

Interim Authorisation Decision AA1000673 – Condition 2, Progress Report 22 January 2025 from Participant Supermarkets

We refer to Condition 2 of the Interim Authorisation granted by the ACCC on 18 July 2024 (*Interim Authorisation*) and provide the following report in relation to progress made by the Soft Plastics Taskforce (the *Taskforce*) towards implementing the Instore Collection Recommencement Steps (*Recommencement Steps*) since 22 July 2024 (the *Reporting Period*).

The Taskforce comprises representatives of Coles Group Limited (*Coles*), Woolworths Group Limited (*Woolworths*), ALDI Stores (A Limited Partnership) (*Aldi*) (collectively, the *Participants*) with support from the Department of Climate Change, Energy, the Environment and Water.

This report is submitted jointly by the Participants.

1 Progress on Recommencement Steps

Since 22 October 2024, the Taskforce has met on two occasions (on 31 October 2024 and 28 November 2024). The Taskforce has otherwise continued to discuss and implement the Recommencement Steps agreed or arising out of previous Taskforce meetings. Details of the progress made by the Taskforce during the Reporting Period are set out below. However, at a high level, this has focused on:

- working closely with existing and emerging soft plastics processing companies to accelerate the commencement of their processing operations;
- working to find markets to consume the products manufactured from processed materials;
- processing of stockpiled materials; and
- progressing the pilot program for the recommencement of soft plastics instore collection and processing in 12 stores in Victoria and 30 stores in New South Wales (located around Newcastle through to the Mid North Coast), and expanding the pilot program to a further 65 stores in New South Wales (located in Western Sydney).

1.1 Processor engagement and development of contracts with third parties

The Taskforce has continued to engage with a range of soft plastics processing companies with a view to these companies servicing soft plastics collected from an in-store soft plastics program and / or the Participants' stockpile remediation efforts.

Since the Participants' previous progress report, they have:

- continued to work with CRDC in Victoria and iQRenew in New South Wales to process the stockpiles;
- established contracts with Replas in Victoria and Plascrete in South Australia;
- continued negotiating contracts with 3RG in Queensland and Saveboard in New South Wales; and
- engaged a third-party logistics provider to ship product which has undergone primary processing by iQRenew to a chemical recycler in the United States to be converted into base components for food grade soft plastics.

1.2 Implementation of a stockpile remediation action plan

During the Reporting Period, the Participants have continued to progress their stockpile remediation efforts, processing materials as quickly as available capacity allows. The estimated processing capacity of recycling processors largely remains as per the previous progress report, with the following updates:

- Replas has commenced materials testing, and is expected to begin processing materials in Victoria shortly. Once processing commences, capability is anticipated to be approximately 200 tonnes per month, subject to the outcome of materials testing;
- Sustainable Infrastructure Systems (*SIS*) in South Australia [redacted];
[redacted];
and
- processing of the Western Australia stockpiles has been completed, with these materials having been processed by iQRenew in New South Wales.

[redacted]
[redacted]
[redacted]
[redacted]

The remaining stockpiled volumes as at 16 January 2025, and best estimates in relation to timelines for completion of processing, are set out in **Table 1** below. A graph which illustrates progress to date in relation to processing of the stockpiles is also provided at **Figure 1**.

The Participants are working to have the stockpiled materials processed as quickly as possible. While the estimated completion date in New South Wales has been accelerated to April 2025, the expected completion date in South Australia has been further deferred until the first half of 2026. This is because there are currently no processing facilities online in South Australia, with Recycling Plastics Australia, [redacted] not expected to commence processing until mid-2025.

Projected completion dates may continue to change or be extended if there are delays in expected processing capacity coming online, or if third party processors experience supply chain difficulties which cause disruptions in processing activities. Overall progress on the stockpiles is also dependent on the existence of appropriate end markets for processed materials. Increasing demand for processed materials will be a key factor in completing each of the remaining stockpiles.

Table 1: Overview of stockpiles and anticipated completion date by state

State	Current stockpiles (tonnes)	Anticipated completion ¹
Queensland	0	Completed
Western Australia	0	Completed
New South Wales	Approximately 1,700	April 2025
Victoria	Approximately 2,200	Late August 2025
South Australia	Approximately 3,500	First half of 2026

¹ Based on the best information available to the Participants as at the date of this progress report, noting that many these estimates are heavily reliant on the progress of external third parties.

Figure 1: Processing progress per state, as at January 2025



1.3 Recommencement of an instore collection pilot program

The Participants have continued to monitor progress of the instore pilot program in 12 stores in Victoria (5 Coles stores,² 5 Woolworths stores,³ and 2 Aldi stores⁴) and 30 stores in New South Wales located around Newcastle through to the Mid North Coast (25 Woolworths stores⁵ and 5 Aldi stores⁶). On 25 November 2024, the pilot program was further expanded to an additional 65 Woolworths stores in Western Sydney.⁷

Customer engagement in the instore pilot program remains strong, with 1.5 tonnes of soft plastics being returned through the Victorian pilot per week and 0.5 tonnes through the New South Wales pilot. Collected volumes are steadily increasing as customer awareness improves. As at the end of December 2024, approximately 45 tonnes of soft plastics have been collected at participating stores across Victoria and New South Wales.

Materials collected in Victoria are being processed by CRDC and Replas, while materials collected in New South Wales are being processed by iQRenew. Collected plastics are typically recycled within 4 weeks of collection, with collected product representing approximately 1% of total recycling capacity (approximately 2 tonnes out of 200 tonnes per week).

² The full list of participating Coles stores can be found on Coles' website, available here: https://www.colesgroup.com.au/FormBuilder/_Resource/_module/ir5sKeTxxEOndzd00hWJw/file/080224%20Soft%20Plastics%20Recycling%20Trial.pdf

³ The full list of participating Woolworths stores can be found on Woolworths' website, available here: <https://www.woolworths.com.au/shop/discover/sustainability/recycling/soft-plastic>.

⁴ Prahran and St Kilda.

⁵ The full list of participating Woolworths stores can be found on Woolworths' website, available here: <https://www.woolworths.com.au/shop/discover/sustainability/recycling/soft-plastic>.

⁶ Mount Hutton, Charlestown, Port Macquarie, Forster and Taree.

⁷ The full list of participating Woolworths stores can be found on Woolworths' website, available here: <https://www.woolworths.com.au/shop/discover/sustainability/recycling/soft-plastic>.

Public version

There are currently no plans in place to further expand the current instore pilot program in New South Wales and Victoria.