

Supermarket Soft Plastics Taskforce Meeting 14 Minutes

28 July 2023, 10:30am - 11:30am

Attendees

Department of Climate Change, Energy, the Environment and Water: Kate Lynch, Kirsty Bunfield, Annette Williams

Coles: Brooke Donnelly, Simone Brookes, Kristen Boverly-Spencer

Woolworths: Laurie Kozlovic, Peter Bruce, Mike Scott, Shomo Sen, Nerilee Telford, Alice Yang

Aldi: Daniel Baker

Minutes

Agenda item 1: Welcome

Outcomes:

- **Attendees agreed** that Coles would take the minutes for this meeting.

Agenda item 2: Revised ACCC Determination

- The Attendees discussed the ACCC's final authorisation regarding conduct in connection with the Soft Plastics Taskforce, which came into effect from 22 July 2023 for 12 months until 22 July 2024 (**Authorisation**).
- The Department confirmed the scope of the Authorisation, which largely encompasses Section 9 of the Soft Plastics Taskforce's Roadmap to Restart, to engage in limited conduct to re-commence the collection of soft plastics.
- The Participants noted the reporting obligations under the Authorisation including the requirement to update the ACCC after three, six and nine months from the commencement of the Authorisation, including with Soft Plastics Taskforce meeting minutes.

Outcomes:

- **Attendees confirmed** that they were comfortable with the scope of the ACCC's Authorisation.

Agenda item 3: Stockpile update

Consolidation of sites, relocation activities and remaining sites including risks

- Woolworths reported the progress that had been made by Coles and Woolworths to consolidate the stockpiled material and confirmed that all sites deemed by the NSW EPA to have been 'high risk' had been addressed, and that the relevant state Environment Protection Authorities (EPAs) were currently comfortable with the progress. The Participants discussed that this process had resulted in:
 - Stockpiled product in NSW and Victoria being consolidated into [REDACTED] sites in NSW and [REDACTED] sites in Victoria; and.
 - Less than 4% of stockpiled product, being heavily deteriorated and/or contaminated product which did not appear to be reasonably recyclable, had been sent to landfill.
- Woolworths noted that further work may be required to address any concerns raised by local councils around fire safety, and that this and the broader management of the stockpiles was a continuing work in progress.

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- Woolworths referred to the recent media release concerning the Victorian EPA withdrawing legal action against REDcycle in association with information disclosure requirements relating to the legacy soft plastics stockpiles. Woolworths confirmed that it did not have any further information on this topic.
- Attendees discussed the different processing opportunities for soft plastics including chemical recycling, mechanical recycling and downcycling, noting that significant time and energy had been dedicated to scoping the current and likely future available capacities in Australia.
- The Department queried the AFGC's proposed scheme for collection of soft plastics and asked for comment from the Participants on the extent to which this would be relied upon.

Outcomes:

- **The Participants agreed** that recommencement of a soft plastics recycling program would be heavily dependent on industry capability and that domestic industry is currently in the very early stages of being able to stand up the volumes and service levels needed to process soft plastics at scale.
- **The Attendees agreed** on the need for multiple and diversified pathways for collection and reprocessing, including curb-side collection. The Attendees noted that there were opportunities for improvement in the AFGC's currently proposed model but confirmed that the Taskforce was focused on establishing appropriate foundations before proceeding with high volumes of collections or processing.
- **The Participants confirmed** that there will be a role for government to play as further clarity regarding the structure of the future scheme arises, including from a policy and funding perspective, and potential engagement in any further industry collaboration necessary in the longer term (which could require further ACCC authorisation) .

Agenda item 4: Roadmap

Development of contract terms and establishment of service level agreements; launch strategy development and finalising collection including end to end management approach in readiness for pilot; high level principles cost-sharing model with brands and other retailers; negotiate contract arrangement with processor and logistics partners; and target first pilot launch for recommencement of soft plastics collection and processing.

- Coles and Woolworths confirmed they had entered into a Memorandum of Understanding (MOU) and assigned roles in relation to the management of the legacy soft plastics stockpiles. The Department requested that Coles and Woolworths consider whether it was appropriate for the MOU to be shared with the broader Taskforce.
- The Attendees discussed the timeframes for the action items listed under Agenda item 4. Coles and Woolworths indicated that estimated time frames would be better updated at the next Taskforce meeting, on the basis that conversations with selected soft plastics generating suppliers (**Soft Plastics Suppliers**), as potential program partners, would be occurring in the coming month and a more informed position could be proposed following these conversations.
- Aldi noted that it was not aware of the upcoming conversations with Soft Plastics Suppliers and requested insight to ensure it was comfortable with and that there were actions in alignment with the Taskforce's messaging to product suppliers.

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Outcomes:

- **Coles and Woolworths agreed** to revert back to the Taskforce as to the extent to which they were comfortable sharing the content of the MOU.
- **Coles and Woolworths confirmed** that they were meeting with the top 10 largest Soft Plastics Suppliers in the coming weeks and would update the Taskforce at the next meeting with more granularity surrounding estimated timeframes, contractual arrangements and a broader strategy.
- **The Participants agreed** to meet to ensure that all participant supermarkets, including Aldi, were across the details of the meetings with the Soft Plastics Suppliers.

Agenda item 5: DCCEEW updates

- The Department discussed the launch of the \$60m funding under the Recycling Modernisation Fund and confirmed that the purpose was a focus on 'hard to recycle' plastics, including soft plastics.
- The Department reported on the recent Meeting of Environment Ministers that occurred on 9 June 2023, specifically:
 - Regarding proposed packaging regulatory reform, that the Ministers had agreed the existing regulatory framework would be revised. This would include some mandatory obligations around the packaging design of products placed on the market.
 - That work was being done in parallel with efforts with state and territory governments to harmonise collection across Australia for a more consistent approach for members of the community.
- Participants discussed international regimes and the Department confirmed the government was modelling a range of different variants and looking at other markets to leverage ideas.

Outcomes:

- **The Department confirmed** it would send a copy of the discussion paper regarding the proposed packaging regulatory reforms to the Participants.

Agenda item 6: Other business and wrap up

Media and external comms alignment, other agenda items

Outcomes:

- **The Department confirmed** it was not aware of concerns internally regarding the progress being made to date and timelines set out in the Roadmap for Restart, but noted that there is an expectation re-commencement of an instore collections program (albeit on a geographically limited, trial basis) would occur at the end of the year.

Agenda item 7: Meeting Close