

Annual Review

2018/19





Paintback Limited is pleased to present our report for the year ended June 2019.

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Paintback Limited collects waste paint material from households and trade painters across Australia, diverting it from landfill. We undertake research to repurpose unwanted paint that we collect to improve resource recovery alternatives.

Our vision is to turn unwanted paint and packaging's colourful past into a brighter future of responsible disposal and innovative re-use.

Lucia Cade
Chairman



Objectives

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Paintback Limited has the following objectives:

- » 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;
- » to monitor, audit and report on the development of the scheme;
- » to undertake education, awareness and information activities to promote the scheme;
- » to support early-stage research and market development to improve resource recovery from unwanted or leftover waste paint;
- » to result in a nett environmental benefit targeting waste paint;
- » to minimise damage to the environment from inappropriate disposal of waste paint;
- » to promote or support changes to the law designed to 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
- » 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.



Operations

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Paintback's third year exceeded initial expectations with increased community awareness and an extension of its network reach to more than 20 million Australians. We collected 6,300 tonnes of paint and packaging, up from 4,300 tonnes in the previous year.

We added 40 sites this year, taking the Australian network to 141 permanent collection sites: Queensland (39), Victoria (36), Western Australia and Tasmania (18 each), New South Wales (14), South Australia (10) and the Australian Capital Territory and Northern Territory, each with three sites.

Combined with the 48 Paintback-hosted mobile collection events, 60 percent more than the previous year, we extended our service to eight million people within 20 kilometres, exceeding our benchmark target of reaching more than 85 percent of the population.

Paintback undertook a trial with the NSW Government at four of its Community Recycling Centres, giving stakeholders first-hand experience of integrating with an industry-funded product stewardship scheme.

Paintback held 29 events in the state as well as co-funding and promoting, for the first time, 16 NSW Government Chemical Clean Out events which enabled trade painters to use their previously unavailable services.

This collaboration sets the foundations for further growth in Paintback's NSW network.



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Marketing & Communications

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During the year we prioritised our brand awareness with a national footprint for communication and education campaigns. The centrepiece was the Most Admired Painter campaign, encouraging trade and DIY painters alike to be one of Australia's "most admired" by using Paintback.

In addition to the promotion of newly established sites and the mobile collection events, our radio, billboard and digital media campaigns reached an audience of more than 38 million people. Unique visits to our website more than doubled to 430,500 and we received a third more telephone enquiries of 8,700 compared with the previous year. Our focus will be making Paintback a success off the back of this strong start as we enter into the fourth year of our operations.



Impact

Importantly, people are responding to what we do. Brand awareness has grown in the past three years with one in four frequent DIY painters and 70 percent of trade painters now aware of Paintback.

We are confident Paintback's popularity will grow - with six percent of all households and about 40 percent of all commercial painters using our collection sites. Of those who have used the scheme, 85 percent are satisfied with it and 90 percent say they will use the service again.

Packaging represented 1,900 tonnes, or 30 percent of the total paint and packaging collected during the year. More than three quarters of this packaging was recovered for reuse in Australia.

Plastic packaging contaminated with paint presents a challenge for Paintback to find economic and environmentally beneficial alternatives to landfill. But we continue to invest in research to find new markets for this material stream.

Meanwhile, 76 percent of the liquid paint returned to the scheme was reused as an alternative fuel or water substitute in industrial processes such as powering cement kilns or in manufacturing.

There's more to do

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Paintback's target is to divert at least 90 percent of the material it collects from landfill. Our biggest opportunities lie in improving the resource recovery of water-based paint and plastic packaging.

Our program focuses on near-horizon opportunities where paint can be substituted for virgin raw materials or address known barriers to packaging recycling. We are also addressing far-horizon emerging technology innovations.





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Research & Development

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The R&D Program made strides in near-horizon opportunities with three projects: combining recycled content into plastic paint-pails, developing sustainable design guidelines for paint packaging and trialling new technology that can combine high paint content with different plastic materials.

We are working collaboratively with the supply chain to improve water-based paint processing towards a consistent specification. This will underpin all new applications, such as opportunities to substitute unwanted paint for raw materials in high volume products for construction and building.

During 2018/19 we entered into a PhD project with global chemical company BASF and Monash University to research chemistry formulations that can be used to expand reclaimed paint applications. We also have a project with the Warner Babcock Institute for Green Chemistry to identify new products from unwanted paint.

We cannot pursue sustainable outcomes without sustainable finances and the levy and support from the paint industry and distribution channels remain an effective mechanism to incorporate the social costs of paint waste into the product's price.

Managing costs remains a priority as we face headwinds with a single national liquid waste supplier, leveraging its dominant market position by passing on higher collection costs, in the order of 30 percent, at a time when the community is embracing the scheme and substantive collection volumes are materialising.

Building for the future

Federal and State governments are grappling with challenges in the waste and resources recovery sector. Paintback is not immune from these forces and it has stepped up as a leading product stewardship scheme and a voice for industry, providing thought leadership on national waste policy.

We also have called for regulatory efficiency in product stewardship and government policies on the circular economy. We promoted the strengths of a voluntary approach to addressing these challenges, while highlighting the handbrake that is a lack of competition in the liquid waste sector which could have an impact on financial sustainability, product stewardship and innovation.

Paintback will continue to influence regulations that will shape the future environment of our industry.

Our focus will be on improving waste streams along the supply chain in response to a thin Australian liquid waste services market. Our objective is to turn these mission-critical services into a platform for R&D investments that improve end-of-life uses of paint and packaging.

A Final Acknowledgement

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Paintback's promising future would not be possible without the contributions of the management team and Board.

Paintback's inaugural independent chairman Jim Liaskos announced he would step down during the year. We welcome incoming chairman Lucia Cade. Tim Welsh, nominated member director for PPG, also resigned during the period with Anne Neeson appointed as its representative director.

The Directors thank Jim and Tim for their important contribution over the past three years. Our industry-led initiative has benefited from their leadership and expertise in successfully navigating the challenges of a startup organisation.





Paintback, brought to you by Australia's leading paint brands:

