

Soft Plastic Stewardship Australia response to submissions from interested parties after draft determination on application for authorisation AA1000695

1 Introduction

- 1 Soft Plastic Stewardship Australia Limited (**SPSA**) is pleased with the outcome of the ACCC's draft determination, including the ACCC's conclusion that SPSA's proposed scheme (the **Scheme**) is likely to materially increase the amount of used soft plastic packaging that is recycled in Australia and thereby diverted from landfill.
- 2 SPSA has carefully considered the submissions made by interested parties since the draft determination and welcomes the opportunity to clarify key aspects of the proposed Scheme. Many of the submissions raise matters which SPSA has already addressed in detail, including in its application,¹ response to submissions from interested parties before the draft determination,² responses to the ACCC's requests for information,³ and response to the ACCC's draft determination.⁴ Notwithstanding this, SPSA sets out below its response to some of the key themes in the interested party submissions after the draft determination.
- 3 A number of the submissions raise issues which are matters for government, for example in relation to mandatory product stewardship, packaging design standards and targets to reduce the use of soft plastics. While SPSA agrees that a mandatory scheme is preferable in the longer term and will support packaging standards that promote circularity and alignment with recycling systems, these matters are for government and may be addressed through future packaging reform.
- 4 To the extent SPSA has not responded to all matters raised in the submissions, this should not be taken as acceptance of the positions asserted. SPSA firmly believes that the matters raised in the submissions do not materially impact the ACCC's assessment and supports the upholding of the ACCC's position as outlined in its draft determination.

¹ SPSA, Application to the Australian Competition and Consumer Commission for interim and final authorisation (11 April 2025) (**SPSA Application**). Available at: https://www.accc.gov.au/system/files/public-registers/documents/Application%20Received%20-%2018.03.25%20-%20PR%20VERSION%20-%20SPSA_0.pdf?ref=0&download=y.

² SPSA, Response to submissions from interested parties on application for authorisation AA1000695 (12 June 2025) (**SPSA Initial Response to Interested Party Submissions**). Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20interested%20party%20submissions%20-%2012.06.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

³ SPSA, Response to ACCC request for information dated 29 May 2025 (20 June 2025) (**SPSA Response to 29 May RFI**) available at: <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20ACCC%20request%20for%20further%20information%20-%2020.06.25%20-%20PR%20VERSION%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>; SPSA response to ACCC request for information dated 15 July 2025 available at: <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20ACCC%20request%20for%20further%20information%20-%2021.07.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

⁴ SPSA, Response to ACCC draft determination (26 August 2025) (**SPSA Response to Draft Determination**). Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20draft%20determination%20-%2026.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

2 The Scheme will deliver public benefits in the form of increased research and development and innovation for end markets

- 5 Zero Waste Victoria's submission notes the ACCC's statement in the draft determination that, on current information, it considers the Scheme is not likely to result in public benefits through increased research and development (**R&D**) and innovation to develop end markets.⁵
- 6 SPSA considers the Proposed Conduct is likely to result in public benefits in relation to both R&D and innovation in end markets. As set out in SPSA's response to the draft determination, SPSA will play a crucial role in enabling and accelerating R&D across the value chain and stimulating innovation in end markets.
- (a) **Supplying feedstock:** SPSA's key role will be in supplying and ensuring continuity of feedstock which can be used for research and testing by processors as well as end market partners. Reliable access to post-consumer material enables both processors and end market partners to refine technologies and scale commercial applications. For example:
- (i) The REDcycle feedstock allowed processor iQRenew to test the capacity and refine the processes at its new Soft Plastic Engineered Commodity (**SPEC**) facility.⁶ iQRenew's recent media release in relation to the SPEC facility acknowledges that '*The development of the SPEC facility has been made possible through the support of Woolworths and the Soft Plastic Taskforce, whose commitment to soft plastic recycling infrastructure has pulled an entire industry forward*'.⁷ The continued supply of feedstock to iQRenew will allow it to continue to invest in innovative technologies and further test and expand the facility's recycling capabilities as it moves to capacity of 24,000 tonnes of soft plastics a year, with the assistance of \$9.1 million in state and federal funding. As acknowledged in iQRenew's submission to the ACCC dated 21 July 2025, its SPEC facility will be unviable without the Scheme in place.
- (ii) iQRenew and its offtake partners are reliant on access to post-consumer material that has been mechanically recycled to develop and scale their end market products. Partners include Pelagic.Earth (building products, eg, bricks),⁸ Holloway Group (eg, storage containers, trays, pails, bins),⁹ Resourceful Living (eg, recycled plastic panels),¹⁰ TrendPac (eg, homecare packaging),¹¹ Innovative Plastic Solutions (eg, modular retailer display, tactile guidance safety indicators, wheelstops, medical waste bins, cable spools, speed humps, mop buckets),¹² Source Separation Systems (eg, kitchen caddies and bins),¹³ PACT (eg, builders film, silage wrap, dampcourse, garage bags),¹⁴ saveBOARD (eg, building

⁵ Zero Waste Victoria, Submission dated 25 August 2025 (**Zero Waste Victoria Submission**), [1.4]. Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Zero%20Waste%20Victoria-%20request%20for%20pre-decision%20conference%20-%202025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastic%20Stewardship%20Australia%20Limited.pdf?ref=0&download=y>.

⁶ ABC News, 'NSW facility takes on large-scale recycling of Australian household soft plastics' (28 August 2025): <https://www.abc.net.au/news/2025-08-28/large-scale-recycling-household-soft-plastics-new-taree-facility/105699588>

⁷ Media release available at: https://www.linkedin.com/posts/iq-renew_media-release-a-key-piece-of-the-soft-plastics-activity-7366273284125986816-n0zF.

⁸ See: <https://www.pelagic.earth/about>.

⁹ See: <https://hollowaygroup.com.au/pages/a-plus-plastics>

¹⁰ See: <https://resourcefulliving.com.au/>

¹¹ See: <https://www.packagingnews.com.au/home-care/soft-plastics-find-new-life-in-homecare-packaging>

¹² See: <https://www.iplastics.com.au/ips-products>

¹³ See: <https://www.sourceseparationsystems.com.au/>

¹⁴ See: <https://pactgroup.com/>.

products),¹⁵ Close the Loop (eg, TonerPlas asphalt additive)¹⁶ and a range of other emerging market participants. The development and viability of these end market solutions depends on a stable supply of feedstock. Consequently, SPSA's role is essential to unlock downstream investment and innovation in end markets.

- (iii) Further, iQRenew's SPEC facility possesses the advanced capability to process post-consumer soft plastics into pellets suitable for chemical recycling. By supplying consistent feedstock to iQRenew and other proposed processors, SPSA could help enable the development of chemical recycling technologies in Australia. Indeed, having access to feedstock has allowed iQRenew to progress from laboratory trials to full commercial scale R&D testing, successfully developing its high-grade pellets to meet global chemical recycling feedstock specifications. In this way, the access to feedstock allowed iQRenew to unlock part of the circular plastic packaging supply chain, enabling food grade soft plastic packaging to be recycled back into food grade recycled packaging.
- (b) **Funding for recyclers:** The funding SPSA will provide to recyclers is not limited to processing materials but may be utilised by recyclers to research and develop end market specifications, develop and refine processing capability and market their products.
- (c) **Facilitating offtake arrangements:** As acknowledged in 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. For example, SPSA may ensure high quality resin and pellets are prioritised for advanced chemical recycling. These materials may otherwise find their way to lower value markets such as construction materials. As an industry-led not for profit, SPSA may seek to allocate material for onshore advanced chemical recycling trials, potentially at a lower commercial return in the initial periods, in order to incentivise onshore infrastructure and local advanced manufacturing capability.
- (d) **Stakeholder Advisory Council (SAC):** The SAC will ensure that diverse perspectives inform the Scheme's priorities and investment decisions. A key role of the SAC will be to provide advice on R&D and innovation to drive end market demand.
- (e) **Participation in other research focused industry groups:** SPSA is a signatory and funding partner with the Australian Council of Recyclers on their upcoming research project focused on increasing demand for Australian recycled content. Additionally, SPSA is also partnering with the Solving Plastic Waste Cooperative Research Centre (**CRC**). The CRC's mission is to assist partners in '*pioneering innovative solutions to the plastic waste problem and to help foster a sustainable circular economy for plastics in Australia*'.¹⁷ The CRC drives collaboration between the research sector, governments and plastics value chain. The CRC has identified and prioritised soft plastics as a critical focus area and contacted SPSA to jointly develop a soft plastic roadmap.
- (f) **Potential to co-fund targeted initiatives:** As the Scheme matures, SPSA may co-fund targeted initiatives that contribute directly to R&D and/or end market innovation. This may include further pilot programs to expand collections (eg, in regional areas), research partnerships to improve material recovery, CRC projects or working directly with processors and offtake partners to fund development of end markets.

¹⁵ See: <https://www.saveboard.com.au/>.

¹⁶ See: <https://www.closeheloop.com.au/tonerplas/>.

¹⁷ See: <https://solvingplasticwastecrc.com/about/>.

7 Without the SPSA Scheme and in the absence of government regulation, there is no confidence or ability to secure consistent and reliable feedstock or industry funding, which undermines the viability of downstream recycling and remanufacturing initiatives. This uncertainty is likely to stifle investment in research and development and resultant innovation, as processors and end-market producers cannot confidently plan, test or scale solutions without the necessary materials being available. The SPSA Scheme will drive increased research and development and innovation in end markets and accelerate the growth of advanced recycling technologies and manufacturing solutions.

3 SPSA's contribution to the REDcycle remediation costs reflects a commitment to equitable cost-sharing and recognises the value of the material in accelerating recycling capacity and the establishment of the Scheme

8 Some interested party submissions express concerns about the proposed contribution towards the REDcycle stockpile remediation. For example, Zero Waste Victoria states that *'Levy funds must be directed solely to environmental and public-benefit outcomes...Diverting funds to subsidise Coles, Woolworths, or other SPSA members distorts fair competition by shifting historic commercial costs onto the public'*.¹⁸ Some submissions state that the levy should not be directed to 'private profit'¹⁹ and that this is a 'legacy responsibility for Coles and Woolworths'²⁰.

9 The ACCC's role is not to be an industry regulator or to design the Scheme, but rather to assess whether the public benefits of the Scheme as proposed by the parties outweigh the potential public detriment. SPSA considers that the ACCC has taken the correct approach in its draft determination in considering the levy and Scheme membership arrangements as designed by the parties, including the proposed contribution to the REDcycle stockpile remediation, as part of the ACCC's overall assessment of public detriment and benefit. The ACCC has considered the proposed contribution and is satisfied that it will not disincentivise Coles or Woolworths from switching to alternative schemes in the event there was new entry in the future, including because:

- (a) Coles and Woolworths will remain liable to make levy payments each year;
- (b) the offset amount would be applied annually rather than at the end of the eight-year period; and
- (c) SPSA does not intend to recoup the past set off amounts if Coles or Woolworths exit the Scheme.²¹

10 SPSA supports this analysis, and asserts that it is not appropriate for conditions to be imposed, as suggested by some third parties, to redesign elements of the Scheme where the ACCC is satisfied that the authorisation test is met (ie, that the conduct being authorised would result, or

¹⁸ Zero Waste Submission, p 1.

¹⁹ For example, A Fitting Connection, Submission dated 24 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20A%20Fitting%20Connection%20-%2024.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

²⁰ For example, Shea Vaughan, Submission dated 25 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Shea%20Vaughan%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

²¹ ACCC, Draft determination and interim authorisation decision, 11 August 2025, p 30-31.

be likely to result, in a benefit to the public, and that benefit would outweigh the detriment to the public that would result, or be likely to result, from the conduct).²²

- 11 In any event, SPSA submits that the proposed contribution is entirely reasonable for the following reasons:
- (a) While the supermarkets have obligations to remediate the stockpiles, this is not merely a legacy responsibility for Coles and Woolworths. The REDcycle stockpiles contained soft plastics from a wide range of sources, including commercial and industrial sources, and the majority of the packaging contained in the stockpiles were not from retailer-owned brands. Accordingly, the wider industry has a role to play in taking ownership of this issue. By incorporating some of the costs of the stockpile remediation into the overall Scheme costs, SPSA can socialise these costs across industry participants in alignment with the equitable cost sharing principle that is essential to product stewardship. The contribution is proposed to be spread over eight years, weighted towards the later part of that period in order to distribute these costs across a broader group of Scheme Participants. It is currently estimated that the contribution in the initial years will only represent approximately \$10-\$15 per tonne of the total Scheme Levy.
 - (b) The REDcycle stockpiles served, and continue to serve, as foundational feedstock for the Scheme and are being used to expedite recyclers coming online, support and expand existing recycling operations and for R&D for new and existing products and end markets. In this way, the allocation of levy funds to the REDcycle stockpile remediation is a contribution directed to long term environmental benefits and the public interest, and the characterisation of the REDcycle contribution as a mere reimbursement of historic commercial costs fails to acknowledge the value of the stockpiles for accelerating recycling capacity and the development of long term end markets.
 - (c) The knowledge and expertise acquired by the Taskforce in managing and processing the stockpiles is expected to contribute significantly to the design and accelerated implementation of the Scheme, benefiting all Scheme Participants and the wider industry.
 - (d) SPSA is not proposing to cover all stockpile remediation costs: the \$16 million is a contribution towards these costs, which are currently expected to total in excess of \$25 million, with the supermarkets bearing the remaining costs. Further, it is anticipated that after the application of the set-off in each year, Coles and Woolworths will be required to make a net positive levy contribution to the Scheme. Accordingly, the supermarkets will not profit from the contribution, as they will be required to bear the remainder of the stockpile costs (in excess of \$9 million on current estimates) as well as make ongoing levy payments as Scheme Participants.
- 12 SPSA disputes the claim by Zero Waste Victoria that the contribution undermines competitive neutrality and disadvantages smaller retailers and alternative stewardship models.²³ Consistent with the ACCC's findings in the draft determination and as outlined above, the contribution does not disadvantage alternative stewardship schemes by weakening Coles' and Woolworths' incentives to switch in future. In terms of disadvantage to smaller retailers, as above, the contribution is proposed to be distributed over the eight-year period to reduce the amount payable in the early years of the Scheme and spread the costs across more Scheme Participants. The

²² Indeed, the ACCC's Guidelines for Authorisation of Conduct (Non-merger) acknowledge that *'It is not for the ACCC to use its power to impose conditions in order to substantially redraft or redesign proposed conduct simply to make the conduct better'* (at [9.5]). Available at: <https://www.accc.gov.au/system/files/guidelines-authorisation-conduct-non-merger-aug24.pdf>.

²³ Zero Waste Submission, p 4.

contribution does not confer a competitive advantage on Coles or Woolworths as they have already outlaid a significant portion of the costs of remediating the stockpiles, and will continue to be responsible for any costs beyond the \$16 million. Competitive neutrality is not relevant here.

4 Cost pass through is an important component of product stewardship, particularly in a voluntary scheme

- 13 Some interested parties argue that Scheme Participants should not be permitted to pass on the cost of the Scheme Levy to consumers through product pricing.²⁴ Zero Waste Victoria argues that the arrangement '*effectively results in the public potentially paying twice. First indirectly through supermarket prices that incorporate levy-funded reimbursements to Coles and Woolworths, and second directly, through individuals, community groups, or councils paying for soft plastics recycling costs via independent schemes such as APR Plastics and RecycleSmart*'.²⁵
- 14 As set out in SPSA's response to interested party submissions before the draft determination,²⁶ cost pass through is important in product stewardship because it ensures that the true costs of managing a product across its life cycle can be reflected in its price. Cost pass through is often a core feature of how the 'producer pays' principle is implemented in practice globally and is particularly important in a voluntary scheme where participation relies on industry goodwill rather than regulation. If participants are unable to recover their stewardship costs, they are disadvantaged relative to non-participants, which can undermine incentives to join, slowing potential environmental benefits. There are a number of other local voluntary product stewardship schemes that use cost pass through including Paintback, B-cycle, and the Tyre Product Stewardship Scheme.
- 15 Under SPSA's proposed model, whether Scheme Participants pass on the cost of the Scheme Levy through the supply chain is voluntary and is intended to be determined independently by each Scheme Participant. Scheme Participants may choose to do so in order to more closely reflect the full cost of a product (including the cost of recycling). If the Scheme Levy is passed through the supply chain, the potential levy impact compared to the cost of common food and grocery products would be minimal (≤ 1 cent for a number of common household items that use soft plastic packaging, based on the initial Scheme Levy).
- 16 Further, collections programs such as APR Plastics, RecycleSmart and Curby are opt-in services. Councils, corporate organisations and consumers choose to participate in these collection programs voluntarily.

5 SPSA's governance structure is consistent with international best practice and producer responsibility

- 17 Some interested party submissions raise concerns about the composition of SPSA's board structure. For example, Zero Waste Victoria states '*The proposed board structure allows brand and retail owner directors to dominate, with only up to two independent directors permitted...A*

²⁴ For example, see Maria Arranz, Submission dated 21 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Maria%20Arranz%20-%2021.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>; Daphne Buckingham, Submission dated 21 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Daphne%20Buckingham%20-%2021.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastic%20Stewardship%20Australia%20Limited.pdf?ref=0&download=y>; Damian Curtain, Submission dated 21 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Damian%20Curtain%20-%2021.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

²⁵ Zero Waste Submission, p 5.

²⁶ SPSA Initial Response to Interested Party Submissions, section 4.4 at pp 8-9.

board with such limited independence cannot provide genuine accountability, particularly when decisions about fund allocation risk being shaped by members' commercial interests rather than public or environmental outcomes'.²⁷ Other submissions call for embedding recyclers, SMEs, councils and community voices within the Scheme.²⁸

- 18 SPSA's response to interested party submissions before the draft determination provides significant detail on the rationale for SPSA's governance structure.²⁹ SPSA does not intend to revisit those issues in full here, but notes that:
- (a) SPSA has been established as a separate not-for-profit entity to ensure independence and decision-making in accordance with the Scheme's objectives. Directors are required to act in the best interests of SPSA, consistent with their duties imposed by the *Corporations Act 2001* (Cth) (**Corporations Act**).
 - (b) SPSA's constitution provides for the appointment of directors from industry associations or SMEs and two independent directors as well as directors representing proprietary brand owners and retail brand owners. SPSA is currently considering a shortlist of directors and anticipates appointment of an independent chair imminently. In accordance with SPSA's constitution, additional directors, including a further independent director, are expected to be appointed during the course of 2025, with several nominations already being received from a range of stakeholders.
 - (c) SPSA's board structure is consistent with successful international used packaging product stewardship schemes. This approach ensures that boards are largely composed of the companies that fund the system, bear the financial obligations and are responsible for delivering beneficial environmental outcomes, embedding the principle of producer responsibility.
 - (d) The Scheme's governance framework was informed through engagement with local and global product stewardship experts including Verpact, Fost Plus, Ecosurety, Valpak, EXPRA, RePak, Helen Lewis Research, RPS consulting and One Planet consulting.
 - (e) The SAC will provide a forum for the broader value chain to inform SPSA's operations, including recyclers, government, councils and community groups. SPSA has appointed 10 of 12 members to the SAC and expects to appoint the final two members imminently. The initial SAC includes members representing the full value chain alongside key stakeholders from various levels of government and experts in consumer behaviour. A list of the initial SAC members is set out at Schedule 1.
- 19 Further, contrary to Zero Waste's submission:
- (a) SPSA has a conflict of interest policy which, together with the obligations in SPSA's constitution and the Corporations Act (including directors' duties), provides for appropriate management of conflicts of interest; and
 - (b) the proposed contribution to the REDcycle stockpile remediation was discussed in correspondence between SPSA and the Australian Charities and Not-for-profits Commission (**ACNC**) at the time the ACNC considered SPSA's application for

²⁷ Zero Waste Submission, p 1-2.

²⁸ Circular Seed, Submission dated 22 August 2025, p 1. Available at: https://www.accc.gov.au/system/files/public_registers/documents/Submission%20by%20Circular%20Seed%20Pty%20Ltd%20-%202022.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y; A Fitting Connection, Submission dated 24 August 2025, p 1.

²⁹ SPSA Initial Response to Interested Party Submissions, section 3.1 (pp 2-4) and section 7.3(b) (pp 26-27).

registration, and the ACNC was provided with the draft Scheme Agreement and other information regarding the proposed set-off arrangements.

6 SPSA will set clear targets and provide public reporting on progress

- 20 Several submissions argue that clear targets and transparent reporting are essential and that current reporting requirements should be strengthened. Some submissions also argue that there is a risk the Scheme will result in greenwashing or '*more about PR than actual progress*'³⁰.
- 21 SPSA agrees that clear targets and reporting are essential to its function. For this reason, SPSA had committed upfront in its initial application to setting both annual and long-term targets for the Scheme and preparing and publishing both an annual report for the Scheme as well as quarterly reporting with an update on SPSA's operations.³¹ SPSA has also expressed its willingness to comply with the reporting condition proposed by the ACCC in the draft determination (albeit with a minor clarification).³²
- 22 A number of submissions propose additional targets and reporting requirements. These have been summarised in the table at Schedule 2, together with SPSA's response.
- 23 In relation to any greenwashing concerns as they relate to either SPSA or Scheme Participants, as outlined in SPSA's response to the ACCC's request for information dated 29 May 2025:³³
- (a) SPSA's public reporting will ensure that the Scheme's environmental outcomes are transparent, which serves to deter misrepresentation about the environmental outcomes of the Scheme.
 - (b) Recycling traceability systems will ensure that reported material flows are evidence-based and auditable.
 - (c) SPSA will provide guidance to Scheme Participants in relation to Scheme information and use of the Scheme brand and other labelling.
 - (d) SPSA and Scheme Participants have obligations under the Australian Consumer Law in relation to their communications with consumers.
- 24 That being said, SPSA is confident that the Scheme will divert material quantities from landfill compared to the current situation, where less than 1% of consumer soft plastic packaging placed on market is recycled, or a future without the Proposed Conduct, in which soft plastics recycling programs and outcomes may decline.

7 A multi-channel collection strategy is important to maximise access for community and recycling outcomes

- 25 The submissions since the draft determination present mixed views on the collection channels that should be prioritised by the Scheme, with some submissions raising concerns with, or considerations for, kerbside collections.³⁴

³⁰ A Fitting Connection, Submission dated 24 August 2025.

³¹ SPSA Application, p 23.

³² SPSA Response to Draft Determination, pp 1-2.

³³ See response to question 7 at p 9.

³⁴ For example, see Circular Seed, Submission dated 22 August 2025; Veolia, Submission dated 25 August 2025 (*Veolia Submission*), p 2. Available at: https://www.accc.gov.au/system/files/public_registers/documents/Submission%20by%20Veolia%20ANZ%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y.

26 SPSA has addressed this matter in detail its response to interested party submissions before the draft determination,³⁵ but reiterates that:

- (a) The NPRS trials demonstrated that:
- (i) kerbside collection is an important and viable collection channel. Through household surveys undertaken as part of the NPRS trials, 92.4% of households indicated a preference for kerbside collection of soft plastics, with only 3.9% preferring the return to store model, 0.6% preferring another local drop off facility and 3% stating they would continue to place their plastics in the general waste bin.³⁶
 - (ii) Bag-in-bin can be an effective kerbside collection method to prevent contamination and issues at material recovery facilities (**MRFs**). During the trials, contamination within the bags was minimal (<2%), outbound contamination on paper/cardboard recycling commodities also had a negligible impact, 95% of bags were captured by MRFs at pre-sort with no additional staff, and of the 5% of bags missed in the pre-sort, 83-95% of missed bags remained intact as they passed through the MRF.³⁷
- (b) Following kerbside pilots, SPSA will provide financial and operational support to implement and operate kerbside collections, funding incremental costs for both recyclers (eg, additional staff required at MRFs to pre-sort bags) and councils that elect to introduce a kerbside collection service for their community (eg, starter kits, education, transport).

27 Furthermore, participation by councils will be voluntary, on an opt-in basis and based on mutually agreed operational models. SPSA intends to work closely with councils and MRFs to ensure that programs are rolled out with stakeholder buy-in.

8 SPSA supports packaging design reform and mandatory Scheme participation however these are matters for government

28 Several interested parties raise concerns about the use of plastic packaging generally and argue for reduction in the use of soft plastics as well as upstream packaging design reform.³⁸ Some submissions also call for a mandatory product stewardship scheme.³⁹

29 These issues are largely matters for government and are being considered as part of the Federal Government's packaging reform consultation.⁴⁰ SPSA acknowledges the importance of packaging design, including reducing the use of problematic and unnecessary soft plastics, and supports the potential introduction of mandatory standards by government. SPSA is willing to assist

³⁵ SPSA Initial Response to Interested Party Submissions, section 5.6 at pp 15-18. Available at:

<https://www.accc.gov.au/system/files/public-registers/documents/Applicant%E2%80%99s%20response%20to%20interested%20party%20submissions%20-%2012.06.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

³⁶ Australian Food and Grocery Council, NPRS Trials Review (Full Report) (**NPRS Trials Report**), p 14. Available at:

https://spsa.au/wp-content/uploads/2024/09/afgc-softplasticstrialsreport_final_web-5.pdf.

³⁷ NPRS Trials Report, p vi.

³⁸ For example, see: Veolia Submission, p 3; Jo Clay, Submission dated 25 August 2025, p 2. Available at:

<https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Jo%20Clay%20-%20ACT%20Greens%20and%20member%20for%20Ginninderra%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastic%20Stewardship%20Australia%20Limited.pdf?ref=0&download=y>.

³⁹ For example, see Jo Clay, Submission dated 25 August 2025, p 2.

⁴⁰ Department of Climate Change, Energy, the Environment and Water, 'Reform of packaging regulation: Consultation paper' (2024).

Available at: https://storage.googleapis.com/files-au-climate/climate-au/p/prj309de1e89171c2b4c52be/page/Reform_of_Packaging_Regulation_Consultation_paper.pdf.

government in developing relevant standards and will advocate for circularity and changes to align packaging and recycling system design.

- 30 SPSA has designed the Scheme so it can operate in alignment with and support emerging government regulations. This will ensure consistency, reduce confusion across industry and drive systemic improvements in recyclability before and after the introduction of potential new packaging regulations.
- 31 With that said, the Scheme's design affords scope to SPSA to encourage packaging design in accordance with any sustainable packaging design standards implemented by government, for example through eco-modulation of the Scheme Levy and industry engagement through the SAC.
- 32 SPSA agrees that a mandatory scheme is preferable in the longer term, however the current national framework for used packaging materials does not provide for this.
- 33 SPSA has addressed these matters in further detail in its response to interested party submissions before the draft determination.⁴¹ The SPSA Scheme is an important step in the right direction and ACCC authorisation would allow the Scheme to commence sooner than potential regulation, restoring collection services for community, diverting soft plastics from landfill and actively contributing to the development of a circular economy.

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⁴¹ SPSA Initial Response to Interested Party Submissions, sections 6.1 and 6.2 at pp 19-21.

Schedule 1: SAC membership

No.	Name	Organisation	Position	Skills
Government				
1.	Alexandra Geddes	State Government - NSW EPA	Executive Director, Programs & Innovation	Regulation & programs
2.	Elenor Robson	Local Government - ALGA	Policy Director - Environment	Council recycling
3.	Bill Pemberton	Local Government - Macedon	Coordinator Resource Recovery	Council - Local
Value Chain				
4.	Andrew Smith	PACT	Executive Advisor - Circular Economy	Packaging & PCR
5.	Anthony Peyton	PREP	Director - PREP design	Pack design
6.	Pamela Mikaschofsky	Aldi	Executive Manager - Sustainability	Pack design & collection
7.	Graham Knowles	iQRenew	Group General Manager - iQRenew	Recycling - Mechanical
8.	Jeroen Wassenaar	Cleanaway	Head of Innovation	Recycling - Chemical
9.	Dr Hadi Vandchali	LG NSW - Procurement	Consultant, ESG and Procurement Services	Market demand, government procurement
Product Stewardship				
10.	Gemma Boucher	-	Customer Experience Manager, Product Stewardship	Community engagement, CDS depot trials

Schedule 2: Proposed targets and reporting requirements

No.	Proposed targets / reporting requirements	SPSA response
1.	Tonnage collected ⁴²	SPSA previously committed to reporting on tonnage collected, ⁴³ and this is required under sub-paragraph (c) of the ACCC's proposed reporting condition.
2.	Tonnage recycled and processing destination ⁴⁴	SPSA previously committed to reporting on the volume of soft plastics sent to processors, ⁴⁵ and this is required under sub-paragraph (d) of the proposed reporting condition. SPSA also previously committed to providing the total aggregate volume of processed materials sent to end markets (by sector). ⁴⁶
3.	Tonnage sent to landfill ⁴⁷	SPSA plans to report on losses from contamination and processing at a high level. Notwithstanding this, SPSA will aim to minimise contamination in collected material through consumer education on recycling and engagement with processors and SPSA's approach to distributing recycled material based on the quality of material, the strengths of different modes of recycling and end market application will also seek to minimise the amount of collected material that may go to landfill. SPSA will require transparent reporting from contracted recyclers, including contamination removed from collected materials and sent to landfill or otherwise recovered.
4.	Quality assurance and contamination controls ⁴⁸	SPSA will consider reporting on this at a high level. SPSA will require transparent reporting from contracted recyclers, including contamination removed from collected materials and sent to landfill or otherwise recovered.
5.	End-market uses of recovered polymers ⁴⁹ / clear mechanisms for developing viable domestic end markets for recycled soft plastics ⁵⁰	SPSA previously committed to reporting on end markets, ⁵¹ and this is required under sub-paragraph (g) of the proposed reporting condition. SPSA will require contracted recyclers to implement traceability measures to support transparency of material flows from collection through to end-market destinations, and in the longer term, will also require service providers to be accredited by a third-party traceability provider.

⁴² Veolia Submission, p 4.

⁴³ SPSA Application, p 23.

⁴⁴ Veolia Submission, p 4; Inger Boerma, Submission dated 25 August 2025 (*I Boerma Submission*), p 6. Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Inger%20Boerema%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastic%20Stewardship%20Australia%20Limited.pdf?ref=0&download=y>.

⁴⁵ SPSA Response to 29 May RFI, [26].

⁴⁶ SPSA Response to 29 May RFI, [27].

⁴⁷ I Boerma Submission, p 6.

⁴⁸ Veolia Submission, p 4.

⁴⁹ Veolia Submission, p 4.

⁵⁰ Zero Waste Submission, p 16.

⁵¹ SPSA Response to 29 May RFI, [26].

No.	Proposed targets / reporting requirements	SPSA response
6.	Council-level participation and education outcomes ⁵²	SPSA plans to include information on this in its annual report, including detailing the councils participating in the Scheme.
7.	Time-bound targets for reducing the total volume of soft plastics entering the market from its members ⁵³	This is a matter for government. While SPSA will report on the total volume of soft plastics placed on the market in Australia (using data collected by APCO or another organisation) and the total volume of soft plastics placed on the market by Scheme Participants, SPSA will not set targets for reducing the total volume of plastics entering the market as it is not a regulator. Soft plastic packaging is important to maintain the quality and safety of food, personal care and home care products, particularly in food grade applications due to its barrier properties, strength, versatility and light weight nature. The introduction of a levy will act as a disincentive to use soft plastics where other fit for purpose packaging materials are available. As soft plastics recycling in Australia matures, SPSA will consider how it can stimulate demand for post-consumer recycled content, including to support the introduction of any sustainable packaging design standards introduced by government. For example, the introduction of eco-modulated levies in the future could be used to further incentivise the use of recycled content in packaging and reduce virgin soft plastics.
8.	Packaging reduction achievements (not just recycling volumes) ⁵⁴	For the reasons above, this is a matter for government and SPSA will not report on packaging reduction achievements.
9.	Publicly accessible roadmaps showing how the scheme will progress from collection-focused operations to a genuinely circular, closed-loop system ⁵⁵	As above, SPSA's annual report will include reporting on end markets and, in future, how to incentivise uptake of reusable packaging and recycled content standards. Additionally, as above, SPSA is partnering with the Solving Plastic Waste CRC to develop a comprehensive soft plastic roadmap.
10.	Independent verification or oversight to confirm that reported outcomes align with actual environmental benefit ⁵⁶ / independent auditing of	SPSA has committed to independent review of the Scheme in the third and seventh year of the Scheme's operations. This will cover, among other things, the success of the Scheme in meeting its annual targets, those targets being a mechanism to measure some of the public benefits being delivered by the

⁵² | Boerma Submission, p 6.

⁵³ Zero Waste Submission, p 16; Elanora SHS, Submission dated 25 August 2025, p 1. Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Elanora%20SHS%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

⁵⁴ | Boerma Submission, p 6.

⁵⁵ Zero Waste Submission, p 16.

⁵⁶ Zero Waste Submission, p 17.

No.	Proposed targets / reporting requirements	SPSA response
	SPSA's performance ⁵⁷ / independent review at more regular intervals and prior to the third year of operation ⁵⁸	Scheme. ⁵⁹ SPSA considers that year three is an appropriate juncture for the first independent review of the Scheme, given the establishment activities required in the early years as well as the three to five year commercialisation timeline for infrastructure development. Further, SPSA will require contracted recyclers to implement traceability measures to support transparency of material flows from collection through to end-market destinations, and in the longer term, will also require service providers to be accredited by a third-party traceability provider. These traceability systems will ensure that reported outcomes are evidence-based and auditable.
11.	Annual publication of levy revenues and expenditure breakdowns ⁶⁰	SPSA had already committed to reporting on a breakdown of how levy funds were spent during the relevant year and an explanation of how the funds being spent are contributing to achieving the Scheme's objectives. ⁶¹
12.	Cost analysis on impacts of the scheme on retail pricing to ensure that only pricing increases are within the levy estimates ⁶²	Whether Scheme Participants pass on the cost of the Scheme Levy through the supply chain is voluntary and is intended to be determined independently by each Scheme Participant. Scheme Participants may choose to do so in order to more closely reflect the full cost of a product (including the cost of recycling). If Scheme Participants choose to pass on the cost of the Scheme Levy, the potential levy impact compared to the cost of products that use soft plastic packaging would be minimal. However, it is not appropriate or feasible for SPSA to analyse the impacts of the Scheme on retail pricing, given the range of factors that go into pricing beyond the Scheme Levy.
13.	Reporting on the volume of recycled materials used in product packaging ⁶³	This is a matter for Scheme Participants to report on. SPSA will not have access to detailed data on this. Further, APCO already reports on recycled content in packaging. As outlined in previous submissions, SPSA plans to support potential government regulation including recycled content targets and has detailed its intent to consider the introduction of eco-modulated levies in consultation with government.

⁵⁷ Veolia Submission, p 4. See also Petra Creed, Submission dated 25 August 2025, which calls for 'transparent, audited reporting on all collections, spending, and outcomes'. Available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Petra%20Creed%20-%2025.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>.

⁵⁸ Shea Vaughan, Submission dated 25 August 2025.

⁵⁹ SPSA Application, p 26.

⁶⁰ Veolia Submission, p 4.

⁶¹ SPSA Application, p 23.

⁶² | Boerma Submission, p 6.

⁶³ Carmal Searl-Trumper, Submission dated 26 August 2025, available at: <https://www.accc.gov.au/system/files/public-registers/documents/Submission%20by%20Carmal%20Searl-Trumper%20-%2026.08.25%20-%20PR%20-%20AA1000695%20Soft%20Plastics.pdf?ref=0&download=y>

No.	Proposed targets / reporting requirements	SPSA response
14.	Annual reporting should be published on all Scheme Participants websites in full and abridged form ⁶⁴	This is a matter for Scheme Participants. It would not be appropriate for this to be a requirement of joining the Scheme and, as outlined at section 4 above, there are deterrents in place so that Scheme Participants do not misrepresent the environmental benefit of the Scheme.

⁶⁴ Shea Vaughan, Submission dated 25 August 2025.