



The Hon Minister Sharpe MLC
Minister for the Environment, Minister for Heritage, Minister for Climate Change and Minister for Energy
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By email: office@sharpe.minister.nsw.gov.au

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Dear Minister

Australia can no longer delay mandatory packaging reform

The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$20 billion waste and resource recovery (WARR) sector. With more than 2,350 members from around 400 entities nationwide, WMRR represents the breadth and depth of this essential industry, including businesses, all three tiers of government, universities, NGOs and research bodies.

WMRR wishes to take this opportunity to call on all Australian Environment Ministers to use the upcoming September Environment Ministers Meeting (EMM) to agree to, and accelerate the implementation of mandatory, nationally consistent packaging regulation. Australia has spent years discussing packaging reform. Environment ministers in 2023 and 2024 already agreed that packaging regulation must be reformed in order that packaging available in Australia is designed according to circular economy principles and can be recovered, reused, recycled and safely reprocessed.

The Commonwealth subsequently consulted on three (3) regulatory reform options. That consultation closed on 29 October 2024 and received 426 responses. More than 80% of respondents preferred Commonwealth regulation and 65% supported an extended producer responsibility (EPR) scheme with mandatory requirements, including respondents supporting a hybrid model. Yet almost two (2) years later, Australia is still waiting for a preferred regulatory model, a legislated implementation timetable and binding obligations on every business placing packaging on the Australian market.

Australia does not need another consultation on whether reform is necessary. It needs and expects governments to act and keep their promises.

Australia should be moving with the ambition of the EU

While Australia has continued to deliberate, the European Union has enacted its *Packaging and Packaging Waste Regulation (PPWR)*, which generally applies from 12 August 2026. The PPWR establishes requirements across the packaging lifecycle, including packaging design, recyclability, composition, recycled content, waste prevention and producer responsibility. It also places restrictions on PFAS in food-contact packaging. This raises an obvious question for Australian governments.

Why should Australians accept a lower standard of packaging than consumers in Europe?

Many of the same multinational FMCG companies placing packaging on Australian shelves must now operate within the much stronger European regulatory framework while continuing to run highly profitable global

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businesses. If these companies can redesign packaging, meet stronger recyclability and recycled-content requirements and take greater responsibility for packaging in Europe, Australian consumers should not be left with poorer packaging—and the costs and environmental harm it creates—simply because Australian governments have failed to require the same level of responsibility.

Australia should be establishing a regulatory framework of comparable ambition, adapted appropriately to Australian collection, processing and manufacturing systems.

Harmful chemicals must be designed out at the source

Packaging regulation cannot focus simply on whether an item can theoretically pass through a collection or sorting system, this has been one of the greater failures of our current Packaging Covenant (APCO). It must address what packaging contains and what happens when those chemicals enter recycled materials, compost, soil, water and the broader environment.

Australia's own 2024 *National Waste Policy Action Plan* identifies new national packaging regulation as an environment ministers' priority and expressly calls for packaging design requirements that improve recyclability, set minimum recycled-content thresholds and ensure packaging placed on the market is free from harmful chemicals. This too must now translate into regulation. PFAS and other persistent and hazardous chemicals cannot be effectively managed through end-of-pipe waste regulation alone. Once these chemicals enter recovered-material streams, recyclers, composters and other resource recovery operators can be left to identify, test for, manage and carry the commercial and regulatory risks associated with substances they did not manufacture, import or place on the Australian market. This has implications well beyond packaging.

Australia has committed to halving the amount of organic waste sent to landfill by 2030. Governments are asking councils, households and businesses to separate more food and garden organics and are expecting the resource recovery industry to invest in the infrastructure needed to process those materials and return recovered organics safely to productive use. We cannot credibly pursue those objectives while continuing to allow packaging containing problematic chemicals to contaminate the very material streams we are trying to recover.

The cheapest and most effective place to manage these substances is *before* they enter the economy—not after they become someone else's waste problem. However as recently as July 2026 we witnessed APCO ask its members when it would 'like to phase' this problematic chemical out — oblivious to the mandatory obligations that exist under Australia's Industrial Chemicals Environmental Management Standard (iCHEMS). Australia needs source control. Harmful and unnecessary chemicals must be designed out before packaging is placed on Australian shelves, and the current co-regulatory scheme has clearly demonstrated its inability to deliver this.

Poor packaging is not free

WMRR is concerned that packaging reform continues to be characterised as creating a new cost for Australian consumers. That fundamentally misunderstands where the costs of packaging sit today. Packaging has never been free. There is a cost to collecting it. There is a cost to sorting it. There is a cost to processing it. There is a cost to managing contamination, litter and residual material. There is a cost when packaging cannot be recycled. There is a cost when problematic chemicals contaminate recovered materials. And there is a cost to developing the infrastructure and markets needed to keep materials circulating in the Australian economy.

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Those costs already exist. The real question is who should pay them?

At present, too much of the cost created by packaging decisions is externalised onto councils, ratepayers, taxpayers and the waste and resource recovery sector. Australian households effectively pay once when they purchase a packaged product and then pay again through council rates, taxes, waste charges, litter management and public investment in the systems required to manage that packaging after use. Meanwhile, the businesses that decide what packaging enters the Australian market can remain insulated from much of its end-of-life cost.

That is not a functioning circular economy. It is a market failure.

Mandatory producer responsibility does not invent a new cost. It fairly allocates existing costs to the businesses that design, manufacture, import and profit from the products and packaging placed on the Australian market. It is only these companies that can redesign the packaging to reduce these adverse cost impacts.

Packaging has never been free. Australia has simply been sending too much of the bill to households and local government rather than to the companies that determine what packaging is sold.

Cost-of-living concerns must not become an excuse for inaction

WMRR recognises the very real cost-of-living pressures facing Australian households. However, claims that producer responsibility will automatically translate into equivalent increases at the supermarket checkout should be scrutinised rather than simply accepted.

Large FMCG businesses continually manage movements in commodity prices, labour, energy, transport, exchange rates, packaging inputs and retailer negotiations. They make decisions about where to absorb costs, where to find productivity savings and where prices can be increased. There is no reason to assume that every dollar associated with packaging responsibility must automatically be passed through to consumers- in fact we have a clear demonstration of this not being the case with the introduction of container deposit schemes nationally. Nor should producers be able to characterise the cost of responsibly managing their packaging as an entirely new environmental impost when those costs are already being borne elsewhere in the economy.

A properly designed EPR framework instead creates an economic incentive to avoid the cost: use less packaging, eliminate unnecessary materials, design out problematic chemicals, improve recyclability, incorporate recycled content and develop reuse systems. Those that improve should pay less. Those that continue to place excessive, problematic, difficult-to-recycle or harmful packaging onto the Australian market should pay more. That is the polluter pays principle operating as intended.

Voluntary arrangements have had their opportunity

Australia has spent years relying heavily on voluntary packaging targets and collaborative arrangements. They have not delivered the systemic change required. Responsible producers should not be commercially disadvantaged because competitors choose not to participate, fail to meet voluntary targets or continue placing poorer packaging on the Australian market. Mandatory regulation creates the level playing field that responsible businesses should want. It also provides the certainty required by Australia's resource recovery, recycling and



manufacturing sectors to invest in infrastructure and creates the demand signals necessary to build domestic markets for recycled plastics, glass, paper, metals and recovered organic products.

What environment ministers should agree

WMRR calls on Environment Ministers at the next EMM to agree to:

- mandatory national packaging regulation, including an EPR framework with universal producer participation;
- a clear, legislated implementation timetable;
- mandatory packaging design standards based on what can actually be recovered and reprocessed through Australian systems and utilising the PPWR framework not another bespoke Australian approach;
- mandatory minimum recycled-content requirements that create genuine demand for Australian recovered materials;
- urgent enforcement of iCHEMs restrictions and phase-outs for PFAS and other problematic chemicals in packaging;
- packaging reduction, reuse and avoidance requirements alongside recycling requirements;
- eco-modulated producer fees in order that better packaging costs less and problematic packaging costs more;
- producer responsibility for the reasonable costs of collection, sorting, processing, education, data, compliance, market development and management of residual packaging;
- transparent producer registration, data, reporting, auditing and enforcement;
- measures to eliminate free riders;
- strong national oversight and meaningful penalties for non-compliance; and
- direct involvement of the waste and resource recovery sector in setting standards in order that regulatory requirements reflect the capabilities and infrastructure needs of Australian recovery systems.

Australia's Environment Ministers have already agreed that packaging regulation needs reform. Consultation has been completed. Australia's own *National Waste Policy Action Plan* identifies national packaging regulation, recycled content and the removal of harmful chemicals as priorities. Meanwhile, other major markets have moved ahead. Australian households should not be expected to accept poorer packaging and pick up its costs and consequences while the same highly profitable multinational FMCG companies are required to meet stronger packaging standards in Europe.

Every additional year of delay means more poorly designed packaging entering the Australian market, more contamination for recycling and organics systems, more costs being transferred to councils and households and greater uncertainty for businesses being asked to invest in Australia's circular economy.

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The reality is that poor packaging is not free, and nor is it free from harm. The question before governments is not whether Australia can afford to introduce mandatory packaging reform. It is how much longer Australians should be expected to pay for the failure to introduce it?

WMRR urges Ministers to resolve the regulatory model and implementation timetable at the next EMM and move without further delay to mandatory national packaging regulation.

WMRR and its members stand ready to work with all governments to deliver a strong, practical and nationally consistent framework.

Yours sincerely

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia