

CLASSIFICATION



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Ms Naomi Menon
Director
Australian Consumer and Competition Commission
GPO Box 3131
Canberra ACT 2601
Via exemption@acc.gov.au

Dear Ms Menon

Draft Determination: Coles Group Limited and other participating supermarkets – application for revocation of authorisation AA1000627 and substitution of AA1000673 – interim authorisation decision.

I write in relation to the abovementioned draft determination (the draft determination) in support of authorisation under s88(1) of the Competition and Consumer Act 2010 (Cth) (the Act). The Department of Climate Change, Energy, the Environment and Water (the department) welcomes the opportunity to provide a submission in support of Coles Group Limited and other participating supermarkets (the participants) application for revocation of authorisation AA1000627 and substitution of AA1000673 – interim authorisation decision including the conduct sought by the Participants.

The department supports the authorisation application for the participants to continue working together to see that soft plastic packaging collection and recycling systems are restored. Coles, Woolworths, and ALDI recently commenced a trial to restart the in-store collection and recycling of soft plastics in metropolitan Melbourne. The trial is testing the new collection and recycling model developed by the supermarkets with their soft plastic processing and recycling partners. New soft plastic recycling facilities are expected to open in the next 12 to 18 months. As the soft plastic recycling capacity increases and is available nationally, it is expected that the supermarkets will expand the service to more stores, in new locations.

To support the expansion, in the June 2024 Environment Ministers' meeting the Australian, state and territory environment ministers considered the growing challenge of soft plastics, and industry's slow progress to re-establish in-store collection since the collapse of the REDcycle scheme. Ministers agreed that a pathway for soft plastics collection, that considers the packaging design requirements that are under development, different collection approaches across metropolitan, regional and remote locations, and national processing capacity, will be developed by end of 2024.

In parallel, the Australian Government is also investing \$250 million into new and upgraded recycling infrastructure through the Recycling Modernisation Fund (RMF). Of this, \$60 million is being invested into a Plastic Technology stream which will support plastic recycling solutions and build Australia's capability to address hard-to-recycle plastics, like soft plastics.

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Recent investment by governments and industry will significantly increase Australia's domestic processing capacity but this will take time. Until this capacity is established, both the processing of legacy feedstock as well as new material must be carefully balanced to avoid an occurrence similar to REDcycle's collapse.

Building a national system for to collection and recycling of soft plastics is a complex matter and achieving a scalable solution requires collaboration and engagement not only with the supermarkets but along the entire supply chain until solutions have been delivered. The department is willing to continue to chair future meetings of the Soft Plastics Taskforce and consider that it is a suitable way forward to reinstate soft plastics collection.

Yours sincerely



Cameron Hutchison
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8 August 24