

Senate Environment and Communications Legislation Committee Inquiry into  
Product Stewardship Amendment (Packaging and Plastics) Bill 2019

AFGC Reply to Questions on Notice received from Senator Whish-Wilson – Hearing 24 August 2020

- In your written submission you say, “mandating targets before understanding the baseline situation is problematic, as is evidenced by the recommended 30 per cent recycled content target.” Do you think APCO’s current voluntary targets are problematic? If so, why did you sign up to these targets without understanding the baseline situation first?

The Australian Food and Grocery Council (AFGC) supports the National Packaging Targets because they are voluntary which allows for an industry average to be achieved. Mandating targets is impractical to enforce at a company level due to different packaging and food and chemical safety risk combinations.

The National Packaging Targets are aligned with global best practice and subsequent data analysis found that Australia has achieved the target for 30% industry average recycled content included across all packaging. In April 2020 the Australian Packaging Covenant Organisation (APCO) announced an increase in the target for overall recycled content across all packaging from an industry average of 30% to an average of 50%. This is a positive development and demonstrates industry’s willingness to work towards achieving the National Packaging Targets and increase their ambition. However it also underscores that mandating a target via legislation can become redundant (the proposed Bill’s provision [s40B] is out of alignment with the change to the National Packaging Targets therefore reducing environmental benefits). Moreover mandating targets may act to suppress more ambitious levels being achieved as mandating a target can in effect serve as a signal to achieve a minimum compliance outcome.

- In your submission you say, “APCO membership is compulsory for brand owner businesses in the packaging supply chain with an annual turnover of \$5 million or more, and includes a requirement for APCO member companies to report on what actions they have taken to align with the goals of the Covenant. This includes how they are reducing packaging and increasing the recyclability of packaging.” Would you be prepared to make public, the data you report to APCO about how you are reducing packaging and increasing the recyclability of packaging?

APCO’s website includes the ability to search information provided by its members as part of their reporting obligations. APCO also publishes a number of reports and documents including the Australian Packaging Consumption Resource Recovery Data which provides the 2017–18 financial year baseline packaging consumption and recovery data for Australia, to inform the measurement of progress towards the 2025 Targets.

- In your submission you mention “Collaboration between all levels of government and jurisdictions.” Do you agree that a national approach to banning single-use plastics would see collaboration between all jurisdictions and would harmonise the regulations for your members, including the major retailers?

The AFGC is a national industry association representing Australia’s food, beverage and grocery manufacturing industry, and doesn’t include retailers as members.

The AFGC is supportive of reducing the usage of problematic and unnecessary single use items and recommends that a national definition is required to remove any ambiguity and to ensure any measures that are considered do not have unintended consequences for the community and the environment.

The AFGC has been collaborating with APCO to develop a process for brand owners to identify, phase out and substitute problematic and unnecessary single-use plastic packaging. The AFGC is also a member of the SA, ACT & Qld governments' working groups established to develop single use plastic legislation. The AFGC is collaborating with each jurisdiction to ensure the environmental aims of the bans are achieved, while minimising the cost impact on community and seeking to establish state legislation compatibility.

A nationally consistent list of unnecessary and problematic single-use plastic items could be drafted and agreed by all jurisdictions which would provide industry with confidence to invest in selecting environmentally superior substitutes. As AFGC members operate within national and often global supply chains, alignment across the jurisdictions will provide brand owners with the scale necessary to drive optimal environmental outcomes.

• In your submission you say, “The Bill proposes additional requirements to include wording on the packaging of certain products outlining the product is harmful to the environment if incorrectly disposed of. The AFGC recommends consistent product disposal and recycling logos should be used across all industries to reduce community confusion and support the use of the PREP tool and the Australasian Recyclability label (ARL) for this purpose versus introducing additional labelling.” How does the PREP tool and the ARL outline the environmental harm of products if they are incorrectly disposed of?

The AFGC and brand owners recognise that any packaging can negatively impact land and marine environments when it is not disposed of in a responsible manner. The AFGC recommends several actions are required including reducing cross contamination which negatively impacts the recyclability of packaging.

As highlighted in APCO's 2019 report *Australian Packaging Consumption and Resource Recovery Data*, 86 per cent of packaging is currently recyclable, re-usable or compostable yet only 49 per cent is recovered for recycling<sup>1</sup>. This is due to a combination of factors ranging from product design limitations, low community awareness, collection methods and a lack of specific local recycling infrastructure. The greatest loss along the recycling supply chain is from consumers failing to place recyclable packaging in their recycling bin as 25% of recyclable packaging is not collected<sup>2</sup>.

Clear, simple, consistent labelling is essential for reducing consumer confusion, limiting cross contamination and improving environmental outcomes. The implementation of the Australasian Recycling Label will assist in reducing community confusion. However, nationally consistent recycling systems coupled with nationally consistent community education are also essential to increase recovery and recycling. Recycling labelling can only be accurate in all Australian homes if a nationally aligned kerbside collection system is adopted.

• Given that the voluntary phasing out of microbeads has been “largely successful”, but not entirely successful, what are your reasons for not supporting a legislative ban on the use of microbeads so they can be phased out entirely?

Given the progress to date on the voluntary phase out of microbeads from rinse-off personal care, cosmetic and cleaning products including the Commonwealth's issue of a Monitoring and Assurance Protocol to Accord (with actions outlined to June 2022), it is not clear why the Bill proposes to legislate a ban. In the absence of further evidence in line with a regulatory impact type assessment of the proposed legislative ban it is difficult for the AFGC to determine a position on this proposal.

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<sup>1</sup> Australian Packaging Covenant Organisation 'Australian Packaging Consumption and Resource Recovery Data, December 2019 pp.11 & 6

<sup>2</sup> Ibid, p 69 Table 40

- Would you accept a review of APCO's progress in relation to its packaging targets earlier than 2025? For example, as suggested by ACOR, in late 2021 or early 2022? If such a review showed progress was unlikely to achieve targets by 2025, would you be prepared to accept mandatory schemes at this point, including penalties for non-compliance?

While the AFGC is supportive of the National Packaging Targets, seeking to make these targets mandatory for one part of the packaging value chain is problematic given it requires an inter-related whole of supply chain approach to develop solutions which will facilitate the achievement of the National Packaging Targets.

The AFGC supports a whole of supply chain and whole of government collaborative approach to jointly develop a national circular economy roadmap, complete with milestones for all supply chain participants including the Australian Packaging Covenant Organisation (APCO), and all stakeholders along the packaging supply chain from packaging companies, brand owners, retailers, collectors, MRF's to secondary processors. This will enable the actions of all stakeholders to be assessed over the next 5 years, and solutions to be developed to address any identified barriers arising.

Investment confidence will increase if a coordinated action plan is agreed and supported by complementary investments in infrastructure, versus separate industries moving in opposing directions.

Taking a data driven approach and performing material flow and thorough product lifecycle analyses will produce tailored action plans for specific recycling issues and/or opportunities that will maximise recovery rates through a circular economy and provide positive outcomes for the environment, community, governments and industry.

7 September 2020