



Australian Competition and Consumer Commission

17 January 2025

Submission on proposed authorisation for major supermarkets to continue cooperation on soft plastics recycling.

The ACCC is proposing to grant authorisation with conditions to the major supermarkets Coles Group, Woolworths Group and ALDI Stores, to continue their collaboration to recycle stockpiled soft plastics and continue with the pilot in-store collection program until 31 July 2026.

And with reference to proposals to vary the conditions of this collaboration.

Thank you for the opportunity to make comment. The Boomerang Alliance and our 55 allied organisations submit that:

- Soft plastics currently stockpiled by the major supermarkets are predominantly produced as recyclable materials. Most use the Australian Recycling Label and are marked as recyclable. Consumers have returned their soft plastics to supermarkets on this basis, that the soft plastics will be recycled. We oppose any proposals that these soft plastics stockpiles be discarded in landfills, other waste facilities or incinerated.
- The proposal that these soft plastic wastes could be exported is problematic. While it may allow an expanded domestic collection system in the short term, diverting from landfill, Australia must manage its own waste problems. Many other countries do not have the capacity or the standards to manage large volumes of mixed soft plastic wastes safely and sustainably or can even verify that these materials will be recycled in practice. We maintain it is the responsibility of the suppliers (in this case the supermarkets) to ensure soft plastics collected for recycling be recycled, and in this country.

A Way Forward

- The Commonwealth Government has proposed packaging reforms that include options for mandatory extended producer responsibility for all packaging. An effective scheme will require supermarkets and other providers to take full responsibility for the packaging they place into the market. We recommend that

the ACCC support the introduction of an EPR scheme and its implementation as soon as possible.

- An EPR scheme requiring full producer responsibility for associated costs, will drive new practices that avoid, reduce, reuse or efficiently recycle soft plastics (within the context of a circular economy) and eliminate the need for any future wasteful stockpiling.
- Circular economy principles and practices dictate that materials circulating in the economy should be managed to their highest resource value, with waste and pollution eliminated. An effective producer-funded EPR (as outlined) can achieve this outcome for discarded soft plastics without the need to resort to landfilling or incinerating.
- Plans by the Australian Food and Grocery Council (AFGC) to introduce a producer-funded and national soft plastics collection service (NPRS) are well advanced and, once resolved with key stakeholders, should be fast-tracked. (Note: Boomerang is yet to see confirmed details). This could be integrated into a Commonwealth Government Packaging EPR scheme later. Our received advice is that this soft plastics EPR could be established in 2025. That is well before any proposed July 2026 extension.
- A scheme, which proposes full producer-funded cost recovery collection and recovery, would immediately alleviate pressures on soft plastics stockpiles, and should start the process of reducing these.
- Rather than simply extending a deadline (or agreeing to vary contract conditions) for supermarkets to collaborate on soft plastics stockpiling until 2026, the ACCC should make this subject to the major supermarkets providing soft plastics collections as part of their producer responsibilities. An obvious option would be for them to participate in the AFGC National Plastics Recycling Scheme, based upon best -practice and full producer-funded cost recovery guidelines. Supermarket participation in this would include the resumption of a national in-store soft plastics collections for consumers.
- As the ACCC has states, 'it is very concerning that stockpiles have not been processed almost two years after the REDcycle collapse.' As large producer/suppliers of soft plastics, the major supermarkets should be actively engaged in the development of secondary markets for soft plastics. This is the responsibility of producers operating within a circular economy, and developing these markets could be included in a condition for any proposed authorisation.
- Any extension for stockpiling should be subject to the introduced NPRS (or alternative service) in 2025. That means setting conditions to limit any continued stockpiling of soft plastics to a timeframe set by a regulated implementation strategy. It is best practice that no soft plastics should go to landfill, incineration or be exported.

Additional Comments

The REDcycle soft plastics service collapsed in November 2022. Since that time there has been no nationally adequate collection scheme for soft plastics. Most soft plastics now go to landfill, despite manufacturer claims that these items are predominantly 'recyclable'.

However, the reality is that REDcycle only collected an estimated 7000 tonnes of household soft plastics (about 5%) of the volumes put into the market. Over many years, major supermarkets and the packaging industry were aware of this but did little to improve collections or establish adequate recovery and secondary resource manufacturing capacity. It would seem they were simply comfortable providing the impression that soft plastics were being effectively collected in sufficient volumes.

The collapse of REDcycle has exposed that myth and the lack of adequate national recovery capacity. There are some collection services, but these are only available in a very limited number of locations, and at cost to consumers.

Some trials and pilot collection schemes by supermarkets are in train, but little substantive or timely progress is being made to expand these. In our view, this is largely due to a reluctance to invest in the collection and recovery of soft plastics by the major providers. This will be addressed through a mandatory EPR scheme (as outlined above)

The ACCC is right to be very concerned that the vast majority of discarded soft plastics are not destined for recycling, but for landfill. A continuation of bad practices that waste otherwise valuable resources and encourage further GHG emissions and entrench public cynicism about recycling. The sooner a mandatory EPR for soft plastics is in place the better.

We also note that according to Clean Up Australia (Litter Report 2023) soft plastics have become, in the last few years, the largest litter category collected in their clean-ups, representing 34% of all plastic litter.

Australian Recycling Label

Soft plastic producers (and APCO) make much of the Australian Recycling Label (ARL) and continue to use the label to provide the impression that soft plastic collection services are readily available to most consumers. As our submissions to the Commonwealth, APCO and the ACCC in 2024 made clear, these labels often misrepresent the reality to consumers.

As a result, we were pleased to note that APCO directed (May 2024) that these labels should not include the Return to Store markings-when no such service existed. It is disappointing that the Return to Store markings are still being used by some retailers.

The ARL increasingly features a Check Locally marking where consumers can access a QR code to find their soft plastics recycling options. However, as the ARL website states, *in most cases soft plastics recycling services are not available*. The Check Locally marking continues to misrepresent available consumer options. This should be removed, until options are nationally available.

Recommendation

As a condition of continued collaboration on stockpiling soft plastics, the supermarkets must be required to only feature accurate information to consumers on the ARL. That is, if there are no accessible recycling collection services available to consumers, that the labels make this clear and not mislead consumers. The ARL should not be used unless a recycling collection service is available and soft plastics are actually being collected and recycled.

The conditions of the ARL describe a household recycling collection service as available either through in-store or kerbside. It is these methods that will mainstream collection and recycling.

Signed,



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