



The Hon Sussan Ley MP
Minister for the Environment
Department of Agriculture, Water and the Environment
GPO Box 858
CANBERRA ACT 2601
Email: ministers.stewardship@awe.gov.au

15 December 2021

Dear Minister Ley

Re: Nominations for the Minister's product stewardship priority list

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing all stakeholders in Australia's \$15.5 billion waste and resource recovery (WARR) industry. Our more than 2,000 members span the breadth and depth of the sector, across the three (3) levels of government, private sector, universities, and NGOs.

WMRR's purpose is to lead the success of the WARR industry while ensuring that the environment and community are protected through safe and responsible resource recovery. WARR is a shared responsibility, and it requires a multi-pronged approach that tackles waste generation and reduction (i.e., consumer consumption behaviour), product design and use of Australian recycled materials (e.g., through mandated extended producer schemes and recycled content targets), as well as efficient processing and recycling of materials. All of these must be backed by robust regulations and policies, as well as other assistance such as the appropriate placement of financial responsibility, use of financial tools (such as taxation), and assistance with research and development.

While the WARR sector is capable of safely storing, disposing, and or reprocessing and recycling end-of-life materials, the current disproportionate emphasis on solving at end-of-pipe only seeks to perpetuate linear thinking. For Australia to move towards a circular economy, and not one that simply circulates and down-cycles, we require interventions (regulatory and policy) that require a product's creation and lifecycle to design out waste and pollution to enable every part of the supply chain to play a clear role in material management, which ideally includes systems for re-use and repair, and does not rely wholly on recycling. A commonly accepted policy globally that can fund and drive this is the polluter-pays principle, stipulating that those who produce the pollution bears the cost – at least part of it – of managing the material at all stages including end-of-life, and in so doing, prevents damage to human health and the environment. Not only is this a logical solution, it is a proven concept, having been around since 1972 and is today at the heart of environmental laws in the EU, which most OECD countries have also employed.

This principle is a powerful one because it provides moral, legal, and financial imperatives for product manufacturers to take responsibility for the products they create. This policy approach has the potential to drive a paradigm shift in the creation of products at first instance, with greater thought and emphasis given to material selection and product design, in order to minimise the costs associated

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with total lifecycle management. In Australia, this principle is already in action to some extent across products such as beverage containers, paint, oil, mobile phones, and TVs and computers.

There is now an opportunity to expand polluter-pays and commensurate extended producer responsibility (EPR) to many more materials currently circulating in Australia, and WMRR continues to advocate that an EPR approach to material management, which may include product stewardship, can help safeguard Australia's environmental and human health objectives, as well as create jobs and economic opportunities, whilst identifying the true costs and funding for these aspects. We therefore welcome the opportunity to nominate products and materials for inclusion on the Minister's 2022–23 product stewardship priority list.

WMRR is nominating two (2) products for inclusion on next year's list, these being **solar PV panels**, and **white goods**. Recovery and recycling practices for these goods and the materials within them is currently inadequate, and their disposal to landfill poses challenges as well as health and environmental risks. WMRR will also reiterate the need for a **mandatory** product stewardship scheme for **packaging**. The inadequacy and failure of voluntary and co-regulatory approaches to product stewardship is especially clear in the case of single-use and composite packaging. Although the Australian Packaging Covenant Organisation (APCO) was established to oversee the co-regulatory, industry-driven product stewardship scheme for packaging, and is pursuing the 2025 National Packaging Targets, it is failing to achieve these to-date. In fact, APCO's own recent Collective Impact Report provides concerning evidence that progress towards achieving Australia's 2025 National Packaging Targets is stagnant, or in the case of some targets, going backwards. In 2019-20, for example, only 16% of plastic packaging was recycled or composted – down from 18% in 2018-19, and well short of the 2025 target of 70%.¹ Thus, while APCO is supposedly leading the development of a circular economy for packaging, progress towards this aspiration is severely lacking and APCO's continued emphasis on the pursuit of end-of-pipe 'solutions' such as new recycling infrastructure for 'technically recyclable' packaging materials embodies an improper focus on end-of-life 'solutions'. Instead, to create a genuine circular economy for packaging, we must focus on design and material selection. In the absence of this, an effective product stewardship scheme must be developed where the costs to fund infrastructure (and not APCO's operations) should be implemented with the costs of the scheme, and managing the packaging lifecycle borne by the generator and producer of these products.

With regards to solar PV systems, WMRR recognises that Sustainability Victoria is leading the development of a product stewardship scheme in Victoria and the NSW EPA recently awarded grant funding for recycling initiatives. However, similarly, we urge the federal government to encourage the prioritisation of a mandated national scheme for solar PV panels in particular. Research has shown that the rapidly accelerating uptake of solar PV as an electricity source in Australia has the potential to create a problematic waste stream in the future. A study commissioned by the Victorian government found that it is highly unlikely that appropriate end-of-life management for solar PV

¹ [APCO Collective Impact Report](#), 2021; according to the Report, progress towards the National Packaging Targets (of 100% recyclable, compostable or reusable packaging, and 50% average recycled content) have also remained stagnant or gone backwards between 2017–18 and 2019–20.

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systems – and panels in particular – will happen in the absence of a product stewardship scheme.² In nominating solar PV panels for inclusion on the Minister’s product stewardship priority list, WMRR stresses that without a mandated scheme, the rapidly growing uptake of solar and pursuit of emissions reductions risk undermining Australia’s National Waste Targets. If adopted, a regulated national EPR scheme for solar panels will ensure that Australia’s carbon abatement outcomes are achieved without coming at the cost of the National Waste Targets. Improved recovery of the valuable components and materials that solar panels are comprised of can moreover enhance carbon abatement by reducing the need for emissions-intensive exploration and extraction of virgin materials required for the manufacture of new panels.

Although not previously listed on the Minister’s product stewardship priority list, white goods are another problematic material stream because of the environmental challenges posed with their disposal, particularly with regards to refrigerants, which are a potent source of greenhouse gas emissions when not properly disposed of. While white goods are often accepted by metal recycling programs, they contain other valuable components. A focused product stewardship scheme for white goods could also help to ensure that the refrigerants within them are not improperly disposed of, and that all the valuable components contained within these products are valorised and cycled back through the economy.³

For the two (2) nominated products, and for packaging, WMRR recommends a mandated product stewardship approach be pursued under the *Product Stewardship Act* instead of a voluntary or co-regulatory approach. EPR schemes allow the regulation of design standards to end the creation and use of problematic products, as well as the development of incentives for manufacturers to use Australian recycled materials. Although such mandated schemes will involve greater initial investment on the government’s behalf to set in place the regulatory framework and policies to begin with, in the long run, they are the most effective means of incentivising improved product design and resource recovery towards achieving a circular economy where ‘waste’ is designed out. This is because mandated product stewardship ensures industry participation, and thus buy-in.

Driven at the federal level, such EPR schemes can drive a streamlined national approach to the product stewardship of these three (3) products and encourage the development of aligned policies among the states and territories. This will be favourable to companies that produce these products, most of which operate nationally, if not internationally. The latter is significant as EPR schemes are in operation for many overseas jurisdictions. The European Commission’s *Packaging and Packaging Waste Directive* requires all European Union Member States to set up systems for the return or collection and reuse or recovery of used packaging to meet its recycling targets. Often, EPR schemes are pursued to achieve this. As of 2020, 25 European countries have EPR systems in place.⁴

Particularly in the case of problematic composite and single-use packaging, WMRR again emphasises that the current co-regulatory product stewardship scheme under APCO is not working and that a regulated EPR scheme that incorporates design standards and funding arrangements must be

² [Equilibrium PV Systems Stewardship Options Assessment Second Phase](#) (for Sustainability Victoria), 2019, p. 35.

³ Planet Ark, 2020, [‘Whitegoods’](#).

⁴ WWF, 2020, [‘How to implement extended producer responsibility \(EPR\)’](#).



pursued. The 2025 National Packaging Targets deadline is fast approaching and without improved attention to this issue, we risk falling far short of these objectives.

Please do not hesitate to contact the undersigned if you would like to discuss WMRR's submission further.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gayle Sloan', positioned below the 'Yours sincerely' text.

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia