

Activating Reusable Packaging in the ANZPAC region



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Introduction

The ANZPAC Plastics Pact is part of the Ellen MacArthur Foundation's (EMF) Plastics Pact Network and working towards a circular economy for plastic packaging, where it never becomes waste or pollution.

'Elimination of packaging is essential, where possible, and recycling efforts will still be needed, but to achieve a future where plastic never becomes waste, reuse systems need to be scaled.' (EMF, 2023, Unlocking a reuse revolution: scaling returnable packaging).¹

In 2022, 33% of ANZPAC Brand Owner Members reported they have reuse models in place and multiple reuse start-ups and pilots have been launched, however, we are still to see significant impact of reuse models across Australia, New Zealand and the Pacific Islands.

In 2022 ANZPAC released the 'Reuse Model Mapping and Feasibility Study'² which investigated existing reuse models in the ANZPAC region and their viability against four criteria: scalability, applicability, desirability, and alignment. The objective was to take learnings from existing models and map them according to their applicability in the different archetypes.³

A call-out from ANZPAC Members was to dive deeper and identify industry barriers, enablers, success factors, and global best practices to understand how to pool resources and investment into activating successful reuse models further in the ANZPAC region.

Introduction

This resource 'Activating Reusable Packaging in the ANZPAC region' explores those factors and opportunities for businesses to reduce the impact of single-use plastic packaging by transitioning to reusable alternatives.

86 GLOBAL & LOCAL REUSE MODELS

73 BUSINESS TO CONSUMER MODELS + 13 BUSINESS TO BUSINESS MODELS

A total of 86 global and local reuse models (73 Business to Consumer (B2C) & 13 Business to Business (B2B) models) were assessed against the following criteria:

- **Model type:** The presence of at least one of the EMF's reusable packaging delivery models¹,
- **Location and archetype:** Geographic compatibility with ANZPAC's archetypes³, and
- **Operational history:** Minimum two years, and currently still in operation.

Findings were explored further in two facilitated industry workshops (one B2B and one B2C), attended by 36 ANZPAC Members and stakeholders representing a range of cross-sector businesses and reuse model operators.

Outcomes of the research identified the importance of ensuring the **financial viability** of reuse models. Balancing initial investment, return on investment (ROI), and logistical challenges require the collaboration of all industry players across the reuse value chain to setup a logistical and economical sustainable **reuse system**.

ANZPAC REGION



The success of reuse models significantly hinges on **awareness and adoption**. Key factors that influence adoption include effective distribution, return processes, retail collaboration, consumption practices and supportive legislation. Each of these elements link back to the need for a holistic **reuse system**, which needs to be actively engaged to truly realise the potential for scaled reuse applications, and the economic, environmental and social benefits that come with it.

Findings from the research underscore the need for a **legislative support** to drive the development of an industry-led reuse system that allows for sector specific scaling of reuse models.

Reusable packaging is an important mechanism towards reducing the use of virgin materials, and a well-executed system behind it is crucial to significantly accelerate the shift away from single-use plastic packaging.

Various players within the system need to be actively involved, from brand owners across logistics and supply chain, to government and policymakers, and civil society at large. Collaboration is crucial when scaling reuse models, to fully achieve the benefits of reusable packaging. Through true collaboration, industry can share resources, streamline processes and create system wide standards to enable more efficient applications, with greater adoption and overall impact.

[ACCESS THE FULL REPORT HERE](#)

1. EMF, 2023, [Unlocking a reuse revolution - scaling returnable packaging](#)
 2. ANZPAC, 2022, [Reuse Model Mapping and Feasibility Study](#)
 3. See definition of ANZPAC's archetypes in [ANZPAC, Roadmap to 2025](#)

Findings

Successful model attributes & sectors

Packaging reuse models operate across the value chain from manufacturing, distribution, retail, and consumption through to collection and return of assets to close the loop.



The attributes of successful packaging reuse models can vary depending on the operational context, reuse model type, and industry. However, the research identified the following key influencing factors:

- **Product design**, including durability, modularity and standardisation,
- **Infrastructure**, including dispensing, cleaning, and storage requirements,
- **Logistical efficiencies**, including accessibility, processes, and digital technology, and
- **Awareness and behaviour change**, to increase adoption.



Highlighted below are the key industry sectors split by reuse delivery models with demonstrated success and high potential for scaling impact through the adoption of reusable packaging.

	Business to Consumer				Business to Business	
	Refill at home	Refill on the go	Return from home	Return on the go	Single-industry pooling	Multi-industry pooling
Beverages	☑	☑		☑	☑*	
Cleaning	☑					
Personal care & hygiene	☑					
Food (retail)		☑				
Food (service)		☑	☑	☑	☑*	
Packaging as a service (e-commerce)			☑	☑		
Supply chain packaging & distribution						☑

* Includes events

Findings

Key barriers & enablers

Financial viability is critical to establish and ensure the ongoing success of reuse models. However, complexities can arise for reuse operators in balancing initial investment, return on investment, and the intricacies of logistics and storage.

Four key barriers for financial viability were identified during the research, based on industry engagement:

- ① Capital investment
- ② Operational costs
- ③ Resources and systems change
- ④ Limited measurement and funding

The research explored how these can be addressed and mitigated through identified enablers:

- ① Data optimisation
- ② Maximising funding opportunities
- ③ Technology and partnerships
- ④ Innovation in product design

Economic and infrastructure challenges encompass the high costs and complexities involved in setting up and maintaining a reuse model, making it a substantial financial undertaking.

Often the longer period of ROI compared to single-use options acts as a barrier to entry. Costs vary between B2B and B2C and may be associated with acquiring or manufacturing reusable assets, establishing distribution and retrieval networks, logistical and upkeep costs such as cleaning, storing, replacing and for administrative purposes including management of reuse assets or approaches to behaviour change.

Important to note that short-term reuse pilots often exclude the longer-term ROI associated with reuse models. Neglecting to account for the lifecycle and environmental impacts of having materials in use for longer can further prohibit adoption.

Measurement and funding support are both important for building a business case to compare the impacts and benefits of reuse against single-use, and to bridge the gap between capital outlays, operational costs and long-term operational integration.

The uptake of digital technologies provides opportunities through streamlined and detailed data collection such as the use of barcodes, QR codes or radio frequency identification (RFID) technologies.

The ongoing operation of packaging reuse models requires systems change. Reuse models need both management and maintenance across the supply chain, which requires stakeholder buy-in and cross-sector collaboration to maintain such a system.

Findings

Key barriers & enablers

Awareness and adoption of reuse models have a significant impact on long-term viability. Interventions are focused on distribution and return, retail, and consumption as well as legislation and product design.

Three key barriers for awareness and adoption were identified during the research, based on industry engagement:

- ① **Awareness and willingness to pay**
- ② **Operational accessibility**
- ③ **Limited regulation and siloed practices**

The research explored how these can be addressed and mitigated through identified enablers:

- ① **Behaviourally informed models**
- ② **Accessibility within existing infrastructure channels**
- ③ **Regulatory frameworks**

Reuse models require end-users to transition from traditional single-use and linear consumption models to new systems and models of operation.

For B2B models, there are challenges quantifying benefits of reuse linked to environmental, social and governance (ESG) drivers based on lack of data availability or investment in quantifying benefits. Additionally, the upfront costs associated with the transition to a reuse system can be extensive with the return on investment only being realised over time once the system is active and single-use packaging materials procurement is avoided.

For individual consumers, adopting reuse models such as refill-on-the-go, necessitates a change in daily habits, including the responsibility of customers carrying and maintaining their own containers.

The success of reuse models hinges not only on their environmental and economic benefits but also on their practical implementation and the ease with which users can integrate them into existing systems, habits and routines.

Thoughtful design, effective change management, and ongoing support are key to overcoming the initial barriers to behaviour change and ensuring the sustainability of these models.

Research identified that there is an opportunity for cross-industry collaboration and pooling of resources to improve systemic outcomes.

Transferrable reuse assets across different supply chains and industries present an opportunity to offset infrastructure needs and associated costs.

Industry engagement highlighted a lack of legislation to drive uptake of reuse, including consistent definitions and standards, streamlined guidelines on measuring, reporting and labeling claims, which limit common ground and unintentionally reinforces siloed industry practices.

Addressing these factors collectively creates a conducive environment for the successful implementation and growth of reuse models.

7 Recommendations

Coordinated efforts between stakeholders and supportive policies to incentivise adoption are necessary to facilitate a smooth and efficient transition to scaling reuse models.



The business actions outlined below work to quantify the value, optimise the processes and refine the approaches required for establishing a system that serves successful and scalable reusable packaging models.

- **Establish effective measurement and evaluation:**
Transparent and reliable data is essential for demonstrating the value of reusable packaging models, thereby strengthening the business case and unlocking funding opportunities.
- **Utilise emerging standards:**
Supporting the establishment of reuse guidelines, like the PR3 Reusable Packaging Design Standards⁴, ensures that measurement and evaluation efforts are both rigorous and industry aligned.
- **Leverage digital technology for data collection:**
Enabling efficient data gathering and analysis for reusable packaging through tracking systems like RFID tags or QR codes. This real-time data aids in operational improvements, resource optimisation and provides insights into consumer usage patterns for targeted engagement strategies.
- **Identify opportunities through collaboration and partnerships:**
Collaboration across the supply chain is essential for operational efficiency and innovation in reusable packaging models. Strategic partnerships, especially in the B2B sector with pooled asset logistics suppliers, streamline logistics, reduce redundancies and transportation costs, and support supply chain sustainability.
- **Communicate the benefits and encourage behaviour change:**
Communicating the benefits of reusable packaging to end-users is crucial for increasing adoption rates. Sharing transparent data on positive outcomes like reduced carbon footprint, waste diversion, and potential cost savings builds trust and behavior change approaches through social norms and incentives can significantly boost adoption and long-term viability in B2C and B2B settings.

The [full report](#) includes a practical step-by-step implementation plan for businesses to embark on the journey of integrating reusable packaging into their operations. This includes quantifying current or potential impacts, clearly defined boundaries, conducting trials before scaling up, and monitoring and evaluating impact.

4. Resolve, The PR3 Standards, www.pr3standards.org

Conclusion

Implementing reuse models is a complex process that necessitates deliberate planning, execution, and continuous improvement. Addressing the barriers to financial viability and awareness and adoption is fundamental to ensuring reuse models are profitable, scalable, and ultimately viable.



Strategic partnerships and collaboration were key recommendations identified by industry across the ANZPAC region, for example through standardised products, guidelines, shared infrastructure and storage facilities in remote areas.



Legislative support plays a crucial role, as policies and regulations can significantly accelerate the adoption of sustainable practices by setting standards and providing incentives for businesses and consumers alike.

ANZPAC will work with industry across the region to identify the requirements for establishing an industry-wide reuse system under-pinned by supportive legislation.

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Disclaimer:

The Australia, New Zealand and Pacific Islands Plastics Pact (ANZPAC) and the contributing authors have prepared this resource with a high-level of care and thoroughness. The sources of information used are outlined in the report.

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