



11/4/2025

Australian Competition & Consumer Commission
(ACCC)
GPO Box 3131
Canberra ACT 2601

[Lodged online via the ACCC submissions web form](#)

To whom it may concern,

RE: Support for the Soft Plastics Stewardship Association (SPSA) Limited Application for authorisation AA1000695.

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC acknowledges the traditional custodians of the land on which we work and live, the peoples of the Darug, Dharawal and Eora Nations.

SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member councils cover a population of about 1.9 million, one third of the population of Sydney, including Australia's most densely populated suburbs. Our Councils manage around 655,000 tonnes of household waste each year, which is about 20 per cent of all NSW household waste.

We support the SPSA application for authorisation of a stewardship scheme for soft plastic packaging. Stewardship of soft plastic is desperately needed to help manage the collection and recovery of this low value material stream that currently has a very low recovery rate in Australia. Stewardship is also needed to design out problematic and difficult to recover soft plastic packaging that is prevalent in consumer products sold in supermarkets across Australia.

SSROC is supportive of the scheme's establishment and that some of the major food retailers and food packaging manufacturers in Australia are members of SPSA. SSROC sincerely hopes that, after an initial set up and establishment period, the scheme will transition in the near future to a mandatory scheme to reduce the issue of free riders, ensure maximum participation of relevant stewards (e.g. packaging brands and food retailers) and to achieve the desired scale and recovery of soft plastics that is needed in Australia. Transitioning to a mandatory scheme would provide regulatory certainty and the necessary levy funds to help drive investment in the infrastructure needed to collect, process and remanufacture soft plastics.

SSROC is supportive of the authorisation application for SPSA however, in the next section we raise recommendations for the SPSA application. These are from the perspective of SSROC working closely with councils in a densely populated part of Sydney, who have mixed views on the potential inclusion of soft plastics into the yellow lidded recycling bin. Councils in other parts of NSW may have different perspectives on how soft plastics recovery could successfully occur in their local government areas.

Recommendations for the SPSA application:

1. **Transparency from all suppliers and processors is from an agreed date early in the commencement of the scheme.** In the application Section 4.3 *Description of proposed Scheme activities, sub section (a) (iii) Service Providers* states “In the longer term, service providers will be required to be accredited by a third-party traceability provider in support of the National Framework for Recycled Content Traceability, endorsed by Australia's Environment Ministers in November 2023. This will allow transparency of recycling outcomes for Scheme Participants, councils and community members.” Given the community’s scepticism regarding this particular stream and the concerns about a repeat of stockpiling or materials not being recycled, transparency from a specified start date should be a condition of the ACCC approval. Transparency about where it is processed and what happens to the outputs is critical given the large volumes of soft plastics that could be collected and the complexities of viable end markets for this material.
2. **For densely populated areas like Sydney, SPSA should prioritise collection of soft plastics in supermarkets.** Residents in Sydney were highly engaged in returning soft plastics to their local supermarket collection and councils collectively invested in educating residents to take back their soft plastics to their local supermarket. In moving towards a circular economy, we need to incentivise and support residents to take products back to retailers and brands that profit from placing those products on the market. This is critical piece of building responsible recovery behaviours in consumers and producers and is aligned with stewardship initiatives for other groups of products such as clothing, shoes, batteries, ink cartridges etc. which can be taken back to retailers.
3. **It should not be implied in any way that Councils are required to implement kerbside collections under this scheme.** Requirements should only be sought following specific consultation with individual councils, the MRF representatives and with access to subsidies. SPSA should liaise with councils directly on the most appropriate collection model for their local government area (LGA) which for some councils may not include collection through the kerbside recycling stream. SSROC member councils have been auditing kerbside bins including the recycling stream for over twenty years. The data shows that over time a combination of factors have resulted in decreasing value of the materials collected in the recycling bin with more valuable materials going to the Container Deposit Scheme (CDS), a decrease in paper due to the digitalisation of news and an increase in difficult-to-recover packaging types. On the ground, this means that there is less value in the recycling stream and that proportionally we are seeing higher rates of contamination from non-recyclable products.

For council recycling contracts over time, we have gone from a low-cost service because recycling facilities could make a profit from the materials in the recycling bin to significantly higher costs for that service as the value of the products collected in that stream has continued to decline; this coupled with contamination has impacted the long-term financial sustainability of this comingled recycling service. The introduction of CDS, which has many benefits in terms of litter reduction and recovery of materials, has also led to very difficult contract negotiations and often poor cost-sharing agreements between councils and recycling facilities. Recycling contracts are complex and any stewardship scheme that impacts those contracts would require lots of consultation with the council staff responsible for those contracts, and in many cases legal advice.

4. In LGAs with large numbers of apartments, it may be better to collect soft plastics in a separate, dedicated collection bin in high density apartments where there are sufficient scale and residents to provide a regular collection service. This has been successfully trialled by some of our councils and was previously funded through grants and the SPSA could look at funding similar collections. This could be discussed further with each council.

5. **Councils that do help collect soft plastics in their LGA should receive financial support to do so through the SPSA.** This is important because the domestic waste management charge (DWMC) paid by ratepayers for their kerbside bin service is already stretched to maintain current services for the many different materials in the household waste stream; too often product stewardship schemes rely on council collection systems without providing any financial support towards the considerable collection and recovery costs. This, in turn, affects the DWMC and the affordability of rates for residents. Consumers should not have to pay twice if the scheme's levy is included in the sale price of a food item and again for a collection service, if the cost of that service then needs to be covered in the DWMC. Stewards in stewardship schemes need to cover the cost of collection and recovery as part of placing products on the market.
6. Whilst we note that ALGA is represented on the advisory board for the scheme, given the complexity of recycling contracts and the uniqueness of each local government area, we strongly recommend that there is local council representative/s on the advisory board with experience in managing recycling contracts. It is also important to have local government representatives on the advisory board because other than supermarkets it will be local governments that will be primarily responsible for responding to resident enquiries about soft plastics collections even where we are not the operator of the service.

In conclusion, SSROC supports the establishment of a scheme for soft plastics and strongly recommends working with individual councils on the best collection models for their area to maximise the success of the scheme.

Yours faithfully



Cr John Faker
Mayor of Burwood
President, Southern Sydney Regional Organisation of Councils (SSROC) Inc