

Submission to the Senate Environment and Communications Legislation Committee

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

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Who we are

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of winegrape and wine producers. We represent the interests of the more than 2,000 winemakers and over 5,000 winegrape growers working across Australia's 65 wine regions.

The Australian grape and wine sector is a major contributor to Australia's economy and to rural and regional communities.

The grape and wine sector:

- Supports 203,392 direct and indirect full- and part-time jobs.
- Generates $15 billion in income from direct and flow-on employment.
- Contributes $51.3 billion to Australia's gross output.
- Adds $25.4 billion in value-added to the Australian economy[1].

Wine production is a critical pillar of many regional communities, underpinning local manufacturing, exports, tourism, hospitality and supply-chain businesses.

Australian Grape & Wine works to create a political, social and regulatory environment - domestically and internationally - that enables profitable, innovative and sustainable grape and wine businesses. We provide leadership, strategy, advocacy and practical support across issues affecting growers and producers of all sizes. Our Board decision-making processes require an 80% support threshold, ensuring that industry positions reflect broad and genuine consensus.

Australian Grape & Wine is recognised as a representative organisation under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*.

[1] AgEconPlus & Gillespie Economics, *Economic Contribution of the Australian Wine Sector 2025*, report prepared for Wine Australia, 7 August 2025, Executive Summary (unnumbered pages).

Executive Summary

Australian Grape and Wine Incorporated (AGW) welcomes the opportunity to provide a submission to the Senate Environment and Communications Legislation Committee inquiry into the *Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026* (the Bill).

AGW supports practical, evidence-based measures that improve product stewardship, packaging sustainability outcomes, increase resource recovery, and reduce unnecessary regulatory duplication across jurisdictions. The Australian grape and wine sector recognises the importance of product stewardship and has a strong record of compliance and adoption of voluntary participation in sustainability initiatives. This includes the industry led Sustainable Winegrowing Australia (SWA) program, Wine Australia's Emissions Reduction Roadmap, The National Environment Protection (Used Packaging Materials) Measure (NEPM), widespread engagement with the Australian Packaging Covenant Organisation (APCO) and the National Packaging Targets.

However, AGW does not support the Bill in its current form.

The Bill proposes an extremely broad and prescriptive national Extended Producer Responsibility (EPR) framework that does not provide enough information about its implications and interactions with existing initiatives to assess its viability. It is likely that the imposition of such a framework, without detailed cost benefit analysis would create limited additional environmental outcomes and impose substantial additional regulatory and financial burdens for wine businesses, particularly small and medium-sized regional producers, at a time when the sector is already experiencing severe structural and commercial pressures.

The Australian wine sector is currently navigating:

- a prolonged global oversupply of wine;
- softening global demand;
- the ongoing impacts of trade disruption;
- significant increases in energy, freight, fuel, fertiliser and packaging costs;
- and substantial cumulative regulatory and cost burden, including the expansion of Container Deposit Schemes (CDS) to include wine bottles across multiple Australian jurisdictions over the next 12 months; and
- increasingly complex and fragmented compliance obligations associated with differing state-based CDS requirements for product registration, reporting, invoicing, payment systems and labelling.

The Bill provides insufficient information about how this framework would interact or replace existing arrangements such as NPM, APCO or CDS, and is not supported by objective evidence including economic modelling or implementation detail. Against this backdrop, the Bill as outlined would likely introduce additional layers of compliance uncertainty and costs without consideration of sector-specific impacts.

Importantly, the Bill risks duplicating or compounding existing mechanisms including state-based Container Deposit Scheme (CDS) obligations and broader packaging reforms already under consideration by Australian governments.

AGW is particularly concerned about:

- eco-modulated fees applied to glass packaging;

- mandatory recycled content obligations;
- extensive reporting requirements and further duplication;
- mandatory labelling requirements which impose cost without proven effectiveness
- lack of responsibility across the supply chain and disproportionate impacts on industry, particularly SMEs and regional businesses;
- the absence of clear cost modelling;
- the proposed implementation timeframe; and
- policy settings that penalise glass packaging despite its critical role in preserving wine quality, shelf life and product integrity.

International experience demonstrates that EPR schemes are highly complex and administratively burdensome. The experience in the United Kingdom in particular highlights the significant compliance, reporting and cost challenges associated with EPR frameworks, including repeated implementation delays, lack of harmonisation across the UK and substantial industry concern regarding costs and regulatory complexity.

AGW strongly recommends that:

1. the Bill not proceed in its current form;
2. the Commonwealth prioritise efforts to nationally harmonise existing packaging regulation and CDS reform before introducing additional obligations;
3. any future packaging reforms be developed through detailed consultation with affected industries;
4. sector-specific impacts be properly assessed through comprehensive economic modelling;
5. and existing voluntary industry action and stewardship efforts be recognised.

Support for Evidence-Based Packaging Reform

AGW supports practical, evidence-based measures that:

- improve packaging sustainability outcomes;
- increase recycling and resource recovery;
- reduce litter;
- support circular economy objectives;
- and improve national consistency and harmonisation.

The wine sector recognises the importance of sustainable packaging design and responsible product stewardship.

However, packaging policy must:

- be proportionate and share the compliance burden across the supply chain;

- account for sector-specific realities;
- avoid duplication;
- minimise unnecessary regulatory burden;
- and support practical environmental outcomes.

The Bill fails to appropriately balance these considerations.

Existing Industry Action and Commitment

The Australian wine sector is already actively engaged in packaging sustainability and circular economy initiatives.

A high portion of the Australian wine industry are members of APCO and are actively working toward the National Packaging Targets.

Industry initiatives already underway include:

- bottle lightweighting;
- increased recycled glass content where technically feasible;
- improved recyclability of packaging components;
- removal of problematic packaging materials;
- sustainability accreditation programs;
- packaging reduction initiatives;
- ongoing investment in sustainable packaging innovation;
- continuous improvement of waste management practices under SWA;
- investigation and implementation of bottle re-use and refill initiatives where commercially viable;
- direct engagement with packaging suppliers to reduce emissions and improve manufacturing efficiency;
- transition away from problematic packaging materials and components; and
- ongoing investment in lightweight glass technologies to reduce transport emissions and material use.

These initiatives demonstrate that the wine sector is already actively pursuing packaging sustainability outcomes through practical, market-led approaches. Significant investment has been made across the supply chain to reduce packaging impacts, increase recyclability, improve recycled content and explore alternative packaging solutions without the need for additional mandatory regulatory frameworks.

Importantly:

- glass wine bottles are already widely recyclable through existing kerbside systems;
- wine bottles have a comparatively low litter profile relative to many other beverage categories;

- glass wine bottles from Australia's two largest suppliers already include substantial recycled content. Visy reported an average of approximately 64% recycled glass content across its Australia and New Zealand operations in 2024 and is targeting an average of 70%, while Orora had a target of 60% recycled content in glass beverage containers by 2025, demonstrating that significant circularity outcomes are already being achieved through existing glass manufacturing and recycling systems; and
- wine packaging is primarily consumed in-home or on-premise rather than in high-litter environments.

The Bill appears to assume that all packaging sectors have performed equally poorly under voluntary arrangements. This fails to recognise the substantial existing action already being undertaken within the wine sector and more broadly.

Concerns with the Bill

Overly Broad and Prescriptive Framework

The Bill would require the Minister to establish a national EPR scheme for packaging within three months of Royal Assent.

This timeframe is highly unrealistic for a reform of this scale and complexity.

The Bill establishes broad objectives and obligations without sufficient detail regarding:

- scheme design;
- cost allocation;
- governance arrangements;
- reporting methodologies;
- compliance expectations;
- how such measures would replace or interact with existing regulatory and co-regulatory measures; and
- economic impacts.

This creates substantial uncertainty for affected businesses.

Significant Additional Regulatory Burden

The Bill would create extensive new obligations relating to:

- packaging reporting;
- recyclability assessments;
- eco-design requirements;

- recycled content obligations;
- labelling requirements; and
- fee modulation.

The experience in the United Kingdom demonstrates that EPR frameworks rapidly become administratively complex and resource-intensive. The UK Government's EPR framework now includes:

- extensive producer reporting obligations;
- detailed packaging categorisation requirements;
- mandatory recyclability labelling;
- modulated fees;
- nation-by-nation reporting requirements; and
- ongoing compliance obligations.

These types of obligations would create disproportionate burdens for Australia's many small and medium-sized wine businesses.

The Bill also does not contemplate the impacts or burden of applying an EPR framework on imported goods, including additional government administrations, disproportionate applications, compliance and enforcement and implications under existing trade agreements.

Eco-Modulated Fees and Glass Packaging

AGW is particularly concerned about the proposed use of eco-modulated fees based on recyclability or packaging quantity.

Internationally, EPR schemes have increasingly imposed higher costs on heavier packaging formats, including glass.

This creates significant concerns for the wine sector because:

- glass is critical to wine preservation, product integrity and shelf life. For many wine styles intended to be cellared or stored for extended periods, glass remains the only commercially proven packaging format capable of maintaining quality over time.;
- many premium and age-worthy wines require packaging capable of maintaining product quality for periods well beyond 12 months;
- premium wine products often utilise heavier bottle formats;
- export markets frequently have established packaging expectations; and
- viable alternatives are not always available or appropriate.

There is a real risk that eco-modulated fees could:

- disproportionately penalise wine businesses;
- distort packaging decisions;
- increase costs for regional manufacturers and exporters; and
- encourage substitution into packaging formats that may be lighter, but not necessarily more circular or sustainable overall.

Unlike many other beverage categories, packaging in the wine sector performs a critical product preservation function. Packaging choices cannot be based solely on weight or recyclability metrics. Policy settings that favour lighter packaging formats without recognising product performance requirements risk creating unintended consequences for product quality, consumer expectations and export competitiveness.

Mandatory Recycled Content Requirements

The Bill proposes mandatory recycled content requirements for all packaging.

While the wine sector supports increased recycled and already has a high portion of recycled content where technically feasible, there remain significant practical constraints relating to:

- availability of suitable recycled glass;
- food-grade quality requirements;
- bottle strength and integrity;
- colour consistency;
- manufacturing capability; and
- supply chain limitations.

The sector also remains concerned about glass bottle supply chain resilience, rising packaging costs and broader global logistics pressures. Mandatory recycled content obligations imposed without sufficient domestic capability could create significant unintended consequences.

Duplication with Existing Container Deposit Schemes

The wine industry is already managing increasing complexity associated with state-based Container Deposit Schemes.

If wine bottles are included across various Australian CDS schemes, producers will face multiple:

- registration systems;
- reporting portals;
- labelling requirements;

- invoicing arrangements; and
- compliance frameworks.

The Bill risks adding an additional national regulatory layer on top of existing CDS obligations. This raises concerns about regulatory duplication and the potential for producers to effectively fund multiple packaging recovery systems simultaneously.

Container Deposit Schemes are already product-specific producer responsibility schemes that impose registration, reporting and financial obligations on beverage suppliers to fund collection, recovery and recycling outcomes. Introducing a separate packaging EPR framework without clearly defining the interaction between the two systems creates a risk of overlap, double charging and duplicated compliance requirements.

International experience demonstrates the importance of avoiding overlapping producer responsibility schemes. In jurisdictions such as California, policymakers have increasingly sought to align container recovery systems with broader packaging stewardship arrangements to minimise duplication and administrative burden. Australia should avoid creating multiple parallel systems that require producers to fund and administer similar outcomes through separate regulatory mechanisms.

Lack of Economic Modelling

The Bill does not include detailed economic modelling regarding:

- likely producer costs;
- impacts on regional industries;
- impacts on SMEs;
- consumer price impacts;
- administrative costs; or
- sector-specific implications.

This is particularly concerning given the experience internationally.

The UK Government estimated producer costs under its EPR framework at approximately £1.7 billion annually[2].

Given the significant existing pressures facing the Australian wine sector, it is inappropriate to progress a framework of this scale without comprehensive economic analysis.

International Experience – Lessons from the United Kingdom

The UK's EPR experience provides important lessons for Australia.

[2] Department for Environment, Food & Rural Affairs (Defra), *Extended Producer Responsibility for Packaging: Summary of Consultation Responses and Government Response*, UK Government, 26 March 2022, p. 7.

The UK Government introduced packaging EPR reforms based on similar "polluter pays" principles, shifting the full costs of packaging waste management onto producers.

However, implementation has proven highly complex.

The UK has:

- delayed implementation timelines;
- phased in obligations;
- modified reporting requirements;
- adjusted producer thresholds;
- delayed modulated fees; and
- repeatedly revised aspects of the scheme in response to industry concerns.

The UK framework now includes:

- mandatory recyclability labelling;
- extensive packaging reporting requirements;
- detailed packaging classifications;
- modulated fees;
- mandatory recycling targets; and
- nation-specific reporting obligations.

The UK experience demonstrates that EPR systems rapidly evolve into highly complex regulatory regimes with substantial administrative and financial impacts.

AGW is concerned that the Australian Bill proposes a similarly broad framework without adequate assessment of implementation complexity or sector impacts.

Recommendations

AGW recommends that the Committee:

1. Recommend that the Bill not proceed in its current form.
2. Prioritise nationally harmonised CDS reform before introducing additional packaging obligations.
3. Ensure any future packaging reforms are developed through extensive consultation with affected industries, including regional manufacturing sectors.
4. Undertake comprehensive economic modelling of sector-specific impacts before progressing any future proposals for mandatory EPR framework.

5. Recognise existing voluntary industry action and stewardship initiatives already being undertaken by the wine sector.
6. Ensure future reforms avoid disproportionate impacts on SMEs and regional businesses.
7. Avoid policy settings that unfairly penalise recyclable glass packaging without considering broader lifecycle and circular economy outcomes.
8. Ensure any future EPR framework recognises the unique product preservation role of glass packaging for wine and avoids policy settings that incentivise substitution away from glass where no equivalent packaging alternative exists.
9. Clearly define the interaction between any future EPR framework and existing Container Deposit Schemes to prevent duplication of costs, reporting requirements and producer obligations.

Conclusion

The Australian grape and wine sector supports practical and evidence-based approaches to improving packaging sustainability outcomes.

However, the *Extended Producer Responsibility Scheme for Packaging (No Time to Waste) Bill 2026* proposes an overly broad, underdeveloped and potentially highly burdensome regulatory framework.

At a time when the Australian wine sector is already facing severe structural and commercial pressures, the Bill risks imposing significant additional compliance costs and regulatory complexity without sufficient consideration of sector-specific realities or economic impacts.

AGW urges the Committee to recommend against the Bill proceeding in its current form and instead support a more measured, consultative and evidence-based approach to packaging reform.

Contacts

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