

APCO's Future of Packaging Workshop Presentations

2 November 2023

*Slides published December 2023 and amended
to reflect updated information and to remove
event day specific content.*

Version 1: December 2023



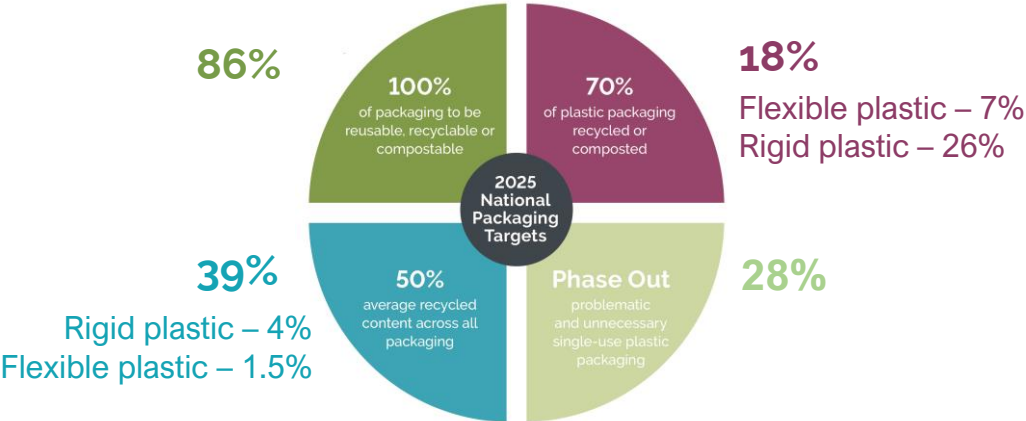


The Australian Packaging Covenant Organisation (APCO) acknowledge the Gadigal, the Traditional Custodians of the Eora Nation, on which we host this event today. We pay our respects to Elders, both past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

2025 National Packaging Targets review findings



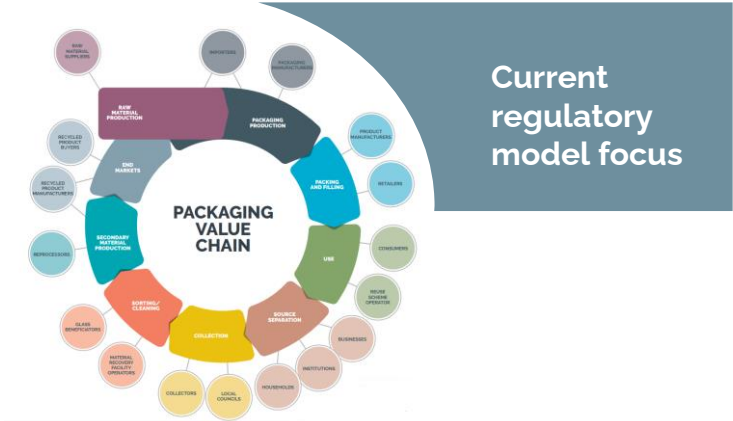
1. Targets are driving transformation in packaging but are not on track to be met by 2025



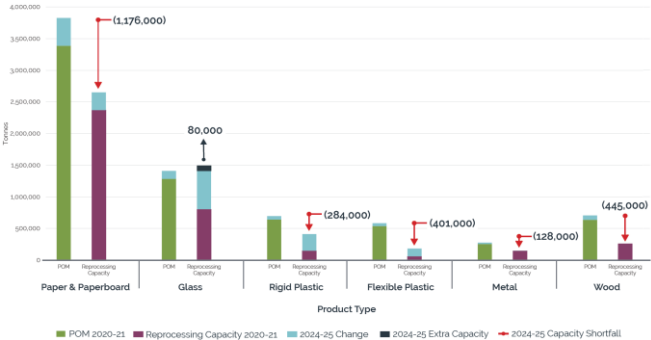
2. Post-2025 vision is needed to guide action



3. Strengthened collaboration across the entire packaging system is key



4. Material-specific interventions are needed



Preparing for a stronger co-regulatory model



The Commonwealth and State and Territory Environment Ministers have committed to reforming the framework for packaging, with the reformed framework to be in place by 2025.



Horizon #1
Current – Dec 2025

Horizon #2
**A co-regulated circular packaging
system post 2025**

Between now and 2025, action is needed to **accelerate progress towards the 2025 Targets.**

Mandated Targets and Design Standards and system obligations to **further drive the transition to a circular economy for packaging.**

Environment Ministers Meeting (EMM) communique June 2023

- **Mandate obligations for packaging design** as part of a new packaging regulatory scheme based on **international best practice** and make **industry responsible for packaging they place on the market**
- **Regulate out harmful chemicals** and other contaminants in packaging
- Support food waste recycling – remove contaminants from **compostable food packaging**
- National roadmap for "**staged improvements to the harmonisation of kerbside collections**", taking into account circumstances of metropolitan, regional and remote communities" for Ministers to consider in 2024.

Next steps

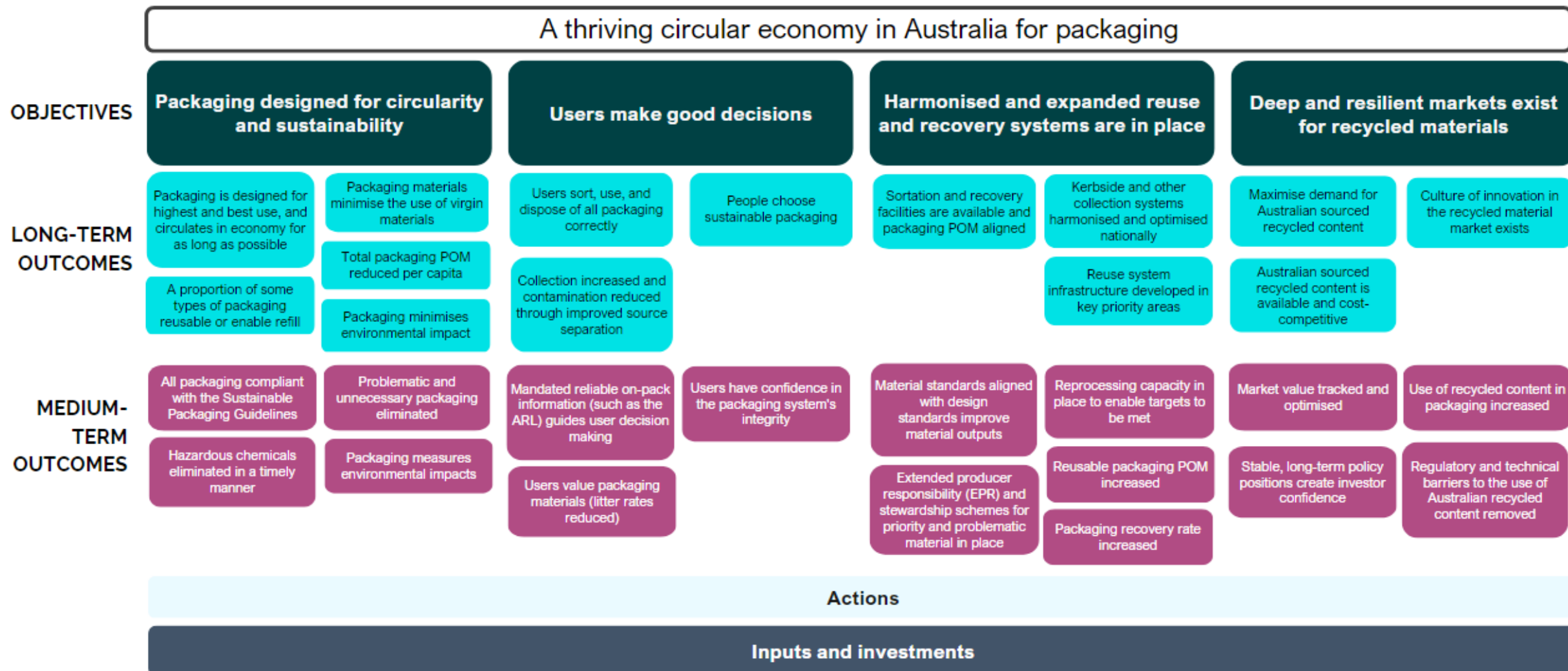
- EMM – November
- Public consultation commencing in 2024

Bringing it home

- Cost benefit analysis – H1 2024
- Final EMM decision – Q2 2024
- Legislative instrument developed by early 2025
- Kick-off 1 Jan 2024

- What does the regulatory framework need to achieve?
- What principles should guide its development and implementation?
- What will the administrator need to do and what capabilities will it need to ensure success?
- What regulatory tools are needed to ensure its success?
- What are the implications and opportunities for brand owners and stakeholders, and what do they need to do to prepare?

What does the framework need to achieve?



What principles should guide the framework?



The framework and its operational model must

Support the end-to-end transformation of the packaging system, that:

- ✓ Aligns with international standards and best practice.
- ✓ Integrates with global markets.
- ✓ Achieves material circularity & other life-cycle objectives.
- ✓ Embraces complexity & collaboration: Fostering national policy alignment for an effective packaging system framework.
- ✓ Balances capability and responsibilities: Ensuring fairness through differentiated obligations for SMEs and gradual phasing as capabilities improve.
- ✓ Creates sustainable funding: Internalising externalities through eco-modulated fees and promoting extended producer responsibility for system-wide reinvestment in environmental goals.
- ✓ Strengthens accountability: Aligning the roles and responsibilities of APCO and other participants with effective oversight and the regulatory tools needed for success.

Deliver:

- ✓ A market-driven approach, with the minimum intervention required for effective results.
- ✓ Benefit to the community, and cost minimisation for all participants.
- ✓ Recognition of global supply chains and markets and the avoidance of detrimental trade impacts.
- ✓ Regulatory certainty and clarity for participants, while remaining adaptable to changing market conditions, international standards and best practice.
- ✓ Encouragement of industry leadership and innovation.
- ✓ Investment certainty in all parts of the system.

What does the administrator need to deliver to ensure the success of the framework?

Free-rider protection

- Focus on ensuring compliance of liable entities.
- Receive reports, undertake audits, report on compliance and progress to targets.



Support for liable entities

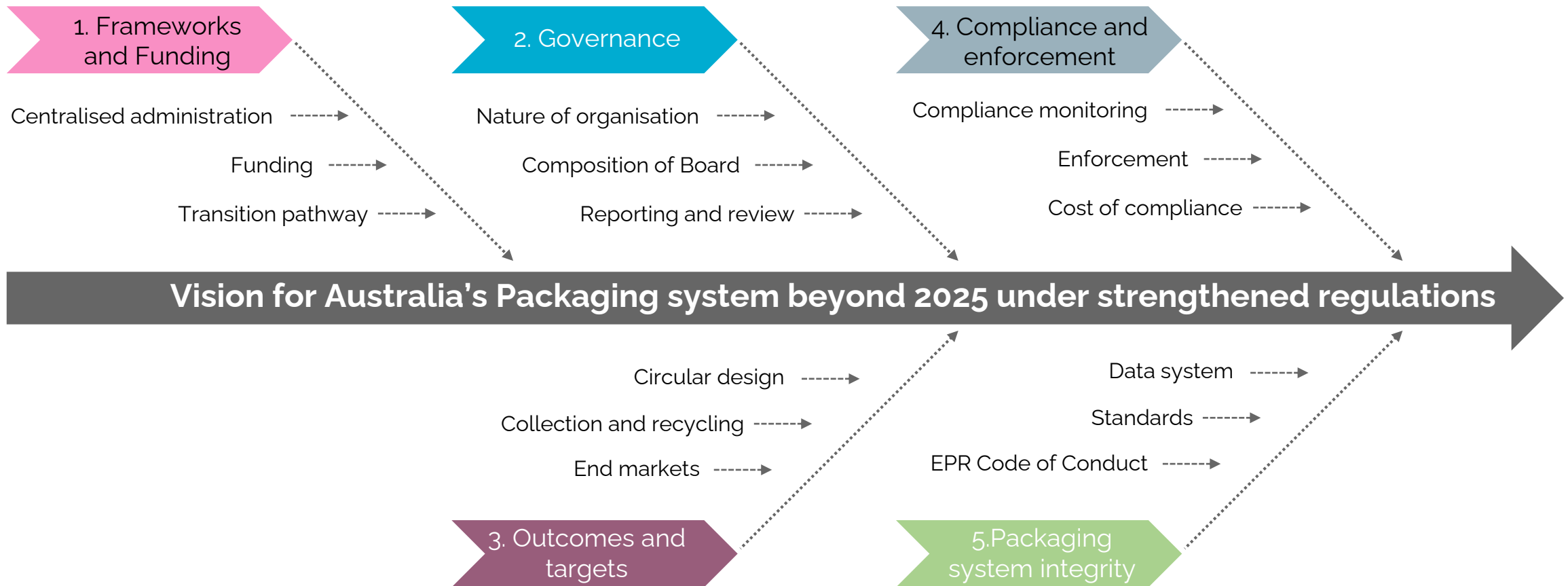
- Focus on building the capability of liable entities.
- Provide technical support, capacity building and networking events, tools and resources.



System facilitation

- Focus on enabling and supporting the capacity of the system.
- Monitor material flows, provide data insights to support investment, address gaps in standards.

We need your feedback...



Stakeholder feedback highlights



- Single, overarching scheme administrator **(85% support)**.
- Administrator to be independent of government **(82% support)**.
- Administrator to periodically review and report on system progress **(95% support)**.
- GHG emissions to be included in packaging design considerations.
- To increase reusable packaging, assistance is needed most of all to manage consumer expectations and logistics.
- Mandatory extended producer responsibility schemes to drive collection and recycling **(84% support)**.
- Most Members will need 1-3 years to establish systems to report SKU-level data.
- Nearly all participants reported that the envisaged regulatory framework will support their organisation's ESG position.

- **APCO's advocacy plan**
 - APCO's perspective, informed by consultation, on the principles, outcomes and framework needed for success.
- **Transition Plan**
 - Preparatory work to ensure we are ready for commencement of regulation on 1 January 2026.
 - What happens if reform is delayed?
- **APCO's 2030 strategy**
 - Must be provided to Ministers for their approval by 30 June 2024.