

URGENT GOVERNMENT ACTION NEEDED TO PROTECT AUSTRALIA'S PLASTIC PACKAGING RECYCLING FUTURE

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The Albanese Government must urgently introduce packaging reforms or risk the collapse of Australia's plastic recycling sector and face millions of tonnes of plastic waste continuing to pollute the environment.

Australia uses more than 1.3 million tonnes of plastic packaging each year—most of it imported—yet more than 1 million tonnes end up landfilled or littered. That's the equivalent of about 100,000 garbage trucks full of plastic, forming a continuous line from Melbourne that stretches past Sydney.

Although Australian recyclers have the capability to process recyclable plastic, limited demand for locally recycled plastic packaging is placing facilities at risk of scaling back or closing. This would mean more plastic waste, greater reliance on imported plastics, the loss of thousands of local jobs and greater adverse climate impacts. In effect, the convoy of plastic waste would continue to grow, stretching from coast to coast while recycling capacity lies idle.

An economic analysis undertaken by Rennie Advisory for the Australian Council of Recycling (ACOR) and the Australian Packaging Covenant Organisation (APCO) determined that reform to ensure all packaging meets strict design standards, is made with recycled materials and is recyclable or reusable can help build a stronger, cleaner, more self-reliant economy. It would also give Australian businesses the certainty they need to keep investing in packaging that meets best-practice design standards.

The analysis, outlined in the Securing Australia's Plastic Recycling Future report, determined that introducing a fee-based Extended Producer Responsibility (EPR) scheme, whereby brand owners and producers take responsibility for what happens to their plastic packaging after it's disposed of, would have a negligible cost impact, adding just 0.1% to product costs. Properly designed, such a scheme would level the playing field, ensuring companies that have already invested in better packaging are recognised and supported, and that laggards are brought up to the same standard.

If implemented within the current term of government, the analysis found packaging reforms could deliver the following benefits over the next five years:

- Reduce the amount of plastic waste polluting the environment by 370,000 tonnes a year.
- Increase economic activity in Australia by \$2.5 billion in gross value-add.

- Spur additional investment of \$220 million in private capital.
- Create almost 20,000 new jobs.
- Reduce CO2 emissions from plastic by 700,000 tonnes a year.

The development of National Packaging Laws was agreed to by the Australian Government in 2023, in response to low rate of plastic recycling rates and the need to shift Australia from a “take, make, waste” model to a sustainable circular economy.

Currently, most of the plastic packaging sold in Australia is made from imported, low-cost, fossil fuel-based plastics, and only 8% of packaging is made using recycled plastic. This is despite significant government supported investment in domestic recycling infrastructure and substantial efforts by many brand owners to redesign packaging for recyclability and recycled content.

Without regulatory reform, the analysis forecast that utilisation of existing Australian plastic recycling facilities could fall to just 32% within the next five years, resulting in facility closures, job losses and a stalling of investment in the circular economy.

There would also be a dramatic increase in plastic waste, with the cumulative cost to the environment projected to exceed \$32 billion by 2050, while imported virgin plastics continue to increase.

To deliver meaningful environmental and economic benefits, the analysis found that packaging regulations must include measures that prioritise the use of Australian-made recycled plastics over imported products.

Suzanne Toumbourou, CEO of ACOR said: “Without strong markets for locally recycled plastic, Australia risks repeating Europe’s experience, where falling demand and cheap imports have forced plant closures and left recycling capacity stranded.

“Significant investment in recycling infrastructure through the government’s Recycling Modernisation Fund, along with a ban on the export of plastic waste, has shaped Australia’s recycling system,” said Ms Toumbourou.

“The Australian Government must now urgently introduce its planned packaging reform to ensure the future viability of the domestic plastic recycling industry and break the bottleneck in plastic waste. This can help to secure a future where plastic is remade into new products and Australians can continue to benefit from the results of their recycling efforts.”

“Building strong, lasting demand for Australian recycled plastic packaging is essential if we’re going to meet Australia’s targets for sustainable packaging and deliver circular outcomes for these materials. It’s also how we back the brand owners that are already investing in better packaging,” APCO CEO Chris Foley said.

“APCO’s members include many of Australia’s leading brands that have spent years improving packaging design and labelling, and increasing recycled content. We now need clear, nationally consistent rules that reward leadership, bring laggards up to the mark and turn that effort into real environmental and economic outcomes, including less waste, more local jobs and more value retained in the Australian economy.”

“With the right reforms, we can turn today’s bottlenecks into an opportunity for Australia, keeping valuable materials in circulation, supporting local jobs and giving consumers confidence that the packaging they see on shelves has been designed for a circular economy.”

Securing Australia’s Plastic Recycling Future is available [here](#)

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The Australian Council of Recycling (ACOR) is the preeminent industry forum for resource recovery, recycling and remanufacturing, leading the transition to circular economy in Australia. ACOR represents a growing industry that contributes almost \$19 billion in economic value, generating broad social and environmental benefits. Our sector collects, sorts and reprocesses material, and makes new products with recycled content, creating more jobs for Australians.

[ACOR.ORG.AU](https://www.acor.org.au)



The Australian Packaging Covenant Organisation (APCO) is the entity in charge of managing and administering the [Australian Packaging Covenant](#) (the Covenant), which is a national regulatory framework under the [National Environment Protection \(Used Packaging Materials\) Measure 2011](#) (NEPM). This framework defines the collective responsibility shared by governments and businesses across Australia in managing the environmental impact of packaging. This pivotal role bridges industry participants along the packaging supply chain with Commonwealth, state, and territory governments, endorsed by environment ministers. APCO brings an evidence-based view of the whole packaging system. The data APCO collects and analyses helps government and industry shape reforms that are practical, credible and built to last.

[APCO.ORG.AU](https://www.apco.org.au)



Rennie Advisory is an Australian strategy and advisory firm that helps governments, corporations, and investors navigate complex challenges in areas such as the energy transition, decarbonisation and social change. The firm combines deep sector-specific expertise with data-driven insights to support informed decision-making and long-term value creation, offering services including economics, policy reform, strategy, capital advisory, and business advisory.

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