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Packaging
EPR
Dialogue

Packaging Regulation in Australia

Situation Analysis

September 2025

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Situation Analysis

The following seeks to summarise the various iterations of policy that impinge on advancing packaging recovery and processing regulation in Australia.

The paper is part of a series of initiatives (under the banner of the Reloop Packaging EPR Dialogue) that will seek to energise policy processes that will deliver federally mandated packaging regulations.

The following multiple and disparate approaches indicate activity in the development of policy, but does it cohere and will it all result in meaningful federal intervention that advances industry investment in processing?

Summary

- Former and current Federal Ministers (Plibersek and Watt) have broadcast their intention to take action on packaging waste and low levels of recovery.
- To date Federal consultation on regulating packaging has focused on packaging design standards rather than recovery, fee structures and end markets.
- State governments have sought to get around the lack of federal action on problematic plastic materials with various product bans (straws, bags, single-use takeaway materials etc).
 - Container Deposit Schemes (CDS) are an example of state-based action in the absence of federal efforts.
- The NSW Government earlier in 2025 passed Extended Producer Responsibility (EPR) legislation that enables the state to unilaterally act on problematic waste materials, including packaging
- Multiple industry organisations are engaged in the policy process, including a newly ACCC authorised¹ Industry-led voluntary soft plastics recovery scheme.
- The Productivity Commission have made their ‘circular economy’ report (which includes analysis of packaging recovery options) available to the government; it is yet to be released publicly.
- As concerns have been expressed that further regulations could add to cost-of-living concerns, it’s worth noting, packaging recovery (principally via kerbside recycling programs) is already costing Australian consumers.
- To date, industry led proposals (including voluntary schemes) for further packaging recovery lack sufficient fees to cover the full-net-costs of recycling and therefore industry and investment certainty in reprocessing.

Announcements and little action

Federal Minister Plibersek – 9 June 2023

“In an Australian first, packaging will soon be subject to strict new government rules aimed at cutting waste and boosting recycling, thanks to a historic agreement struck at a national meeting of environment ministers today.”²

Federal Environment Minister Murray Watt – 30 July 2025

“We have been working with states and territories to reform packaging regulations with strict new rules and targets ... We recognise that there is more to do, and we will be doing more over the course of this term (of parliament) in partnership with the states and territories, who have a lot of responsibilities as well when it comes to these matters and waste matters in general.”³

¹ Australian Competition and Consumer Commission: <https://www.accc.gov.au/media-release/accc-proposes-to-authorise-new-scheme-for-soft-plastics-recycling>

² <https://minister.dcceew.gov.au/plibersek/media-releases/environment-ministers-step-cut-packaging-waste>

³ https://www.aph.gov.au/Parliamentary_Business/Hansard/Hansard_Display?bid=chamber/hansards/28821/&sid=0000

NSW State Government Minister – May 2025

“The NSW Government supports national action to reform Australia’s regulatory framework for packaging, including soft plastics.”

“The NSW Environment Protection Authority (EPA) continues to support the Commonwealth Government in delivering reforms to the national packaging regulations to reduce the environmental impact of packaging.”

“These reforms will set mandatory design standards that increase the use of recycled material in new packaging. Design standards will also ensure packaging is designed to be recycled or reused, increasing the amount of packaging that is recycled. These standards will make producers responsible for the proper disposal of the packaging they place on the market.”⁴

NSW EPR legislation

The NSW Government, in 2025, additionally legislated an EPR framework that allows the state to unilaterally establish state-based EPR schemes.

Initially communicated to allow for a battery recovery scheme this EPR legislation could also be applied to a state-based packaging scheme. There is precedent for state unilateral progress in waste-related programs such as the various Container Deposit/Refund schemes (CDS).⁵

Federal Environment Department (DCCEW)

The Federal Department have been working on design standards for packaging and a summary of the stakeholder consultation was released in 2024⁶ as well as a design for kerbside recyclability framework⁷ released in early 2025.

To date, no Federal work has been released related to any specific packaging regulations or recovery scheme or fee structures that might drive such a scheme.

⁴https://lgnsw.org.au/common/Uploaded%20files/Ministerial_representations/Minister_Sharpe_to_LGNSW_FOGO.pdf

⁵ In the absence of Federal action on drink container litter and recycling, States (commencing with large state interventions of NSW) implemented their own schemes’ from 2017 with all states and territories now having followed the NSW lead

⁶ <https://www.dcceew.gov.au/environment/protection/waste/packaging/reforming-packaging-regulation>

⁷ <https://www.dcceew.gov.au/environment/protection/waste/packaging/reforming-packaging-regulation/consultation-summary>

RWR Act Review

The current review of the Recycling and Waste Reduction Act will provide a framework for various types of voluntary, co-reg or mandatory federally mandated product stewardship in Australia, including potentially EPR for packaging.⁸

APCO

The Australian Packaging Covenant Organisation (APCO) is tasked by the government with delivering packaging recovery targets and manages a range of sustainable packaging programs.

Though, of course, APCO's targets have not been met (e.g. the 70% recycling target had an actual outcome of just 19%). APCO has therefore supported the principle of further regulating packaging as part of their 2030 strategic plan.⁹

AFGC

The Australian Food and Grocery Council (AFGC) is, amongst other things, a member of Soft Plastic Stewardship Australia (SPSA) and is broadly supportive of further action on used packaging recovery.

SPSA

This soft plastics scheme recently gained ACCC authorisation¹⁰. The scheme proposes to levy \$160 per tonne in the first years, rising to \$420 per tonne by 2029. These fees would appear insufficient to guarantee reprocessor investments in Australia.

Guaranteed offtake of processed recovered materials requires either mandated recycled content requirements (or some other mandated offtake incentive like a tax on virgin materials) and/or scheme fees that 'travel with' the used material to an end point where this processed material can compete with lower-priced virgin materials i.e. scheme fees should cover the **full-net-costs of recycling**.

Rather than dictating predetermined fees (likely insufficient for the task in any case), schemes should instead embody the 'travel-with' full net cost of recycling principle outlined above and remain flexible, adjusted to allow for variations in scheme costs, in particular guaranteeing a level playing field with virgin materials for offtake.

⁸ <https://www.dcceew.gov.au/environment/protection/waste/review-recycling-waste-reduction-act>

⁹ <https://apco.org.au/2030-strategic-plan>

¹⁰ <https://www.accc.gov.au/media-release/accc-proposes-to-authorise-new-scheme-for-soft-plastics-recycling>

Associations and Activists

There is a range of organisations engaged in advocacy for further regulating packaging, such as a mandated scheme that includes meaningful fees and high targets for recovery, processing and offtake. These organisations include the Australian Council of Recycling (ACOR)¹¹, Boomerang Alliance¹², Waste Management and Resource Recovery Association (WMRR)¹³ and WWF Australia.¹⁴

Productivity Commission

Australia's Productivity Commission (PC) recently (22nd August 2025) sent their final report Unlocking Circular Economy Opportunities in Australia¹⁵ to the Australian Government. This is required to be made public within 25 parliamentary sitting days, which could take us through to 2026 before this report is made publicly available.

The PC was cautious in its interim report regarding a mandatory scheme for packaging, suggesting other waste materials were a higher priority for action and pointing out schemes would impose additional costs on consumers.

The PC went on to advise the government to embark on a full cost/ benefit analysis of any possible scheme before embarking on that course.

Existing costs of packaging recovery

A political conversation has emerged related to the current 'cost of living' debate and the notion that new packaging regulations may impose additional costs on the community.

In which case, it is worth noting existing kerbside recycling programs across the country are estimated to cost ratepayers and councils around \$680Million.¹⁶

¹¹ <https://acor.org.au/wp-content/uploads/2024/12/241206-ACOR-Recycled-content-in-packaging.pdf>

¹² <https://www.cutthewrap.org.au/>

¹³ https://www.wmrr.asn.au/Web/Web/Media/Media_Release/2025/National-action-on-packaging-lifecycle-must-be-a-priority.aspx

¹⁴ <https://wwf.org.au/get-involved/plastic-pollution/dont-let-nature-go-to-waste/>

¹⁵ <https://www.pc.gov.au/inquiries/completed/circular-economy#report>

¹⁶ Industry intelligence and approximation only (Much more work needs to be done in this area)

Producer Scheme Fees

Any future scheme will need to take account of the full-net-cost-of-recycling, which means taking used packaging material from collection through processing to end use. This end-use component is important, and fees are likely to be required to offset the cost difference between recovered and virgin material.

Europe provides a template for the level of these scheme fees and the following outlines Belgium's EPR scheme for plastic-film at around \$2300 per tonne.¹⁷

Materials	Category	Rate (EUR/kg) excl. VAT
Flexible Plastics		
PE – Films Flexible packaging elements with at least 95 % of PE*	011-07	1,2854
Other plastic films Other flexible packaging elements consisting of plastics (e.g. PP or mixed PO and multi-materials such as e.g. PET/PE, PA/PE, OPP/PETmet/PE and similar combinations with a minimum of 95% of the polymer concerned*). <i>Note: This category does not apply to compostable plastic packaging (014-02), to aluminium laminates (014-03) and to plastic films containing at least 95% PE (011-07)</i>	011-09	1,3757

END

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¹⁷ <https://www.fostplus.be/en/members/green-dot-rates>