



Determination

**Application for authorisation AA1000695
lodged by
Soft Plastic Stewardship Australia Limited
in respect of
a voluntary product stewardship scheme for soft plastic packaging
Authorisation number: AA1000695**

12 November 2025

Summary

The ACCC has decided to grant authorisation with conditions to Soft Plastic Stewardship Australia Limited (SPSA) and other participants to engage in conduct relating to the establishment and operation of a voluntary industry-led product stewardship scheme for used soft plastic packaging. The ACCC's authorisation provides an exemption from certain competition laws for this conduct.

Broadly, the ACCC may grant an authorisation for proposed conduct where the likely public benefit resulting from the conduct outweighs the likely public detriment.

The ACCC considers that the proposed conduct is likely to result in the following public benefits:

- environmental benefits due to diversion of soft plastics from landfill
- efficiencies through coordination and aggregation in the collection, transport, storage, sorting and/or processing of used soft plastics.

Based on the information before it, the ACCC does not consider that the proposed conduct is likely to result in a public benefit in the form of increased R&D and innovation to identify/develop end markets for recycled soft plastics.

The ACCC considers that the proposed conduct is likely to give rise to public detriment by foreclosing a rival soft plastic stewardship scheme's access to processing services. The ACCC has decided to include a condition requiring that SPSA does not enter exclusive contracts with processors, which the ACCC considers is necessary to reduce the likelihood of this public detriment arising.

The ACCC considers that the proposed conduct is unlikely to result in public detriment from increasing barriers to entry and expansion by service providers who do not win SPSA contracts or facilitating the sharing of commercially sensitive information and/or market sharing between competitors.

The ACCC has decided to include a condition of authorisation requiring SPSA to publish an annual report on key scheme outcomes, including a breakdown of how scheme funds were spent and what proportion was allocated to administrative costs. The ACCC has also imposed a condition requiring that SPSA's board must include at least 2 independent directors and a condition requiring SPSA to complete an independent review of the scheme in the 3rd and 7th years of its operation. The ACCC considers that these conditions are important to ensure transparency and public awareness of SPSA's operations, governance and performance, and ensure a level of independence on its board.

The ACCC has received submissions from interested parties raising broader environmental policy issues (including calls for a mandatory soft plastics stewardship scheme and packaging reform) and issues concerning the nature, scope and operation of the scheme. The ACCC notes that it is government's role to determine Australia's response to soft plastics packaging policy issues, including any regulatory reform, and it notes the ongoing work of the Department of Climate Change, Energy, the Environment and Water in this regard. In contrast, the ACCC is not a policy agency; its role here is to assess the arrangements put before it and determine whether the proposed conduct meets the net public benefit test in order to decide whether the parties should be granted an exemption from certain competition laws. It is not the role of the

ACCC in assessing this application to attempt to develop an 'ideal' scheme or determine broader policy issues, including mandating participation, in relation to soft plastic stewardship.

The ACCC also notes that interested parties have raised concerns that the proposed conduct could delay the introduction of government reforms making soft plastic stewardship mandatory, with some calling for the ACCC to authorise for a shorter period than the 8 years requested. In this respect, the ACCC does not consider that its role in assessing this application and the granting of authorisation replaces, diminishes or delays government's capacity to act with respect to soft plastic stewardship should government seek to do so.

The ACCC has therefore decided to grant authorisation until 4 December 2033.

1. The application for authorisation

- 1.1. On 18 March 2025, Soft Plastic Stewardship Australia Limited (**SPSA**) lodged application for authorisation AA1000695 with the Australian Competition and Consumer Commission (the **ACCC**). SPSA is seeking authorisation on behalf of itself, its initial members and current and future participants of a voluntary industry-led product stewardship scheme (**Scheme**) for recycling used soft plastic packaging for certain conduct relating to the Scheme for a period of 8 years.
- 1.2. This application for authorisation was made under subsection 88(1) of the Competition and Consumer Act 2010 (Cth) (the **Act**). If granted, an authorisation provides the relevant parties with protection from legal action under the specified provisions in Part IV of the Act in respect of the specified conduct. The ACCC has a discretion to grant authorisation, but must not do so unless it is satisfied in all the circumstances that the conduct would result, or 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 (ss 90(7) and 90(8) of the Act (the **authorisation test**)).

The Applicant

- 1.3. The Applicant is SPSA on behalf of itself and its initial members listed below. SPSA also seeks authorisation for any current and future participants in the Scheme (**Scheme Participants**).
- 1.4. SPSA's initial members are:
 - ALDI Foods Pty Limited (**ALDI**)
 - Coles Group Limited and its related bodies corporate (**Coles**)
 - Woolworths Group Limited and its related bodies corporate (**Woolworths**)
 - Nestle Australia Ltd
 - Mars Australia Pty Ltd

- McCormick Foods Australia Pty Ltd

(collectively, the **Initial Members**).

- 1.5. SPSA and the Initial Members propose to establish a voluntary, industry-led product stewardship scheme, managed by SPSA, to focus on recycling used soft plastic packaging materials. SPSA submits that the intention is that the Scheme will eventually have broad industry participation across retailers and consumer brands that supply products with soft plastic packaging.
- 1.6. SPSA is a not-for-profit corporate entity. Scheme Participants are eligible to join SPSA as members but are not required to do so.

SPSA's board and governance

- 1.7. SPSA's board currently consists of the following members:
 - Sandra Martinez, Nestle Australia Ltd
 - Laurie Kozlovic, Woolworths
 - Bill Heague, Mars Food Australia
 - Brooke Donnelly, Coles
 - Paris Golden, McCormick Foods.¹
- 1.8. SPSA's constitution provides that the board must have a minimum of 4 directors, and a maximum of 10 directors, with the board to be made up of:
 - up to 3 proprietary brand owner directors
 - up to 3 retail brand owner directors
 - up to 1 industry association proprietary brand owner director
 - up to 1 industry association retail brand owner director
 - up to 2 independent directors.²
- 1.9. SPSA is proposing to establish a Stakeholder Advisory Council, comprising up to 12 representatives from groups such as processors, recyclers, government agencies, environmental non-governmental organisations, consumer groups, brand owners, retailers, academics and independent experts. SPSA submits that the Stakeholder Advisory Council 'will provide guidance, stakeholder insights and industry expertise to SPSA on activities and matters relevant to the efficient and effective development and operations of the Scheme.'³ SPSA advises it has appointed 10 of the 12 members and expects to appoint a further 2 members imminently. The representatives appointed thus far are:
 - Alexandra Geddes, NSW EPA

¹ SPSA, [Board and governance](#), accessed 21 July 2025.

² SPSA, [Application for authorisation](#), 18 March 2025, Schedule 4: SPSA Constitution, p 68.

³ SPSA, [Application for authorisation](#), 18 March 2025, p 3.

- Eleanor Robson, Australian Local Government Association
- Bill Pemberton, Macedon Shire Council
- Andrew Smith, Pact Group
- Anthony Peyton, PREP Design
- Pamela Mikaschofsky, ALDI
- Graham Knowles, iQRenew
- Jeroen Wassenaar, Cleanaway
- Dr Hadi Vandchali, ESG and Procurement Services
- Gemma Boucher.⁴

1.10. A designated director of SPSA will also be on the Stakeholder Advisory Council, in addition to the other representatives.⁵

The Proposed Conduct

1.11. On 3 June 2025, 20 June 2025 and 22 July 2025, SPSA varied the description of the proposed conduct for which authorisation is sought.⁶

1.12. SPSA is seeking authorisation for the following conduct:

- SPSA setting and collecting, and the Scheme Participants agreeing to pay, the Scheme Levy⁷ and Minimum Levy,⁸ which may be passed on by a Scheme Participant as part of their price and may be eco-modulated in the future
- SPSA developing, setting and imposing membership terms and conditions and Scheme Participants agreeing to these terms and conditions
- agreements between SPSA and each of Coles, Woolworths and ALDI (being members of the Taskforce)⁹ (as required) to allow SPSA to take over and expand on the instore collection program being run by the members of the Taskforce including transferring arrangements with service providers to SPSA
- the sharing of operational information and data between SPSA and Coles, Woolworths and ALDI (being the members of the Taskforce) (as required) to facilitate SPSA's operations, including to transfer the arrangements for the

⁴ SPSA, [Applicant response to interested party submissions](#), 4 September 2025, Schedule 1, p 11.

⁵ SPSA, [Application for authorisation](#), 18 March 2025, p 24.

⁶ SPSA, [Amendment to application \(interim authorisation\)](#), 3 June 2025, p 2; SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 3; SPSA, [Amendment to description of proposed conduct](#), 22 July 2025, pp 1–2.

⁷ Scheme Levy means the amount payable per tonne of business-to-consumer soft plastic packaging placed on market by a Scheme Participant, where the Scheme Participant is not eligible to pay the Minimum Levy. The SPSA Board will determine the Scheme Levy by dividing the total anticipated Scheme costs for the relevant year by the total tonnes of soft plastic packaging placed on the market by Scheme Participants in the previous calendar year. SPSA, [Application for authorisation](#), 18 March 2025, p 18.

⁸ Minimum Levy means the amount payable by a Scheme Participant where the annual packaging placed on market by a relevant Scheme Participant is below a certain threshold. At Scheme commencement, it is proposed that the minimum levy will be \$1,600 for Scheme Participants that place less than 10 tonnes of soft plastic packaging on the market per annum. SPSA, [Application for authorisation](#), 18 March 2025, p 20.

⁹ 'Taskforce' refers to the Soft Plastic Taskforce formed when REDcycle collapsed. See paragraphs 2.4 to 2.10 for more information.

Taskforce instore collection program run by Coles, Woolworths and ALDI to SPSA

- SPSA arranging for and acquiring services to implement and operate the Scheme, including by entering into and giving effect to contracts with third parties for the collection, transport, sortation, storage, processing and recycling of used soft plastics and third-party services for invoicing, collecting and managing and auditing packaging data
- SPSA and Scheme Participants discussing and agreeing communications to consumers and the public in relation to the Scheme, including marketing and educational activities
- SPSA and APCO¹⁰ sharing market analysis, modelling, research and packaging placed on market data and agreeing communications to APCO members for the purpose of the Scheme

(the **Proposed Conduct**).

1.13. SPSA is seeking authorisation for 8 years.

1.14. SPSA also requested interim authorisation for a subset of the conduct. On 11 August 2025, the ACCC granted interim authorisation under subsection 91(2) of the Act.¹¹ Interim authorisation will remain in place until the date on which the ACCC's final determination comes into effect.

Rationale for Scheme design

1.15. SPSA intends to bring together retailers and consumer brand owners that supply products with soft plastic packaging to reduce the volumes of soft plastics being disposed of in landfill and increasing collection and recycling rates, developing domestic soft plastic recycling capacity and end markets.¹²

How the Scheme will work

1.16. The Scheme initially intends to focus on business-to-consumer soft plastic packaging, such as shopping bags, fresh produce bags and food wrappers, bags and pouches.¹³ SPSA submits that the Scheme may expand in the future to include business-to-business plastic materials such as commercial and industrial shrink and pallet wrap.¹⁴

¹⁰ APCO is the Australian Packaging Covenant Organisation. See paragraphs 2.16 to 2.20 for more information.

¹¹ See ACCC decision of 11 August 2025 available on the [ACCC's public register](#).

¹² SPSA, [Application for authorisation](#), 18 March 2025, p 10.

¹³ Business-to-consumer soft plastic packaging is defined by APCO as 'Packaging used for the containment, protection, marketing, or handling of product where the end-customer, prior to the packaging reaching end-of life, is a consumer (i.e., a person). Includes the primary packaging that is sold to end-consumer, and possibly some secondary packaging, but excludes any B2B packaging that is part of the packaging system.' Business-to-business packaging is defined by APCO as 'Packaging used for the containment, protection, or handling of product where the end-customer, prior to the packaging reaching end-of-life, is a business or institution. Typically includes the secondary and tertiary packaging that is used to move products between businesses prior to sale to end-consumers but can also include primary packaging if the business is the end-user.' APCO, [Australian packaging consumption & recovery data 2022-23, version 1: December 2024](#), accessed 29 July 2025.

¹⁴ SPSA, [Application for authorisation](#), 18 March 2025, p 11.

1.17. SPSA has provided the following list of packaging which will initially be in scope of the Scheme:

Figure 1: SPSA application, schedule 3: Soft Plastic Packaging

In-Scheme Packaging	Out-of-Scheme Packaging
<p>Soft plastics or flexible plastics that can be scrunched into a ball, such as:</p> <ul style="list-style-type: none"> • Shopping bags; • Fresh produce bags; • Food wrappers, bags and pouches; • Lidding film; • Over-wrap; • Cling film; • Sandwich bags; • Bags and wrap for clothing, household goods, and hardware etc; • Postal bags; • Bubble wrap; • Plastic sleeves intended to be removed by the consumer; and • Multipack wrap (ie, plastic wrap used to group multiple sales units intended to be taken home by the consumer). 	<p>Business-to-business packaging and soft plastic labels, such as:</p> <ul style="list-style-type: none"> • Plastic labels on rigid packaging (such as plastic, glass or cardboard packaging); • Stickers on fresh produce; • Shrink wrap or pallet wrap, including shrink wrap used for shelf-ready packaging intended to be removed by the retailer prior to sale; • Packaging on Products being exported from Australia; and • Pre-consumer / waste packaging at factories.

Source: SPSA, [Application for authorisation](#), 18 March 2025, Schedule 3.

1.18. SPSA submits that it is intended that the Scheme will include a range of collection channels for in-Scheme soft plastics such as both instore and kerbside collections and the potential for drop off facilities.¹⁵

1.19. It is intended that the existing instore collection program operated by Coles, Woolworths and ALDI in various stores in NSW, the ACT, Victoria and Queensland will be transferred to SPSA to manage. SPSA submits that its intention is to expand instore collections as the Scheme matures.¹⁶

1.20. At the time of lodging the application, SPSA proposed to take over the kerbside collection pilot programs run by the Australian Food and Grocery Council (**AFGC**) through the National Plastics Recycling Scheme. On 3 June 2025, SPSA wrote to the ACCC to advise that the AFGC was ending the National Plastics Recycling Scheme pilot program.¹⁷ SPSA advised it intends to enter new contracts with National Plastics Recycling Scheme service providers for the operational continuity of the kerbside pilots and amended the conduct for which (interim and substantive) authorisation is sought to remove references to the AFGC kerbside collection pilot program.

¹⁵ SPSA, [Application for authorisation](#), 18 March 2025, p 11.

¹⁶ SPSA, [Application for authorisation](#), 18 March 2025, p 14.

¹⁷ SPSA, [Amendment to application \(interim authorisation\)](#), 3 June 2025, p 1.

1.21. Under these new contracts, where councils participate in kerbside collections, SPSA submits that it will fund the costs incurred in implementing and operating kerbside collections, including providing information in kerbside 'starter packs' and incremental education, transport and sortation costs.¹⁸

Funding

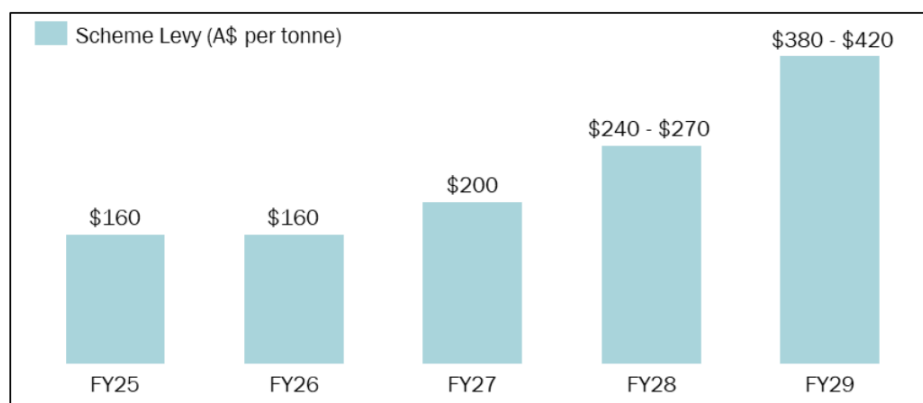
1.22. SPSA submits that it is intended that the Scheme will be primarily funded through a Scheme Levy, to be paid by all Scheme Participants. SPSA is proposing a Minimum Levy for certain eligible Scheme Participants, which is discussed further below.¹⁹

1.23. SPSA's board will determine the Scheme Levy prior to the end of each financial year. SPSA's board can amend the Scheme Levy at any time, provided that a minimum of 3 months' prior notice is provided to Scheme Participants.²⁰

1.24. The Scheme Levy will be calculated by dividing the total anticipated Scheme costs for the relevant year by the total tonnes of soft plastic packaging placed on the market by Scheme Participants in the preceding calendar year. 'Placed on the market' means the first time the material is sold to an Australian wholesaler or retailer. Levies are only to be paid by manufacturers or 'first suppliers.' Retailers are only liable to pay the Scheme Levy on their own brand products that use soft plastic packaging.²¹

1.25. SPSA proposes that the initial Scheme Levy will be \$160 per tonne of soft plastic packaging placed on the market. The Scheme Levy is projected by SPSA to increase as shown in figure 2.

Figure 2: estimated Scheme Levy (FY25-FY29)



Source: SPSA, [Application for authorisation](#), 18 March 2025, figure 5, p 18.

¹⁸ SPSA, [Response to interested party submissions](#), 12 June 2025, pp 17–18; SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 7.

¹⁹ SPSA, [Application for authorisation](#), 18 March 2025, pp 20, 22.

²⁰ SPSA, [Application for authorisation](#), 18 March 2025, p 17.

²¹ SPSA, [Application for authorisation](#), 18 March 2025, p 17.

- 1.26. It is proposed that Scheme Participants who place 10 tonnes or less of soft plastic packaging on the market will be eligible to pay a Minimum Levy, initially \$1,600 per annum.
- 1.27. SPSA submits that the intention in the future is that levies may be eco-modulated to incentivise design for recyclability and increased use of recycled content in packaging. SPSA also submits that eco-modulated levies would assist industry in preparing for any mandatory regulation of packaging design and minimum recycled content standards.²²
- 1.28. SPSA submits that each Scheme Participant can independently decide whether to pass the Scheme Levy cost on through the supply chain, such as through inclusion in supplier invoices or in a bill of materials.
- 1.29. If the Scheme Levy is passed on through the supply chain, SPSA submits that the (price) impact would be minimal. Figure 3 shows SPSA’s table indicating the potential impact of the Scheme Levy on various food and grocery products which use soft plastic packaging.²³

Figure 3: Potential Scheme Levy impact at \$160 and \$420/tonne (individual food and grocery products)

Packaging item examples	Packaging item examples - indicative price ranges	Packaging weight range	Estimated levy per item (\$160 per tonne)	Estimated levy per item (\$420 per tonne)
Small snack foods (e.g., chocolate bars)	\$2-3	0-90 grams	≤1 cent	≤4 cents
Frozen vegetables; rice; cheese; pasta	\$3-11			
Medium dry pet food (1.8kg); protective film from sectors including department and discount stores, fashion, hardware, nursery, automotive, homewares, whitegoods and electrical.	\$11-20+			
Large dry dog food bags (18kgs); protective film from sectors including department and discount stores, fashion, hardware, nursery, automotive, homewares, whitegoods and electrical.	\$35-100+	90-180 grams	1-3 cents	4-8 cents

Source: Compiled from SPSA, [Application for authorisation](#), 18 March 2025, Tables 2 and 3, pp 19-20.

²² Eco-modulation involves taking into account the environmental impact of packaging placed on the market, to incentivise packaging which promotes better environmental outcomes, such as sustainable packaging design.

²³ SPSA, [Application for authorisation](#), 18 March 2025, pp 20–22, 31.

- 1.30. SPSA proposes a payment of \$16 million to be set-off against the levy contributions of Coles and Woolworths over an 8-year period (**REDcycle Stockpile Cost Set-off**). SPSA submits the payment is intended to cover some of the costs relating to the remediation of the stockpile of soft plastics left after REDcycle’s return-to-store soft plastics collection program ended (see paragraphs 2.4 to 2.10). These costs include those incurred by Coles and Woolworths to date and costs through to completion of processing of the REDcycle stockpiled materials, which is expected to total in excess of \$25 million.²⁴ SPSA submits that the REDcycle Stockpile Cost Set-off value will facilitate more equitable cost sharing as the Scheme acquires more participants. Whilst the terms of that payment are still under discussion, SPSA submits that among other things, Coles and Woolworths must remain Scheme Participants for the set-off to apply. If Coles or Woolworths cease to be a Scheme Participant at any time during the 8 years, they will not receive the REDcycle Stockpile Cost Set-off for the year(s) they are not Scheme Participants.²⁵ The ACCC notes that Scheme Participants would be made aware of the REDcycle Stockpile Cost Set-off in the Scheme Agreement based on the draft provided to the ACCC.²⁶
- 1.31. SPSA submits that it may also seek funding from other sources, such as federal and state governments.²⁷

Estimated soft plastic collection volumes

- 1.32. SPSA estimates the Scheme will collect and recycle in the range of <1% to 4–5% of the volume of business-to-consumer soft plastic packaging placed on the market over an 8-year period under a ‘base case’ scenario. SPSA expects all business-to-consumer soft plastic packaging to fall within the scope of its Scheme.²⁸ In terms of estimated volumes collected and recycled, SPSA’s estimates for each financial year the Scheme operates are extracted in Figure 4.

Figure 4: Scheme collection and recycling base case range (tonnes) as a percentage of total soft plastic packaging placed on market (business-to-consumer) FY25-FY33

	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Tonnes	<500	1,500 - 2,000	4,000 - 6,000	6,500 - 9,000	11,000 - 14,000	15,500 - 18,500	16,500 - 19,500	18,000 - 22,000	19,000 - 23,000
% of soft plastic packaging placed on market	<1%	<1%	1-2%	2%	3%	4%	4%	4-5%	4-5%

Source: SPSA, [Response to ACCC request for further information](#), 20 June 2025, schedule 3, figure 1.

²⁴ SPSA, [Application for authorisation](#), 18 March 2025, p 21.

²⁵ SPSA, [Response to ACCC request for information dated 15 July 2025](#), 21 July 2025, p 1.

²⁶ SPSA, [Application for authorisation](#), 18 March 2025, Schedule 5, cl 5.

²⁷ SPSA, [Application for authorisation](#), 18 March 2025, p 22.

²⁸ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 14.

Targets and reporting

- 1.33. SPSA submits that it will set both annual and long-term targets for the Scheme. These targets include the volume of recovered recyclable material, expansion of soft plastics processing and recycling capacity and expansion of the number and geographic coverage of collection points.²⁹
- 1.34. SPSA submits that it will publish an annual report for the Scheme on its website which will include the following, as a minimum:
- SPSA's progress towards its annual targets
 - the number of Scheme Participants
 - information about SPSA's recycling partners, such as the number of collectors and recyclers involved in the Scheme
 - number of collection points and geographic coverage of collection points
 - volume of soft plastics collected and sent to processors
 - total levy funds collected
 - breakdown of Scheme expenditure
 - an explanation of how the funds spent are contributing to the Scheme's objectives
 - total aggregate volume of processed materials sent to end markets (by sector)
 - information regarding newly generated end markets and development of existing end markets.³⁰
- 1.35. Quarterly reports will also be provided to Scheme Participants and published on SPSA's website. These reports will provide an update on Scheme operations, as well as the volume of packaging recovered in the relevant period.³¹
- 1.36. SPSA will provide audited annual financial statements to SPSA Scheme Participants.³²

Administrative obligations placed on Scheme Participants

- 1.37. SPSA's proposed Scheme Agreement places the following administrative obligations on Scheme Participants:
- provide SPSA with an annual packaging report of packaging placed on the market for the Scheme Participant's group, which includes subsidiaries.³³ This report must be in a form required by SPSA

²⁹ SPSA, [Application for authorisation](#), 18 March 2025, p 23.

³⁰ SPSA, [Application for authorisation](#), 18 March 2025, p 23; SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 8.

³¹ SPSA, [Application for authorisation](#), 18 March 2025, p 23.

³² SPSA, [Application for authorisation](#), 18 March 2025, p 23.

³³ New Scheme Participants are required to submit their first packaging report within 60 days of registering as a Scheme Participant.

- payment of the Scheme Levy when due
- adhere to Scheme advertising and branding guidelines
- comply and cooperate with any audit initiated by SPSA, including providing information as required
- keep proper and accurate records for the period they are a Scheme Participant, as well as 3 years after they cease to be a Scheme Participant.³⁴

Independent review

- 1.38. SPSA submits that an independent, external consultant will conduct a review of the operation of the Scheme in the 3rd and 7th years of the Scheme’s operation. The review must be completed within 6 months and SPSA submits that a report will be published on SPSA’s website outlining the following matters, at a minimum:
- the success of the Scheme in meeting its annual targets
 - the level of industry participation in the Scheme
 - quality of data collected under the Scheme
 - financial transparency
 - recommendations for any improvements to the Scheme’s operations.³⁵

2. Background

Soft plastics recycling in Australia

- 2.1. SPSA, citing APCO data, submits it is estimated that in 2022-2023, approximately 540,000 tonnes of soft plastic packaging (inclusive of both business-to-business and business-to-consumer soft plastic packaging) was placed on the market. Of this, only 6%, or 34,000 tonnes, was recovered, the majority of which is business-to-business packaging.³⁶ SPSA, citing APCO data, estimates 70% of the soft plastics placed on the market is business-to-consumer.³⁷
- 2.2. SPSA estimates over the term of the authorisation business-to-consumer soft plastic placed on the market will grow from 370,000–400,000 (tonnes) in FY25 to 470,000–515,000 (tonnes) in FY33.³⁸

³⁴ SPSA, [Application for authorisation](#), 18 March 2025, pp 94–95.

³⁵ SPSA, [Application for authorisation](#), 18 March 2025, p 26.

³⁶ SPSA, [Application for authorisation](#), 18 March 2025, p 7. SPSA estimates that less than 1% of household soft plastics are being recycled in Australia: SPSA, [Response to interested party submissions after pre-decision conference](#), 10 October 2025, p 1.

³⁷ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 14.

³⁸ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 14; and Schedule 3 – Figure 1, p 35.

2.3. Recycling of soft plastic packaging requires the collection, transportation, sorting, storage and processing of the used product. In relation to these activities, the ACCC understands that:

- There is currently limited collection of used soft plastics from households in Australia. Pilot kerbside collection programs in 9 local government areas occurred under contracts managed by the AFGC.³⁹ Other smaller kerbside collection program initiatives exist, such as Curby.⁴⁰ The only instore collection of used soft plastics in Australia is managed by the Soft Plastics Taskforce (**Taskforce**) (see paragraphs 2.4 to 2.10), relying on conduct authorised by the ACCC until July 2026.⁴¹
- Used soft plastic packaging is prone to contamination from food and often contains a mix of materials. This impacts the quality of the feedstock available to processors. Due to plastic packaging's diverse composition and remaining residues, multiple sorting steps are needed.⁴² Sorting of soft plastics occurs at multiple stages in the process, including households/consumers, material recovery facilities, and processors.⁴³
- Processors are generally paid by suppliers of soft plastic feedstock to take used soft plastic feedstock and process it into soft plastic material. The gate fee that suppliers pay the processor may be reduced in situations where the processor takes ownership and sells the processed product or where a longer contract term is available.⁴⁴
- The 2 main technologies used for processing of soft plastics are mechanical and chemical.
- In mechanical processing, typically, waste soft plastics are sorted by polymer type, chopped, washed, and melted into granulates⁴⁵ (though there can be different combinations of processes).⁴⁶ All soft plastic processing facilities currently operating in Australia are mechanical.⁴⁷
- 'Advanced' mechanical processing has additional steps, for example multiple sorting steps assisted by advanced technology, and additional cleaning.⁴⁸

³⁹ Councils in NSW, Vic and SA are taking part in the NRPS trials. SPSA, [Current pilot programs run by the Soft Plastics Taskforce and NPRS](#), December 2024, accessed 25 July 2025. These contracts were due to end in July 2025 and will not be renewed by AFGC.

⁴⁰ Curby, [Soft plastics](#), n.d., accessed 31 July 2025.

⁴¹ DCCEEW, [Reform of packaging regulation: consultation paper](#), 2024, accessed 24 July 2025.

⁴² Rumetshofer T, Fischer J. Enhancement in Post-Consumer Mechanical Recycling of Plastics: Role of Design for Recycling, Specifications, and Efficient Sorting of Packaging Material. *Polymers* (Basel). 2025 Apr 25;17(9):1177. doi: 10.3390/polym17091177. PMID: 40362962; PMCID: PMC12073763.

⁴³ In the recent kerbside collection trials soft plastics were sorted from other materials at material recovery facilities, having first been sorted and bagged by households. Australian Food and Grocery Council, [NPRS trials review \[PDF\]](#), 11 April 2024, p 32.

⁴⁴ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 39.

⁴⁵ CSIRO, [Advancing recycling technologies to address Australia's plastic waste](#), 25 August 2021, accessed 30 July 2025.

⁴⁶ Sorting and shredding/granulation; sorting, shredding/granulation and pelletising; sorting, shredding/granulation and product manufacture; compaction and extrusion; compaction, extrusion and product manufacturing. DCCEEW, Blue environment Pty Ltd [Australian Plastics Flows and Fates Study 2021–22 – National Report](#) version 4, 18 June 2024, p 107.

⁴⁷ DCCEEW, [Reform of packaging regulation: consultation paper](#), 2024, accessed 23 October 2025.

⁴⁸ Standard mechanical recycling process and advanced mechanical recycling process. TOMRA, [Advanced mechanical recycling at a glance \[PDF\]](#), n.d., accessed 31 July 2025 p 2. Examples of technology in advanced mechanical processing: rotating drum sieve, infrared, density based float-sink separator, air separators. Rumetshofer T, Enhancement in Post-Consumer Mechanical Recycling of Plastics: Role of Design for Recycling, Specifications, and Efficient Sorting of Packaging Material.

Advanced mechanical processing generally produces higher grades of plastic material when compared to standard mechanical processing.⁴⁹

- In terms of processing output, high grade plastic material from mechanical processing can be made into food grade plastic, if it is subject to chemical processing.⁵⁰ Medium grade plastic material can be recycled into non-food grade film, including agricultural plastics and builders film.⁵¹ Other mechanical processing converts mixed soft plastic into a lower grade material which is used as an input into industrial or building materials. Not all products made with lower or medium grade plastic material replace virgin plastic (for example, benches, bollards and sleepers can be made from wood).
- iQRenew is an advanced mechanical processor operating in NSW, with capacity to process 14,000 tonnes of soft plastic material annually.⁵² There are a number of other mechanical processors in Australia, primarily in Victoria and NSW.⁵³ Generally, these processors do not process large volumes of soft plastics. Some are processing the stockpile being managed by the Taskforce.⁵⁴ Others are developing new advanced mechanical processing capacity supported by the Recycling Modernisation Fund.⁵⁵
- Chemical recycling changes the chemical structure of the plastic material, enabling it to eventually be transformed into other material or sometimes back into plastic.⁵⁶ Chemical processing facilities are capable of producing resin pellets for use in the manufacture of commercial food grade soft plastic packaging and products.⁵⁷ However, they require sufficient volumes of high quality soft plastic feedstock to sustain a commercial operation. Soft plastic feedstock is generally processed mechanically (graded and sorted) before chemical processing.⁵⁸
- There are currently no chemical processing facilities operating in Australia.⁵⁹
- Additional Australian based chemical processing capacity is projected.
 - For example, the expected commissioning of a joint project for 50,000 tonnes chemical recycling by Viva Energy Australia and Cleanaway.⁶⁰ In its submission, Viva Energy submits this project is the only project that could deliver a sovereign end-to-end solution transforming soft plastics waste into new food grade recycled soft plastic packaging at scale. However, Viva's

⁴⁹ Rumetshofer T, Enhancement in Post-Consumer Mechanical Recycling of Plastics: Role of Design for Recycling, Specifications, and Efficient Sorting of Packaging Material.

⁵⁰ iQRenew, [Post-consumer soft plastic products](#), n.d., accessed 31 July 2025.

⁵¹ SPSA, [Application for authorisation](#), 18 March 2025, p 7.

⁵² [iQRenew](#), 9 April 2025, p 2.

⁵³ DCCEEW, [Australian Plastics Flows and Fates Study 2021–22](#), p 111.

⁵⁴ 'Smaller volumes are being handled by Replas, CRDC, and SaveBoard.' Supermarket Soft Plastics Taskforce meeting, [Minutes, 29 May 2025](#), p 2.

⁵⁵ 'Close the Loop received \$2.35 million to set up an advanced mechanical recycling facility in south-west NSW. It will process 4,400 tonnes of mixed post-consumer soft plastics a year, creating plastic pellets to make bins, shipping pallets, crates, tubs and sound walls, and an engineered asphalt additive called TonerPlas.' DCCEEW, [Joint media release: Soft plastics recycling in NSW gets major new investment](#), 4 December 2024. Accessed 30 July 2025; SPSA, [Response to interested party submissions](#), p 10.

⁵⁶ CSIRO, [Advancing recycling technologies to address Australia's plastic waste](#), p 2.

⁵⁷ [Viva Energy](#), 22 April 2025, p 2.

⁵⁸ SPSA, [Response to interested party submissions](#), 12 June 2025, p 14.

⁵⁹ SPSA, [Response to interested party submissions](#), 12 June 2025, p 14.

⁶⁰ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 20.

submission appears to caution against factoring this capacity into the proposed Scheme.⁶¹

- Australian Paper Recovery is in the process of establishing Australia's first commercial-scale pyrolysis plant, which will process 3,500 tonnes of soft plastics per annum.⁶²

The Soft Plastics Taskforce

- 2.4. Founded in 2011, REDcycle was a return-to-store soft plastics collection program, operated by RG Programs and Services Pty Ltd. The REDcycle program was funded by supermarkets and retail brands from several industries, including food and grocery, clothing and electronics. The major supermarkets also provided collection points for consumers to return used soft plastic packaging to stores for collection and recycling by REDcycle. At the time of its collapse, REDcycle had approximately 192 participants in its program.⁶³
- 2.5. On 8 November 2022, REDcycle announced the indefinite suspension of its program and later entered into administration. Approximately 11,000 tonnes of collected used soft plastics were found to have been stockpiled by REDcycle prior to its collapse.
- 2.6. On 16 November 2022, Coles, Woolworths and ALDI applied to the ACCC for authorisation to collaborate to investigate options for a return to instore collections of soft plastics and to manage the legacy REDcycle stockpile as part of a **Taskforce**. Meetings of the Taskforce are chaired by the Department of Climate Change, the Environment, Energy and Water (**DCCEEW**). The ACCC granted interim authorisation on 25 November 2022. Final authorisation AA1000627 was granted with conditions on 30 June 2023 until 22 July 2024.⁶⁴
- 2.7. On 24 February 2023, Woolworths and Coles offered to take joint responsibility for the stockpiles of soft plastics that had accumulated at the time of the suspension of REDcycle.⁶⁵
- 2.8. On 7 March 2023, the Taskforce, comprising ALDI, Coles and Woolworths, issued a 'Roadmap to Restart', which was an interim plan to restore community access to soft plastics recycling through Australian supermarkets.⁶⁶

⁶¹ 'We remain concerned about the view in the market that we will be the off-takers to any number of proposed plastic pyrolysis plants. As we have outlined above, the protection of the Geelong refinery as a critical asset for Australia's fuel and national security is paramount so the product quality of any PPO used needs to be assured. We currently have an exclusivity agreement with Cleanaway to develop our project, so the ACCC and any scheme design needs to be cautious about claims that our refinery will be an off-taker from other industries.' [Viva Energy](#), 22 April 2025, p 3.

⁶² [Australian Paper Recovery Pty Ltd](#), 10 April 2025, p 1.

⁶³ Coles, [Application for authorisation AA1000627](#), 16 November 2022, Annexure 1, pp 13–18.

⁶⁴ ACCC, [Determination application for revocation of authorisation AA1000627 and substitution of authorisation AA1000673](#), 27 February 2025.

⁶⁵ Woolworths, [Coles and Woolworths offer to save REDcycle stockpiles from landfill](#), [media release], 24 February 2023, accessed 23 October 2025.

⁶⁶ Soft Plastics Taskforce, [Roadmap to restart](#), 7 March 2023, accessed 23 October 2025.

- 2.9. On 24 June 2024, Coles Woolworths and ALDI applied to the ACCC to revoke authorisation AA1000627 and substitute new authorisation AA1000673. The ACCC revoked authorisation AA1000627 and granted authorisation AA1000673 on 27 February 2025, with conditions, until 31 July 2026. Authorisation AA1000673 is limited to conduct associated with the continued processing of the legacy REDcycle stockpiles and the instore collection pilot programs. Pursuant to a condition of the authorisation, minutes of meetings and progress reports are uploaded to the ACCC's public register.⁶⁷
- 2.10. The ACCC understands that instore collections are currently operating at approximately 520 Woolworths stores across NSW, Victoria, Queensland and the ACT,⁶⁸ 5 Coles stores in Victoria and approximately 19 ALDI stores in NSW and Victoria.⁶⁹

The current regulatory framework

- 2.11. The current co-regulatory arrangement in Australia for managing packaging waste comprises:
- National Environment Protection (Used Packaging Materials) Measure 2011 (**the NEPM**)
 - the Australian Packaging Covenant (**the Covenant**).
- 2.12. The NEPM aims to reduce environmental degradation from the disposal of used packaging and conserve virgin materials through encouraging re-use and recycling of used packaging.⁷⁰ The definition of consumer packaging under the NEPM includes all packaging for the containment, protection, marketing or handling of consumer products and includes distribution packaging.⁷¹ Soft plastics are one of the types of packaging governed by the NEPM.
- 2.13. Brand owners that have an annual turnover of \$5 million or more and that are consumers of packaging or packaged products are required to:
- become a signatory to the Covenant and a member of Australian Packaging Covenant Organisation (**APCO**), or
 - report to state and territory governments under the NEPM.
- 2.14. The NEPM also provides that businesses may be deemed compliant with their obligations under the NEPM by participating in another initiative such as a product stewardship scheme that produces the same outcomes as they would achieve as an APCO member.⁷²

⁶⁷ Further information is available on the ACCC's public register for authorisations [AA1000627](#) and [AA1000673](#).

⁶⁸ Woolworths, [Soft Plastics Recycling Trial](#), accessed 31 July 2025.

⁶⁹ Soft Plastics Taskforce, [Condition 2 Progress Report](#), 22 April 2025; Soft Plastics Taskforce, [Condition 2 Progress Report](#), 22 July 2025.

⁷⁰ National Environment Protection Council (NEPC), [National Environment Protection \(Used Packaging Materials\) Measure](#), 25 October 2022, accessed 24 July 2025.

⁷¹ National Environment Protection Council (NEPC), [National Environment Protection \(Used Packaging Materials\) Measure](#), 25 October 2022, accessed 24 July 2025.

⁷² DCCEEW, [Taking responsibility for our packaging](#), 2 August 2023, accessed 29 July 2025. See also s 11 of the NEPM.

- 2.15. State and territory governments implement and enforce the NEPM separately.⁷³ Other than the Northern Territory, all state and territories have enacted legislation to give effect to the NEPM in their jurisdictions.⁷⁴ Requirements, such as reporting obligations and penalties for non-compliance vary between jurisdictions.⁷⁵

The Covenant and APCO

- 2.16. The Covenant is a voluntary industry-led packaging product stewardship scheme for consumer packaging administered by APCO.

- 2.17. As administrator of the Covenant, APCO's primary responsibilities include:

- reporting to environment ministers, including:
 - a 5-year strategic plan, including level of financial investment, or any significant amendments to that plan
 - a statement of intent every 2 years identifying how APCO intends to deliver on the strategic plan during that period
- monitoring and evaluation of the performance of the Covenant, including collecting data against key performance targets under the strategic plan
- managing and amending sustainable packaging guidelines
- collecting membership fees
- managing projects which have been funded under the Covenant
- compliance activities such as auditing of signatories and members, managing complaints and providing support to signatories to fulfill their obligations under the Covenant
- publication of reports on the Covenant's performance, annual reports of signatories and action plans.⁷⁶

- 2.18. APCO brand owner members are subject to a range of administrative and reporting obligations under the Covenant, including:

- paying a membership fee to APCO, which is currently calculated based on annual turnover
- preparing and publishing an annual action plan against the aims of the Covenant
- taking steps towards the aims of the Covenant, such as reducing litter, establishing collection and recycling programs for used packaging materials and buying recycled products.⁷⁷

- 2.19. On 19 August 2024, APCO released its 2030 Strategic Plan. Among other things, APCO's Strategic Plan proposes that APCO introduce eco-modulated membership fees. APCO's 2030 Plan also contemplates APCO engaging service providers,

⁷³ *National Environment Protection (Used Packaging Materials) Measure 2011*, section 9.

⁷⁴ DCCEEW, [Taking responsibility for our packaging](#), 2 August 2023, accessed 24 July 2025.

⁷⁵ Matthew Peggs Consulting Pty Ltd, [Review of the co-regulatory arrangement under the National Environment Protection \(Used Packaging Materials\) Measure 2011 final report](#), September 2021, p 23.

⁷⁶ DCCEEW, [Australian Packaging Covenant 2017](#), 2017.

⁷⁷ APCO, [Covenant Obligations](#), accessed 29 July 2025.

including entering into contracts with extended producer responsibility⁷⁸ schemes to provide funding for activities to achieve outcomes promoted by the Covenant.⁷⁹

- 2.20. On 6 June 2025, APCO announced that based on consultation feedback, it would maintain its current fee structure for financial year 2027 and take additional time to refine its model in collaboration with members and citing emerging regulatory settings.⁸⁰ APCO is required to provide its Strategic Plan to environment ministers for endorsement and as at APCO and SPSA's joint submission (9 May 2025) this had not yet occurred.⁸¹

Reforming packaging regulation

- 2.21. The Australian Government has publicly supported reform of Australia's existing packaging regulations.

- 2.22. In October 2024, DCCEEW sought feedback on 3 potential options for reforming Australia's packaging regulations:

- option 1 – strengthening administration of the current co-regulatory arrangement
- option 2 – National mandatory requirements for packaging
- option 3 – an extended producer responsibility scheme for packaging.

- 2.23. In February 2025, DCCEEW released a summary of the feedback received in response to the consultation on packaging reform. Over 80% of respondents preferred Commonwealth regulation of packaging (option 2) and 65% supported option 3.⁸²

- 2.24. DCCEEW has indicated that further consideration of packaging reform will continue.⁸³ No time frame has been provided.

3. Consultation

- 3.1. The ACCC invited submissions from a range of potentially interested parties including major competitors, suppliers, customers, relevant industry associations or peak bodies, consumer groups, state and federal government and relevant regulatory bodies.

⁷⁸ Extended producer responsibility is defined by APCO as 'an approach where producers (e.g. brand owners) are financially or physically responsible for packaging waste management.' APCO, [From collective action to system impact: APCO member consultation paper](#), April 2025, p 44.

⁷⁹ APCO, [2030 strategic plan](#), 15 August 2024, pp 23–24.

⁸⁰ APCO, [Consultation on a strengthened industry-led EPR approach for packaging](#), 6 June 2025, accessed 29 July 2025.

⁸¹ APCO, [2030 strategic plan](#), 15 August 2024, p 4.

⁸² DCCEEW, [Reform of packaging regulation: Consultation summary](#), February 2025, accessed 24 July 2025.

⁸³ DCEEW, [Reforming packaging regulation](#), October 2025, accessed 22 October 2025.

- 3.2. The ACCC received 59 submissions from interested parties in relation to the application prior to the draft determination, including a joint submission from SPSA and APCO. Where relevant, submissions are considered in further detail in the ACCC's assessment below.
- 3.3. On 11 August 2025, the ACCC issued a draft determination proposing to grant authorisation for 8 years. On 25 August 2025, Zero Waste Victoria requested a pre-decision conference be held. The pre-decision conference was held on 19 September 2025.
- 3.4. The ACCC received 89 interested party submissions following the draft determination, including submissions received in the lead up to and following the pre-decision conference.
- 3.5. Public submissions by SPSA and interested parties are on the [public register](#) for this matter and have been incorporated where relevant into the ACCC's assessment in section 4.

Submissions prior to the draft determination

Interested party submissions

Local government

- 3.6. Numerous submissions from local governments were received in support of the Proposed Conduct, from councils who are or will be participating in the National Plastics Recycling Scheme trials including from **HalveWaste**,⁸⁴ **City of Ballarat**, **Murray River Council**, **City of Adelaide**, **Goondiwindi Regional Council**, **City of Port Adelaide Enfield**, **Albury City Council** and **Wagga Wagga City Council**, **Leeton Shire Council**, **Central Adelaide Waste and Recycling Authority** and **Berrigan Shire Council**. These submissions cite the high level of participation from residents and strong community engagement of the pilots and support both interim and final authorisation.
- 3.7. The **Western Australian Local Government Association** represents all 139 local governments in Western Australia. Whilst the Western Australian Local Government Association supports in principle the development of a product stewardship scheme for post-consumer soft plastics, it has significant concerns about the voluntary nature of the Scheme, the status of processing infrastructure, end markets and the inclusion of kerbside as a collection method.
- 3.8. The **Australian Local Government Association** represents 537 councils across Australia. The Australian Local Government Association makes 7 recommendations for the Scheme including that consideration of the public detriments should include risks associated with flaws in a voluntary product stewardship scheme which can strain council resources and affect community services, particularly in regional, rural and remote areas. Other recommendations made by the Australian Local

⁸⁴ An initiative founded by Albury City Council, City of Wodonga, Federation Council and the Shires of Greater Hume and Indigo.

Government Association include that the Scheme's governance should have formal mechanisms to track impact of the Scheme on local government, that SPSA should share learnings with local governments, that collection should be encouraged through existing channels and that there should be formal oversight in designing and implementing kerbside collection trials, including independent assurance.

- 3.9. **Southern Sydney Regional Organisation of Councils** supports the application but makes a number of recommendations including that there should be transparency from suppliers and processors about where material is processed and what happens to the output as a condition of authorisation, noting community scepticism about a repeat of stockpiling or materials not being processed.
- 3.10. **Liverpool City Council** has concerns about processing capacity to deal with collected materials and whether end markets are viable, noting the businesses in SPSA's Scheme do not seem to be committing to buy back or re-use the processed soft plastics.

Other government

- 3.11. **Green Industries SA** and the **South Australian Environment Protection Authority** made 2 submissions supporting both interim authorisation and the Scheme generally, noting that it is likely to deliver some benefits. However, their submissions note that the success of the Scheme is dependent on a number of factors, including accessible collection systems, demand-driven markets for the recycled products, transparent reporting and industry input from across the supply chain on the Stakeholder Advisory Council.
- 3.12. **Sustainability Victoria** submits it is essential than any new stewardship scheme is designed around clear and measurable performance indicators, regular and transparent reporting regimes, and adequate governance, to ensure those who are paying the levy are getting value for money outcomes.

Brands, retailers and manufacturers

- 3.13. Numerous submissions were made from brands and retailers in support of both interim authorisation and final authorisation including from **Nestle, Kellanova, Unilever Australia, McCormick Foods Australia, Essity, the AFGC, the National Retail Association** and the **Australian Retailers Association**.
- 3.14. The **Australian Dairy Products Federation** provided 2 submissions in relation to urgent interim authorisation and interim authorisation which opposed interim authorisation for collection of the Scheme Levy and negotiation of contracts and commencement of operational arrangements. The Australian Dairy Products Federation recommended deferring approval of levy collection and stockpile remediation until a formal alignment with APCO is confirmed, fee-setting models are transparently disclosed, governance mechanisms are balanced and inclusive, and administrative duplication is resolved.

- 3.15. **Sancell Pty Ltd** submits concerns that SPSA seems to overlap the efforts of APCO, there is a lack of clear mandated targets and is concerned a voluntary system will achieve its goals.
- 3.16. **Coles, Woolworths and ALDI** made a joint submission, supporting the application, noting that their work under the Taskforce was only intended as an interim measure and that SPSA is better placed to continue that work into the future.

Waste collectors, recyclers and processors

- 3.17. Numerous waste collectors, processors and recyclers made submissions in support of both interim and final authorisation including **Kurrajong Recycling, RecycleSmart, 3RG Recycling, Australian Paper Recovery** and **iQRenew**.
- 3.18. **Cleanaway** supports the creation of an industry funded producer responsibility organisation to take responsibility for the full lifecycle of soft plastic packaging, noting that new technology, such as advanced chemical recycling, is available, but requires substantial investment. Cleanaway considers that the authorisation period of 8 years may be insufficient to allow for construction of at scale facilities, referencing the need to secure regulatory approvals, meaning it can take a minimum of 4 years for a project to proceed from concept to commissioning.
- 3.19. **Viva Energy Australia** made a submission that outlined its role as a future recycler of soft plastic. Viva is considering a project with Cleanaway to provide an end-to-end soft plastics recycling using advanced chemical recycling. Viva notes any scheme design needs to be cautious about claims that the Viva refinery will be an off-taker from other industries. Viva called for the Scheme to be mandatory, but also noted it would advocate for the Scheme to be replaced with a Commonwealth scheme once this was developed.
- 3.20. The **Australian Council of Recycling (ACOR)** provided 2 submissions supporting interim authorisation and final authorisation in order to facilitate uninterrupted processing by soft plastic recyclers who have invested in necessary infrastructure. However, it makes 8 recommendations to adjust the Scheme's design and operation including clear and formal alignment with APCO and the ongoing national regulatory transition, and transparent and accountable governance that represents the entire supply chain, including recyclers. Further, it recommends measurable, transparent targets and performance metrics as well as clear mechanisms for end-market development and demand stimulation.
- 3.21. **Waste Management and Resource Recovery Association of Australia** made a submission opposing the application stating the Scheme should not be authorised by the ACCC as a product stewardship scheme given its lack of demonstrating a genuine whole of supply chain solution.

Environmental groups

- 3.22. **Boomerang Alliance** and **Planet Ark** made submissions in support of the Scheme.

- 3.23. **Australian Marine Conservation Society** submits it is concerned that the environmental benefits of SPSA's Scheme have been overstated and all environmental impacts, including pollution, should be considered. It does not support the levy being passed on to consumers and states businesses should be required to publicly report on volumes of soft plastics they place on the market, as well as what is collected and recycled through the Scheme.
- 3.24. **Clean up Australia** provided 2 submissions and whilst supporting the application, states adjustments to the design and operation of the Scheme are necessary to ensure an effective circular economy approach to soft plastics. It submits the application does not adequately address the issues of product design, recycling capacity, procurement and the development of strong end-markets for soft plastics.
- 3.25. **Zero Waste Victoria** raises concerns regarding governance structures, cost recovery mechanisms, levy-setting processes, and the potential for levies to be passed on to consumers without transparency. It further submits that any arrangement must be clearly time-limited, subject to independent review, and revocable if the national packaging reform process, or other government intervention, recommends or requires a different pathway.

Other

- 3.26. Other parties who made submissions in support of the application are **Ecosurety** (founder and operator of a similar scheme in the UK, the Flexible Plastic Fund), **Ai Group** and **Australasian Institute of Packaging**.

APCO

- 3.27. **APCO** submitted that it is supportive in principle for the establishment of the Scheme. However, it submitted that authorisation should be subject to its 6 proposed conditions (discussed at paragraph 4.133).

APCO and SPSA joint submission

- 3.28. On 9 May 2025, APCO and SPSA made a joint submission⁸⁵ proposing the following 2-stage model where APCO agrees to collect funding for provision to SPSA through:
- Horizon 1 (FY2026) where APCO will collect the voluntary fees from Scheme Participants at the rate of \$160 per tonne in FY 2026 (being the initial Scheme Levy currently proposed by SPSA) and also seek additional voluntary contributions from APCO members to sustain and fund the proposed activities under the Scheme.
 - Horizon 2 (assuming APCO 2030 Strategy commencement) where APCO will set and collect extended producer responsibility/eco-modulated fees from APCO members and voluntary Scheme Participants placing soft plastic on market in Australia and passing funds to SPSA to meet the agreed costs for the services it provides.

⁸⁵ [APCO and SPSA](#), 9 May 2025, p 2.

- 3.29. SPSA later submitted that there is no current agreement regarding the setting and collecting of the levy under Horizon 2, as it is just one of a number of possible outcomes. SPSA intends to continue discussions with government and APCO around what a potential future state could look like, and to work closely with APCO in relation to future ways of working together. If APCO's revised 2030 Strategic Plan and Horizon 2 arrangements (or a similar arrangement under which APCO would be responsible for setting and collecting levies for all Scheme Participants) are ultimately endorsed, SPSA submitted it would need to consider any impact on the Scheme and may need to revoke or vary its authorisation as appropriate.
- 3.30. Discussions between SPSA and APCO are continuing, and the parties have advised the ACCC that they are working on a detailed term sheet.
- 3.31. On 16 June 2025, the ACCC issued a request to APCO for further information. The ACCC's request and APCO's response are available on the ACCC's public register and have been incorporated where relevant into the ACCC's assessment below.

SPSA's response to submissions prior to the draft determination

- 3.32. On 12 June 2025, SPSA made a submission in response to interested party submissions. These responses are incorporated where relevant into the ACCC's assessment below.
- 3.33. The ACCC issued 3 requests to SPSA for further information. The ACCC's requests for further information and SPSA's responses are available on the ACCC's public register and have been incorporated where relevant into the ACCC's assessment below.

Submissions following the draft determination

Submissions prior to the pre-decision conference

Interested parties

- 3.34. The ACCC received 81 interested party submissions following the draft determination and prior to the pre-decision conference.
- 3.35. 9 submissions were from interested parties in support of authorisation, as follows:
- **iQRenew** is strongly supportive of the ACCC's draft determination proposing to grant authorisation for 8 years, submitting that the timeframe is critical to the stability and growth of soft plastic recycling in Australia.
 - **Boomerang Alliance** is broadly supportive of the Scheme, but submits that the Scheme should be actively seeking to manage soft plastics according to its highest resource value, including through reduction of unnecessary plastics and improved packaging design.

- **Circular Seed Pty Ltd, Veolia ANZ, Jo Clay** (deputy leader of the ACT Greens), and **Wildlife QLD** each support authorisation in principle but submit that adjustments to scheme design through conditions are required.
 - **APCO and Clean Up Australia Ltd** are supportive of authorisation with conditions.
 - **Macedon Ranges Shire Council** is supportive of authorisation, including eco-modulation of the Scheme Levy.
- 3.36. **City of Stonnington** submits that further engagement with local government is needed.
- 3.37. A large number of consumer submissions were received, offering varying views on the Scheme. Views range from support for soft plastics recycling to significant concerns about the Scheme, including:
- cost pass-through to consumers, including the need for greater transparency on the levy and the Scheme more broadly
 - the proposed REDcycle Stockpile Cost Set-off
 - governance of the Scheme in favour of major brands and retailers
 - lack of Scheme targets and potential greenwashing
 - that responsibility for soft plastics should be placed on the manufacturer/retailer
 - the use of soft plastics should be reduced in the first instance
 - the need for greater innovation and adjustments to the Scheme design
 - the need for regulation, including a mandatory scheme and changes to packaging design standards.
- 3.38. 2 submissions were received from interested parties opposing the application, including:
- **Port Phillip EcoCentre**, which is concerned that the Scheme is not designed strategically, does not incentivise innovation or reduction of soft plastics and does not invest in R&D.
 - **Elanora State High School** submits that the Scheme is inadequate as it lacks mandatory requirements for reduction of soft plastics, projected recovery rates are negligible, end markets and technology are limited and noting responsibility rests disproportionately on consumers and community programs.
- 3.39. **Zero Waste Victoria** also opposes the application and raises concerns about SPSA's governance and status as a registered charity with the Australian Charities and Not for Profit Commission (**ACNC**). Zero Waste Victoria proposes that the proposed REDcycle Stockpile Cost Set-off be disallowed, and a range of recommendations for adjustments to SPSA's governance and structure to improve transparency and governance.

SPSA

- 3.40. SPSA made a submission supporting the ACCC's draft determination, indicating its willingness to comply with the ACCC's proposed conditions in its draft determination, proposing minor amendments to the proposed reporting condition (discussed further in paragraph 4.137) and providing further arguments in support of its public benefit claims (discussed further below in paragraphs 4.30 and 4.54).
- 3.41. On 4 September 2025, SPSA provided its response to interested party submissions received following the draft determination. These responses are incorporated where relevant into the ACCC's assessment below.

Pre-decision conference

- 3.42. The ACCC received a submission in the lead up to the pre-decision conference from **Product Stewardship Centre of Excellence** who submits that effective product stewardship schemes have 5 essential characteristics:
- high levels of industry or business investment and participation
 - clearly defined objectives and measurable performance indicators
 - good governance
 - use of financial incentives
 - effective marketing and communications.
- 3.43. **Product Stewardship Centre of Excellence** also makes a range of recommendations for adjustment to the Scheme's design including improved governance model and increased transparency models to improve the Scheme outcomes relating to each of the above 5 criteria.
- 3.44. A record of the pre-decision conference is published on the ACCC's public register. In summary, at the pre-decision conference:
- **Zero Waste Victoria** made submissions including that:
 - It agrees with the public detriments identified by the ACCC in its draft determination, but framing soft plastic recycling as a public benefit overlooks systemic waste drivers, risks locking in inefficient practices and underestimates further likely public detriments.
 - The Scheme does not account for upstream production of soft plastics and does not reflect full lifecycle accountability, contravening the polluter pays principle and risks greenwashing consumers.
 - Manufacturers and retailers that place soft plastics on the market should be accountable for the cost of waste management. Coles and Woolworths incurred costs associated with the REDcycle stockpile voluntarily and are now seeking to recover those costs through SPSA.
 - There was a discrepancy between the version of the constitution that accompanied the original application, and the version that SPSA had

provided to the ACNC, demonstrating SPSA's failure to meet governance obligations and undermining public confidence.

- Commonly, constitutions of not-for-profit organisations prevent conflicted directors from voting on a matter in which they have an interest. In contrast, SPSA's constitution allows directors who have an interest to vote. SPSA has not made its conflict of interest policy, or its Stakeholder Advisory Council's conflict of interest policy, public.
- It is not opposed to the Scheme Levy, but only if the levy is not passed on to consumers and is administered by government or an independent body.
- SPSA should have at least 50% of its board as independent directors with no current financial or governance ties to SPSA members, and be subject to government or regulatory oversight, such as a representative from government appointed as a non-executive director. Conflicted directors should not be permitted to vote on matters in which they have an interest.
- **SPSA** made submissions including that:
 - It is not a regulator, a legislator, a local government or a collector/sorter or processor. SPSA will work with these various stakeholders in the implementation of the Scheme, noting that legislation takes time to be implemented and SPSA is in a position to start delivering on public benefits.
 - It is committed to good governance and transparency, referencing that its board and Stakeholder Advisory Council have independent representation and noting learnings from REDcycle which demonstrate the need for transparency. It supports the reporting condition proposed by the ACCC in the draft determination.
 - It is a voluntary Scheme, noting organisations who participate do not have to and are incurring increased expense compared to competitors who do not participate. It is up to SPSA members whether they choose to pass on levy costs to consumers; and for most items this would amount to less than 1 cent per pack.
 - In response to Zero Waste Victoria's concerns about the full lifecycle of soft plastics, SPSA submitted that packaging is managed through APCO. SPSA's focus is on soft plastics, which needs the most support, compared with business-to-business soft plastics which are already a high value material. The levy will encourage participating organisations to reduce the amount of plastic they place on the market.
 - It and other organisations are subject to regulations which prevent greenwashing.
 - It is supportive of mandatory regulation.
 - On the \$16 million REDcycle Stockpile Cost Set-off, SPSA has been transparent about its approach to that. Many retailers used the REDcycle logo and had not paid for the collection and warehousing of their products so they should contribute to those costs.
 - Whilst SPSA is not the perfect Scheme, it is establishing the Scheme in alignment with legislative and regulatory requirements, including the Corporations Act, ACNC, APCO and ACCC.
- **Macedon Ranges Shire Council** submitted that it is supportive of the Scheme, and whilst it acknowledges that there are inherent conflicts of interest when

industry comes together for a scheme like this, it appreciates the transparency of the setup of this Scheme. Macedon Ranges Shire Council also submitted that it is supportive of eco-modulation and urged government to make soft plastic recycling mandatory.

- **APCO** submitted that it is committed to supporting SPSA in building a successful scheme and it supports soft plastic recycling initiatives.
- **APR plastics** submitted that it is heavily invested in SPSA's scheme, noting that it has recently secured approval for a 20,000 tonne sorting facility that will produce 15,000 tonnes of oil. Without the Scheme, it will have idle assets, submitting that the Scheme will increase the volume of soft plastics recovered and allow it to expand operations. APR Plastics submitted that it and iQRenew have a combined total processing capacity of 44,000 tonnes, compared to the just 7,500 tonne capacity available at the height of REDcycle.
- **Australian Marine Conservation Society** submitted that whilst it supports recycling of plastics, it must be conducted in accordance with the waste hierarchy so that pollution is addressed through the full product lifecycle. Australian Marine Conservation Society is concerned that significant resources will be channelled into a scheme which will not meaningfully reduce the volume of soft plastics placed on the market. Australian Marine Conservation Society recommends that businesses should remain responsible for the plastic they place on the market and not pass that cost onto consumers, that SPSA prioritise existing collection channels such as store drop off and strategies to collect soft plastics away from home and at major events.
- **Ballina Shire Council** submitted that it does not support SPSA's Scheme and that its residents do not see soft plastic recycling as the solution. Instead, the focus should be on reducing or avoiding plastic. Ballina Shire Council also submitted that it disagrees with producing soft plastics just to provide feedstock for recyclers, which it submitted will reduce innovation in packaging.
- **Boomerang Alliance** submitted that governance is important to the Scheme's success and to build public confidence in the Scheme. Boomerang Alliance submitted that the 8-year authorisation term is inappropriate, as the aim should be for a mandatory stewardship scheme to be introduced by 2026.
- **iQRenew** submitted that it supports authorisation and that it has invested substantially to try and solve the issue of soft plastics, including developing new products, investing in infrastructure and working with chemical recycling companies to provide feedstock for processing that will enable the creation of food grade packaging. iQRenew submits that it is critical that the Scheme is authorised for a sufficient length to give confidence for investors and that supply of feedstock is critical.
- **Kellanova** and **Nestle** each affirmed their support of the Scheme as a part of the solution to soft plastic waste. Kellanova submitted that complete eradication of plastics from packaging is not viable, noting that plastics prolong shelf life and food quality.
- **Melton City Council** agreed that the local community wish to see less plastics used and it is open to exploring recycling solutions.
- **Port Phillip EcoCentre** submitted that according to its research, microplastics are one of the 3 highest components of plastic pollution in waterways and whilst plastics are an amazing product, the wider community is concerned about long-

term impacts, including on human health. On governance, Port Phillip EcoCentre submits that having only 2 independent directors is insufficient and queries how those directors are appointed.

Following the pre-decision conference

Interested parties

3.45. The ACCC received submissions following the pre-decision conference from Ballina Shire Council, Boomerang Alliance, Australian Marine Conservation Society, iQRenew and Zero Waste Victoria. 5 submissions opposed authorisation:

- **Ballina Shire Council** is concerned that the Scheme prioritises recycling over reduction of plastic, submitting that consumers may be misled about the benefits of recycling and that the Scheme lacks elements required for an effective product stewardship scheme. By focusing on recycling, Ballina Shire Council submits that the Scheme risks stifling innovation and incentive for producers to reduce plastic usage in the first place, including by passing the cost onto consumers. Ballina Shire Council is concerned about the impacts to human health and the environment of soft plastics.
- **Boomerang Alliance** opposes authorisation of a voluntary scheme for 8 years, making 2 submissions following the pre-decision conference. Boomerang Alliance submits that there is a great likelihood that a mandatory Scheme will be put in place during the current term of parliament, which will be better than SPSA's voluntary scheme. Boomerang Alliance is concerned that SPSA's governance lacks measures to achieve independence to limit the influence of narrow financial interests. It submits that authorisation should be refused to allow regulatory reform to proceed, or alternatively, limited authorisation should be granted for a short term and require that SPSA cooperate with efforts to bring in a regulated scheme.
- **Australian Marine Conservation Society** reiterates many of the concerns it raised at the pre-decision conference, including concerns about kerbside collections, that the Scheme may mislead the public about environmental outcomes, that the Scheme may not meaningfully reduce soft plastic packaging placed on the market, cost pass through to consumers and lack of independent governance.
- **Zero Waste Victoria** remains opposed to authorisation, making 2 submissions citing concerns about SPSA's governance, greenwashing risks and lack of transparency associated with the Scheme which may lead to broader public detriments than what the ACCC considered in its draft determination. Zero Waste Victoria also:
 - submits that without enforceable safeguards, SPSA's governance structure cannot credibly deliver public benefits, noting concerns about conflicts of interest, limited independence, non-disclosure of changes to its constitution and ambiguous sensitivity protections
 - submits that the \$16 million REDcycle Cost Set-off diverts funds away from public benefit uses (including R&D, end market development and recycling capacity) and conflicts with SPSA's obligations as a registered charity

- is concerned that authorising a voluntary, industry-controlled scheme risks entrenching producer interests, narrowing space for innovation and risks undermining DCCEE's packaging reform agenda and governance diversity required for a credible stewardship scheme
 - proposes a range of conditions and recommendations aimed at ensuring governance, transparency, lifecycle accountability and environmental outcomes
 - reiterates, having regard to SPSA's response to interested party submissions, concerns about conflicted decision making and lack of transparency, submitting that the ACCC should only grant authorisation with strong conditions to ensure the conduct delivers a public, not private, benefit.
- 3.46. **iQRenew** acknowledges Zero Waste Victoria's key concerns, submitting that with strengthened governance and other safeguards, SPSA can and will deliver a net public benefit. **iQRenew** recommends:
- SPSA's board should have a minimum of 40% independent/Association directors with expertise in environment, recycling, government and community engagement, together with a robust conflict of interest policy requiring directors with declared conflicts to abstain from decision making on relevant matters.
 - The ACCC ensure levy funds cannot be applied retrospectively to members' commercial costs and are strictly allocated to soft plastic recycling activities.
 - SPSA should publicly report the outcomes of independent audits.
 - SPSA's members should be required to align marketing with independently verified results.
 - ACCC authorisation should be conditional and revocable, submitting that SPSA can provide evidence to inform government regulation, rather than being a substitute for reform.
- 3.47. Zero Waste Victoria provided a further submission on 4 November 2025, which was very late in the review timeframe and outside the period specified by the ACCC in a notice under section 90(6)(a) of the Act. The ACCC therefore considered there would be insufficient time to meaningfully consider the submission prior to the expiry of the extended statutory timeframe and has not taken it into account in making its determination in respect of the application. The ACCC has taken into account and carefully considered the previous 4 written submissions Zero Waste Victoria has made in relation to this application and its oral submissions at the pre-decision conference.

SPSA

- 3.48. On 6 October 2025, SPSA provided an updated version of SPSA's constitution, being an amended version of the constitution that was lodged with the original application for authorisation dated 5 August 2025, a copy of which is available on the ACCC's public register.⁸⁶ The updated version removes clause 5(b)(v) which had enabled SPSA to make payments to members of any surpluses or profits so long as the member had objects similar to the objects of SPSA. The updated version also

⁸⁶ SPSA, [Updated SPSA Constitution \(19 June 2025\)](#), 6 October 2025.

makes changes to clause 21 (notice of general meeting) and introduces a new clause 36.1 (written resolution of members).

- 3.49. On 10 October, SPSA provided its response to interested party submissions following the pre-decision conference including a schedule of initiatives undertaken by members to reduce plastic and promote sustainable packaging, together with modelling of the impact of the initial Scheme Levy on various items.⁸⁷
- 3.50. On 16 October 2025, SPSA provided its conflicts of interest policy, a copy of which is available on the ACCC's public register.⁸⁸

4. ACCC assessment

- 4.1. SPSA has sought authorisation for the Proposed Conduct in relation to Division 1 of Part IV of the Act (cartel conduct) and sections 45 and 47 of the Act (contracts, arrangements or understandings that restrict dealings or affect competition and conduct that may constitute exclusive dealing). Consistent with subsections 90(7) and 90(8) of the Act, the ACCC must not make a determination granting authorisation unless it is satisfied, in all the circumstances, that the conduct would result, or 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.
- 4.2. The ACCC acknowledges that a number of interested parties, both prior to and following the draft determination, have made submissions, recommendations or suggested conditions on matters that relate to:
- broader policy issues around soft plastic, including the need for a mandatory stewardship scheme⁸⁹ and/or greater accountability for the entire soft plastics lifecycle⁹⁰
 - the 'ideal' nature, operation and scope of the Scheme, including significant changes to Scheme governance.⁹¹
- 4.3. The ACCC's role in respect of this application is to assess whether it should grant authorisation for the Proposed Conduct in accordance with the Act. The ACCC must consider the application before it – where the Proposed Conduct broadly relates to the collection, transport, sortation, storage, processing and recycling of used soft plastics as part of a voluntary, industry-led product stewardship scheme – and whether the Proposed Conduct meets the authorisation test. Though the ACCC may specify conditions of authorisation, the Australian Competition Tribunal has held

⁸⁷ SPSA, [Response to interested party submissions after pre-decision conference](#), 10 October 2025; SPSA, [Modelling re impact of levy on various items](#), 10 October 2025.

⁸⁸ SPSA, [Updated conflicts of interest policy](#), 16 October 2025.

⁸⁹ See for example: [Zero Waste Victoria](#), 29 September 2025, p 4; [Macedon Ranges Shire Council](#), 10 September 2025, p 1; [Veolia ANZ](#), 25 August 2025, p 3; [Friends of the Forest](#), 27 August 2025, p 1.

⁹⁰ See for example: [Zero Waste Victoria](#), 29 September 2025, pp 5–7; [Wildlife Queensland](#), 4 September 2025, p 1; [Ballina Shire Council](#), 25 September 2025, pp 2, 3 and 5; [Product Stewardship Centre of Excellence](#), 19 September 2025, pp 11–12.

⁹¹ See for example: [Zero Waste Victoria](#), 29 September 2025, p 14; [Boomerang Alliance](#), 26 September 2025, p 1; [iQRenew](#), 3 October 2025, p 2; [Product Stewardship Centre of Excellence](#), 19 September 2025, p 12.

that that power is constrained by the subject matter, scope and purpose of the Act.⁹² The ACCC does not consider that its role in respect of this application is to seek to create an 'ideal' regulatory or policy solution.

- 4.4. Broader matters of policy concerning soft plastics – including regulatory reform decisions about whether to introduce mandatory stewardship schemes or in respect of packaging policy – are matters for government, and the ACCC notes the ongoing work of DCCEE in this regard. This is separate from the ACCC's role as the competition regulator and administrative decision-maker in respect of this application. Similarly, APCO's role in respect of administering the Australian Packaging Covenant and facilitating progress towards the National Packaging Targets is also separate from the ACCC's role in this context.
- 4.5. In assessing this application for authorisation, the ACCC has considered the proposed governance arrangements and specified some conditions to ensure participants, and the public, receive a sufficient degree of transparency in respect of the Scheme's operations and governance, including the realisation of public benefits resulting from the Proposed Conduct.
- 4.6. More broadly, the ACCC acknowledges that submissions received in respect of this application may be useful for government in developing future policies or regulation concerning soft plastics.
- 4.7. The ACCC notes that authorisation does not mean the ACCC has approved or endorsed the Proposed Conduct, the Scheme or its implementation. Rather, authorisation provides statutory protection from legal action for contraventions of certain competition provisions in the Act for authorised parties to engage in the authorised conduct.

Relevant areas of competition

- 4.8. To assess the likely effect of the Proposed Conduct, the ACCC identifies the relevant areas of competition likely to be impacted.
- 4.9. The ACCC is of the view that it is not necessary to precisely define the relevant markets for the purpose of assessing this application for authorisation.
- 4.10. The ACCC considers that the relevant areas of competition are likely to be:
 - the manufacture, importation, wholesale and retail supply of products that contain soft plastic packaging in Australia
 - the collection, transport, storage, sorting and processing of used soft plastic packaging in Australia
 - the supply of various products made from recycled soft plastic material
 - the disposal of used soft plastics that are not processed into a recycled material.

⁹² *Application by Medicines Australia Inc* [2007] ACompT 4, at (**Medicines**), [129].

Future with and without the Proposed Conduct

- 4.11. In applying the authorisation test, the ACCC compares the likely future with the Proposed Conduct that is the subject of the authorisation to the likely future in which the Proposed Conduct does not occur.

SPSA's submissions

- 4.12. SPSA submits that in the future without the Proposed Conduct, there would be material restrictions on the ability of the Scheme Participants to work together to establish and operate an industry-wide soft plastics product stewardship scheme, in particular that:
- SPSA and Scheme Participants would not be able to agree on a levy, without which it would be difficult to implement an industry-wide scheme and funding would be an issue.
 - New Scheme Participants are unlikely to join and initial members may discontinue participation.
 - Members of SPSA would be required to materially restrict collaboration, including the sharing of information between the Soft Plastics Taskforce and SPSA.
 - Business-to-consumer soft plastic recycling will stall and is likely to decrease or potentially cease entirely. It is highly unlikely that Scheme Participants would unilaterally engage with processors and other service providers at scale. Therefore it is unlikely that the existing measures of the Soft Plastics Taskforce instore collection pilot program and the National Plastics Recycling Scheme kerbside pilots or business-to-consumer soft plastics recycling will be expanded, and it is possible that these measures may ultimately be wound back or ceased.
 - The lack of collective action to scale soft plastics recycling creates significant risks for the viability of some processors and recyclers.
 - Consumers would find it more difficult to source information on soft plastic recycling (if this service was available at all).

Submissions

- 4.13. **iQRenew** submits that in a future without the proposed Scheme or similar scheme, iQRenew would expect to experience significant difficulties in accessing high-quality household soft plastic feedstock. iQRenew submits its Soft Plastics Engineered Commodity facility would be unviable.⁹³
- 4.14. **Boomerang Alliance** submitted at and following the pre-decision conference that the status quo to which SPSA should be compared is what should and can be achieved by a regulated, mandatory scheme comprising all producers (that should be put in place quickly), rather than compared to a status quo of the current absence of any stewardship approach. Boomerang Alliance also raised concerns that granting an 8-

⁹³ [iQRenew](#), 21 July 2025, p 1.

year authorisation would delay government action in introducing a regulated, mandatory scheme.⁹⁴

- 4.15. **APR Plastics** submitted at the pre-decision conference that in the future without SPSA's Scheme, it would have idle assets. APR plastics also submitted that in the future with the Proposed Conduct there will be increased volumes of soft plastics recovered which will allow it to expand its operations.
- 4.16. Following the pre-decision conference, **SPSA** submitted that a number of interested party submissions appear to assess the counterfactual as being a perfect, all-inclusive solution (and in some cases a regulated, mandatory scheme) rather than the status quo, which SPSA estimates is less than 1% of household (business-to-consumer) soft plastics being recycled in Australia. Without the Scheme, SPSA submitted it is unlikely that existing measures for business-to-consumer soft plastic recycling will be expanded.⁹⁵ SPSA also submitted that the Scheme does not interfere with government progressing reform, which has not been announced and could take a number of years, but rather it represents a positive step towards circularity for soft plastics in the meantime.⁹⁶

ACCC view

- 4.17. The ACCC notes that in applying the authorisation test, it compares the likely future with the Proposed Conduct that is the subject of the authorisation to the likely future in which the Proposed Conduct does not occur.
- 4.18. Given the Proposed Conduct appears to cover most, if not all, of the Scheme's planned activities, it is not clear what SPSA could realistically do to establish and operate the Scheme in the future without the Proposed Conduct.
- 4.19. The Taskforce is a temporary arrangement to remediate the soft plastic stockpile left as a result of REDcycle's insolvency and to start a pilot instore collection program prior to the development of a broader industry wide stewardship program.⁹⁷ The ACCC's authorisation of the relevant Taskforce conduct ends in July 2026. There is no information before the ACCC suggesting that the Taskforce would be likely to continue beyond July 2026 in the future without the Proposed Conduct.
- 4.20. The AFGC kerbside collection pilot was due to end mid-2025. Since the Application was lodged, the AFGC has informed SPSA that it will be terminating the National Plastics Recycling Scheme pilot program and the subcontract arrangement at the end of May, such that all pilots would conclude by 30 June 2025.⁹⁸
- 4.21. The ACCC considers that, in the future without the Proposed Conduct, it is likely that Initial Members and other Scheme Participants would either not directly participate

⁹⁴ [Boomerang Alliance](#), 26 September 2025, p 1; ACCC, [Pre-decision conference record](#), 19 September 2025, p 13; [Boomerang Alliance](#), 28 October 2025, p 1.

⁹⁵ SPSA, [Response to interested party submissions after the pre-decision conference](#), 10 October 2025, p 1.

⁹⁶ SPSA, [Response to Boomerang Alliance](#), 30 October 2025, p 1.

⁹⁷ SPSA, [Response to ACCC request for further information](#), 20 June 2025, pp 5–6; Coles, [Application for revocation and substitution of an authorisation](#), 24 June 2024, p 8.

⁹⁸ SPSA, [Amendment to application \(interim authorisation\)](#), 3 June 2025, p 1.

in soft plastic stewardship or, alternatively, would unilaterally arrange for the collection, transport, sortation, storage and processing of their soft plastic waste. If they opt to develop and implement their own arrangements, they would not be able to benefit from coordination with other members or participants, or aggregation of volumes. The ACCC considers this would materially increase the risk and cost of unilateral action (relative to coordinated action) and hence weaken parties' incentive to take unilateral action.

- 4.22. Given time, it is possible that APCO may evolve to support unilateral initiatives by Initial Members or other Scheme Participants, for example by providing funds, managing billings, and/or itself entering into service contracts for collection and recycling operations (as contemplated at pages 22 and 23 of APCO's 2030 Strategic Plan). However, there is considerable uncertainty as to whether APCO would do these things and if so, whether they would be timely and sufficient to support widespread unilateral action.
- 4.23. On balance, the ACCC considers that in the future without the Proposed Conduct there would be less collection of household soft plastic waste, with pilot instore collection and kerbside collection being discontinued or wound back. As a result, there would be less used soft plastic feedstock available for processors (including less high-quality feedstock to sustain soft plastic processing operations) and less diversion of soft plastic waste from landfill.
- 4.24. Relative to this future without, the ACCC accepts that the Proposed Conduct is likely to facilitate a more cohesive and effective approach to business-to-consumer soft plastic recycling in Australia, at least in the short to medium term.

Potential for reform

- 4.25. The ACCC recognises that DCCEEW is considering national packaging reform options. Based on the information before the ACCC, the nature and timing of any future reform or regulation is not clear. Importantly, the ACCC considers that government is similarly likely to introduce reform or regulation of soft plastic packaging in Australia in both the future with and without the Proposed Conduct. In addition, the ACCC does not consider that authorisation of the Proposed Conduct will replace, diminish or delay the capacity of government to introduce regulations to reform and/or regulate soft plastic packaging should it seek to do so. There is no information before the ACCC to indicate that this would be the case. Accordingly, the ACCC does not consider that potential future reform or regulation of soft plastic impacts the assessment of the public benefits and detriments likely to result from the Proposed Conduct.

Public benefits

- 4.26. The Act does not define what constitutes a public benefit. The ACCC adopts a broad approach. This is consistent with the Australian Competition Tribunal (**the Tribunal**) which has stated that in considering public benefits:

*...we would not wish to rule out of consideration any argument coming within the widest possible conception of public benefit. This we see as anything of value to the community generally, any contribution to the aims pursued by the society including as one of its principal elements ... the achievement of the economic goals of efficiency and progress.*⁹⁹

4.27. The ACCC has considered public benefits attributable to the Proposed Conduct under 3 broad headings:

- environmental benefits by diverting soft plastics from landfill
- efficiencies through coordination and aggregation in the collection, transport, storage, sorting and/or processing of soft plastics
- increased R&D and innovation to identify/develop end markets for recycled soft plastics.

Environmental benefits by diverting soft plastics from landfill

SPSA's submissions

4.28. SPSA submits that the Proposed Conduct will result in environmental benefits by:

- helping reduce the amount of soft plastic packaging going to landfill
- facilitating the transformation of soft plastics into new products which contributes to conservation of resources and a reduction in pollution as producing new plastics involves processes that release pollutants into the air and water
- helping reduce plastic litter and pollution, including through increased recycling rates and the use of 'bag in bin' recycling processes, which prevent litter from becoming windblown and from going into waterways or oceans.¹⁰⁰

4.29. SPSA also submits that the Proposed Conduct will facilitate clear, consistent and accessible information to consumers and households on how to recycle soft plastics via the Scheme, which will increase levels of soft plastic recycling. Scheme marketing and consumer education will be funded by the Scheme Levy.¹⁰¹

4.30. In response to the ACCC's draft determination, SPSA further submitted that:¹⁰²

- the Scheme can reduce production of new plastic by transforming it into a valuable resource, enabling manufacturers to substitute virgin plastic with recycled materials, noting that recycled content has a lower carbon footprint than virgin materials
- it will further consider ways to incentivise use of recycled products, including through eco-modulation

⁹⁹ *Re Queensland Co-operative Milling Association Ltd* (1976) ATPR 40-012 at 17,242; cited with approval in *Re 7-Eleven Stores Pty Limited* (1994) ATPR 41-357 at 42,677.

¹⁰⁰ SPSA, [Application for authorisation](#), 18 March 2025, p 29.

¹⁰¹ SPSA, [Application for authorisation](#), 18 March 2025, p 32; SPSA, [Response to ACCC request for further information](#), 20 June 2025, pp 6–7, 10.

¹⁰² SPSA, [Response to draft determination](#), 26 August 2025, p 2.

- examples such as the NSW container deposit scheme demonstrate that litter can be reduced by producer responsibility schemes
- ‘bag in bin’ recycling processes via the Scheme will also reduce risk of windblown lightweight plastics and therefore the volume of soft plastics in landfill.

Interested party submissions

- 4.31. Many submissions support the Scheme as they consider it is likely to result in environmental benefits, including diverting soft plastic waste from landfill.¹⁰³
- 4.32. Other submissions question the environmental benefits that can be achieved as the Scheme preferences action that is ranked lower on the waste management hierarchy (recycle waste).¹⁰⁴ For example, it does not require a reduction in soft plastic placed on the market and will use resource intensive processes to recycle (chemical recycling).¹⁰⁵
- 4.33. Some submissions are concerned soft plastics collection through kerbside recycling bins will contaminate existing recycling streams.¹⁰⁶
- 4.34. Some submissions are concerned the Scheme is underfunded.¹⁰⁷ Australian Local Government Association is concerned local councils will have to finance any shortfall in the Scheme to achieve diversion of waste from landfill.¹⁰⁸ Cleanaway considers the costs are adequate, if operational costs are only used to fund the collection, sorting and recycling of the soft plastics.
- 4.35. Submissions raise concerns the levy does not include eco-modulation. The initial flat levy will not incentivise participants to make their soft plastics more recyclable.¹⁰⁹
- 4.36. There are mixed views on whether the Scheme will reduce pollution. Australian Marine Conservation Society submits the Scheme will have no meaningful impact

¹⁰³ *Local councils*: [Albury City Council](#), 3 April 2025, p 1; [Alpine Shire Council](#), 7 April 2025, p 1; [City of Adelaide](#), 17 April 2025, p 1; [City of Ballarat](#), 17 April 2025, p 1; [City of Port Adelaide Enfield](#), 3 April 2025, p 1; [City of Wagga Wagga](#), 15 April 2025, p 1; [Federation Council](#), 14 April 2025, p 1; [Goondiwindi Regional Council](#), 7 April 2025, p 1; [Halve Waste](#), 3 April 2025, p 1; [Leeton Shire Council](#), 14 April 2025, p 1; [Macedon Ranges Shire Council](#), 17 April 2025, p 1; and [Murray River Council](#), 14 April 2025, p 1. *Retailers/manufacturers*: [Accord](#), 3 April 2025, p 2; [Australian Food and Grocery Council](#), 7 April 2025, p 2; [Australian Industry Group](#), 16 April 2025, p 1; [Australian Retailers Association and National Retail Association](#), 8 May 2025, p 2; [Essity](#), 4 April 2025, p 1; [Kellanova](#), 23 April 2025, pp 1 and 2; [McCormick Foods Australia](#), 16 April 2025, p 1; [Unilever](#), 7 April 2025, p 2; and [Australasian Institute of Packaging](#), 16 April 2025, p 1. *Processors/recyclers*: [3RG](#), 7 April 2025, p 1; [Australian Paper Recovery](#), 10 April 2025, pp 1 and 2; and [Kurrajong Recycling](#), 16 April 2025, p 1.

¹⁰⁴ The waste management hierarchy, most to least preferable – avoid and reduce waste, reuse waste, *recycle waste*, recover energy, treat waste, dispose of waste. NSW EPA, [The waste hierarchy](#), NSW EPA, 22 October 2022, accessed 18 July 2025.

¹⁰⁵ [Australian Marine Conservation Society](#), 22 April 2025, p 3; [Boomerang Alliance](#), 8 April 2025, p 1; [Vinyl Council of Australia](#), 3 April 2025, p 1; [Waste Management and Resource Recovery Association of Australia](#), 7 April 2025, pp 3 and 4.

¹⁰⁶ [Australian Local Government Association](#), 17 April 2025, p 5; [Southern Sydney Regional Organisation of Councils Inc](#), 17 April 2025, p 2; [WA Local Government Association](#), 22 April 2025, pp 1 and 2.

¹⁰⁷ [Australian Council of Recycling](#), 10 April 2025, p 2; [iQRenew](#), 9 April 2025, pp 1–2.

¹⁰⁸ [Australian Local Government Association](#), 17 April 2025, p 3; [Waste Management and Resource Recovery Association of Australia](#), 7 April 2025, p 2; [Zero Waste Victoria](#), 4 May 2025, p 2; [Liverpool City Council](#), 6 May 2025, p 1.

¹⁰⁹ [Australian Council of Recycling \(ACOR\)](#), 10 April 2025, p 2; [Australian Dairy Products Federation](#), 17 April 2025, p 4; [Clean Up Australia](#), 23 April 2025, p 3; [Waste Management and Resource Recovery Association of Australia](#), 7 April 2025, p 2.

on reducing plastic pollution.¹¹⁰ Other submissions make general claims the Scheme will reduce pollution.¹¹¹ Cleanaway notes products produced via mechanical recycling can pose pollution risks if they subsequently shed plastic into the environment (benches, bollards).

- 4.37. Some submissions identify the need for better public reporting on Scheme outcomes so that claimed environmental benefits can be verified.¹¹² Following the draft determination, a number of interested parties raised concerns about the potential for the Scheme to result in greenwashing, including by marketing the Scheme in a way that is disproportionate to the outcomes being achieved and/or misleading consumers into thinking the Scheme addresses the full scope of soft plastic waste, when it does not (given, for example, it excludes upstream production of soft plastics and business-to-business waste).¹¹³ Zero Waste Victoria submits that there must be strict conditions that ensure full lifecycle accountability and prevent greenwashing.¹¹⁴ Interested parties also submitted that SPSA members should be required to align their marketing with independently verified and publicly available performance results and be subject to conditions to ensure accurate labelling.¹¹⁵
- 4.38. Regarding greenwashing concerns, SPSA responded that SPSA's public reporting will ensure that the Scheme's environmental outcomes are transparent; that recycling traceability systems will ensure reported material flows are evidence-based and auditable; and that SPSA will provide guidance to participants regarding Scheme information and use of Scheme brand and other labelling (noting they also have obligations under the Australian Consumer Law regarding communications with consumers). SPSA submitted that it is confident that the Scheme will divert material quantities from landfill compared to the current situation.¹¹⁶
- 4.39. During the pre-decision conference, Zero Waste Victoria submitted that it agrees that recycling of soft plastics is in the public interest and that SPSA is likely to reduce the amount of soft plastic going to landfill. However, Zero Waste Victoria also submitted that framing soft plastic recycling as a public benefit overlooks systemic waste drivers, risks locking in inefficient practices and underestimates the likely public detriments from the use of soft plastics.¹¹⁷

ACCC views

- 4.40. The ACCC notes that SPSA's base case forecast of Scheme collection and recycling amounts¹¹⁸ range from 1,500–2,000 tonnes per annum in FY26 to 19,000–23,000

¹¹⁰ [Australian Marine Conservation Society](#), 22 April 2025, p 2.

¹¹¹ [3RG recycling](#), 7 April 2025, p 1; [Clean Up Australia](#), 23 April 2025, p 2; [Planet Ark](#), 7 April 2025, p 1.

¹¹² [Australian Council of Recycling \(ACOR\)](#), 10 April 2025, p 2; [Green Industries SA and EPA SA](#), 28 April 2025, p 2; [Southern Sydney Regional Organisation of Councils Inc](#), 17 April 2025, p 2; [Sustainability Victoria](#), 14 April 2025, p 1.

¹¹³ [Ballina Shire Council](#), 24 September 2025, p 2; [Zero Waste Victoria](#), 29 September 2025, pp 7–8; ACCC, [Record of Pre Decision Conference](#), 19 September 2025, pp 5, 11, 14. A number of consumer submissions also raised this concern.

¹¹⁴ ACCC, [Record of Pre Decision Conference](#), 19 September 2025, p 5; [Zero Waste Victoria](#), 29 September 2025, p 8.

¹¹⁵ [iQRenew](#), 24 September 2025, p 3; [Australian Marine Conservation Society](#), 26 September 2025, p 3; [Boomerang Alliance](#), 26 September 2025, p 1.

¹¹⁶ SPSA, [Applicant response to interested party submissions](#), 4 September 2025, p 8.

¹¹⁷ ACCC, [Record of Pre Decision Conference](#), 19 September 2025, p 1.

¹¹⁸ SPSA [Response to ACCC request for further information](#), 20 June 2025, Schedule 3: Collections and processing estimates (FY25 to FY33), p 35.

tonnes per annum in FY33. It submits this base case represents between <1% to 5% of business-to-consumer soft plastic placed on the market each year in Australia. This is a conservative base forecast. With more optimistic assumptions about Scheme funding, collections, processing capacity (including chemical recycling), end markets and policy settings, SPSA forecasts that the volume collected and recycled could be as high as 80,000–90,000 tonnes per annum by FY33 (17–20% of business-to-consumer soft plastic placed on the market).¹¹⁹

- 4.41. The ACCC accepts that the Proposed Conduct is likely to materially increase the amount of used soft plastic packaging that is recycled in Australia (and thereby diverted from landfill), relative to the future without, taking into account:
- The Proposed Conduct is likely to result in a greater number of instore collection points and expanded kerbside collection, since operating costs will be shared across all Scheme Participants (that is, more than the number who may unilaterally offer instore or kerbside collection in the future without). The ACCC notes that SPSA projects that under the Proposed Conduct the number of instore collection points may double from about 500 to 1,000 between FY26 and FY29 and the number of households receiving ‘bag in bin’ kerbside soft plastic collection services from about 50,000 in FY26 to more than 1 million from FY29.¹²⁰ The ACCC considers this is likely to make soft plastic recycling more convenient for more consumers, resulting in higher contributed volumes.
 - SPSA plans to recycle all soft plastic packaging received at collection points that is in-scope, irrespective of whether the material was placed on market by a Scheme Participant.¹²¹
 - The Proposed Conduct includes coordination to provide better and more consistent information to consumers about how to access soft plastic recycling options and how to appropriately dispose of used soft plastics, including steps consumers can take to achieve high quality feedstock. Under the Proposed Conduct, SPSA and Scheme Participants would be able to discuss and agree on communications to consumers and the public in relation to the Scheme and levy revenue would be used to fund marketing and education activities and materials, including instore campaigns and online materials. SPSA’s base case modelling provides for expenditure of \$1.2 million in FY26, increasing to \$13.25 million in FY33, on ‘brand, marketing, education, behaviour change.’¹²²
 - By facilitating the aggregation of feedstock volume and enabling more effective coordination of the movement of feedstock through the vertical supply chain (collection, transport, sorting, storage and processing), the Proposed Conduct is likely to result in a greater and more consistent flow of feedstock to processors, with less stockpiling.
- 4.42. For these reasons, the ACCC considers that the Proposed Conduct is likely to reduce the amount of soft plastic packaging going to landfill, relative to the future without, and that this is a source of public benefit.

¹¹⁹ SPSA, [Response to ACCC request for further information](#), 20 June 2025, Schedule 3: Collections and processing estimates (FY25 to FY33), pp 14–15.

¹²⁰ SPSA [Response to ACCC request for further information](#), 20 June 2025, Schedule 3: Collections and processing estimates (FY25 to FY33), p 35.

¹²¹ SPSA [Response to ACCC request for further information](#), 20 June 2025, p 13.

¹²² SPSA [Response to ACCC request for further information](#), 20 June 2025, Schedule 4.

- 4.43. The ACCC has considered SPSA's further claim that the Proposed Conduct will result in environmental public benefits by facilitating conservation of resources (by facilitating reduced production of new plastic products), reducing pollution (to the extent that recycling is less polluting than manufacture of new plastics), and reducing plastic litter pollution of waterways and oceans, including the additional claims made in SPSA's response to the draft determination. On the information before it, the ACCC considers:
- It is not likely that the Proposed Conduct would have a material effect on the level of production of new plastic during the period for which authorisation is sought.
 - The Proposed Conduct is not likely to materially change the volumes of plastic litter being windblown when tipped into recycling trucks and going into waterways and oceans during the period for which authorisation is sought.
- 4.44. Accordingly, on the information before it, the ACCC does not consider that the Proposed Conduct is likely to confer further environmental public benefits, additional to the likely public benefit from diverting used soft plastic volumes from landfill.
- 4.45. The ACCC also acknowledges concerns around the potential for the Proposed Conduct to result in greenwashing.¹²³ The authorisation does not exempt parties from their obligations under the Australian Consumer Law, including in relation to false and misleading environmental claims, advertising or labelling. Greenwashing behaviour is monitored by the ACCC.

Efficiencies through coordination and aggregation in the collection, transport, storage, sorting and/or processing of used soft plastics

SPSA submissions

- 4.46. SPSA submits that the Proposed Conduct reduces transaction costs, as SPSA will be the single point of contact for suppliers, compared to if entities were to engage unilaterally.¹²⁴
- 4.47. SPSA also submits that having a coordinated, collective approach to soft plastics recycling through the Scheme is likely to generate efficiencies through economies of scale.¹²⁵ Larger, aggregated volumes will allow service providers across collection, transport, sorting and processing to achieve lower per unit operating costs, which can be passed on to SPSA in the form of lower per tonne pricing.¹²⁶ Larger volumes will allow processors to operate further above their break even points, simultaneously providing lower per tonne pricing.

¹²³ Greenwashing is a term used to describe false or misleading environmental claims and makes business appear more environmentally beneficial than they are. Further information is available on the [ACCC's website](#).

¹²⁴ SPSA [Response to ACCC request for further information](#), 20 June 2025, p 18.

¹²⁵ SPSA, [Application for authorisation](#), 18 March 2025, Schedule 4: SPSA Constitution, p 33.

¹²⁶ SPSA [Response to ACCC request for further information](#), 20 June 2025, p 17.

ACCC view

- 4.48. Based on the information before the ACCC, it considers that the Proposed Conduct is likely to result in efficiencies in the form of:
- transaction cost savings as a result of SPSA collectively negotiating and managing contracts with third parties for collection, transport, storage, sorting and/or processing of used soft plastic packaging, compared to a future in which Scheme Participants individually negotiate and manage such contracts
 - economies of scale¹²⁷ and network density¹²⁸ in the collection of soft plastic waste given the more extensive network of instore collection points under the Proposed Conduct compared to the future without the Proposed Conduct
 - vertical economies of scope through SPSA's control and coordination of the flow of soft plastic feedstock through multiple stages of the vertical recycling supply chain.
- 4.49. The ACCC also accepts submissions from high-volume processors using advanced sorting technology, such as iQRenew, that the increased volume of feedstock (including high quality feedstock) under the Proposed Conduct is likely to enhance their ability to realise economies of scale in processing compared to the future without the Proposed Conduct. iQRenew's high-volume processing facility has been purpose built to process post-consumer (household) soft plastic waste.

Increased R&D and innovation to identify/develop end markets for recycled soft plastics

SPSA submissions

- 4.50. SPSA submits that the Scheme will provide market certainty to grow Australia's domestic capability for processing and recycling soft plastics, support new entrants to the market, deliver incentives for substantial investment and innovation by industry and stimulate end markets for recycled soft plastics.¹²⁹
- 4.51. SPSA submits that in relation to research and development, SPSA's involvement will largely take the form of strategic, indirect support, for example, providing materials to recyclers so they can engage in product research, development and testing, and participating in industry working groups involving the research sector. SPSA may contribute funds towards more direct forms of support, noting that these activities are often co-designed and/or co-delivered with partners.¹³⁰
- 4.52. SPSA submits that SPSA will also consider opportunities to use the Scheme funds to further invest in end markets, guided by the request for information/request for proposal process (among other things). These may include activities such as

¹²⁷ That is, the average cost of producing each unit of the service declines as the total quantity produced increases. This happens when fixed costs are significant and spread over a larger number of units.

¹²⁸ That is, the average cost of producing each unit of the service declines as the number of sites (collection points) operating in close proximity increases due to sharing of assets and infrastructure and streamlining of operations.

¹²⁹ SPSA, [Application for authorisation](#), 18 March 2025, p 31.

¹³⁰ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 17.

development of standards for recycled content applications, research and development for emerging recycled content applications, and/or advocacy for recycled content procurement targets in government and private sectors. It submits the Proposed Conduct will allow SPSA to provide the requisite feedstock to enable investment in end markets and facilitate offtake arrangements.¹³¹

- 4.53. SPSA also submits that it expects to facilitate a range of offtake end markets agreements and anticipates that for some channels, SPSA will be responsible for and own soft plastic material after processing, but for other channels it is anticipated that processors will take ownership of materials from processing. SPSA anticipates that for the most part, it will own the soft plastic material both prior to and after processing.¹³²
- 4.54. In response to the draft determination, SPSA reiterated its previous submissions and further submits that:
- A key role of SPSA's Stakeholder Advisory Council will be to focus on and provide technical and contract advice on R&D and innovation to drive end market demand, including providing practical advice to assist SPSA in directing funds to priority projects
 - SPSA will create commercial confidence necessary for businesses to invest in new technologies, product development and recycled content application by ensuring feedstock and facilitating offtake arrangements, as evidenced by submissions from recyclers such as iQRenew and Cleanaway
 - 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
 - As the Scheme matures, SPSA may co-fund targeted initiatives that contribute directly to R&D and/or end market innovation.¹³³

Interested party submissions

- 4.55. A number of interested parties submit the Scheme does not adequately address lack of end markets.¹³⁴ Australian Paper Recovery considers end market viability has been proven, whereas the Australian Council of Recycling considers market demand for recycled soft plastic products remains limited.
- 4.56. Some submissions highlight that the Scheme itself, without regulatory reforms, will not support end-market development. This includes regulatory reform to require packaging standards reform and minimum recyclable content.¹³⁵

¹³¹ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 12.

¹³² SPSA, [Response to ACCC request for further information](#), 20 June 2025, pp 12–13.

¹³³ SPSA, [Response to ACCC draft determination](#), 26 August 2025, p 3.

¹³⁴ [Clean Up Australia](#), 23 April 2025, p 3; [WA Local Government Association](#), 22 April 2025, p 1; [Viva Energy](#), 22 April 2025, p 3; Waste Management and Resource Recovery Association of Australia, 7 April 2025, p 3.

¹³⁵ [AFGC](#), 7 April 2025, p 1; [Clean up Australia](#), 23 April 2025, p 3.

- 4.57. Following the draft determination, interested parties reiterated a number of these concerns. Some also submitted that R&D and innovation (particularly waste avoidance) should be a priority for SPSA, with some suggesting SPSA should be required to allocate levy funds for these purposes.¹³⁶

ACCC view

- 4.58. The ACCC has considered the potential for the Proposed Conduct to result in public benefits by increasing R&D and innovation to identify/develop end markets for recycled soft plastics.
- 4.59. The ACCC notes that SPSA intends to monitor development in end markets and may provide some support for initiatives by others to develop end markets. However, SPSA has no commitment or plan to either directly fund specific end market R&D and innovation initiatives or itself engage in R&D and innovation to develop end markets.¹³⁷ The ACCC understands that the main way that SPSA plans to encourage R&D and innovation to develop end markets is through its coordination and facilitation of recycling of soft plastics, to provide greater certainty of feedstock volume for processors and businesses that use processed soft plastic material. While SPSA may provide some support to initiatives by others or participate in consultation processes, end market R&D and innovation agendas and activity will largely be driven and funded by businesses with a commercial interest in these markets, potentially with the benefit of government assistance (financial and non-financial). Following the draft determination, the ACCC does not consider that SPSA provided any materially new information or evidence to substantiate its claims with respect to this public benefit.
- 4.60. On the information before it, the ACCC does not consider that the Proposed Conduct is likely to result in a public benefit through increased R&D and innovation to develop end markets for recycled soft plastic material compared to the future without the Proposed Conduct.

ACCC conclusion on public benefit

- 4.61. For the reasons set out above, the ACCC considers that the Proposed Conduct is likely to result in public benefits from:
- environmental benefits due to diversion of soft plastics from landfill
 - efficiencies through coordination and aggregation in the collection, transport, storage, sorting and/or processing of used soft plastics.
- 4.62. The ACCC acknowledges that a number of interested parties raised concerns with the \$16 million REDcycle Stockpile Cost Set-off for Coles and Woolworths, for reasons including that levy funds should be directed solely to public benefit outcomes (rather than private profit), and a reduction in the levy amount available to

¹³⁶ [Circular Seed Pty Ltd](#), 22 August 2025, p 1; [Zero Waste Victoria](#), 25 August 2025, p 16; [Ballina Shire Council](#), 24 September 2025, p 2; [Australian Marine Conservation Society](#), 26 September 2025, p 6; [Boomerang Alliance](#), 29 August 2025, p 1; [Wildlife Queensland](#), 4 September 2025, p 2. A large number of consumer submissions also raised similar concerns.

¹³⁷ 'SPSA may contribute funds towards more direct forms of support, noting that these activities are often co-designed and/or co-delivered with partners.' SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 17.

the Scheme will undermine the realisation of the claimed public benefits.¹³⁸ The ACCC notes that in assessing the public benefits likely to result from the Proposed Conduct, it has considered the total levy collections available to realise public benefits after the proposed \$16 million REDcycle Stockpile Cost Set-off has been netted off.

Public detriments

4.63. The Act does not define what constitutes a public detriment. The ACCC adopts a broad approach. This is consistent with the Tribunal which has defined it as:

*...any impairment to the community generally, any harm or damage to the aims pursued by the society including as one of its principal elements the achievement of the goal of economic efficiency.*¹³⁹

4.64. SPSA submits that the Proposed Conduct is unlikely to result in any significant public detriments because:

- The Proposed Conduct does not prevent any individual Scheme Participant from exploring or developing soft plastics recycling capabilities in their own right.
- The Proposed Conduct will not detract from or adversely impact the development of other soft plastics recycling solutions such as:
 - the proposed inclusion of soft plastics in kerbside collection bins under standards being developed by the Victorian Government
 - action by APCO to convene a Flexible Plastics Materials Stewardship Committee
 - increased kerbside recycling by councils or development of additional soft plastics recycling capacity.
- The Proposed Conduct is not compulsory, and any Scheme Participant can opt out of any proposed collaboration.
- The Proposed Conduct does not involve any agreements on the price or supply of retail products or services sold by any of the Scheme Participants. Whether or not Scheme Participants pass on the Scheme Levy is voluntary and is intended to be determined independently by each Scheme Participant.
- 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 the soft plastic packaging would be minimal.
- The Scheme will appoint suppliers to provide services such as soft plastics collection, processing and recycling. This may result in the appointment of a limited number of suppliers. However, the market for processing and recycling soft plastics has struggled to develop and without the Proposed Conduct it is not likely that individual Scheme participants would be able to provide sufficient volume to warrant investment by suppliers.¹⁴⁰

¹³⁸ [Zero Waste Victoria](#), 29 September 2025, [iQRenew](#), 24 September 2025; [Port Phillip EcoCentre](#), 25 August 2025; [Australian Council of Recycling](#), 6 May 2025. A number of consumer submissions also raised this concern.

¹³⁹ *Re 7-Eleven Stores Pty Limited* (1994) ATPR 41-357 at 42,683.

¹⁴⁰ SPSA, [Application for authorisation](#), 18 March 2025, pp 34–35.

- 4.65. The ACCC has considered whether the Proposed Conduct would be likely to result in the following categories of public detriment:
- crowding out alternative soft plastic stewardship arrangements
 - increased barriers to entry and expansion by service providers who do not win SPSA contracts
 - facilitating the sharing of commercially sensitive information and/or market sharing between competitors.
- 4.66. The ACCC notes that following the draft determination, Zero Waste Victoria raised concerns about public detriments arising from the production and use of soft plastics.¹⁴¹ The ACCC has only taken into account public detriments that are attributable to the Proposed Conduct, compared to the future without the Proposed Conduct. The ACCC does not assess the Proposed Conduct against the standard of an ideal scheme design.
- 4.67. Additionally, the ACCC does not consider that the potential for Scheme Participants to pass through the cost of the Scheme levy to consumers is a source of public detriment. A number of interested parties, including Zero Waste Victoria, raised concerns that the levy will be passed through by Scheme Participants to consumers in the form of higher prices, with some submitting that this violates the ‘polluter pays’ principle.¹⁴² The ACCC notes that SPSA estimates that the impact of levy pass through on the price of products would be in the order of less than 1 cent to 3 cents initially and increasing to less than 4 cents to 8 cents in FY29, depending on the size of the item.¹⁴³
- 4.68. The ACCC considers that business pass-through of costs to customers, including costs to participate in environmental stewardship schemes and comply with government regulation, is a common commercial practice. It allows businesses to recover costs to remain commercially viable. Scheme Participants’ pass through of the levy is not likely to weaken their incentive to reduce the volume of soft plastics they place on the market where feasible (compared to the future without the Proposed Conduct). To the contrary, by reducing the volume of soft plastics they place on the market, Scheme Participants can lower their levy costs and improve their price offer to consumers to better compete with rivals.
- 4.69. The ACCC also acknowledges concerns raised by Zero Waste Victoria and other interested parties about the governance and transparency of the Scheme which are dealt with separately at paragraphs 4.133 to 4.154 below.

¹⁴¹ [Zero Waste Victoria – written presentation](#), 24 September 2025, p 3; ACCC, [Pre-decision conference record](#), 19 September 2025, p 4; [Zero Waste Victoria](#), 29 September 2025, pp 3–4.

¹⁴² [Zero Waste Victoria](#), 29 September 2025, pp 8– 9; [Ballina Shire Council](#), 24 September 2025, p 4; [Australian Marine Conservation Society](#), 26 September 2025, p 6; [Wildlife Queensland](#), 4 September 2025, p 2. A number of consumer submissions also raised this concern.

¹⁴³ Refer to Figure 3 on p 7 above.

Crowding out alternative soft plastic stewardship arrangements

Interested party submissions

- 4.70. APCO submits¹⁴⁴ that it currently collects soft plastic packaging data from members, publishes information on soft plastic packaging and recovery rates, convenes a flexible plastics material stewardship committee, facilitates the use of the Australasian Recycling Label on soft plastic packaging, provides industry guidance on 'design for recycling' for soft plastic packaging, and reports on progress towards the national packaging targets which encompasses soft plastics packaging.
- 4.71. APCO submits that it may move to eco-modulated fees and may use some of the fees to fund stages of the recycling processes (via Producer Responsibility Organisations¹⁴⁵ or directly). This may include soft plastics. APCO's intent to support and enter contracts with Producer Responsibility Organisations (such as SPSA) is not intended to pre-empt any decision by governments about the reform process or presuppose any role for APCO under a reformed framework.
- 4.72. APCO submits that multiple schemes operating could result in duplication of levies, fragmented data systems and competing reporting mechanisms, which could ultimately lead to confusion for brand owners, a reduction in transparency and impose unnecessary costs.
- 4.73. Zero Waste Victoria submits that the \$16m REDcycle Stockpile Cost Set-off, combined with SPSA's governance model, will entrench Coles and Woolworths as central scheme participants, crowding out alternative stewardship models; discourage new entrants; and limit meaningful influence from smaller retailers, all levels of government, the recycling sector, independent experts and community representatives.¹⁴⁶ Zero Waste Victoria also submits that in practice, brands are unlikely to fund multiple schemes, meaning levy participation will concentrate with SPSA, being supermarket led.¹⁴⁷

SPSA's submissions

- 4.74. In response to APCO's submission, SPSA submits that the Covenant is not the exclusive arrangement for reducing the environmental impact of packaging in Australia, noting the *Recycling and Waste Reduction Act 2020* (Cth) provides a framework for voluntary product stewardship schemes, as well as co-regulatory or mandatory schemes. SPSA submits that there is risk in failing to act immediately, and SPSA is best placed to do that, as APCO is not currently in a position to execute the operational aspects.

¹⁴⁴ In addition to APCO submissions the ACCC has also drawn on publicly available information on APCO's website, including its 2030 strategic plan.

¹⁴⁵ APCO defines a Producer Responsibility Organisation as 'an entity that manages collection and recycling on behalf of producers to meet extended producer responsibility obligations,' APCO, [From collective action to system impact: APCO member consultation paper](#), APCO, April 2025, p 45.

¹⁴⁶ [Zero Waste Victoria](#), 25 August 2025, p 10.

¹⁴⁷ [Zero Waste Victoria](#), 29 September 2025, p 4.

- 4.75. SPSA submits that discussions with APCO are ongoing, and that it sees a benefit in working with APCO, including utilising APCO's systems to deliver administrative efficiencies.
- 4.76. In response to the ACCC's request for further information, SPSA submits that Scheme Participants will not be restricted from joining alternative soft plastic stewardship schemes. Similarly, SPSA submits it does not intend to enter into exclusive arrangements with processors and notes that volumes collected through the Scheme are unlikely to exceed available processing capacity even without exclusive terms.

ACCC view

- 4.77. The ACCC understands that APCO and Curby are 2 alternative soft plastic stewardship arrangements that potentially compete with SPSA to attract members/participants, collect levies and data and/or provide services relating to the collection and/or recovery of used soft plastics in Australia.
- 4.78. The ACCC has considered the potential for the Proposed Conduct to crowd out or foreclose other soft plastic stewardship arrangements by making it more difficult or costly for organisers to:
- attract members/participants and collect levies
 - collect or report information, and/or
 - provide or acquire used soft plastic collection, transport, storage, sortation and/or processing services.

Attracting member/participants and collecting levies

- 4.79. The ACCC considers that the Proposed Conduct is not likely to prevent or hinder alternative soft plastic stewardship arrangements from competing to attract members/participants and collecting levies.
- 4.80. The ACCC notes that the Proposed Conduct does not provide for restriction by SPSA on members or participants joining or switching to an alternative soft plastics stewardship arrangement. Rather, the Proposed Conduct is only in respect of a voluntary product stewardship scheme.
- 4.81. The ACCC has specifically considered whether the proposed REDcycle Stockpile Cost Set-off is likely to materially weaken Coles or Woolworths' incentive to switch to an alternative stewardship arrangement in the future, for example if a more efficient or effective stewardship scheme emerges. As previously explained, the REDcycle Stockpile Cost Set-off is a provision under the Proposed Conduct for Coles and Woolworths to receive a combined \$16 million discount on their levies over 8 years if they remain members of the Scheme. The ACCC is satisfied that this does not materially weaken their incentive to switch to a preferred alternative arrangement in future, taking into account:
- The (confidential) amount of levy they would be liable to pay each year, even after the application of the offset.

- An offset amount would be applied annually, taking the form of a discount on Coles and Woolworths' annual levies payable to the Scheme.
- SPSA does not intend to recoup any past offset should Coles or Woolworths cease to be members or otherwise participate in the Scheme.¹⁴⁸

4.82. The ACCC understands that APCO does not currently charge a levy based on the amount of packaging a business places on the market. It charges a membership fee based on business turnover.¹⁴⁹ APCO's concern about SPSA's proposal to implement its own Scheme levy is that, should APCO also introduce a levy in the future, SPSA participants who are also APCO members may be charged 2 separate levies for potentially overlapping activities. That is, they may be charged twice for the same packaging placed on the market.

4.83. The ACCC considers that the issue of future double charging of businesses can be managed by agreement between APCO and SPSA, or otherwise through amendments to the NEPM to clarify that participants need only pay once for the collection and recovery of their used soft plastics. The ACCC notes that the NEPM already provides that relevant businesses may be deemed compliant with their obligations (without being a member of APCO) by participating in a product stewardship scheme that produces equivalent outcomes to APCO.¹⁵⁰

Data collection and reporting

4.84. The ACCC has considered whether there is a potential for the Proposed Conduct to impede APCO's ability to collect and publish various data about plastic use and recovery. The ACCC understands that APCO publishes a Flexible Plastic Consumption and Recovery Factsheet, provides annual data on plastic placed on the market (business-to-consumer and business-to-business), plastic recovery and processing capacity, and progress towards the National Packaging Targets.

4.85. The ACCC considers that the Proposed Conduct is not likely to prevent or hinder APCO from obtaining information from SPSA or individual SPSA members on the basis that:

- SPSA will focus its information gathering and reporting on the Scheme, whereas APCO will likely continue to adopt industry-wide reporting across all forms of used packaging, not just soft plastics.
- SPSA submits that the form of data collected through the Scheme is to align with APCO definitions and reporting frameworks, meaning members can use the data they have already collected/reported to APCO to fulfill their reporting obligations under the SPSA Scheme.¹⁵¹
- The Proposed Conduct provides for information sharing between SPSA and APCO, including market analysis and modelling.
- Individual SPSA Scheme Participants with annual turnover of \$5 million or more would continue to be required to be a member of APCO or report to state and

¹⁴⁸ SPSA, [Response to ACCC request for further information](#), 21 July 2025, p 1.

¹⁴⁹ APCO, [Covenant Obligations](#), accessed 24 October 2025.

¹⁵⁰ DCCEEW, [Taking Responsibility for our packaging](#), 2 August 2023, accessed 1 August 2025.

¹⁵¹ SPSA, [Response to APCO response to ACCC request for further information](#), 9 July 2025, p 1.

territory governments under the NEPM.¹⁵² The ACCC understands that participation in the SPSA Scheme will currently not excuse such participants from these reporting obligations.

Providing or acquiring used soft plastic collection, transport, storage, sortation and/or processing services

- 4.86. SPSA seeks authorisation to engage in exclusive dealing with service providers engaged in the collection, transport, storage, sortation and processing of soft plastics, but submits that it does not currently intend to enter into exclusive contracts with respect to processing.¹⁵³ The ACCC notes that APCO does not currently have arrangements with used soft plastics service providers, including processors, or engage in operational activities for the collection and recovery of used soft plastics.
- 4.87. The ACCC understands that councils, intermediaries such as Curby, and potentially APCO in future (if it becomes involved in operational activities for the collection and recovery of used soft plastics) are likely to compete with SPSA to supply or acquire some or all services relating to the collection, transport, storage and/or processing of used soft plastic.
- 4.88. The ACCC has considered whether exclusive dealing by SPSA at any level of the vertical supply chain – comprising collection, transport, storage and processing of soft plastics – is likely to leave room for one or more alternative schemes to operate. This condition may not be met in situations where there are few, if any, alternative providers of the relevant service.
- 4.89. The ACCC notes that SPSA's 'base case' and 'high side' forecasts indicate that the Scheme would collect and recover <1 to 5% (base case) or at most 20% (high side) of business-to-consumer soft plastics placed on the market per annum between 2026 and 2033 and not collect or recover any business-to-business soft plastics placed on the market (which account for 30% of total soft plastics placed on the market).¹⁵⁴
- 4.90. The ACCC considers, on the information before it, it is not likely that exclusive contracting would foreclose rival schemes from establishing their own collection, transportation and storage arrangements for used soft plastics. However, the likelihood of them doing so depends on their ability to also access processing capacity.
- 4.91. The ACCC considers that under the Proposed Conduct there is a real likelihood that SPSA would enter into an exclusive arrangement with one or more processors. The ACCC is concerned that an exclusive contract between SPSA and processors, particularly advanced mechanical processors such as iQRenew or emerging chemical processors, would give rise to material public detriment by foreclosing rival schemes' access in circumstances where there are few, if any, alternative processing options (see paragraph 2.3).

¹⁵² [APCO](#), 9 May 2025, p 23; [DCCEEW, Taking Responsibility for our packaging](#), 2 August 2023, accessed 1 August 2025.

¹⁵³ SPSA [Response to ACCC request for further information](#), 20 June 2025, p 22.

¹⁵⁴ SPSA [Response to ACCC request for further information](#), 20 June 2025, pp 14–15, 35.

- 4.92. Accordingly, the ACCC considers that the Proposed Conduct is likely to give rise to public detriment by foreclosing rival soft plastic stewardship scheme's access to processing services. The ACCC considers that a condition requiring that no exclusive contracts with processors are entered into will reduce the likelihood of this public detriment arising (discussed further paragraph 4.143).
- 4.93. As such, the ACCC considers that with a condition requiring that no exclusive contracts with processors are entered into, the Proposed Conduct is not likely to result in public detriment due to crowding out alternative soft plastic stewardship arrangements.

Increased barriers to entry and expansion by service providers who do not win SPSA contracts

SPSA submissions

- 4.94. As part of the Proposed Conduct, SPSA seeks authorisation to arrange and acquire services to implement the Scheme, including entering into and giving effect to contracts with third parties for the collection, transport, sortation, storage, processing and recycling of used soft plastics, as well as third-party services for collecting and managing and auditing packaging data.
- 4.95. In response to the ACCC's request for further information, SPSA submits that it will not place restrictions on Scheme Participants or SPSA members from dealing with other parties who are not SPSA members or Scheme Participants. SPSA also submits that it is a matter for the retailers whether they require their suppliers to become a Scheme Participant, but it is not part of the scheme design as participation in the Scheme is intended to be voluntary.
- 4.96. SPSA submits that it does not intend to enter exclusive arrangements with processors, instead it intends to rely on a diverse network of processing partners to maximise the proportion of feedstock which can be recycled and making the Scheme resilient to disruptions. However, SPSA also submits that it will have greater visibility over terms with service providers once it completes the request for information process.
- 4.97. SPSA also submits that it will not place any restrictions on Scheme Participants joining other soft plastic stewardship schemes.
- 4.98. SPSA submits that how frequently it intends to contract for services will depend on the type of contract, as well as the length of authorisation granted by the ACCC. SPSA intends to enter shorter term contracts for services it identifies as 'low risk,' such as transport and storage. Subject to ACCC authorisation, longer term contracts would be entered into with processors and sortation contracts with Material Recovery Facilities would align with the term of their existing Council contracts.¹⁵⁵

¹⁵⁵ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 22.

Interested party submissions

4.99. The Australian Council of Recycling submits that the long-term viability of soft plastic recycling infrastructure depends on consistent volume of feedstock and access to end markets. Processing facilities require reliable supply, without which they cannot operate sustainably.¹⁵⁶ Similarly iQRenew submits that without a guaranteed level of feedstock, it could not sustain its Soft Plastic Engineered Commodity facility, designed to process up to 14,000 tonnes per year. iQRenew also submits that growth of Australia's soft plastic recycling infrastructure hinges on sufficient, long-term, high-volume supply and contracts.¹⁵⁷

ACCC view

4.100. The ACCC has considered whether the Proposed Conduct would increase barriers to entry and/or expansion for service providers engaged in the collection, transport, sorting, storage or processing of used soft plastics who do not secure SPSA contracts.

4.101. In assessing this, the ACCC has had regard to a range of information, including the scope of the Proposed Conduct, SPSA's projected collection and recovery volumes under the Proposed Conduct,¹⁵⁸ SPSA submissions regarding intended contract terms and use of exclusive contracts (referenced above and below), and a limited number of submissions that shed light on the availability of alternative sources of supply and buyers at each level in the vertical soft plastics recycling supply chain in the future with the Proposed Conduct, compared to the future without.

4.102. As noted previously, SPSA submits that under its base case projections, the Scheme is expected to collect and recover between <1% to 5% of business-to-consumer soft plastic placed on the market each year between 2026 and 2033. Under best case or 'high side' projections, SPSA expects to collect and recover at most 20% per annum of business-to-consumer soft plastic placed on the market by 2033.

4.103. In relation to its contracting intentions, the ACCC notes that SPSA submits:

- The length of its contracts will vary for each service, but it intends to follow global best practice, with shorter contract terms services such as transport and storage, sortation contracts aligning with the remaining term of council contracts, and longer terms for processing contracts to support investment.¹⁵⁹
- It does not intend to enter into exclusive arrangements with processors, though it has not ruled them out. As discussed above, SPSA seeks authorisation to engage in exclusive dealing.¹⁶⁰

4.104. The ACCC considers that businesses that do not win an SPSA contract will not necessarily be worse off compared to the future without the Proposed Conduct. They would only be worse off to the extent that they likely would have secured

¹⁵⁶ [Australian Council of Recycling](#), 10 April 2025, p 3.

¹⁵⁷ [iQRenew](#), 9 April 2025, p 2.

¹⁵⁸ SPSA, [Response to ACCC request for further information](#), 20 June 2025, pp 14–15, p 35.

¹⁵⁹ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 22.

¹⁶⁰ SPSA, [Amendment to description of Proposed Conduct](#), 22 July 2025, p 2.

contracts with individual SPSA participants (acting unilaterally) in the future without the Proposed Conduct. As noted previously, the ACCC considers that SPSA Scheme Participants' incentives to act unilaterally would be weakened by the inability to coordinate (see paragraph 4.21).

- 4.105. The ACCC considers the risk of the Proposed Conduct increasing barriers to entry and expansion in the provision of soft plastic recycling services is potentially greatest for businesses that do not secure a contract with SPSA and who otherwise struggle to access sufficient volume and/or quality of feedstock to sustain a commercially viable operation.
- 4.106. On this criteria, the ACCC considers that advanced mechanical and chemical processors, and associated sorting businesses, are likely to be particularly reliant on SPSA contracts due to their high-volume feedstock requirements. However, SPSA is also likely to be reliant on these processors to fulfil its recovery objective. The ACCC notes that advanced mechanical and chemical processors are better placed, compared to other processors, to produce greater volumes of high value outputs (pellets suitable for use in the manufacture of food-grade products). Under processing arrangements where SPSA pays for the processing of feedstock and retains ownership of pellets produced by the processor, this enables SPSA to realise more revenue and/or potentially have a greater role in the development of high value end markets. The ACCC therefore considers that SPSA has an incentive to negotiate contracts with most, if not all, processors with advanced capability.
- 4.107. Processors whose services include standard mechanical processing can use plastic bags, bubble film and shrink wrap as feedstock. The ACCC considers that business-to-business soft plastics (which is out of scope for the SPSA Scheme, but accounts for around 30% of all soft plastics placed on the market) are likely to be a viable alternative source of feedstock for standard mechanical processors, potentially making them less reliant on business-to-consumer feedstock via the SPSA Scheme.
- 4.108. On the information before it, the ACCC does not consider that the Proposed Conduct is likely to give rise to public detriment by materially increasing barriers to entry and/or expansion for service providers involved in soft plastics recycling who do not secure SPSA contracts.

Facilitating the sharing of commercially sensitive information and/or market sharing between competitors

SPSA submissions

- 4.109. In response to the ACCC's request for further information, SPSA submits that it will take steps to ensure that commercially sensitive information is not shared between SPSA members. SPSA indicates that APCO could be engaged by SPSA as a service provider for the purposes of collecting and managing packaging data under a 'black box' arrangement where data is collected by a third party. SPSA submits that discussions between SPSA and APCO are ongoing.¹⁶¹

¹⁶¹ SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 1.

4.110. In response to the ACCC's request for further information, SPSA submits that information sharing between SPSA and the Soft Plastics Taskforce would include details of service terms/contracts with service providers, operational costs (transport, storage and processing), key data and metrics related to instore collections (participation rates, volumes collected and volumes recycled), forecasts including store operational rollout plans and collection forecasts.¹⁶²

ACCC view

4.111. The ACCC considers that where commercially sensitive information is shared amongst competitors, there is a risk that this could result in public detriment by lessening competition. Such information sharing creates a risk of collusion or coordinated conduct beyond what has been authorised.

4.112. The ACCC considers that some of the information to be shared between SPSA and Scheme Participants is likely to be commercially sensitive in nature, including volumes of soft plastics placed on the market.

4.113. The ACCC notes that SPSA is proposing to implement protocols, such as a 'black box' arrangement whereby commercially sensitive and confidential information is collected by a third-party collection agent. Similarly, the proposed Scheme Agreement provides that confidential information shall be managed through a Confidentiality Protocol to be implemented by SPSA.¹⁶³

4.114. The ACCC considers that the information SPSA proposes to collect from Scheme Participants is proportionate and necessary for the operation of the Scheme. The ACCC also considers that the proposed third-party collection arrangement is likely to mitigate the risk of Scheme Participants having access to each other's commercially sensitive information and therefore limits the risk of collusion beyond the scope of the Proposed Conduct.

4.115. In relation to sharing of information between members of the Taskforce and SPSA, the ACCC considers that the information proposed to be shared is reasonable to enable the transfer of the current instore collection programs from the Taskforce to SPSA, to enable SPSA to continue operation of those programs.

4.116. SPSA seeks authorisation for sharing of market analysis, modelling, research and packaging placed on market data between SPSA and APCO. Provided the information to be shared by SPSA is whole-of-scheme data that does not identify any individual participant or sub-group of participants, the ACCC considers that the information proposed to be shared between APCO and SPSA as contemplated in the Proposed Conduct is reasonable.

4.117. Accordingly, the ACCC considers that the Proposed Conduct is unlikely to result in public detriment in the form of facilitating the sharing of commercially sensitive information and market sharing between competitors.

¹⁶² SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 23.

¹⁶³ SPSA, [Application for authorisation](#), 18 March 2025, p 95; SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 1.

ACCC conclusion on public detriment

- 4.118. The ACCC considers that the Proposed Conduct is likely to give rise to public detriment by foreclosing rival soft plastic stewardship scheme's access to processing services. However, the ACCC considers that a condition requiring that no exclusive contracts with processors are entered into, will reduce the likelihood of this public detriment arising.
- 4.119. As such, the ACCC considers that the Proposed Conduct is unlikely to result in public detriments in the form of:
- crowding out an alternative stewardship arrangement for soft plastics
 - barriers to entry and expansion for service providers who do not win SPSA contracts
 - facilitating the sharing of commercially sensitive information and/or market sharing between competitors.

Balance of public benefit and detriment

- 4.120. The ACCC considers that the Proposed Conduct is likely to result in public benefits in the form of:
- environmental benefits due to diversion of soft plastics from landfill
 - efficiencies through coordination and aggregation in the collection, transport, storage, sorting and/or processing of used soft plastics.
- 4.121. The ACCC considers that Proposed Conduct is likely to give rise to public detriment by foreclosing rival soft plastic stewardship scheme's access to processing services. The ACCC considers that a condition requiring that there is no restriction on recycling processors from supplying services to another customer, will reduce the likelihood of this detriment arising.
- 4.122. The ACCC considers that the Proposed Conduct is unlikely to result in public detriment in the form of:
- with the above condition, crowding out an alternative stewardship arrangement for soft plastics
 - barriers to entry and expansion for service providers who do not win SPSA contracts
 - facilitating the sharing of commercially sensitive information and/or market sharing between competitors.
- 4.123. Therefore, for the reasons outlined in this determination, the ACCC is satisfied that the Proposed Conduct is likely to result in a public benefit and that this public benefit would outweigh any likely detriment to the public from the Proposed Conduct

Length of authorisation

- 4.124. The Act allows the ACCC to grant authorisation for a limited period of time.¹⁶⁴ This enables the ACCC to be in a position to be satisfied that the likely public benefits will outweigh the detriment for the period of authorisation. It also enables the ACCC to review the authorisation, and the public benefits and detriments that have resulted, after an appropriate period.
- 4.125. In this instance, SPSA seeks authorisation for 8 years. SPSA submits that authorisation for 8 years will enable it to enter into processing and recycling contracts of a sufficiently long length to provide investment confidence to processors and allow infrastructure establishment costs to be amortised.¹⁶⁵ SPSA submits that a shorter period would result in shorter contracts with processors, providing less certainty for processors and impacting expansion of the Scheme.¹⁶⁶
- 4.126. Cleanaway submits that an 8-year authorisation period may not be sufficient to drive long-term investment, noting that construction of at scale facilities, combined with the need to secure regulatory approvals can often mean it takes a minimum of 4 years for a project to go from concept to commissioning.¹⁶⁷ While not addressing length of authorisation directly, iQRenew submits that the growth of Australia's soft plastic recycling infrastructure relies on long-term, high-volume supply and contracts.¹⁶⁸
- 4.127. Boomerang Alliance supported the 8-year authorisation timeframe in its initial submission.¹⁶⁹ However, at and following the pre-decision conference, Boomerang Alliance submitted that the proposal to authorise a voluntary scheme (with limited industry coverage) for 8 years is strongly opposed as it will stymie the timing of introduction of a mandatory scheme covering all producers, reducing the urgency of action by government and business; and therefore that the ACCC should refuse authorisation or only grant for a very limited period.¹⁷⁰ iQRenew initially submitted that it supported an 8-year authorisation as this would give stakeholders confidence for a long-term national solution, although it subsequently acknowledged that SPSA may entrench industry-led priorities during ongoing government reforms and SPSA should adapt as stronger national frameworks emerge.¹⁷¹

ACCC view

- 4.128. The ACCC considers it is appropriate to grant authorisation for the period sought by SPSA, acknowledging that processors require a level of certainty of feedstock to drive investment in facilities required to process used soft plastic packaging.

¹⁶⁴ Subsection 91(1)

¹⁶⁵ SPSA, [Application for authorisation](#), 18 March 2025, p 27.

¹⁶⁶ SPSA, [Response to ACCC request for further information](#), 20 June 2025, pp 18–19.

¹⁶⁷ [Cleanaway Waste Management](#), 17 April 2025, p 1.

¹⁶⁸ [iQRenew](#), 9 April 2025 p 2.

¹⁶⁹ [Boomerang Alliance](#), 8 April 2025, p 3.

¹⁷⁰ [Boomerang Alliance](#), 26 September 2025, p 1; ACCC, [Pre-decision conference record](#), 19 September 2025, pp 13, 15; [Boomerang Alliance](#), 28 October 2025, p 1.

¹⁷¹ [iQRenew](#), 3 October 2025, p 3.

4.129. The ACCC recognises that government is considering national packaging reform options but that the timelines and outcomes of that reform program are currently uncertain. The ACCC acknowledges the role of DCCEEW in advising government on the nature or timing of any policy or regulatory reforms. As noted in paragraph 4.25, the ACCC does not consider that authorisation of the Proposed Conduct will replace, diminish or delay the capacity of government to introduce regulations to reform and/or regulate soft plastic packaging should it seek to do so. However, the ACCC notes that should it become apparent that a material change of circumstances has occurred after any authorisation is granted, including as a result of regulatory reform, the ACCC may consider exercising its power to revoke the authorisation (and substitute it with a new authorisation).

4.130. Accordingly, the ACCC has decided to grant authorisation for a period of 8 years.

Conditions

4.131. The ACCC may specify conditions in an authorisation. The legal protection provided by authorisation does not apply if any conditions are not complied with.¹⁷²

4.132. There is no express limit in the Act on the kinds of conditions that may be imposed. However, the Tribunal has held that that does not mean there is an unconfined discretion to impose whatever conditions the ACCC considers appropriate. The ACCC's power to impose conditions is constrained by the subject matter, scope and purpose of the Act.¹⁷³ The Tribunal has also stated that it accepts that:

*... where a proposed contract, arrangement or understanding, covenant or conduct is an industry code of ethics which creates a system of self-regulation in the public interest, it is not for the ACCC or the Tribunal to use the conditioning power and its discretion in order to construct and impose its ideal or preferred system of self-regulation. The imposition of a condition designed to enhance or increase the likelihood of benefits said to flow from a voluntary code is a far cry from redrafting the Code.*¹⁷⁴

Prior to the draft determination

4.133. APCO previously submitted that authorisation should be subject to conditions relating to amendments to SPSA's objects and board composition, scope of activities under the Scheme, reporting requirements and requirements on SPSA to consult with APCO. APCO also previously submitted that authorisation should be subject to a mandatory ACCC review of the Scheme at the end of 3 years to assess whether SPSA is operating in alignment with the NEPM and the Scheme is delivering measurable public benefits.¹⁷⁵

4.134. In response, SPSA submitted that while SPSA is willing to work with APCO in relation to the Scheme, the conditions proposed by APCO were unnecessary and/or

¹⁷² Subsection 88(3) of the Act.

¹⁷³ *Application by Medicines Australia Inc* [2007] ACompT 4, at [129].

¹⁷⁴ *Application by Medicines Australia Inc* [2007] ACompT 4, at [134].

¹⁷⁵ [APCO](#), 9 May 2025, p 114.

inappropriate and generally do not add public benefit to SPSA's proposal. Following the draft determination, APCO submitted that it supports the conditions in the draft determination to ensure fair access and transparency, and is committed to supporting SPSA in building a successful scheme.¹⁷⁶

- 4.135. SPSA submits that it will include in its annual reports a number of metrics as referred to in paragraph 1.34.

Following the draft determination

- 4.136. The ACCC's draft determination proposed to grant authorisation with a condition requiring that SPSA does not enter exclusive contracts with processors and a condition requiring SPSA to publish an annual report on key Scheme outcomes.¹⁷⁷
- 4.137. SPSA subsequently submitted that it is willing to comply with both of the ACCC's proposed conditions in the draft determination. In relation to the proposed reporting condition, SPSA suggested one minor amendment, namely adding the following underlined wording to paragraph 1(a) of Condition 2: 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).
- 4.138. Interested parties recommended a large number of further reporting metrics or broader conditions that should be imposed on the authorisation. SPSA provided a response in relation to a number of these recommendations and why it considers they are already included in the ACCC's proposed reporting condition or otherwise not necessary or appropriate.¹⁷⁸
- 4.139. A number of the reporting metrics recommended by interested parties are already incorporated into Condition 2 as proposed in the draft determination. Of the additional reporting metrics recommended by interested parties, these include:¹⁷⁹
- SPSA reporting on tonnage sent to landfill, as well as quality assurance and contamination controls.¹⁸⁰ In response, SPSA submits that it will consider reporting on these metrics at a high level, and will require transparent reporting from contracted recyclers, including contamination removed from collected materials and sent to landfill or otherwise recovered
 - The Scheme should include time-bound targets and reporting requirements for the whole soft plastics lifecycle, including the reduction of soft plastics entering the market, recovery, recycled content in packaging, and end market

¹⁷⁶ [APCO](#), 25 August 2025, p 1.

¹⁷⁷ See paragraphs 4.110 to 4.117 and paragraph 5.10 of the [Draft determination and interim authorisation decision](#), 11 August 2025.

¹⁷⁸ SPSA, [Applicant response to interested party submissions](#), 4 September 2025, pp 12–15.

¹⁷⁹ Other reporting metrics suggested by interested parties beyond those listed here include: reporting on industry participation by market share, and on council-level participation and education outcomes; reporting on offtake; cost analysis of and/or displaying the impacts of the Scheme levy on retail pricing; reporting on the Schemes' wildlife and biodiversity impacts; annual reporting to be published on all Scheme Participants' websites.

¹⁸⁰ [Veolia ANZ](#), 25 August 2025; [Inger Boerema](#), 25 August 2025, p 6.

development.¹⁸¹ In response, SPSA submits that these are matters for government and/or APCO, but that that the levy will act as a disincentive to use soft plastics, and SPSA will consider how it can stimulate demand for post-consumer recycled content.

- 4.140. Interested parties also proposed broader conditions or limitations on the authorisation. These include governance-related recommendations, including that the SPSA board should include a minimum percentage of independent directors (such as 40% or 50%), including those with relevant environmental skills, and a government/regulatory observer with veto power; that board decisions and Stakeholder Advisory Committee recommendations (and whether adopted) should be publicly disclosed; that SPSA's governance arrangements should include parties from the broader supply chain; and a prohibition on member clawbacks or special payments (as discussed in the ACCC's views at paragraph 4.62).
- 4.141. In response, SPSA submits that its governance structure reflects global best practice and producer responsibility. It submits that SPSA has been established as a not-for-profit to ensure independence and notes that directors have duties imposed by the *Corporations Act 2001* (Cth). SPSA's constitution provides for appointment for directors from industry associations or small and medium-sized enterprises and up to 2 independent directors. SPSA has committed to the appointment of 2 independent directors, having stated that it anticipates the appointment of an independent chair imminently and that it expects to appoint a further independent director during the course of 2025.¹⁸² Additionally, SPSA submits that the Stakeholder Advisory Council will provide a forum for the broader value chain to inform SPSA's operations.
- 4.142. Interested parties also recommended additional transparency conditions or measures, including that SPSA should publish audited reports of its performance against Scheme metrics to ensure outcomes align with actual environmental benefit (as discussed in the ACCC's views at paragraph 4.37) and publish audited financial reports; that independent reviews be conducted at more regular intervals; and that SPSA provide a clear definition of 'commercially sensitive information' and report publicly on information that is withheld, to avoid non-disclosure of underperformance or protecting commercial interests.¹⁸³ In response, SPSA submits it has committed to independent reviews of the Scheme's operations at appropriate junctions, and that the traceability systems for contracted recyclers will ensure that reported outcomes are evidence-based and auditable.¹⁸⁴

¹⁸¹ [Zero Waste Victoria](#), 29 September 2025, p 16; [Inger Boerema](#), 25 August 2025, p 6; [iQRenew](#), 24 September 2025, p 2; [Product Stewardship Centre of Excellence](#), 19 September 2025, p 11; [Elanora State High School](#), 25 August 2025, p 1; [Ballina Shire Council](#), 24 September 2025, pp 2–3; [Australian Marine Conservation Society](#), 26 September 2025, p 7; [Boomerang Alliance](#), 26 September 2025, p 1; [Wildlife Queensland](#), 4 September 2025, pp 2–3; [Australian Council of Recycling](#), 6 May 2025, pp 6–7. A number of consumer submissions also raised this concern.

¹⁸² ACCC, [Pre-decision conference record](#), 19 September 2025, p 8; SPSA, [Applicant response to interested party submissions](#), 4 September 2025, p 7; SPSA, [Response to ACCC request for further information](#), 20 June 2025, p 25.

¹⁸³ [Zero Waste Victoria](#), 29 September 2025, pp 14–16; [iQRenew](#), 24 September 2025, p 2; [Product Stewardship Centre of Excellence](#), 19 September 2025, pp 11–12; [Wildlife Queensland](#), 4 September 2025, pp 2–3; [Australian Council of Recycling](#), 6 May 2025, pp 6–7; [Australian Local Government Association \(ALGA\)](#), 17 April 2025, pp 6–7.

¹⁸⁴ SPSA, [Applicant response to interested party submissions](#), 4 September 2025, p 14.

ACCC view

Exclusive contracts condition

4.143. The ACCC maintains the view in its draft determination that a condition is necessary to reduce the likelihood of public detriment arising due to exclusive contracts with processors as discussed above at paragraph 4.92. This condition is set out below in paragraph 5.10 (**Condition 1**).

Other conditions

4.144. When assessing authorisation applications for stewardship schemes, the ACCC has regard to governance arrangements and transparency of outcomes. The ACCC has considered SPSA's governance arrangements and notes that SPSA has publicly disclosed its board structure (including an independent Chair), constitution and details of its Stakeholder Advisory Council (detailed at paragraphs 1.7 to 1.10). It acknowledges concerns raised by numerous interested parties regarding the governance of the Scheme, particularly concerns about the lack of independent directors and broader industry representation on the SPSA board. The ACCC also acknowledges that it appears the SPSA board has discretion as to whether to consult the Stakeholder Advisory Council and seek its recommendations.¹⁸⁵

Reporting condition

4.145. The ACCC considers, consistent with its draft determination, that a reporting condition is appropriate to ensure transparency and public awareness of the Proposed Conduct, including the realisation of public benefits resulting from the Proposed Conduct.

4.146. The ACCC considers it appropriate that the metrics SPSA proposes to include in its annual reports and other metrics (including some identified by interested parties following the draft determination)¹⁸⁶ be formalised as a condition to be reported in the annual report to be published on its website. This reporting will ensure participants, and the public, receive a sufficient degree of transparency in respect of the Scheme's operations and governance, including the realisation of public benefits resulting from the Proposed Conduct.

4.147. The reporting condition is set out in detail in paragraph 5.11 (**Condition 2**). The condition is the same as that proposed in the draft determination, except for an additional requirement to report on the volume of soft plastics sent to landfill, and on the proportion of levy revenue that is allocated to cover administrative costs of the Scheme. The condition also adopts SPSA's proposed amendment regarding data on the total volume of soft plastics placed on the market (per paragraph 4.137 above). In respect of reporting on soft plastics sent to landfill (per paragraph 5.11(e) below), the ACCC understands and expects that SPSA will include this reporting requirement in its agreements with processors, and seek to ensure the information provided from processors is as detailed and accurate as possible and accurately

¹⁸⁵ SPSA, [Application for authorisation](#), 18 March 2025, pp 24, 116.

¹⁸⁶ Namely, the tonnage of soft plastic sent to landfill: see [Inger Boerema](#), 25 August 2025, p 6.

reflected in SPSA's reporting under the condition. In particular, the ACCC expects that SPSA will be able to source the necessary volume information from processors in order for SPSA to accurately calculate the specified percentages.

- 4.148. Based on the information before it, and the assessment above, the ACCC does not consider it appropriate to require SPSA to report on other additional metrics in order to provide adequate transparency over the Proposed Conduct and the Scheme's operation and governance.

Independent director condition

- 4.149. The ACCC considers that SPSA's commitment to appoint 2 independent directors is important and has taken account of this commitment as part of its assessment. The ACCC considers that it is appropriate to specify as a condition of authorisation that SPSA will include at least 2 independent directors on its board. The ACCC considers this guarantees a level of independence in SPSA's governance arrangements and provides a level of accountability and transparency over the Proposed Conduct. The ACCC notes that SPSA's constitution does not require the appointment of a specific number of independent directors but only allows for 'up to' 2 independent directors to be appointed (refer to paragraph 1.8). The ACCC notes that SPSA expects to appoint 2 independent directors during the course of 2025. The condition is set out in full in paragraph 5.12 (**Condition 3**).

Independent review condition

- 4.150. The ACCC also considers that a condition requiring SPSA to conduct independent, external reviews of the Scheme's operation and governance in both the 3rd and 7th years of the Scheme's operation is appropriate to ensure, and contain sufficient information to facilitate, transparency and public awareness of the Proposed Conduct, including the realisation of public benefits resulting from the Proposed Conduct. The condition is set out in full in paragraph 5.13 (**Condition 4**).
- 4.151. The ACCC notes that SPSA has already stated that it intends to conduct independent reviews in the 3rd and 7th years of the Scheme's operation (see paragraph 1.38), albeit the scope of the information proposed to be included in these reviews is more limited in some respects than the ACCC's condition. Condition 3 requires that the independent reviews report on any issues relating to governance and suggestions for how it could be improved, and the ACCC considers that this would extend to the operation of the SPSA board and Stakeholder Advisory Council as key elements of SPSA's governance structure. These independent reviews will assist the ACCC in receiving information relevant to any potential revocation of the authorisation. For example, to the extent that any issues identified might constitute a material change of circumstances, the ACCC could initiate a revocation of the authorisation prior to its expiry.
- 4.152. In relation to calls for independent auditing of SPSA's performance and of its financial accounts, the ACCC understands that SPSA will include its audited financial statements in its published Annual Financial Reports as required by the

ACNC¹⁸⁷ and its performance will be reviewed as part of the independent reviews. Further, SPSA directors have obligations under the Corporations Act and SPSA has obligations as a registered not-for-profit and is required to report annually to the ACNC.¹⁸⁸

- 4.153. Separately, Zero Waste Victoria submitted that the authorisation must be fully revocable if targets are not met or a stronger national framework is introduced. The ACCC notes that under the Act, it can initiate a revocation of an authorisation in certain circumstances, including where there has been a material change of circumstances since the authorisation was granted or a condition of authorisation has not been complied with.

5. Determination

The application

- 5.1. On 18 March 2025, SPSA lodged application AA1000695 with the ACCC, seeking authorisation under subsection 88(1) of the Act.
- 5.2. SPSA seeks authorisation for:
- SPSA setting and collecting, and the Scheme Participants agreeing to pay, the Scheme Levy and Minimum Levy, which may be passed on by a Scheme Participant as part of their price and may be eco-modulated in the future
 - SPSA developing, setting and imposing membership terms and conditions and Scheme Participants agreeing to these terms and conditions
 - agreements between SPSA and each of Coles, Woolworths and ALDI (being members of the Taskforce) (as required) to allow SPSA to take over and expand on the instore collection program being run by the members of the Taskforce including transferring arrangements with service providers to SPSA
 - the sharing of operational information and data between SPSA and Coles, Woolworths and ALDI (being the members of the Taskforce) (as required) to facilitate SPSA's operations, including to transfer the arrangements for the Taskforce instore collection program run by Coles, Woolworths and ALDI to SPSA
 - SPSA arranging for and acquiring services to implement and operate the Scheme, including by entering into and giving effect to contracts with third parties for the collection, transport, sortation, storage, processing and recycling of used soft plastics and third-party services for invoicing, collecting and managing and auditing packaging data
 - SPSA and Scheme Participants discussing and agreeing communications to consumers and the public in relation to the Scheme, including marketing and educational activities

¹⁸⁷ See ACNC, [Annual Financial Reports](#), n.d., accessed 31 October 2025.

¹⁸⁸ See ACNC, [Ongoing Obligations to the ACNC](#), n.d., accessed 31 October 2025.

- SPSA and APCO sharing market analysis, modelling, research and packaging placed on market data and agreeing communications to APCO members for the purpose of the Scheme

(the **Proposed Conduct**).

The authorisation test

- 5.3. Under subsections 90(7) and 90(8) of the Act, the ACCC must not make a determination granting an authorisation unless it is satisfied in all the circumstances that the Proposed Conduct would result, or be likely to result in a benefit to the public and the benefit would outweigh the detriment to the public that would result, or be likely to result, from the Proposed Conduct.
- 5.4. For the reasons outlined in this determination and with the conditions below, the ACCC is satisfied, in all the circumstances, that the Proposed Conduct would be likely to result in a benefit to the public and the benefit to the public would outweigh the detriment to the public that would result or be likely to result from the Proposed Conduct, including any lessening of competition.
- 5.5. Accordingly, the ACCC has decided to grant authorisation with conditions.

Conduct which the ACCC has decided to authorise

- 5.6. The ACCC has decided to grant conditional authorisation AA1000695 for the following conduct:
- SPSA setting and collecting, and the Scheme Participants agreeing to pay, the Scheme Levy and Minimum Levy, which may be passed on by a Scheme Participant as part of their price and may be eco-modulated in the future
 - SPSA developing, setting and imposing membership terms and conditions and Scheme Participants agreeing to these terms and conditions
 - agreements between SPSA and each of Coles, Woolworths and ALDI (being members of the Taskforce) (as required) to allow SPSA to take over and expand on the instore collection program being run by the members of the Taskforce including transferring arrangements with service providers to SPSA
 - the sharing of operational information and data between SPSA and Coles, Woolworths and ALDI (being the members of the Taskforce) (as required) to facilitate SPSA's operations, including to transfer the arrangements for the Taskforce instore collection program run by Coles, Woolworths and ALDI to SPSA
 - SPSA arranging for and acquiring services to implement and operate the Scheme, including by entering into and giving effect to contracts with third parties for the collection, transport, sortation, storage, processing and recycling of used soft plastics and third-party services for invoicing, collecting and managing and auditing packaging data

- SPSA and Scheme Participants discussing and agreeing communications to consumers and the public in relation to the Scheme, including marketing and educational activities
 - SPSA and APCO sharing market analysis, modelling, research and packaging placed on market data and agreeing communications to APCO members for the purpose of the Scheme.
- 5.7. The ACCC has decided to grant authorisation to SPSA and current and future participants in the Scheme as well as service providers to the Scheme and APCO who may become engaged in the Proposed Conduct.
- 5.8. The ACCC may specify conditions in an authorisation. The legal protection provided by authorisation does not apply if any conditions are not complied with.¹⁸⁹
- 5.9. The ACCC has decided to grant authorisation with the following conditions:

Condition 1 – No restriction on processing businesses to supply

- 5.10. All contracts, arrangements or understandings entered into in reliance upon this authorisation must not restrict any recycling processor from supplying services to another customer.

Condition 2 – Reporting requirement

- 5.11. SPSA must publish on its website an annual report for the Scheme which includes the following metrics for the preceding year, and each previous year that the Scheme is in operation:
- 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)
 - b. Total volume of soft plastics placed on the market by Scheme Participants (tonnes to nearest '000)
 - c. Total volume of soft plastics collected by the Scheme (tonnes to nearest '000)
 - d. Total volume of soft plastics delivered by the Scheme to processors for processing (tonnes to nearest '000)
 - e. Of the soft plastics delivered by the Scheme to processors, total volume sent to landfill (to the extent SPSA can obtain this information from processors) (tonnes to nearest '000), or alternatively:

¹⁸⁹ Subsection 88(3) of the Act.

- i. the (approximate) percentage of soft plastic feedstock sent by processors to landfill relative to the total volume of soft plastic feedstock processed
 - ii. the (approximate) percentage of soft plastic feedstock that was supplied to processors by the Scheme which was sent to landfill.
- f. The percentage of total volume of soft plastics collected by the Scheme (at c) relative to
 - i. the total volume of soft plastics generated in Australia (at a); and
 - ii. relative to the total volume placed on the market by Scheme Participants (at b)
- g. Total volume of processed soft plastic materials sent to producers of end products (by type of end product) (tonnes to nearest '000)
- h. Information regarding emerging end markets and growth of existing end markets.
- i. SPSA's annual collection and processing targets and progress towards those targets
- j. Number of Scheme Participants
- k. The average value of the Scheme Levy (\$/tonne)
- l. Total levy funds collected (after discounts and offsets to members and participants) and a breakdown of how levy funds were spent during the relevant year (including the proportion of levy revenue that is allocated to cover administrative costs of the Scheme)
- m. The total value of the REDcycle Stockpile Cost Set-off paid to each of Coles and Woolworths in the relevant year.

Condition 3 – Independent directors

- 5.12. From 1 April 2026, SPSA's board of directors must include at least 2 independent directors, being directors who are not employees of SPSA or any member of SPSA and who are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. If the office of an independent director becomes vacant such that there are less than 2 independent directors on SPSA's board, then an independent director will be appointed to fill the vacancy as soon as practicable.

Condition 4 – Independent review

- 5.13. SPSA must engage an independent, external consultant to conduct a review of the operation of the Scheme in 2028 and 2032 (the 3rd and 7th years of the Scheme's operation). The review must be completed by the end of that calendar year, and a report on the review's findings must be published on SPSA's website within three months of the completion of the review (or any other date agreed by the ACCC). For each review, the report published on SPSA's website must address at least the following matters:
- a. the success of the Scheme in meeting its annual targets
 - b. governance arrangements of the Scheme and SPSA
 - c. the Scheme's financial position
 - d. recommendations for any improvements to the Scheme's operations and governance.
- 5.14. The ACCC may authorise a Committee or Division of the ACCC, a member of the ACCC or a member of the ACCC staff to exercise a decision making function under the conditions of this proposed authorisation on its behalf.
- 5.15. The ACCC has decided to grant authorisation with conditions in relation to Division 1 of Part IV of the Act, and sections 45 and 47 of the Act.
- 5.16. The ACCC has decided to grant authorisation AA1000695 with conditions until 4 December 2033.

6. Date authorisation comes into effect

- 6.1. This determination is made on 12 November 2025. If no application for review of the determination is made to the Australian Competition Tribunal it will come into force on 4 December 2025.