

## ARA SUBMISSION

### REVIEW OF THE ENVIRONMENT PROTECTION (WASTE TO RESOURCES) POLICY 2010

DECEMBER 2024

#### EXECUTIVE SUMMARY

The Australian Retailers Association (ARA) welcomes the opportunity to provide feedback to South Australia's (SA) Environment Protection Authority (EPA) on the review of the Environment Protection (Waste to Resources) Policy 2010.

The ARA is the oldest, largest, and most diverse national retail body, representing a \$430 billion sector that employs 1.4 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates educates, protects, and unifies our independent, national, and international retail community.

In South Australia, the ARA represent the interests of small retail businesses as well as large, national members who operate extensive store networks across the state in supermarkets, department stores, specialty retail, pharmacies, hospitality and quick-service restaurants.

The ARA has actively participated as a member of the South Australian Single-Use Plastics Stakeholder Taskforce, contributing feedback to two key consultations in 2024: the [Single-Use and Other Plastic Products \(Waste Avoidance\) Prohibited Plastic Products Amendment Regulations](#) in February, and the [Independent Review of the Single-Use and Other Plastic Products \(Waste Avoidance\) Act 2020](#) in October.

The retail industry has committed to transitioning to a decarbonised, circular and nature-positive future, recognising the opportunities that a circular economy can unlock. The ARA supports the South Australian Government's efforts to transition to a circular economy. However, recognises that while states and individual retailers are making significant progress, achieving this transition requires urgent systemic change and national harmonisation.

This submission is informed through consultations with ARA members.

## KEY CONSIDERATIONS

The following points highlight the key challenges and principles needed to transition to a circular economy for the retail industry.

### 1. Broken system

Achieving meaningful reform in Australia requires a systemic overhaul of how waste is created, used, collected, and recovered. A comprehensive systems change is essential for the retail industry to address the complex challenges of packaging waste and resource recovery, as current practices are inadequate and inconsistent.

### 2. National harmonisation

A national regulatory framework is essential to prevent a fragmented national market. It would allow businesses to streamline compliance processes and facilitate a more efficient transition to a circular economy. Additionally, each jurisdiction has different practices and definitions for key terms. Greater clarity and efficiency would be achieved if South Australia strengthened collaboration with other jurisdictions to establish single, nationally consistent definitions and practices for all states and territories.

### 3. Insufficient Infrastructure

Australia's current recycling infrastructure is inadequate for a circular economy, with limited facilities for diverse material processing. The collapse of the REDcycle program highlights the fragility of existing systems, emphasising the need for strategic investments and the expansion of recycling facilities nationwide.

### 4. Costs to retailers and brands

Adopting circular economy practices can place a significant financial burden on retailers and brands. Key costs include compliance with Extended Producer Responsibility (EPR) schemes, investment in infrastructure, packaging redesigns, and research and development (R&D) for sustainable product innovations. These costs can add up, making it expensive for businesses to fully transition to a circular model, particularly when any systemic transition lacks the overarching strategy and capability building to support a holistic transition.

### 5. Public behaviour

Shifting behaviours requires government-supported campaigns to educate consumers and incentivise sustainable practices, alongside retailer efforts to promote environmentally responsible choices. Ultimately, efforts to minimise waste will be ineffective if individuals are unclear about proper waste management practices.

The South Australian Government has the opportunity to lead in advancing the circular economy by establishing stable, long-term regulatory frameworks that are aligned with national regulations, providing businesses with clarity and certainty, adopting a whole-of-government circular procurement policy to support immature end markets, and actively advocating for urgent national harmonisation of circular economy regulations. These actions will reduce barriers, drive demand for circular products, and create a cohesive regulatory environment to accelerate the transition and deliver economic and environmental benefits.

## FEEDBACK AND RESPONSES TO QUESTIONS

This section addresses key questions that are relevant to retailers from the [Beyond Recycling: Moving SA Towards a More Circular Economy discussion paper](#).

### 7.1 Broadening the policy objective

#### **Q1. Do you agree that 'circular economy' should be an objective of the W2R EPP?**

Yes, the ARA believes a circular economy should be at the centre of the W2R EPP. This approach would align with the retail sector's goals to reduce waste, promote resource recovery, and transition to sustainable practices. A circular economy fosters innovation, reduces environmental impacts, and opens economic opportunities by creating new markets for recycled materials and sustainable products. Embedding this objective in the policy provides clarity and direction, encouraging systemic change and collaboration between government, industry, and consumers to achieve a more sustainable and resilient economy.

#### **Q2. Do you agree that 'climate change mitigation' (i.e., limiting, reducing, or preventing greenhouse gas emissions) should be an objective of the W2R EPP?**

ARA recognises that carbon emission reporting is a federal issue, and whilst benefits will be achieved through a transition to a circular economy state-based requirements should not complicate or impede national regulation.

#### **Q3. Are there other objectives for this W2R EPP that should be considered?**

The SA government should aim to align effectively with national policies to ensure consistency and reduce regulatory complexity for businesses operating across multiple jurisdictions. By harmonising state and federal policies, there is an opportunity to prevent duplicative requirements, streamline compliance processes, and support businesses in implementing sustainable practices without unnecessary administrative burdens. This approach fosters a more cohesive and efficient regulatory environment that benefits both businesses and broader sustainability goals.

Driving demand and creating markets will help accelerate the adoption of the circular economy, it is essential to ensure the appropriate economic and commercial framing is included, as opposed to simply an environmental initiative or cost to the economy. Global businesses have already demonstrated the economic potential of circular models, where strategies like product-as-a-service, repair, and recycling not only reduce waste but also open new revenue streams.

## 7.2 Expanding the waste management hierarchy

### Q1. Do you have any comments on the proposed expanded SA waste management hierarchy?

The ARA supports the updated waste hierarchy as it aligns with the principles of a circular economy by prioritising the minimisation of disposal and the retention of materials.

Clear communication regarding the distinction between the traditional and expanded waste models is essential to promote public behaviour change. Educating individuals on the importance of circular practices and their role in reducing waste can enhance understanding and encourage the adoption of sustainable behaviours, ultimately contributing to the success of the circular economy. Additionally, it is crucial to provide retailers with adequate resources to implement circular economy principles such as advocating and incentivising innovation and services that support repair durability and providing support for reuse, rental, and donation programs.

## 7.3 Managing resources to preserve value

### Q1. If the concept of highest value use or reuse is defined and incorporated into the EPP to inform decision making, how general or prescriptive should it be, and why?

#### 1a. Should a reuse proposal be rejected if there is a higher value reuse option available for that material?

The concept of higher value is supported. However, it should not be overly prescriptive and must allow for flexibility to accommodate demand. Reprocessing materials to achieve a higher value is counterproductive if there is no corresponding demand for the newly created products.

#### 1b. What mechanisms should be considered when thinking of maximising higher value reuse of materials?

Before undertaking efforts to reprocess and reuse materials, it is essential to ensure that there is sufficient demand for the reprocessed materials. Assessing demand will help align reprocessing activities with potential applications and ensure that the resulting products can be effectively utilised.

### Q4. If source separation of waste is incorporated into the EPP as a requirement, who should this requirement apply to? Please explain your reasons

If source separation of waste is integrated into the EPP, the requirement should be applied to the collectors or recyclers of the waste, as they possess the necessary knowledge and resources to effectively perform the segregation. By placing the responsibility on those who are best equipped, we can enhance the efficiency of the waste management process and improve the overall effectiveness of recycling efforts.

## 7.4 Defining waste

The ARA supports the proposed risk-based approach to waste regulation, which focuses on regulating high-risk waste items while excluding lower-risk waste types. There is a critical need for national harmonisation and consistency in the definition of 'waste.' A unified definition will help reduce confusion and streamline effective waste management practices across jurisdictions. This alignment is essential for advancing a

circular economy and ensuring that all stakeholders operate under the same framework.

## 7.5 Product stewardship requirements

### **Q1. Should SA establish a product stewardship legislative framework to enable action to be taken at the state level for certain products/items?**

The ARA does not support state-based product stewardship as this creates more regulatory burden and inefficiency in addressing national issues. We are supportive of national product stewardship schemes developed in consultation with industry.

Additionally, there is an opportunity to leverage the Review of the Recycling Waste Reduction Act 2020 to use the framework for product stewardship, including voluntary, co-regulatory and mandatory approaches. The South Australian government should advocate for all states and territories to unite under this key Commonwealth legislation that supports action on the circular economy, resource recovery and waste management.

### **Q2. Is there an alternative approach for action to be taken to address problematic products at the state level, in the absence of a national solution?**

The South Australian government should work with industry bodies, such as the ARA, to strongly advocate for nationally consistent schemes that benefit the nation. The ARA welcomes an opportunity to collaborate with SA on this approach. There needs to be a push for a national scheme that would provide a framework that would enable consistent implementation and oversight, fostering collaboration among producers, consumers, and waste management stakeholders to achieve shared sustainability goals.

## 7.5.1 Product stewardship requirements | Tethered single-use drink bottle lids

### **Q1. Should SA establish a product stewardship legislative framework to enable action to be taken at the state level for certain products/items?**

A requirement for single-use plastic bottles to have tethered lids must be preceded by an assessment of the availability of a sufficient supply chain and the infrastructure for recycling or reprocessing these integrated products. Importantly, any related legislation must be implemented at a national level, as we do not support a fragmented, state-based approach.

While tethered lids are a positive initiative, their success hinges on uniform national regulations. For example, although the NSW EPA has proposed such a measure, they have acknowledged the need for all states to align within the Container Deposit Scheme (CDS) for it to be effective. Additionally, bottle supply chains operate nationally, making a state-by-state approach impractical. To ensure a smooth transition, the industry would require a minimum lead time of five years from the enactment of such regulations and national harmonisation on this matter.

## 7.5.2 Product stewardship requirements | Plastic microbeads

### **Q1. Do you agree that the use of microbeads in rinse-off personal care products and cleaning products that are washed down the drain should be phased out?**

The ARA supports the phased-out use of microbeads in rinse-off personal care products and cleaning products that are washed down the drain.

### 7.8.1 C&I | Source separation and collections of co-mingled recyclables

**Q1. For South Australian businesses and organisations that do not have access to council collected kerbside bins, what recyclable materials should be required to be separated for resource recovery collection?**

Priority should be given to separating a business's most generated materials by proportion and weight, provided that existing infrastructure is available for recycling. This may vary among different types of retailers, such as those selling food, clothing, or providing services, as well as online retailers, each of which may produce distinct recyclable materials.

**Q2. Should all South Australian businesses or organisations be required to separate their recyclable materials for collections?**

While onsite separation of recyclables should be encouraged, businesses will face varying constraints in complying with regulations in this area, including limitations related to space, infrastructure, and the workforce needed to carry out onsite separation. Therefore, any new regulations should primarily apply to recycling processors and collectors, with a focus on providing the necessary infrastructure to facilitate effective recycling on a national scale. This approach will help ensure that businesses can meet regulatory requirements while promoting sustainable waste management practices.

### 7.10.3 Prohibited landfill waste | Batteries

**Q1. For South Australian businesses and organisations that do not have access to council collected kerbside bins, what recyclable materials should be required to be separated for resource recover?**

Any legislation should be consistent at the national level to prevent banned products from being transported to jurisdictions where such products are not prohibited for disposal.

## CONCLUSION

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Thank you for the opportunity to provide a submission to this inquiry. Any queries regarding this submission can be directed to ARA Sustainability Policy Advisor Sharmi Ahmed at [Sharmi.Ahmed@retail.org.au](mailto:Sharmi.Ahmed@retail.org.au).