

25 Aug 2025

**The Australian Competition and Consumer Commission (the ACCC)
via online**

To the ACCC,

**Re: Soft Plastic Stewardship Australia application for authorisation
AA1000695- Draft**

Veolia is a global leader in water, waste and energy management. The group has nearly 220,000 employees worldwide, including 7,000 employees in Australia and New Zealand across 300 locations. With more than 170 years of experience, Veolia makes a significant contribution to Australia, bringing quality investments, technology, and know-how, with over \$3.75 billion in annual revenue.

Veolia is a participant in Australia's packaging supply chain through our collection and resource recovery of materials from municipal, commercial/industrial and construction/demolition sources. In Australia, we have a waste collection fleet of over 2,500 vehicles and operate four Material Recovery Facilities (MRFs), which sort mixed recyclable materials to produce saleable recycled commodities for subsequent manufacture into new products.

Veolia supports the intent to establish a federal regulatory stewardship approach for soft plastics but emphasises that scheme design, governance, and market development will determine whether it delivers lasting public benefit.

Potential public benefits

1. National coordination and investment

The SPSA proposal has the potential to create a stable, coordinated framework for recycling soft plastics. By consolidating industry efforts under a single scheme, SPSA could reduce duplication, pool investment, and accelerate infrastructure deployment. This would contribute to Australia's National Waste Policy targets and reduce reliance on landfill disposal.

2. Business opportunities in collection and processing

The scheme coordinator's role in contracting services for **collection, transport, sortation, storage, processing, and recycling** creates opportunities for providers like Veolia to contribute capacity and innovation. A well-structured market mechanism could unlock significant investment in sorting technology, advanced recycling, and new offtake solutions.

3. Extension to broader plastic streams

We strongly support SPSA's intention to **extend coverage beyond consumer packaging** to include **commercial and industrial plastics such as pallet wrap and shrink film**. Early expansion will maximise volumes captured and support economies of scale.

Potential detriments and risks

1. Impact on existing kerbside and MRF operations

The draft determination permits SPSA to expand kerbside collection pilots. While this could increase recovery, it may displace material from yellow and red bins, disrupt existing MRF contracts, and create contamination risks. Soft plastics are a known contaminant in paper streams, and poorly designed kerbside collection could reduce recovery rates of other recyclables.

To avoid undermining current systems, SPSA should:

- limit kerbside collection to **opt-in councils** with proven processing pathways
- ensure householders participate only under clear **opt-in arrangements**, coupled with robust community education funded by the scheme
- fund necessary MRF upgrades to handle soft plastics effectively.

2. Insufficient processing capacity and end markets

Even with announced infrastructure investments, **processing capacity will fall short by hundreds of thousands of tonnes annually**. Without binding requirements for recycled content, demand for outputs will remain uncertain. Collecting soft plastics without viable end markets risks stockpiling and loss of public confidence, repeating the failures of past programs.

The scheme must therefore be linked to:

- **mandatory recycled content requirements** for packaging
- strong domestic market development policies
- transparent reporting on capacity, volumes, and offtake.

3. Levy transparency and governance

The SPSA levy must be fully transparent, with clear hypothecation to collection, processing, education, and market development. Without this, there is a risk of industry costs being passed through to consumers without corresponding benefits.

Recommendations for scheme design

1. Mandatory product stewardship as the long-term solution

Voluntary schemes are unlikely to deliver the scale of change required. Veolia has consistently advocated for a federal **mandatory Extended Producer Responsibility (EPR) scheme** for packaging, funded by industry fees proportional to design, recyclability, and recycled content. Such schemes have driven positive outcomes in Europe and should be the eventual model for Australia.

2. Designing for recyclability

Soft plastics recycling will not succeed without upstream packaging design reform. SPSA should align with APCO and federal reforms to:

- ban problematic materials (e.g. oxo-degradables, carbon black, PFAS)
- standardise to mono-material formats (LDPE)
- phase out multi-layer and multi-polymer packaging
- improve labelling and consumer guidance.

3. Integration with circular economy goals

Australia's broader packaging reforms are moving towards mandatory design standards and stronger circularity requirements. SPSA must integrate with these efforts to ensure consistency, regulatory certainty, and investment confidence.



ACCC's proposed conditions

We support the ACCC's proposed conditions, particularly the prohibition on exclusive processor contracts, which would otherwise risk foreclosing competition.

We also recommend strengthening reporting requirements. Specifically, SPSA should be required to publish clear, auditable data on scheme performance, including:

- tonnage collected
- tonnage actually recycled and processing destinations
- end-market uses of recovered polymers
- quality assurance and contamination controls

This level of transparency would align soft plastics with reporting obligations already applied to other recyclable commodities (such as paper, glass and PET), ensuring stakeholders and the community can assess whether the scheme delivers genuine circular outcomes.

Additional safeguards should include:

- annual publication of levy revenues and expenditure breakdowns
- independent auditing of SPSA's performance.

Conclusion

Veolia supports the ACCC's draft determination to authorise SPSA for eight years, subject to strong conditions. To deliver genuine public benefit, the scheme must:

1. Avoid undermining existing kerbside and MRF systems.
2. Ensure infrastructure and end markets are in place before large-scale rollout.
3. Transition toward a federally **mandatory EPR framework** to provide long-term certainty.
4. Drive packaging design changes that make soft plastics recyclable in practice.



5. Guarantee levy transparency, robust reporting, and competition safeguards.

Australia cannot afford another collapse of soft plastics recovery. This authorisation should be used to set the foundations for a credible, nationally consistent, and circular system that moves beyond pilots and achieves lasting impact.

Thank you again for the opportunity to provide feedback. We would be glad to meet with the Commission to share further our insights. Should you have any questions or require clarification on our submission, please be in touch with Monica Tan, Veolia's Policy Advisor on monica.tan@veolia.com.

Yours faithfully,

A handwritten signature in black ink, appearing to read "R Kirkman".

RICHARD KIRKMAN
Chief Executive Officer & Managing Director