

**INQUIRY INTO WASTE AVOIDANCE AND RESOURCE  
RECOVERY AMENDMENT (PLASTICS REDUCTION)  
BILL 2021**

**Organisation:** Australian Packaging Covenant Organisation  
**Date Received:** 3 May 2021

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# Legislative Assembly Planning and Environment Committee Inquiry into the Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill 2021

Submission by the Australian Packaging Covenant Organisation

3 May 2021

## 1. Introduction

The Australian Packaging Covenant Organisation (APCO) welcomes the opportunity to make a submission to the Legislative Assembly Planning and Environment Committee Inquiry into the Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill 2021.

APCO is an independent, not-for-profit organisation established in 2016 to administer the Australian Packaging Covenant (the Covenant) on behalf of the Australian, State and Territory Governments, and its industry Signatories. The Covenant operates alongside the National Environment Protection (Used Packaging Materials) Measure 2011 (the NEPM) as part of a compulsory, co-regulatory framework established under Paragraph 14(1)(f) of the National Environment Protection Act, which provides for NEPMs to be made on 'the re-use and recycling of used materials'.

APCO is unique among product stewardship organisations in that it is directly accountable to the Commonwealth, state and territory environment ministers. APCO reports to ministers, including the New South Wales Minister for Energy and Environment, annually on the delivery of the Covenant through the National Environment Protection Council (NEPC).

The Covenant administered by APCO is the fourth iteration of the Covenant. It was agreed by the NEPC in November 2016 and commenced on 1 January 2017. The fourth Covenant represented a significant departure from previous iterations of the Covenant. Importantly, a set of seven principles was elaborated in the Covenant document, which establish that the work of the Covenant must be focused on environmental outcomes, based on sound evidence and best practice, and independently governed.

At 30 June 2020, APCO had 1511 Members representing around 150 different industry sectors across the packaging supply chain, including packaging manufacturers, brand owners, and retailers, with combined revenue in excess of \$360 billion. As Signatories to the Covenant, APCO's Members have committed to achieving the outcomes of the Covenant.

## 2. The 2025 National Packaging Targets

In 2018, the outcomes of the Covenant were given new expression when APCO led the establishment of the 2025 National Packaging Targets. These are ambitious but achievable targets and have become a key focus for driving change throughout the packaging supply chain. The 2025 Targets are:

- 100% of packaging to be reusable, recyclable or compostable;
- 70% of plastic packaging recycled or composted;
- 50% average recycled content across all packaging, with specific targets for certain material types; and
- Phase out problematic and unnecessary single-use plastic packaging through redesign, innovation or alternative delivery methods.

The public tracking of progress towards these targets began with the publication of baseline data in 2019, an annual process with the most current report published in 2021 [Australian Packaging Consumption and Recycling Data 2018-19](#). This report presents data on progress towards these targets from 2017 to 2019, which demonstrates that major indicators are heading in the right direction and that Australia is progressing towards achieving the targets. Figure 1, below, is drawn from this report and shows that:

- 89% of packaging put on the market in 2018-19 was recyclable, reusable or compostable
- 18% of plastic packaging was recycled or composted in 2018-19
- The average recycled content across all packaging put on the market in 2019-19 was 38%
- While tracking towards the target of phasing out problematic and unnecessary single-use plastic packaging was still in its foundation phase, reductions in PVC, EPS, oxo-degradable plastics and retail shopping bags were observed from 2017 to 2019.

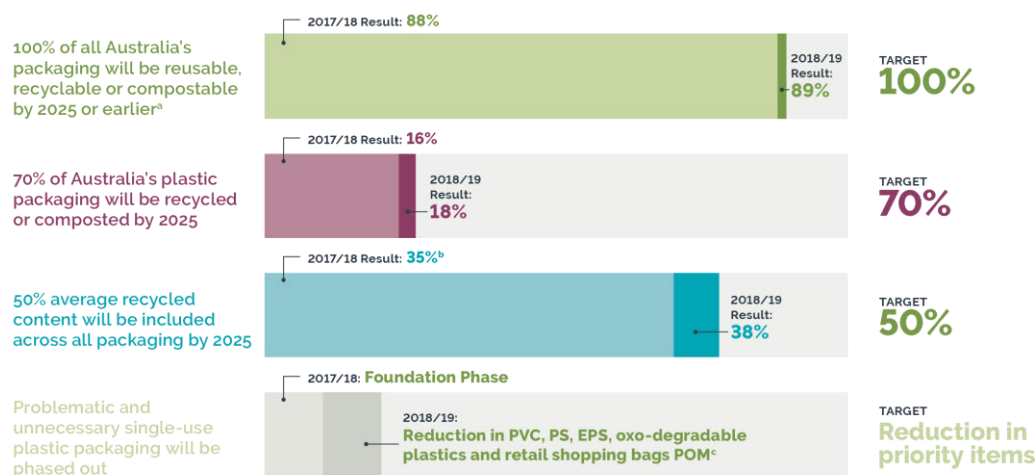


Figure E-7 – Summary of the National Packaging Targets and progress to 2018-19

a) Reusable packaging flows are not included in this data.

b) Post-consumer recycled content only. Does not include manufacturing scrap (pre-consumer) recycled content.

c) These estimates are subject to a relatively large accuracy range and significant changes in year-on-year reporting.

Figure 1: Progress on the 2025 Targets from 2017 to 2019<sup>1</sup>.

<sup>1</sup> Source: APCO, 2020, [Australian Packaging Consumption and Recycling Data 2018-19](#), page 17.

### 3. Driving progress and accountability: Collective action and the 2025 monitoring program

Two documents that APCO published in 2020 set out the pathway to achieving the 2025 Targets:

- [Our Packaging Future](#) (OPF), which sets out outcomes, strategies and actions to achieve the targets through the collective impact approach.
- [The 2025 Monitoring Program](#), which sets out the seven strategic intervention points across the packaging supply chain at which critical action is being taken, and its impact measured, to deliver on the OPF outcomes and strategies and the 2025 Targets.

OPF recognises the social, economic and environmental complexity of the packaging value chain. Different stakeholders exert some degree of influence within their own sectors, but no single stakeholder group can affect change across the entire system. Achieving the 2025 Targets will not be possible without coordination and collaboration between stakeholder groups. APCO has implemented a collective impact model to enable this collaboration, described in OPF.

The three outcomes and eleven strategies elaborated in OPF are listed in Figure 2, below, along with the 2025 Targets that they support.

#### *The Packaging Chain with the three OPF Outcomes*

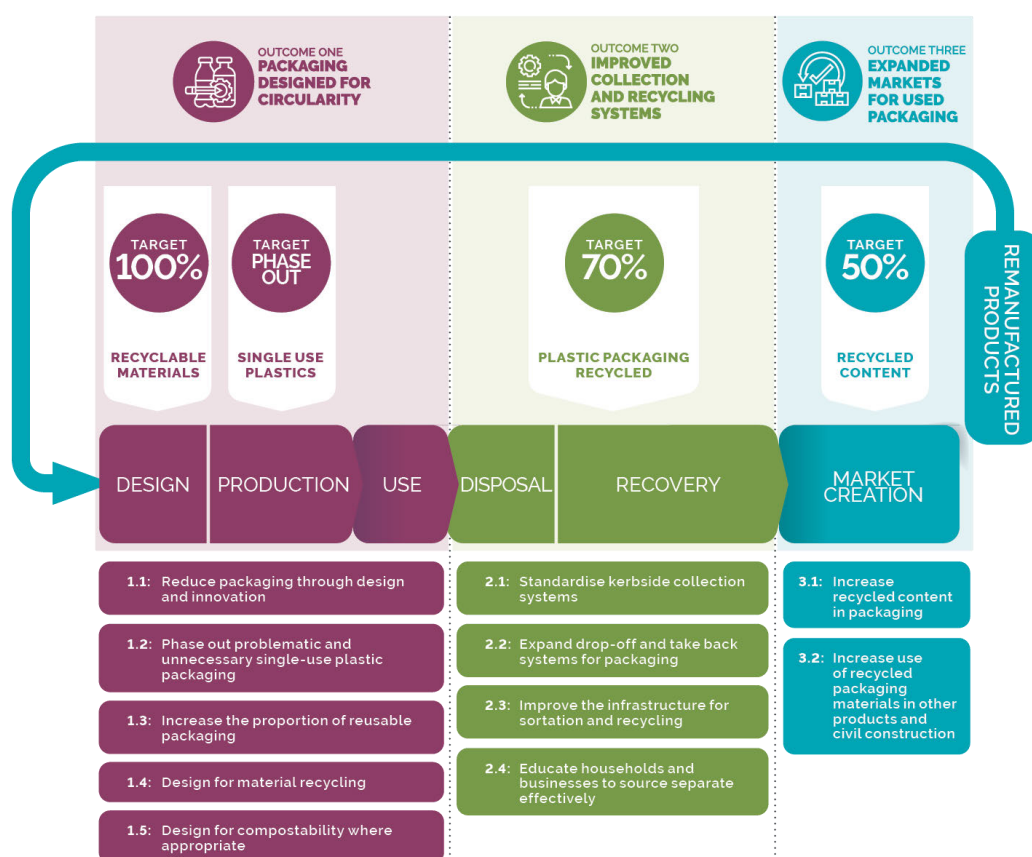


Figure 2: Outcomes and strategies to deliver on the 2025 Targets<sup>2</sup>.

<sup>2</sup> Source: APCO, 2020, *The 2025 Monitoring Program*, page 7.

The seven strategic intervention points elaborated in the 2025 Monitoring Program are listed in Figure 3, below, along with the OPF outcomes and 2025 Targets that they support. Key performance indicators have been established for each strategic intervention point, with quantitative milestone targets set for each financial year from 2021 to 2025. Annual public reporting against these milestone targets will drive accountability and enable corrective action to be taken when and where necessary to ensure Australia remains on track to achieve the 2025 Targets.

### The Seven Strategic Intervention Points (SIPs)

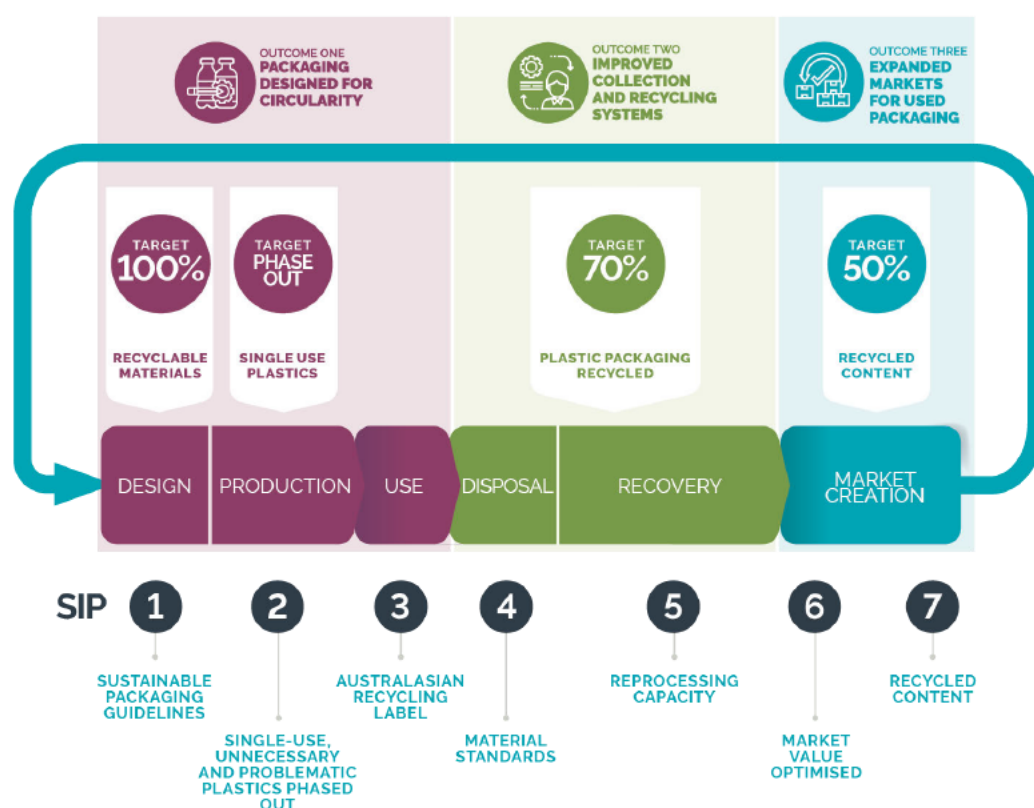


Figure 3: Strategic intervention points to deliver on the 2025 Targets<sup>3</sup>.

## 4. Progress in delivering on the OPF outcomes

Some of the key achievements since the commencement of the fourth Covenant in 2017 and actions underway to realise the three OPF outcomes are detailed in Table 1, below.

Our Packaging Future Outcomes	Achievements
Outcome 1: Packaging Designed for Circularity	<ul style="list-style-type: none"> <li>Recyclable packaging at 89% in 2018-19.</li> <li>Key resources available to APCO Members: <ul style="list-style-type: none"> <li>'Sustainable Packaging Guidelines' updated 2020.</li> <li>Quickstart Guides to address specific challenges.</li> </ul> </li> </ul>

<sup>3</sup> Source: APCO, 2020, *The 2025 Monitoring Program*, page 8.

	<ul style="list-style-type: none"> <li>○ 'Food Services Packaging Sustainability Guidelines' published October 2019.</li> <li>○ 'Considerations for Compostable Plastic Packaging', published May 2020.</li> <li>○ Member case studies and APCO awards delivered annually.</li> <li>• APCO Design Working Group overseeing projects on reusable packaging.</li> <li>• 'Action Plan for Problematic and Unnecessary Single-Use Plastic Packaging', published December 2020, with key elements of this plan adopted in the National Plastics Plan 2021.</li> </ul>
<b>Outcome 2: Improved Collection and Recycling Systems</b>	<ul style="list-style-type: none"> <li>• Recycling of plastic packaging increased from 16% in 2017-18 to 18% in 2018-19.</li> <li>• Australasian Recycling Labelling Program (ARL Program) launched in 2018, has achieved more than 500 participating companies within two years.</li> <li>• The Federal Government's Recycling Modernisation Fund (RMF) and subsequent State Government commitments will equate to a \$190 million investment from the RMF that will leverage \$600 million of recycling infrastructure and drive a billion-dollar transition of Australia's waste and recycling capability and capacity.</li> <li>• Visy's multi-billion dollar investments in Australian manufacturing focusing on increasing the use of recycled content in glass bottles</li> <li>• Pact Group, Asahi and Cleanaway's partnership to construct a new \$45m recycling facility in Albury-Wodonga, along with Pact Group and Cleanaway's partnership to develop a plastics reprocessing facility in Perth. Pact Group has committed to investing \$500 million in plastics recovery infrastructure, research and technology over the next five years.</li> <li>• Chairay Sustainable Plastics Company's upcoming construction of a new 15,000 tonne per year plastics reprocessing plant and 6,000 tonne per year sorting line in Perth.</li> <li>• National Consumer Education Campaign launched in 2020, supported by a Commonwealth Government grant.</li> <li>• APCO Systems and Education Working Group and CDS Working Group.</li> <li>• 'Packaging Waste Collection and Processing Options in Remote and Regional Areas' report, published December 2020.</li> <li>• APCO leading and supporting the development of sectoral extended producer responsibility schemes, including two projects supported under the National Product Stewardship Investment Fund.</li> </ul>
<b>Outcome 3: Expanded Markets for Used Packaging</b>	<ul style="list-style-type: none"> <li>• Average recycled content across all packaging increased from 35% in 2017-18 to 38% in 2018-19.</li> <li>• Several APCO Members have announced major recycled content uptake milestones and commitments. These include Coca Cola Amatil now manufacturing all single serve bottles from 100% recycled plastic, Unilever's Australian-made bottles (Dove, OMO, TRESemmé, Surf, and Toni &amp; Guy) now being made with up to 70% recycled plastic, and in 2019, Palmolive Eco Dish Liquid, Palmolive Ultra and Ajax Spray n'Wipe moving to 100% post-consumer recycled PET bottles. Other brands making progress in this space include Australia Post, The Iconic, Natures Organics and Wellman Packaging</li> <li>• Labelling program for recycled content in packaging scheduled for launch in mid-2021.</li> <li>• APCO Materials Circularity Working Group and priority projects on supply chain and government procurement of recycled materials.</li> <li>• Project to establish specifications for eleven categories of recycled plastic to enable their end-use in packaging and other uses.</li> <li>• APCO's Recycled Content Pledge Program to drive commitment of APCO Members to use recycled content in their packaging.</li> </ul>

	<ul style="list-style-type: none"> <li>• REDcycle program continuing to drive increased end markets for recycled soft plastics, supported by APCO Members.</li> </ul>
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## 5. The role of the New South Wales Government in the co-regulatory framework for packaging

The co-regulatory framework of the NEPM and Covenant provides considerable opportunity for New South Wales, along with other jurisdictions, to drive outcomes on packaging and support achievement of the 2025 Targets. NSW already has a mandatory 80% recycling target for plastic packaging, applicable to companies in the packaging supply chain that are not Members of APCO. There is scope to establish further targets through this framework, including targets for inclusion of recycled content in packaging, and the phase-out of problematic and unnecessary single-use plastic packaging.

Under the co-regulatory framework, obligations are placed on liable parties, which are brand owners in the packaging supply chain with an annual turnover greater than \$5 million. There are three ways in which liable parties can acquit their obligations; by:

- Becoming a Signatory to the Covenant (these Signatories also become Members of APCO).
- Submitting to direct regulation by state and territory governments in relation to:
  - The recovery of used packaging materials.
  - The re-use, recycling or energy recovery of packaging materials.
  - Demonstrating that the recovered materials have been re-used or exported.
  - Demonstrating that reasonable steps have been taken to advise consumers as to how the packaging is to be recovered.
- Being part of an industry or sectoral arrangement that produces equivalent outcomes to those achieved under the Covenant.

Responsibility for enforcing the NEPM rests with the Commonwealth and State and Territory governments in relation to companies operating within their jurisdictions. In New South Wales, the NEPM is implemented by Part 8 of the Protection of the Environment Operations (Waste) Regulation 2014. This Regulation establishes two packaging targets for companies that choose to be regulated by the EPA, namely:

- 80 per cent of all material used in packaging products must be recovered
- 100 per cent of new and existing packaging must be reviewed using the Sustainable Packaging Guidelines by June 2020.

The Regulation includes civil penalties for companies that do not comply with their obligations, although to date these have not been applied. The NEPM also provides for state governments to enable local governments to recover the costs of collecting and recycling packaging through kerbside systems, from companies that are not signatories to the Covenant.

## 6. Comments on the Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill 2021

APCO supports state and territory governments implementing legislative measures that will help to drive achievement of the 2025 National Packaging Targets and the transition to a circular economy for plastics and packaging in Australia. Measures such as plastic bag bans, container deposit schemes and bans on problematic and unnecessary single-use plastics are aligned with and mutually reinforce the work of APCO and its Members under the Covenant.



APCO has welcomed the robust and consultative development process that the New South Wales Government has conducted to develop its 20-Year Waste Strategy and Plastics Plan, both of which we anticipate being published in the coming months. While we fully support the Planning and Environment Committee's inquiry into the Waste Avoidance and Resource Recovery Amendment (Plastics Reduction) Bill 2021, we consider that the implementation of the 20-Year Waste Strategy and Plastics Plan should be the highest priority for plastics and packaging legislation in New South Wales.

We encourage the Planning and Environment Committee to consider the opportunity to progress the types of outcomes sought, by aligning with and harnessing industry effort under the Covenant. As the NEPM and Covenant are currently under review, we further encourage the Committee to consider the opportunity afforded by the review to strengthen the ability of the co-regulatory framework to deliver these outcomes.

## 7. Conclusion

As the co-regulatory organisation charged with responsibility for managing the sustainable packaging pathway in Australia, APCO has a unique insight, ability and responsibility to support the objectives of the New South Wales Government in relation to packaging waste. We fully support the role of the New South Wales Government in implementing legislation to advance its objectives and priorities on plastics and packaging, and look forward to supporting and working with the New South Wales Government in implementing its 20-Year Waste Strategy and Plastics Plan, and the continued transition to a circular economy for packaging in Australia.