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Committee Secretary
Senate Standing Committees on Environment and Communications
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Canberra ACT 2600

Submission by the Vinyl Council of Australia

The Vinyl Council of Australia (VCA) is pleased to provide the following submission in response to the Product Stewardship Amendment (Packaging and Plastics) Bill 2019.

The VCA is the peak association for the vinyl, or PVC (polyvinyl chloride), industry in Australia. PVC is a plastic predominantly used in durable products rather than packaging. Around 85 per cent of PVC is consumed in building and infrastructure products including pipes, conduit, cables, flooring, permanent formwork, window frames, profiles and membranes. However, there are a number of companies who manufacture and supply PVC packaging products in Australia such as film, bottles, clamshells, tamper-proof thermoformed packaging and pharmaceutical blister pack.

PVC packaging has specific functional properties such as excellent transparency, machineability, sterilisability and high permeability to water vapour. The latter is particularly important in the packaging of fresh food products as it reduces the formation of condensation that would otherwise lead to the proliferation of bacteria and micro-organisms, as well as alter the product from a qualitative and sensorial point of view.

For such reasons, PVC continues to be used for packaging of certain foodstuffs and products such as meat, fresh fruit and vegetables, pharmaceuticals, liquids and products requiring higher security or safety.

Encouraging Product Stewardship

Since 1998, the VCA has been working with the vinyl industry to encourage product stewardship and the transition to a circular economy. We therefore commend the work being undertaken by governments to advance better recovery of resources and support procurement of recycled content products.

In 2002, the VCA launched a long-term voluntary product stewardship program, the PVC Stewardship Program (PSP). The goal is to recognise, and progressively address, all relevant environmental, health and safety issues in the PVC life cycle. The program, which today has about 50 signatory companies, includes a focus on resource efficiency including:

- a commitment whereby Signatories seek to minimise packaging waste and divert from landfill at least 70% of their packaging waste generated on site.
- a commitment to use externally-sourced recyclate in new finished products, unless use of recyclate is restricted by product standards, which is the case for food contact packaging

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producers.

Through the PVC Industry Recycling Strategy, the VCA established the PVC Recycling in Hospitals Program. This program, working in collaboration with two members: Baxter Healthcare and Welvic Australia, has been instrumental in supporting the collection of specific used PVC medical products for recycling safely into useful new products. The program now operates at about 175 healthcare facilities around Australia and New Zealand and volumes of recyclable PVC collected are growing steadily on an annual basis. The initiative has been adopted by a number of other countries (UK, South Africa, Thailand, Canada with the US about to start).

This program demonstrates the power of voluntary stewardship approaches in reducing product life cycle impacts and driving circular economy strategies. It also illustrates the benefit of separating plastics at source for more effective recycling.

The VCA believes that raw material suppliers, product manufacturers, product distributors and consumers are joint stewards for the safe and beneficial production, use and disposal of PVC products. This is what we understand by 'product stewardship': the shared management of the health, safety and environmental aspects of PVC products through their life cycle.

Given the experience of the PVC industry in adopting a voluntary product stewardship program, we welcome the opportunity to provide comment on the Members Bill. With a track record of operating a program for over seventeen years, the VCA is well placed to share its experiences.

We provide the following comments and suggestions on the Bill and would welcome further opportunities to engage with the Committee.

1. **Mandatory product stewardship scheme for consumer packaging and certain single-use plastics**

   The VCA supports a nationally consistent approach to address the adverse impacts of consumer packaging and in principle, supports the intentions of reducing consumption of packaging, increasing the rate and quality of recycling, increasing the use of recycled content in packaging and reducing plastic waste littering and entering the marine environment. Our preference is encouraging effective voluntary stewardship approaches that incentivise participation and drive high quality outcomes.

2. Targets for Plastic Packaging

Recycled: We note the target that 70% of plastic packaging is to be recycled or composted by 2025. To support this, improvements to Australia's waste recovery, separation and sorting infrastructure will be required with an increase in secondary sorting facilities following the recovery of high-volume polymers, PET and HDPE. Because PVC packaging constitutes less than 5% of post-consumer plastics packaging waste collected, many Material Recovery Facilities are not sorting and processing this waste component which leads to it being landfilled where export is not an option.

Technologies already exist to optically sort and clean mixed plastic wastes and a national approach to container deposit schemes will potentially facilitate better separation of some of this waste stream. There is a point however, where the cost of extracting low volumes of highly mixed and/or contaminated material is not likely to be justified. A target of 70% therefore appears justified.

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Many forms of used PVC recovered, separated and uncontaminated by other plastics or materials, are recycled in Australia. Examples of PVC recycling include pipes, conduits, cable insulation, profiles, IV bags, medical tubing, post-industrial thermoformed packaging and bottles.

Recycled Content: Division 2 Section 40B (2) (d) articulates a target that all packaging used in Australia will include, on average, 30% recycled content by 2025. The VCA is in principle supportive of encouraging the uptake of recycled materials in new products. The VCA's PVC Stewardship Program has a commitment whereby Signatories agree to use PVC recyclate in the products they supply to the Australian market. Since this commitment's instigation in 2015, we have witnessed annual growth in the consumption of PVC recyclate by manufacturers and are collecting valuable annual data on this.

However, it should be noted that Australian Standard AS 2070—1999 *Plastics materials for food contact use* clause 4.2.1 states: Post-consumer recycled material shall not be used in direct contact with food.

Where feasible, the vinyl industry supports initiatives that result in the collection, sorting and recycling of PVC packaging waste for new (non-food contact) applications not covered by this Standard (or other relevant Codes and Regulations). Rigid PVC packaging materials are recyclable when separated and cleaned from co-mingled plastics waste. To that end, we believe it is important that governments and the waste/recycling sector work with the vinyl industry to support the development (including R&D) of new technologies that result in the suitable clean and sorted PVC waste streams needed to deliver circular economy objectives.

It is also important to note that a high proportion of packaging materials are imported as film or sheet for thermoforming here, bottles for local filling, or as packaging of consumer goods. Suitable verification systems for implementing a recycled content target will be required across all packaging so as not to impose an unfair burden on local packaging manufacturers only.

3. Phase-out of problematic and unnecessary plastic packaging

The descriptors 'problematic and unnecessary' need careful definition to avoid regrettable substitutions by higher impact materials.

Low volume but net benefit: Because PVC use in packaging is small (around 4-5% of all plastics packaging is PVC), it can be seen as 'problematic' in waste recovery, but its use meets specific purposes. The vinyl industry recognises that at present there are low rates of recovery and recycling of PVC packaging in Australia because of its low volume, the lack of sorting infrastructure for polymers other than PET and HDPE and a lack of recycling of soft plastics; however, overall it delivers a net environmental benefit over its life cycle. For example, a 2018 life cycle assessment by Life Cycle Engineering applied to the PVC cling film production of Vinyl Films & Sheets Europe member companies estimated significant contributions by PVC film to food waste reductions (-67 per cent for meat, -40 per cent for cheese, and -47 per cent for vegetables) as well as benefits in terms of lower global warming potential.

Action implemented under the Bill needs to be considered carefully to ensure that substitution of packaging or single use items does not lead to adverse outcomes including increased food waste or

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product spoilage, or increased use of alternative materials. Replacing vinyl films with other materials may lead to increased use of material as composite layered films are required to deliver the same barrier properties and these are not currently readily recyclable.

Not a significant litter stream: Of all the plastic found in the world's waste stream, just 2.8% is PVC according to the United Nations and, of all micro plastics found in the environment, UNEP says PVC constitutes just 3%. PVC is not a common ocean plastic and is unlikely to be a major litter item.

4. **Beverage containers**

   A uniform national approach to container deposit schemes makes sense. However, the Bill states it will impose the CDS on all beverage containers; this needs clarification. Most schemes do not include PVC cordial bottles and make a number of other exceptions.

5. **Plastic packets and wrappers**

   It is not clear whether all thin-film plastic is targeted here, or specific types of wrappers commonly found in litter or at risk of littering.

6. **Membership of the scheme and financial contributions**

   Membership, reporting mechanisms and the financial model need greater clarity. Given some of the points raised above, what, for example, are the expectations for local producers of PVC films (where the Australian Standard does not permit use of recyclate) or cordial bottles (excluded from CDS)?

We would be pleased to clarify any of the above comments or share more information.

Yours faithfully,

Sophi MacMillan
Chief Executive Officer