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Committee Secretary  
Standing Committee on Climate Change, Energy, Environment and Water  
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Canberra ACT 2600

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To Whom It May Concern

### **Inquiry into waste and recycling policies**

The Total Environment Centre (TEC), welcomes the opportunity to engage with the Australian Government's inquiry into the waste and recycling policies.

TEC was established in 1972 by pioneers of the Australian environmental movement. For more than 50 years, TEC has been working to protect this country's natural and urban environment, flagging the issues, driving debate, supporting community activism and pushing for better environmental policy and practice. TEC has been involved in multiple campaigns to improve waste and recycling outcomes in Australia. In 2000 we released our first *Integrated Ecologically Sustainable Development Waste Management Plan* to divert waste from landfill to recycling and reuse, and have been pushing for extended producer responsibility for tyres, e-waste (including batteries), agricultural and veterinary chemicals<sup>1</sup>, and packaging<sup>2</sup> for more than 20 years. In 2010 TEC released the multi award winning short film "Waste not,"<sup>3</sup> which in turn launched the *Waste Not project*, interactive education website and "trashion" workshops to encourage high school students to reject fast fashion and reduce waste.<sup>4</sup> TEC was a driving force behind the introduction of mandatory container deposit schemes across Australia.<sup>5</sup> In February 2024, we released our initial report on the unfolding battery crisis in Australia examining the failure of voluntary product stewardship schemes (PSS) to fully embrace the circular economy and adequately fund, collect and recycle those products.<sup>6</sup>

Our submissions touch on two areas within the ambit of the committee's terms of reference, namely: Progress on circular economy deliverables & implementation of mandated product stewardship schemes.

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<sup>1</sup> <https://www.environment.nsw.gov.au/resources/waste/epr/reportopr.pdf>

<sup>2</sup> [https://web.archive.org/web/20041119172626/http://www.tec.org.au/member/tec/news/media/20030702\\_packaging.html](https://web.archive.org/web/20041119172626/http://www.tec.org.au/member/tec/news/media/20030702_packaging.html)

<sup>3</sup> <https://www.wastenot.org.au/waste-not>

<sup>4</sup> <https://www.wastenot.org.au/>

<sup>5</sup> [https://www.tec.org.au/track\\_record\\_victories](https://www.tec.org.au/track_record_victories) as accessed 10 April 2024

<sup>6</sup> TEC (2024) Battery Recycling Crisis; available online at [www.tec.org.au/battery\\_recycling\\_crisis](http://www.tec.org.au/battery_recycling_crisis)

## **Background**

Australia has a long way to go to meet its targets under the National Waste Action Plan 2019. Although the 2023 National Waste Report has not yet been released, the 2022 report indicated our recycling rate was sitting around 55% once waste to energy is excluded.<sup>7</sup>

PSS and the notion of *extended producer responsibility* is founded on the well established *Polluter Pays* principle, whereby producers of environmentally damaging goods bear the cost for measures decided by public authorities to ensure the environment remains in an acceptable state.<sup>8</sup>

Across the OECD, most PSS are mandatory rather than voluntary,<sup>9</sup> and with good reason; Voluntary PSS are often ineffective. They struggle to fully embody the *polluter pays* principle in three fundamental ways:

1. They are voluntary. Organisations with a sense of corporate social responsibility risk suffering a competitive disadvantage from joining, while less reputable competitors avoid incurring the additional cost.
2. They propose, implement and monitor their own solutions, often favouring cheaper less effective solutions.<sup>10</sup> These schemes rarely focus on steps in the top half of the Waste Management Hierarchy, as reducing consumption and promoting re-use often conflicts with the interests of those funding and directing the scheme.<sup>11</sup>
3. They only target finite aspects of the environmental damage caused by their products (with a tendency to focus on marketing and collection) without addressing impacts of production, transport, product disposed of outside the scheme, including legacy waste before the emergence of the scheme.

Accordingly, voluntary PSS have only some of the polluters contributing some of the cost towards some of the environmental impacts of their products. There are also economic incentives for producers/importers to delay the implementation of a voluntary scheme, or support a less effective voluntary scheme if it delays the emergence of a more costly and effective regulated scheme.

### **Progress on circular economy deliverables and mandating regulated product stewardship schemes**

All Australian States now have a mandatory container deposit scheme covering eligible drink containers, with a 10c deposit refunded on return. This scheme has secured State recovery rates of

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<sup>7</sup> <https://www.dcceew.gov.au/sites/default/files/documents/national-waste-report-2022.pdf> p. xiii

<sup>8</sup> Paragraph 4 of the OECD's (1972) *Guiding Principles concerning International Economic Aspects of Environmental Policies*. Enshrined in Principle 16 of the UN (1992) *Rio Declaration*

<sup>9</sup> <https://www.oecd.org/environment/waste/Extended-producer-responsibility-Policy-Highlights-2016-web.pdf>

<sup>10</sup> ACOR (2024) *Recyclers in Product Stewardship Challenges, priorities, and recommendations from the recycling sector*

<sup>11</sup> B-cycle for example, has focussed on marketing/education, collection and recycling. While they had authority from the ACCC to charge their importer/producer members levies of 4c per equivalent battery unit, they chose to seek half that amount, drastically reducing the pool of funds available to pay collectors and recyclers.

between 59% and 77% for these products.<sup>12</sup> Collectively, more than 30 billion beverage containers have been recovered, and a 52% reduction of litter of in scope beverage containers in NSW.<sup>13</sup> Heavy input from the industry discouraged the federal government from implementing a national scheme, which would have been more efficient and resulted in unclaimed deposits being available for use to support and improve the scheme.

TEC is of the view that one of the biggest barriers to reaching the circular economy deliverables is the delay in establishing regulated PSSs. Voluntary PSS are cheaper to establish, but continue to deliver relatively low collection rates for recycling.<sup>14</sup> The long delays setting up inefficient systems, delays real action.<sup>15</sup> The REDcycle debacle, which reportedly collected only 1% of the soft plastic used by Australians each year, allowed supermarkets to continue using problematic products whilst simultaneously gaining positive media attention for supposed environmentally friendly behaviour.<sup>16</sup>

Of the accredited schemes, the Federal government has not set sufficiently ambitious targets to encourage meaningful change. B-cycle for example, was accredited without any measurable targets for collection<sup>17</sup> and no requirement to prioritise solutions in the top half of the waste management hierarchy.

Worryingly, some items have been removed from the Ministers *Priority List* prematurely. EV batteries for example, which had been on the list since 2016,<sup>18</sup> were withdrawn in 2021 purportedly on the basis that the voluntary B-cycle scheme (which was intended at that time to expand into EV batteries)<sup>19</sup> was being launched in 2022.<sup>20</sup> The B-cycle scheme failed to expand to cover the EV industry and a range of other battery types initially telegraphed for cover.<sup>21</sup>

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<sup>12</sup> TEC (2023) 'Review: Australian Container Refund Schemes', 59% for WA and 77% for SA; Data for Victoria not yet available as they were the last State to commence. .

<sup>13</sup> <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/return-and-earn> accessed 10 April 2024

<sup>14</sup> In 2023, B-cycle reported a 12% collection rate Mobile muster reports 12%, but as outlined on page 9 of our Battery Recycling Crisis paper, is actually closer to 7.5% of mobiles reaching end of life.

<sup>15</sup> TEC has been pushing for extended producer responsibility/PSS for batteries and electronic equipment for more than twenty years [https://www.environment.nsw.gov.au/resources/waste/epr/report\\_epr.pdf](https://www.environment.nsw.gov.au/resources/waste/epr/report_epr.pdf)

<sup>16</sup> <https://www.theguardian.com/australia-news/2024/jan/30/redcycles-collapse-and-the-hard-truths-on-recycling-soft-plastics-in-australia>

<sup>17</sup> Other than to generally increase battery recycling

<sup>18</sup> <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/products-schemes/product-list-2016-17>

<sup>19</sup> ACCC (2020) *Determination in respect of the Battery Stewardship Scheme*. Embedded batteries that would fall under the National Television and Computer Recycling Scheme (NCRS) and MobileMuster recycling scheme (such as those included in mobile phones, portable computers, and televisions) were noted not to be included in this scheme

<sup>20</sup> <https://www.dcceew.gov.au/environment/protection/waste/product-stewardship/ministers-priority-list/2021-22>

<sup>21</sup> BSC (2020) *Application to the ACCC for Determination & the ACCC (2020) Determination*

A trigger framework ought to be established that clearly signals when a failing PSS ought to be converted to the regulatory model. This could be based on failure to meet targets, or the measures of effectiveness as outlined in identified by the Product Stewardship Centre of Excellence.<sup>22</sup>

The Co-regulatory model for the NTCRS has not been publicly reporting high rates of collection.<sup>23</sup> To date, the DCEEW has published annual reports for the 2021-2022 scheme year, with only four co-regulatory bodies reported on. Cumulatively, those bodies collected 77,862 tonnes of e-waste,<sup>24</sup> which equates to somewhere between 12% and 15% of e-waste produced in that same period.<sup>25</sup> The DCEEW proposes incorporating the NTCRS scheme into a mandatory PV and SEEE scheme given the overlapping materials and equally poor collection rates,<sup>26</sup> TEC strongly encourages all batteries to be included in this scheme.

### Recommendations:

1. Fast track the planned PV and SEEE regulated product stewardship scheme, expanded to include all batteries in Australia. This scheme should have a single independent, accountable administrator empowered under the *Recycling and Waste Reduction Act (2020)* to establish product refund payments, undertake gap analysis of the collection and recycling network in Australia, collect levies from importers/producers, collate and report on data and feedback from recyclers, fund or support community education campaigns, mandate elements of design and labelling requirements.
2. All accredited voluntary schemes should have clear measurable outcomes in places, including requirements to address matters in order of the Waste Management Hierarchy. Preventing the production of unnecessary and harmful products must be the priority.
3. All schemes be regularly reviewed in line with the measures of effectiveness as outlined in identified by the Product Stewardship Centre of Excellence.<sup>27</sup>
4. “Trigger frameworks” should be in place for voluntary schemes to convert to regulatory schemes if they fail to meet certain targets within timeframes.<sup>28</sup>
5. Each scheme should have mandated targets, including collection rates and specific resource recovery rates, as well as quantifiable achievements to reduce waste through improved

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<sup>22</sup> UTS Institute for Sustainable Futures and the Product Stewardship Centre of Excellence (2023) *Evaluating product stewardship benefits and effectiveness; power to conduct audits pursuant to r22 of the Recycling and Waste Reduction (Product Stewardship—Accreditation of Voluntary Arrangements) Rules 2020*

<sup>23</sup> E-waste figures for 2021 not yet available. DCEEW reported Australians generated 511,000 tonnes of e-waste in 2019; <https://www.dceew.gov.au/environment/protection/waste/e-waste> while Sustainability Victoria estimated that Australia generated 650,000 tonnes in 2021: <https://www.sustainability.vic.gov.au/research-data-and-insights/research/research-reports/victorian-e-waste-material-flow-analysis>

<sup>24</sup> <https://www.dceew.gov.au/environment/protection/waste/product-stewardship/products-schemes/television-computer-recycling-scheme/coreg-arrangements>

<sup>25</sup> <https://www.sustainability.vic.gov.au/research-data-and-insights/research/research-reports/victorian-e-waste-material-flow-analysis>

<sup>26</sup> B-cycle failed to account for approx 88% of “in-scope” batteries in 2023

<sup>27</sup> UTS Institute for Sustainable Futures and the Product Stewardship Centre of Excellence (2023) *Evaluating product stewardship benefits and effectiveness; power to conduct audits pursuant to r22 of the Recycling and Waste Reduction (Product Stewardship—Accreditation of Voluntary Arrangements) Rules 2020*

<sup>28</sup> ACOR (2024) *Recyclers in Product Stewardship Challenges, priorities, and recommendations from the recycling sector*, p11

product design, repair and second life initiatives, community education and the promotion of the use of recovered materials..

- a. For batteries specifically, targets adopted should be in line with the EU standard, including:
  - i. collection target of 73% of portable batteries on market by 2030
  - ii. Minimum recycled content requirement for all new batteries of 16% for cobalt, 85% for lead, 6% for lithium and 6% for nickel with plans to increase with time
  - iii. a deadline to introduce battery passport
6. Recyclers need a greater voice in PSS, with feedback mechanisms to promote design improvement to decrease the use of difficulty or dangerous to recycle content, assist implementing relevant material content labels that might reduce risk or increase efficiency of recycling, and provide evidence to enable the cost assessment of of recycling different products based on their content.

TEC thanks you for the opportunity to engage with the Australian Government's inquiry into waste and recycling policies.

Kind regards,



TOTAL  
ENVIRONMENT  
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*We respectfully acknowledge the traditional owners of the land on which we work*