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26 August 2025

Naomi Menon  
Director, Competition Exemptions  
Australian Competition and Consumer Commission  
27/135 King St  
Sydney NSW 2000

**By Email**

Dear Ms Menon

**Soft Plastic Stewardship Australia: Application for authorisation AA1000695**

- 1 We refer to the ACCC's draft determination and interim authorisation decision for the above matter, and our meeting of 18 August 2025.
- 2 SPSA is pleased with the outcome of the draft determination and that the ACCC has recognised the significant environmental benefits associated with the SPSA Scheme, in particular that the Scheme is likely to materially increase the amount of used soft plastic packaging that is recycled in Australia and thereby diverted from landfill. Authorisation for the period of eight years, as the ACCC has proposed, is important to provide recycling processors with the confidence required to invest in infrastructure, scale operations, and commit to long-term partnerships with the Scheme. The authorisation will support the continued growth and stability of soft plastics recycling in Australia. SPSA appreciates the ACCC's thorough consideration of the application and the constructive engagement throughout the process.
- 3 In relation to the conditions proposed by the ACCC, SPSA is willing to comply with the proposed condition outlined in the draft determination to not restrict any recycling processor from supplying services to another customer. As set out in response to question 17 of the ACCC's RFI of 29 May 2025, SPSA does not intend to enter into exclusive arrangements with processors. SPSA intends to contract with a diversified network of processing partners to allow SPSA to maximise the proportion of feedstock which can be recycled and ensure that the Scheme remains resilient against disruptions. This approach is also intended to promote innovation and, in the long run, competition amongst processors, thereby contributing to the development of recycling infrastructure in Australia.
- 4 As indicated in SPSA's application and various submissions, SPSA is committed to transparency about its operations and had already committed to setting both annual and long-term targets for the Scheme as well as quarterly and annual reporting. SPSA is willing to comply with a reporting condition set by the ACCC. However, as discussed at our meeting of 18 August 2025, SPSA would like to propose a minor clarification to the proposed reporting condition to reflect that SPSA will not itself collect total packaging placed on market data. SPSA will be reliant on the Australian Packaging Covenant Organisation (APCO), or possibly in the future another organisation, to provide this data. SPSA is willing to commit to publishing the most recent data available at the time of its annual report each year.

**Our Ref** 121233555  
**Your Ref** AA1000695  
26.8.2025

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5 SPSA suggests the following amendment to sub-paragraph (a) of the proposed reporting condition to clarify the above:

*a. Most recent data on the total volume of soft plastics placed on the market in Australia, as published by the Australian Packaging Covenant Organisation or another organisation (tonnes to nearest '000)*

6 Otherwise, SPSA is willing to comply with the proposed reporting condition.

7 SPSA would also like to clarify three points in relation to the public benefits of the proposed arrangements, as outlined below.

- (a) The ACCC has stated that, on current information, it considers that during the authorisation period it is not likely that the Proposed Conduct would have a material effect on the level of production of new plastic. SPSA considers that the implementation of the Scheme can reduce the production of new plastic by transforming it into a valuable resource and enabling manufacturers to substitute virgin plastic with recycled content. The use of recycled content is superior to virgin materials environmentally, with a materially lower carbon footprint than virgin materials. SPSA intends to maximise recycled product outcomes and will consider ways to incentivise this through the Scheme, including the use of an eco-modulated levy to incentivise improved packaging design to meet post-consumer recycled content targets.
- (b) The ACCC has stated that, on current information, it considers that the Proposed Conduct is not likely to materially change the volumes of soft plastics being windblown when tipped into recycling trucks or from going into waterways and oceans. However, based on prior outcomes of container deposit schemes, SPSA considers that litter, which can ultimately end up in waterways and oceans, can be reduced by producer responsibility schemes. For example, NSW has seen a significant drop in beverage container litter since the introduction of the NSW container deposit scheme in 2017: a 74% reduction in eligible CDS beverage container litter density and 66% reduction in volume between 2017 and 2023-24.<sup>1</sup> Clean Up Australia's FY24 Litter Report acknowledges that *'EPR schemes ensure that material resources are recovered and recycled, before they have a chance to end up in landfill or finish as litter in our precious environment'*<sup>2</sup> and that *'With NSW beverage container counts dropping 13.6% since the CDS was established in 2017, it is expected that national beverage container litter levels will also begin to decrease, with operational CDS in place in all states and territories from 2025'*<sup>3</sup>. As set out in SPSA's response to interested party submissions dated 12 June 2025, SPSA acknowledges that consumer knowledge around recycling remains a major issue and intends to undertake education and awareness activities, in accordance with its objects under its constitution. These activities will target increased community awareness regarding the benefits of soft plastics recycling and how to recycle soft plastics, which will in turn increase levels of soft plastics recycling and reduce the amount of litter which may find its way into waterways and oceans. SPSA will also consider strategic partnerships in future to address litter. Further, the Scheme's 'bag in bin' recycling processes will reduce the risk of lightweight plastics that would otherwise be thrown into general rubbish bins from becoming windblown when being tipped into garbage trucks or deposited at landfills, and from becoming litter that may end up in waterways and oceans.
- (c) The ACCC has stated that, on current information, it does not consider that the Proposed Conduct is likely to result in a public benefit though increased research and development

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<sup>1</sup> NSW EPA, 'Container deposit scheme: beverage container litter', available at: <https://www.epa.nsw.gov.au/Your-environment/Litter/Data-and-targets/2023-24-litter-data-nsw/container-deposit-scheme-beverage-container-litter>.

<sup>2</sup> Clean Up Australia, Clean Up Australia Litter Report FY24 (2024), p 3. Available at: [https://irp.cdn-website.com/ed061800/files/uploaded/CleanUpAustralia\\_LitterReport\\_FY24\\_FINAL.pdf](https://irp.cdn-website.com/ed061800/files/uploaded/CleanUpAustralia_LitterReport_FY24_FINAL.pdf).

<sup>3</sup> Clean Up Australia, Clean Up Australia Litter Report FY24 (2024), p 18. Available at: [https://irp.cdn-website.com/ed061800/files/uploaded/CleanUpAustralia\\_LitterReport\\_FY24\\_FINAL.pdf](https://irp.cdn-website.com/ed061800/files/uploaded/CleanUpAustralia_LitterReport_FY24_FINAL.pdf).

(**R&D**) and innovation to develop end markets for recycled soft plastic material compared to the future without the Proposed Conduct. While SPSA acknowledges the ACCC's evaluation, SPSA considers the Proposed Conduct is likely to result in public benefits in relation to both R&D and innovation in end markets for the following reasons:

- (i) While SPSA's engagement will primarily involve providing strategic, indirect support, such as supplying feedstock for research and testing, participating in research-focused industry groups, and potentially co-funding targeted initiatives, these contributions will play a crucial role in enabling and accelerating R&D across the value chain, including through supporting recyclers and innovators, fostering collaboration among industry, and aligning industry capabilities with emerging standards and applications. As an industry-led solution supported by the Stakeholder Advisory Council (**SAC**) (which comprises members from across industry including parties delivering innovation in recycling), SPSA is more likely to facilitate R&D benefits than a future without the Proposed Conduct. A key role of the SAC will be to focus on and provide technical and contract advice on R&D and innovation to drive end market demand. The SAC membership will include experts from industry and government to provide practical advice to assist SPSA in directing funds into relevant priority projects.
- (ii) SPSA considers that the Proposed Conduct is likely to stimulate innovation in end markets. By ensuring a reliable supply of soft plastic feedstock and facilitating offtake arrangements (both directly as an owner of collected material and indirectly as the organisation which will have visibility over the soft plastics supply chain), SPSA creates the commercial confidence necessary for businesses to invest in new technologies, product development, and recycled content applications. This is apparent from submissions published to date by recyclers, which highlight that adequate feedstock and the potential for long term contracts are preconditions for capital investment in recycling infrastructure and innovation.<sup>4</sup> iQRenew's submission to the ACCC dated 21 July 2025 underscores the importance of commitments by companies like SPSA to developing new technological solutions, which will in turn support end market development. Such benefits are therefore more likely to arise in a future with the Proposed Conduct than a future without it. Further, as acknowledged at paragraph 4.85 of the ACCC's draft determination, under processing arrangements where SPSA retains ownership of soft plastics materials throughout processing, SPSA could have a greater role in the development of high value end markets.

8 Should the ACCC require any further information or clarification in respect of SPSA's commitments, please do not hesitate to contact us.

Yours sincerely

  
**Carolyn Oddie**  
Partner  
Allens

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**Jamie Hick**  
Associate  
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<sup>4</sup> iQRenew, Submission dated 9 April 2025, p 2; iQRenew, Submission dated 21 July 2025; Cleanaway Waste Management, Submission dated 17 April 2025, p 2.