

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

30 January 2026

SUBMISSION: ESSENTIAL STEPS FOR EFFECTIVE EXTENDED PRODUCER RESPONSIBILITY (EPR) IN AUSTRALIA

Dear Treasurer,

Thank you for the opportunity to present a submission and to recommend steps for Australia to implement effective Extended Producer Responsibility (EPR) legislation, regulations and fund five essential capacity building programs in the next two budgets 2026-27 and 2027-28.

My submission and recommendations are based on extensive Australian and international experience and six months working in EU in 2025. I am available to meet to expand upon my submission and how these steps will address issues confronted with the management and cost of several common products (including tyres, batteries, textiles, packaging, vehicles, mattresses and solar PV panels).

1. The Problem: Structural Failure, Not Lack of Effort

As the Productivity Commission has noted Australia's current, largely voluntary approach toward product stewardship is failing to deliver system-wide outcomes and cost savings. Australia is out of step with many other nations that have both mandated producer responsibility and established formal regulators providing regulatory oversight.

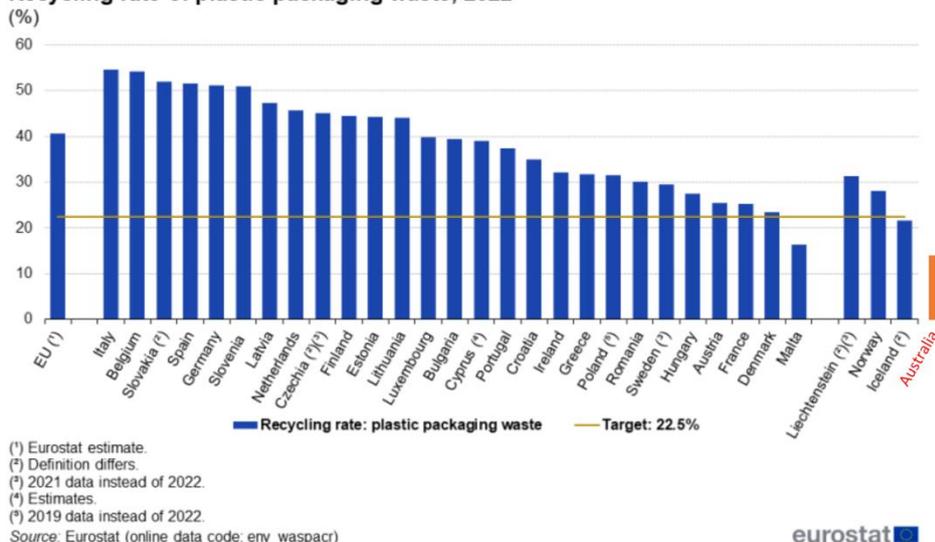
The result for Australia, is that our voluntary and unregulated approach is resulting in rising costs to households and governments, allowing the ongoing sale and waste of sophisticated manufactured products, depleting our manufacturing and industrial base as well as recycling sectors, and increasing reliance on landfills, bans and grants to compensate for structural failure.

By contrast, nations with regulated EPR systems are achieving higher quality products, extending the life and repair of products, lowering pollution, and ensuring fairer distribution of costs and improved productivity with existing products and resources. As the Productivity Commission notes, Australia's material productivity of US\$1.10 per kg is less than half the OECD average of US\$2.50.

For example, Australian governments agreed and set ambitious targets in 2018 for reduced 'waste' to landfill covering all sector and products, and packaging targets to be achieved by 2025. However, there have been no structural changes to ensure these targets had any chance of being met, and this still remains the case. Until the Government acts, particularly on mandating producer responsibility and establishes a national regulator for EPR, there can be no real improvement upon current lacklustre performance or achievement of targets.

As shown in the following chart, just in relation to plastic packaging alone, EPR and the lack of mandatory regulated EPR in Australia's case, can have significant impacts. Similar charts can be shown on other product categories, such as batteries and vehicles. In Australia, the challenge is fundamentally structural: there is no national EPR regulator, no mandatory obligations for producers and retailers to take responsibility, and no well-resourced, non-profit Producer Responsibility Organisations (PROs) with clear accountability to deliver upon government targets.

Recycling rate of plastic packaging waste, 2022



[Eurostat, Packaging rates, Oct 24](#)
[APCO Aust Packaging Consumption & Recovery Report, Dec 24](#)

2 What Works Internationally

Experience from the EU and OECD shows that successful EPR schemes require clear, enforceable rules and a national regulator. Key results include producer accountability, efficient service delivery at scale and transparent compliance. The following principles underpin mature EPR frameworks and can guide a nationally coordinated approach in Australia.

2.1 Mandatory producer responsibility – voluntary schemes cannot and do not deliver national reach, scale, investment capacity, equity or full producer compliance. The greater the number of producers contributing, the lower the cost per unit of product, the greater services, investment and benefit to citizens, the economy and environment. Mandatory EPR with a NFP PRO can provide the necessary funds and expert management to handle the full life span of a product from design, labelling, certification and education, to contracted collecting, sorting, reuse systems, repair, recycling and reporting.

Producers selling product into the Australia market must be equally and fairly responsible for the management of their products, and voluntary schemes are inherently unfair. They are also unfair as the costs do not relate to the level of consumption of households or businesses nor the real negative externalised costs of products. Consequently, most of these costs continue to be borne in Australia through taxation and rates by local councils and state governments for clean-up, collections, landfills and grants for infrastructure.

Recommendation:

As outlined by Battery Stewardship Australia, the Australian Government can make an easy and small amendment to the current RAWR Act as an interim step improvement enabling the Minister to shift priority products from voluntary to mandatory responsibility.

2.2 A single, not-for-profit PRO per product category – competition between PROs undermines outcomes and prevents the introduction of eco-modulated fees that incentivise improved design for circularity. There are a number of countries that mistakenly allowed for competing, for profit PROs. Australia did this with computers and TVs, and Germany, UK, Poland and Slovenia did this for packaging. Significantly in 2025, both Poland and Slovenia changed their legislation and mandated a single NFP PRO, and both Germany and UK introduced an additional layer of ‘clearing house’ entities to receive commercially sensitive data, however this half-step approach means they still fail to have alignment to government targets, eco-modulation or consistent campaigns.

Recommendation:

Australia must recognise that EPR and PROs (if properly structured as a NFP with backing of a national regulator) exist to provide an essential, expert, highly specialised multi-party balancing public service.

PROs are appointed to manage thousands of competing commercial specialist producer brands and hundreds of contracts with competing commercial processors and service providers, as well as agreements with governments for delivery of agreed services, on behalf of members and governments to assist achieve public policy outcomes and targets.

2.3 A national regulator – with powers over producers, PROs and product sellers (online and store retailers), supported by expert regulatory staff to ensure government policies are translated into action, targets are met, all liable producers pay fees, and when required penalties for non-compliance and ‘free riding’ are issued and paid. Most countries have a special regulator for this purpose. Spain, Norway, Denmark use the national EPA. In countries such as Poland, Belgium, Portugal the regulator is a special inspectorate or commission. In a few instances it is the government department.

Of all the structures I investigated in Europe, I found the Belgium Commission to be the most suitable and likely to fit and succeed in Australia. The Belgium Commission board comprises representatives of each province (state) ensuring alignment in legislative responsibilities and powers, and delegating responsibilities between the Commission and the states/national governments for EPR and PRO governance, costs, fees charged, performance according to strategic plans and agreements.

Recommendation:

That Australian governments agree to designating the new national EPA as the responsible regulator for EPR schemes OR establishing a specialist Commission with role and structure akin to that in Belgium.

2.4 Cost effective services and obligations to participate – In Europe effective EPR regulations also place responsibility upon multiple parties, not only the PROs, to collaborate for success toward the achievement of targets. This measure is currently missing from the draft Regulations by the NSW EPA for batteries, for example and needs to be amended. The obliged parties included in regulations are state and local governments and large retailers of products. These obligations are for parties to collaborate on such activities as public access, reporting and public education campaigns.

In this way the PRO and such parties have shared responsibility to work together rather than reject or run contrary programs. This results in extraordinary levels of public education, understanding, compliance and participation in circular efficient management of products. This obligation on all parties ensures easy, free access for drop off at community depots and return to retail (for mattresses and batteries for example). Munich, a city of ~1million people, in addition to kerbside and drop off retail facilities, has no less than 18 easily accessible free public drop off facilities for all types of products (largely covered by various PROs’ fees). Currently in Australia such communal facilities are few, far away and paid for by rates, taxes or users through gate fees and tend to be co-located with a recycling centre or landfill dominated by forklifts and trucks.

Recommendation:

Ensure future regulations allocate shared obligations to collaborate on public access, education and enable progressive attitudes and investment in innovation, trials, joint initiatives and infrastructure investment. Collective obligations for collaboration on public service will provide a significant boost to efficiency, productivity and innovation.

2.5 Eco-modulated fees – to drive better design and recycled content. This relatively new development out of NFP packaging PROs in Europe is proving to be very influential, but only works in nations where producer responsibility compliance is mandatory, penalties for non-compliance apply,

and there is only one NFP PRO. Eco-modulated levies are now being used to drive improvements in reuse, repair, not only recyclable design, thereby delivering product-wide and sector-wide reform.

Recommendation:

If Australia wants to see the neat and efficient results of eco-modulated fees that provide financial incentive and signals to liable producers to place good circular designed products in the Australian market, then the government must ensure PROs are NFP and singular in a given product category.

3. Summary Recommended Basket of Legislative and Regulatory Measures and Results

The table below summarises the key measures for establishing an effective EPR framework. Each measure is designed to ensure that producers are accountable for the management of their products, while promoting transparency, regulatory oversight, and efficient resource recovery. Collectively, these measures aim to prevent market distortion, encourage innovation, and provide accessible, convenient recycling options for consumers, consistent with international best practice.

Measure	Purpose
Update national EPR legislation and regulations	Establish mandatory producer-pays framework across priority products
National EPA / Commission as EPR Regulator	Oversee producers and PROs, enforce compliance, set service standards to achieve policy and targets
Public producer register	Transparency and enforcement, including for online imports
Mandatory producer participation	Join the relevant PRO or provide equivalent approved national services including own product take-back and education
Singular NFP PROs by category	Enable scale, innovation, transparency and eco-modulation
Retailer and government obligations	Ensure collaboration with PROs for maximum impact, education and free and convenient consumer access
Penalties for non-compliance	Prevent non-compliance, free-riding and market distortion

Below is one table, amongst several I have on different product categories, which shows summary results of six regulated packaging PROs (EU and Canada). As can be seen they operate with budgets funded by liable producers, delivering quality service according to agreements with the regulator on behalf of governments, providing national campaigns, solid investment, professional and accountable services with impressively high recovery and recycling rates while reducing risk and public costs.

Country	Year	PRO name	Pop (Million)	Liable comps	Budget (€ Millions) '23-24	Service cost per inhabitant (€/a)	POM (kt)	Recovery Rate (%)	Recycling Rate (%)
Belgium	1994	Fost Plus (household)	12	4,802	336.13	21.55, Full service	728.392 by members	750 = 85%	95
Canada Quebec	2003	Eco Enterprises Quebec (HH)	8.7	3,199	110.1	12.70, Partial service	655	461 = 57.8%	52
Czechia	1997	EKO-KOM (HH & C&I)	11	21,301	171.8	15.88, Partial service	3,401 (1,085 HH)	1,015 = 86%	75
Estonia	2004	Eesti Taaskasutusorganisatsioon MTÜ (ETO) 1 of 3 competing PROs	2	1,177	4.34	2.61, Partial service	46.721	30 kt = 62.4%	62%
Finland	1997	RINKI (Finnish Packaging Producers Ltd) for 2 PROs (excl DRS)	6	5,742	undisclosed	n/a	940.628	n/a	476 = 66%
Spain	1996	EcoEmbres (household & some C&I)	47	12,623	643.81	13.76, Partial service	1,876.270	85.2%	80%

4. Targeted Investment to Enable Success (Small Cost and High-Return)

Finally, I urge the Australian Government to make a comparatively small budget allocation into five professional, capacity building measures in the 2026-27 budget. These are necessary system-change professional capacity-building investments. This quick investment is required to ensure Australia can transition smoothly from current tiny voluntary stewardship schemes to regulated professional EPR and PROs.

Without this immediate injection, existing voluntary PRO schemes will continue to weaken, members will depart, cash dwindle to a trickle insufficient for existing commitments on public collection and processing. There is real risk, after years of ‘zombie-zone’ waiting for mandatory regulations, that PROs will default and innovative recyclers close leaving an expensive mess and tarnished reputations.

Furthermore, the reality is that currently voluntary PROs operate with too few staff, rudimentary spreadsheets, cheap CRM (if any), and with too few service providers to choose from with experience or understanding of EPR and PROs in law, accounting, finance, material management, certifications, insurance, communications to name a few. These sector gaps are serious and must be overcome.

Unfortunately, but understandably boards, executives and managers in Australian governments, industry stakeholders, PROs and liable producers are also currently insufficiently informed, under-prepared and under-resourced for national scale, well regulated, multi-million dollar PROs to run complex tenders, select sophisticated management and compliance systems, sign hundreds of contracts, manage thousands of members and hundreds of thousand tonnes of complex materials.

These recommendations are based upon experience in managing effective national industry training and professional development programs and PROs in Australia, a desire to avoid potential collapses, and having been immersed in the impressive competency and capacity in EPR and PROs in Europe.

Investment	Cost	Outcome
Scale-up existing PROs to more sophisticated and professional IT, membership, reporting, audit, compliance systems	~\$14M over 2 years for ~ 7 PROs	Prevents collapse of current schemes and enables rapid transition ready for when mandatory regulations come into effect
2026 National EPR & PRO Summit with international speakers, workshops and training	Modest	Rapid capability uplift across government and industry
3-year international exchange for ~100 government and industry leaders	\$2M over 3 years	Adoption of international best practice into Australia’s business, governments and industry on EPR, PROs, regulators, contracts, management systems and service standards
Expert Ministerial Advisory Group on EPR, PROs, sector targets	Minimal	Ensures legislation, regulation, programs and targets are effective, realistic and fit-for-purpose
EPR Plan 2026–2030	Within existing processes	Clear sequencing, targets and accountability

In exchange for this modest investment the government and Australia will be rewarded with considerable uplift in the following within the next 24 months by mid-2028:

1. At least seven PROs with more robust professional compliance and contract management systems that are more confident, capable and ready for launch upon mandatory EPR coming into effect in 2027. It will provide the necessary lifeline for immediate and long-term success.

2. A significant cohort of influential Australian industry, business and government decision makers with life-changing international exposure and networks in global best practice who can lead their teams, organisations and sectors through the transition phase and into the future.
3. Formation of first-rate, globally informed, effective EPR regulations, the formation of multi-government, industry and PRO party agreements plus realistic SMART circularity targets and action plans for priority products.
4. Public and industry recognition that this government has finally opened the gates for real EPR and PROs to flourish, for Australian business and industry to innovate, and that it has delivered on effective, long-lasting product stewardship in the public and national interest.

It is my vision and confident belief, and having seen the competency and capacity of PROs and regulators in Europe, that the Australian Government has the extraordinary capacity right now to enable the transformation of products sold in Australia through relatively easy reforms for EPR. By unlocking the potential of PROs and Australia's managers to collaborate, invest and innovate we will enjoy the improved products, efficiencies and economic uplift experienced in other nations.

5. Conclusion. Why EPR Matters Now

Without these relatively easy steps in 2026, the government will not harness the pent-up momentum for good producer stewardship, progress in circular economy, remanufacturing, recycling markets, and product design will remain stalled.

With it, the Australian Government can:

- Reduce cost pressures on households and governments
- Unlock private investment and new domestic supply chains
- Strengthen SMEs and regional manufacturing and industry
- Shift from inequitable costs upon taxpayers to eco-levies upon producers that relate to negative externalities and consumption
- Deliver national structural reform comparable to the reform underway in Australia's electricity market and vehicle and carbon emissions.

EPR is not a niche waste policy. It is core economic and productivity reform for a modern, circular economy.

The above information is a fragment of facts about EPR system design, regulations and benefits, and I welcome the opportunity to discuss this submission and assist the government with Australia's smooth transition to regulated effective EPR.

Kind regards,

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