



27th January 2023

The Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services

PreBudgetSubmissions@treasury.gov.au

RE: No More Butts recommendations for the 2023-24 Federal Budget

Dear Assistant Treasurer,

No More Butts appreciates the opportunity to provide a submission to Treasury as part of the 2023-24 Federal Pre Budget Submission process.

No More Butts is an Australian charity, formed in 2020 to tackle Australia's most littered item: cigarette butts. Having been entered onto the Register of Environmental Organisations in Australia, No More Butts' vision is for a 'butt free environment'.

The key priorities for No More Butts in relation to the upcoming Federal Budget are detailed in the following pages and summarised as follows:

Recommendations

In formulating the 2023-24 Budget, Treasury should:

1. Implement a **National Awareness Campaign** to help educate Australians of the impacts of littering cigarette butts and of the incorrect disposal of vaping devices
2. Establish a **Tobacco Product Waste Trust Fund** to enable a structured proportionate allocation of funding for costs associated with the prevention and cleaning of tobacco related waste in LGAs
3. Provide funding for further **Research** into circular economy initiatives related to resource recovery and productization of cigarette butt filters
4. Enable the **Purchase of Machinery** to help process collected cigarette butt filters within Australia
5. Implementation of a **Vaping Device Return Scheme** for both nicotine and non-nicotine vaping devices

In addition to this being our second budget submission, we have had multiple engagements with Department of Climate Change, Energy, the Environment and Water representatives over the past two years, with a strong focus on product stewardship.

If Treasury is unable to allocate funding to of these important activities in the forward estimates, we would request that Action 4 of the National Plastic Plan announced in March 2021 is implemented immediately to enable acceleration of product stewardship initiatives, which may direct some costs of initiatives towards the producers and users.

Additionally, we would request that the Government consider initiatives highlighted in our response to the Parliamentary Inquiry into plastic pollution in Australia's oceans and waterways, including the consideration to ban single-use plastic tobacco filters.

Please don't hesitate to contact me if you wish to discuss any of the recommendations or have any further questions about our submission.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Shannon Mead', written in a cursive style.

Mr. Shannon Mead
Founder / Executive Director
No More Butts Ltd
E: shannon@nomorebutts.org
M: 0411 868 275

cc.

The Hon Tanya Plibersek MP, Minister for the Environment and Water

The Hon Warren Entsch MP, Federal Member for Leichhardt

Senator Nita Green, Senator for Queensland and Special Envoy for the Great Barrier Reef

No More Butts 2023-24 Budget Submission

Included within this submission are **five** budget recommendations. Each recommendation is based on necessary action for positive environmental impact and can be linked to several government priorities, policies and Acts.

The table below provides a summary of the recommendations, and the total funding commitment required over the forward estimates.

List of Recommendations

No.	Recommendation	2023-24 budget	Forward estimate
1	National Awareness Campaign	\$40 million	\$148 million over 4 years
2	Tobacco Waste Trust Fund	\$73.3 million	\$268.3 million over 4 years
3	Research	\$5 million	\$20 million over 4 years
4	Purchase of Machinery	\$1 million	\$16 million over 4 years
5	Vaping Device Return Scheme	\$6.7 million	\$85.2 million over 4 years

Background:

Cigarette butts are the most littered item in Australia¹. Most recent estimates suggest that up to 8.9 billion cigarette butts are littered into the Australian environment every year². With a plastic filter made from cellulose acetate, cigarette butts are not biodegradable. The filter contains toxic chemicals that leach into the environment, causing significant damage.

With over 7,000 chemicals³ and the view that each butt can contaminate up to 40 litres of water⁴, and have been proven to kill fish in as little as one litre,⁵ the environmental impacts of littering alone are substantial. Tobacco producer, Philip Morris International, states on their materials that it can take up to 15 years for a cigarette butt to break down⁶. During this process, thousands of plastic micro fibres are created, and hundreds of litres of water are polluted.

Further environmental devastation is caused by the hundreds of fires attributed to cigarettes each year⁷.

As a product available in all Australian states and territories, and with momentum of stewardship programs being implemented around the world, it is time for cigarette butts to receive the attention necessary in Australia to enable positive impacts to our environment.

If 1% of the 2023-24 projected revenue from tobacco alone was set aside in the federal budget, an initial fund of \$126 million⁸ would enable significant and swift national action of initiatives.

¹ <https://www.cleanup.org.au/cigarette-butts>

² <https://www.wwf.org.au/ArticleDocuments/353/pub-WWF-Australia-Ending-cigarette-butt-pollution-3Dec21.pdf.aspx>

³ <https://www.aihw.gov.au/reports-data/behaviours-risk-factors/smoking/overview>

⁴ <https://au.whales.org/2019/05/31/how-cigarette-butts-pollute-the-ocean-and-harm-whales-and-dolphins/>

⁵ https://tobaccocontrol.bmj.com/content/20/Suppl_1/i25

⁶ <https://www.worldnoashtray.com/en/be-aware/>

⁷ <https://www.kabc.wa.gov.au/resources/litter-information/cigarette-butts>

⁸ https://budget.gov.au/2022-23-october/content/bp1/download/bp1_bs-5.pdf

Implementation:

The package should be administered through the Department of Agriculture, Water and the Environment. This will enable the Department to take a lead role, in coordination with state peak bodies and departments, as well as NGOs, such as No More Butts.

These recommendations align with the [2018 National Waste Policy](#) and deliver key priorities under the [National Waste Policy Action Plan 2019](#) through:

- Phasing out problematic and unnecessary plastics by 2025
 - By implementation of Action 4 of the [National Plastics Plan 2021](#) around action on cigarette butts and product stewardship
- Providing data to support better decisions
 - By creating and implementing a standard taxonomy and audit methodology across all States with a nationally agreed framework, supported by CSIRO and state peak bodies
 - Creating and publishing data visualisations of the amount of litter
 - Using data to drive discussions with producers on accountability for costs of litter
- Regulating (plastic) waste exports under the [Recycling and Waste Reduction Act 2020](#)
 - By including cigarette butt filters under the definition of eligible products for the [Recycling Modernisation Fund](#)
 - By ensuring filters are not exported for recycling and instead are kept within Australia and used as a resource with the purchase of necessary equipment
- Reducing total waste generated by 10% per person by 2030 and recovering 80% of all waste by 2030
 - by supporting the introduction of plastic filters to be included on the Single Use Plastics Item list of additional products to be banned by the states
 - supporting the use of filters in [Products made with recycled content](#), validated through research under potential [Cooperative Research Centres Project Grants](#)
 - Taking action under [Recycling and Waste Reduction \(Product Stewardship – Accreditation of Voluntary Arrangements\) Rules 2020](#)

In addition, these recommendations would support other actions and plans including:

- Focus on reducing two of threats to the Great Barrier Reef: [marine debris](#); and [declining water quality](#)
- Action 4 of Outcome 3 of the [NSW Plastics Action Plan](#)

Impact

- A 50% reduction in littering rates of cigarettes and related packaging, resulting in nearly 4.5 billion butts (nearly 900 tonnes of waste plastic) being prevented from entering the environment every year
- A 20% reduction of overall cigarette butt waste to landfill, resulting in the reduction of an estimated nearly 700 tonnes of waste plastic
- An annual saving of at least \$73.3 million from Australian council and government agency budgets related to cigarette butt litter programs⁹
- A reduction of smoking as an indirect consequence of increased awareness regarding the environmental impacts of smoking to below 10%, which is in line with the Australian target
- Implementation of 'recycled' cigarette butt filters as a source material in recycled content procurement, enabling objectives of circular economy to be accelerated

As a waste plastic, saving hundreds of tonnes from impacting the environment and diverting hundreds more tonnes of plastic from landfill goes towards the National Waste Policy Action Plan. By including cigarette butts on the plastic export ban, this will address Target 1.

Target 5 of phasing out problematic plastics would be addressed, with a 50% reduction by 2025. By using cigarette butt filters as a source material for recycled content projects, this will help achieve Target 4.

When littered into the environment, each cigarette butt can contaminate up to 40 litres of water. The threats to the Great Barrier Reef include water quality and marine debris / micro plastics, to which cigarette butts contribute. A 50% reduction in litter will positively impact the Reef and our overall marine environment.

The re-direction of hundreds of tonnes of non-biodegradable plastic cigarette filters from landfill is expected to reduce the environmental impact of the toxic chemicals and heavy metals leaching into the environment.

When a lit cigarette is littered, they can contribute to bushfires. These have devastating impacts on forests and result in further impact to our valuable ecosystem. A reduction in litter will naturally see a reduction in bushfires.

⁹ <https://www.wwf.org.au/ArticleDocuments/353/pub-WWF-Australia-Ending-cigarette-butt-pollution-3Dec21.pdf.aspx>

Source of funding

Excise duty rates on tobacco goods increase in March and September each year, based on average weekly ordinary time earnings (AWOTE)¹⁰.

The 2023-24 Budget Strategy and Outlook projected the budgeted excise and customs duties for the Tobacco category to be \$12,600 million¹¹. This figure represents a slight decrease in the PEFO for the fiscal year. For the 2022-23 Estimates, there was also a decline in expected revenue by \$400 million from \$12,800 million down to \$12,400 million.

Allocating one percent of this revenue to environmental initiatives - such as these recommendations made by No More Butts - will effectively deal with the environmental issues caused from the littering of cigarette butts, as well as create employment opportunities and deliver re-manufacturing projects within Australia.

One percent of \$12,600 million (\$126 million) can be invested into the priorities for the 2023-24 financial year. Any reduction in forward estimates or actuals is likely to be based on a reduction in smoking, which would have a commensurate reduction in littering. As long as one percent can be allocated in the future estimates for environmental initiatives, the issue can be managed on an ongoing basis.

Separately, the government may choose to implement a specific producer tax on the tobacco companies to partially offset the impact to the government revenue.

For further consideration, with the regulation of nicotine vape product purchases, there is a possibility there will be a further impact to tobacco revenue. No More Butts encourages the government to consider how to effectively tax vaping to ensure the protection of revenue as smokers and tobacco companies seek to move to so called 'smoke-free' alternatives.

Other considerations

These recommendations may need to be read in conjunction with:

[Tobacco Excise Rates](#)

[Competition and Consumer \(Tobacco\) Information Standard 2011](#)

[Tobacco Advertising Prohibition Act 1992](#)

[Tobacco Advertising Prohibition Regulation 1993](#)

[Tobacco Plain Packaging Act 2011](#)

[Tobacco Plain Packaging Regulations 2011](#)

[Trade Practices \(Consumer Product Safety Standard\) \(Reduced Fire Risk Cigarettes\) Regulations 2008](#)

¹⁰ <https://www.ato.gov.au/Business/Excise-on-tobacco/Excise-obligations-for-tobacco/Excise-duty-rates-for-tobacco/#Tobaccoexciserates>

¹¹ https://budget.gov.au/2021-22/content/myefo/download/03_part_3.pdf

Recommendation One:

Implement a National Awareness Campaign to help educate Australians of the impacts of littering cigarette butts

Budget required: \$40 million in 2023-24 / \$148 million over four years

	2023-24	2024-25	2025-26	2026-27	Total
Recommendation 1 cost (\$m)	40.0	36.5	36.5	35.0	148.0

Recommendation summary:

This recommendation will deliver a national awareness campaign around the impacts of littering cigarette butts.

Taking action on cigarette butt litter has gained momentum in the past year at a national level, with a specific action recorded in the National Plastics Plan. Further, other states have indicated their intent to take action, including NSW. Additional states, including Queensland and South Australia are considering banning additional single-use plastic items

To date, whilst there has been coordinated action around the health impacts of smoking, there has yet to be a national awareness campaign around the environmental impact of littering.

Several smokers still claim that they are now aware that cigarette butts are made from plastic. Further, they are not aware of the toxic chemicals or the impact on the environment. As such, there is not a conscious awareness that they are littering, when they discard their used cigarette butt onto the ground, into a garden, or down the drain. Smokers who don't consider their cigarette to be litter are more than three times likely to litter it.¹²

A campaign would focus on the impacts of the litter on the environment, with various elements from flora and fauna, through to the Reef. With two threats to the Reef being listed as water quality and marine debris, a focus on Reef catchment areas is extremely important.

As a comparison for the budget, the Federal Government advertising budgets for Defence Recruitment and COVID response (Health and Treasury) were \$32m and \$64.5m in the 2020-21 financial year respectively.¹³ With recent campaigns around "Re-made in Australia", the DCCEEW has experience to deploy national campaigns in line with policy that support our environment.

As a registered charity dedicated to this initiative, No More Butts is able to facilitate the deployment of this campaign with appropriate consultation and support from the Department of Climate Change, Energy, the Environment and Water, the Department of Health and the Department of Finance.

¹² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3397372/>

¹³ <https://www.finance.gov.au/sites/default/files/2022-01/campaign-advertising-by-australian-government-departments-and-agencies-report-2020%E2%80%9321.pdf>

Recommendation Two:

Establish a Tobacco Waste Trust Fund to enable a structured proportionate allocation of funding for costs associated with the prevention and cleaning of tobacco related waste in LGAs

Budget required: \$73.3 million in 2023-24 / \$268.3 million over four years

	2023-24	2024-25	2025-26	2026-27	Total
Recommendation 2 cost (\$m)	73.3	70.0	65.0	60.0	268.3

Recommendation summary:

This recommendation would establish a national Tobacco Waste Trust Fund to ensure that the cost of this litter stream is borne by those that generate the waste in the first place – smokers.

The current cost of litter can be estimated between \$73.3 million and \$100 million annually¹⁴ and does not include the environmental impacts of littering, or waste disposal. This cost is currently unfairly absorbed by LGAs and ratepayers.

By utilising a portion of the revenue raised from taxes and excises on tobacco, this would ensure that only those that consume the product would be subject to costs associated with it. This could arguably free up financial resources within LGAs. With awareness campaigns and upcycling initiatives, the cost of litter would reduce over time, as the estimates show.

The Trust Fund could be accessed for include dedicated clean up events, project management, local awareness programs, installation and servicing of dedicated infrastructure, a percentage of overall waste management costs.

State and local governments could apply for funding and grants, based off a schedule of approved activities that would have maximum impact and support the national awareness campaign, which is outlined in Recommendation 1.

The Trust Fund could be managed by DCCEEW or by delegation to a new Authority, similar to the GRBMPA.

¹⁴ <https://ndri.curtin.edu.au/ndri/media/documents/publications/T273.pdf>

Recommendation Three:

Provide funding for further Research into circular economy initiatives related to resource recovery and productization of plastic tobacco filters.

Budget required: \$5.0 million in 2023-24 / \$20.0 million over four years

	2023-24	2024-25	2025-26	2026-27	Total
Recommendation 3 cost (\$m)	5.0	5.0	5.0	5.0	20.0

Recommendation summary:

This recommendation sees funding being made available for research institutes to commence or progress research into the use of discarded cigarette butt filters and the potential products that they can create.

As cigarette butt filters are made of plastic, this creates opportunities for the recycling, or upcycling, of cigarette butts. Research is a critical step to identifying circular initiatives for this pervasive product.

A global social enterprise already has a commercially scaled model based in America.¹⁵ They process the cellulose to a stage where it can be sold as a low-grade plastic, which can be used in the creation of new plastic materials, such as park benches and ashtrays.

An Australia company created a prototype plastics mixer, however they have sent this to Europe, although they planning to license this technology within Australia.¹⁶

RMIT in Australia has over 15 years of research to consider shredded cigarette butts as a composite material in clay-fired bricks.¹⁷

More recently, No More Butts has engaged a mycologist to investigate using a trained species of oyster mushrooms to break down the cellulose in the filters and assist to remove some of the toxins.¹⁸

In 2021, No More Butts previously received an endorsement from a large Australian construction supply company to trial using cigarettes butts as a composite material for concreting projects, such as bus stops, asphalt and pavements. No More Butts has also been engaging with research institutes on using cigarette butts, along with other problematic items, as a composite in other construction materials.

In 2022, No More Butts engaged with RMIT on various research projects, including using pyrolysis to create bio char for soil remediation.

An open, competitive grant scheme would see the awarding of feasibility studies, pilots and implementation programs until adequate stream(s) can be commercialised.

Outcomes of the research projects will support the objectives of sustainable procurement, re-manufacturing, recycling modernisation and waste export bans.

¹⁵ <https://www.terracycle.com/en-US/brigades/cigarette-waste-recycling>

¹⁶ <https://plastechnology.com/product-development/>

¹⁷ <https://www.rmit.edu.au/news/media-releases-and-expert-comments/2020/sep/cigarette-butt-bricks>

¹⁸ <https://wollongong.nsw.gov.au/my-community/news-and-alerts/news/news/2021/november-2021/how-to-train-your-oyster-mushroom-no-really>

Recommendation Four:

A Purchase of Machinery to help process collected cigarette butt filters within Australia

Budget required: \$1.0 million in 2023-24 / \$16 million over four years

	2023-24	2024-25	2025-26	2026-27	Total
Recommendation 4 cost (\$m)	1.0	5.0	5.0	5.0	16.0

Recommendation summary:

This recommendation will enable domestic recycling of cigarette butt filters and open up an opportunity to process tobacco waste from across Asia.

For several years, some Australian businesses, environmental organisations, individuals and most councils, have engaged social enterprise TerraCycle to recycle collected cigarette butts. TerraCycle are the only company globally who have appear to have a scaled commercial model to be able to recycle the plastics from cigarette butt filters into a plastic form, from which they can be used to create other items.

Two notable councils who have signed up to this program via their servicing contract with Envirocorp, include City of Melbourne¹⁹ and Byron Shire Council. Over the years, this has enabled hundreds of millions of cigarette butts to be recycled via TerraCycle. However, this has seen the cigarette butts consolidated and then shipped overseas for processing.

TerraCycle have previously advised No More Butts that there is no intention to invest in a facility to recycle cigarette butts in Australia, because of the lack of scale. It is not clear if TerraCycle Australia still has the ability to export these plastic filters overseas since July 1 2021, given there is no license or exemption on the government web-site.²⁰

The purchase and deployment of the required equipment would enable the ability to process our plastic waste domestically. Further, given our proximity to Asia and the prevalence of smoking and littering in these countries, it is conceivable that a commodity supply chain could be set up, where Australia can process international cigarette butt waste, creating employment opportunities, revenue and the ability to scale the use of recycled content projects within Australia.

The funding would be made available in an open competitive grant to industry companies who have experience in recycling of plastics within Australia. It would logically sit under the Recycling Modernisation Fund and should be rolled out in one state in 2022-23, before being deployed in other states and cities. The locations could be aligned with populations and smokers, or support investments into regional, remote and rural communities to help with employment.

¹⁹ <https://www.environmentreport.com.au/single-post/2017/07/31/City-of-Melbourne-recycles-cigarette-butts>

²⁰ <https://www.awe.gov.au/environment/protection/waste/exports/licence-exemption-list>

Recommendation Five:

Implementation of a Vaping Device Return Scheme for both nicotine and non-nicotine vaping devices

Budget required: \$6.7 million in 2023-24 / \$85.2 million over four years

	2023-24	2024-25	2025-26	2026-27	Total
Recommendation 5 cost (\$m)	6.7	14.0	26.0	38.5	85.2

Recommendation summary:

This recommendation will see the deployment of a return scheme for vaping waste to ensure that there is an early intervention before this new waste stream has a major environmental impact, whilst creating the opportunity for initiatives to support the development of a circular economy.

Vapes (or vaping devices) are lithium battery-powered devices that look like metallic wands, USBs or other hand-held devices. Vaping devices use cartridges filled with liquids, or 'juice', which often contain nicotine, as well as artificial flavourings and various chemicals. The liquid is heated into an aerosol, or vapour, and inhaled into the user's lungs.

Vaping products can either be supplied in vaping devices (e.g. prefilled, disposable nicotine e-cigarettes and pods) or supplied separately to the vaping product(s) used with those devices.

With several varieties of disposable vaping devices on the market, there has not been any consideration into the environmental impacts of the batteries, pods and cartridges after their use.

In 2019, 2.5% of the population (aged 14+) or 520,000 people were 'current' vapers (vaped at least once in the last year) and this number is expected to be rising in the past couple of years. The survey found that 54% of vapers are still smoking - "dual use" (280,000). 3.2% of ex-smokers (200,000) vape, in many cases to avoid relapsing to smoking.²¹

Since 1st October 2021, Australian consumers require a prescription for all purchases of nicotine vaping products. This includes purchases from Australian pharmacies and overseas. It remains illegal for other Australian retailers, such as tobacconists, 'vape' shops and convenience stores, to sell consumers nicotine vaping products. Nicotine replacement therapies (NRTs) (including sprays, patches, lozenges, chews and gums) that do not require a prescription continue to be available from pharmacies and some retail outlets.

With a limited footprint for the sale of nicotine and non-nicotine vaping devices and products, a national Vaping return scheme should be implemented at points of purchase to ensure the separation of e-waste and contaminated plastics for further sorting and processing.

With a program administered by DCCEEW and deployed via a tender for a company with similar experience in deploying store based collection and waste sorting, transporting and management, this program would have great impact ahead of the curve and is likely to be a world-first.

²¹ <https://www.aihw.gov.au/reports/illegal-use-of-drugs/national-drug-strategy-household-survey-2019/contents/summary>