



Australian Government

**Department of Climate Change, Energy,
the Environment and Water**

Ms Naomi Menon
Director
Australian Consumer and Competition Commission
GPO Box 3131
Canberra ACT 2601
Via exemption@acc.gov.au

Dear Ms Menon

Draft Determination: Application for authorisation AA1000627

I write in relation to the abovementioned draft determination (the draft determination) in support of authorisation under s88(1) of the *Competition and Consumer Act 2010* (Cth) (the Act). The Department of Climate Change, Energy, the Environment and Water (the department) welcomes the opportunity to provide an additional submission in support of Coles Group Limited and other participating supermarkets (the participants) continuing to meet to work towards solutions for post-consumer soft plastics.

With the confirmed end of the REDCycle program, there are limited alternatives for Australian households to return their soft plastic packaging for recycling. In the absence of a drop off or collection arrangement, we expect that most consumers are now sending soft plastics to landfill. In 2020-21, 2.65 million tonnes of plastic reached end of life in Australia. Concerningly, 92% of flexible plastic packaging ended up in landfill, with many metropolitan landfills indicating they are running out of space.

The interim authorisation has enabled ALDI, Coles and Woolworths to release a public roadmap towards reinstated soft plastic collection systems around the country. The roadmap provides households with information related to a phased restart of collections in supermarkets by the end of the year. The roadmap highlights that this is a complex matter and implementation will require continued engagement between the supermarkets until solutions have been delivered for soft plastics.

The department supports longer-term solutions to support and underpin options for soft plastic recycling for consumers beyond returning to store. The draft determination indicates a narrower scope of authorised conduct than the participants propose. The department supports the approach outlined by ACCC in the draft determination. The soft plastics recycling sector is growing in Australia and has many linkages with other industries including, but not limited to, retailers. The department considers that competition could deliver a more robust system for recycling, recovery and manufacturing of soft plastics. Such competition may better facilitate longer-term solutions that support and underpin options for soft plastic recycling for consumers beyond returning to store.

The department acknowledges the value of the Australian Packaging Covenant Organisation convening a Flexible Plastics Materials Stewardship Committee, noting the intention of this Committee is to include former REDcycle members in discussions to deliver a new sustainable pathway to effective soft plastics recycling and circularity. We consider there are positive opportunities for the Participants' intended work to complement the Committee's efforts.



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As highlighted in our initial submission, the recycling and resource recovery sectors in Australia are experiencing substantial growth. Recent investment by governments and industry will significantly increase Australia's domestic processing capacity. The department supports this draft determination. The department is also willing to chair any future meetings of the Soft Plastics Taskforce if the Participants are provided with continuing ACCC authorisation.

Yours sincerely



Cameron Hutchison
Branch Head
Waste Policy and Planning Branch
Environment Protection Division

 April 2023