



Casslis Pty Ltd t/a Recyclable Packaging

ABN: 24 059 841 075

Site Address: 28 Oliphant Way, Seaford, Victoria, Australia, 3198

Postal Address: PO Box 2275, Seaford, Victoria, Australia, 3198

Tel: 613 9708 2311 Fax: 613 9708 2380



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Committee Secretary

Senate Standing Committees on Environment & Communications

PO Box 6100

Parliament House

CANBERRA, ACT, 2600

Dear Sir/Madam,

I write to you in response to the proposed Product Stewardship Amendment (Packaging & Plastics) Bill 2019 which aims to establish a mandatory product stewardship scheme for manufacturers, imports and distributors of consumer packaging and certain single-use plastics, prescribing targets, prohibitions, design and labelling requirements and financial contributions scheduled to go before parliament in May, 2020.

Firstly, a little background. After spending over 20 years in manufacturing and most of those in packaging, I established Recyclable Packaging Pty Ltd in 2010 with the view to employ Australians and to offer locally manufactured recyclable products to our food producers and growers as an alternative to imports.

Recyclable Packaging is an Australian family owned and operated company manufacturing recyclable polyethylene terephthalate (PET) and high impact polystyrene (HIPS) packaging for the food service and agricultural sectors both in Australia and New Zealand. All our products are fully recyclable in existing kerbside schemes in Australia if the system is working as it should. We also offer a bio-degradable option however as this process is not currently supported by industrial composters we are not actively promoting this and are waiting for the recycling industry to catch up.

We operate out of a purpose-built facility in Seaford, Victoria where we extrude PET and HIPs from a combination of virgin polymer and locally sourced recycled content from both Australian and imported waste. From this we produce FDA approved food grade film which is then manufactured on-site into quality food containers, produce punnets, plates, bowls and coffee cup lids.

These products could be regarded as single-use however in a fully functioning circular economy these would be collected, sorted, washed, granulated and re-extruded into totally new products in packaging, construction or other manufacturing sectors as this so-called waste is a valuable commodity and should not end up in landfill.

Packaging is a necessary evil and will become even more important in future as the world collectively struggles to feed a growing population with diminishing arable land, less potable water and a rapidly changing climate.

A recent study by the United Nations estimates that the world population, which is currently 7.7 billion, will increase to 9.7 billion by 2050 and is expected to peak at close to 11 billion around the end of this century¹. Based on these figures, demand for food in 2050 is expected to increase by 60% and it is predicted that there will be a deficit of 40% of fresh produce, whilst currently over 30% of the world's fresh fruit and vegetables goes to waste, and this figure is even higher in developed countries². Preventing this waste is essential for the survival of humanity and packaging is part of the solution.

Further clearing to create more arable land is not the answer if global warming is to be taken seriously, nor is increased productivity due to the use of more fertilisers. Increased productivity of crops through genetics and landcare management will help as will improved refrigeration in developing countries, but the real answer is in packaging to eliminate spoil during transport, to extend the shelf life and, most importantly, to eliminate waste by using portion control packaging, particularly with an aging population and more single households. Consider an elderly person living alone purchasing a portion of pre-cut pumpkin just for one rather than a whole, a half or even a quarter which they may have trouble cutting. The western world's food waste is too often found in the bottom of the crisper where in developing countries it is the lack of refrigeration and expertise that leads to much spoil.

Additionally, with more free trade agreements being negotiated around the world food is travelling further and as such needs to be packaged well to minimise damage and to increase shelf life. There is a lot to be done on reducing excess and unnecessary packaging in many industries however most food packaging is necessary and there needs to be more not less of it going in the future.

As members of APCO we fully support the 2025 National Packaging Targets although feel there is still a long way to go in achieving all of these and are aware of other packaging manufacturers who have not yet been approached to join. At a personal level however we at Recycled Packaging are already averaging over 30% recycled content in all our products and are fully committed to working with suppliers and customers to reduce packaging.

We are also supportive of the Product Stewardship Act and this amendment to introduce a mandatory product stewardship with a return scheme, if the following factors are taken into account prior to adopting this amendment:-

- The Federal, State and Territory Governments need to spend the money collected from waste levies and work with industry to create a comprehensive recycling industry with sorting facilities and hot wash plants as a matter of urgency. Sadly we are currently forced to import granulated post-consumer waste from other countries when we have an enormous and growing stockpile of PET just waiting for our recycling industry to catch-up. This is a valuable resource that should not be dumped in landfill.

As an example to highlight this issue, Australians currently consume in excess of 200 million punnets of strawberries per annum, according to the Australian Strawberry Growers Association, which equates to approximately 3,000 tonnes of PET in packaging that currently ends up in landfill due to the lack of desire and value by successive government, the recycling industry, retailers and consumers. This waste of a valuable resource over many years is absurd and you can almost imagine a new industry of landfill mining to recover it although at a huge cost and only to realise that kerbside collection is a much more efficient method of recovery.

- Governments at all levels need to encourage and promote the circular economy by purchasing Australian made products with a mandatory percentage of Australian, not imported, recycled content to support local industries rather than the Asian recycling industry;
- Government, rather than councils, need to set consistent nationwide rules for kerbside recycling and then educate Australians about what can and can't be recycled with a prolonged marketing campaign such as the Life Be In It campaign of the 70's & 80's;
- So called 'single-use' packaging targets will be difficult to meet, based on the following:-
 - 'Single-use' containers are essential for food packaging due to HACCP rules and regulations however these products are not single use if they are recycled and reprocessed into other products, time and time again;
 - 'Single-use' containers for food products are necessary as previously established as they reduce spoilage and, in many cases, increase the shelf life of food, therefore reducing waste. What is the alternative that inflicts less environmental damage than PET?;

- Prohibition would be welcomed as long as it is done in a timely manner and with the view to minimise the number of materials allowed in packaging and, therefore, the recycling streams. PVC, PLA, poly-carbonate and laminated plastic packaging should be banned as a priority as they are difficult to recycle and are not recyclable in Australia yet still today the supermarket shelves are full of them;
- Design is incredibly important, especially in food packaging as it needs to be strong and sturdy enough to withstand transportation, however generally this is cost driven and therefore packaging in most instances is already minimal;
- Labelling is incredibly important in educating consumers on how to dispose of products however:-
 - APCO are moving very slowly on establishing the Australian Recycling Labels suitable for disposable food packaging containers;
 - Secondly, all product brand label & barcodes need to be recyclable in the same stream as the packaging or, alternatively, attached with a water-soluble adhesive allowing for removal in the hot-wash facilities;
- Regulating imports – what governance, regulation and testing will apply to imports? Over many years packaging has been imported, mainly from our Asian neighbours (currently approximately 50%), with no regulation or control and no regard for our recycling streams. As an example PVC food packaging is still being imported from China and this ends up in our landfill. Are these imported products going to be regulated and are they to have the same mandatory Australian recycled content and labelling rules as local products and, if so, who will be the watchdog;
- In regard to a financial contribution in relation to packaging and products identified under the scheme, we are already financial members of APCO and introducing another organisation administering this would appear to be an unnecessary duplication. Furthermore, increasing the cost of these products to cover a return payment scheme is likely to make Australian packaging companies less competitive on the world stage, which would lead to job losses and potentially closures of manufacturers in this space, further eroding the tax base while simultaneously increasing social welfare costs.

Recommendations:-

- Government needs to spend the money already collected to set up state of the art recycling and hot-wash facilities in every state and territory to make kerbside collection work as it was designed to and to prevent these valuable resources going to waste;
- Restrict the number of plastics allowed in packaging to only those with good recycling prospects and end use potential such as PET and polypropylene;
- Promote the circular economy and encourage manufacturing that supports this by using recycled inputs and mandating 30% minimum Australian recycled content not foreign waste;
- Create consistent rules on what can and can't be recycled and educate the public with a prolonged marketing campaign so ignorance is no excuse;
- Impose tough penalties on individuals and companies that do the wrong thing and producers, importers and retailers that flaunt the rules by packaging in illegal, mislabeled, unlabeled or unidentified imported packaging;
- Tax imported packaging at the port to cover the cost of recycling waste from other countries. This is necessary to give our manufacturers a chance to survive and with the mandatory 30% recycled content coming into law in 2025 the recycling industry will come into its own and our landfill issues will be addressed. Nothing could be more effective and instantaneous!
- Increase the brief of APCO to administer this rather than setting up another resource intensive government organisation;

In the end the answer to our landfill problem is to create and support an Australian closed loop solution by establishing a comprehensive nationwide recycling industry, promoting and supporting end use manufacturers and educating the public. To reduce landfill we need to use the local packaging resources we have in abundance - value it, collect it and recycle it again and again and not simply support the recycling industry of other countries by purchasing their post-consumer waste. Think local to act global!

We thank you for your time in considering this submission and would be happy to discuss this with you at a mutually convenient time.

Yours sincerely,

Michael Read

Managing Director

Footnotes:

1. *The World Population Prospects 2019: Highlights, which is published by the Population Division of the UN Department of Economic and Social Affairs - <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html>*
2. *Save Food: Global Initiative on Food Loss and Waste Reduction – Food and Agriculture Organisation of United Nations (2019) - <http://www.fao.org/save-food/resources/keyfindings/en/>*