

**GEARING UP FOR A CIRCULAR ECONOMY:  
ACTIONS TO UNLEASH A BOOMING  
AUSTRALIAN RECYCLING SECTOR**

**Federal Policy Platform 2022**

# Introduction

Recycling is an integral gear within the circular economy, delivering significant social and economic and environmental value.

The Australian recycling industry significantly contributes to the Australian environment and our economy, generating over \$15 billion in value and employing over 50,000 people nationally, whilst bringing significant environmental benefits. The industry operates across our homes, businesses, factories and construction sites. It collects, sorts, and reprocesses material, and makes new products with recycled content, creating more jobs for Australians.

With unprecedented government and industry investment and overwhelming public support for resource recovery, recycling and local remanufacturing, now is the time to unleash the full potential of our recycling sector through key policy measures.

The Australian Council of Recycling (ACOR) outlines four key measures to support a booming recycling sector whilst delivering jobs, advancing resource efficiency and unleashing innovation and productivity around the country.

- 1. Strong end markets for recycled material**
- 2. National alignment between environmental policies and circular economy principals**
- 3. Producer responsibility for end-of-life of products brought into the Australian market**
- 4. Consumers who know how to 'recycle right'**

ACOR is the leading national industry association for the recycling and resource recovery sector in Australia. Our vision is an Australian circular economy where resource recovery, remanufacturing and recycling are central to generating economic and social value, while improving the health of our environment.



# Strong end markets for recycled material

Recommendation 1: Prioritise recycled content across all forms of procurement, with incentives, targets and reporting for recycled content uptake.

Recommendation 2: Prioritise recycling as a recognised carbon abatement method.

## The Challenge

Australia's recyclers are gearing up for a new era of productivity and innovation. There are, however, significant barriers to strong market uptake of recycled material, including cost competitiveness with virgin materials and willingness within the supply chain to embrace change.

Procurement needs to be significantly scaled up, in order to properly kickstart supply chain integration of recycled products and materials and establish robust and resilient end markets. Product stewardship must also be integrated into procurement decisions.

As Australia's largest infrastructure client and major procurer of goods, governments have a key role to play in leading market demand for recycled content. Measures should be introduced to directly link infrastructure funding to procurement of recycled materials to stimulate these end markets.

## The Solution

Policies such as *Future Made in Australia* will help to unlock government purchasing power to support home grown markets for Australian-made recycled products. Recycled content in government-procured goods, as well as buildings and infrastructure projects must be strongly prioritised, with published benchmarking, measurement and reporting on procurement of recycled content.

Incentives should also be implemented for business to 'Buy Recycled' and government should work with industry to identify ambitious targets for recycled content by 2030 and 2050, with transparent reporting on progress.

Domestic recycling offers the unique opportunity to advance our carbon emission reduction goals, whilst creating jobs and robust markets in the process. Given the priority of emissions reduction, recycling should be prioritised and rewarded as a recognised carbon abatement method within relevant Federal schemes.



# National alignment between environmental policies and circular economy principals

**Recommendation 3: Create a Ministerial role for Resource Recovery and Circular Economy, to drive a whole-of-government approach to circular economy outcomes.**

**Recommendation 4: Establish an Australian Resource Recovery Code Board, to deliver a nationally harmonised regulatory framework for resource recovery and recycling.**

## The Challenge

There is a fundamental lack of alignment between environmental policies and circular economy principles, hindering the sector's ability to maximise resource recovery. This is exemplified in the incongruity between the Federal Government's export bans on a range of unprocessed recyclable materials and State-level regulation that limits how recyclable materials can be stored and processed.

The recycling sector also faces a fragmented, variable and duplicative regulatory environment across Australia's States and Territories, which undermines investment confidence in recycling infrastructure. Whilst laws and regulation for waste and recycling are implemented at a State level, they must be harmonised at a national level to prioritise circular economy outcomes and support investment confidence.

Government should also lead more strongly in integrating product stewardship priorities into procurement practices.

## The Solution

Alongside environmental outcomes, a circular economy is equally connected with innovation, technology and manufacturing and therefore requires a distinct Ministerial role that works across these portfolios.

A Ministerial role for Resource Recovery and Circular Economy should be created, to drive a whole-of-government approach to a circular economy, including resource recovery, recycling, sustainable procurement and product stewardship alignment and expansion.

Additionally, an Australian Resource Recovery Code Board should be established, based on the model of the Australian Building Codes Board (ABCB), to deliver a nationally harmonised framework for resource recovery and recycling (including 'end of waste' codes and product stewardship schemes such as container deposit), with the priority of advancing circular economy outcomes. The ABCB is a joint initiative of governments and industry, to improve productivity through the consolidation of construction requirements into a single national code.



# Producer responsibility for end-of-life of products brought into the Australian market

Recommendation 5: Aligned product stewardship schemes, with strong accountability and genuine delivery of onshore recycling outcomes.

Recommendation 6: Independent review of the effectiveness and performance of product stewardship schemes funded and accredited by the Australian Government.

## The Challenge

Spurred by strong consumer interest, there is a growing movement amongst manufacturers and distributors to take responsibility for their products at end-of-life, with a suite of both mandatory and voluntary product stewardship initiatives rolled out across Australia. However, with the volume of material currently diverted to landfill, a more concerted effort is required to properly deliver a circular economy and maximise recycling.

With around almost 30 product stewardship schemes operating in Australia and over a dozen more in development, now is the time to better align these initiatives, set stronger targets, ensure accountability and address free riders, including imported products.

It is also vital that these schemes deliver genuine circular economy and recycling outcomes and are meaningfully progressing towards Government targets.

## The Solution

The current suite of product stewardship schemes should be more strongly aligned through a common framework to ensure transparency, accountability and genuine delivery of onshore recycling outcomes. Schemes should be supported with stronger incentives for participation, and mechanisms to better address free riders and imported products. This effort should include the prioritisation of designing for repair and disassembly.

The 2021 [review of the National Environment Protection \(Used Packaging Materials\) Measure](#) outlined nine recommendations to improve environmental outcomes, regulation, participation and industry leadership in packaging sustainability. There should be a further independent review of the effectiveness and performance of all product stewardship schemes funded and accredited by the Australian Government.



# Consumers who know how to ‘recycle right’

**Recommendation 7: Deliver a funded 3-year engagement program to champion Australia’s recycling sector and enhance consumer awareness in ‘recycling right’.**

**Recommendation 8: Collaborate with industry to develop a government-backed recycled content verification framework.**

## The Challenge

Consumer confidence in recycling has been impeded by a lack of awareness of the breadth of genuine and productive recycling activities undertaken in Australia. This affects behaviours when it comes to disposal of recyclable materials, which can result in contamination of the recycling stream.

More than ever consumers seek reassurance that what they are putting in their recycling bins is being recovered and recycled here, into new locally-made products – rather than being sent to landfill or shipped overseas.

Also, with over 500 local government areas across Australia, each with their own municipal waste systems and requirements, there is confusion about what can and can’t be recycled.

And despite strong consumer desire to buy recycled and locally made products, the practice of greenwashing undermines public confidence in recycling claims.

## The Solution

Awareness-building efforts are vital to helping consumers ‘recycle right’ and supporting consumer confidence in recycling outcomes.

The Federal Government, in close collaboration with industry, should deliver a 3-year engagement program to champion Australia’s recycling sector and enhance consumer awareness in ‘recycling right’, with further investment into dynamic industry-led initiatives such as ACOR’s Recycle Mate app, which continues to grow following its national rollout late last year.

A government-backed verification framework should also be developed in partnership with industry, incorporating labelling and validation of Australian recycled content, to leverage strong public support for recycling and local investment, and elevate consumer awareness and confidence in recycling.



# Summary of recommendations to unleash a booming Australian recycling sector

- 1: Prioritise recycled content across all forms of procurement, with incentives, targets and reporting for recycled content uptake.
- 2: Prioritise recycling as a recognised carbon abatement method.
- 3: Create a Ministerial role for Resource Recovery and Circular Economy, to drive a whole-of-government approach to circular economy outcomes.
- 4: Establish an Australian Resource Recovery Code Board, to deliver a nationally harmonised regulatory framework for resource recovery and recycling.
- 5: Align and expand product stewardship schemes, with strong incentives and coverage of imported products.
- 6: Independent review of the effectiveness and performance of all product stewardship schemes funded and accredited by the Australian Government.
- 7: Deliver a funded 3-year engagement program to champion Australia's recycling sector and enhance consumer awareness in 'recycling right'.
- 8: Collaborate with industry to develop a government-backed recycled content verification framework.





## GEARING UP FOR A CIRCULAR ECONOMY

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