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The Treasury
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Submission via [online portal](#)

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Dear Ms Barker

Re: National Competition Policy - Lowering barriers to the adoption of international and overseas standards in regulation

Thank you for the opportunity to provide feedback to the Treasury on the *National Competition Policy - Lowering barriers to the adoption of international and overseas standards in regulation*. Two (2) documents have been released for consultation to implement standards reform - the Competition Reform Guidelines ("the Guidelines") which provide a set of evidence-based pro-competitive actions that governments can undertake to improve regulatory harmonisation of standards; and the Best Practice Handbook ("the Handbook") which has been designed to support Commonwealth policymakers and regulators to better recognise and adopt international, regional, and overseas standards in regulation at the national level. The Handbook and Guidelines embed a "Decision Tree" for policymakers on standards adoption and development, prompting policymakers to adopt existing standards as appropriate (including international, regional, Australian and overseas standards) where that standard could be used to achieve the regulatory objective.

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 circulation of materials through design for reuse, recovery, recycling and composting of resources. WMRR's advocacy efforts align with the goals of creating a circular economy - wherein products and materials are designed so they can be more productive for longer through reuse, remanufacture, recycling or recovery, in order that less can be used for longer. Given the clear benefits of recovered materials (reduced emissions, Australian job creation and building local resilience), it is imperative that products derived from resource recovered materials are able to compete in local and global markets with virgin products, and that investment in innovative recovery technologies is promoted and supported.

In WMRR's view, the National Competition Policy reforms to lower the barriers to adopting international standards in regulation provide a valuable opportunity to implement existing appropriate standards and

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regulation in a number of WARR and circular economy areas, including sustainable design and labelling of high volume, globally marketed products which currently contain hazardous substances (such as PFAS) and are problematic not just for the WARR industry to safely and effectively manage but also potentially for the community.

Voluntary product stewardship schemes for these problematic materials have failed, and prior commitments from our National Environment Ministers to introduce urgent national reforms for [packaging](#) and [batteries](#) in particular, have stalled, despite increasing volumes of these products placed on market year on year¹, low recovery and high waste generation rates, and their significant environmental and safety risks. The European Union (EU) has a significant number of regulations that focus on safety (e.g. the Classification, Labeling and Packaging (CLP) Regulation and the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) programmes), circulation (Sustainable Design) and generator obligations (Waste Directives Framework and the new Packaging and Packaging Waste Regulation (PPWR) that would assist Australia greatly in creating the safe circular economy where material productivity is increased and carbon mitigated as per national targets.

Previous attempts to intervene on these problematic materials have focused on environmental outcomes (increased diversion from landfill, increased recycling, decrease in plastic litter and pollution, addressing fire risks), however there is increasing urgency for the federal government to consider these products also in terms of consumer law (ie: greenwashing, trade in unsafe imported low-quality products) and community safety (fire risks, litter, contamination of the environment from emerging hazardous chemicals). Mandatory design and labelling requirements for these products could help prevent their continued mismanagement and align Australia's consumer protections with international standards. Without such measures, there is a significant risk that Australia could become a dumping ground for products that fail to meet regulatory requirements in markets like Europe, where stronger consumer protections are already in place. For this reason, WMRR stresses the need for a systems approach to WARR that is cognisant of the start of our circular supply chain – that is, those that make products. Extended Producer Responsibility is a cornerstone for a successful circular economy - which according to [Australia's Circular Economy Framework](#) (CEF) is something Australia is looking to achieve in the near term.

The Regulatory Objectives for Australia's WARR Sector

As outlined above, there are regulatory objectives in terms of consumer law and community safety. However, Australia's overarching regulatory objectives in relation to the WARR sector are set by the *Recycling and Waste Reduction Act 2020*, the CEF which has an overarching target to double Australia's circularity rate by 2035, and the [National Waste Policy Action Plan 2024](#) (NWPAP) which includes seven (7) targets including to recover 80% of resources by 2030. These objectives aim to transform how we use, reuse, and regenerate resources across the economy, and given the immediacy of the timeframes to reach the targets, require immediate policy pathways that make the use of secondary raw materials 'standard practice'. It follows that Australia's government should focus upstream—on product design and labelling—to establish mechanisms that will enforce obligations for safe recycling and recovery, increased recycling and reuse by consumers, and drive investment in local circular processing infrastructure.

The case for removing barriers to adopt mandatory product standards for product design and labelling

When it comes to transitioning to a circular economy and designing out waste and increasing material productivity, it is essential that products are designed with circularity as a priority from the outset. It cannot be stressed enough that product standards play a vital role in setting definitions, ensuring product quality, supporting traceability, and facilitating market access for secondary raw materials such as recycled. This is

¹ Only 56% of all packaging was recovered in 2021-22, with plastic packaging having the lowest recovery rate of just 20%.

Only [10%](#) of Australia's lithium-ion (Li-ion) battery waste was recycled in 2021, despite the potential for 95% of battery components being recoverable for alternative use or turned into new batteries. and li-ion [battery waste is growing by 20 per cent per year](#) and could exceed 136,000 tonnes by 2036. There is currently no single mandatory safety standard for Li-ion batteries or products containing Li-ion batteries, and no nationally consistent requirements for testing, certification or labelling for Li-ion battery products.

particularly critical given interconnected global supply chains for all and the pace at which other regions have adopted circularity standards in product manufacturing - such as the EU.

As mentioned above, the EU's approach is to place a positive obligation on those that make products, to take responsibility for their products and their impacts (environmentally and economically). The EU is ahead of Australia in that it has already established regulatory frameworks grounded by extended producer responsibility for products placed on market, using the [Waste Framework Directive](#) (which lays down the principles for managing materials in the European economy with a view to designing out waste) and the [European Green Deal](#) (which sets legally binding targets for the states).

Many relevant mandatory design and labelling requirements are already in place in the EU regulations. For example:

- the EU [Packaging and Packaging Waste Regulation 2025/40](#) sets out requirements for the entire life cycle of packaging in terms of environmental sustainability and labelling;
- the more broad *Ecodesign for Sustainable Products Regulation (ESPR)* is focused on products which may have a significant impact on the environment. It aims to contribute to doubling the circularity rate of materials used in the EU by stating that a 'sustainable product' must be characterised as
 - using less energy,
 - have a longer usage period, be easily repairable,
 - contain parts which may be disassembled and put to further use,
 - have no or fewer substances of concern,
 - be easily recyclable and/or containing more recycled content,
 - lower carbon and environmental footprint over its lifecycle,
 - have improved availability of information on its sustainability.

In addition to the regulatory standards set under the Waste Directive Framework, the EU has also implemented standard *EN 45560: Method to achieve circular designs of products* focus on the material efficiency of products to make products more sustainable throughout their lifecycle (emphasising durability, reparability, recyclability, and the use of recycled content, among other factors) to minimise environmental impact and promote a circular economy. Whilst a horizontal standard – rather than being product specific – it can provide a very useful blueprint to apply to any product design or standard. It is apparent that removing barriers to adopting the EN45560 - for the regulation of materials at the product design and labelling stage would help level the playing field between recovered and virgin materials in Australia, and promote the regulatory objectives captured by the CEF and NWPAP.

WMRR concurs with the 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 EU. Ideally Australia would be taking a national approach to this action, given we are one (1) common market. To date however, we have seen significant state based action given the reluctance of the Commonwealth to Act in WARR policy and possibly a lack of understanding of the role that can be played at a national level to drive systems and supply chain action to achieve national environmental, economic and climate actions. The Productivity Commission could play a key role in highlighting that this lack of national action to create consistency in the common market of Australia creates significant costs and barriers to efficiency in Australia, affecting both local and international investment and confidence.

For products where a national framework has not been adopted, WMRR supports alignment between Australian jurisdictions, to eliminate fragmentation and reduce business costs so that producers and processors can be competitive across one (1) national market. Batteries regulations have been high on both the national and state agendas due to their risk of fires caused by incorrect collection, storage and disposal. The current lack of

consistent national standards in the lifecycle management of battery and battery related products is a major gap in Australia's transition to a circular economy, creating fragmentation, uncertainty, and limited investment confidence. However, there has been some recent progress towards state led regulation, which could then be mirrored by other states.

The Guidelines state that jurisdictions should define their regulatory objective and determine whether mandatory standards are the most appropriate policy tool to achieve it, ensuring the regulatory option offers the largest net public benefit to the community. Crucial to Australia's regulatory objectives of achieving a circular economy is the idea of Australia as one (1) market, and moreover, as part of a larger global supply chain. The longer businesses delay meeting the eco-design standard for products that is already being set by other jurisdictions, the harder and costlier it will be to catch up with evolving regulatory and market expectations – led by others such as the EU – potentially jeopardizing market access and national economic security. Furthermore, without ambitious domestic reform, Australia also risks becoming the destination for low-quality goods that are no longer accepted for trade by our international peers.

National Competition Policy plays an important role in redressing the balance between virgin and recovered materials, and further, can set the baseline obligations on producers for products placed on the Australian market when mandatory design and labelling standards are imposed. WMRR welcomes reforms that promote the adoption of aligned and mandatory standards, as this is absolutely crucial for the ongoing viability of Australia's evolving WARR industry as we transition to a circular economy.

We trust that Treasury appreciate that Australia's current lack of guidance about what products are placed on market could be addressed through prioritising the adoption of standards for circular design and labelling, as well as consumer safety. WMRR welcomes the opportunity to further consult with Treasury around the issues impacting the WARR industry as it relates to lowering the barriers for creating circularity and driving material productivity. Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely



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Chief Executive Officer

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