Product Stewardship Centre of Excellence

Submission to the Senate Environment and Communications Legislation Committee

Inquiry into the Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026

Prepared by the Product Stewardship Centre of Excellence

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Attention:
Committee Secretary
Senate Environment and Communications Legislation Committee
PO Box 6021
Parliament House
Canberra ACT 2600

Via email ec.sen@aph.gov.au

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Inquiry into the Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026

This submission to the Senate Committee is made on behalf of the Product Stewardship Centre of Excellence, an independent not-for-profit charity. The Centre seeks to reduce the environmental and social impacts of products by activating circularity and producer responsibility across the entire product lifecycle.

The Centre works with brands, manufacturers, retailers, industry associations, product stewardship organisations (existing and emerging) and governments across Australia design sustainable products, prolong the life and value of products and materials, and maximise the use of renewable, restorative, regenerative and recycled materials.

Established in late 2020 by a consortium comprising the UTS Institute for Sustainable Futures, the Australian Industry Group and Dentsu Creative with seed funding from the federal government, the Centre is now solely funded by organisational partners and advisory fees.

The Centre team members each have over 25 years of extensive experience across industries and sectors in:

- designing and implementing product stewardship schemes,
- advising businesses on their producer responsibilities across the lifecycle,
- investigating and analysing product stewardship/ extended producer responsibility policies, regulations and actions locally and globally,
- providing independent advice on product stewardship priorities to all levels of government based on foundational studies including the **Benefits and Effectiveness of Product Stewardship** (https://stewardshipexcellence.com.au/resources/#toggle-id-41) in partnership with the UTS Institute for Sustainable Futures.

The Problem:

Packaging stewardship has been fraught with difficulty in Australia before and since the voluntary Packaging Covenant (1999) (based on 'shared responsibility') and then the NEPM (2005) (the regulatory 'safety net') mechanisms were introduced, followed by the Australian Packaging Covenant Organisation (APCO), "Australia's National Packaging Targets (2025) and Australian Recycling Label (ARL) in 2018. Whilst the various iterations and extensions to the original Covenant have intended to improve outcomes, Australia has arguably not seen any great change in packaging design, recycling, or materials composition through the actions of these mechanisms.

Frustratingly the 2018 targets set for 2025 have not been met and the ARL is not yet present on all packaging. While some brand owners try as they might to change to or adhere to these aspects others have simply evaded, obstructed, claimed ignorance or refused to participate in the co-regulatory scheme. The NEPM has proved difficult to enforce and has not been adequately resourced by states in the face of other environmental issues. APCO only covers 70-80% of packaging placed on market in Australia.

Container deposit systems can be characterised as an example of effective regulated extended producer responsibility scheme. The effectiveness in reducing litter and increasing recycling rates is owing to the high level of industry participation and investment enabled by the regulations. Other characteristics of these effective schemes operational nation-wide, include: clear objectives with measurable and transparent performance indicators, incentives for supply chain coordination and behaviour change and investment in marketing and communications.

Post-consumer glass and aluminium packaging remain relatively sought after in the recycling system and have benefited greatly from container deposit systems now in place and operational nation-wide. While wine and beer remain in glass packaging, and wine has an export market, there will be a market for post-consumer glass, however with a downturn in wine, this will be reducing. While deposits only apply to eligible beverage containers there is a move to expand the scope to include wine and spirits, for example in Queensland and NSW. There remains a gap toward other foods/containers in these packaging formats as any recycling must rely almost solely on kerbside collections, externalising the education, collection and sorting costs to local government

Plastic packaging is the biggest and growing issue as it replaces glass and aluminium and is developed in multiple configurations encompassing laminated and crystalline to other chemical structures and having anti-bacterial to fire -retardant properties through the addition of chemicals. Although not dominant, composite plastic materials remain a contaminant of recycling as does chemical additives to plastics packaging, from PFAS to anti-bacterial additives. Again, beverage containers are seeing recycling benefits from container deposit systems, but other formats are reliant on kerbside systems and sorting.

Oxo-degradable packaging has been banned as has single use shopping bags, and other single use plastics, through state legislative interventions (counter to mutual recognition), notably not by the voluntary Covenant or the Commonwealth Government. PVC remains a problem (its detection and separation from other plastics is difficult) even though its use has reduced.

Against this backdrop, the current system of a co-regulatory framework with a National Environment Protection Measure (NEPM) enforced by states has not lived up to its expectations, it has failed in its own target setting, historically fought mandatory product stewardship for certain sections of the packaging stream (e.g. beverage containers) and failed to bring coherent circular economy outcomes for the whole of the packaging industry.

An independent review of the NEPM and Covenant in September 2021 found it was inconsistently applied, there were no clear KPIs, and any data was unavailable or inconsistently reported upon, brand owners were poorly defined, as were their obligations, which were also inconsistently applied. Enforcement had been absent or limited, allowing free-riders, while inconsistent application of funding has impacted outcomes. The review highlighted changes required: establish nationally agreed clear goals, outcomes. KPIs, roles, timeframes, accountabilities and obligations for a reformed scheme, along with centralised administration of the scheme.[1]

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1 https://www.dcceew.gov.au/sites/default/files/documents/independent*review*of*the*upm*and*the*australia**n*packaging*covenant-final*report-september_2021.pdf

During the last 20+ years, the Commonwealth Government has actively supported investment in processing of recycled plastics, paper and glass with the States and the recycling industry all co-funding, however little else has been implemented from a policy sense. It has banned the export of unprocessed post-consumer packaging material, and it actively participated in the failed international agreement on plastics. It has undertaken reviews and invested significant time in understanding circular economy concepts, actions and frameworks but there's been very little implementation to date.

The Australian Government's product stewardship system includes a nationally regulated scheme for oil; co-regulated product stewardship schemes for televisions and computers, used packaging (National Environment Protection (Used Packaging Materials) Measure) and ozone-depleting greenhouse gases (Refrigerant Reclaim Australia); and eight active accredited industry-led voluntary schemes covering products such as mobile phones, tyres, batteries, large plastic bags, plastics and packaging, plastic paint pails, newspapers, power tools and accessories. It also includes the minister's priority list for industry-led action on the following products clothing textiles, tyres, plastics in health care products in hospitals, mattresses, and child car seats.

This is added to by seven state and territory regulated product stewardship schemes for beverage containers, and a new regulated scheme for batteries in NSW. In most cases the unregulated schemes have not performed because of free-rider problems and a lack of rules, reporting and oversight. Stakeholders including industry have been and continue to call for schemes to be regulated to lift their effectiveness, create investment certainty, provide consistency and fairness and to address the full life cycle of products.

Against this backdrop, **the need for nationally consistent and enforceable producer responsibility packaging legislation as part of a Circular Economy Act is long overdue**. Now is the time for action on circular economy and product stewardship across multiple products and materials. Significant research, time and voluntary effort have been expended to help Australia navigate to a circular economy over recent years, a case in point being the Circular Economy Ministerial Advisory Group (CEMAG). Australia is falling behind Europe and Canada and to some extent even New Zealand on some fronts. These include not only packaging, but industry led voluntary action on used tyres, clothing, major domestic appliances, small electronics, batteries, solar panels and bedding. The list is potentially quite long and therefore is in need of careful prioritisation as well as urgent action.

The Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026

The Centre suggests the following in relation to the Bill:

1. Making producers responsible for packaging a core component of a new Circular Economy Act, as described in chapter 4 and recommendation 4 of the report delivered by CEMAG in late 2024, https://www.dcceew.gov.au/environment/protection/circular-economy/ministerial-advisory-group, superseding the RAWR Act.

2. If a Circular Economy Act development and deployment is deemed unachievable in the next 2 years, it is recommended that the Government make the necessary amendments to the current RAWR Act to ensure producer responsibility for packaging requirements largely as detailed in the proposed Bill, with the following changes/ considerations;

a. In relation to 100% i.e. all packaging by design is recyclable, reusable or compostable by 2030, at best Australia is at 86-88% according to APCO[2]. We believe 100% will likely be un-achievable by 2030- a 90-92% target is more likely based on previous performance.

b. 70% of all plastic packaging must be recycled or composted by 2030. At best, Australia according to APCO is at 23-24% currently, it would be highly unlikely to achieve 70%, more likely 50%-55%.

c. All packaging to include at least 50% recycled content by 2030, and 30% Australian content. Glass and paper are possible; however, plastic is highly unlikely. Even metals (currently 15% according to APCO) would be a stretch. Material specific targets, as proposed by APCO (2019) should be considered. Why would the aim be not to have ALL recycled content from Australian sources?

d. In relation to the Bill's objective *to ensure materials and additives that impede recycling are, where appropriate, prohibited in, or phased out of, the manufacture of packagi*ng, we would suggest also including its supply or sale. If the imported material manufactured outside Australia with additives is still imported to Australia unimpeded in packaged goods, we will not effectively achieve this outcome. Testing of imported packaged goods becomes important along with its exclusion from market access.

e. In relation *to ensuring packaging is manufactured in accordance with best-practice standards relating to the eco-design of the packaging*, Australia should identify and adopt these design standards as soon as practicable and refer to them in any to be developed regulations. These could be adopted from Europe, rather than wasting time inventing new Australian standards.

f. In relation to the targets, given this Act may come into effect soon, that leaves only a short period of time to build measurement tools and to achieve the targets specified, albeit these were originally set in 2018 to be achieved in 2025. Given supply chains and other production changes, this still might not be achievable, perhaps other than iv)- phasing out single use packaging- depending on the scope, yet to be defined. States are already making inroads here. It is suggested that a more realistic targets be used here for 2030 and establish increasing annual targets going forward from 2030 through to 2035, like how the targets of the National Television and Computer Recycling Scheme were set. Setting of more realistic targets should be a target in itself. With reference to setting of targets this should be supported by nationally consistent and independent data analysis and assessment by the National EPA to ensure rigour and transparency.

g. The introduction of eco-modulated fees is considered to be a positive step, however this may also take longer than anticipated due to the need for comprehensive economic modelling and industry consultation, although APCO has already done much of this early work and a phased approach could be considered initially penalising targeted formats that are problematic and unnecessary. Eco-modulation is a well-used mechanism overseas and when constructed correctly builds multiple outcomes- refer France, Germany and Netherlands. High recyclability, recycled content, design optimisation, reusability are encouraged through lower fees. Higher fees discourage placing packaging on the market that contain contaminants, problematic labelling and adhesives, small

[2] APCO Strategic Plan 2025

formats etc. See, for example, the Product Stewardship Centre of Excellence White Paper [3]that discusses learnings from a high-level review of packaging product stewardship and extended producer responsibility schemes in Europe, America and New Zealand.

We would welcome the opportunity to discuss our feedback with the Committee in more detail and clarify any queries or questions you may have. Please do not hesitate to make contact.

Yours sincerely,

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Director
Product Stewardship Centre of Excellence

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