

Australian Beverages Council Limited

**Submission to the
UN Plastics Treaty
19 October 2022**

1 Where could Australia get the most benefit from international cooperation and have the greatest impact on addressing plastic pollution?

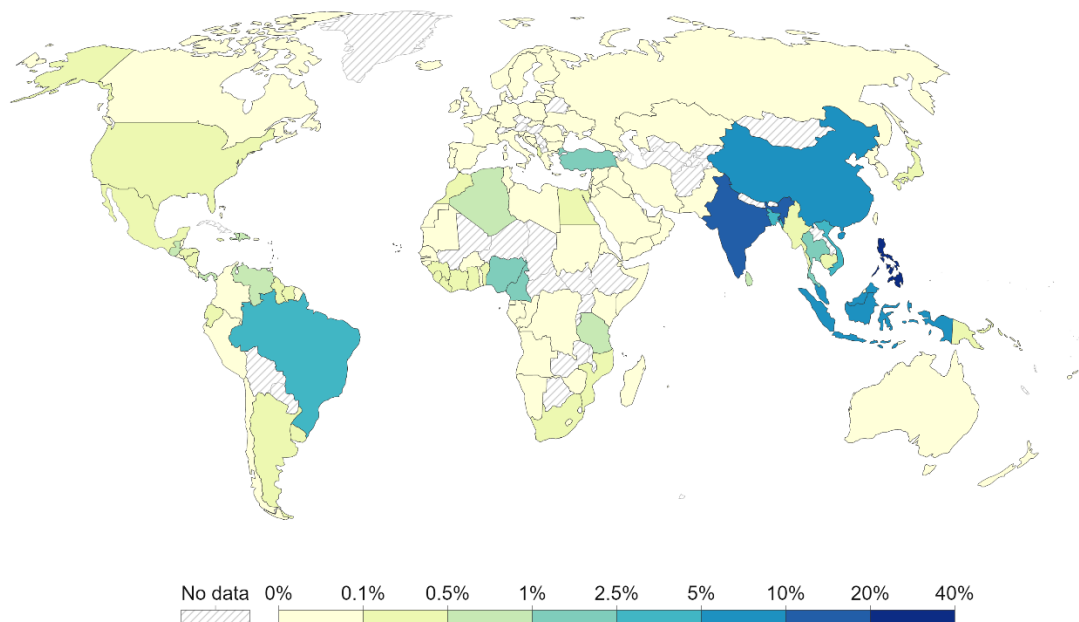
The Australian Beverages Council Limited (ABCL) and its global beverage industry network¹, are pleased to see the enthusiastic approach of Member States including the Australian government to crafting the International Treaty on Plastics Pollution. There is a large opportunity for government-to-government collaboration in plastics management that has so far not been seen in the region and the role of the private sector will be critical in delivering a Treaty which is meaningful and transformative.

Ocean health and plastics leakage is a significant problem in the APAC region. Australia shares this area with some of the largest ocean plastic emitters in the world:

Share of global plastic waste emitted to the ocean, 2019

This is an annual estimate of plastic emissions. A country's total does not include waste that is exported overseas, and may be at higher risk of entering the ocean.

Our World
in Data



Source: Meijer et al. (2021). More than 1000 rivers account for 80% of global riverine plastic emissions into the ocean. Science Advances. OurWorldInData.org/plastic-pollution • CC BY

This material leakage does not need to make it to our shores to impact Australians. As a net importer of seafood, the fish Australian's eat are predominately from APAC countries effected by this leakage². We also see the damaging effects of ghost nets on marine wildlife, plastic nurdles on our shores and microfibres washed into the ocean from synthetic textiles and tyre dust. Australia has the opportunity to not only push for more plastics accountability in the region, but to be the benchmark for progressing an efficient and effective domestic circular economy for plastics. The immense work

¹ <https://icba-net.org>

² <https://www.agriculture.gov.au/agriculture-land/fisheries/aus-seafood-trade>

being done by private sector to redesign and phase out problematic or unnecessary plastics, as well as the rapid development of recycling facilities through co-funding models are all areas that Australia can lend knowledge to accelerate progress. There is a degree of advancement happening already through the ANZPAC Plastics Pact and the newly created Plastics Innovation Hub Indonesia, but the governmental and organisational buy-in that comes with a UN Treaty is second to none. Australia's greatest opportunity to address plastics pollution is to establish itself as the driving force in the region for pragmatic plastics management.

2 How can we ensure that the treaty complements and does not duplicate existing international, regional, and domestic initiatives?

Australia is truly an innovator globally in developing a circular economy for plastics. As such, there will almost certainly be crossover in our existing initiatives with that of the treaty. The ABCL does not see this as a risk but rather an opportunity to catalyse greater action in the region through knowledge sharing and business development. Being the region's "early adopter" of circular economy principles opens opportunities for Australian exports, professional services and investment.

The ABCL is proud to be involved with the ANZPAC Plastics Pact and APCO, the pre-eminent regional and domestic initiatives concerning plastics and the circular economy. ANZPAC Plastics Pact is a part of the Ellen Macarthur Foundation's (EMF) Plastics Pact Network, a consortium of individual country and regional pacts with a shared vision of a circular economy for plastics. The EMF along with the World Wildlife Foundation are convening the Business Coalition for a Global Plastics Treaty, a group of global businesses (including ABCL member brands) and supporter NGOs advocating for a shared vision of the treaty. There is no readily apparent conflict between the goals of these networks, the Australian government position or that of the ABCL.

As part of the global beverage community, the ABCL believes that the Treaty should embrace the following high-level principles:

- Address the full life-cycle of plastics, including up-stream and down-stream measures. It should cover both land-based plastic pollution and plastic pollution that ends up in the marine environment. It should ideally include rPET authorization, incentives for incorporating recycled content, prioritization of bottle-to-bottle recycling, focus on reduction of virgin plastics from non-renewable materials, as well as incentives for continuing innovation around alternative materials, packaging solutions, delivery mechanisms, and use current industry models as reference to scale circular economy, to name a few examples in this space
- Establish a clear common policy framework for National Action Plans that align on policy principles that can inform national regulations, and are designed considering local particular circumstances to obtain a successful implementation. This framework should oblige Member States to set relevant and appropriate targets, while further research is underway to identify a science-based global target for plastic pollution (similar to the 1.5C target for climate change).
- Include legally binding and non-legally binding measures.

- Legally binding elements could include certain provisions related to the overall Treaty framework for tackling plastic pollution and a circular economy for plastics to be endorsed by Member States;
- Harmonized set of definitions and standards to define products and processes as well as common reporting metrics and methodologies across the plastics value chain.
- Non-legally binding elements would be those within the Global Framework that require flexibility to account for differences in national/local context, or to support new or ongoing innovations in technologies (e.g., recycling processes of materials, infrastructure for composting and reuse systems)
- Recognize workers in informal and cooperative systems as key stakeholders in policy discussions at all levels, as we strive for fair and inclusive discussions.

3 What is Australia doing well to manage plastic pollution?

As the custodians of Australia's oldest and most successfully regulated product stewardship scheme in Container Deposit Schemes (CDS), the beverage industry is a prime example of business and government coming together to successfully manage plastic pollution. Whilst initially developed as key litter reduction initiatives, the industry today views CDS as strategic assets in driving circularity of beverage packaging whilst have significant benefits for both land and marine environments.

Container Deposit Schemes as a source separation mechanism leads to more quality recycle, better yield and a reduction in contamination of comingled recyclables. CDS also leads the pack from a litter reduction perspective, with NSW seeing a 52% reduction in container litter since introduction of the scheme³. With the intense work being done by Australian FMCG companies to "design for recyclability", we are quickly approaching a point where CDS can include a variety of other non-beverage packaging categories without having to make major changes to recycling infrastructure.

We greatly appreciate the work APCO has done to help businesses reduce plastics usage and design for recyclability, but with any cutting-edge program it took quite a few years to gather packaging data, set strategy and execute their vision. Australia would be doing a great service to surrounding countries if we share the material design guides and strategies created by APCO and other organisations such as the Australian Institute of Packaging (AIP).

4 What opportunities are there for Australia to do more on plastic pollution?

There needs to be a greater coordination mechanisms between state and federal priorities, programs and legislation. Currently, the differing priorities of federal, state and territory governments mean business must satisfy requirements that are often at odds with each other. An example of this is the state-based single use plastics bans. These unevenly enforced bans have led to unintended disruptions in business operations as companies scramble to make sure they are acting legally in each jurisdiction.

³ <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/return-and-earn>

As an example, the beverage industry expresses frustration of these inconsistencies through the conflicting obligations of CDS and the Australasian Recycling Label (ARL). APCO's ARL label was initially intended to be a kerbside recycling label, with no provisions for external producer responsibility schemes, whilst the CDS mandated label is directing consumers to collection return points within a scheme. These left two conflicting recycling instructions on a beverage bottle, with no way to ensure the consumer would know how to properly recycle the container, is a significant missed opportunity. In a complex multi-year process spearheaded by the ABCL, the industry created a single logo solution which provided clear instruction for consumers while satisfying all government requirements. At the time of this consultation, the ABCL is striving for all jurisdictions to support this simple solution. If this inconsistency was accounted for at the beginning, there would have been a more rapid uptake of the ARL by beverage companies and clearer direction for consumers.

We use this example to highlight the opportunity Australia has to supercharge circular economy development by working in a coordinated way both domestically and abroad. The UN Resolution passed at UNEA 5.2 and its resoundingly positive reception by industry and NGOs which proves there is already a common understanding around what must be done to stem plastic pollution. We now need to ensure that all stakeholders are in communication for the actualisation phase of any obligations set out in the final treaty.

5 What opportunities does an international treaty on plastic pollution present for your organisation or industry? For example, are there potential new market opportunities?

Australian exports have always been associated with quality, innovation and luxury. As the region's governments, retailers and consumers increasingly prioritise sustainable packaging, the opportunity for Australian products to rise above competitors is large and one that we must seize upon. The two most common plastics used in non-alcoholic beverage, PET and HDPE, are the most widely recycled plastics globally. This makes them attractive to overseas buyers with concerns around product end-of-life.

6 What risks or issues does an international treaty on plastic pollution present for your organisation or industry?

While we are wholly in support of a treaty on plastic pollution involving governments, civil society and the private sector, we have several concerns.

Firstly, the industry expresses reservation about the export of recycled material to satisfy trade priorities. ABCL members have been putting considerable effort into integrating recycled content into plastic bottles in the past 24 months. There are many examples of 100% recycled bottles already on supermarket shelves. Unfortunately for small and medium businesses, they are being priced out of the domestic open market by European companies. Recycled content mandates in the EU means these companies are willing to pay up to 4 times the standard price for recycled materials. This pricing inflation coupled with similarly record-breaking domestic demand means that many brands are unable to realise their sustainability ambitions. We fear that an acceleration of global recycled

content targets will continue to compound our recycled content shortages domestically, particularly if we fall under recycled content mandates ourselves. Australia will need to embed protectionist measures in our own government adaption of the treaty to prevent these consequences in ours and other industries.

Secondly, the Treaty negotiation process to address issues like microplastics, leads to ambitions that are impossible to achieve, let alone measure, and deliver unintended consequences. As an example, the definition and method of analysis for microplastics is still a subject of international debate, with many current assessment frameworks not yet finalised.

Finally, the beverage industry reiterates the importance of a whole of life perspective in regards to plastics, understanding that the design stage holds many opportunities for material reduction and recycling optimisation.

7 Looking at the plastics life cycle diagram (page 5), what approaches (e.g., regulations, management measures, policy tools, standards) do you believe would have the greatest benefit to help curb the negative impact of plastic pollution on the environment?

a. Of these, are there any that you feel need to be agreed at a global level to be effective (rather than being implemented domestically)?

The approach which we feel has the greatest benefit is to design for recyclability, enabling easy collection, processing and resale of plastics. PET and HDPE/LDPE are the most common plastics used in consumer packaging both here and abroad. Agreement at a global level to phase out hard to recycle plastics such as expanded polystyrene (EPS) and instead design to universal recycling standards would revolutionise the global plastics value chain. There has been work already done on designing for recyclability through the World Packaging Organisation⁴ which would be a very helpful. A harmonisation to a few core plastics, with accompanying design standards would also provide the scale and demand certainty needed to fuel investment in sorting, recycling and reprocessing.

The rapid development of reprocessing facilities in Australia co-funded by government, beverage, waste and recycling companies are the result of the above policies in action in Australia. A local success story is Circular Plastics Australia's Albury-Wodonga site, a PET reprocessing facility with the capacity to process 1 billion bottles per year. The demand for recycled content coupled with economic incentives and industry design standards created the environment necessary to de-risk and facilitate such a large investment.

⁴ <http://aipack.com.au/ecr-and-wpo-release-packaging-design-for-recycling-guide-a-global-recommendation-of-circular-packaging-design/>