APCO
AUSTRALIAN PACKAGING COVENANT ORGANISATION

THE 2025 MONITORING PROGRAM

VERSION 2 – OCTOBER 2020

Contents

Australia needs 100% circularity for all packaging in order to achieve the 2025 National Packaging Targets (2025 Targets). The Australian Packaging Covenant Organisation (APCO) and its collective impact stakeholders have developed the 2025 Monitoring Program to measure the following four critical areas, as measures for circularity, within the packaging value chain:

1 DESIGN AND PRODUCTION

2 USE

3 DISPOSAL AND RECOVERY

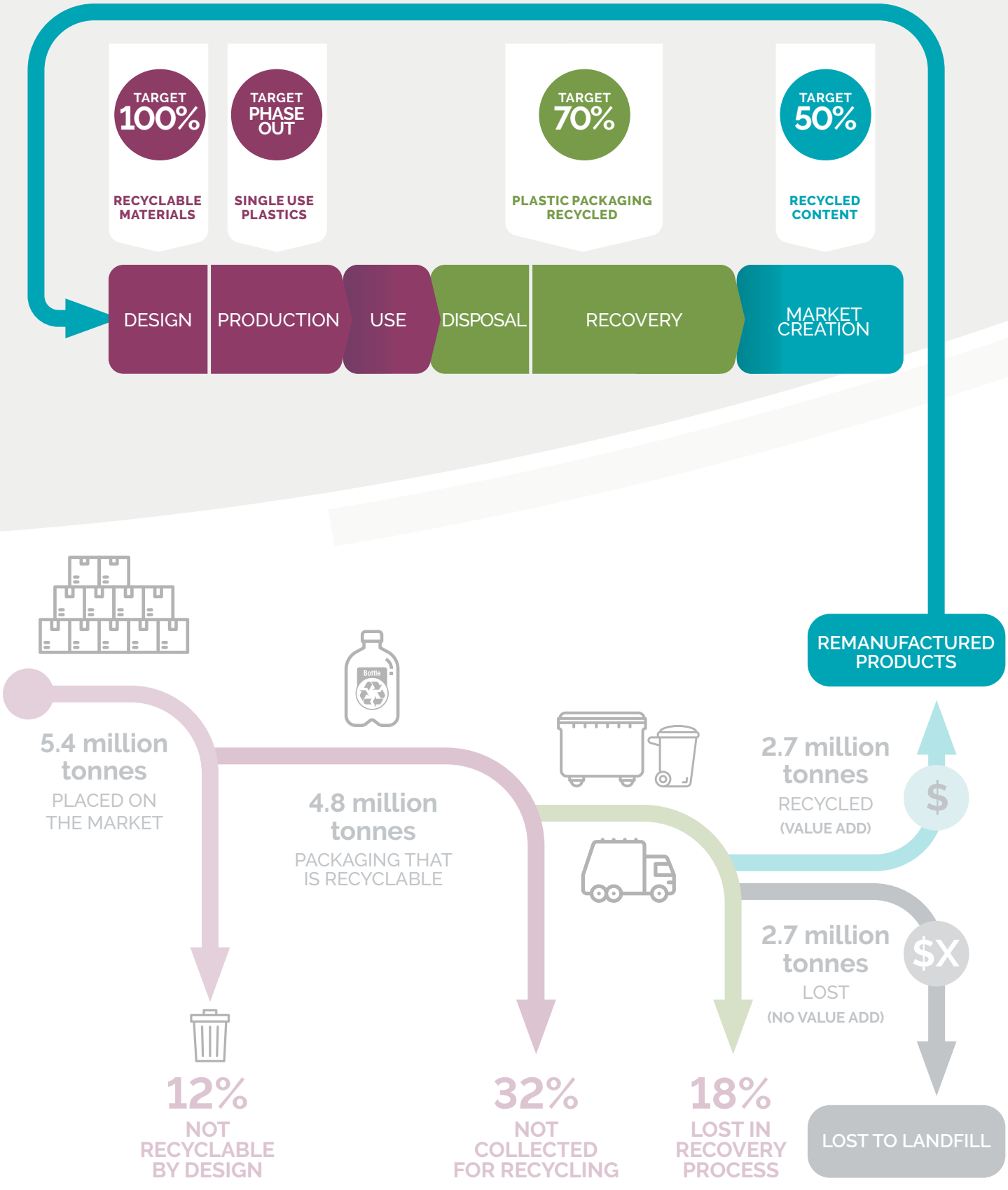
4 MARKET CREATION

The 2025 Monitoring Program is designed to provide insight and a structured framework to regularly measure progress towards the 2025 Targets. It also provides the ability for key stakeholders to identify when progress within the system is not occurring at a pace significant enough to drive the desired outcomes and therefore achievement of the milestones. Where this occurs in our journey towards 2025, through the Collection Action Group, APCO will work with key stakeholders to develop a series of alternative actions.

Figure 1 sets out the significant losses in the packaging value chain and identifies the current problem state to be addressed. Figure 2 provides a view of the desired future state, which addresses the problems identified in Figure 1 by driving packaging circularity through the agreed 2025 National Packaging Targets (2025 Targets) implemented nationally by all Australian governments in the National Waste Policy Action Plan 2019.

FIG 1: ***The Problem:***
Significant Losses in the Packaging Chain (2017-18)

FIG 2: ***The Desired State:***
2025 National Packaging Targets



The packaging value chain is not owned by a single entity, actor or stakeholder. Rather, the packaging value chain's effectiveness relies on diverse types of participants, each with numerous entities and stakeholders, sometimes numbering in the thousands and in the case of consumers, millions.

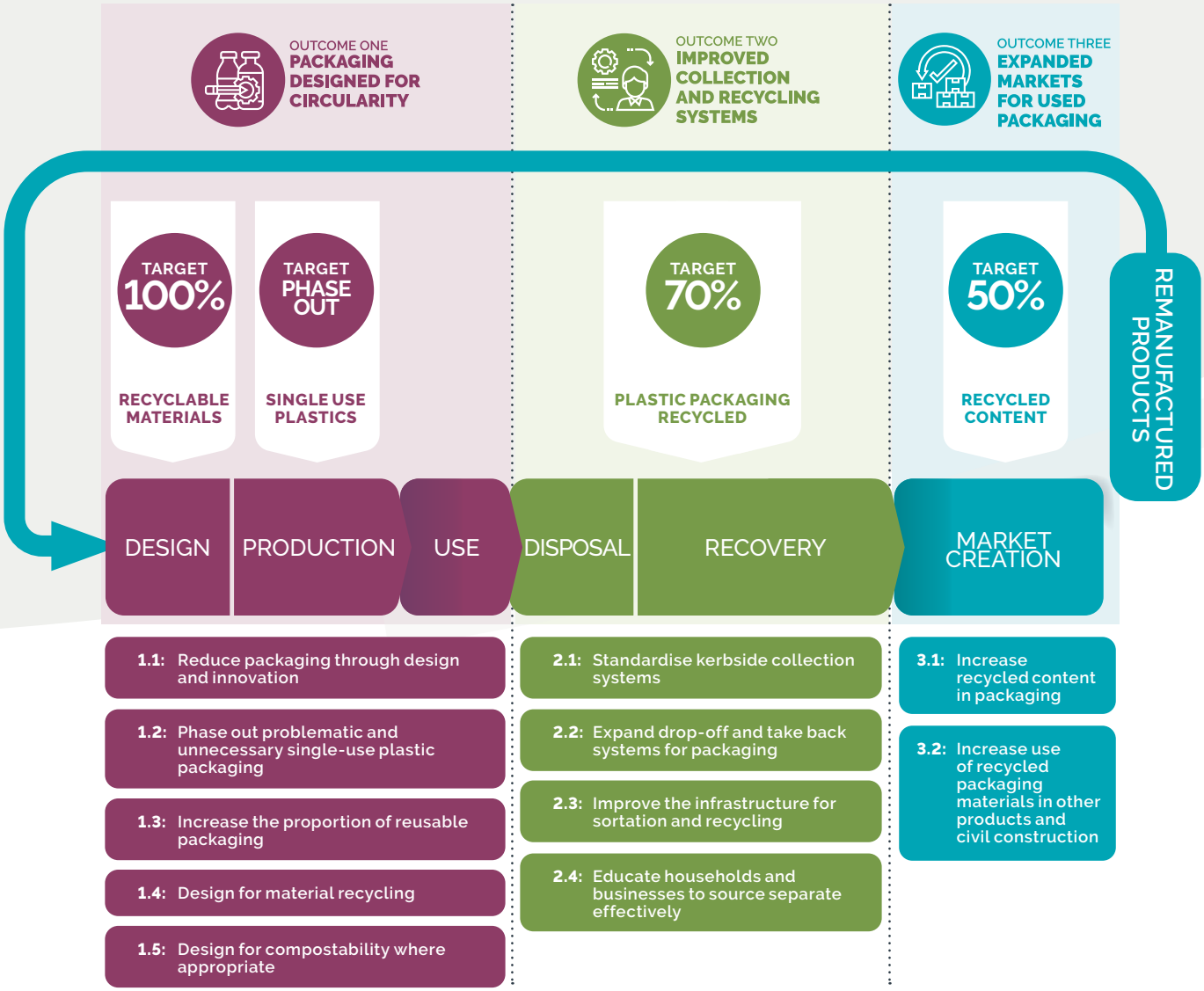
The collective impact model deployed by APCO to support the delivery of the 2025 Targets is a proven framework for delivering system change that is dependent on such complex multi stakeholder environments. It provides a collaborative, measurable and agile product stewardship model, with the capability to engage the complete packaging chain and drive tangible action from critical stakeholders.

APCO is leveraging the collective impact model (Figure 3) to deliver the 2025 Targets and has addressed the implementation process in ***Our Packaging Future*** (OPF). This framework details three key outcomes, which are supported by eleven strategies and a broad range of mutually reinforcing activities (Figure 4).

APCO is positioned as an independent backbone organisation seeking to lead in its direct sphere of influence and to work with collective impact stakeholders to support a range of mutually reinforcing activities. It is imperative that changes in the packaging value chain do not work counter to each other; rather they support positive impact by ensuring that all parts of the packaging chain are working collaboratively to achieve the 2025 Targets.

FIG 3: ***The Solution:*** *A Collective Impact Approach*

FIG 4: ***The Packaging Chain*** *with the three OPF Outcomes*



To provide transparency of the OPF framework a number of critical success factors, or Strategic Intervention Points (SIPs) have been identified (Figure 5). These adhere to the Pareto Principle: delivering disproportionate gain relative to effort. These SIPs are designed to address the materials lost in the total packaging material flow (as shown earlier in Figure 1), including packaging that is:

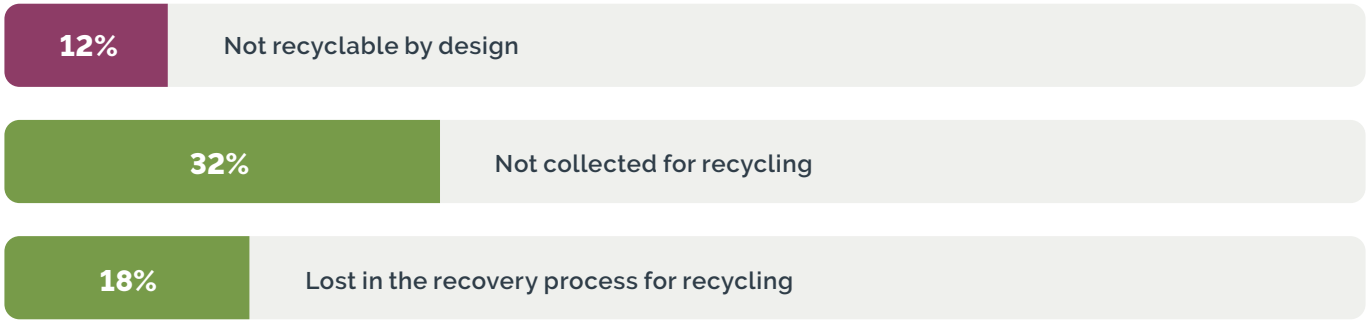
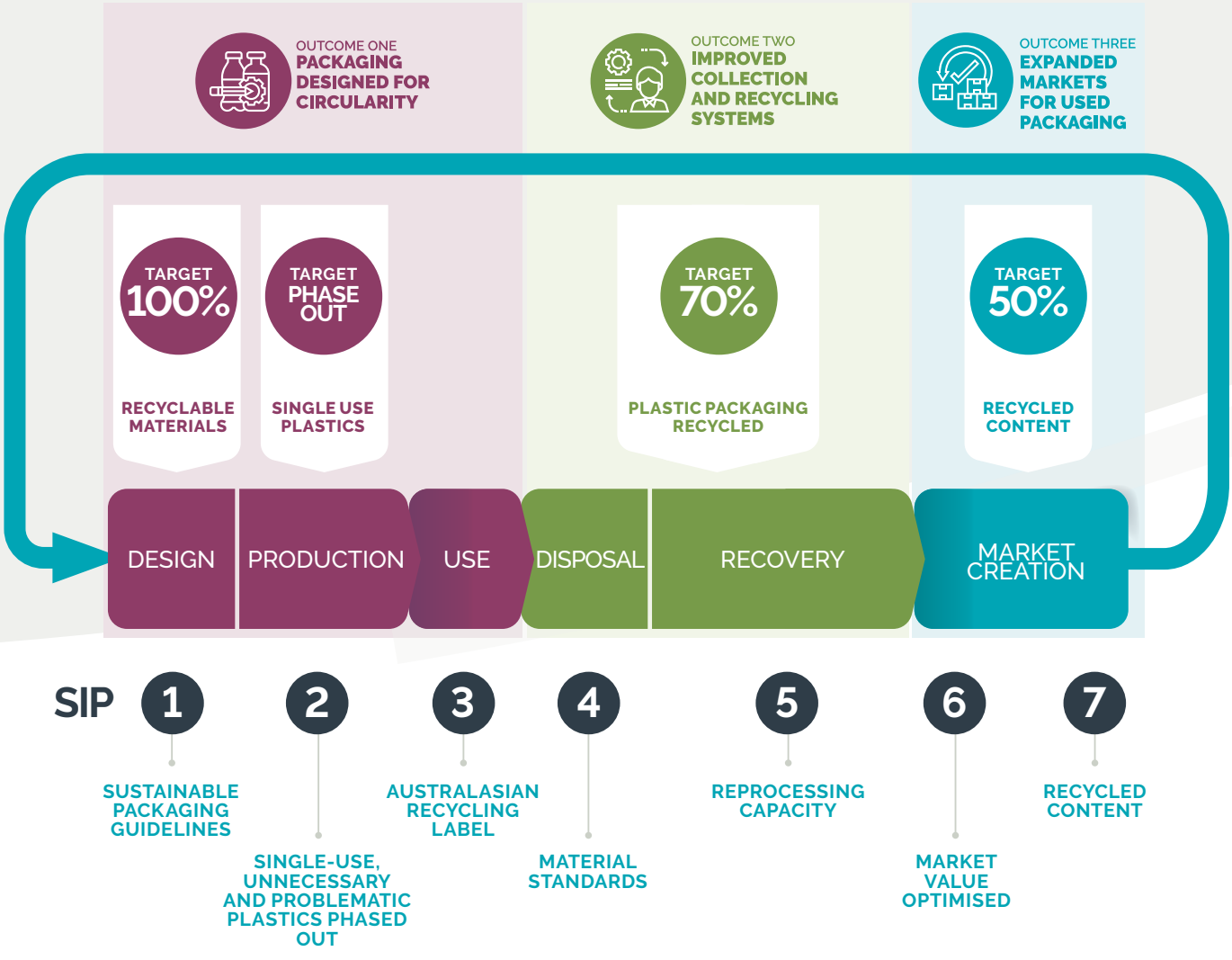


FIG 5: *The Seven Strategic Intervention Points (SIPs)*



THE STRATEGIC INTERVENTION POINTS

SIP 1:

Design – Sustainable Packaging Guidelines

Context

The ***Sustainable Packaging Guidelines*** (SPGs) document is a comprehensive, publicly available resource used to assist in the sustainable design and manufacture of packaging in Australia. APCO Brand Owner Members are required to review all of their existing and new packaging using the SPGs to better understand its environmental impact and potential opportunities for improvement.

Each year, APCO Brand Owner Members are required to report on outcomes of their packaging reviews against the SPGs using the APCO Annual Reporting Tool (ART). The ART is the platform within which APCO Brand Owner Members are required to complete an APCO Annual Report and APCO Action Plan each year. The ART is used to aggregate data from Member reporting, and provide Members with the ability to track their performance year on year.

Rationale

The SPGs provide a framework for reviewing the sustainability of packaging against ten key principles. Maximum impact is achieved by integrating these principles into as many APCO Members' operations as possible.

Key Perfomance Indicators

Compliance with the principles for all products put on the market by those APCO Brand Owner Members with an annual turnover greater than AUD$500 million (large APCO Members).

	100% OF PRODUCTS PUT ON THE MARKET BY LARGE APCO MEMBERS HAVE BEEN REVIEWED AGAINST THE SPGS OR ***EQUIVALENT***	75% OF LARGE APCO MEMBERS CONFIRM THAT APPLYING THE SPGS DELIVERS BUSINESS VALUE
Benchmark data	70% (2019)	Unknown
Milestone FY 2021	75%	50%
Milestone FY 2022	80%	55%
Milestone FY 2023	85%	60%
Milestone FY 2024	90%	70%
Milestone FY 2025	100%	75%
How it will be measured	Annual self-reporting by APCO Members, aggregated through the ART.	New question to be added to the ART in 2021

SIP 2:

Production - Single-use, unnecessary and problematic plastics phased out

Context

As we work towards the 2025 Target of the phase-out of problematic, unnecessary and single-use plastic packaging, it is important to consider the following definitions:

- **Single-use plastic packaging** is likely to be designed to be discarded after a single use and is routinely disposed of after its contents have been unpacked or exhausted.

- **Unnecessary plastic packaging** can currently be reduced or substituted with non-plastic fit-for-purpose alternatives and/or can be eliminated entirely without compromising the consumer's access to the product, ability to meet health or safety regulations, or causing undesirable environmental outcomes.

- **Problematic plastic packaging** is packaging that is currently:
  - Difficult to collect/recover for reuse, recycling or composting purposes; or
  - A material that hinders, disrupts or obstructs opportunities to recover other materials or resources; or
  - A significant contribution to the plastic litter problem; or
  - Manufactured with, contains or has contained hazardous chemicals or materials (e.g. PFAS, BPA) that pose a significant risk to human health or the environment.

  This type of packaging may not be considered problematic should emerging technologies result in effective collection/recovery for reuse, recycling or composting purposes, provided it can be removed from the environment.

- **Priority items include:**
  - Fragmentable plastics including oxo-degradable plastics
  - Expanded polystyrene (EPS) food service packaging and retail fresh produce trays
  - EPS loose fill packaging
  - Lightweight plastic shopping bags (<35 micron)

  An expanded list of priority items will be released in late 2020 after further consultation.

SIP 2:

Rationale

Phasing out single-use, unnecessary and problematic plastic packaging will drive awareness and activity at the design stage of production to ensure plastic packaging is created to be reusable, recyclable or compostable and to reduce the impact of litter.

Key Perfomance Indicators

Phase out of identified priority items for single-use, unnecessary and problematic plastic packaging formats.

	100% OF LARGE APCO MEMBERS HAVE PHASED OUT IDENTIFIED PRIORITY ITEMS FOR SINGLE-USE, UNNECESSARY AND PROBLEMATIC PLASTICS PACKAGING FORMATS
Benchmark data	unkown
Milestone FY 2021	15%
Milestone FY 2022	30%
Milestone FY 2023	50%
Milestone FY 2024	80%
Milestone FY 2025	100%
How it will be measured	Annual self-reporting by APCO Members, aggregated through the ART. New question to be added to the ART in 2021.

SIP 3:

Use – Australasian Recycling Label (ARL)

Context

The Australasian Recycling Label (ARL) Program is an on-pack labelling scheme that helps consumers to recycle correctly and supports brand owners to design packaging that is recyclable at end-of-life.

The Program features two key elements:

- The Packaging Recyclability Evaluation Portal (PREP) - an online tool that allows users to assess packaging recyclability in the Australian and New Zealand recovery systems
- The ***Australasian Recycling Label*** – an evidence-based on-pack label that provides clear and simple instructions about how to recycle all of the separable packaging components.

The PREP software simulates consumer packaging's journey, once discarded for recycling at kerbside. It provides immediate feedback to designers with advice on why packaging is not recyclable. PREP has been adopted as a national standard assessment methodology in Australia, New Zealand and the United Kingdom to underpin on-pack recycling labels.

Rationale

To enable clean, efficient and easy recovery of packaging, it is essential to provide evidence-based, consistent and credible labelling for disposal on-pack to drive consumer behaviour change. The ARL provides this information, keeping recyclable packaging out of landfill and non-recyclable packaging out of recycling streams.

SIP 3:

Key Perfomance Indicators

Coverage, uptake and consumer awareness of the ARL is optimised.

	GREATER THAN 75% OF ***ICONIC*** CONSUMER-FACING PRODUCTS HAVE THE ARL	100% OF LARGE APCO MEMBERS ***APPLYING THE ARL***	75% OF PRODUCTS ON THE MARKET DISPLAY THE ARL	85% OF CONSUMERS RECOGNISE THE ARL
Benchmark data	Unknown	41% (2019)	23%[1]	49%
Milestone FY 2021	40%	50%	30%	55%
Milestone FY 2022	60%	70%	40%	60%
Milestone FY 2023	70%	80%	55%	70%
Milestone FY 2024	75%	90%	70%	80%
Milestone FY 2025	80%	100%	75%	85%
How it will be measured	APCO targeted supermarket audit (new)	APCO ARL data	APCO audit - basket of goods (new)	APCO market research

1 Australian Council of Recycling (2020), Audit and review of packaging environmental labelling and claims, July 28

SIP 4:

Disposal – Material Standards

Rationale

Consensus on materials specifications in the packaging value chain for both packaging placed on market, and materials recycled through the recycling system is essential to drive appropriate design approaches and material quality that will optimise the market value of materials. Both standardisation in recovery processes and packaging design for recycling will inform progress for each.

Key Perfomance Indicators

Packaging value chain participants accept and adopt ***material recovery standards***.

	100% OF ALL PACKAGING MATERIALS ARE RECYCLABLE AND/ OR COMPOSTABLE	100% OF LARGE APCO MEMBERS ARE USING THE PREP DESIGN TOOL TO DESIGN FOR RECYCLING	MATERIAL RECOVERY FACILITIES (MRFS) HAVE ACCESS TO NATIONAL MATERIAL RECOVERY STANDARDS	KERBSIDE SERVICES HAVE BEEN STANDARDISED NATIONALLY
Benchmark data	89% (2018-19)	62% (2020)	Government commitment in NWP Action Plan	Government commitment in the ***National Waste Policy (NWP) Action Plan***
Milestone FY 2021	91%	65%	Draft standards developed	
Milestone FY 2022	94%	70%	Standards being implemented	Draft ***kerbside collection standard*** developed
Milestone FY 2023	96%	80%		Standard being implemented
Milestone FY 2024	98%	90%		
Milestone FY 2025	100%	100%		
How it will be measured	APCO material flow analysis (MFA) measuring packaging consumption and recycling & ART	APCO PREP data	NWRIC / NWP reporting	Australian Council of Recycling (ACOR) / NWP reporting

SIP 5:

Recovery – Reprocessing Capacity

Rationale

Achieving the 2025 Targets requires action from many stakeholders ensuring the use of appropriate packaging formats and the availability of sufficient local ***reprocessing capacity*** to support the recovery of all materials disposed at the end of life.

Key Perfomance Indicators

Onshore ***infrastructure*** capacity is developing to ensure packaging materials are 100% ***recyclable***, ***reusable*** or ***compostable***.

	ONSHORE INFRASTRUCTURE CAPACITY FOR PLASTIC PACKAGING EQUALS 900,000 TONNES	APPROVALS FOR DEVELOPMENT OF INFRASTRUCTURE FOR PLASTIC PACKAGING EQUATES TO 900,000 TONNES	10% OF PACKAGING IS REUSABLE	70% OF PLASTIC PACKAGING IS ***RECYCLED***
Benchmark data	~150,000 (2020)	~170,000 (2020)	Unknown	18% (2018-19)
Milestone FY 2021	300,000 tonnes	400,000 tonnes	2%	25%
Milestone FY 2022	450,000 tonnes	600,000 tonnes	5%	40%
Milestone FY 2023	700,000 tonnes	800,000 tonnes	7%	60%
Milestone FY 2024	800,000 tonnes	900,000 tonnes	9%	65%
Milestone FY 2025	900,000 tonnes		10%	70%
How it will be measured	Australian Government data	Australian Government data	Annual self-reporting by APCO Members, aggregated through the ART	APCO MFA

SIP 6:

Market Creation – Market Value Optimised

Context

To support the 2025 Targets including that 70% of plastic packaging is recycled and 50% average recycled content is achieved in packaging, the packaging value chain must generate clean, high value material streams that provide valuable inputs for the recycling and remanufacturing industry.

Rationale

Optimising the value of materials at ***end-of-life*** by creating clean, high-value material streams will ensure there is a solution for all materials in the packaging value chain that makes economic sense for recycling, composting and remanufacturing businesses.

Key Perfomance Indicator

75% of packaging has a net positive value at end of life.

Benchmark data	Unknown
Milestone FY 2021	25%
Milestone FY 2022	50%
Milestone FY 2023	60%
Milestone FY 2024	65%
Milestone FY 2025	75%
How it will be measured	Australian Government data to inform the percentage of packaging materials placed on the market each year (total tonnes) that has a positive ***market value*** at end of life.

SIP 7:

Market Creation – Recycled Content

Context

Recycled content is the proportion, by mass, of pre-consumer and post-consumer recycled material in packaging. Recycled content is expressed as a percentage of the quantity of packaging material placed onto the market.

For this SIP, average recycled content is measured as the total quantity of recycled material in packaging in Australia as a percentage of all packaging placed on the market (tonnes), i.e. it does not refer to individual companies or packaging items. This SIP supports the 2025 Target of 50% average recycled content across all packaging. Only post-consumer materials are considered recycled content for the purpose of the Target.

Rationale

Requiring an average of 50% of all packaging in Australia to contain recycled content (where ***feasible***) drives a high-value end market for packaging materials and ensures the financial sustainability of the recycling and remanufacturing industry.

SIP 7:

Key Perfomance Indicators

Average recycled content in packaging is increasing year on year.

	TRACEABILITY PROTOCOLS ARE DEVELOPED AND IMPLEMENTED	50% AVERAGE RECYCLED CONTENT IN PACKAGING	20% AVERAGE RECYCLED CONTENT IN PLASTIC PACKAGING	30% AVERAGE RECYCLED CONTENT IN PET PACKAGING	20% AVERAGE RECYCLED CONTENT IN HDPE PACKAGING	60% AVERAGE RECYCLED CONTENT IN PAPER PACKAGING	35% AVERAGE RECYCLED CONTENT IN METAL PACKAGING	50% AVERAGE RECYCLED CONTENT IN GLASS
Benchmark data	Under development (2020)	39% (2018-19)	4%	14%	3%	51%	24%	37%
Milestone FY 2021	Protocol developed	40%	6%	17%	5%	52%	26%	40%
Milestone FY 2022	Protocol being implemented	42%	8%	20%	8%	54%	28%	42%
Milestone FY 2023		45%	10%	25%	10%	56%	30%	45%
Milestone FY 2024		48%	15%	28%	15%	58%	32%	48%
Milestone FY 2025		50%	20%	30%	20%	60%	35%	50%
How it will be measured		APCO MFA	APCO MFA	APCO MFA	APCO MFA	APCO MFA	APCO MFA	APCO MFA

Glossary

Term used within document	Explanation/Definition.
Applying the ARL	Displaying the ARL on packaging.
Capacity	Designed capacity of reprocessing plants (tonnes per year).
Compostable	Packaging is compostable if it is certified to AS4736, AS5810 or a similar compostability standard, and if its successful post-consumer collection, (sorting), and composting is proven to work in practice and at scale.
End-of-life	A term used to describe the expected disposal option for packaging when the customer/ consumer has removed the product.
Equivalent	The same or similar principles are being addressed through an organisation's own design guidelines (this may include rephrasing or adapting to the company's circumstances).
Feasible	Recycled content is available at the required quantity and quality and is not prohibited under food contact or other regulations.
Iconic	Fast moving consumer goods (FMCG) that have a high level of awareness amongst consumers.
Infrastructure	Reprocessing facilities that accept post-consumer plastics packaging.
Kerbside collection standard	Preferred service standard for kerbside collection including a core set of materials and common household items that can and cannot be collected at the kerbside for both commingled recycling and organics collection services; and how items should be presented for recycling (e.g. labels on or off). This will support clear and consistent messaging to households to increase recycling and reduce contamination in recycling bins.
Market value	The commercial value of a packaging material (positive or negative) net of collection, sorting and processing costs.
Material recovery standards	Minimum quality standards for supply of material to reprocessors, e.g. specifying materials, colour, maximum level of impurities etc.
NWP Action Plan	The National Waste Policy Action Plan (2019) prepared by the Australian Government, state and territory governments and the Australian Local Government Association.
Optimise	Ensure the value of material is sufficient to provide commercial certainty to manage the collection, sorting, processing and manufacturing of the materials.
Oxo-degradable plastics	A material (however described) made of plastic which includes additives to accelerate the fragmentation of the material into smaller pieces, triggered by ultraviolet radiation or heat exposure, whether or not this is, or may be, followed by partial or complete breakdown of the material by microbial action.
Recyclable	Packaging is recyclable if its successful post-consumer collection, sorting, and recycling is proven to work in practice and at scale.
Recycled	Packaging that has been reprocessed from recovered (reclaimed) material by means of a manufacturing process and made into a final product or into a component for incorporation into a product.
Reprocessing	An industrial process to change the physical structure and properties of a waste material so it can be used again. This can include composting, chemical recycling or energy from waste facilities that use materials to generate energy.
Reusable	Packaging which has been designed to accomplish or proves its ability to accomplish a minimum number of trips or rotations in an available system for reuse.

To contact APCO please visit our website
www.apco.org.au

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