Quarterly Webinar: APCO & Industry Updates

October 2024







The Australian Packaging Covenant Organisation (APCO) acknowledge the Gadigal, the Traditional Custodians of the Eora Nation, on which we host this webinar today. We pay our respects to Elders, both past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Agenda



- 2:00 2:05 PM: Welcome to country and team introduction (5 minutes)
- 2:05 2:40 Packaging Reform and the 2030 Strategy (35 minutes)
- 2:40 2:50 PM Q&A Session One: Packaging Reform and 2030 Strategy (10 minutes)
- 2:50 3:00 PM: Changes to Packaging Metrics Section of the APCO Full Framework Annual Report (10 minutes)
- 3:00 3:10 PM: Making Reporting Easier: GS1 Integration into APCO and ARL Annual Reporting (10 minutes)
- 3:10 3:20 PM: ARL and ARL Marketplace Updates (10 minutes)
- 3:20 3:30 PM: Q&A Session Two (10 minutes)

APCO Quarterly Update October 2024

Packaging Regulatory Reform and the 2030 Strategy

• Peter Brisbane, Head of Government Partnerships



Senate Inquiry into Waste Reduction & Recycling Policies



- The inquiry is looking into waste reduction and recycling policies, including progress in the implementation of mandated product stewardship schemes, which includes the Australian Packaging Covenant
- APCO was called to give evidence on 20 September
- Senators' questioning focused on:
 - APCO's 2030 strategy and eco-modulated fees
 - National packaging targets
 - Member reporting
 - Free riders and government actions to deal with them
 - The packaging reform process
- The committee is due to report by 22 November

Recap: In October 2022, Environment Ministers agreed to reform packaging regulation



The future framework will include **mandatory**:







- The future framework will be established under Commonwealth law and regulated by the Commonwealth.
- The current co-regulatory arrangement and APCO remain in place until new legislation is implemented.
- The Commonwealth will work with APCO and industry to manage the transition to the future regulatory scheme.

Consultation on the reforms is underway





Reform of packaging regulation

Consultation paper

Department of Climate Change, Energy, the Environment and Water



- Consultation is being conducted by the Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- Paper released on Friday 27 September 2024
- The paper and an online survey are available at:
 Reform of Packaging Regulation Climate (dcceew.gov.au)
- You can also put in a free form submission
- APCO will put in a submission comprising three parts:
 - 1. Completion of the online survey
 - 2. Longer responses to some survey questions
 - 3. Free form submission on cross-cutting issues
- Submissions close on 28 October 2024

Government's proposed principles for reform



4.1.1 Principles for reform

To underpin a strong and effective circular economy for packaging that is accepted and trusted both domestically and internationally, reform should deliver:

- Nationally consistent obligations and requirements to ensure a level playing field and increase certainty for businesses producing packaging and placing it on the market.
- Clear obligations for industry to support effective action and investment across the packaging life cycle.
- A system where industry takes responsibility for the packaging it places on market.
- Flexibility to accommodate innovation in packaging design and recycling technologies.
- Measurable, enforceable and enforced obligations to sustain industry and community confidence.
- A system that contributes to Australia meeting its international obligations.
- A system that is based on global best practice, while accounting for Australia's geographic and market context.
- A system aligned with global standards to maintain and increase industry access to global markets and alignment with global supply chains.

Government's key outcomes for reform



Table 1: Key outcomes for reform				
1	Waste from packaging is reduced			
а	The use of virgin materials in packaging is reduced			
b	The amount of packaging placed on market per capita is reduced			
c	The amount of packaging sent to landfill per capita is reduced			
d	Problematic and unnecessary packaging is eliminated			
2	Packaging materials are kept in use and circulated at their highest value			
a	Packaging is designed for recyclability			
b	The amount of recycled content in packaging is increased through design and strengthened end markets			
c	Recyclable packaging is collected, recycled and reprocessed			
d	Chemicals of concern in packaging are eliminated, phased-down or minimised			

Packaging reform: Regulatory options



- The paper presents three options for regulatory intervention
- The options are high level a lot of detail will need to be developed through subsequent consultation
- It is possible that a hybrid model could be developed

Option 1

APCO's 2030 strategy remains in place

Industry achieves outcomes collectively, supported by APCO and eco-modulated fees

State and territory governments step up to eliminate free riding

Option 2

Direct regulation of individual businesses by the Commonwealth

Packaging and chemical bans; recycled content mandates

No collective action or scheme administrator

Option 3

National EPR scheme

Industry achieves outcomes collectively, supported by an administrator and ecomodulated fees

Commonwealth regulates to eliminate free riding

Continuity between the Covenant and reform options



- Ensuring continuity between industry action under the Covenant and the reformed framework will be critical
- Although APCO's role will change, it is likely that its programs and capabilities would be needed under any framework and will continue to exist within a regulatory or voluntary organisation

Option 1

The existing co-regulatory arrangement remains in place unchanged

2030 strategy and all activity under the Covenant continues

APCO remains in place as the administrator

Option 2

The existing co-regulatory arrangement ceases

APCO's role would cease or change depending on the needs of the system

APCO's capabilities and programs such as the ARL, technical support, data publication, would likely continue

Option 3

The existing co-regulatory arrangement ceases

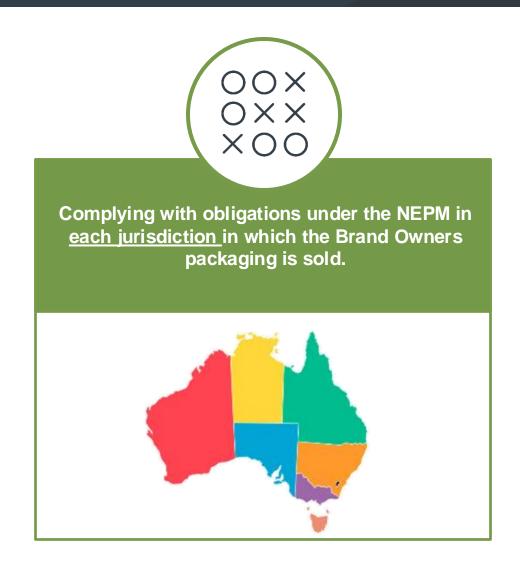
APCO's capabilities and programs would likely be the foundation of the new administrator

The balance of roles between government and the industry administrator will need to be established

Option 1: Strengthening administration of the current co-regulatory arrangement







Option 2: National mandatory requirements for packaging





Australian Government

Department of Climate Change, Energy, the Environment and Water

Mandates packaging requirements on individual regulated entities including:

- Bans on problematic materials and chemicals of concern
- Progressive bans of packaging to mandate minimum recyclability performance
- Minimum recycled content threshold

Regulated entities must register with the government and comply with all mandatory requirements

Option 3: National EPR scheme





Liable entities become compliant participants in the national EPR scheme. Administrator supports collective outcomes and supports entities to comply with other mandatory obligations

Administrator



The Commonwealth enforces participation in the EPR scheme and compliance with any other mandatory obligations (e.g. chemicals of concern, recycled content thresholds)



Australian Government

Department of Climate Change, Energy, the Environment and Water

2030 strategy – current focus



Eco-modulated fees

- Material categories
- \$ per tonne
- **Exclusions and discounts**
- Who pays for which packaging?
- Fee model for FY27
- Fee model for FY30
- Member impact analysis
- Supporting member reporting

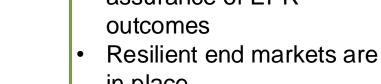


Downstream cost model

- Understanding the economic gaps
- Identifying the right interventions
- Prioritising materials and actions
- Phased intervention to increase throughput and incentivise investment in system capacity

Impact

- Consumers can and do recycle more packaging
- More packaging is recycled effectively
- Risk mitigation and assurance of EPR outcomes
- in place



System engagement to support the 2030 strategy





APCO is working with state and territory and federal government officials to ensure endorsement of the 2030 Strategic Plan by Environment Ministers and eliminate free riding.

Collective Action Group The Collective Action Group (CAG) is a team of leading industry representatives from across the packaging value chain, assisting APCO in the development of its downstream cost model and interventions. We are also conducting interviews with system participants.

Member Reference Group Comprised of 70 organisations across the packaging value chain to:

- a. Test our fee model
- b. Ensure we understand different member business models
- c. Understand barriers to effective reporting

APCO's advocacy position





Option 3 as the preferred option



Mandates:

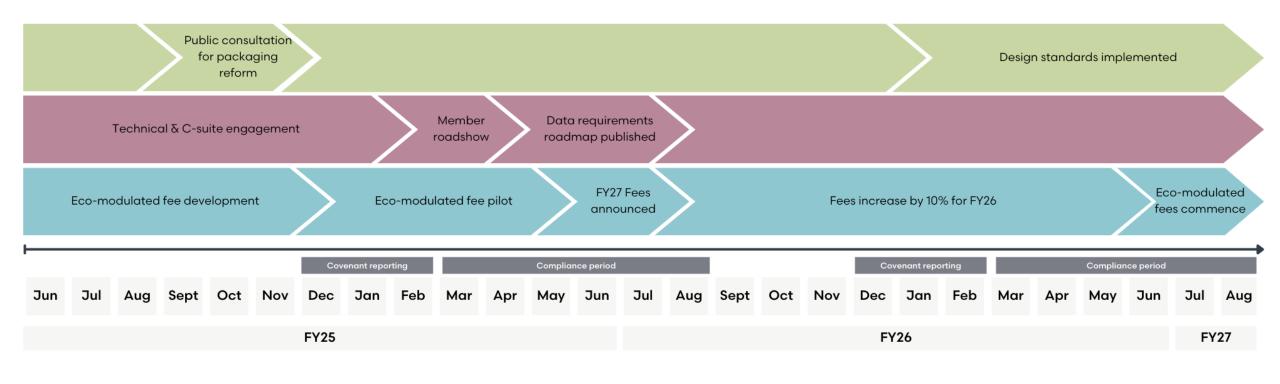
- Design standards
- Chemicals of concern
- Recycled content
- ARL
- Kerbside and MRF standards



- A clear pathway to improve data across the system
- Mass balance and recycled content traceability
- Eco-modulated fees
- Continuity from the Covenant to the reformed framework to enable investment

What's next? Timeline to FY27







Q&A

Add questions to the Q&A function at the bottom of the zoom screen

APCO Annual Reporting Updates

Amanda Preston, Member Services Manager



3 Annual Report Versions & Packaging Metrics



Full Framework

~44 questions PLUS Packaging Metrics

Packaging Manufacturer/Supplier

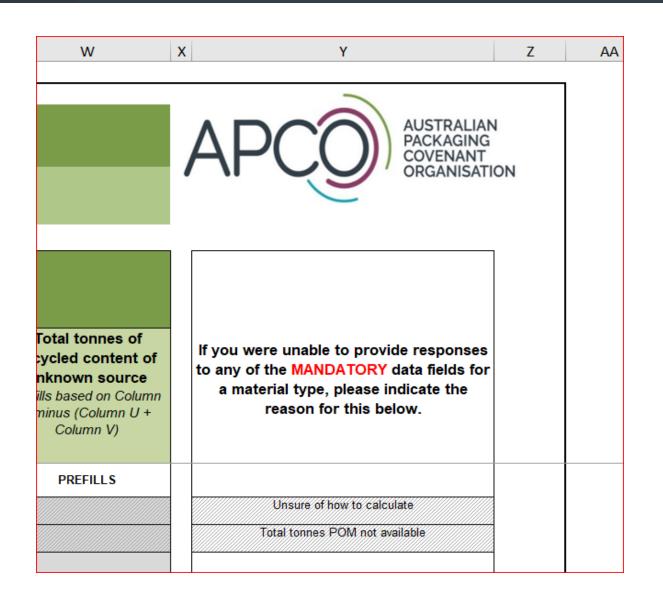
~42 questions PLUS Packaging metrics

SME version ~13/14 questions ~ no packaging metrics

Available to SME Members with a total annual turnover of **less than \$50 Million AUD** , with the option to opt-in to the Full Framework version

Packaging Metrics: Changes to Column Y

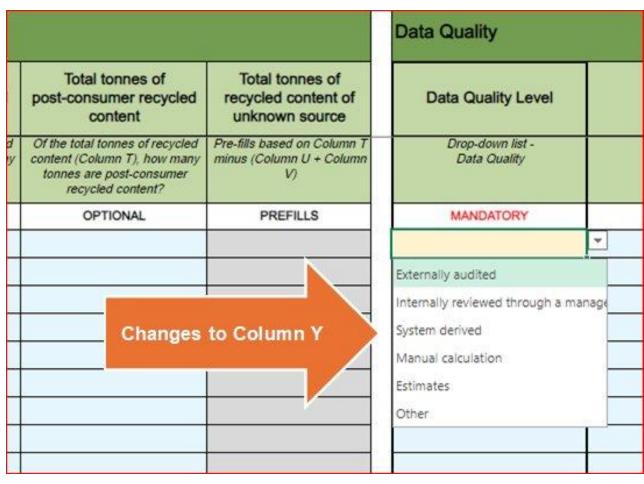




- 'Reasons' for not answering a mandatory question are removed for the 2025 reporting round
- Increased focus on data accuracy and granularity

Packaging Metrics: Changes to Column Y





Column Y is a mandatory field

Response options are:

- Externally audited
- Internally reviewed through a management system process
- System derived
- Manual calculation
- Estimates
- Other

Streamlined Reporting for PFAS & EPS



2025 APCO Covenant Report: Packaging Metrics

4. PFAS Phase Out Reporting

Please note this section is optional, though it is encouraged to report on PFAS in any packaging POM.

5. EPS Reporting

Please note this section is optional, though it is encouraged to report on EPS in any packaging POM.



- PFAS Reporting: Tab 4
- EPS Reporting: Tab 5

New Optional Materials & New Evidence Questions



Ook Flasiio - FET (1) Natural	
Soft Plastic – HDPE (2) Coloured	
CEFLEX Compliant (HDPE Coloured)	
Not CEFLEX Compliant (HDPE Coloured)	
Soft Plastic – HDPE (2) Natural	
CEFLEX Compliant (HDPE Natural)	
Not CEFLEX Compliant (HDPE Natural)	
Soft Plastic – PVC (3)	
Soft Plastic – LDPE (4)	
CEFLEX Compliant (LDPE)	
Not CEFLEX Compliant (LDPE)	
Soft Plastic – PP (5) Coloured	
CEFLEX Compliant (PP Coloured)	
Not CEFLEX Compliant (PP Coloured)	
Soft Plastic – PP (5) Natural	-
■ Introduction Instructions 1. Report Set-Use	Jp 2. Packaging Metrics

 New optional materials: for increased material granularity

The Evidence tab contains new questions

Renaming of 2 Key Resources



2. Packaging Metrics Please complete this section in full after working thr	* · · · · ·	
KEY Requires Data Entry Optional Data Entry	Complete this column	Total to
Successful Data Entry Pre-Filled Data Do Not Enter Data Please provide weight in Metric tonnes.	Material Used? Yes or No	Total to
Glass	Yes	
Glass – Amber	No	
Glass - Flint	No	
Glass – Green	Yes	-
Glass - Other	Please Select	
Wood Fibre Cardboard	Please Select	
Boxboard/Cartonboard	Please Select	
Corrugated cardboard	Please Select	
High wet strength carrier board	Please Select	7

- New name: Packaging Metrics Upload (PMU)
- Previously: Metrics Upload Excel

- New name: Optional Calculator Tool (OCT)
- Previously: Packaging Metrics Calculation Excel

Making APCO Annual Reporting Easier with GS1

Ana Garcia, Systems Transformation Manager

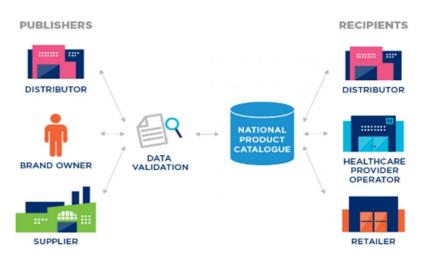


What is GS1?



- GS1 is a not-for-profit **global standards organization** that provides a <u>unique</u> <u>identification system for products and services</u> through its barcode and other data standards, facilitating seamless trade and supply chain efficiency worldwide.
- The National Product Catalogue (NPC) is a digital platform provided by GS1 that allows suppliers to maintain and share standardized and accurate product information with their trading partners in real-time.



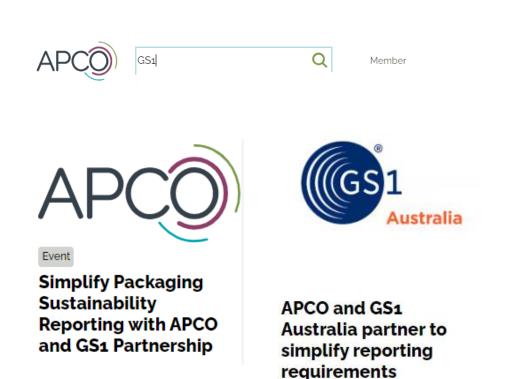




Facilitating Reporting Obligations



 APCO & GS1 started a partnership in 2023 – new data attributes (questions) to the NPC as relevant to the ARL Annual Report.





Webinar - 7 June 2023



WEBINAR

Facilitating Reporting Obligations



- This year we have developed a guideline informing NPC members on how to use the NPC to answer relevant questions across:
- ARL Annual Report
- APCO Annual Report Full Framework
- APCO Annual Report SMEs
- APCO Annual Report
 — Packaging Manufacturers & Suppliers





What's in this Guide?
Introduction to ARL Reporting
Requirements for ARL Reporting
ARL Reporting Questions and how to approach them.
Preparing for ARL Reporting.

APCO /1

Have you confirmed if your organization is a GS1 member?

How to become a GS1 member?



APCO Supplier Onboarding | GS1 Australia



The Australian Packaging Covenant Organisation (APCO) and GS1 Australia have collaborated to provide a solution for members of both organisations to assist with actively tracking progress towards the 2025 National Packaging Targets.

Register for National Product Catalogue

APCO Supplier Onboarding FAQs

1. What is the GS1 NPC?	~
2. Who is the Australian Packaging Covenant Organisation (APCO)?	~
3. How does NPC help me with my APCO reporting?	~
4. What specific reports or questions does NPC help streamline APCO reporting for?	~
5. How do I register to use the NPC?	~
6. How much does it cost to use NPC?	~
7. Can multiple people in the company request for access to NPC?	~
8. Will there be any training on how to use NPC for APCO reporting?	~
9. How is data entered in NPC?	~
10. What is a GTIN?	~
11. Do I have control over who has access to my data in NPC?	~
12. Is it compulsory to use NPC for APCO reporting?	~
13. Who should I contact if I have need help with NPC?	~
14. Who should I contact if I have questions about the APCO report?	~

ARL Updates

Anneliese Syder, ARL Program Manager



First ARL On-shelf Audit Overview



As part of the ARL's ongoing market surveillance, an on-shelf audit was conducted to evaluate:

- ARL Presence and Compliance
- Removal of the REDcycle and 'Return to Store' messaging from soft plastic packaging

Key findings:

- Total Soft Plastic SKUs Audited: 835
- SKUs displaying the REDcycle logo alongside the ARL: 28%
- SKUs with the 'Check Locally' ARL: 14%
- SKUs with the Bin logo for Australia: 55%

REDcycle Transition Update



The second REDcycle transition survey is complete. Thank you for participation.

• The 6-monthly report on the progress of removing the REDcycle on-pack messaging, has been submitted to the ACCC.

What's next?

- Survey #3 will open alongside the ARL Annual Reporting Tool
- Survey will close on 31 March 2025

ARL Annual Reporting Round 2025



Component Breakdown

We've added a question about packaging components labelled with the Check Locally (geotag)
 ARL.

Q3 How many packaging components were labelled Recyclable?

Q4 How many packaging components were labelled Conditionally Recyclable?

Q5 How many packaging components were labelled Check Locally?

Q6 How many packaging components were labelled Not Recyclable?

100% SKUs with ARL

 Let us know if you've hit 100% of own-brand SKUs carrying the ARL to qualify for a reduced ARL reporting declaration.

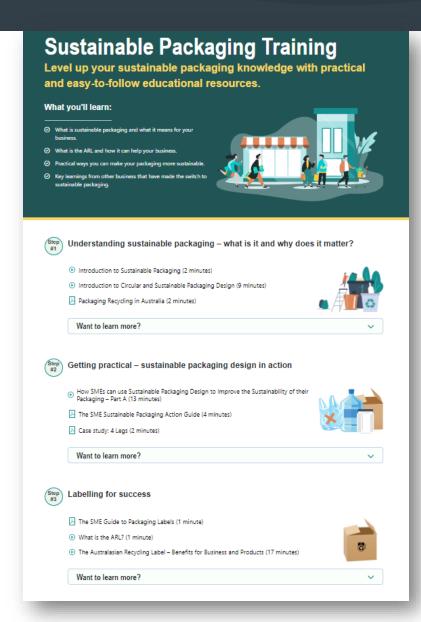
ARL Marketplace Updates

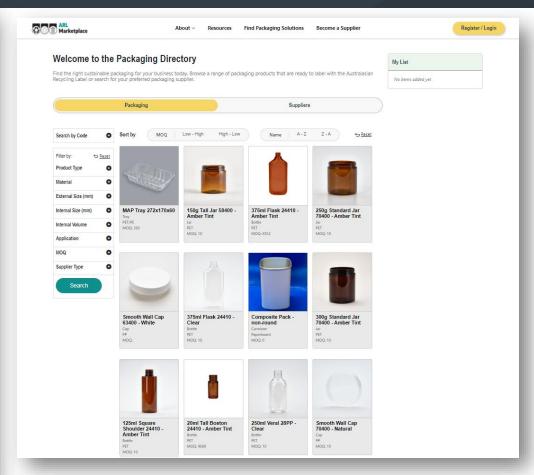
Galia Langley Juter SME ARL Program Manager



ARL Marketplace Packaging Directory is now live!







https://www.arlmarketplace.org.au

ARL Marketplace Opportunities



	What can I do on the ARL Marketplace?	Who can use the ARL Marketplace?	How much does it cost?	How do I get started?
ARL Marketplace Supplier	*B2C packaging, intended for kerbside disposal that has been assessed for recyclability	APCO Members - packaging manufacturers & distributors	Included in Membership	 ✓ Sign up ✓ Assess your packaging for recyclability ✓ Follow instructions to upload your listing ✓ Let your SME customers know the packaging is available for labelling
ARL	Source packaging	Australian-based APCO Members - up to \$50M packaging annual turnover	Included in Membership	✓ Sign up✓ Browse the directory
Marketplace Buyer (SME)	solutions and access the ARL for listed items	Small businesses access (less than \$5M annual turnover, non-APCO Members)	Annual user fee	 ✓ Create projects, preview the ARL and access the logo ✓ Complete product registration



Q&A

Add questions to the Q&A function at the bottom of the zoom screen

Thank you

To contact APCO please visit reach out to: apco@apco.org.au

