

## Supermarket Soft Plastics Taskforce Meeting 23 Minutes

26 September 2024 10:03am - 11:07am

### Attendees

**Department of Climate Change, Energy, the Environment and Water:** Caitlin Ellis, Annette Williams, Emilia Newlands.

**Coles:** Brooke Donnelly, Sean O'Malley, Simone Brookes, Gemma Grant, Catherine Macneil.

**Woolworths:** Peter Bruce, Laurie Kozlovic, April Reid, Jonathan Russell.

**Aldi:** Daniel Baker.

[REDACTED]

### Minutes

#### Agenda item 1: Welcome and Update from the Department – 10:00am (5 mins)

- The Department delivered an Acknowledgement of Country.
- The Department referred to a consultation paper on the Reform of Packaging Regulation to be released for comment on 27 September 2024, with a 4 week period to provide feedback and encouraged the Taskforce's engagement in the consultation.

#### Outcomes:

- **Attendees agreed** that Coles would take minutes for this meeting.

#### Agenda item 2: [REDACTED] update – 10:05am (25 mins)

- Coles provided an update on [REDACTED] and noted:
  - the first board meeting was held on 20 September 2024;
  - [REDACTED] is currently acting as interim Chair and [REDACTED] is acting as interim Deputy Chair, for 3 months, while company directors are being recruited.
- [REDACTED] commented on the positive progress made by the Taskforce since the collapse of the REDcycle program and noted the key aims of the Taskforce to:
  - deliver environmental goals as economically as possible; and
  - play a leadership role in developing an industry wide program.
- The Participants had a general discussion in relation to [REDACTED] activity including in respect of board appointments, the establishment of regular meetings, plans to set up an advisory committee with broader industry members, and a communications plan.
- Woolworths flagged the importance of [REDACTED]  
[REDACTED]  
[REDACTED].
- The Department reiterated that stakeholder feedback and any supporting data will help inform advice to governments on the future of Australia's packaging regulation and encouraged the Participants to provide a submission on the reform of packaging regulation.

## PUBLIC VERSION

### Outcomes:

- [REDACTED] to consider its feedback on the packaging reform consultation process.

### Agenda item 3: Soft plastics foundational feedstock update – 10:30am (5 mins)

- Woolworths provided an update:
  - The aim of the [REDACTED] is to build a robust and resilient supply chain to use the foundational feedstock and set up a sustainable long term processing solution.
  - Progress has been made regarding the establishment of operational facilities, and whilst there are challenges, those challenges are being addressed through the process as they emerge and the landscape continues to evolve.
  - A second facility is now operating in Victoria and a number of facilities are already operating in NSW. It appears that [REDACTED] additional processors will be ready to take on additional volumes in the next [REDACTED].
  - The team expects to have an export approval in place soon that will enable soft plastic material to be exported from Australia. This approval will allow for a portion of collected soft plastics to be sent for specialised chemical recycling overseas, not currently available in Australia, which can deliver 'food grade' recycled soft plastic.
  - Work continues with various outlets to increase the uptake of recycled products.
- Coles provided an update:
  - Whilst there may have been a negative perception of the legacy stockpile, it's recognised that the stockpile will serve as the feedstock for the program and is a valuable resource to use and to build out reprocessing capacity.
  - The feedstock will allow [REDACTED] to test and trial and set up the collection pathways.
- Woolworths commented that the foundational feedstock has kept 2-3 facilities operational.
- Woolworths asked the Department for any observations/feedback from the Department's recent visit to one of the reprocessing facilities:
  - The Department confirmed that representatives had attended the reprocessing facility to observe processing of the foundational feedstock and were encouraged by the developments seen on-site that enable sorting and processing of soft plastics at scale.
- The Department raised the following questions:
  - How much of the feedstock will be exported versus processed domestically?
  - What is the likely timeframe for processing the remaining feedstock?
  - How does the Taskforce / [REDACTED] plan to transition from the foundational feedstock into the additional collection?
- Woolworths provided the following information in response:
  - The ACCC has sought information on expected capacity in domestic and export markets.
  - Woolworths is comfortable to share details of facilities expected to come online with the Department.
  - A key consideration is to find use/s for the reprocessed materials.
  - The capacity to export is far greater than the capacity to process the material locally, though it is expected that both approaches will be used in tandem.

- On re-starting the collection scheme, it is proposed that the majority of the capacity will be used on foundational feedstock to support the processors, and the minority will be used for processing volumes collected through the instore collection program. As progress is made and confidence builds in the system, the balance will be able to be split more evenly.
- Coles further noted:
  - The processing solution must be sustainable in the long term.
  - A high level of engagement and commitment from participants is required.
  - An economic solution is required to fund the program. To progress this activity, [REDACTED] levies must be approved, and broader industry participants must be engaged to contribute to the funding and broader program.
- The Department asked if there were any concerns about running out of material as feedstock was reduced and there was a transition to new materials?
  - Coles indicated this is not currently a concern, but that the process is complicated by the need to balance many interdependent factors.
  - Woolworths noted that public demand is clear, however collections must be built up. By fostering the demand for the recycled content (e.g. food grade, construction grade etc), companies will be more confident in the revenue stream.
- The Department noted that collection appears to have been proven during the pilot and queried if end markets are ready for the program to be rolled out more broadly?
  - Woolworths noted that the [REDACTED] will consider what options exist for collection of the feedstock (e.g. in stores, other modes) and how to best access the material.
  - Woolworths noted that in the Victorian pilot, customer engagement has increased, and approx. 1.25 tonnes per week are coming through the 12 stores in Melbourne.
  - Woolworths noted that the NSW pilot is also going well (which is a regional solution).
- The Department asked if the materials were being audited and if there was knowledge of who was responsible for the material being collected during the pilots?
  - Coles referred to a survey of material collected in Victoria which identified a broad range of sources of clear plastics including from suppliers of electronic goods, packaged goods and furniture, with less than [REDACTED] from retail brands.
  - The Department indicated it would like to understand more about the engagement strategy of the [REDACTED] to bring in other industry players.
- The Department asked if the [REDACTED] has plans to engage more broadly with industry across the supply chain and bringing them into the scheme?
  - [REDACTED] noted that this will be necessary.
  - Coles added that the [REDACTED] will engage beyond packaging manufacturers to the broader industry and that soft plastics returned by consumers are not limited to retail brands.
- Aldi added in respect of the reform of packaging regulation that:
  - it will be important to minimise free-riders within the scheme; and

- a further sector to consider is the import market / product coming from overseas.

Agenda item 4: Reprocessors (licencing support required) – 10:35am (10 mins)

- Woolworths provided an update on reprocessors and the export market:
  - Progress is being made despite some challenges and we appear to be close to an outcome which will enable the material to start to be moved.
  - EPA approvals to increase feedstock capacity are required for two other processors, which we hope will lead to some positive momentum.
- The Department confirmed the feedback received from the exports area that the Taskforce ensure all required information is included in the application.

Agenda item 5: ACCC authorisations (update and support required) – 10:45am (5 mins)

- [REDACTED] offered to step out of the meeting but the Participants agreed this was not necessary.
- Coles provided an update:
  - Work is continuing on two ACCC authorisations:
    1. extension of the existing ACCC authorisation granted to the Taskforce in relation to the legacy stockpiles and pilot return to store program; and
    2. [REDACTED].
  - [REDACTED].
- [REDACTED]
  - [REDACTED].
  - [REDACTED].
- The Department encouraged the Taskforce to provide the ACCC with [REDACTED].
- The Department asked if there was any risk that the existing authorisation (which at present has only been provided on an “interim” basis) could lapse [REDACTED]?
  - The Department encouraged the Taskforce to ensure that the existing authorisation covers a sufficient period of time to minimise the need for frequent extension requests and to ensure that there is no gap in authorisation protection.
  - The Participants committed to providing an update on the timeline.
  - The Department noted that ACCC interim authorisation can be granted quickly. However, there are also examples of the ACCC taking six plus months to grant authorisation.

Outcomes:

- **The Participants** agreed to provide the ACCC with [REDACTED].

Agenda item 6: Australian Packaging Covenant (APCO) update – 10:50am (5 mins)

- Coles provided an update that engagement with APCO is continuing.
- [REDACTED].
- The Department asked if discussion with APCO had progressed since the last Taskforce meeting?
  - Coles responded that discussions had not progressed further.
  - Woolworths noted that stakeholders were committed to resolution but APCO and the parties will need to work collaboratively to progress a way forward.
  - The Department noted that ongoing discussion with APCO regarding soft plastics is very important

Outcomes:

- **The Participants** agreed to provide an update of the [REDACTED].

Agenda item 7: Communications and engagement – 10:55am (5 mins)

- Coles noted that a communication plan and engagement with the broader industry had been discussed at a recent [REDACTED] meeting with plans to continue these discussions.
- The Department raised the work of the Kerbside Government Officials Group (“GOG”). The group is looking at soft plastics collections in response to Environment Ministers committed to develop a pathway by the end of 2024 as part of the Kerbside Collection Roadmap (the Roadmap), to get soft plastics collected and out of landfill.
  - it was recognised that support was required from the whole supply chain/  
The department thanked the taskforce for presenting at the previous GOG and raised
  - the department will consult with the Taskforce on the soft plastics pathway in early November.

Outcomes:

- The Participants will have further discussions with the Department on how the [REDACTED] can facilitate and enable communications and engagement with broader industry.
- Before the next [REDACTED] meeting, Coles will speak with the Department about the following:
  1. Engagement with GOG;
  2. Engagement and feedback on the soft plastics pathway, and
  3. what kerbside collection could look like.
- Coles will then circle back with this information to the [REDACTED].
- The [REDACTED] to consider what it would like to see from the Department to unlock investment.

Agenda item 8: Meeting close – 11:00am (5 mins)

## **PUBLIC VERSION**

- The Participants noted the next Taskforce meeting will be on 31 October 2024 at which updates will be sought on [REDACTED] board meeting activity and the roundtable.

### Outcomes:

- Department to provide an update on this Taskforce meeting to the Minister's office.