



The Australian Industry Group
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May 7, 2020

Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

By email: plastics.plan@environment.nsw.gov.au

Dear Sir/Madam

New South Wales Plastics Plan

The Australian Industry Group (Ai Group) welcomes the opportunity to make a submission on the future of plastic in New South Wales (NSW) and commends the government for acting on this very important issue for business and the community.

The Australian Industry Group (Ai Group) is a peak national employer association representing and connecting thousands of businesses in a variety of industries and sectors across Australia. Our membership and affiliates include private sector employers large and small from more than 60,000 businesses employing over 1 million staff. Ai Group promotes industry development, jobs growth and stronger Australian communities. Our members have a common interest in creating more competitive businesses and a stronger economic environment.

Before addressing the outcomes and directions discussed in this paper, we must acknowledge the context in which this consultation is taking place. COVID-19 has caused unprecedented disruption to Australian industry and resources are stretched thin, making meaningful consultation on business as usual matters understandably harder to achieve. NSW should provide more opportunities for consultation during 2020 and exercise caution when it comes to timeframes, which must account for the significant disruption COVID-19 has had to local operations as well as international supply chains.

Proposed outcome 1: reduce plastic waste consumption

Policy direction 1: create a fundamental shift in the way we use plastic.

Ai Group supports a circular economy for Australia and agrees that consumers are increasingly making purchasing decisions based on environmental sustainability. We are supportive of public education such as the appropriately titled 'Don't be a Tosser!' campaign and commend the government on the reported 17% increase in public awareness since its introduction in 2018.

Education should not be limited to anti-litter or contamination reduction messaging. It should also include incorporating the social value of recycling as well as STEM learning related to design elements in high school and TAFE curriculums. These programs could be delivered in partnership with industry.



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Policy direction 2: set design standards for plastic consumer items.

A design-led approach to reducing the impacts of plastic, rather than a purely post-consumer focus, is potentially very useful. However, the way this is pursued matters greatly.

Ai Group are strong advocates of quality standards in Australia and have over 200 technical experts, including some of the country's brightest technical talents, representing Ai Group on up to 400 Standards Australia committees. Given our expertise in this area, our view is that NSW-specific design standards and specifications are unworkable for industry, and unlikely to deliver the specified outcome.

Standards should be Australia wide, and harmonised with international standards wherever possible. Fragmenting the standards landscape leads to confusion, non-compliance, additional cost to industry and higher prices for consumers. It will also likely result non-conforming product on the market (particularly as a result of cheap imports¹), which will enable nefarious market players to exploit the system for profit and disadvantage those who are doing the right thing.

While Ai Group would support broad exploration of standards as a driver of recycled content uptake nationwide, we do not support policy direction 2 if pursued for NSW only. It is our view that NSW should instead consider liaising directly with Standards Australia on relevant standards, and also work more closely with the Australian Packaging Covenant Organisation (APCO), who are already undertaking similar work with many key market players in order to achieve its desired outcome.

Policy direction 3: phase out key single-use plastic items

Ai Group generally encourages states and territories to harmonise where possible. Victoria, Queensland, Western Australia, South Australia, Tasmania, the Northern Territory and ACT all have plastic bag bans and therefore it is logical that NSW would follow.

The phase out of other problematic and unnecessary single-use plastic packaging mentioned is a reasonable objective, but much of this work would be duplicating work already being undertaken by APCO for 2025 to phase out such plastics in the packaging context. Should NSW decide to create a target for problematic plastic packaging, it should harmonise with APCO on targets, definition and methodology to avoid duplication. Using an existing and respected model also saves on government resources. Outside of packaging, phase outs of other single-use plastic items are worth considering, but community and industry consultation will be required.

All decisions must consider the availability of sustainable alternatives and how to avoid profiteering or any other unintended consequences.

¹ Of the 3.4 million tonnes of plastic Australia consumes every year, 2.2 million tonnes are imported (Cleaning Up Our Act: Redirection the Future of Plastic in NSW, March 2020, p.9).



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Proposed outcome 2: make the most of our plastic resources

Proposed target: triple the proportion of plastic we recycle in NSW across all sectors and streams by 2030.

Ai Group support the tripling of plastic recycled in NSW across all sectors and streams by 2030, which is consistent with the APCO National Packaging Targets, recently increased to 50% across all packaging (20% for plastic packaging) by 2025², with allowances for different polymer types. However, any target selected by NSW would be more meaningful within an overarching resource recovery goal that reaffirms the targets in the National Waste Plan. The balance of unrecycled plastic should be recovered for energy or other resources, consistent with the waste hierarchy.

Policy direction 4: make producers of plastic items more responsible for collecting and recycling in NSW.

Industry acknowledges that it has a role to play in the costs and challenges associated with transitioning to a circular economy. However, a fragmented approach would see onerous programs, restrictions and costs in NSW only. That would be impractical and might lead to unintended negative consequences for all parties.

Ai Group do not support NSW-only extended producer responsibility schemes, or NSW-only product stewardship schemes. Instead, we are open to constructive discussion about the most effective areas in which national industry-led schemes, or co-regulatory arrangements (like APCO) can be used to manage waste streams. This is an opportunity for COAG to exercise leadership in this area and build on the work it has already done, such as the National Waste Policy Action Plan and associated export ban decision. We encourage NSW to play a leading role in this national discussion.

Policy direction 5: mandate a 30% minimum recycled content in plastic packaging in NSW by 2025.

In March 2020 APCO upgraded its 2025 targets, from an aim of 30% of average recycled content included in packaging to a 50% target across all packaging types. This was because analysis found that packaging in Australia already has, on average, 35% recycled content³. However, the same communication acknowledged that plastics had a recycled content rate averaging just 2%⁴. APCO currently have a target of 20% for recycled content in plastics (with varying targets across plastic types⁵).

NSW should consider the practicality of trying to implement a target in one state only and the increased costs this will impose not only on businesses of all types and sizes, but also on government in needing to increase their regulatory enforcement activities to avoid non-conforming product negatively impacting the market in NSW.

Ai Group does not support policy direction 5 for two reasons:

² APCO, '[Australia's 2025 National Packaging Targets](#)'

³ APCO Member Services Update: 'Update to the 2025 Recycled Content Target,' 31 March 2020

⁴ Ibid.

⁵ Ibid.

- NSW-only targets and standards are impractical, and we do not support further fragmentation of the standards landscape in any form.
- Given that APCO undertook extensive industry and government consultation to reach a 2025 target of 20%, a 30% target for NSW only by 2025 is likely unrealistic. The targets chosen by APCO are thought to be in line with broader sustainable packaging shifts that are taking place globally⁶.

If NSW want to encourage recycled content in plastic packaging produced locally as best practice, it could consider other options. Incentives to reward local manufacturers for using recycled content and account for the cost difference between recycled and virgin product may be a good place to start. The settings for consistent market-wide minimum standards and incentives to go beyond these should evolve over time, as the economy becomes more circular and technologically advances, making recycled inputs cheaper.

Policy direction 6: support demand and industry capacity

Australian recycling is challenged by contaminants and our comparatively small local market for recycled input material. Ai Group has advocated at state and national levels for greater government support for creating sustainable markets for recovered materials to address this.

It is encouraging to see these challenges acknowledged; however, the discussion paper does not go far enough in exploring complementary measures to build national, sustainable markets for recovered materials. Without demand, the likelihood of success in this objective and in most others is reduced, and the risk of unintended adverse impacts is increased significantly.

Proposed outcome 3: reduce plastic waste leakage

Policy direction 7: Use extended producer responsibility schemes to fund litter collection and end-of-life plastic management.

A policy focus on collection of recyclables does not of itself encourage products to be designed or collected in ways that make recycling viable and straightforward⁷ and it is important not to confuse litter management with circular economy policy. While related, both require consideration in their own right.

While there are arguments that producers should be more responsible for end-of-life plastic management, individuals should not be excused from criminal behaviour such as littering and dumping with industry expected to pay the bill. Similarly, government must remain responsible, at least in part, for the litter and waste produced by its constituents. This direction requires further detail before Ai Group can comment further.

Policy direction 8: Invest in infrastructure that can better manage plastic before it causes harm.

Ai Group supports the NSW government investing in infrastructure that can better manage plastic and reduce leakage. Further consultation and collaboration will be required to identify the

⁶ APCO, [Australia's 2025 National Packaging Targets](#)

⁷Shaping the Circular Economy: Taxing the use of virgin resources, Centre for Environmental Policy, Imperial College London, Veolia UK (2019)



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best opportunities for government and industry to work together to better manage plastic and prevent harm.

Proposed outcome 4: improve our understanding of the future of plastics

Ai Group is very supportive of proposed outcome 4 and the associated policy directions 9 (set up a NSW plastics research network by 2021) and 10 (support commercialisation of research-driven plastics solutions). Additional research into plastics and commercialisation of research-driven plastics solutions are a suitable step to take in dealing with this issue. However, the recent reduction of the Commonwealth's research and development (R&D) tax incentive may be a barrier for industry in NSW. The State Government should consider how best to support industry, particularly innovative SMEs, to increase their R&D activity. This may include the consideration of financial incentives.

Should you wish to discuss the matters raised in this submission, please contact our adviser Rachael Wilkinson on 03 9867 0225 or rachael.wilkinson@aigroup.com.au.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Peter Burn'.

Peter Burn, Head of Influence and Policy