



The Hon. Matt Kean
Chair, Climate Change Authority
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Submission via [online portal](#)

1 September 2025

To the Hon. Mr Kean

Re: Comments on the Climate Change Authority's Issues Paper - 2025 Annual Progress Report

Thank you for the opportunity to provide feedback to the Climate Change Authority ("CCA") on the 2025 Annual Progress Report. As noted in the CCA's 2024 Annual Progress Report. *"Climate impacts are hitting home harder and more often for Australian communities. At the same time, major new markets are emerging for low and zero emissions goods as the world works towards net zero. Cutting emissions now is vital for minimising future climate damages and will position Australia to seize new economic opportunities."* Consequently, WMRR's comments essentially pertain to this theme of strengthening and embedding carbon policy across government's economic growth initiatives - enabling decarbonisation and the making of credible claims regarding circular production, driving investment in Australian resource recovery industries and supporting the development of markets for recovered products. In WMRR's view, by making more efficient use of our resources, we reduce our carbon emissions and foster economic growth.

About WMRR

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$21 billion waste and resource recovery (WARR) industry. With more than 2,300 members from over 400 entities nationwide, we represent the breadth and depth of the sector, including representation from business organisations, the three (3) tiers of government, universities, and Non-Government Organisations (NGOs), including research bodies. Our members are involved in a range of important WARR activities within the Australian economy, including infrastructure investment and operations, collection, manufacturing of valuable secondary raw products from resource recovery, energy recovery as well as community engagement and education.

Being at the forefront of the ongoing evolution towards whole-of-system action and the development of a circular economy, WMRR strongly advocates for a systems-based approach to managing materials in Australia to prolong life and mitigate carbon impacts. This includes fierce advocacy for the waste and resource management hierarchy, which promotes avoidance of waste, and the diversion of materials from landfill through design for reuse, recovery, recycling and composting of resources. WARR activities playing a crucial role in the broader economic system both in terms of providing materials management through operating appropriate infrastructure, and in terms of supplying market ready recovered or remanufactured materials to Australian industries, for example construction and manufacturing. Given the clear benefits of recovered materials including reduced emissions (along with job creation and building local resilience), it is essential that products



made from resource-recovered materials are enabled to compete fairly with virgin products in both local and global markets, and that investment in innovative recovery technologies is actively encouraged and supported.

Q1: How well is the Australian Government supporting the transition to net zero?

It is WMRR's view that the Australian government needs to do much more to support the transition to net zero. Australia is increasingly falling short of its targets to reduce greenhouse gas (GhG) emissions, increase resource recovery, and reduce waste generation. With our current recovery rate at 67%, a material circularity rate of just 4% (compared to the global average of 7.2%), and as of March 2025 only a [28% reduction in emissions](#), Australia's transition to a low-carbon circular economy urgently requires government leadership to facilitate trade in low-carbon and circular products. To support Australia's emissions reduction target, a roadmap for circularity must be developed that prioritises how we extract and manage materials to mitigate GhG emissions, or at the very least, the current Government's promised Net Zero Plan for our industry should be completed. This means applying a systems lens to Australia's export and imports, developing appropriate financial incentives, deploying meaningful procurement strategies and implementing product design requirements to support value chains that drive demand for recovered products over their virgin counterparts. In WMRR's view, the federal government has a real opportunity to realign Australia's economic and environmental priorities through sharpening its focus on the waste and resource recovery industry in order that less can be used for longer, which is essential if Australia is serious about reaching both its climate and circular economy goals.

Australia's WARR sector has strong potential for low-cost abatement and economic gains, however the potential remains largely underutilised. Multiple state and national reviews have highlighted that moving towards a [circular economy](#) in Australia will deliver [significant emissions reduction](#). For example, [South Australian analysis found that efficiency and circularity measures could cut the states GHG emissions by 27% \(about 7.7 Mt CO2-e\) by 2030](#). Whilst recovery initiatives demonstrate strong abatement returns - many even with negative or low abatement costs - realising these benefits relies on investment in processing infrastructure with genuine and stable end markets. Despite growing household participation and government collection mandates, the absence of robust regulation, domestic end markets and sufficient processing capacity is stalling progress.

Without clear financial and regulatory incentives, including access to carbon credits, mandated procurement of recycled content and government investing in regional urban processing infrastructure, investment remains limited. This traps the industry in a cycle where recovery is possible but not profitable. To break it, Australia must create conditions that support the emergence of a sustainable circular economy, without just relying on 'encouragement'. This means linking material recovery to carbon markets, creating demand through procurement and recycled content mandates. These are discussed further below. Without these changes, Australia risks continued stockpiling of materials, missed abatement opportunities and growing reliance on virgin materials - increasing emissions given the reluctance to discuss, let alone establish, sustainable productions and consumption targets in Australia. With the right incentives, WMRR's [high-level analysis](#) from publicly available data indicates that the WARR sector can become a central pillar of the decarbonisation strategy, cutting over 9.5 million tonnes of CO2-e annually, while generating billions in direct and indirect economic value, creating thousands of jobs and building more resilient domestic supply chains.

There is market appetite for products and services offering to reduce carbon impacts. The rise of 'greenwashing' and misleading carbon claims in product marketing- highlighted recently by the Energy Australia ["Go Neutral"](#) litigation and the ACCC's intensified crackdown on misleading environmental and sustainability claims

underscore the growing focus on greenwashing and sends a clear warning to businesses that they must ensure accuracy in making green claims or face regulatory action. This is a direct reflection of the growing interest from businesses and consumers to actively reduce their carbon footprint, and their willingness to pay for credible sustainable products. It is imperative that the Commonwealth government utilises regulatory and policy levers to enable industry to meet this demand.

Q2: What changes could the Australian Government make to improve the effectiveness of existing policies or address gaps in supporting Australia's transition to a low-emissions, climate-resilient, and prosperous economy?

Reducing carbon emissions through better waste and material management has been identified in government policies such as the *NSW Waste and Sustainable Materials Strategy 2041* and the Federal Circular Economy Ministers' Advisory Group's Final Report *The Circular Advantage* - which calls for Australia to implement a *Circular Economy Act* to provide the legislative framework for setting standards for the design and labelling of imported and locally manufactured goods mirroring the approach in the European Union to use less material for longer promoting both resource efficiency and carbon mitigation. Government at a national level must drive systems and supply value chain action to make more efficient use of our resources and therefore reduce our carbon emissions. The most meaningful ways to do this in WMRR's view would be embed and strengthen climate change action across government departments to:

i. Genuinely Incentivise the Use of Recycled Materials (not simply report)

Embracing closed-loop systems, where materials retain their quality for reuse in similar products, is vital for a more circular and less fossil-fuel-dependent future. Australia must address its low material productivity (USD \$1.20/kg compared to the OECD average of USD \$2.50/kg) by incentivising the use of recovered materials. For instance, implementing mandatory Extended Producer Responsibility (EPR) schemes for packaging and renewable energy systems (e.g., solar panels) will support these efforts.

Incentivising the use of recycled plastic in particular needs urgent attention. Plastic waste remains one of the most challenging and emissions-intensive waste streams in Australia. Tackling plastic pollution and climate change requires addressing the underlying links between these two (2) issues. Australia generates just under three (3) million tonnes of plastic waste annually, yet only 12.5% is recovered. Plastics sent to landfill represent a missed opportunity both in terms of emissions reduction and material recovery. [The production of virgin plastics, especially polyethylene variants like LDPE emit an estimated 1.8 t CO₂-e per tonne, while recycling emits approximately 0.9t CO₂-e per tonne.](#) Nationally recycling LDPE specifically could abate 330,981 tonnes of CO₂-e, at an average cost of \$79, for a total cost of around \$26.15 million.

Reviewing and streamlining export regulations and eliminating barriers to recovered material use will further enhance Australia's competitiveness and management of critical rare minerals. Nationally, this could be addressed through:

- Investment in developing and enforcing standards (including packaging design) that incorporate recycled material content.
- Mandatory government sustainable procurement of recycled materials implemented, including Federal government capital grants requiring the purchase and reporting of recycled materials.



- A national education campaign on circular resource management, including the benefits of recycled products compared with virgin, and emphasising waste avoidance, source separation, and proper disposal of hazardous materials.
- Financial incentives for using recycled materials, such as GST exemptions on recycled products.

In order to create supply chains that demand the use of recycled materials over virgin, it is integral that these cross-cutting initiatives for climate action, economic growth and resilience, and resource recovery are embedded in Commonwealth policy and regulation.

- ii. *Expand Clean Energy Opportunities by strengthening financial incentives under the ACCU scheme and establishing a 'renewable materials' framework, similar to renewable energy under the Guarantee of Origin scheme.*

Major WARR facilities are significant capital assets that can assist with decarbonisation through displacing emissions in intensive energy sources (i.e. Energy from Waste), abating embodied carbon (processing secondary rather than virgin materials), and reducing emissions (i.e. gas capture). The direct link between carbon abatement and resource recovery is highlighted by WMRR's high level, desktop analysis which has been compiled from publicly available data available online and provided at [Annexure A](#). Australia's carbon credit unit scheme (ACCU) provides an important financial incentive to make these projects viable and should continue to channel investment into waste and resource recovery projects.

Landfill gas capture and flaring/energy projects are a common source of ACCUs, as such this provides the main incentive for landfill methane abatement (rather than the Safeguard Mechanism, as discussed in our response to the next question). Extending the crediting periods for the Alternative Waste Treatment (AWT) methodology and urgently developing methodologies for Energy from Waste (EfW) and recycling projects will help unlock investment, create jobs, and reduce emissions while aligning with Australia's climate goals. WMRR has also recently advocated for the remaking of the Source Separated Organic Waste method, noting that this would benefit efforts to maximise the diversion of organic material from landfill and further reduce methane emissions.

WMRR has also recently advocated for the broadening of the Guarantee of Origin scheme (GO Scheme) beyond energy systems to include all materials in the circular economy, given this could improve market access, assist with trade relations and enable recognition of recovered content against circularity goals. Participation will have the ability to offer a market advantage for companies wanting to demonstrate low-carbon credentials or eligibility for 'green' procurement. In the first instance, WMRR has called for prioritising the development of product pathways for LCLFs and Biomethane ahead of Australia's 2030 resource recovery and landfill diversion targets. Expanding the scheme beyond energy system products would help to level the playing field between recycled and virgin materials within supply chains by providing a credible and internationally consistent emissions accounting scheme that provides an objective account of a product's carbon footprint. Arguably, recycled materials would gain preferential market access driven by green procurement preferences and carbon border mechanisms.

Q5: How effective is the Safeguard Mechanism in driving onsite emissions reductions at Australia's largest industrial facilities since its 2023 reform?

WMRR notes that the Safeguard Mechanism is under review in the near term, and our comments relate specifically to its application to landfills, which we do not consider should fall within this mechanism. The



mechanism is designed to discourage high-emitting coal and gas facilities from relying on fossil fuels. In our view, landfills have little relevance under the Safeguard Mechanism, as they provide an essential waste disposal service rather than producing controllable industrial outputs. Landfills cannot influence the type of material received for disposal, and the sector has already accelerated emissions reduction under the Emissions Reduction Fund, and further progress is expected through government organic waste diversion policies leading up to 2030.

This position does not imply that landfills should avoid performance requirements. Landfill facilities should continue to comply with EPA guidelines and manage landfill gas in line with best practice for their scale and location. Methane emissions from landfills are more appropriately addressed through targeted measures such as methane capture, Australian Carbon Credit Units (ACCUs), and waste-specific regulations. In this context, the Safeguard Mechanism does little to drive emissions reduction from landfills.

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'.

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

Annexure 1: WMRR carbon modelling showing the impact of recovered waste streams

The following desktop analysis was completed by the WMRR National Office in July 2025 based on publicly available data sourced from Australian State and Commonwealth Government websites. *Measurements are indicative only.*

Stream	Current generation (t)	Recovery Rate	Carbon from Landfill/ remaking it (CO ₂ -e per tonne)	Recycling / recovery emissions (CO ₂ -e per tonne)	Estimated cost of abatement (\$ per tonne CO ₂ -e)	Potential CO ₂ -e abated (t)	Potential total cost (\$)	Description	Confidence in National Cost Estimate
Paper and Cardboard	4,877,536	55.79%	0.6	-1.9	-9±6	353,223	-3,179,007	Recycling of mixed MSW Paper	High
					-55±22	861,982	-47,409,010	Recycling of Mixed C&I paper	High
Organics	13,033,020	58.55%	2.1	0.05	-35±18	1,350,000	-47,250,000	Composting household FOGO	Medium
					10±15	1,027,933	10,279,330	Composting C&I Garden Organics	Medium
					69±75	1,014,592	69,006,828	Chicken feed from commercial Food Organics	Low
Textiles	864,618	12.74%	4.4	1.5	82±20	276,331	22,659,207	Composting Cotton Textiles	Low
Glass	1,356,283	60.99%	0.3-0.6	0.2	112±50	97,898	10,964,976	Recycling of kerbside glass for containers	High
Plastics	2,988,602	12.47%	1.8	0.9	79±18	330,981	26,145,459	Recycling of LDPE	Medium
Metals	5,973,053	89.78%	1.4	-1.6	-1046±545	6,401	-6,695,446	Replacing imported scrap (from interstate) with local scrap (NSW only)	Medium
Building and Demolition	26,793,776	83.61%	0.96	-1.85	29±8	288,424	8,364,296	Increased use of SCMs in Portland Cement	Medium
					-75±100	634,500	-47,587,500	Recycled Asphalt in Road construction	High
					52±16	1,150,786	84,603,984	Geopolymer Cement	High
tyres	~545,000	58%	1.5	0.75	103±150	642,243	66,151,029	Use of crumb tyres in asphalt	Low
					-52±21	27,286	1,418,872	Tyre derived Fuel use in cement	Medium
E Waste	511,000	~10%	~11	1.2	-50±100	1,500,000	-75,000,000	Recovery of Valuable metals from e-waste	Low
Total	73,912,888	66.07%			7.58	9,562,580	72,473,018		