Qenos

Qenos Pty Ltd

Reply to

Product Stewardship Amendment (Packaging and Plastics) Bill 2019

Qenos is Australia's only manufacturer of Polyethylene. Based in Altona Victoria with plants also in Botany NSW, Qenos produces approximately 350kt of Polyethylene annually and supplies approximately 60% of the Australian demand for this raw material. However many more tonnes are imported as finished products for use in Australia.

As the only local manufacturer, Qenos is uniquely placed to be at the centre of the circular economy for Polyethylene. Globally, Mechanically recycled solutions are typically produced by the raw material manufacturer. Qenos has the potential to manage recycled material within the current supply and distribution channels with some modification. Qenos has the chemical refining capability to incorporate chemical recycling with further investment.

As the recycled content target dates draw near, the demand for clean and contaminant free recycled materials will outstrip supply. The logistics of importing recycled material will add significantly to the cost per tonne, reducing the viability of the model. It is essential therefore, that locally recycled material is created within Australia.

Targets for recycled content have been set aggressively, possibly as an incentive to stimulate the development of the market. Such targets may be attainable for glass, metal and paper, but the rate of plastics collection is currently less than 5%, and so the target of 30% by 2025 appears unattainable for plastics as a group.

Qenos agrees with the measures proposed to reduce, reuse and eliminate unnecessary packaging. Wherever possible, plastics should be first mechanically recycled, with the non-technically recyclable plastics directed to chemical recycling, and the non-recyclable fraction treated in a waste to energy process. Product design employing single material solutions is imperative to maximise the quantity of material to be used, collected and recovered for recycling.

Imported plastic contributes a significant percentage of resin, finished products and pre-packaged goods. It is essential that imports are held to the same standard of recyclability as locally manufactured goods otherwise Australian businesses will not be able to compete.

Plastic packaging plays a significant role in the reduction of food waste. In our view it is technically optimal that waste plastic should first be reused into the same application, such as milk bottles back into milk bottles, Non Food containers back into Non Food containers, Pipe back into Pipe, Water tanks back into Water tanks, before being used in other applications.

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Plastics are a low cost, light weight, hygienic and low greenhouse gas solution to many packaging needs. Packaging materials should be selected on merit based on their overall impact to the environment by agreed measures, such as Life Cycle Analysis.

Litter is a huge issue globally and we would encourage the development of measures to promote the effective collection and disposal of waste.

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On Behalf of Qenos Pty Ltd

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Comments on the Bill

Page 3 – Section 6

- "Recycling" needs to be clearly defined. There should be a segregation between Mechanical and Chemical recycling. Energy recovery via pyrolysis is also a form of recycling energy that is not clearly defined but offers a significant benefit to the recycle processes. Mechanical and chemical recycling should be prioritised in accordance with the waste hierarchy.

- Food contact and Non-food contact containers should also be clearly identified separated for better recovery and recycling back into food contact applications.

- Line 19: Packaging in the form of containers in relation to this bill appears to be limited to liquids for human consumption. This means that household personal care chemical containers, such as Shampoo, soap, detergent or Cleaning products and motor oils, alcohol petrochemical based solvent products such as methylated spirits, mineral turpentine, oils and even petrol / diesel containers are not clearly identified as part of the scheme. Are these to be excluded?

Page 6 – Division 2

- Line 21: Compostable and Recycle materials are antagonistic when mixed. For this reason compostable materials need to comply to a strict definition and be verified for the process of home or industrial composting. There is a significant risk of contamination if compostable material is found in the recycle stream, which would devalue the recycled products.

- Line 23: 70% of all packaging used in Australia will be recycled or composted by 2025 is unrealistic. Less than 5% of plastics are currently recycled and there is little capacity to take more materials into a plastics recycle stream. Various activities are being undertaken to improve the recycle content however the industry suffers from a lack of clean, uncontaminated streams of recycle material to be able to viably recover and recycle material. The target across all plastic materials is too high and we would suggest either a lower target or a longer time to achieve this.

- Line 27: The target of 30% relates to all packaging materials as this is currently written. It is unclear whether the average is also to be taken across all packaging materials. This would need further clarification. While this is achievable in multi component packaging, such as a bag in a box (cereal), or metal and paper, this is not as simple in plastic film For example, flexible, monolayer polyethylene film for example is a desirable material for a clean recycle stream, however requiring 30% recycle content would make this application more difficult to produce. While this is a good aim it would take industry a number of years to scale up to this level.

- Line 29: This assumes that problematic and unnecessary plastic packaging has been defined and the alternative materials have been assessed by a standard such as a lower Life Cycle Analysis.

- Line 32: "single-use food containers" need to be clearly defined and as for Line 29, alternative materials are assessed correctly.

Page 7

- Line 8: As the goal of a container deposit scheme is to prevent litter, this should only apply to those containers that are frequently consumed outside of the home. It should not apply to containers for drinks that need to be

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maintained cold such as milk or fresh juice, which are effectively recovered via kerbside recycling. It should also only apply to containers of less than 3L capacity for the same reason.

- Container Deposit Scheme can impact the current curb side recycle stream and ready access by companies to recovered containers, for example Milk bottles, where a food contact to food contact stream is possible, maintaining a high value recycle stream.

Page 10 – Division 4, Reporting

- Members of the scheme need to include the importers or raw material, finished packaging and pre-packaged goods. It is critical to the success of these targets and the survival of local industry that the requirements apply to all imported goods as well as locally manufactured goods. And that these targets are independently verified and regulated.

Page 14 – Division 5

- Line 5 & 6: A uniform definition of “Lightweight” and “Microbeads” is required.

- Line 9: There is often a value in having these single use materials of one type to make collection, recovery and recycling viable as a clean and uncontaminated recycle stream. Using alternate materials has the risk of fragmenting the products into differentiated and smaller quantities making it uneconomical or inefficient to recover.

- Line 17: Single use plastic materials have often been used as they represent a clean and or sterile material that is food contact safe for human consumption. Reusable products in applications such as straws present a food hygiene risk, as they cannot be thoroughly cleaned.

- Line 22 to 24: A list of specific items will lead to excessive administration and potentially unintended consequences. In instances of national emergency, such as fire and flood, the ability to provide emergency food and water would rely on simple and hygienic food deliver systems.

Page 19 – Division 7

- Line 28: Littering is not specific to any one material and it should be expected that the public are accountable for littering and litter items. If the manufacturer of a plastic product is held accountable for the financially responsibility then it would be very difficult to claim this for the large percentage of imported materials, placing the burden on local industry making them further uncompetitive.

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