

ANNUAL REVIEW

2016/17



INTRODUCTION

Paintback Limited has enjoyed a successful first year of operation through extensive planning and effective execution, and I'm pleased to provide this report on behalf of the Directors of the Company.

It is pleasing to report that the five founding members DuluxGroup, Haymes, PPG, Resene and Valspar have remained strongly in support of *Paintback*.

Member companies deserve to be recognised for their contribution to the success of *Paintback* Limited, and for their facilitation of the resulting environmental benefits to the entire community.

HIGHLIGHTS

There were numerous achievements in our first full year of operation: collection sites grew to 50 permanent sites across every State and Territory of the nation representing an establishment rate of three sites per month, on average.

In addition, the Company also undertook a number of mobile collection events and has developed a robust model for conducting future mobile events.

Paintback diverted 3.5 million kilograms of unwanted paint and packaging from landfill for the year.

This was recycled or diverted to energy generation.

At the end of June 2017, collection was operating at a running rate of 700,000 kilograms of waste paint and packaging per month over these 50 sites, which were within reach of 58% of Australia's population.

Paintback has been able to effectively demonstrate that providing access to domestic consumer collection facilities for the commercial painter has not created any practical performance issues, and that *Paintback* has developed an effective model for collecting waste paint and packaging from all sources without disruption or increased risk.

Paintback initiated its consumer awareness campaign and generated a significant level of publicity for its activities, including a full-page feature article in the *Australian Financial Review*, numerous press stories and radio interviews with the Chief Executive. The first anniversary promotion of *Paintback's* activities reached a national audience of 11 million people.

Paintback will continue to build its profile in its second year of operation to maximise its exposure to underpin its important consumer awareness and education objectives.

Professor Murray Scott was appointed as an Independent Director, and Chair of the R&D Advisory Committee.

Three eminent and acclaimed Australian researchers were appointed to this Committee in support of the Company's R&D objectives.

R&D activities will be undertaken through a flexible portfolio approach focused on generating both short-term and longer-term outcomes.

Paintback was recognised by *The Australian Business Awards* as a winner in the Sustainability Category for 2017.

OBJECTIVES

Paintback Limited is involved in the collection of waste paint and packaging from households and commercial painters across Australia and diverting it away from landfill.

It has the following objectives:

- (a) to implement the national product stewardship scheme in Australia to manage the collection, treatment and disposal of waste paint, including containers, for the purpose of reducing the health and environmental impacts of unwanted or left-over waste paint;



- (b) to monitor, audit and report on the development of the scheme;
- (c) to undertake education, awareness and information activities to promote the scheme;
- (d) to support early stage research and market development to improve resource recovery from unwanted or left-over waste paint;
- (e) to result in a net environmental benefit targeting waste paint;
- (f) to minimise damage to the environment from inappropriate disposal of waste paint;
- (g) to promote or support changes to the law designed or likely to help all or any of the objectives of the Company and to oppose any changes therein designed or likely to impede the same and to effect or attempt to effect improvements in administration for the purposes aforesaid; and
- (h) to do all such lawful things as the company may think incidental or conducive to attainment of the objects of the Company or any of them.

FINANCE

The financial position of the Company remains solid, and adequate to meet the rapidly expanding collection network and processing volumes, as well as the increased costs of generating consumer awareness of the program.

A reserve has been created to facilitate the expenditure on R&D activities and this will be reviewed in line with projected needs of the program in order to maximise the opportunity for innovation and to generate successful outcomes.

Paintback Limited was granted Charitable Status by the ACNC by virtue of its environmental activities.

COMMUNITY OUTREACH

Paintback's entrepreneurial model of engagement has allowed it to form valuable relationships with social enterprises such as Outlook Environmental (which provides work for those with a disability) and not-for-profit community organisations such as the Melbourne Men's Shed to extend the benefit of our operations as widely as possible, and for maximum community benefit.

Paintback has also developed online and class room training materials for its stakeholders and TAFE students.

GOVERNANCE

Paintback's Board has paid particular attention to creating a productive and risk averse culture throughout the organisation. It has instituted comprehensive policies and a regular review process.

The Board recognises that good corporate governance requires a dynamic approach in step with a constantly evolving business and social environment to ensure best practice.

FUTURE

The Australian Commonwealth Government are undertaking a review of the Product Stewardship Act. *Paintback* Limited's Chief Executive is an active participant in this process and *Paintback* will continue to advocate that well designed voluntary programs are far more effective and impose a far lower cost burden on the community and industry than a regulatory approach.

Paintback will continue its ambitious site roll out program in the coming year to both raise its coverage of the national population as well as convenience for users.

The Company looks forward to commencing its R&D activities which it hopes will deliver good early progress for the benefit of the community and the industry. Consistent with last year's outlook, we look forward to exceeding our members' expectations, and *Paintback* being acknowledged as best practice in Australian product stewardship.



Jim Liaskos
Chairman