

Interim Authorisation Decision AA1000673 – Condition 2, Progress Report 22 July 2024 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 April 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 April 2024, the Taskforce met on 2 occasions (on 31 May 2024 and 5 July 2024) and 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 since its last progress report are set out below, but at a high level, this has focussed on:

- working closely with existing and emerging soft plastics processing companies to accelerate the commencement of their processing operations;
- the processing of stockpiled materials; and
- progressing the pilot program for the recommencement of soft plastics instore collection and processing in 12 stores in Victoria, analysing materials collected from the pilot and looking into a potential expansion of the program to New South Wales.

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 from the Participants' stockpile remediation efforts.

Since the Participants' previous update, they have:

↑ [Redacted]

- engaged in discussions with a number of processing companies in South Australia, namely:
 - Recycling Plastics Australia (*RPA*), who have recently received \$20 million in funding by the Australian Government to establish a [Redacted] processing facility in Kilburn, South Australia.¹ [Redacted]
 - and
 - [Redacted] which is in the final stages of obtaining approvals from the [Redacted] to build its processing facility.

¹ Joint media release: New soft plastic recycling technology for South Australia, 16 July 2024, The Hon Tanya Plibersek MP, available here: <https://minister.dceew.gov.au/plibersek/media-releases/joint-media-release-new-soft-plastic-recycling-technology-south-australia#:~:text=Recycling%20Plastics%20Australia%20in%20Kilburn,plastic%20waste%20back%20into%20packaging.>

1.2 Implementation of a stockpile remediation action plan

The Participants have continued to progress their stockpile remediation efforts since their last update to the ACCC. The Participants' current anticipated timelines in relation to the stockpile remediation efforts are set out in the table below. However, these are subject to change. While considerable progress has been made with reestablishing processing supply chains in Australia, many of the factors affecting the timing of the availability of processing capacity remain largely outside of the Participants' control. Nonetheless, the Participants remain committed and ready to facilitate processing of all stockpiles expeditiously as capacity becomes available.

State	Volumes as at 9 July 2024	Processors	Status	Estimated completion date
Victoria	[REDACTED] (the Participants note this now includes the stockpile volumes from Tasmania).	<ul style="list-style-type: none"> CDRC Close the Loop (however Close the Loop is currently not operational. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]) 	<p>Processing in progress.</p> <p>Only one warehouse with stockpiled material remains at [REDACTED]. The remaining stockpiled material is now stored in approximately 140 shipping containers. The Participants anticipate stockpiled material in the [REDACTED] warehouse to be cleared and processed by [REDACTED].</p>	July 2025
New South Wales	[REDACTED]	<ul style="list-style-type: none"> IQ Renew Saveboard (in small volumes) Plasmar (coming online at small scale in July 24) 	Processing in progress.	<p>December 2024 / early 2025.</p> <p>However, the Participants consider this could be completed earlier if [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>

State	Volumes as at 9 July 2024	Processors	Status	Estimated completion date
South Australia	[REDACTED]	<p>Key processors predicted to come online include:</p> <ul style="list-style-type: none"> • [REDACTED]; and • RPA, which has recently received a \$20 million grant from the Australian Government to establishment a processing facility in Kilburn, South Australia. <p>In addition to the above, [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>	Not yet processed	Mid 2025 (unless additional capacity becomes available sooner)
Western Australia	[REDACTED]	The current plan is to have this volume processed by Victorian or South Australian processors.	Not yet processed	2025 (firmer timelines TBC based on continued progress in Victorian and SA)

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 (ie in 5 Coles stores,² 5 Woolworths Stores,³ and 2 Aldi stores⁴). As at 15 July 2024, 17,500kg (approximately 17.5 tonnes or 3,915 bags) of soft plastics have been collected at participating stores. Collections remain at a manageable level, despite Close the Loop's temporary halt in operations. The Participants note that the volumes currently being collected as part of the instore pilot program constitute approximately [REDACTED] of the Centre for Regenerative Design and Collaborations' (**CRDC**) capacity, with the remainder of CRDC's capacity being utilised to process the stockpile.

There are currently no plans to expand the pilot in Victoria until Close the Loop recommences its operations, or another processor becomes available, to avoid a single-point-of-failure risk. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

² Northcote, Ivanhoe, Brunswick, Moonee Ponds and Flemington.

³ Balwyn, Box Hill, Burwood Brickworks, Carnegie North and Hawthorn East.

⁴ Prahran and St Kilda.

[REDACTED]