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Role or organisation	APCO administers the Australian Packaging Covenant on behalf of the Commonwealth and state and territory governments, and industry. The Covenant is established under the National Environment Protection (Used Packaging Materials) Measure (NEPM).

**Question 1 - What are the key issues facing the NSW waste system?**

Key issues are: Traceability and transparency of waste as it moves through the value chain from collection to certified secondary materials, including with regard to assuring: - Recycling of waste, and downstream destinations for recycling and recycle - Providence of secondary materials, including assurance of recycled content and processes (e.g. with regard to modern slavery). The ability of collection, sortation and processing systems to deliver recycle and secondary materials to the specifications required by domestic and overseas markets. The need for consumer education and behaviour change in relation to recycling, both to increase the amount of material recycled, and to reduce the level of contamination in recycling streams. The need to develop markets for secondary materials, including both demand and supply, as well as market elements such as information, competition and assurance. Addressing the challenges of distance, dispersed population, low waste volumes and market conditions in developing economically sustainable systems for collection, sortation, transportation, processing and end-use. Balancing regulatory oversight and environmental risk with business opportunity and development of markets for secondary materials. Working with other states and territories to mitigate the risk of incompatible approaches between jurisdictions impacting adversely on the functioning of national markets and supply chains.

**Question 2 - What are the main barriers to improving the NSW waste system?**

The main barriers are: Challenges in making the necessary investment in infrastructure, which involves: Complex planning, Long lead times, Judicious allocation of funding. High recycling costs and low value of secondary materials. Lack of reliable data and reporting on material flows through the waste and recycling system, including the nature and volumes of material outputs in Australia and downstream destinations.

**Question 3 - How can we best reduce waste?**

NSW can best reduce waste by: Taking a circular economic approach that incentivises: developing and applying standards and business models that increase the lifespan of products and infrastructure, use of secondary materials in construction and manufacturing. Specifically with regard to packaging, the shift to a circular economy for packaging includes supporting the phase out of problematic and unnecessary single use plastic packaging, including by: Shifting to reuse models where possible, Redesigning packaging to eliminate problematic characteristics or components. A major education campaign is needed to shift public thinking on waste, and to encourage businesses to make the shift to more circular approaches, including with regard to: Recycling behaviour - this should focus on the Australasian Recycling Label, as the only national, evidence-based recycling labelling program, Acceptance and uptake of reuse models - we have already seen behaviour changes in relation to coffee cups (e.g. KeepCup) and light weight supermarket shopping bags. Other initiatives dealing with consumer packaging, as well as other categories of waste may be more challenging.

#### **Question 4 - How can we recycle better?**

In relation to packaging, achievement of the 2025 National Packaging Targets will deliver a substantial improvement to outcomes for packaging recycling in NSW, including recycling of kerbside, away from home and business to business packaging waste. The four targets, to be achieved by 2025, are: 100% of packaging to be reusable, recyclable or compostable, 70% of plastic packaging recycled or composted, 30% average recycled content across all packaging, Phase out problematic and unnecessary single-use plastic packaging through redesign, innovation or alternative delivery methods.

To deliver on the 2025 targets, APCO has identified three key priority areas: Design, Systems and Education and Materials Circularity. APCO will focus delivery on each of these areas. Design Through better design, APCO Members will make packaging that is recyclable, reusable or compostable and reduce problematic and unnecessary waste. APCO will support Members to achieve better design through resources such as the Sustainable Packaging Guidelines (SPGs) and the Packaging Recyclability Evaluation Portal (PREP). The SPGs assist Members and others in reviewing and optimising consumer packaging to make efficient use of resources and reduce environmental impact, without compromising product quality and safety. The guidelines articulate common definitions and principles of sustainable packaging so that all parties in the packaging supply chain work toward the same vision. The application of the guidelines varies depending on the nature of Signatories' operations. Members are required to provide evidence of regular reviews of packaging against the guidelines in their reporting. The Packaging Recyclability Evaluation Portal (PREP) is a tool for brand owners or packaging designers and manufacturers to assess whether an item of packaging could be classified as 'recyclable' in Australia through kerbside collection. PREP considers how widespread the collection services are for the item, as well as how the item will behave at the Materials Recovery Facility (MRF) and processing facilities. It produces a report for each project that is assessed. Systems and Education Increasing the amount of packaging being recycled, reused or composted will require a focus on the capability and education of stakeholders. APCO will drive systems and education through research initiatives, strategic development and facilitating collaboration between Members and other stakeholders. A key resource for this work is the Australasian Recycling Label Program (ARL). The ARL is an evidence based, nationwide labelling scheme that provides clear, consistent on-pack recycling information to inform consumers of the correct disposal method and designed to be used in conjunction with the PREP. Following the analysis of packaging through PREP, the packaging recyclability assessment informs the use of the corresponding ARL logo on-pack. Capability amongst APCO's Members is also being developed through APCO's Annual Reporting Tool (ART) and Packaging Sustainability Frameworks (PSF). The ART is a centralised online resource for self-assessment that promotes continuous improvement and capacity-building of all APCO Members. It monitors and tracks Member progress towards packaging sustainability over time. It allows Members to: Access information on the Packaging Sustainability Framework, the basis for evaluation, Complete and submit annual reports, Access reporting scoring and feedback, Monitor and benchmark Members' performance against other APCO Members, Submit 1 to 3 year customised Member action plans, Review and track packaging sustainability performance over time. The PSF aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability. The Framework consists of thirteen independent criteria in three categories: Leadership, Outcomes and Operations. Research The research function underpins several of APCO's activities. These activities are fundamental for APCO to keep informed of opportunities to have a positive impact on a particular sector or a specific packaging-related issue. Data Analytics The data gathered during APCO's strategic projects and operations, (e.g. Brand Audits, ART, PREP and ARL) is captured to identify trends, inform future strategic and tactical planning and deliver the vital reports that inform progress on the 2025 National Packaging Targets. Materials Circularity to drive commercially viable outputs for recycled material, APCO is supporting technological and market place initiatives to improve use of recyclable, reusable and compostable

packaging materials. APCO is engaging stakeholders through working groups and advisory committees and supporting pilot projects with local governments and stakeholders. APCO is working with Planet Ark to establish a Circular Economy Hub, a new online platform and marketplace that will help drive innovation in the transition to a circular economy in Australia. In addition to highlighting the latest sustainability education and resources, the site will match buyers and sellers in waste resources to help them identify products with sustainable materials, including recycled content. This online marketplace functionality will help to build the critical end markets for recycled products in Australia and provide essential education to the supply chain about the availability of sustainable options.

**Question 5 - What are the main opportunities for improving the NSW waste system?**

In relation to packaging waste, the APCO is committed to working with the NSW Government to improve outcomes in NSW, consistent our role under the NEPM and Covenant. NSW Government officials are actively involved in APCO's oversight and working groups, and we encourage the Government to continue and strengthen this engagement. The roles of the Commonwealth and State and Territory governments in providing oversight of and support to the operation of the NEPM and Covenant are set out in the NEPM and the Covenant. These roles include oversight by senior officials through the Government Officials Group, ministerial oversight through the National Environment Protection Council, enforcing compliance with the NEPM and collecting and reporting packaging data. In addition to their role in overseeing implementation of the NEPM and Covenant, the Commonwealth and State and Territory governments can influence the effectiveness of actions by APCO, its Members and partners. The types of actions governments can take that will help deliver on the 2025 National Packaging Target are also relevant to the achievement of the objectives implicit in the terms of reference for this inquiry, including: Providing strategic direction - Developing and implementing holistic, evidence-based waste and circular economy policies and strategies, Support waste management and resource recovery through infrastructure plans and grants programs, Exploring opportunities to realise broader government objectives, including productivity and other economic and social benefits, through improvements to the packaging and waste value chains and circular economy.

**Question 6 - Any other information that you would like to contribute to the waste strategy initiative?**

As part of its role in delivering a circular economy for packaging in Australia, APCO is building a detailed information base on the flow of packaging materials through the economy, including through the waste and recycling system. In February 2019, APCO published the APCO Packaging Materials Flow Analysis (MFA), a report developed in partnership with the Institute of Sustainable Futures (ISF) mapping the state of post-consumer packaging in Australia. The report is available at <https://www.packagingcovenant.org.au/documents/item/2171>. The report highlighted a compelling need to improve packaging recovery and recycling rates across all material streams. In 2017-18 Australia generated an estimated 4.4 million tonnes of total packaging waste, with 68% of this collected, and 56% of the collection total recovered by recycling efforts. This ranged from 32% for plastics and up to 72% for paper streams highlighting the significant opportunity to improve waste management practices to achieve higher recovery rates. The MFA Report is one of several initiatives APCO is conducting during the Foundation Phase of our work to achieve the 2025 National Packaging Targets - the groundwork stage that focuses on research, engaging stakeholders and setting baselines and frameworks. Throughout 2018 APCO also facilitated a series of five, year-long industry working groups attended by more than 80 industry members from across the value chain and government to explore solutions to problematic packaging types (including glass, polymer coated paperboard (PCPB), soft plastics, biodegradable and compostable packaging, and expanded polystyrene). The reports are available at <https://www.packagingcovenant.org.au/news/2018-working-groups-key-findings-now-available>. In 2019 APCO is co-ordinating 24 projects that are

building on the findings of the MFA and the 2018 Working Groups. These include further detailed research into packaging consumption and recycling to establish baselines for the 2025 targets, developing targeted design resources to improve packaging recyclability, and developing strategies to address problematic packaging. A number of these projects will come to fruition between September and December 2019, including substantial data and analysis projects. APCO will provide these reports to the NSW Government as they become available.