



Committee Secretary
Standing Committee on Environment and Communications
Parliament of Australia
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CANBERRA ACT 2600

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14 September 2020

Dear Committee Secretary

Inquiry into the Recycling and Waste Reduction Bills 2020

The Waste Management and Resource Recovery Association of Australia (WMRR) welcomes the opportunity to provide a submission to the House Standing Committee on Industry, Innovation, Science and Resources' inquiry into innovative solutions in Australia's waste management and recycling industries.

WMRR is the national peak body for all stakeholders in Australia's \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members across the nation, representing a broad range of business organisations, the three (3) tiers of government, universities, and NGOs. The industry drives jobs - employing approximately 50,000 full-time employees – and investment in the economy. Our members are involved in a range of important waste and resource recovery activities, including community engagement and education, infrastructure investment and operations, collection, manufacturing of valuable products from resource recovered materials, energy recovery, and responsible management of residual materials including energy from waste and landfilling. WMRR's purpose is to lead the success of this essential industry while ensuring that the environment and community are protected through the safe and responsible management of waste and resources.

Australia produces on average 67 million tonnes of waste annually and has been consistently recovering approximately 62% of this, with 27 million tonnes still being landfilled each year. This is a significant volume which is not assisted by the fact that Australians (per capita) are the second highest generators of waste in the world.

WMRR appreciates the opportunity to comment on the package below that was referred to the committee on 3 September 2020 by the Senate, being: Recycling and Waste Reduction Bill 2020;

- Recycling and Waste Reduction (Consequential and Transitional Provisions) Bill 2020;
- Recycling and Waste Reduction Charges (General) Bill 2020;
- Recycling and Waste Reduction Charges (Customs) Bill 2020; and
- Recycling and Waste Reduction Charges (Excise) Bill 2020.

At the outset, WMRR reiterates its support for the intent of this package, and acknowledges that it can play a part in Australia's journey to building a sustainable domestic remanufacturing industry, strengthening our economy and creating Australian jobs, while ensuring human and environmental health are protected. As an industry, we have always advocated that Australia should be processing our own materials and recyclables instead of sending them to factories in Asia to be manufactured into products where there is a real chance we will simply import again and buy back these products! As an industry, we want to decouple ourselves from the

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global market and establish a strong remanufacturing base that creates four (4) times more jobs in Australia than we currently do by landfilling or exporting.

WMRR absolutely supports the COAG statement of 9 August 2020:

“Leaders agreed Australia should establish a timetable to ban the export of waste plastic, paper, glass and tyres, while building Australia’s capacity to generate high value recycled commodities and associated demand. They tasked Environment Ministers to advise on a proposed timetable and response strategy following consultation with industry and other stakeholders. Leaders agreed the strategy must seek to reduce waste, especially plastics, decrease the amount of waste going to landfill and maximise the capability of our waste management and recycling sector to collect, recycle, reuse, convert and recover waste.”

The waste streams captured in the ban, with the exception of tyres, are the result of kerbside collection of largely packaging material found in the yellow recycling bin. However, despite the mandated bans having an impact on the WARR industry, and the bans being proposed to commence from 2020, there is a severe lack of emphasis in this package on both the creation and design of these products, or the creation of demand, and therefore markets for, these post-consumer materials that are caught by the Bills.

This lack of understanding of the impact that packaging has, and will continue to have (and further, that it was the predominant material impacted by the introduction of China’s National Sword Policy almost two years ago), coupled with the failure to date in holding polluters and waste generators accountable for part of the cost of managing their end-of-life materials, as well as requiring the re-using of post-consumer recyclate (when packaging waste can in fact be returned to packaging with the right investment and regulatory signals) have stood in the way of Australia’s successful post-China transition and is in industry’s view, a major impediment to the success of the COAG bans.

The decision by government in preparing this package and including the *Product Stewardship Bill* initially provided optimism that there was an understanding of the impact that packaging (and products) has on the environment, given Australia’s very linear approach to material management, the need to strengthen design and hold generators accountable, as well as the need to create local markets for recycled materials. However, this paradigm shift has not eventuated to-date.

WMRR is wholly concerned that too little emphasis, thought, and consideration have been, and continues to be placed on driving market demand for post-consumer recyclate and recycled products. Requiring producer responsibility, implementing funding models that result in polluter-pays, setting enforceable targets with penalties, and rolling out levers and incentives that disincentivise virgin-use are all tools and policies that have been introduced by other OECD nations over recent years; however, these continue to be lacking in Australia. If this lack of emphasis and intervention on the remainder of the supply chain continues, perverse outcomes will result from the ban, for instance, an increase in volumes sent to landfilled or stockpiled, or worse, illegally dumped. To reiterate again, the waste and resource recovery industry is end-of-pipe - we are the receivers of materials, not the generators of them.

Government must do more to build onshore markets; Australian governments must start leading the way by committing funds to buy Australian recycled materials in all government projects and goods that they purchase, as well as setting clear vision in the bill as to the community and economy it wishes Australia to be. In WMRR’s view, this includes committing to expenditure for recycled materials, implementing enforceable recycled content targets, implementing sustainable design legislation, as well as developing genuine extended product stewardship legislation that holds the generator of such products to account. Australia, like the majority of the world, must actually move to a circular economy (not simply ‘encourage’) underpinned with circular thinking

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and funding, and stop allowing linear approaches to products that include externalising the costs of managing end-of-life to councils and the waste industry as opposed to holding generators accountable for the materials they select and the designs they choose. Only by doing this will we see a real transition to a circular economy in Australia. As such and to support the above, the table below details the changes proposed to the Bill.

Clause	Proposed Change	Rationale
3 (1)(c)	Remove “ promote a circular economy” and replace with “ develop a circular economy”	This will strengthen Australia’s commitment to moving to a circular economy.
3 (2) (b)	Include the word “ re-manufacture ”	This will send a strong signal to business and the community that the government is committed to building a manufacturing sector in Australia using the recycled materials being captured by the Bill, as well as committing to creating Australian jobs.
3 (2) (b)	Remove the word “ using ”	Product stewardship is about manufacturers and generators taking responsibility for the environmental impact of their product, and it is time to signal in Australia that the passing of responsibility and cost for managing end-of-life (and/ or prolonging) should lie first and foremost with the manufacturer.
3 (2) (c) (ii)	Include the word “ design ”	Improvements in product design, re-use, avoiding the creation of waste and pollution, as well as the use of post- consumer recycle, all start at design stage. The European Union is introducing legislation to require sustainable design principles and Australia should at least look to improve it!
15 (1) (c) et al	Reference to rules	There are a significant number of sections that refer to <i>rules</i> that will have a significant impact on the waste and resource recovery industry, yet these are not available to review. As much information as possible should be included in the final Act to provide certainty to industry and not leave it to the discretion of the Department or the Minister. For example, cl 18 (2) (b) (ii), enables rules to be made in relation to operations of a facility that produces export waste material - this could be detrimental to the cost of these facilities and should be outside the scope of the Bill; similarly, cl 18 (2) (d) (ii) could place significant additional cost and administrative burden on a business into the future. Further information is imperative as industry requires certainty to operate and invest.
65	Publishing license information	For transparency, applications and exemptions should also be published along with licenses granted as per the <i>Hazardous Waste Act</i> .
67 (2)	Minister’s priority list preparations must require consultation	In determining this list, a number of mandatory consultations must take place, these being:

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		<ul style="list-style-type: none"> • state and local government; • environment groups; and • impacted industry groups. <p>This is vital to understand the impact (financial and environmental), existing regulatory regime, and support/ challenges for the inclusion.</p>
67 and 68	Strengthening Minister’s Priority List and Statements	Both these provisions need to be strengthened to create incentives and penalties (carrots and sticks) for products that are included, to ensure there is real progress in a timely manner towards an actual product stewardship scheme.
77 (2) (iv)	This sub-clause should be deleted	A person who uses the product should not be a <i>liable party</i> as they do not have control over design or the ability to improve its durability, reparability or reusability.
85	Co-regulatory arrangements	The <i>Used Packaging NEPM</i> should be brought within the scope of the new Act - this would allow the Commonwealth to set scheme targets and outcomes (rather than industry) and allow for clear consequences and monitoring of non-compliance with the scheme requirements. This framework would drive meaningful change in packaging sustainability and would complement the export provisions of the Act that are dealing with the export of material that is primarily used packaging (paper, glass, plastics).
88, 92 and 93	Strengthen the legislation	At present there is no clear pathway to move a scheme from voluntary to mandatory, or co- regulatory to mandatory, in the event that the scheme is not working as planned, or further assistance in seeking compliance is required. Provisions with clear timeframes must be incorporated that enables direction to be given to move to mandatory schemes in event that there is insufficient action and/or the scheme is failing to meet current objectives.
127 (2)	Delete imprisonment as a penalty	Imprisonment for such an offence is excessive for a third-party officer under the Bill.
159	Delete Waste Material Export Charge ability to levy	The Bill already provides the ability to levy fees and charges for the license and declaration system (albeit at this stage, they remain unknown to industry). There is no justification as to why there should be an additional excise on industry, which is effectively a tax on export of waste materials. This will significantly disadvantage businesses exporting approved waste material, and again, do nothing to drive market demand for these materials in Australia.

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Please do not hesitate to contact the undersigned if you would like to discuss WMRR's feedback further. Please note that WMRR would seek to present to the Committee in person if the opportunity arose and can be contacted on

Yours sincerely

Gayle Sloan
Chief Executive Officer
Waste Management and Resource Recovery Association of Australia