doubling in the level of contamination in the recycling bins. While this reduces the Councils landfill costs it undermines the circular economy.

Some Councils now [fine residents](#), or simply [refuse to pick up a recycling bin](#) due to contamination. Here a small piece of asbestos bonded cement can contaminate a whole truck load of recyclates, condemning it to landfill. Such actions by Local Government is supported by ASBG as it aims to improve the circular economy.

5.4 Waste data

The DCCEEW is a leader in the collection, compilation and [reporting on waste and recycling](#). No other jurisdiction does this as well. ASBG members regularly use this information to plan, assessment and report on waste flows and volumes across Australia.

ASBG considers national waste data can be further improved. Lead by the DCCEEW a national standardisation of waste data could be prepared and adopted and followed by all jurisdictions across Australia. Better data collection, report and analysis will support the recommendation 2 in this submission.

5.5 Extended Producer Responsibility

The introduction of an Extended Producer Responsibility (EPR) Scheme as stated in the Reform of Packaging Regulation Consultation Paper in October 2024, is concerning to ASBG. The main issues and recommendations on this are contained in [ASBG's Submission on the Reform of Packaging Regulation Consultation Paper](#). In short an EPR addition will not improve the circular economy. There are many issues ranging across all jurisdictions which need a nationally coordinated set of reviews and actions for real improvements to the circular economy to occur. The introduction of an EPR which simply incurs a tax on

certain packaging materials, with not plan on how to hypothecate the revenue will not achieve much except increase the cost of affected consumer goods.

5.6 Government Procurement

To improve the circular economy can be done with the assistance from all Governments in purchasing of recycled materials and products using recycled content. The Australian Government should lead all jurisdictions, first by example, then by influence, in changing Government procurement policies to include relevant criteria to support *bona fide* product stewardship members. Here, 'free-riders' would either not be added or removed, if changed to a 'free rider', from being a *bona fide* member. Procurement policies can be extended to products which support the circular economy. However, even here 'free riders' should not be included as product suppliers of choice for Governments.

6 CONCLUSION

The review of the Recycling and Waste Reduction Act is an opportunity to look at the factors that may help improve the circular economy including waste management. Improved policing of the Product Stewardship schemes to ensure 'free-riders' do not undermine them will ensure fairness and improve each material part of the circular economy. Improving the waste export bans to include unprocessed scrap metal and lower costs especially for paper and cardboard will enhance Australia's role in the greater circular economy including our trading partners.

With the Australian Government taking a lead, a better assessed, planned and implemented framework for the circular economy will take on a better form, requiring new levels of cooperation from other Australian Government jurisdictions.

This submission was prepared using members of ASBG's Policy Reference Group.

Yours Sincerely



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