

BUILDING A CIRCULAR ECONOMY: WMRR'S PRIORITIES FOR REALIGNING AUSTRALIA'S ECONOMIC AND CLIMATE CHANGE GOALS

WMRR'S THREE (3)-POINT FEDERAL ELECTION PLAN

WMRR calls on all parties to commit to the following three (3)-point plan at this year's federal election:

1. INVESTMENT

Commit to funding and driving investment in circularity

2. REGULATION

Commit to establishing strong regulatory frameworks

3. MARKETS

Commit to creating circular markets: buy it back!

Australia is increasingly falling short of its targets to reduce greenhouse gas emissions, increase resource recovery, and reduce waste generation. The incoming federal government has a real opportunity to realign Australia's economic and environmental priorities through sharpening its focus on the Waste and Resource Recovery Industry in order that less can be used for longer. A shift in federal government priorities is urgently needed if Australia is serious about reaching both its climate and circular economy goals.

Since 2019, Australia's National Waste Policy has committed to achieving an 80% resource recovery rate from all waste streams by 2030. As part of the Australian Government's broader commitment to climate action and its Nationally Determined Contribution (NDC) under the Paris Agreement to limit global warming to 1.5°C, Australia has set a target to achieve net zero emissions by 2050. However, with our current recovery rate at 67%, a material circularity rate of just 4% (compared to the global average of 7.2%), and as of December 2023 only a 29% reduction in emissions, we are falling short.

The momentum to achieve these targets has slowed over recent years and with just five (5) years to go the time for urgent action is now.

WMRR calls on all parties in the upcoming Federal Election on 3 May 2025 to prioritise Investment, Regulation, and Markets to drive material productivity, grow the Australian waste and resource recovery (WARR) industry, and build resilience through onshore remanufacturing capacity.

Action to achieve net zero emissions and prioritising a circular approach to resource management will also mitigate the worst impacts of climate change with 70% of greenhouse gas (GHG) emissions linked to material handling and use, and 80% of emissions stemming from housing, mobility, and nutrition.

These targets are critical - not aspirational - for creating the sustainable economy and environment Australians want and deserve and want.

To meet these goals, the Federal Government must provide active national leadership and create economic and environmental policies that establish a level playing field that values all resources – both recovered and virgin - across Australia's common market.

Australians must have the systems support to maximise value from our resources by ensuring that they are used multiple times.

It is vital that secondary raw materials become as competitive and valued as virgin materials.

Australia must acknowledge the WARR industry's role in establishing a safe, integrated circular economy that retains materials in circulation for longer. This requires eliminating regulatory and economic barriers to using recovered materials, fostering green manufacturing jobs, and committing to a sustainable future and strong national policy leadership to make the National Waste Policy targets enforceable and mandatory.

INVESTMENT: COMMIT TO FUNDING AND DRIVING INVESTMENT IN CIRCULARITY

Raising Australia's resource recovery rate from 67% to 80% by 2030, requires 10 million tonnes of material to be recovered and diverted from landfill.

The one-off investment of the Recycling Modernisation Fund (RMF) was successful in improving Australia's resource recovery capacity and capability, co-investing in 139 projects nationwide, creating 1.4 million tonnes of additional processing capacity, and fostering jobs across metropolitan and regional areas.

We urge the incoming Federal Government to commit an additional **\$500 million** in funds to the RMF - to be matched by state governments and private industry - expanding and enhancing the RMF to include all priority waste streams beyond glass, plastics, tyres, paper, and cardboard.

Broadening eligible material streams, including organics and hazardous waste, will build on the positive momentum of the RMF to-date to meet recovery targets and generate market demand for an additional 10 million tonnes of recovered materials by 2030.

“We urge the incoming Federal Government to commit an additional \$500 million in new funds to the RMF”

REGULATION: COMMIT TO ESTABLISHING STRONG REGULATORY SETTINGS

To ensure secondary raw materials compete with virgin materials, the Federal Government must implement clear regulations, and incentivise circular practices for all products placed on the Australian market.

Introduce a Circular Economy Act

This Act must establish enforceable environmental standards for all products entering the Australian market, focusing on Eco-Design for Sustainable Products (like the European Union), reuse, and recoverability. The Act must also include mandatory extended producer responsibility (EPR) obligations to drive product lifecycle improvements, market demand for recycled content, and a transition to full life-cycle stewardship schemes. There must be disincentives for placing non recoverable products or hard to recycle composites on our market.

Australia must move to designing for modularity and repairability in order that we use less for longer. Coupled with national regulations restricting the placement of contaminant containing materials on market (such as PFAS), Australia can move towards a resilient economy that has designed out waste and is in a position to continually reinvest its valuable resources back into productive supply chains.

The Act must also be supported by an enforceable Circular Economy roadmap with measurable targets, milestones, and transparent progress tracking, we must move beyond frameworks to real action that genuinely moves Australia towards circularity.

Incentivise the Use of Recycled Materials

Australia must address its low material productivity (USD \$1.20/kg compared to the OECD average of USD \$2.50/kg) by incentivising the use of recovered

materials. For instance, implementing EPR schemes for packaging and renewable energy systems (e.g. solar panels) will support these efforts. Reviewing and streamlining export regulations and eliminating barriers to recovered material use will further enhance Australia's competitiveness and management of critical rare minerals.

Expand Clean Energy Opportunities through improved Carbon Regulation, including the ACCU Scheme

Major WARR facilities are significant capital assets that can assist decarbonisation through displacing emissions-intensive energy sources (i.e. Energy from Waste), abating embodied carbon (processing secondary rather than virgin materials), and reducing emissions (i.e. gas capture). Australia's carbon credit scheme (ACCU) provides an important financial incentive to make these projects viable. Extending the crediting periods for Alternative Waste Treatment (AWT) methodology and urgently developing methodologies for Energy from Waste (EfW) and recycling projects will help unlock investment, create jobs, and reduce emissions while aligning with Australia's climate goals.

Australia must also ensure that it has a fit-for-purpose policy and regulatory landscape that incentivises the use of recovered materials, drives materials away from landfill and recognises the need to collocate WARR infrastructure.

Achieving Australia's net zero and resource recovery targets requires bold action and collaboration across all sectors – or what WMRR terms 'a systems approach' to circular resource management.

The time to act is now. Let's work together to build a future that values resources, minimises waste, and reduces emissions for the benefit of all Australians.

MARKETS: COMMIT TO CREATING CIRCULAR MARKETS - BUY IT BACK!

It is integral that the incoming government recognise that diverting material from landfill without market demand is not achieving 'resource recovery'. Ensuring that Australia has local markets for recovered materials is essential to achieving an 80% recovery rate by 2030.

National leadership must be part of any future made in Australia. Sustainable procurement policies across all levels of government will foster demand for secondary raw materials. These should be backed by committed funding, targets and standards for government procurement of recycled materials, akin to Victoria's ecologiQ model. This approach will encourage domestic remanufacturing, create green jobs, and bolster Australia's resilience to global supply chain disruptions. We also require circular skills to deliver these green jobs focusing on upskilling in repair and remanufacture in Australia, a number of which have been lost in offshoring key sectors such as textiles and fashion.

WMRR Calls For:

- Financial incentives for using recycled materials, such as GST exemptions on recycled products.
- Investment in developing and enforcing standards (including packaging design) that incorporate recycled material content.
- Mandatory government sustainable procurement of recycled materials implemented, including Federal government capital grants requiring the purchase and reporting of recycled materials.
- A national education campaign on circular resource management, including the benefits of recycled products compared with virgin, and emphasising waste avoidance, source separation, and proper disposal of hazardous materials.