



Mr David Fredericks PSM
Secretary
RAWR Act Review Team
Partnerships, Infrastructure and Analysis Branch
Circular Economy Division
Department of Climate Change, Energy, the Environment and Water

By Email: rawr-review@dcceew.gov.au

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Dear Mr Fredericks

Re: Statutory review of the *Recycling and Waste Reduction Act 2020* (the Act).

Thank you for the opportunity to provide feedback on the review of the *Recycling and Waste Reduction Act 2020* ("the Act"). The Waste Management and Resource Recovery Association of Australia (WMRR) is the national peak body representing Australia's \$17 billion waste and resource recovery (WARR) industry. With more than 2,300 members from over 410 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.

The Act is the main Commonwealth legislation that supports action on the circular economy through the licensing and regulation for the export of recovered commodities (glass, plastic, tyres, and paper), and by establishing a framework for product stewardship. The Act is intended to provide a national framework for industries to take greater responsibility for the environmental, health and safety impacts of their products and waste materials. Noting that the first object of the act is to 'reduce the impact on human and environmental health of products, waste from products and waste material', it is WMRR's view that without firstly mandating sustainable product design and generator responsibility for the entire lifecycle of the products placed on market, the objects of the Act and its desired outcomes cannot be achieved.

The blunt instrument of export regulations imposed through this Act are arguably an end of pipe initiative that through the inadequacy of the support measures put in place by government to date, have failed to address the disconnect within Australia's recycling industry between the community's desire to recover source-separated residual materials, and the lack of both local reprocessing infrastructure and end-markets in place needed to facilitate domestic offtake given the economic settings to enable this end to end investment have not eventuated at scale. For example, whilst we have seen significant investment in plastic reprocessing -particularly in PET - this has not occurred on a national scale with areas such as WA and Far North Queensland not having sufficient access. Further, we also have not seen the local Australian demand necessary to utilise this material, and in the absence of import restrictions we see local Australian rPET struggling to compete with cheaper imported feedstock.

Australia needs to prioritise the recovery and reinvestment of these valuable materials back into the economy. Existing product stewardship schemes under the Commonwealth Act have not done enough to shift responsibility for creating waste and managing products through the lifecycle on to the generators, and have

instead become simply collection schemes at end of life. As a global market player with minimal restrictions on our imports, these existing conditions have the real risk of making Australia a dumping ground for products that cannot meet the standards that are being applied in for example the European Union (EU) under the Waste Directives Framework, nor does it propel Australia forward to increasing material productivity as aspired to in the *National Circular Economy Framework* towards *using less for longer*. The Act at present, continues to employ a “business as usual” approach and applies mechanisms already in place (and outdated) to Australia’s ‘waste outputs’, when what is required is a systems approach that looks at all the contributing factors (environmental, regulatory, and economic) within the supply chain and establishes an agile framework that can be applied across all products that starts with the fundamental objective to design out waste and pollution.

WMRR understands that the review of the Act aims to identify improvements to product stewardship schemes, waste export regulations, and domestic recycling infrastructure, ensuring a sustainable and responsible approach to resource (waste) management. It is WMRR’s view that the review of the Act should be done holistically and in consideration of the broader system in which secondary raw materials sourced from waste outputs exist within domestic and global (circular) supply chains, as well as the national objectives contained in both the above mentioned *National Circular Economy Framework*, as well as the recently adopted updated *National Waste Policy Action Plan*. Rather than consider in isolation whether waste export rules or product stewardship regulations are fit for purpose, it would be more useful for the government to consider holistically how it can use the Act as the sole Commonwealth legislative instrument, to lead ‘from the top down’ and take decisive action to ensure that resources entering Australian supply chains are designed with circularity in mind, and supported by generator obligations to responsibly manage that material or product through all stages of its life-cycle, including economic incentives that drive outcomes such as material productivity for example, preference the use of secondary raw materials over virgin materials.

WMRR is supportive of invoking regulation for mandatory product stewardship with mandated design requirements under the Act. However, it is also necessary to be able to regulate for sustainable design requirements and establish a stronger generator obligation similar to the EU Waste Directives when there is not a product stewardship scheme in place. It should be a requirement for all producers to ‘do the right thing’ as in design out waste and pollution, establish a system that supports reuse, repair and ultimately recycled without the heavy regulatory burden of stewardship systems. In many ways establishing a clear generator obligation across the entire economy, including positive sustainable design obligations will not only reduce the risk of Australia being a dumping ground for inferior and hazardous products, but create a level playing field whilst driving improved circularity outcomes for both the economy and the environment. WMRR has provided comments below, identifying what we consider are the critical discords that the Commonwealth has a genuine opportunity to address it in this review of the Act.

1. *The existing settings for the WARR industry focus on ‘waste outputs’ and do not recognise secondary raw materials as valuable commodities or inputs into Australia’s manufacturing industry.*

When considering this statutory review of the Act, it is pertinent to consider the national policy framework that guides the Commonwealth’s approach to waste and the WARR sector. The 2023 National Waste Policy Action Plan Progress Summary Report established that the resource recovery targets set by the 2019 National Waste Policy Action Plan are unlikely to be met under the current arrangements. Of all the waste generated in Australia - the vast majority of which is valuable natural resources that have only been used once - only 66% of it was recovered in 2022-23. The includes targets and priorities to guide investment and efforts to get Australia towards the seven (7) 2030 resource recovery and waste management targets. The Act speaks most directly to



Target 1 of the revised [2024 National Waste Policy Action Plan](#) (NWPAP) – which specifically bans export of waste plastic, paper, glass and tyres, in support of Australia's goal to manage its own waste, reduce reliance on overseas disposal, and promote the development of local recycling and remanufacturing industries. Product Stewardship, particularly in terms of plastics and packaging materials, metals, tyres and rubber, should indirectly support Target 4 of the NWPAP - to significantly increase the use of recycled content by governments and industry and Target 3 of the NWPAP – the continued phase out of problematic and unnecessary plastics, however progress in these areas has been limited with for example plastic recovery as low as 12% nationally.

The recently adopted *Circular Economy Framework* sets the goal of doubling Australia's circularity rate by 2035, supported by targets of reducing our per capita material footprint by 10% (Target 2 of the NWPAP), lifting material productivity by 30% and safely recovering 80% of our resources (Target 2 of the NWPAP). The circular economy is based on the concept that products are designed for reuse and repair to extend life, and designed in such a way that at end of life the recovered resources are safely remanufactured, reprocessed and recycled into products that can contribute meaningfully to supply chains and displace their virgin counterparts. It is based on 'designing out waste and pollution' by ensuring that front-end manufacturing uses materials that do not contain harmful contaminants, and which are capable of prolonged life and secondary uses.

Creating a national market economy that will double its circularity rate by 2035 necessarily requires economic and regulatory levers to align in order that sustainable design obligations are in place at the start of the supply chain, as well as secondary raw materials (such as metals, plastic, paper, cardboard, rubber, organics and glass) are treated as manufacturing inputs within our supply chains able to compete equally with virgin materials, but also recognizing the benefit of less emission profile when compared with virgin. At present, there is a lack of understanding of the benefits that secondary raw materials bring to the supply chain and the environment, significant barriers remain in place (for example, the lack of generator obligation to utilise, lack of supportive specifications) and there remains little incentivisation for the recovery of valuable materials and the use of recovered materials over virgin.

Australia continues to have no mandated procurement or recycled content thresholds to drive domestic reprocessing / remanufacturing and recycling, which makes little sense when one considers that the Australian government limited access to overseas markets for these materials since 2020 (with no commensurate restriction on imports). Given that Australians continue to be one of the highest producers of waste globally, yet we are only recovering 66% of this material, the disconnect between supply and demand urgently needs to be addressed by the Act if we are bona fide about reducing ...'the impact on human and environmental health of products, waste from products and waste material'. The Commonwealth, states, territories, and local governments also have a role to play to drive market pull-through of secondary raw material products by adopting more supportive, mandated procurement targets, which would align under such a framework.

The inherent issue that underpins discussions about aligning resource recovery targets and circularity goals is that all of government – and its related policies and regulations – must consistently recognise (and appreciate) the difference between a waste output and a commodifiable product, as well as the fact that Australia is a significant importer of products operating in a global market. The current export regulations only recently commenced distinguishing between recovered materials that have simply been aggregated enmasse in single materials streams, and those which have been processed into a manufacturing output meeting a quality specification with a designated, market demand. Processed, flaked and pelletised recovered plastic, for example, is a commodity that should be treated in the same way as virgin and exit the regulatory requirements

of the export restrictions. The complexity and delays experienced by those attempting to export to manufacturing facilities that have demand for this material globally given limited demand in Australia, is unwarranted and should be removed. The reality is that there is significantly greater cost for businesses to invest, develop and manufacture a recovered resource when compared with virgin and should not continue to be subjected to these regulatory and market barriers (time and cost to process applications) that virgin is not, when they have found acceptance with buyers overseas given the limited demand in Australia. The safety of these commodities should be regulated by general consumer and product liability law, along with relevant industry standards and other legislation.

Further the export regime as it stands is another layer of regulatory intervention over and above state regulation that in the vast majority of instances, licenses and regulates this 'waste' material. Processors should not be subject to yet another level of regulation- again making the playing field with virgin uneven. Rather, the Commonwealth should build on the state regulation and look to accredit licensed facilities that make these materials and products for export (as opposed to material by material), akin to the Product Recoverability Note (PRN) scheme in the European Union which would have the additional benefit of supporting a future regulated packaging scheme by identifying recycling and recovery facilities. This lack of systems thinking and ongoing conflation of recovered commodities with waste outputs, undermines the viability of a circular economy.

WMRR cannot stress enough the difficulty and time taken to navigate the current export restrictions which has proved burdensome for WARR operators and impacted their economic viability (for example renting facilities whilst waiting application consideration to export recovered product) and participation in global markets – a point that has been noted by WMRR in its meeting with officers from DCCEEW in late 2024. This has been clearly hampered by the lack of strategic analysis, as well as data and knowledge that appears to exist at a macro level within the Department. For example, there has been limited to no alignment after the initial round of funding under the Recycling Modernisation Fund (RMF) against materials being collected and produced in Australia by state. Further, when considering applications for export (due to no such facilities being located commercially nearby - or even in the same state), this data is not readily available and often competitor views are sought. If this system was built on National Waste Data, as well as Plastic Fates and Flows and the licensing approvals by state, a strategic picture of what is being produced and available by state would have emerged by now, enabling greater strategic investment and eliminating the excessive processing times seen, as well as influencing future policy attention. Again, the current approach demonstrates how the deployment of the Act has worked against circularity in Australia.

2. The need to focus on mandated sustainable design – the starting point for a truly circular economy

In order to move towards circularity and design out both waste and pollution, the essential building block or starting point must be mandatory sustainable design requirements placed on all generators that place products on the Australian market. Government must exercise this important economic and regulatory lever – and it means taking a systematic approach that may disrupt existing systems and supply chains, however it will be in the broader community and environmental interest to do so. Implementing mandatory requirements requires strong and decisive government leadership and urgent action on preventing harmful contaminants and chemicals (such as PFAS, asbestos previously) from continuing to enter Australian supply chains in order that they can be prevented from circulating (and recirculating) in the economy and environment. It also requires government to incentivise the domestic infrastructure needed to facilitate the reprocessing and remanufacturing of the constituent materials so that they can be safely and reasonably accessed by local

markets. These incentives do not necessarily have to be economic, they can be policies that for example require takeback, use of recycled local content, the ability to repair, etc.

Sustainable design goes hand in hand with the NWPAP reduction goal of designing out waste and places an active duty on generators to make products that can facilitate circular outcomes and systems investment. It also has the real benefit of levelling the playing field, by enabling those that are designing for a sustainable lifecycle, to compete with low quality, inferior products that fail to meet quality standards, have short use and are effectively waste. As mentioned above, it is important that there is a legislative ability to mandate sustainable design requirements outside of stewardship schemes, capturing a broader generator obligation / extended producer responsibility obligation.

Whilst a stronger mandatory product stewardship framework alone may help catalyse action across supply chains that improves resource recovery of *specific* items, when aiming to achieve circularity, the real priority for government must be to regulate the start of the supply chain to ensure that safe, quality products are placed on market in the first place and inclusive of secondary uses and end-of-life management. This goes beyond patchwork product stewardship and simple take-back. This necessitates 'front of pipe' mandatory product design requirements and extended producer responsibility schemes that squarely place responsibility on generators to design out waste. These responsibilities must be placed on both local and imported goods placed on market.

At present, the product stewardship schemes developed appear to require generators to manage the life-cycle impacts involved in placing their products on market only in theory with little emphasis on design or standards, and limited requirement to fund or manage the true costs of managing the infrastructure needed to facilitate. Further in Australia, product stewardship schemes are largely voluntary schemes that are industry led, and as such their effectiveness has been limited. When the Act was introduced, it was hoped that it would improve the existing framework for product stewardship, by encouraging companies to take greater responsibility for the waste they generate through the products they design, manufacture or distribute. The existing product stewardship schemes such as the Battery Stewardship Scheme, Tyre Product Stewardship Scheme, the Big Bag Recovery Scheme, MobileMuster and the National Television and Computer Recycling Scheme have had limited success due to their reliance on industry led initiatives, the conflict of managing costs to industry verse outcomes for the broader community and environment, as well as being built from the bottom up by voluntary participants possibly enabling free-riders, inconsistency and consumer confusion about how the schemes actually work.

Often as mentioned above they end up as little more than collection schemes with a complete disjoint between market development and circularity, and the existing concept still exhibited by DCCEW (in for example its *Wired for Change* paper) that creating competition between recyclers will manage the materials collected in a commercially viable manner and keep costs down. This is completely false - the reality is we need generator obligations to design with safe materials, design or disassembly and ideally create the market for remanufactured materials and products once they reach the end of life. Nowhere is this more obvious than e-waste - the current approach to collection without markets results in dangerous stockpiles and the continues drawing down of critical minerals and natural materials.

WMRR encourages the Commonwealth to use this review of the Act to address the need for genuine national regulation on design, mandatory product stewardship and generator obligations, as this is what will keep materials circulating in the market at their highest and best value for as long as possible. The Circular Economy Ministerial Advisory Group (CEMAG) report '[The Circular Advantage](#)' echoes much of this key sentiment held by WMRR – noting the significant gaps in terms of Commonwealth regulation for product and material design standards, and mandatory product stewardship and extended producer responsibility. Addressing these gaps would shift the dial on circularity and ensure that the WARR sector does not continue to do the 'heavy lifting' alone needed to reach Australia's necessary 2030 targets- necessary also for reaching our carbon emission reduction target of 43% cut in 2005 emissions by this date.

The reality is that WARR processing infrastructure in Australia can only do so much in a market with minimal front-end regulation to address contaminants (as distinct from contamination when the wrong item is placed in the collection system), that has the real ability to undermine recovery and product quality, or prove hazardous or unsafe for the environment and human health, as is the case now where every day for example household collection vehicles are taking to recycling and composting facilities loads that are riddled with PFAS containing products bought daily from supermarkets, departments stores and chemists without restriction. Furthermore, capital investment into WARR infrastructure would likely increase when there is a regulatory environment that provides certainty and supports the realisation of the government's circular economy deliverables including mandates for sustainable product design and circularity.

In WMRR's view the opportunity exists for the Australian Government to recognise the complexities and interconnectedness of the WARR industry with the broader economy and the connectedness of the supply chain, through an integrated economic and environmental waste directives framework like has already been done in the European Union (EU). Adoption of such a comprehensive framework will ensure a consistent approach across the entire supply chain for producers, generators and the WARR industry. Similarly, introducing a *Circular Economy Act* (as per the recommendation of CEMAG) would provide a clear, adaptable and predictable regulatory framework to lift the environmental performance of products *entering* the economy and could be more broadly applied. This would involve the creation of sustainable design standards for durable, recoverable and repairable products which will decrease reliance of virgin materials in existing supply chains (and mitigate carbon).

Sustainable design includes designing out hazardous materials and implementing regulation like REACH and CLP (EU) for all chemical substances used in products placed on market (and could be hinged off existing environmental and consumer law). EU programmes such as REACH which controls the manufacture, import, supply and safe use of chemical substances in the EU and CLP which requires companies to classify, label and package their hazardous chemicals correctly before placing them on the market are absolutely vital in Australia given the inadequacy of the proposed iCHEMS system when protecting consumers and the broader environment, including supply chain.

3. Reduction goals can only be achieved through genuine systems thinking

Reduction goals (designing out waste, reduced waste generation, reduced greenhouse gas emissions, reduced use of virgin materials) require systems thinking across the entire supply chain including intervention at the start of the supply chain. Circularity and designing out waste will eventuate if materials placed on market are safe and suitable for circulation and not designed for single use. Without government requiring the circular nature of materials entering into Australian supply chains, there will not be enough momentum or incentive for manufacturers to place products on market that use less for longer. This is especially the case for imported



products that only the Commonwealth government has the ability to restrict given its unique powers on importation and taxation.

It is WMRR's view that the current Act is piecemeal with export bans and product stewardship schemes not providing a clear vision (or support) as to how material and products will be managed to meet the stated objectives of the Act. The approach of regulating specific types of waste outputs and simply using 'end of pipe' mechanisms fails to address the economic and environmental value in secondary raw materials that are recoverable from current waste streams as valuable manufacturing inputs. Interventions on the disposal and processing of discarded products that were often not well designed, contained little to no recycled content and do nothing to increase material productivity, instead add expense and compliance hurdles for the WARR industry who have no control over what products enter the market in the first place. This approach therefore continues to fall short of creating a system that generates less waste and reduces environmental impacts.

The recent feedback received by the Commonwealth on the National Packaging Reforms, wherein over 80% of respondents preferred Commonwealth regulation of packaging and 65% supported an extended producer responsibility (EPR) scheme with mandatory requirements¹, is testament to the important opportunity this (and that) review provides for the government to take decisive action, apply systems thinking and look to lead Australia towards circularity. Put plainly, the dial needs to shift to put the onus on generators to place products on the market that are safe for circulation (and re-circulation). WMRR points to its previous submissions including the [Senate Inquiry into Waste Reduction and Recycling Policies](#), [Productivity Commission Inquiry into Opportunities in the Circular Economy](#), [National Reform of Packaging Regulation](#), and the [Mixed Wastepaper and Cardboard Export Rules](#) which also urge the Commonwealth to apply systems thinking to give emphasis to generator responsibility and recognise the WARR sector as part of the broader Australian manufacturing landscape and as key player within both the global and domestic economies.

Please contact the undersigned if you wish to further discuss WMRR's submission.

Yours sincerely

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia

¹ <https://www.dcceew.gov.au/environment/protection/waste/packaging/reforming-packaging-regulation/consultation-summary>, February 2025.