



Mr Dean Knudson  
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Email: [RecycledContentTraceability@dceew.gov.au](mailto:RecycledContentTraceability@dceew.gov.au)

31 August 2023

Dear Mr Knudson

**Re: A national framework for recycled content traceability**

Thank you for the opportunity to provide feedback on the *A national framework for recycled content traceability* discussion paper. The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$15.8 billion waste and resource recovery (WARR) industry. With more than 2,000 members from over 500 entities nationwide, we represent the breadth and depth of the sector, within business organisations, the three (3) tiers of government, universities, and NGOs.

In WMRR's view, Australia needs a fundamental paradigm shift to achieve the goal of 80% recovery and 43% reduction in emissions targets by 2030. In order to transition towards a genuine circular economy by 2030 a regenerative growth model that gives back to the planet is required, to rethink resource efficiency and material flows, as well as developing a collaborative framework that brings together policy makers (from all areas and levels of government), businesses and the community to promote systemic change.

WMRR acknowledges that the recycled content traceability framework is one of the many projects that the department is currently undertaking, however WMRR is concerned that the resources being dedicated will not result in the systemic change sought, and again focuses at the end-of-life of products. The framework does not drive cultural or behavioural change with 80% of products' environmental impacts determined at the design phase, including the use of recycled material this is where emphasis should be placed. If Australia is to become a nation that values resources, we need to shift the culture around producer responsibility obligations (EPR) that so far has relied on clunky and burdensome government regulation. The proposed scheme continues in this vein. WMRR encourages the Department to go beyond the *Recycling and Waste Reduction Act* and develop a framework to transition to a circular economy as seen in the European Green Deal, starting with a scheme akin to the *Waste Directives* that creates generator responsibility and obligations for all materials.

Although this paper sets growing demand for secondary raw materials as an aim, traceability as an economic lever is weak and if anything may add additional costs to secondary material making it even more challenging to compete with virgin. What is required to actually grow demand for recycled material is greater emphasis on contract specifications that incorporate secondary raw materials and government green procurement at scale to provide assurance signals for long term investment and to drive down the cost of recycled materials. Australia requires national infrastructure planning and genuine product stewardship schemes, given we are seeing increasing volumes to landfill and a stagnated rate of recovery. Action by government must be to grow demand across all material streams for secondary raw materials to bring down their costs and support competing with virgin materials as opposed to creating schemes that further distort externalities rather than addressing them.

Whilst WMRR's substantive submission is attached at **Annexure A**, we note that at present the scheme fails to recognise that the WARR sector is already one that is highly regulated and administered by respective state governments. The secondary raw materials that this scheme targets, are generally always receipted and

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managed by facilities licensed under state EPAs, and the products/ materials produced are regulated by resource recovery frameworks in the respective jurisdictions. As such there is significant documented chain of custody information already available, that should be built on rather than duplicated, particularly when one considers limited ability to export, which if there were positive obligations to utilise Australian recycled materials may address current market challenges as well as any concerns of provenance.

Further WMRR holds grave doubts of the applicability of this scheme to a large number of material types that already have high recovery rates (such as glass, paper and construction materials, and the concern remains that this proposal is a result of some in the plastic supply chain in particular creating a distraction from the real issue of utilising Australian secondary materials, given that material has such a low recovery and recycling rate. Only by mandating design standards and obligating use of recycled will this recovery rate increase, and work on progressing these initiatives should be prioritised. WMRR also believes that one of the greatest benefits that can be achieved by focusing on recycled raw materials, is for government to focus on developing a national campaign on the reasons and benefits of how we manage and consume materials and why, when we cannot avoid or reuse, we should be preferencing secondary raw materials as opposed to virgin. This campaign would help the public understand why a change in behaviour is required and recognise the additional benefits of creating Australian jobs, reducing energy consumption, decreasing carbon emissions and managing the ongoing depletion of the planet. To date we have failed to link climate change issues with consumption for the public. We strongly believe this national conversation is required and will have a greater impact than an additional regulatory scheme.

WMRR's responses to the consultation questions can be found at **Annexure A**. Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gayle Sloan', positioned above the printed name.

Gayle Sloan

**Chief Executive Officer**

Waste Management and Resource Recovery Association of Australia

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**Submission:**

<p><b>3.1 Approach</b> <b>The framework is proposed to be technology-agnostic, outcomes-focused and for voluntary uptake by Industry.</b></p>	<p>The WARR sector is already one that is highly regulated and administered by respective state governments. The secondary raw materials produced that the scheme targets, are generally always receipted and managed by facilities licensed under state EPAs, and the products/ materials produced are regulated by resource recovery frameworks in respective jurisdictions.</p> <p>Rather than duplicating information and data requirements the department should investigate building stronger links with state counterparts to resolve concerns about traceability.</p> <p>Data reporting can be a significant cost to business and it is important that data captured is actually meaningful and does not add unnecessary costs to business. If the issue is that consumers want confidence in the material bought continuing recycled then companies should have a QA process in place that a consumer can rely upon in the event that the current regulatory tracking is not suffice.</p> <p>The possible retrofitting of this scheme over a number of companies that have established integrated supply chains that guarantee traceability of their claims for recycled content, adding additional costs and reporting does not make sense. WMRR does not therefore support any attempt to make this a condition of grants for example when significant costs and investments have already been made (eg Visy, Tyrecycle, BINGO) to be able to manage this integrated supply chain.</p>
<p><b>3.2 Framework objective</b> <b>Industry-led interoperable traceability systems in use across recycled content supply chains providing accessible, accurate and harmonised recycled content information that drives greater use of recycled content in Australia.</b></p>	<p>WMRR strongly supports and has been advocating for more Australian products made from Australian recycled material and supports the work the ACCC is progressing to ensure that producers and consumers are able to easily identify Australian recycled materials.</p> <p>We query the effectiveness of the proposed scheme as the largest supply of Australian recycled materials comes from the C&amp;D stream and the largest demand from the construction industry. These large projects as stated above have several independent Australian and international certification options, that demonstrate compliance/ verify recycled content</p>

	<p>claims and are currently utilized in contracts and in orders.</p> <p>The confidence in Australian recycled material claims is strong and is not a barrier to their uptake as a material stream in manufacturing. Rather increasing the use of recycled materials in Australia requires government support to either drive down the cost of recycled materials (government procurement to support economies of scale) in recognition of the positive externalities and/ or increase the cost of virgin materials (tax on virgin) to correct the failings linked with additional carbon emissions and resource scarcity.</p>
<p><b>3.3 Framework scope</b> <b>The framework would guide traceability for all recycled materials created or used in Australia.</b></p>	<p>If an Australian recycled material scheme were to be developed the supply chain scope would not end with sale for consumption/ end use but continue so that circular re-use and down-cycling could be assessed. This would also go a small way to ensure that products made from recycled materials are themselves recyclable. A product made from recycled material that is single use and non-recyclable does not recognise the true value of resources and will not help Australia reach 80% diversion by 2030.</p> <p>According to the ISO 14021:2016 definition adopted by the proposed scheme used liquids and construction and demolition materials would also fall in scope, however how these very different material streams will be accommodated is not discussed in the paper.</p> <p>Australia has significant challenging material streams that require urgent attention, particularly those within the commercial and industry (C&amp;I) and C&amp;D streams. These streams by their very nature (aggregates and highly mixed materials) make an overly prescriptive traceability scheme impractical. The proposed requirements place not only an additional barrier on recycled content they do nothing to influence the substitution of virgin material with recycled material.</p>
<p><b>3.4 Achieving interoperability</b></p>	<p>As highlighted above the current reporting mechanisms in place are sufficient and additional regulatory burdens to Australian recycled materials will have the opposite effect to those desired by government.</p>

<b>3.5 Traceability model</b>	As above on existing traceability measures are adequate and currently operating.
<b>3.6 Key data elements</b>	The cost of virgin versus recovered materials is not addressed through this scheme. If anything the additional reporting burden widens the already large cost disparity between virgin and recycled materials.
<b>3.7 Tracing recycled content composition</b>	<p>The proposed chain of custody models again ignores the fact that in many jurisdictions there are regulatory obligations not just on the movement and reporting of waste and recycled materials, but also the end of life uses. For example, end of waste codes in Queensland, and Resource Recovery Orders in NSW have very clear obligations on how these materials can be used, how (if approved) they can be mixed with other products (virgin or recycled).</p> <p>Again, WMRR is at pains to point out that there are existing state schemes but also food and other standards that govern the use of this material and therefore assist in reporting/ verifying to the consumer the use of, and sometime the amount of, recycled materials within the product.</p> <p>Is a similar scheme for chain of custody for virgin sought?? How are we so confident that material is in fact virgin- possibly the price?</p>
<b>3.8 Tracing recycled content provenance</b>	<p>No, the country-of-origin labelling has proved that this level is sufficient.</p> <p>Given existing export regulations, rather than adding further costs of the Australian recycled industry, possibly the solution is to restrict imports or place a levy on them to incentivise the use of Australian recycled.</p>
<b>3.9 Tracing recycled content quality</b>	<p>Yes, the scheme duplicates existing practises. There needs to be requirements set so that no products can come to market in Australia without producers demonstrating a clear pathway for end-of-life management. The responsibility to prolong a products life and then recover materials for reuse must sit with the producer and not the end user.</p> <p>WMRR is also seeking the development of a national program that requires all manufacturers – local and import – to report and identify hazardous chemicals within the products they produce and supply, similar to the EU’s Register, Authorisation and Restriction of</p>

	Chemicals (REACH) program as well as the Classification Labelling and Packaging (CLP) initiative, which requires identification of the material to allow consumers to make an informed choice.
<b>3.10 Aligning with emerging traceability requirements</b>	Table 8 demonstrates that there is no uniformed traceability standard and WMRR advises the department to focus their energies on higher order waste management hierarchy activities.
<b>3.11 Verification</b>	As already stated, the WARR industry is highly regulated by respective state governments and commercial contracts would include recycled content verification, further there has been significant investment in integrated supply chains to ensure that there is certainty in supply and management of materials. What is required from government is not additional regulation or retrofitting of this, but market development and demand for recycled material.
<b>4.1.1 Responsibilities</b>	Placing a positive obligation on Australian producers to use Australian recycled materials from licensed facilities.
<b>4.1.2 Guiding principles</b>	WMRR advocates for government intervention in the market to increase the uptake of recycled materials over a traceability scheme.
<b>4.1.3 Implementation costs and timeframe</b> 60. Do you think the benefits of traceability outweigh the costs of implementation for your business? Please tell us the reasons for your answer. 61. What additional guidance would you require from governments to support your implementation of the framework?	<p>No not at all, the cost and benefit is unnecessary and requires looking closely at the problem that is trying to be solved here given that currently we are recovering 62% nationally. The problematic materials that require recovering will not be solved via an end of pipe traceability scheme but rather design standards and a real discussion on the value of materials.</p> <p>WMRR queries the cost of the voluntary scheme to manufacturers when existing reporting systems are business as usual and deemed sufficient for the market. The additional cost to the Department to manage a voluntary scheme that at this stage offers no additional benefits.</p>
<b>5 Measuring the framework's success</b>	The last two proposed indicators of performance "amount of recycled content used in manufacturing resulting from access to traceability data" and "access to international markets attributed to traceability" are not able to be accurately verified.



	<p>As stated throughout this response increasing the amount of recycled content in Australian manufacturing should be the goal of the government and driving market demand is the key.</p>
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