

Let's talk shop.

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

June 2026

The Australian Retail Council (ARC) welcomes the opportunity to provide feedback to the Environment and Communications Legislation Committee inquiry into the *Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026*.

ARC represents the Australian retail sector. Valued at \$444 billion, retail is the nation's second largest private sector employer, supporting more than 1.5 million jobs, including more young Australians aged 15 to 24 years than any other industry.

Our membership encompasses the full breath of Australian retail, from family-owned small and independent businesses, comprising 95 per cent of our membership, to large national and international retailers supporting communities across metropolitan and regional Australia. With more than 155,000 retail outlets nationwide and a growing online presence, the retail sector is embedded throughout the economy, playing a critical role in the supply chain of Australian businesses.

ARC advocates for policies and reform that drive growth, resilience, and long-term prosperity for Australian retail and the millions who rely on it. At a time of rapid change, from technological disruption and international competition to shifting consumer behaviour and sustainability expectations, effective policy settings are critical for retailers, workers, consumers and communities.

## Submission Context

ARC antecedent entities, the National Retail Association (NRA) and the Australian Retail Association (ARA) have welcomed engagement with industry, stakeholders and governments to develop and implement effective regulatory settings for packaging. Currently ARC is participating in an independent research project regarding options for an Extended Producer Responsibility (EPR) scheme for packaging in Australia. The research will seek to answer the following question:

*How should Australia design an EPR scheme that improves circular economy outcomes without creating disproportionate cost, complexity, or competitiveness impacts for businesses and consumers?*

This research presents an important opportunity to inform public debate and shape evidence-based solutions.

As ARC expects this research to be shared publicly, our submissions to this inquiry are limited to general comments about the Bill. We have also included some general comments regarding the challenge of regulatory fragmentation, including in packaging reform. We would welcome further engagement with the Committee once the research is released, including in relation to evidence-based, practical and nationally consistent packaging reform.

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### General comments

ARC is supportive of national packaging reform. Packaging reform should be evidence-based and competitively neutral. Reforms should be driven under federal leadership and deliver consistent and harmonised regulations across the nation. Increased costs on consumers and businesses, particularly small and medium sized businesses, should be avoided. The objectives of packaging reforms should be clear and achievable having regard to a producer's ability to exercise influence in a supply chain. Importantly the delivery of environmental outcomes (including reduced levels of waste) is critical and must be able to be measured.

The current state-based fragmented approach to packaging related reform and regulation is inefficient, complex and imposes considerable costs on consumers, households, businesses and the Australian economy. Our members report that:

- Inconsistent packaging rules are not delivering environmental outcomes
- National standards are required
- Education is essential to aligning consumer habits with the objectives of packaging reform.

Regarding this Bill:

1. We are concerned this Bill pre-empts or undermines broader national reform, specifically the current Commonwealth review of packaging regulation and the *Recycling and Waste Reduction Act* framework. The Bill risks rushed regulation, duplication, inconsistent obligations and poor alignment with state and territory waste systems.
2. The blanket targets in the Bill are not evidence-based or technically or commercially feasible. They are not supported. The targets assume that markets, infrastructure and supply chains can deliver these outcomes by 2030, across all packaging formats, product categories and imported supply chains. Our members inform us that this is not the case.
3. The timeframe in the Bill is unrealistic for a scheme of this scale and complexity. The design of a national EPR scheme should be developed through a rigorous, independent and evidence-based process so that it is practical and achievable. An EPR scheme should deliver positive environmental outcomes and proportionate outcomes for retailers, broader industry stakeholders and households.

### **The importance of harmonised packaging regulations**

Implementing measures to harmonise regulations, including in relation to packaging and waste, is one of the critical reform challenges for Australia. In February 2026, ARC released [The Fragmentation Tax: How regulatory inconsistency is costing Australian retailers and households](#) (the report).

Quantifying the cost to Australian businesses of government regulation at \$240 billion in 2025, the report includes a specific focus on selected packaging and waste regulations. The report shows that the costs imposed on households, retailers and the broader economy from fragmented regulations across the states and territories are:

- \$30 - \$35 million in lost economic activity (or \$300m - \$350m over 10 years)
- \$10 - 15 million in additional costs for households per year
- 1,000 - 1,500 in forgone jobs across the economy.

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These avoidable costs and impacts matter. Jurisdictional fragmentation imposes a real and measurable tax on the Australian economy, slowing overall productivity, forgoing jobs and burdening business, including retailers across the sector. Small and medium sized retailers are impacted the most. If costs cannot be absorbed by retailers, they fall on households and consumers, who are currently facing a sustained cost of living crisis.<sup>1</sup>

We commend this report to the Committee and urge policymakers to be mindful of the significant regulatory burden and broader community impacts of fragmented regulations and duplicative compliance obligations.

Finally, the Committee should be mindful of the risk to Australian jobs, businesses and the economy of uneven regulation. Any scheme that imposes obligations on domestic retailers while failing to capture ultralow cost offshore sellers would create an uneven playing field and undermine both environmental outcomes and competitive neutrality.

Thank you again for the opportunity to provide this submission. Please direct any queries in relation to this submission to our policy team at [policy@retail.org.au](mailto:policy@retail.org.au).

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<sup>1</sup> Extract from the Fragmentation Tax report: Prices are 23% higher today than they were just five years ago. Housing costs are up 28%. Transport costs are up 22%. Health costs are up 24%. Households have lost 14 years' worth of real income growth since 2020. Persistently weak productivity growth – which drives living standards and reduces inflationary pressure – underlies these challenges. Productivity growth in the last 10 years is the lowest it has been in more than half a century. It's now likely children will have a worse standard of living than their parents