



Ref: 00/0935

ABN 76 149 388 126

Level 4
81-95 Waymouth Street
Adelaide SA 5001

GPO Box 1047
Adelaide SA 5001

Tel +61 8 8429 8438

www.greenindustries.sa.gov.au

Ms Tess Macrae
Director
Competition Exemptions
ACCC
GPO Box 3131
CANBERRA ACT 2601
By email: exemptions@accc.gov.au

Dear Ms Macrae

Re: Soft Plastic Stewardship Australia - application for authorisation AA1000695 – interested party consultation

Thank you for your email, dated 24 March 2025, inviting interested parties to comment on an application for authorisation from Soft Plastic Stewardship Australia Limited (SPSA).

This submission from Green Industries SA (GISA) and the South Australian Environment Protection Authority (EPA) expands on an earlier submission, dated 7 April 2025, in which our agencies commented on SPSA's requested urgent interim authorisation to allow it to commence collection of the scheme levy and transfer existing arrangements that the Australian Food and Grocery Council (AFGC) has in place for small-scale kerbside soft plastic collection pilots.

Industry-led voluntary product stewardship schemes can support positive environmental outcomes as well as economic benefits for a more circular economy for Australia by taking responsibility for the product for the whole life cycle, including the end of life of the product.

In the absence of a current national solution for soft plastics, an ACCC authorisation for SPSA and its current and future members is likely to deliver some benefits by informing long-term efforts to redirect volumes of soft plastics entering the landfill stream or being stockpiled. The continuation of work being done to pilot in-store and kerbside collection trials must support and align with the Australian Government led national packaging regulatory reform process underway.

Completion of processing the stockpiles of soft plastics from the 2022 REDcycle program must remain a focus for SPSA alongside processing of material being collected through current in-store and kerbside trials.

GISA and the EPA also acknowledge, however, that the success of the SPSA's proposed industry-led product stewardship scheme (the Scheme), is dependent on the following factors as outlined below.

It is well recognised that for a sustainable, circular model for soft plastics in Australia, it is critical that there are effective, accessible collection systems and infrastructure in place to recycle the materials, as well as stable and demand-driven markets that can utilise the recycled plastic to make new products. As experienced with RedCycle, recycling outcomes are likely to be compromised, and recovered materials are likely to continue on a linear disposal pathway without realising the benefits of replacing virgin materials where these requirements are not met, or the commercial arrangements underpinning them are not sustainable, or there is not significant demand for the 'buy-back' of the materials.

The independent review of the Scheme proposed for 3 years and 7 years is one way for addressing these concerns. Regular, independent and publicly transparent reporting will be necessary to ensure that any ongoing soft plastics collection programs do not result in additional, unintended stockpiling of soft plastics.

It is critical that soft plastics collected through expanded kerbside, in-store and drop-off programs have clear and stable pathways to reprocessing and end markets and that management of the collected materials is not reliant on non-circular waste-to-energy technologies, particularly in the absence of established processing capacity and end markets. Development of processing capacity and end markets must be addressed as a priority as acknowledged in the application as presenting as a current limitation.

It is noted that the Soft Plastic Stewardship Australia Stakeholder Advisory Council (SAC) Charter and Terms of Reference was provided in the application (schedule 6) and includes an aim to appoint members from across a number of stakeholder groups. To ensure that the SAC operates effectively to support a full system approach, the SAC must include industry participants from across the supply chain to establish robust, circular pathways for post-consumer soft plastics. This includes retailers and brand owners, designers, waste management industry and processors.

Transparent reporting is required to communicate to the community, government and SPSA members about: a) the amount of soft plastics being collected and where it is being stored; b) where, and what quantities of, the collected soft plastics are sent to be processed and how the materials are processed (e.g. mechanical and/or chemical recycling); c) the types of products the processed materials will be recycled into; and d) the markets and demand for the materials and products. GISA and the EPA recognise that maintaining the community's trust in the Scheme, specifically that materials collected through the Scheme are meaningfully recycled and not stockpiled, will be imperative to maintaining (and increasing) community participation in the Scheme.

The packaging regulatory reform process underway to ensure that all packaging (including soft plastic packaging) available in Australia is designed to be recovered, reused, and recycled safely, in line with circular economy principles will require close, continued engagement with the Australian government to ensure alignment.

Until new national packaging regulatory arrangements are in place, existing co-regulatory arrangements remain in place, and it will be important for SPSA and its members to continue to work closely with the Australian government, relevant jurisdictions and the Australian Packaging Covenant Organisation to support the reduction, reuse and recycling of packaging, including soft plastics. It is recognised that the SPSA application notes engagement with relevant parties to date.

In addition to recycling the increasing quantities of soft plastic packaging placed on market, SPSA should equally commit to addressing unnecessary packaging and overpackaging of products. Members of the Scheme will need to continue to work towards meeting national packaging targets, including by pursuing product innovation to phase out difficult-to-recycle product packaging (e.g. PVC) and highly littered plastic products and committing to reducing amounts of packaging placed on the market.

As noted in our 7 April 2025 submission, the low value of the collected soft plastics does not offset the increased collection and sorting costs associated with the inclusion of soft plastics through the kerbside collection system. The success of a kerbside soft plastics scheme will require these costs to be covered by manufacturers placing soft plastic packaging on the market rather than falling to local or state governments or the community.

In addition to in-store and kerbside collection pathways, SPSA should ensure the establishment of soft plastics drop-off points accessible to communities in regional and remote areas, such as in-store in regional centres and/or in local community hubs.

Should the organisation's application for interim final authorisation under s88(1) of the *Competition and Consumer Act 2010* (Cth) be accepted, GISA and the EPA would welcome regular reporting from the SPSA regarding the Scheme development and progress.

For further information on this matter, please contact Jessica Wundke, Manager, Policy Reform, GISA on [REDACTED] or [REDACTED] or Nick Stewart, Team Leader CDS and Product Stewardship, EPA on [REDACTED] or [REDACTED].

Yours sincerely



Josh Wheeler
Chief Executive
Green Industries SA

28 April 2025