



May 2021

WHAT'S THE PLAN B FOR PACKAGING?

SUMMARY

- The packaging sector causes significant resource wastage and environment problems.
- The 2025 National Packaging Targets are a set of objectives including - all plastic packaging to be either reusable, compostable or recyclable and 70% recycled or composted; and recycled content for packaging to be 50% and 20% for plastic packaging.
- The Australian Packaging Covenant (APCO) was established in 1999 with a goal to increase packaging recovery and reduce litter and waste. It is an arrangement without mandatory requirements or effective compliance. So far it has demonstrably failed.
- Current industry data is inadequate on reusability and compostability. Further, 50% of packaging is dumped and only 13% of plastic packaging is recycled.
- APCO have set up the ANZPAC Plastic Pact to help meet National Packaging Targets.
- While Australia's Environment Ministers support the current approach, they have reserved their position on introducing mandatory measures.
- APCO needs to demonstrate actual progress from its programs and the Plastic Pact by mid-2022.
- The **Boomerang Alliance Plan B for Packaging** spells out what progress by mid-2022 looks like and calls on the Commonwealth and states to mandate packaging targets beginning 2023 and introduce an EU-style stewardship program for packaging - if APCO fails key tests.



REVIEW OF CURRENT ARRANGEMENTS

The current arrangements – a Packaging Covenant by industry underlain by the Used Packaging Materials National Environment Protection Measure (UPMNEPM) for the reduction of damaging packaging production and consumption, have failed for several decades. The most recent review in 2021 provided clear evidence of this¹. One of the critical aspects was the lack of targets in the UPMNEPM; however the inclusion of targets for the Australian Packaging Covenant in its recent constructs in the last 10 years has not improved the situation. Now a renewed effort is being made to drive improvement with targets under the auspice of the National Waste Plan and the forthcoming Plastic Pact.

The 2025 National Packaging Targets clearly articulate a set of objectives to improve the sustainability outcomes for all product packaging placed onto the Australian market. The following details the targets and the current situation:

- *100% reusable, recyclable or compostable packaging* – currently 89%, but over 50% disposed to landfill (2018-19), which reveals the lack of a link to actual action on recycling or composting.
- *70% of plastic packaging being recycled or composted* – currently 18% (2018-19, APC) or 13% in National Plastic Plan (2021). At approximately 449,000 tonnes, soft plastics represent about a third of all plastic packaging placed on the market. Approximately 29,000 tonnes (6%) were recycled in 2017-2018.

To achieve the target, there will need to be:

- 80% recovery rate for rigid plastics
- 60% recovery rate for flexible plastics
- Domestic infrastructure capacity for reprocessing plastic packaging of 900,000 tonnes per year (a shortfall of around 740,000 tonnes compared to business as usual).

¹ MPCONSULTING (2021), Review of the UPM NEPM arrangement

- *50% of average recycled content included in packaging and 20% of plastic* – currently 38% for packaging (2018-19); 4% for plastics.
- *The phase out of problematic and unnecessary single-use plastics packaging.* Currently subject to state legislated bans; and a recent Meeting of Environment Ministers in April 2021, that set 2025 targets for various products.

Clearly there are major challenges ahead.

Recent announcements (eg Visy) on glass recycling (bottle to bottle) have been encouraging and the container deposit schemes (CDS) are providing high quality material. It's notable the CDS is a strong regulatory regime. Some major drink bottlers are also setting targets for PET with significant recycled content targets. However, these are not likely to be sufficient to meet the 2025 goals as they are only a portion of the plastic container market.

The critical question for the Boomerang Alliance and other business and government stakeholders is – how confident can we be, the 2025 targets will be achieved and what alternative action could be taken?

APCO has issued [Sustainable Packaging Guidelines](#) to assist companies changing their practices, which identified these 10 key principles:

The 10 Principles to be considered in the design and procurement of packaging to improve sustainability are:

1. Design for recovery;
2. Optimise material efficiency;
3. Design to reduce product waste;
4. Eliminate hazardous materials;
5. Use recycled materials;
6. Use renewable materials;
7. Design to minimise litter;
8. Design for transport efficiency;
9. Design for accessibility; and
10. Provide consumer information on sustainability.

However, there are no binding requirements for the industry to take any of these actions, and no financial consequences for non-compliance and failure to meet targets.

An additional difficulty with the APCO approach is that no universal standards for packaging have been established. There are currently no agreed standards for reusable or compostable packaging. The Australasian Recycling Label (ARL) which has been adopted is essentially a passive instrument. It provides consumer information on discard options for recycling but has no requirements on manufacturers or suppliers to ensure their products are recycled in practice and at scale.



PLASTIC PACT

The Australian, New Zealand and Pacific Plastic Pact (ANZPAC) is due to be launched on 18 May, 2021.² It intends to innovate, invest and share knowledge. Pledges can continue up to December 2025; and it has a range of investigative, research, roadmap development, reporting methodology development processes up to mid-2022.

A serious concern is that the Pact is aiming for at least 25% of plastic packaging being effectively recycled in each geographic region, which undercuts the national target of 70%. On the other hand, the recycled content goal is 25% across the region, which may be a small increase on the national target of 20% - or when averaged could show no or very little or reduced change.

As outlined above, a further key component is reusability and compostability of packaging. Little work appears to have been done on these key areas, including on standards and targets.

No doubt there will be impressive undertakings by some major companies, but these case studies and pilots are not sufficient proof of assured success of current arrangements.

PLAN B

The 2025 targets are crucial to stopping the waste of resources and environmental damage from packaging.

Given current progress we doubt these will be achieved. Milestone or interim targets are essential to measure progress and provide confidence 2025 outcomes will be met. It's important the entire sector is engaged and free riders prevented. We have previously proposed interim targets that can be measured. These have been updated here (timeframes extended).

² See: <https://anzpacplasticspact.org.au/>

We believe none of the following have or are likely to be achieved with current Plastic Pact and APCO arrangements.

- a. all manufacturers/suppliers of packaging into the Australian market must (i) be members of APCO and (ii) endorse the Plastic Pact goals and commit to changing their practices by announced launch of 18 May 2021. ***This won't be achieved.***
- b. all manufacturers/suppliers of packaging must report on how they credibly plan to meet and comply with Pact goals by July 2021. ***This won't be achieved.***
- c. all new labelling (expanding the ARL to include reusable/compostable) plus rules around these to be confirmed and in the market by end 2021. ***This won't be achieved.***
- d. all manufacturers /suppliers must be ready to comply with packaging design standards for product entering the Australian market (certifications/agreed standards for reusable/compostable/recyclable) by end 2021. ***This won't be achieved.***

Deadline June 2022

Our position is that if all above necessary measures are not in place by mid-2022 and an independent review reporting by then is not confident all the targets can be met by 2025 - then all targets should be mandated, by the start of 2023. This gives three years to achieve the targets - that is change product design and content; invest in new processing; and place on the market.

We note that the EU have established policies and rules designed to ensure packaging resource recovery and reduced wastage goals are met. The Extended Producer Responsibility schemes build on current mandated recovery requirements and will require manufacturers/suppliers to cover the costs of collection, transport, treatment, clean up across the packaging sector. Specific requirements on recycled content and recovery of beverage containers have also been mandated.

Significant manufacturers and suppliers of packaging are global businesses and will be subject to these EU obligations. Many of the same businesses supply the Australian market. It is appropriate and sensible that Australia follows the EU lead and government and APCO focus on obtaining action by the entire packaging sector **under an effective regulatory regime.**

Australia can't afford to fail.

REFERENCES:

- APCO (January, 2021), PACKAGING CONSUMPTION & RECYCLING DATA 2018–19
- APCO (v2, oct, 2020), 2025 MONITORING PROGRAM
- APCO (2020), OUR PACKAGING FUTURE
- AUSTRALIAN GOVERNMENT (2021 & 2018), NATIONAL PLASTICS PLAN & NATIONAL WASTE STRATEGY