

6 September 2023

Alla Submission to DCCEEW Consultation:

***A national framework for recycled content
traceability***

About the AIIA

The Australian Information Industry Association (AIIA) is Australia's peak representative body and advocacy group for those in the digital ecosystem. We are a not-for-profit organisation to benefit members.

Since 1978, the AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for our members and to contribute to Australia's economic prosperity. We do this by delivering outstanding member value by:

- providing a strong voice of influence
- building a sense of community through events and education
- enabling a network for collaboration and inspiration; and
- developing compelling content and relevant and interesting information.

We are unique in that we represent the diversity of the tech ecosystem from small and medium businesses, start-ups, universities and digital incubators through to large Australian companies, multinational software and hardware companies, data centres, telecommunications companies and technology consulting companies.

Introduction

We welcome the intent of the proposed national framework for recycled content traceability in terms of standardising the ongoing work of industry in certifying recycled content and assuring responsible sourcing. We believe the framework needs to consider the following key points in order to maintain the integrity of the traceability process and enable practical implementation for all supply chain participants:

1. We strongly encourage harmonisation with similar existing and emerging traceability requirements and standards in international jurisdictions to help facilitate adoption.
 - Key requirements include the EU draft EcoDesign Regulation,¹ which establishes the use of digital product passports to collect and share product data, including recycled content, across the supply chain.
 - As stated in AIIA Member GS1's submission, *"A technology-agnostic approach based on internationally recognised data standards allows for interoperability and technology ecosystems to flourish. It allows businesses to choose the most suitable traceability solution for their needs, promoting interoperability, innovation and accommodating different technologies used across industries ... Basing the traceability framework on ISO standards also increases global interoperability and decreases the barriers for international trading partners implementing the proposed framework."*

¹ https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/sustainable-products/ecodesign-sustainable-products-regulation_en#:~:text=The%20new%20regulation%20will%20improve,and%20other%20environmental%20sustainability%20aspects.&text=The%20current%20Ecodesign%20Directive%202009,businesses%2C%20consumers%20and%20the%20environment.

2. We recommend starting with a pilot for one industry to test implementation and identify issues that need to be resolved before expanding to other industries.
 - The framework is proposed for all recycled materials created or used in Australia, including pre- and post-consumer materials, imported materials and materials recycled using advanced recycling processes. Implementing this for all industries across this broad scope will be challenging and may not produce the desired outcomes.
 - With the intention for this voluntary initiative to achieve full supply chain traceability by 2028, more detail is needed on how to get from 'one-up-one-down' to full traceability, particularly from an interoperability perspective.
 - The proposed framework should be supported by comprehensive and consistent traceability guidelines that clarify the expectations for traceability information to be collected and shared throughout the supply chain.
3. We recommend capturing recycled material destined for export in the proposed traceability framework to avoid perverse outcomes.
 - Excluding material for export will create a perverse incentive to export, and many actors in the value chain might not know whether their material is being exported or not.
 - This exclusion clause could disincentivise Australian companies from manufacturing onshore due to a competitive cost imbalance caused by the proposed framework.
4. We suggest that IQC testing, or national-level product grade standardisation is needed to verify the quality of recycled content.
 - The proposed traceability framework addresses the need for a system that records and stores the provenance of the material but does not address the batch-to-batch variation in engineering properties of recycled material. Testing is a critical component of the data on material quality being shared throughout the supply chain.

We recommend alignment between the different but related streams of effort in this field, “...align[ing] with other activity in the circular economy, including the proposals in the Wired for Change consultation paper, ReMade in Australia, the Australian Packaging Covenant Organisation (APCO) and others. It is critical that the Government takes a cohesive and strategic approach at a national level to address waste, recycled materials movement and its end markets.”²

In conclusion, the AIIA supports the conceptual basis of the draft national framework and the digitalisation of recycled content certification and assurance of responsible sourcing. We encourage government to focus on outcomes-based, realistic approaches in consultation with industry as opposed to heavily compliance-driven frameworks and to commence with a pilot to test implementation issues prior to the finalisation and rollout of the scheme proper.

Yours sincerely

² AMTA Submission excerpt.



Simon Bush
CEO
AIIA