

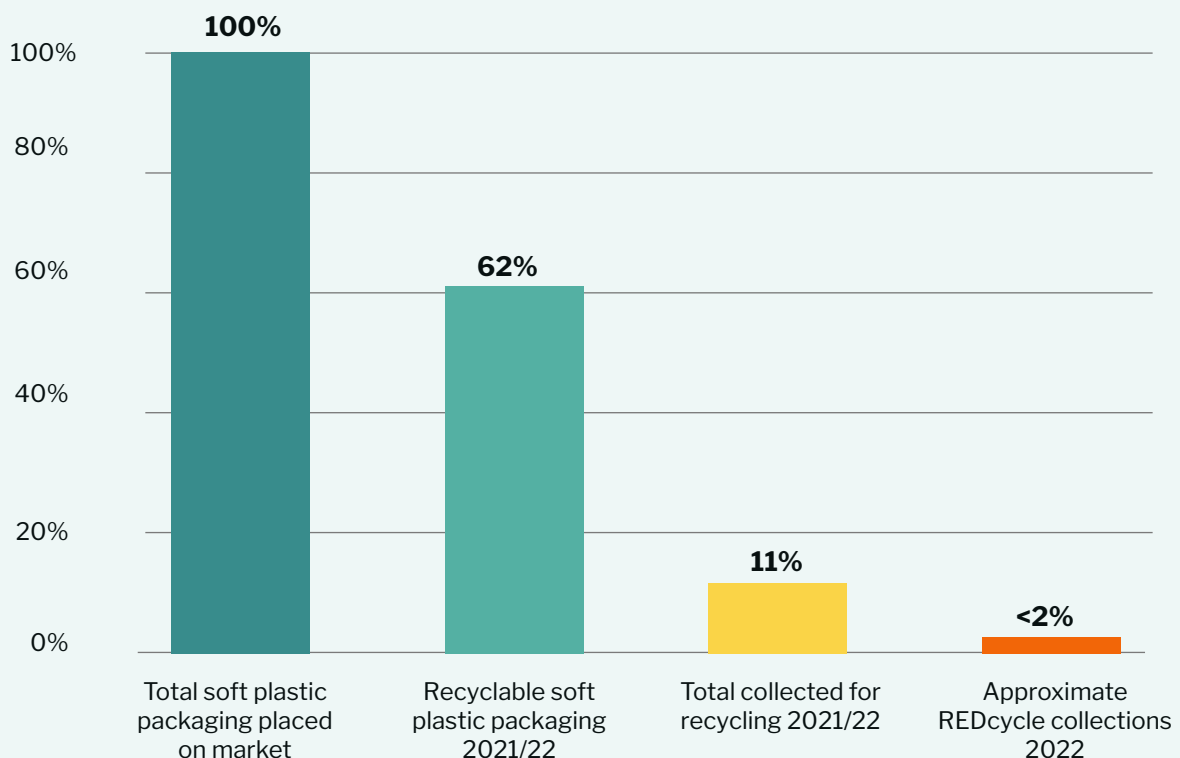
Progress for a lasting solution for soft plastic recycling in Australia

Soft plastic recycling rates need to increase

Consumer soft plastic packaging ranges from packaging for food, groceries and personal care items to household goods including electronics, clothing, post bags and bubble wrap. Despite strong household interest in recycling, and approximately two-thirds (62%) of the material placed in the Australian market being recyclable, recycling rates in Australia have always been very low.

After 10 years of operations by 2022 REDcycle collections peaked at less than 2% of the material placed on the market. By comparison, the recovery rates for rigid plastic packaging, like plastic drink and milk bottles, is higher, estimated at 28%. Clearly a step change on soft plastics is required.

Soft Plastic Recyclability and Recycling Rates



Data Source: APCO, Flexible Plastic Consumption and Recovery: 2021-22 Fact Sheet (March 2024), Soft Plastics Taskforce, Roadmap to Restart (March 2024)

A soft plastic recycling solution for the future

To fix the recycling problem three actions are essential:

1. Introduce easier ways for community to recycle their soft plastic packaging
2. Increase recycling infrastructure
3. Increase demand for recycled products

To address and fund these actions, an independent not-for-profit product stewardship scheme has been created, **Soft Plastics Stewardship Australia (SPSA)**. Building on the work of the retailer led Soft Plastic Taskforce and the Australian Food and Grocery (AFGC) led National Plastic Recycling Scheme (NPRS), the SPSA has been established to overcome the above challenges of soft plastic recycling and plans to use levies raised from brand owners and retailers to fund areas of market failure

across the supply chain. The scheme also proposes incentives for brand owners to redesign their packaging to make it more recyclable and include recycled content.

By facilitating more mechanical recycling and a new advanced plastics recycling industry in Australia, the SPSA looks to kickstart a more circular, high value market for soft plastics – and ultimately, less landfill .



How will the SPSA work?

Step 1: Brand owners pay levies

The SPSA intends to collect levies from brand owners (including manufacturers and retailers of consumer products) based on the amount of consumer soft plastic they put into in the Australian market. Subject to Australian Consumer and Competition Commission (ACCC) approvals, the levies will be designed to improve packaging design, recyclability and increased use of recycled content, through incentives and penalties in the levy structure.

Step 2: Pilots and levies for collections and reprocessing

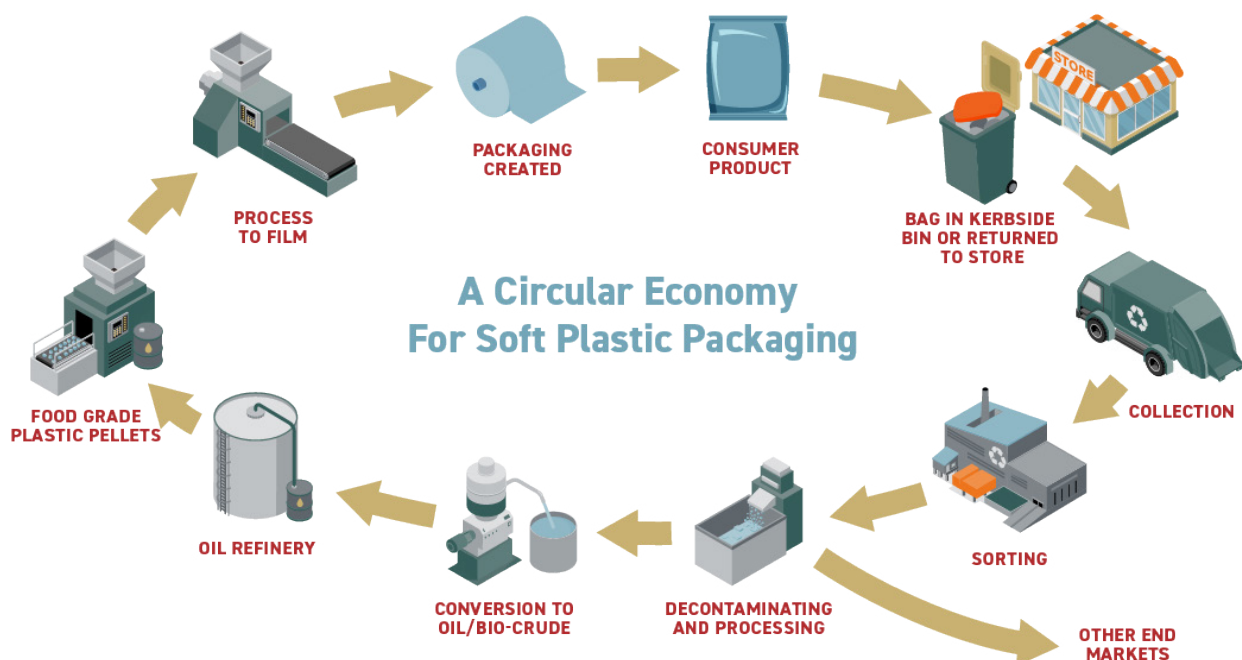
SPSA is determined to use the levies to fund economic gaps in the supply chain, including processing the stored REDcycle material and the collection, sorting and processing of material from various collection trials.

The SPSA aims to assess the scale and breadth of coverage provided by both kerbside recycling collection and return-to-store programs, providing consumers

with convenient access to recycle their soft plastic at home or while shopping. Both collection channels have enormous potential to increase the amount of soft plastic being recycled. Where kerbside recycling is not available, the SPSA will assess other collection options, including expanding return-to-store programs and vice versa.

One promising technology being explored is advanced chemical recycling. This innovative process can convert plastic waste back into its original building blocks, creating a high-quality oil that can then be used to produce new, virgin-grade plastic. This approach helps to reduce the need for new plastic production and creates a circular economy for plastic waste.

Importantly, the SPSA maintains a technology-neutral stance, meaning that it is open to considering and supporting other emerging technologies as they become available. This ensures that the program remains adaptable and can leverage the most effective solutions for addressing plastic waste and advancing recycling efforts.



Board and governance

As a not-for-profit entity, the Initial Board is planned to comprise a mix of experienced independent directors, and brand and retailer directors who are funding the schemes establishment. This Initial Board will have responsibility for oversight, governance and operation of the scheme. The board will ensure the scheme meets community, environment, financial and legal obligations, including all relevant ACCC approvals.

The Soft Plastics Scheme Australia (SPSA), under the guidance of Planet Ark, is establishing a Stakeholder Advisory

Council. This council aims to foster collaboration, engagement, and support from all stakeholders across the entire soft plastics supply chain. It will include representation from relevant government bodies, industry associations, and external experts, ensuring a comprehensive and well-rounded perspective. To further strengthen cross-representation and ensure effective communication with the SPSA's leadership, a designated director of the Board will also be a member of the Advisory Council.

Desired outcomes:

The SPSA aims to improve:

1. Environmental outcomes including reduced reliance on virgin plastic, reduced emissions and reduced landfill.
2. The soft plastic recycling rate in support of industry and/or government targets.
3. The availability of post-consumer recycled content, including for food and pharma-grade packaging, to improve circularity in the supply chain.
4. The development of the advanced plastics recycling industry in Australia by incentivising both the supply of feedstock and industry demand.

Recognised support

The SPSA acknowledges the funding support from the Federal Government that initiated the development of the scheme, as well as the support provided by the Queensland Government to accelerate implementation.

Additionally, the SPSA acknowledges the following leading brands and retailers for their funding contributions that enabled the collection trials and creation of SPSA.



Want to know more?

Elements of this program may be subject to ACCC authorisations, commercial agreements and further improvements. For the latest information please email info@spsa.au