

30 October 2024

Mr David Fredericks
Secretary
Department of Climate Change, Energy, Environment and Water
GPO Box 3090
Canberra ACT 2601

Dear Mr Fredricks,

Submission to the Reform of Packaging Regulations Consultation Paper

The Australian Local Government Association (ALGA) welcomes the opportunity to provide a submission to the Department of Climate Change, Energy, Environment and Water's (DCCEEW) Reform of Packaging Regulations Consultation Paper (the Consultation Paper).

ALGA is the national voice of local government in Australia, representing 537 councils across the country. In structure, ALGA is a federation of state and territory local government associations. This submission should be read in conjunction with any separate submissions received from state and territory associations as well as individual councils.

Local government plays a crucial role in diverting waste from landfills. Australia's waste is a growing problem that has broad impacts for local government. In the last decade, the amount of waste generated in Australia has increased by around 12 percent. This is compounded by low levels of recycling—Australia's recycling rate is below that of most OECD countries.

Despite capacity restraints stemming from their limited revenue-raising abilities, councils have invested significant amount beyond their regulatory requirements associated with kerbside collection, including on community education, and investing in strategic waste infrastructure and fleets. Local governments are pioneering innovative responses to the waste crisis in collaboration with local communities. These projects are helping to deliver cleaner, safer environments, sustainable jobs, and economic development, particularly in regional areas. However, local governments cannot do it alone. These are matters we have also raised in our submission to the Productivity Commission's Inquiry on the Opportunities for Circular Economy in Australia.

ALGA's overarching position is that the onus for reducing and paying for waste creation must be carried by those entities creating waste. The Commonwealth's role is to establish and enforce mandatory product stewardship regulations and ensure adequate funding is provided to local governments to manage waste and recycling. Support is also required to manage increasing expectations of local government waste functions into the future.

This Consultation Paper is therefore welcomed, and we are pleased to see that the Commonwealth is considering options for substantive reforms rather than just minor amendments to the current arrangements.

We understand this project focuses on packaging. For local governments, packaging is but one stress on local waste and recycling systems. We hope that this process of developing reform options for packaging carries lessons for reform to other problematic wastes and chemicals that local governments are grappling with nationwide.

ALGA urges the Commonwealth Government to urgently develop and enact mandatory product stewardship regulations for: lithium-ion batteries, solar panels, end of life tyres, e-waste, mattresses, textiles, aerosols, and other emerging problem materials and products.

Options for packaging reform

Three options for packaging reform have been presented in DCCEE's Consultation Paper:

1. Strengthening administration of the co-regulatory agreement
2. National mandatory requirements for packaging
3. An extended producer responsibility scheme.

We note that the Commonwealth is required to include a non-reform option which is presented as Option 1. From a local government perspective, Option 1 would not substantially restructure the waste system to redistribute responsibility and cost of waste production and subsequent management, and therefore is unsuitable.

Option 2 does not include a regulated product stewardship scheme and risks perverse behavioural outcomes whereby businesses use materials which ultimately increase demand on landfills. ALGA does not support this option.

ALGA supports a mandatory extended producer responsibility scheme as presented in Option 3. This is the model best suited to encouraging packaging reduction and use of recycled material during design and creates a mechanism for collecting funding for improving the system. We also support the inclusion of rigorous targets and timelines to create a trustworthy implementation process which enables industry to plan, invest and implement.

Additional considerations

Incorporating full net costs and funding local government services

The consultation paper does not address whether the full net costs of managing packaging (i.e. collection, sorting and processing of packaging materials) will be incorporated into the scheme under Option 3, nor how the full net costs currently borne by local governments will be addressed. Accounting for full net costs is ordinary practice in comparable economies. The European Union's Packaging and Packaging Waste Directive requires that the full net cost recovery covers all packaging, and this has been incorporated into schemes in, for example, the United Kingdom.¹

Section 5.5.1.3. 'System Funding' discusses a range of areas fees could be directed to. ALGA encourages DCCEE to reconsider and incorporate local government needs into this section and develop proposals how these needs can be appropriately supported in a new scheme. We welcome further discussion with DCCEE on this matter.

The need for regulated standards

To support the integrity of an EPR scheme as presented in Option 3, national and regulated standards for reusable, compostable, or recyclable packaging should be developed to ensure that these products are recovered on a large scale. Packaging cannot be labelled as recoverable unless it meets these criteria.

Systematic approach to preventing undesirable materials

¹ <https://www.ecoveritas.com/extended-producer-responsibility-all-you-need-to-know/>

ALGA welcomes a national ban on toxic and unrecyclable materials as included in both Options 2 and 3. We have long advocated for the Commonwealth to prohibit emerging contaminants. We would also like to see the reform approach specify the prospective policy, framework, and processes to make decisions about banning emerging contaminants into the future.

Harmonisation requirements

In addressing the issues of kerbside harmonisation as raised in the Paper, there is a need for better understanding of the impact that post-collection materials recovery and sorting systems have on council collections and what they communicate to their residents. Processor requirements are a driving factor in determining what a council can collect through the kerbside.

Conclusion

Thank you for your continued engagement with ALGA. Please contact Eleanor Robson, ALGA's Director Policy - Environment & Climate, at eleanor.robson@alga.asn.au, if you require further information.

Yours sincerely,



Amy Crawford

Chief Executive Officer

Australian Local Government Association