



The Hon Tanya Plibersek, MP
Minister for the Environment and Water
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Email: Minister.Plibersek@dcceew.gov.au

5 June 2023

Dear Minister

**Re: Call for comprehensive mandated Extended Producer Responsibility (EPR)
scheme for soft plastics in Australia**

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body for all stakeholders in the waste and resource recovery (WARR) industry. We have more than 2,000 members representing over 500 individual entities nationally, operating across a broad range of business organisations, the three (3) tiers of government, business, universities, and non-government organisations. Our essential industry has very much remained in the national conscience in recent years, yet despite a global move towards circularity including resource efficiency and carbon mitigation, Australia continues to focus heavily on linear behaviour and consumption, with those that create *waste* rarely being held accountable (legally or financially).

In 2023, Australia still has not developed a systemic approach to managing the material that results from consumption to keep it circulating, nor do we adequately promote resource recovery or preferencing Australian recycled material, even though it is a clear expectation that the community has of our essential sector, business and government. Today on *World Environment Day*, WMRR calls on all Environment Ministers to establish an effective, fully-funded (by industry) Extended Producer Responsibility (EPR) scheme for soft plastics, under the Commonwealth *Recycling and Waste Reduction Act 2020*.

The collapse of REDcycle in 2022 brought into sharp focus the urgent need for national leadership and action to hold brand owners and the packaging industry to account. For too long, these producers and generators of these materials have avoided responsibility for end-of-life product management. Councils and communities at the end of the chain are often left to deal with the challenges and costs of a growing stream of low value, high complexity materials. This is not sustainable and the social, economic and environmental costs are significant.

WMRR does not deny that there have been significant challenges in dealing with soft plastics, which is why strong action needs to be taken now. As noted in Arcadis' February 2023 "Harmonising MSW Kerbside Collections in Australia" report, commissioned by the Commonwealth Department of Environment, *soft plastics have high recovery potential, but key issues need to be overcome in terms of sorting/processing and end markets*. As also noted by APCO in its 2020 Roadmap, developing a circular economy for soft plastics is hampered by the material's diversity, complexity, single-use nature, and low market value. Phasing out or redesigning problematic formats is an important part of the solution.

The Australian Food and Grocery Council (AFGC) proposed National Plastics Recycling Scheme (NPRS) is seeking to have council-funded kerbside system as the primary *collection* mechanism for soft plastic packaging. The NPRS (as

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currently outlined) does not constitute an EPR scheme nor has it “secured broad support from local government and industry” in fact there is strong opposition to it from across the supply chain, with a large number of concerns being publicly expressed (not the least of which being the lack of reprocessing infrastructure or local Australian market demand for this recycled material). This scheme appears to be “product stewardship” in name only, with councils expected to cover much of the cost and all the risk. The scheme should not be supported by government, given its lack of demonstrating a genuine whole of supply chain solution.

WMRR urges the Commonwealth Government to use its powers under the *Recycling and Waste Reduction Act 2020* (and with the support of state and territory ministers) to establish a mandatory product stewardship scheme for soft plastics (in fact all packaging ideally), that is:

- Fully funded by those importing, producing, and selling the material; we believe that the *Used Oil scheme* could provide a basis for this given it addressed imports and is also in part administered by the Australian Taxation Office;
- Accessible to the community via a comprehensive network of retail and community drop off points;
- Supported by mandatory design standards and national packaging targets, including stronger enforceable targets for Australian recycled content, as well as looking to use the oil scheme to introduce a tax on virgin plastic;
- Supported by mandatory adoption of the Australasian Recycling Label on all consumer packaging; and
- Accompanied by an ongoing consumer education program.

All these elements must be in place to genuinely solve this challenge, not simply the collection system. The absence of sufficient reprocessing capacity and matching demand for Australia recycled products, was a significant contributor to the REDcycle collapse. There are however numerous global examples (especially in the European Union) of funded and effective packaging EPR schemes for Australia to draw upon, including schemes that fund the construction and upgrade of facilities to both sort and reprocess these materials, as well as incentives to utilise the recycled output in the supply chain via eco modulation of scheme levies.

The AFGC’s proposed NPRS does not impose any clear or enforceable obligations on AFGC members or other soft plastics producers. Much like the REDcycle program, involvement with this scheme would allow AFGC members to tout their environmental credentials without any accountability for the materials collected through the scheme. Further the AFGC scheme pushes the cost of the scheme to councils and does not place any obligation on producers to utilise Australian recycled content collected or adhere to the CEFLEX design standard. The scheme also fails to establish national infrastructure for collection or reprocessing or address the most difficult and challenging part of the system, namely the creation of demand and end markets for the Australian collected material.

As such, WMRR urges all Environment Ministers to work together to address the entire system and not continue to fall into the trap of the prior Commonwealth government and simply focus on the collection systems, without putting equal or greater focus on waste avoidance and minimisation at the design and production stages, and on end market development including the use of Australian recycled materials. On World Environment Day 2023 we need comprehensive action, not knee-jerk reactions, please do not hesitate to contact the undersigned to discuss.

Yours sincerely

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