

17 April 2025

Australia Post Submission

Opportunities in the Circular Economy – Interim Report

Australia Post welcomes the opportunity to contribute to the Productivity Commission’s inquiry into opportunities in the circular economy and to provide a response to the interim report. As a national enterprise embedded in communities across Australia and operating as one of the largest and most integrated retail, transport, and logistics networks, we recognise both the imperative and the opportunity to support a more sustainable, circular economic model.

We commend the Commission’s focus on removing regulatory barriers, improving waste classification systems, and strengthening national coordination. These are critical steps to achieving a more consistent and efficient approach to resource use and recovery, and to unlocking innovation across sectors.

This submission outlines our support for key recommendations and reform directions in the interim report and provides additional insights into the practical challenges and enablers of implementation. It also signals our interest in being a key enabler of circular practices, particularly in supporting reverse logistics, product take-back schemes, and community access to circular solutions.

Supporting national harmonisation and consistent waste classification

Australia Post supports the Commission’s recommendations regarding the need for greater harmonisation of circular economy policy settings and the standardisation of waste classification across jurisdictions.

In our experience, fragmentation in regulatory approaches across state and territory governments can drive operational inefficiencies, increase compliance costs for businesses, and confusion for consumers. Inconsistencies and uncertainty limit the effectiveness and viability of circular economy programs that rely on national scale and coordinated logistics, including product stewardship schemes and resource recovery initiatives.

We agree with the Commission’s assessment that inconsistent definitions and classifications of waste hinder material recovery and create barriers to innovation. The development of a national framework for classifying materials – particularly around recovered resources, end-of-waste criteria, and the reuse of secondary materials – will be foundational to building frictionless circular supply chains that operate across state borders. Moreover, harmonisation can provide certainty for investment in circular systems. Businesses require clear and predictable regulatory environments to develop new products, processes and business models.



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as employees, and recognise their continuing connection to land, water and community. We pay respect to Elders past,

Recommendation: A framework for classifying materials will be foundational to building circular supply chains that operate reliably across state borders. This should be enabled by policy and sectorial targets to drive the recovery and reuse of valuable resources.

Australia Post's Role as a National Enabler of Circularity

Australia Post is uniquely positioned to support the development and scaling of circular economy solutions across Australia. Our existing assets and capabilities – including a national logistics network, extensive retail footprint, trusted customer relationships, and advanced data systems – make us an enabler of reverse logistics and circular value chains.

National Network Infrastructure

Australia Post operates the largest and most extensive logistics network in Australia, delivering to over 12.7 million addresses and servicing more than 4,000 retail outlets, many in remote and regional communities. This network enables us to support the movement of goods and materials across vast distances and facilitate decentralised access to circular services. Our diverse and expansive infrastructure assets can be used to support circular activities through transport, collection and drop-off, and closed-loop logistics for businesses seeking to retain ownership of materials and components across multiple lifecycles.

Reverse Logistics

As circular business models evolve, reverse logistics will become increasingly important. Australia Post's existing delivery and return infrastructure is well suited to meeting this growing demand. We have already partnered with retailers, technology firms, and government agencies to trial and scale initiatives.

Brand owners who are innovating and investing in these types of services can reduce landfill, increase material recovery, reduce scope 3 emissions, and enable businesses to meet extended producer responsibility obligations.

Empowering Consumers and Communities

Australia Post is a trusted presence in communities across Australia. We are well placed to educate and empower consumers to participate in the circular economy. Our network of Post Offices and parcel lockers can serve as community access points for circular programs, while our digital platforms can directly connect consumers with circular services, such as local repair businesses, marketplaces for refurbished goods, or alternative circular pathways for material recovery.

Addressing the Implementation Challenge – The Need for Robust Governance

Without strong intergovernmental coordination, there is a risk of partial or inconsistent adoption of policy, targets, or frameworks that would undermine circularity outcomes. We see four key implementation challenges:

- **Jurisdictional alignment:** Achieving true harmonisation will require sustained collaboration between federal, state and territory, and local governments. This should be underpinned by formal agreements, shared targets, and regular performance monitoring to ensure consistent progress.
- **Market development and transition support:** Shifting to a circular economy model will require significant changes in infrastructure, supply chains, and consumer behaviour. Government support, including ensuring sufficient and appropriate processing capability and capacity is in place, enabling innovation hubs, and incentives for circular design, will be critical to manage the transition effectively.

Supply chain and market challenges to effect policy ambition of increased waste resource recovery, in particular efforts around plastics, provide important learnings that are directly relevant to enabling circular economy shifts. Equally, the various state-based bottle recovery schemes provide good examples of well-designed circular ecosystems that provide a clear market signal and price and volume certainty to enable at scale investment in the necessary infrastructure.

- **Data governance and standardisation:** Reliable, consistent data is essential in tracking material flows, monitoring circularity metrics, and enabling digital product passports. This will require coordinated and centralised data frameworks without being cost prohibitive for industry to adopt.
- **Regulation before capability:** Implementing mandatory schemes before industry is adequately prepared can have unintended consequences. Premature regulation risks stifling innovation by limiting flexibility and experimentation, particularly in emerging sectors still defining best practices. Additionally, the financial and operational burden of early compliance could slow industry progress.
- **Create a level playing field for business investment:** Accelerating business participation in driving towards a more circular economy will require Government intervention to level the playing field between linear products which do not account for negative externalities and emerging circular products and services which are designed to avoid them. Consideration should be given to financial incentives for businesses innovating and developing circular solutions as well as the associated infrastructure and technology needed to support circular systems.

The Role of Government

Effective implementation and enforcement of schemes such as extended producer responsibility (EPR) and product stewardship require robust governance frameworks and clear direction. Voluntary systems often fall short, whereas mandatory schemes must be well-structured, adequately financed, and properly supported to achieve their intended outcomes.

To accelerate the adoption of the circular economy, it is crucial to frame it appropriately in economic and commercial terms, rather than merely as an environmental initiative or a cost to the economy. Global businesses have already demonstrated the economic potential of circular models, where strategies like product-as-a-service, repair, and recycling not only reduce waste but also open new revenue streams. To achieve this in Australia, we recommend the development of scaled regulatory pathways that strengthen EPR and product stewardship schemes. While voluntary approaches have typically shown limited effectiveness, a more flexible framework – combining incentives, clear performance benchmarks, and staged regulatory triggers – can drive participation and impact.

The Australian Government should establish a nationally consistent framework that sets clear expectations for circular outcomes (e.g., recovery rates, design for recyclability) and provide incentives for early adopters and high performers. Where progress stalls or risks to the environment remain high, regulatory requirements can be introduced in a targeted, proportionate way. This approach enables innovation and collaboration, encourages continuous improvement and maintains regulatory certainty without placing an immediate compliance burden on all market participants. We see a clear role for government to:

Recommendation: Implement tiered approaches that encourage voluntary action but escalate to regulation where impact or risk is high.

Recommendation: Explore the costs and benefits of mandating product repairability, spare parts availability, and serviceability standards.

Recommendation: Fund research and development (R&D), pilots, and scaling of new circular business models and technologies.

Recommendation: Offer tax deductions or rebates for repair services, remanufacturing, or use of recycled content.

Recommendation: Develop national indicators and datasets to track progress. Require large producers to report on product lifecycles, recovery and waste outcomes. Making this information available will provide consumers and businesses with confidence, creating a feedback loop for investment.

Australia Post stands ready to partner with governments, industry, and communities to enable and scale circular solutions that benefit the environment, the economy, and future generations.

To discuss this submission, please contact Kat Burela, Head of Industry, Policy and Regulatory Affairs