

ANNUAL REVIEW

2019/20





A brighter future made possible with Paintback.

We are proud to present our annual review for the year ended June 2020.



Paintback Limited collects unwanted paint and packaging from households and trade painters across Australia, to divert it from landfill and waterways. Through research and development, we are finding alternative means to repurpose used paint, bringing an innovative spirit to extending the life of these valuable materials.

With the support of our stakeholders, we have established national operations under five years: opening 160 drop-off locations that support up to 88 per cent of the Australian population to provide a local Paintback location.

Paintback brings the best and the brightest together. The industry-led approach creates a responsible lifecycle for products and value from previously discarded materials. An inspiring level of collaboration between business, government and the community is needed to achieve this. Paintback provides a unique example of how business can lead to create a sustainable future.

A handwritten signature in black ink, appearing to read 'Lucia Cade'.

Lucia Cade
Chairman



Our Objectives

Paintback's objectives are to:

- ▶ Implement the Paintback scheme by receiving the funds raised from the 15 cents per litre levy on eligible paint and engaging with State governments, local councils and waste services providers for the collection, treatment and reuse of unwanted paint and packaging;
- ▶ Promote education and awareness about the Paintback scheme;
- ▶ Monitor, audit and report on the development of the Paintback scheme;
- ▶ Administer a substantial program of research into new end-of-life uses for unwanted paint and packaging;
- ▶ Result in a net environmental benefit targeting used paint to minimise damage to the environment from inappropriate disposal; and
- ▶ Engage with government about legal and regulatory frameworks affecting the scheme.



WE COLLECTED APPROXIMATELY 8,100 TONNES OF PAINT AND PACKAGING, UP FROM 6,300 TONNES IN THE PREVIOUS YEAR.

Serving the Community

Service continued in the midst of COVID-19 disruptions.

Paintback's fourth year was its strongest yet, exceeding targets for unwanted paint collection, boosting brand awareness and initiating a trial with the Australian paint industry to make a circular economy product a reality.

Our model to collaborate, coordinate and communicate with our partners proved invaluable as councils mobilised collections to be Covid-safe, amid Australia's response to the coronavirus outbreak.

Despite lockdowns and social restrictions, we exceeded our annual collection target, collecting approximately 8,100 tonnes of paint and packaging, up from 6,300 tonnes in the previous year.

Our target is to divert 90 per cent of unwanted paint and packaging from landfill. We will continue to improve end-use options to meet and exceed our target.

Paintback added a net 20 permanent sites this year, taking our Australian network to 160 permanent collection sites:

Queensland	39
Victoria	42
Western Australia	18
Tasmania	18
New South Wales	26
South Australia	11
Australian Capital Territory	2
Northern Territory	2

Paintback supported over 50 mobile collection events in collaboration with the NSW Government and Netwaste in regional NSW, which was down from some 80 events expected because of COVID-19 restrictions in the last quarter. Nonetheless, these events allowed trade and DIY painters to responsibly dispose of 750 tonnes of unwanted paint and packaging.

These events combined with permanent sites to bring our service to more than 20 million Australians, or 88 per cent of the population living within a 20km radius of a collection service – exceeding our benchmark target of 85 per cent.



OUR AMBITION
IS TO CREATE A
CIRCULAR ECONOMY
FOR MATERIALS WE
COLLECT AND LAY
THE GROUNDWORK
FOR DEVELOPING
NEW MARKETS.

Stewardship Outcomes

We focused on improving stewardship outcomes.

To better achieve our stewardship objectives, we redesigned our supply chain structure, to put in place flexibility and deliver improved material stream outcomes for the future high-value end uses we are developing through our research activities today. It has increased competitive tension to foster innovation and improve financial sustainability in a thin market for liquid waste disposal services.

Collection services will be provided by either Cleanaway or Remondis Australia from 1 October 2020. It will assist Paintback's ambition to create a strong circular economy for the materials we collect and lay the groundwork for developing new markets.

Paintback stepped up its position as a leading product stewardship scheme by formalising a new industry-led closed loop partnership. The partnership between Paintback and its member paint companies, working with Pact Group's Astron Sustainability, commenced trialling recycled content plastic pails, re-manufactured from unwanted paint pails that will meet the Australian Government's recycled content targets for packaging.

The two-year trial has begun to examine technical and commercial viability of closed loop recycled paint pails at scale.

OUR ADVERTISING CAMPAIGNS REACHED AN AUDIENCE OF APPROXIMATELY 42 MILLION PEOPLE, 10 PER CENT MORE THAN LAST YEAR.

Encouraging Behaviour Change

Paintback engaged with the community.

Australians are responding in greater numbers to Paintback with brand awareness growing over the past three years with 15 per cent of DIY painters and 70 per cent of trade painters now aware of our scheme.

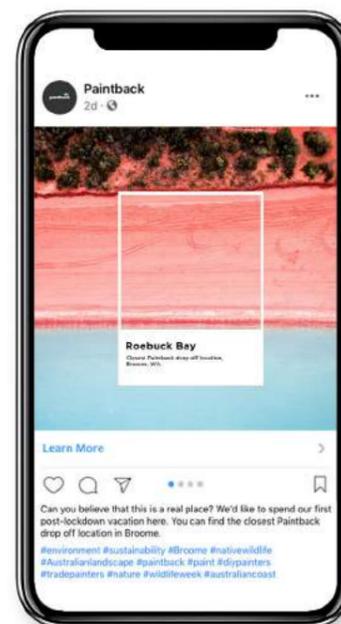
We supercharged national awareness for trade and DIY painters with an investment in television advertising and product placement for the 2019 season of renovation reality show, *The Block*. An education piece showing audiences how to use Paintback was watched by 1.4 million people nationally. It drove strong interaction on social media and

our website and created a foundation for continued audience reach through our digital advertising platforms.

Our Most Admired Painter campaign, which encourages trade and DIY painters alike to be one of Australia's "most admired" by using Paintback, continued to draw a strong response from painters and householders alike.

In addition to the promotion of newly established sites and the mobile collection events, our advertising campaigns reached an audience of approximately 42 million people, 10 per cent more than last year.

Sessions on our website reached 580,000, 35 per cent up from the previous year.





**PAINTBACK DIVERTED
OVER 1,900 TONNES
OF UNWANTED
PACKAGING FROM
LANDFILL.**

Impact

We diverted unwanted paint and packaging from landfill.

Packaging represented 1,900 tonnes of the volumes collected during the year. 78 per cent of this packaging was recovered for reuse in Australia. We are optimistic that our efforts in addressing the challenges with recycling plastic containers will further improve this result.

Meanwhile, the paint returned to the scheme was reused as an alternative to fossil fuel to power cement kilns. Latex paint was repurposed by either extracting the water for use in industrial processes or as a component in composting.

Our target is to exceed 90 per cent and to improve the value of materials recovered to extend their useful life. This is a significant driver for our Research and Development purpose and capability.



TO IMPROVE THE
VALUE OF MATERIALS
RECOVERED AND
TO EXTEND THEIR
USEFUL LIFE IS A
SIGNIFICANT DRIVER
FOR OUR RESEARCH
AND DEVELOPMENT.

Research & Development

A growing portfolio of innovative solutions.

Our R&D Program progressed near-horizon opportunities and investigated alternative treatments that may enable a broader application of paint materials as a substitute to other raw materials.

In addition to the recycled content plastic paint pails mentioned earlier, Paintback undertook technical trials using Plastech's prototype technology to melt high paint content plastic shred to form a new composite polymer. While the technical aspects are encouraging, we await the next generation of this technology to improve scale and economics. We also commenced working with Bluescope Steel to explore the feasibility of using plastic packaging as an alternative fuel in their smelting process.

In terms of developing step-out technologies, while our collaboration with the Warner Babcock Institute for Green Chemistry in Boston to identify new products from unwanted paint came to a close after difficulty in identifying a viable lifecycle product, work started on a three-year PhD research project at Monash University in collaboration with BASF. This program will focus on extracting titanium dioxide and polymer components from unwanted paint by developing innovative techniques.



Leading to a Brighter Future

As Federal and State governments seek to expand waste and resource recovery measures, Paintback has become a leading product stewardship scheme and a voice for industry, providing thought leadership on national waste policy. Our goal is to encourage efficient regulation in product stewardship, promote the worth of a voluntary approach to addressing these challenges and being a leader in circular economy outcomes.

Paintback's influence is growing to shape the industry and improve material streams along the supply chain in Australia's thin liquid waste services market.

We are also confident Paintback's popularity with the community will grow - of those who have used the scheme during 2019/20, 85 to 90 per cent are satisfied with it and between 90 and 98 per cent say they will use the service again. Our research shows that Paintback is seen as responsible, trustworthy and innovative.





A Final Acknowledgement

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

Sherwin Williams executives Richard Meagher and Paul Hendrey departed the board in December 2019, and we welcomed incoming member nominated director Glen Mitchell.

Paintback would like to thank all departing directors for their leadership and expertise throughout Paintback's start-up phase.



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



BERGER

Cabot's



British Paints



Dulux



Haymes
PAINT
Australia's first family of paint.

Intergrain

Kryler

newlook



Resene
the paint the professionals use

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