

Soft Plastics Taskforce

Roadmap to Restart

7 March 2023

An interim plan to restore community access to soft plastics recycling through Australian supermarkets

Authored by the Soft Plastics Taskforce,
comprising Australian supermarkets ALDI, Coles and Woolworths under
interim authorisation from the Australian Competition and Consumer Commission.

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Section 1: Executive Summary

The Soft Plastics Taskforce (Taskforce) was formed to allow Australia's major supermarket retailers to work to restore public access to post-consumer soft plastics recycling. The Taskforce membership comprises the three major supermarket chains, Aldi, Coles and Woolworths. Meetings are chaired by the Department of Climate Change, Energy, the Environment and Water (DCCEEW). The Taskforce has been meeting regularly since 1 December 2022. Other occasional invited guests have included REDcycle, the Australian Food and Grocery Council (AFGC), the Australasian Packaging Covenant Organisation (APCO), reprocessors and consultants who have joined various meetings to present plans and findings.

For the vast majority of Australian households, the only avenue to recycle their used soft plastics has been through the REDcycle program available at major Australian supermarkets. The REDcycle collection bins accepted soft plastics from any source and were freely available to the public. Soft plastics returned in the collection bins included soft plastic packaging from groceries (both supermarket own label and branded products), non-food retailers and e-commerce platforms.

In early November 2022, the REDcycle program was suspended when it came to light that REDcycle had been stockpiling collected soft plastics for an unknown period, due to insufficient processing capacity. While the supermarkets were not given specific information on the volume, condition or locations of stockpiled materials, it was determined that it would not be viable, nor responsible, to continue soft plastics collections under these conditions. In-store collections were halted and this Taskforce was established to develop a plan to recommence them as soon as possible.

The purpose of the Taskforce, as authorised by the Australian Competition and Consumer Commission (ACCC), is to work towards the reintroduction of soft plastics recycling for Australian consumers. Accordingly, this Roadmap outlines the process underway and milestones required for the resumption of collection services.

The Taskforce's core objectives are to:

1. Resume access to soft plastics recycling through Australian supermarkets
2. Restore public confidence in soft plastics recycling
3. Maximise the recovery of soft plastics

As Australia's largest supermarkets, Aldi, Coles and Woolworths are working to reduce unnecessary plastics in their stores, and support the development of circular economies through the use of recycled material. The suspension of the REDcycle program illustrates the complexity of soft plastics recycling and the need to build robust systems to close the loop on this common household waste. Together, we will continue to work to restore Australians' access to soft plastics recycling so that this material can be diverted from landfill and given a second life in new products to the extent possible.

1.1 History and context

REDcycle was founded in 2011 as a recycling business offering soft plastics recycling services. Over the following years, it grew its presence to have collection bins in all Coles supermarkets by 2018 and all Woolworths supermarkets by the start of 2019. The company was paid by supermarkets and around [270 brands](#) to collect soft plastics deposited by the general community in recycling bins at their stores for conversion into recycled products. REDcycle's model involved managing the logistics to transport this material from supermarket stores to its nominated sortation facilities, and then onto third party partner manufacturers to recycle the material into valuable industrial and consumer products.

However, the volume of material collected in recent years has far exceeded available processing capacity as Australia's domestic post-consumer soft plastics recovery industry is still in its infancy. In 2022, in response to previous poorly managed waste recovery with international partners, the Commonwealth banned the export of unprocessed plastic waste material for recovery overseas.

Over a number of years, Commonwealth, State and Territory governments have jointly invested considerable funds into developing local capabilities to recover this challenging waste stream. However, this future planned capacity and capability will become operational at staggered intervals over the next 5 years. This includes both mechanical and chemical recycling, and will result in considerable demand for used soft plastics, in excess of what supermarket collections can supply.

1.2 Roadmap to Restart

These issues factor into the Taskforce's efforts to identify an interim solution. To rebuild public trust in soft plastics recycling, it is critical that:

1. There is no single-point of dependency for recovery and processing;
2. The recovery options meet public expectations; and
3. Each of the steps in the recovery process is robust, viable and transparent.

This will eventually require much broader industry participation beyond just supermarkets, engaging all retailers, e-commerce platforms and consumer brands that generate soft plastics materials to collaborate and contribute to its success.

The Taskforce is considering viable recycling partners and models to establish a new soft plastics recycling program. In line with public expectations, domestic recycling operations will be prioritised as preferred partners for the recommencement of in-store collections. The Taskforce understands the expected rigour and due diligence that must be applied to this process to restore trust in soft plastics recycling. Members of the Taskforce have already visited a number of facilities belonging to potential program partners to assess and validate reprocessing capacity, capabilities and timelines.

Recently, Coles and Woolworths extended an offer to REDcycle to assume control of the existing soft plastics stockpiles so they can be stored safely while the retailers explore recycling options. The offer from Coles and Woolworths to assume control of the stockpiles was accepted by REDcycle on 26 February 2023, and the supermarkets are commencing work to assess the current safety issues and condition of material for recovery.

Coles and Woolworths are committed to providing their support to save as much of this stockpiled material from landfill as possible. The Taskforce notes that the environmental protection authorities in New South Wales, Victoria and South Australia are currently investigating these stockpiles and considering proposals from Coles and Woolworths to manage them appropriately.

While the Taskforce is working to accelerate solutions to resume in-store collections, it is limited by current local processing capacity. The timeline to resume collections may also be affected by the need to dedicate local processing capacity to the existing stockpiles prior. As Coles and Woolworths learn more about the state of the material and explore recovery options, the Taskforce may need to adjust timeframes and pathways to maximise the desired environmental outcome.

Based on domestic recycling projections and initial management plans for the

existing REDcycle stockpiles, the Taskforce currently expects to reintroduce consumer-facing soft plastics collections in supermarkets in a geographically staggered way, to align with the staged increases in domestic processing capacity.

The first pilot for recommenced in-store soft plastics collections in select areas is currently targeted to begin in late 2023. However, this is based on the assumption that REDcycle's existing stockpiles will not be concurrently occupying the full extent of the local processing capacity. This could be avoided if offshore advanced recycling solutions are used to process the existing stockpiles overseas, which would require the assistance of the Government to expedite the necessary export exemptions, and is subject to requirements for export and movement of the material.

Expansion of in-store collections to new areas beyond the initial pilot will be dependent on the location, capability and capacity of reprocessing infrastructure as it develops in 2024 and 2025. This expansion could be accelerated with the assistance of state and federal governments to invest and expedite planning approvals for new domestic processing capacity.

The Taskforce is committed to ensuring in-store collections are only commenced when it can be confident the soft plastic will be recycled responsibly, without a high risk of disruption. Accordingly, the Taskforce has laid out its view of domestic capacity based on current information and a firm desire not to overestimate new capacity that is yet to be guaranteed. If there are developments in the industry which allow the Taskforce to confidently accelerate its current projected timelines, it will.

Section 2: Objectives of the Soft Plastics Taskforce

The Taskforce first met on 1 December 2022 to address the immediate effects of REDcycle suspending its post-consumer soft plastics recovery program.

The Taskforce was granted a conditional interim authorisation by the ACCC. This allows the authorised supermarkets to discuss, develop and implement a short-term solution for the storage, transportation, processing, recycling and/or management of soft plastics.

Our core objectives are to:

1. Resume access to soft plastics recycling through Australian supermarkets
2. Restore public confidence in soft plastics recycling
3. Maximise the recovery of soft plastics

Section 3: Requirements for a recommencement of in-store soft plastics collections

Following REDcycle's acceptance of Coles and Woolworths' joint offer to take on responsibility for its stockpiled soft plastics, the retailers are urgently working to ensure it is stored safely until they can begin recycling the material as soon as possible, to the extent possible. Work towards reestablishing an in-store soft plastics recovery program will occur in parallel with, and may be affected by, the approach taken to manage the stockpiled materials responsibly.

The recommencement of an in-store soft plastics recovery program must first satisfy several important requirements to restore public confidence in the recovery and recycling process.

The following factors must underpin an in-store collection program.

- The identification of sustainable, viable and long-term soft plastics recovery options, prioritising the best environmental outcomes;
- Multiple processing channels to remove single-point failure risks which could result in a similar system-wide disruption as that experienced by REDcycle;
- Identification and alignment of approaches to policy and regulatory activities with government and government agencies to address local regulatory requirements that impact delivery of product stewardship programs and specifically, soft plastics collection, transport, storage and reprocessing;
- Whole-of-industry support, where the suppliers of post-consumer soft plastics waste - consumer brands, other retailers and e-commerce platforms - cooperate and contribute to the funding of the recovery system;
- A staged approach to the recommencement of collection by geographic area, aligning collection volumes with viable local reprocessing capacity; and
- An audit program to ensure robust oversight and public transparency of the recovery chain-of-custody.

Section 4: Engagement

The Parties involved in the Taskforce have, over the last three months, individually, and as a Taskforce, engaged with State and Federal Governments, as well as several State-based environmental protection agencies, including NSW, Victoria and SA.

The Taskforce has also engaged with industry groups, including:

- The Australian Food and Grocery Council (AFGC), which represents hundreds of Australian consumer brands, many of which were members of the REDcycle program and feature the REDcycle logo on their packaging.
- The Australian Packaging Covenant Organisation (APCO), the independent organisation tasked with facilitating the delivery of Australia's 2025 National Packaging Targets.

The Taskforce has also engaged a number of recyclers and processors to determine current and projected domestic soft plastics recycling capacity, capabilities and timeframes. This engagement has included site visits to assess and corroborate claimed recycling capabilities, and progress towards establishing the requisite systems and infrastructure to deliver promised outcomes.

Key international recyclers who use advanced mechanical and chemical recycling have also been consulted to understand the viability of offshore recycling in the short term. Offshore processing would only be considered as a solution to manage existing stockpiles, or as an additional solution for newly collected materials to complement local recycling should the necessary domestic recycling capacity be insufficient in the interim as domestic capacity continues to build. Any arrangement of this nature must comply with the necessary domestic legislation and acceptances from the relevant foreign authorities.

As the Taskforce continues its efforts to establish a new collection system, its engagement will expand to the broader groups who share the responsibility for the creation and stewardship of soft plastic packaging - from grocery retailers outside the Taskforce and other retail and e-commerce outlets, to consumer brands and manufacturers.

The logistics of collection and transportation to centralised sorting and processing facilities will be an important part of the new in-store collection program. Once

processing partners have been selected, the Taskforce will be mapping the necessary logistics support and will likely consult a number of waste service and transport providers.

The input and guidance of Federal and State governments is highly valued by the Taskforce and its engagement with various levels of government will expand as plans for the reintroduction of soft plastics collections and processing progress.

Engagement with all stakeholders, and updates or refinements to the plans outlined in this document will be ongoing throughout 2023 and beyond.

Section 5: Safeguards

To resume instore collection of post-consumer soft plastics, the following thresholds must be met to deliver a resilient, transparent recycling program:

- Multiple service providers in different locations using different technologies, to provide surplus recycling capacity and ensure a robust scheme.
- Processor partners must demonstrate a viable business model, including credible ongoing commercial offtake agreements for their products.
- Processor partners will be restricted from storing a greater volume of soft plastics than they are able to process in a reasonable timeframe, based on their specific processing capacity.
- Additional limits on the volume of collected soft plastics stored by processors may be applied, depending on the nature of the products being made.
- Collection and/or processing partners must agree to transparent monthly reporting on volumes collected, volumes held on site (including intermediate sites) and volumes processed. Reporting should cover both total collection or input sources, as well as specific volumes relating to individual supermarkets or collection points.
- A program of audits will be established for collection and processing partners, as well as the right to conduct unannounced on-site audits when reasonably required.
- In line with public expectations, domestic recycling operations will be prioritised as preferred partners for the recommencement of in-store collections.
- Processing arrangements that may exist for the legacy stockpiles will be considered when determining the processing capacity available to restart supermarket collections. Processing arrangements for the stockpiles could include the export of pre-processed plastic as a commodity to existing established markets, such as advanced recycling providers available offshore. However, this would only be considered if there is a strictly controlled chain of custody for the material and transparent reporting by credible partners who are using established facilities.

Section 6: Projected recycling capacity

Australia's domestic soft plastics reprocessing industry is immature and evolving rapidly. This creates additional uncertainty around the Taskforce's efforts to plan a future recycling program around projected capacity. The Taskforce has engaged numerous soft plastics pre-processors, recyclers and manufacturers, with facilities and operations at different stages of readiness over recent months. Ongoing efforts are being made to validate the accuracy of data on future processing capacity, taking into account potential funding, building and other delays which could affect projects currently underway.

Current domestic processing capacity is not sufficient to absorb the annual volume of soft plastics collected by the REDcycle program across supermarkets prior to its suspension. In FY22 approximately 7,500 tonnes were collected (equating to an average of 625 tonnes per month) from REDcycle bins at Woolworth and Coles.

It is important to note that not all soft plastics recycling solutions are capable of processing the mixed polymer soft plastics that are deposited by members of the public in supermarket collection bins. Solutions targeted at purer, higher value single polymer types such as LDPE (low density polyethylene) are also being scaled domestically, however these processes are not suitable for the mixed polymer soft plastics in REDcycle's stockpiles nor those that would be returned by consumers under a new supermarket soft plastics collection program.

The Government's Recycling Modernisation Fund has awarded funding grants to nine plastics project operators nationally who include mixed polymer soft plastics recycling in their proposed processing capacity.

Supported by Government and industry investment, over the next two and a half years, local soft plastics recycling processors are anticipated to cumulatively increase domestic mixed polymer processing capacity by around 15,000 tonnes per annum. This will increase in small increments over the next year with the completion of earlier projects, prior to more significant step-ups during 2024. From 2025 onwards the available capacity is anticipated to require consistent feedstock supply far exceeding volumes that can feasibly be collected via an in-store collection model. Accordingly, an expanded mass-collection scheme, such as a kerbside model, will be required in future.

Given the dynamic nature of the market, this forecast is not exhaustive, and will change over time as the Taskforce is provided with a clearer view of the developing market. The projected capacity outlined in this document represents a mix of mechanical and chemical recycling, including pelletising, fuels and material additives.

6.1 Estimated domestic processing capacity

With an objective to restart consumer-facing collections as soon as possible, the Taskforce is currently reviewing the suitability of partnerships with a selection of processors, whose capacity is projected to increase over the next 12-24 months based on the current information provided. No commercial decisions have been made with regard to the Taskforce's engagement and further participants may be engaged as the market develops.

The below table summarises the Taskforce's own estimates of current and future capacity from a number of Australian soft plastics processors. The Taskforce has developed conservative estimates to allow for greater confidence in the assumptions underlying its Roadmap, taking into account engagement with processors, potential pre-allocated capacity and potential development delays.

It is possible that additional processing capacity may become available sooner than stated below. The Taskforce will continue to refine future processing estimates with a range of providers over the coming months. As there are no contractual agreements in place with any service providers at this stage, processors have not been listed by name in this document.

Table 1: Taskforce estimates of short-term domestic processing capacity

Provider	A	B	C	D	E	F
Recycling type	Mechanical	Mechanical / Chemical	Mechanical	Mechanical	Mechanical / Chemical	Mechanical
Taskforce estimate of <u>current</u> capacity for REDcycle stockpile/future collection (tonnes/month)	0	0	0	42	0	30
Taskforce estimate of Future Capacity (tonnes/month)	250 (uplift A) 500 (uplift B) 1000 (Uplift C)	333	167	Timelines unable to be validated	347	Timelines unable to be validated
Taskforce estimate of start date for future capacity	By May 2023 (A) By Oct 2023 (B) By Jan 2024 (C)	By July 2023	By August 2023	N/A Current	By Sept 2023	N/A Current
Expected End Market/s	Aggregate, Durable 100% recycled product manufacturing	Injection moulded agricultural/ domestic products, construction and civil industry.	Road making additives, injection moulded industrial and domestic products	100% recycled plastic durable products	Energy companies using pyrolysis oil to create plastic resins	Construction materials

6.2 Impact of stockpiled plastic processing on available domestic capacity for new collections

Coles and Woolworths' assumption of the responsibility for REDcycle's stockpiled soft plastics may impact the timeframe for recommencing in-store collections.

The below table summarises the monthly volume of stockpiled soft plastics that could be recycled using current domestic processing capacity, assuming processing were to commence from March 2023. The table details the cumulative progress in recycling the stockpile over time. It has been built using the conservatively modified current and future capacities outlined in Table 1.

Table 2: Conservative estimate of stockpile recycling using projected domestic capacity

Month	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24
Capacity (monthly)	72	72	322	322	655	822	1168	1668	1668	1668	2668	2668	2668
Capacity (cumulative from March 2023)	72	143	465	787	1442	2263	3432	5100	6768	8437	11105	13773	16442
Residual stockpile (assumption 12,000T)	11928	11857	11535	11213	10558	9737	8568	6900	5232	3563	895	0	0

6.3 Expediting scheme recommencement

With limited domestic processing capacity persisting over the coming 12 months, in-store collections will be able to resume sooner if a portion of the existing REDcycle stockpiles can be received as a commodity item offshore to free up domestic capacity. Local pre-processing followed by offshore advanced recycling for the stockpiled plastics would be conducted via suitable chemical or mechanical recycling operators, under the necessary approvals. This process would create valuable feedstock inputs for consumer products and packaging for which the necessary infrastructure is not yet available at scale domestically.

If suitable offshore recycling solutions for stockpiled plastics are identified and the requisite approvals received, it may be possible to launch the first in-store soft plastic collection pilot in select areas in late 2023. This would be dependent on all other safeguard criteria being met.

Should the Taskforce be unable to secure a high quality, advanced recycling solution for the stockpiled material offshore, with regulatory approvals from the Australian Government and other relevant governments, the salvageable component of the REDcycle stockpiles will need to be processed domestically. This will likely consume most or all of the domestic recycling capacity in 2023 (as outlined in Table 2) and delay the launch of the first in-store collections pilot until 2024.

There remains a risk that recycling capacity available in the next 12-18 months may be disrupted, which could impact the timeline for recommencing in-store collections due to a reliance on relatively few domestic reproprocessors. Should new equipment and facilities need to be commissioned as the result of an unanticipated disruption to planned recycling operations, it could take some time before the necessary domestic bandwidth is restored.

Other market forces could also affect the demand for offtake from processors, further impacting the speed at which operators can increase their capacity. Additionally, individual councils and/or other parties may have demand for soft plastics recycling outside of the scope of this project which may affect access to the available capacity.

Furthermore, the Taskforce has not yet had the opportunity to validate the volumes and quality of the stockpiled material. Additional dependencies may exist relating to accessing and managing the locations of the storage/collection transport to

processing facilities. Therefore, these projected dates may shift as information about the stockpiles is further validated.

Section 7: Funding structure and governance

The REDcycle program was an independent private commercial company, which had more than [270 brand partners](#). These partners paid licensing fees to use the REDcycle logo on their soft plastic packaging or (in the case of supermarket partners) acted as collection points for REDcycle bins and paid REDcycle to manage collection logistics.

While the program was established to support product stewardship on the behalf of brands who use soft plastics in their products, the program also provided a general public service which accepted soft plastics from any producer, regardless of their involvement with the REDcycle program. This was an important feature of the program, as it offered a simple solution to capture all household soft plastic waste in the absence of alternative schemes. However, it had an unintended consequence that allowed both brands and traditional and online retailers that did not financially contribute to the program to benefit from supermarkets' management of their waste streams.

Subject to continued authorisation by the ACCC, in the coming months, the Taskforce will be considering funding models to support the new soft plastics recycling scheme it plans to roll out. This process will involve engagement with other retailers and manufacturers, both directly and through the Australian Food and Grocery Council, the Australian Retailers Association and the National Retail Association. The Taskforce will also consult with the Australian Packaging Covenant Organisation, federal and state and territory governments.

The Taskforce members are committed to investing in the soft plastics recycling scheme it develops, and it looks forward to the support of the broader industry.

The Taskforce will also determine the appropriate governance model for the new soft plastics recycling scheme in the coming months, consulting broader industry participants and government. The Taskforce is aligned on the necessity to ensure the program is governed with integrity, transparency and rigour to maintain public trust.

Section 8: Recommencement strategy

Limited domestic reprocessing capacity means any future in-store collection program will recommence in a staggered way, initially in select pilot geographies, depending on the location, capabilities and capacity of reprocessing infrastructure. This will broaden as further infrastructure and reprocessing capacity becomes available between 2024 and 2025.

To enable in-store collections to recommence:

- It will be necessary to pursue a staggered restart, likely on a regional basis (e.g. specific states/territories or discrete geographical areas), and informed by the progress towards processing stockpiled materials.
- The staggered restart will allow the supermarkets to match the volume of soft plastics expected to be deposited by the public with the available processing capacity. This approach will also allow supermarkets to observe whether consumer recycling behaviour has changed to see more or less soft plastics returned than under the previous REDcycle program. These changes could be the result of potential household stockpiling during the suspension of the program and/or changes in customer awareness of the program.
- The region/s chosen for initial restart will be based on anticipated collection volumes, as well as the locations of available processing partners.
- Suitable funding arrangements will need to be in place to share the collection and processing costs across the wide range of stakeholders involved in putting these soft plastics out into the market.

The REDcycle program saw significant variations in the volumes collected by state, based on population size and customer behaviour. As in-store collection is resumed, it will be important to understand whether customer behaviour in returning soft plastics has changed from historical patterns. Assessment of customer behaviour and returned volumes in the pilot area(s) will be critical to determining the pace at which collections in subsequent geographies can be reactivated, to ensure no future disruptions to the program resulting from unexpected collection volumes.

Section 9: Roadmap timeframe

The following steps outlined in Table 3 will be necessary to recommence instore collections. The below timelines are based on a scenario in which the entirety of REDcycle's stockpiles need to be processed domestically, consuming local recycling capacity. If the stockpiled material is able to be responsibly exported for advanced recycling with trusted providers overseas, the Taskforce may be able to accelerate the below timeline to launch a pilot program and expand to more stores sooner. The Safeguards identified in Section 5 will need to be met for the rollout of the new recycling program and may impact the proposed timing.

Table 3: Instore collection commencement steps

Instore collection Commencement Steps	2023												2024					
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Processor engagement & site visits	■	■	■															
Finalisation of a stockpile remediation action plan which will include safety risk assessments, safe storage and development of processing options			■	■														
Implementation of stockpile remediation action plan including management of storage arrangements and processing of stockpiles				■	■	■	■	■	■	■	■	■	■	■				
Completion of domestic and offshore capacity assessment, preparation of a preferred solution shortlist including capacities by geography and expected timeframes				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Development of contract terms and establishment of service level agreements, audit process				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Ongoing launch strategy development based on geographic/volume metrics. Finalising collection and end to end management approach in readiness for pilot				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Development of high level principles cost-sharing model with brands and other retailers				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Negotiate contracts for arrangements with processor and logistics partners*							■	■	■	■	■	■	■	■	■	■	■	■
Target first pilot launch for commencement of soft plastic collection and processing*												■	■	■	■	■	■	■
Target expansion of program from pilot area to additional geographical area/s*																	■	■

*(subject to sufficient progress in managing stockpiles and available processing capacity)

■ Initial Activity
 ■ Ongoing Activity

Section 10: End-markets

There are a number of end-markets beginning to emerge for post-consumer soft plastics recycling, with varying levels of technology maturity and value applications.

The Taskforce has identified three alternative ways in which soft plastic waste can be recycled:

- **Chemical recycling** technologies which break down plastic into its building blocks and transform them into valuable secondary raw materials. Examples include soft plastics back to oil, crude and pellets to make new products including food grade packaging such as PE or PP film. Currently no domestic solution exists at scale to turn soft plastic packaging back to food safe packaging, although early trials look promising, this fully circular solution is some years away.
- **Advanced mechanical recycling** which produces single stream resins for reuse in valuable products.
- **Mechanical recycling** for industrial and consumer products, as well as construction materials, which involves mixed plastics that are washed and remoulded into new products such as park benches, bollards or other building materials such as bricks and panels.

Solutions need to be diversified and a combination of chemical and mechanical recycling will be required to support resumed collections depending on the cost effectiveness, geographic location and off-take agreements to purchase recycled content products.

Processing infrastructure and end-markets are still in their infancy in Australia, and the sector requires substantial investment and market certainty to grow.

Ongoing liaison with all relevant stakeholders is necessary to ensure the growth and continuity of demand for recycled products and ensure the viability of local recycling infrastructure. The Taskforce members will look for opportunities to utilise recycled materials from the new collection program in their supply chains and will engage other parties who may benefit from access to this material to make them aware of the opportunities available to support the soft plastic recycling industry

through the creation of increased demand. We encourage Government agencies to consider increased adoption of recycled products, particularly in infrastructure projects.

Section 11: REDcycle legacy stockpiles

The environmental protection authorities (EPAs) in New South Wales and Victoria have raised concerns about the manner in which REDcycle has stored soft plastics in various locations. The Taskforce has been briefed by these authorities on the extent and risks inherent in these stockpiled materials.

Coles and Woolworths recently made an offer to assume responsibility of REDcycle's legacy stockpiles, which was accepted by REDcycle on 26 February 2023. This step was taken to give confidence to the community that these materials will be stored safely, and that every effort will be made to prevent the material from being landfilled. It is likely, however, that a proportion of the stockpiled soft plastics may need to be landfilled due to degradation of the material in storage. Coles and Woolworths are yet to make the necessary assessments of the stockpiled material to understand the condition of the stockpiles.

The scale of the legacy material in stockpiles in NSW, Victoria and SA is believed to be approximately 12,000 tonnes. Based on known current and ongoing capacity, this would inundate the domestic reprocessing market for approximately a year if the entirety of the stockpile is processed in Australia. As a result, it would delay the recommencement of in-store soft plastic collections. Accordingly, the Taskforce is in discussions with leading international industrial companies with advanced mechanical or chemical recycling plants offshore that are capable of accepting the stockpiled material for reprocessing into food-grade plastic.

Should export options be utilised for the stockpiled material, Coles and Woolworths will ensure only reputable partners are engaged, applying the strictest oversight and transparency to the materials' recovery process. They will need to attain the requisite regulatory approvals from all relevant governments.

Section 12: Building a soft plastics system to serve Australians into the future

Estimates from APCO indicate that less than five per cent of post-consumer soft plastics were collected by the REDcycle program. While retailers, consumer brands and manufacturers work to remove and reduce soft plastics, they will continue to be a necessary material in many food and medical products due to their lightweight and versatile properties. Soft plastics can maximise food and product safety, prevent damage and waste at each stage of the value chain, maximise the shelf life of a product and reduce food waste. However, soft plastics require careful end-of-life management to prevent it from entering the environment.

It is vital that the opportunity to rethink Australia's long-term soft plastics recycling model is not overlooked. Beyond the Taskforce's interim solution, there will need to be collaboration among industry, brands, retailers, manufacturers and all levels of government to develop a resilient soft plastics recycling system for Australia, which can capture more soft plastics from household waste. It will also need to be supported by the necessary end-market demand for recycled soft plastics.

Over the coming years, Australia's capacity for soft plastics recycling is forecasted to increase exponentially, based on the current development timelines for projects. Within two years the capacity will be more than double the volumes historically collected by the REDcycle scheme, and will continue to grow beyond this. To safeguard the development and viability of this emerging industry, it will be necessary to significantly increase the amount of soft plastics collected, and to establish end-markets for the new products created. The processing capacity made available must have the necessary supply of raw material and demand for off-take to encourage continued investment in this domestic capability, and this will require the diversification of collection streams beyond in-store collection.

As a result, the Roadmap to Restart is a transitional plan, bridging the gap between the suspension of the REDcycle program and a whole-of-industry, longer term solution that maximises soft plastics recovery. A future co-regulatory system can help ensure that the businesses who use and produce soft plastics play a direct role in funding its recycling. However, it will only be most effective if it can intervene at the household level, where separation and collection is most valuable and can best be achieved.

The Taskforce supports the AFGC's proposed National Plastics Recycling Scheme (NPRS), which outlines and trials a new kerbside model to collect household soft plastics to be processed into food grade packaging material and other high value uses. The NPRS has been developed with funding support from the Australian Government's National Product Stewardship Investment Fund. The concept is based on an industry-backed scheme that includes food and grocery manufacturers paying a levy to support the cost of collection, processing and administration.

The AFGC is running its own independent small scale trials based on this model across six Local Government Areas across Victoria, New South Wales and South Australia from November 2022 to March 2023. Households in trial areas receive specially produced kits containing orange recycling bags, which soft plastics are placed into, before the bag is sealed and placed in the yellow-lid kerbside recycling bin. These bags are then extracted from the other waste in the yellow bin and sent for sorting and processing.

Separately, the Victorian Government has announced a state-wide rollout of kerbside soft plastics recycling, pending the success of the current NPRS trial. The Taskforce applauds this move and strongly encourages every other state and territory government to support their local councils to do the same as new domestic capacity becomes available. This will ensure the maximum possible recovery of post-consumer soft plastics, supporting a thriving recovery sector, generating employment and creating a more circular economy for all Australians.

Finally, APCO is convening a Flexible Plastics Materials Stewardship Committee (FP-MSC), intended to play a convening and advisory role in the delivery of legitimate and sustainable pathways to effective soft plastics recycling and circularity. The FP-MSC's charter states that in 2023 it will focus on developing a strategic 3-5 year roadmap representing both recycling/reprocessing and collection for soft plastics, based on a shared vision of delivering the National Packaging Targets and working towards a circular economy for packaging.

The Taskforce is working to establish an in-store collection scheme, however such models are constrained in the volumes they can manage due to the space and logistics considerations within a retail store environment. Accordingly, such a scheme is not able to expand at the necessary exponential rate that future recycling capacity will demand.

The Taskforce welcomes continued dialogue with, and involvement of, government, APCO and industry to create a scalable solution through multiple material recovery channels that can increase recovery rates and - when coupled with the emerging recycling technologies - facilitate the circularity of soft plastics into the future.

Section 13: Conclusion and acknowledgements

The inception of the Soft Plastics Taskforce and the development of the roadmap to recommencing in-store soft plastic recycling demonstrates the commitment by all members to a program that achieves the best outcome for the community and the environment.

While the demand and capacity of existing processing options is not yet sufficient to immediately recommence a national in-store soft plastic collection scheme, the Taskforce is encouraged by the development of new recycling processing services that will commence operation later in 2023. The steps that the Taskforce has identified as necessary to recommence in-store collection will ensure a gradual resumption of soft plastic collections, which will align to the demand generated by new processing projects.

Taskforce members look forward to the commencement of an effective, sustainable and robust program that Australians can be confident in.

The Taskforce members would like to thank the Hon Tanya Plibersek, Minister for the Environment and Water, and the Department of Climate Change, Energy, the Environment and Water for their dedicated support of the Taskforce and its work.