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Committee Secretary
Senate Standing Committees on Environment and Communications
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Canberra ACT 2600

via: https://www.aph.gov.au/Parliamentary_Business/Committees/OnlineSubmission

To whom it may concern

**Excise Tariff Amendment (Product Stewardship for Oil) Bill 2023 [Provisions] and
Customs Tariff Amendment (Product Stewardship for Oil) Bill 2023 [Provisions]**

On behalf of the Australian Council of Recycling (ACOR), we strongly support the aim of the Product Stewardship for Oil (PSO) Scheme (the Scheme) to both capture the value inherent in end-of-use oil and reduce the harm caused from dumping into the environment. We welcome the opportunity to advise on the amendment of the Scheme.

ACOR is the peak industry body for the resource recovery, recycling, and remanufacturing sector in Australia. Our membership is represented across the recycling value chain, and includes leading organisations in CDS operations, kerbside recycling, recovered metal, glass, plastics and paper reprocessing and remanufacturing, road recycling and construction and demolition recovery. Our vision is an Australian circular economy where resource recovery, remanufacturing and recycling are central to generating economic and social value, while improving the health of our environment.

While we welcome the move to raise the PSO levy to 14.2 cents per litre, we strongly recommend that the benefit for recycling should be raised alongside the levy. This benefit has remained unchanged for 22 years, at 50 cents per litre, while costs during that time have substantially increased.

The Scheme's stasis has resulted in a lack of investment certainty for the oil recovery industry. Industry goodwill has meant free collection has continued while the benefit rate remained unchanged, but just as the Scheme should not continue to run in deficit, recyclers cannot operate at a loss.

Collection of used oil has typically been free, ensuring strong engagement with the Scheme. Without an increase in the benefits paid through the Scheme, the cost for collection will need to be passed on – particularly in regional and rural areas where transport costs are substantially more than the benefit paid. Charging for collection presents a risk of undesirable outcomes, such as oil dumped into waterways.

In concert with consultation on a review of the Scheme, led by the Department of Climate Change, Energy, the Environment and Water, we agree that the levy should be raised to 18–19 cents per litre and the benefit raised to 60–65 cents per litre. This would enable the Scheme to continue to successfully provide an important environmental service whilst supporting investment confidence in recycling.

We would be very pleased to engage with you further on this issue, and all matters relating to resource recovery, recycling and remanufacturing.

Yours sincerely

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Chief Executive Office