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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) solely addresses 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. A separate submission will be provided to address the other matters raised in the application for authorisation from SPSA.

GISA and the EPA have previously supported the arrangements that the AFGC has in place for managing small-scale pilots to collect soft plastics from households through kerbside recycling bins.

In 2023, the AFGC led National Plastic Recycling Scheme (NPRS) kerbside soft plastic collection trials were supported by Australian Government funding. To support the system being trialled in South Australia, GISA provided grant funding for the NPRS trial involving three South Australian councils from November 2022 to December 2023. The cost to provide this kerbside collection service was \$13-15 per household for the 12-month period.

A second phase of this trial involving up to 6000 households from the same three council areas commenced on 4 February 2025. The bagged soft plastics from registered households will be sorted at Central Adelaide Waste and Recycling Authority recycling centre before being sent to a plastics processor.

Previous trials have demonstrated that the low value of collected soft plastics does not offset the increased collection and sorting costs associated with the inclusion of soft plastics through

the kerbside system. GISA supports SPSA's urgent interim authorisation to commence levy collection, in recognition that the small-scale trials provide further feedback to support the ongoing government priorities outlined in the application document, and that manufacturers placing soft plastic packaging on the Australian market should be covering these costs rather than local or state governments.

It is noted that SPSA as part of the interim authorisation is also seeking information from the market to negotiate potential contracts for services and to share operational information and data between SPSA and the Soft Plastics Taskforce to prepare to take over the operation of the instore collection pilot program and expand on these pilots, prior to the ACCC's final determination in relation to the substantive application for authorisation.

At the time the REDcycle collection program ceased (9 November 2022), it was estimated that REDcycle had approximately 11,000 to 12,000 tonnes of stockpiled soft plastics across 44 sites nationally. Since then, 4% of this has been landfilled due to contamination and the remaining 11,000 tonnes of soft plastics (including approximately 4,000 tonnes in South Australia) have been safely stockpiled at secure facilities while recycling solutions are being explored.

SPSA has indicated that \$16 million of the total costs associated with managing and remediating the soft plastics stockpiles that resulted from the collapse of the REDcycle soft (REDcycle Stockpile Costs) will be paid by SPSA as a contribution to Coles Group Limited and Woolworths Group Limited over a period of eight years through the Scheme.

Interim authorisation to establish and collect the levy has been requested as being important to ensure the Scheme's ongoing financial viability and for SPSA to be able to increase its potential member base, funding, operations and environmental outcomes.

In the absence of a current national solution for soft plastics, interim authorisation is likely to result in environmental and public health benefits by informing long-term efforts to redirect volumes of soft plastics entering landfill or being stockpiled.

For further information on this matter, please contact Jessica Wundke, Manager, Policy Reform, GISA on [REDACTED] or [REDACTED] or Kerryn Southern, Environmental Adviser, EPA on [REDACTED] or [REDACTED].

Yours sincerely



Ian Harvey
Director Policy and Evaluation
Green Industries SA

7 April 2025