



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

VICTORIAN RECYCLING AND RESOURCE RECOVERY INFRASTRUCTURE – EVIDENCE BASE REPORT

13 December 2019

Sustaining Australia

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry. The AFGC comprises more than 180 member companies, subsidiaries and associates, who together account for 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.

The AFGC appreciates the opportunity to contribute feedback on the options and issues set out in Infrastructure Victoria's Recycling and Resource Recovery Infrastructure Evidence base Report dated October 2019. We also refer you to our earlier submission made as part of Infrastructure Victoria's consultation process.

OVERVIEW

Overall the AFGC supports the potential outcomes outlined on page 13, which will inform the development of Infrastructure Victoria's recommendations, as they aim to increase recycling rates and the development of a circular economy. However we note that two of the outcomes, namely 'Efficient and sophisticated waste management contracts' and 'Robust public data and reporting' more appropriately fit in the overlap between government and business. The AFGC also generally affirms the potential actions outlined in Chapter 5: Key early findings- Potential actions.

In particular the AFGC supports:

- A policy framework, which includes targets to be developed for waste, recycling and resource recovery and a review of the waste levy;
- Improved community education on recovery and recycling to reduce contamination. Recognising the considerable behaviour change required to achieve this, our sector offers our consumer behaviour and marketing expertise to inform any future education campaign;
- The need for more robust collection and reporting of waste data to inform appropriate action and monitor performance outcomes. We note the recent release of the Australian Packaging Covenant Organisation's (APCO) report 'Australian Packaging Consumption Resource Recovery Data, December 2019' as an important contribution to information and data about packaging waste, its recovery and recyclability/recycling rates etc;
- Initiatives, including greater source separation to kerbside collection to reduce the cross contamination of glass and paper, enabling an increase in quality, value and recycled content in packaging;
- The development of a waste to energy policy framework to provide industry with confidence to invest in waste and recycling infrastructure. The lack of a policy framework creates uncertainty about the supply of future feedstock that is required to underpin long-term investment in recycling infrastructure.

ISSUES

Key points the AFGC wishes to raise include:

NEED FOR MATERIAL RECOVERY FACILITY (MRF) SPECIFICATIONS

Establishing nationally consistent product acceptance criteria for all MRFs is critical to achieving the national packaging target of designing all packaging to be 100% reusable, recyclable or compostable by 2025. In short, brand owners need greater certainty so they can confidently design products that can be recycled in all MRFs prior to investing capital in new packaging plant and equipment. To aid the development of recyclable packaging, reduce community confusion, reduce contamination and increase the value of sorted materials, we encourage Infrastructure Victoria to collaborate with APCO, MRF operators, local councils and policy makers to implement state and nationwide product acceptance criteria for all MRFs as detailed in the National Waste Policy Action Plan item 3.7.

To increase the percentage of recycled content in food, chemical or medicinal contact packaging, brand owners require assurance that consumer health and safety will not be compromised. Therefore, a review of national quality specifications is required to ensure that recycled material used in packaging is fit for purpose as we endeavour to increase the percentage of recycled content in packaging.

Furthermore, traceability of recyclate is essential for brand owners to also enable modern slavery reporting, and on pack recycled content claims which will drive consumer demand and stimulate the circular economy.

CONTAINER DEPOSIT SCHEME

The AFGC is supportive of a nationally consistent approach to container deposit schemes. In any consideration of a container deposit scheme for Victoria, we encourage the relevant Victorian agencies to consult with other state jurisdictions and scheme co-ordinators to develop a compatible scheme, in order to maximise environmental outcomes and scheme effectiveness, and minimise cost to the community.

PLASTIC RECYCLING

As the APCO Report 'Australian Packaging Consumption Resource Recovery Data, December 2019' highlights, only 16% of plastic packaging is being recovered. Coupled with the national packaging targets to increase recycling rates and the proposed COAG export ban of mixed waste plastic, we impress upon Infrastructure Victoria the need for a concerted focus on increased recovery and recycling plastic infrastructure, including;

- The development of rPET infrastructure,
- The development of rHDEP infrastructure, and
- Research and development in alternate processing technologies for mixed plastics, eg, chemical recycling and/or mixed plastics in roads.

VIRGIN MATERIALS

We note the Evidence Base Report touches on initiatives to dis-incentivise the use of virgin materials in production. Initiatives to dis-incentivise virgin materials are not needed in the food and grocery sector as demand for recycled content for use in packaging currently exceeds supply resulting in a lack of availability and inflated pricing. Due to competitive pressures, costs cannot easily be passed through to retailers/consumers, which places pressure on manufacturing and jobs. A high price premium on recycled content coupled with a disincentive applied to virgin material, will increase cost pressure on local food and grocery manufacturers. Instead, governments need to focus on infrastructure that will enable an increased supply of recycled content to reduce the price premium.

Actions could include:

- Capital funding assistance for recyclers to install improved optical sorting equipment to increase the availability of clean uncontaminated PET and HDPE;
- Capital funding assistance for packaging companies to install decontamination infrastructure in order to meet food grade packaging specifications;
- Capital funding assistance for brand owners where it is necessary to modify production lines;
- Support for research & development into alternate uses of plastics including chemical recycling, roads etc.

FOOD ORGANICS RECOVERY

The AFGC supports the introduction of food and organic collection from households however we recommend a kerbside collection implementation date of 2030 to align with the National Food Waste Strategy. This will facilitate the food and grocery sector to transition to compostable packaging (where fit for purpose) and any associated infrastructure planning.