



**AUSTRALIAN COUNCIL
OF RECYCLING**

**ACOR submission in response to the
Fourth Review of the Product Stewardship for Oil Scheme
October 7, 2020**



Department of the Agriculture, Water and Environment
GPO Box 787 CANBERRA ACT 2601
<https://haveyoursay.awe.gov.au/product-stewardship-oil-act-review>

October 7, 2020

ACOR submission in response to the Fourth Review of the Product Stewardship for Oil (PSO) Scheme

The Australian Council of Recycling (ACOR) appreciates the opportunity to make this submission with respect to the Fourth Review of the Product Stewardship for Oil (PSO) Scheme.

ACOR supports the *Product Stewardship (Oil) Act 2000*, and its aim to encourage the environmentally sustainable management and re-refining of used oil and its re-use.

ACOR was established in 1983 and is the leading national industry association for the recycling and resource recovery sector in Australia. ACOR represents some 50 businesses who are part of a successful \$15 billion industry that employs some 50,000 Australians, and generates exceptional environmental benefits for our society.

In ACOR's view, the Product Stewardship for Oil (PSO) Scheme works, and supports the Australian Government's overall objective of creating incentives to increase used oil recycling.

At a macro level, the PSO provides a framework that encourages waste resource recovery at a national level. The fact that waste oil is properly stored, and collected in regional and remote Australia despite obvious transport and logistics costs exemplifies the benefits of the PSO.

There are very few product stewardship schemes that are as effective in this regard. Further, the significant investment of recyclers to refine this waste at such large scales across the country clearly demonstrates that the government PSO rebate process works. It is a leading example of beneficial reuse of waste.

ACOR notes that 'Big Oil' who manufacture and sell hundreds of millions of litres of lubricant oils into the Australian market, do not invest in the recovery of their waste. The PSO has enabled smaller, more agile companies to undertake this task to the betterment of our environment and our economy.

Observations

- The PSO levy rate commenced and remained a modest 5.449 cpl until 2014-15, whereupon it was increased to 8.5 cpl. This restored the PSO to being budget neutral at this stage over the forward estimates period. This is a very modest user-pay impost that has never been directly indexed. There is no doubt wage, transport, logistics, storage processing and other associated costs have increased (some significantly) over the last 20 years. ACOR has a view that the excise amount should be increased. In today's terms, it would be reasonable for this excise to be around 20 cpl to properly fund and expand this scheme; and
- Apart from minor changes made in and around 2004, we note that the rebate for processing waste oil has (until the temporary increase for 6 months in July 2020 of 12 cpl for Category 1) remained constant and never been indexed. Without commenting on each specific category process, it would be ACOR's view that rebates should remain increased as a permanent change. The more certainty that can be provided, the more confidence the industry can have to increase its investment in waste oil recycling collection and processing technologies.
- ACOR does acknowledge that the processes underpinning the re-refining of waste oil at the highest level, Category 1, reflects best practice beneficial resource recovery. The more waste oil that is dealt with in this manner, the better.

Conclusion

ACOR again notes its appreciation for the opportunity to make this submission. ACOR supports the Australian Government's overall objective of creating incentives to increase used oil recycling.

There are clear examples that the PSO rebate process works with recyclers across Australia making significant investments to refine oil waste at large scale. Although it is a great triumph to see the smaller, more agile recyclers undertake this task to the betterment of our environment and our economy, ACOR notes that the 'Big Oil' manufacturers do not significantly invest in the recovery of their waste. The large corporations that profit from selling hundreds of millions of litres of lubricant oils into the Australian market, are often the last to reinvest in the waste they create.

In order to help level the playing field, ACOR believes that the excise amount should be increased to approximately 20 cpl to properly fund and expand this scheme.

It is also ACOR's view that rebates should remain increased as a permanent change. The more certainty that can be provided, the more confidence the industry can have to increase its investment in innovative recycling and refining technologies.

Finally, ACOR congratulates the Commonwealth Government for reviewing the PSO Scheme and inviting industry stakeholders to make submissions.

The contact person to discuss the contents of this submission is ACOR's CEO, Pete Shmigel, available on 0419 541 531 and pete.shmigel@acor.org.au

Kind regards

Pete Shmigel
CEO
Australia Council of Recycling

ABOUT ACOR

Established in 1983, the [Australian Council of Recycling \(ACOR\)](#) is the leading national industry association for the recycling and resource recovery sector in Australia. It represents some 50 businesses who are part of a successful \$15 billion industry that employs some 50,000 Australians and generates exceptional environmental benefits for our society.

ACOR's members span the breadth and depth of Australian recycling, working towards a resourceful future. This includes businesses working:

- to collect, sort and remanufacture recycle into new products;
- to beneficially manage materials from the residential, commercial, industrial, and major infrastructure areas, and;
- with materials ranging from household packaging to tyres to container deposit scheme products to road construction material to batteries to e-waste and more.

ACOR has long worked with businesses, community partners, stakeholders and governments to further develop a world-leading and domestically sustainable recycling system in Australia.

As demonstrated by our 10 Point Plan, our core work includes:

- contributing to decision-making for optimal recycling in a circular economy;
- promoting standards and innovation for recycling business' advantage and for societal benefit;
- driving demand for recycled content products and recycling services, and;
- managing sovereign risks for our members.

The recycling and resource recovery sector are massively innovative, enterprising and results driven.

In line with that industry ethic, and to complement its public policy and advocacy work, ACOR uniquely undertakes practical projects, especially those aimed at reducing contamination in recycling and building better markets for recycle.