



Australian Government

**Department of Agriculture,
Water and the Environment**

Inquiry into the Recycling and Waste Bills 2020

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Inquiry into the Recycling and Waste Bills 2020

On 3 September 2020, the Senate referred the Recycling and Waste Reduction Bills 2020 (the Bills) to the Senate Standing Committee on Environment and Communications for inquiry and report by 30 September 2020.

This submission provides further information about the Bills to assist the Committee with its inquiry.

Context

Waste and recycling issues are consistently raised by Australians as among their top environmental concerns. The Bills respond to these concerns by implementing legislative measures aimed at reducing the negative impact of products, waste from products and waste material on the environment and on human health.

All governments have a role in waste and recycling issues. The Commonwealth's role focuses on ensuring international obligations are met, supporting global environmental outcomes through cooperation and international engagement, and providing effective national leadership and coordination.

In November 2019, all Australian Environment Ministers agreed the National Waste Policy Action Plan with seven targets, including: banning the export of waste plastic, paper, glass and tyres; reducing waste generated per capita by 10%; and achieving an average resource recovery rate of 80% from all waste streams by 2030.

The Commonwealth Government has recently announced a number of major investments and policy measures which are aimed at achieving these targets. Key measures include:

- \$190 million to the Recycling Modernisation Fund, supporting innovative investments in new infrastructure to sort, process and remanufacture waste materials covered by the export ban;
- \$35 million to implement the Commonwealth Government's commitments under the National Waste Policy Action Plan, which sets the direction of waste reduction and recycling policy in Australia over the next decade;
- \$30 million to Cooperative Research Centre Projects to find new and innovative solutions to plastic recycling and waste;
- \$20 million for the National Product Stewardship Investment Fund which will support the development of new industry-led product stewardship schemes and improve recycling rates of existing schemes, including through establishing a Centre of Excellence for product stewardship; and
- \$24.6 million for Commonwealth commitments to improve our national waste data so it can measure recycling outcomes and track progress against our national waste targets.

These measures complement the Bills by supporting expansion of domestic waste reprocessing capacity and helping build onshore demand for recycled materials.

Overview of the Bills

1. Waste export ban

The Bills will establish a legislative framework that implements the agreement by Commonwealth, State, Territory and local governments to ban the export of waste plastics, paper, glass and tyres. While the waste export ban was agreed by all Australian Governments, it is the Commonwealth Government's responsibility to legislate it.

The Bills implement this agreement by introducing a licensing and declaration scheme. Exporters will need to obtain a licence to export these waste materials where they have been reprocessed prior to export, and are ready for remanufacturing in the importing country. Licence conditions will be designed to ensure that only materials with no or low environmental and human health risks can be exported.

Subordinate legislation, known as rules, will be made for each banned waste material commencing 1 January 2021 through 1 July 2024. The rules will set the specific requirements and obligations for companies seeking to export reprocessed waste materials covered by the waste export ban.

2. Product Stewardship

Product stewardship is an approach to managing the impacts of products and materials on human health and the environment. It acknowledges that those involved in the design, import, manufacture, distribution and use of products have a shared responsibility to ensure that those products or materials are managed in a way that reduces their impact throughout their lifecycle.

The Bill supports voluntary (industry-led), co-regulatory (combination of industry action and government regulation) and mandatory (legally required) product stewardship schemes. It incorporates the existing framework under the *Product Stewardship Act 2011* with improvements which respond to feedback from stakeholders and recommendations from the statutory review of the Act.

Key changes to product stewardship that have been made in the Bill include:

- increasing the transparency of the Minister's product list – renamed the Minister's Priority List – to require the Minister to publish the recommended actions (e.g. the intended outcomes and membership of a voluntary scheme), and the timeframe in which those actions should be taken (e.g. 12 months), in relation to listed products; and
- allowing the Minister to table a statement in Parliament regarding the operation, performance and coverage of accredited voluntary arrangements, including naming entities the Minister considers could be, but are not, participating in that arrangement.

3. Compliance

The Bill will include a comprehensive compliance and enforcement regime, triggering the *Regulatory Powers (Standard Provisions) Act 2014*, providing for a range of modern compliance and enforcement tools to deal with non-compliance. For more serious compliance issues, the Bill will provide for a number of civil penalty provisions as well as criminal offences. The maximum civil penalty is 600 penalty units, and the maximum criminal penalty is five years imprisonment, for example for exporting regulated waste material without a licence.

4. Other Bills

The Recycling and Waste Reduction (Consequential and Transitional Provisions) Bill 2020 outlines how the transition from the existing *Product Stewardship Act 2011* to the new legislative framework will be managed. This Bill will transition provisions under the current product stewardship framework into the new legislation, ensuring that existing product stewardship schemes continue to operate uninterrupted.

The Recycling and Waste Reduction Charges (General) Bill 2020, the Recycling and Waste Reduction Charges (Customs) Bill 2020 and the Recycling and Waste Reduction Charges (Excise) Bill 2020 will provide the legal authority for the Government to recover the costs associated with regulating the export of certain waste materials, where appropriate. Charging will be in line with the Australian Government Charging Framework.

5. Impact of the Bills

The Department anticipates that the Bills will have a positive impact on Australians by reducing the amount of waste that ends up in landfill, while also creating jobs and growing the economy. It will also have a positive impact on the land and marine environment in overseas markets that receive our waste exports. It will drive long-term change in Australia's waste and recycling sector by reducing waste, increasing recycling rates and building greater capacity within our domestic recycling industry.

The waste export ban is expected to see the Australian economy grow by \$3.6 billion in turnover and \$1.5 billion in value-added (or GDP) in present value terms over a 20-year period.¹ This reform is a key step in driving long-term change in Australia's waste and recycling sector.

6. Consultation

Extensive consultation has been a key feature of the development of the Bills. Consultation on the Review of the *Product Stewardship Act 2011* began in 2018 with public meetings in all capital cities. A public consultation round was opened, from which 271 submissions were received. Further targeted consultation was held with stakeholders from the single co-regulatory scheme under the *Product Stewardship Act 2011* and voluntary industry-led schemes. The Review Report was presented in Parliament on 8 July 2020. The Government has also tabled its response to the Review, supporting all 26 recommendations.

Consultation with industry, local governments, non-government organisations (NGOs) and individuals on the waste export ban began in November 2019 and included a consultation paper with 103 submissions received, and a series of industry roundtables around the country. A COAG Decision Regulation Impact Statement was also released, with 62 submissions received.

The Department also undertook targeted consultation on the Exposure Drafts of the Bills in July 2020, including hosting a webinar with around 100 interested industry and government stakeholders.

¹ Source: COAG Decision Regulation Impact Statement at <https://ris.pmc.gov.au/2020/03/20/phasing-out-exports-waste-plastic-paper-glass-and-tyres>