



MEDIA RELEASE

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New \$38 million Laverton plastic recycling plant creates new jobs and reinvents recycling in Victoria

Pact Group and Cleanaway today announced the creation of a new plastic recycling facility at Laverton, Victoria. This facility will become Australia's largest post-consumer polyethylene recycling plant converting locally collected kerbside materials into high quality food grade rHDPE and rPP resin. This will facilitate the inclusion of locally processed recycled resin into food, dairy and other packaging, enabling brand owners and retailers to deliver on their sustainability objectives.

This state of the art facility will process more than 20,000 tonnes or the equivalent of over 500 000 plastic milk bottles and food tubs collected from household recycling bins into food grade resins and will be located at Cleanaway's recycling facility at Laverton.

This joint venture between Pact and Cleanaway complements the existing PET joint venture between Pact, Cleanaway and Asahi, with construction of the country's largest PET recycling facility in Albury well underway and ahead of schedule for commissioning later this year.

The new Laverton facility will augment Australia's local processing capacity for recycled plastics, which are subject to a series of rolling export bans from later this year. Australia has lacked local onshore processing capacity to manage reprocessing of waste collected through kerbside collections, most of which was being sent offshore prior to export bans.

This facility will enable food and beverage manufacturers to include locally processed recycled content in their packaging providing a major benefit to the environment. Many brand owners have committed to reduce their reliance on virgin plastic by 2025.

Construction of the plant will start towards the end of the year and it is expected to be fully operational by December 2022.

The business will trade as Circular Plastics Australia (PE). Cleanaway will provide the recycled plastic through its collection and sorting network, and Pact will provide technical knowledge, operate the plant, and buy recycled plastic resin from the facility to use in their packaging with the balance sold to third parties.

This project is being supported by the Victorian Government through its Recycling Victoria Infrastructure Fund and the Australian Government through its Recycling Modernisation Fund.

Federal Minister for the Environment, the Hon. Sussan Ley MP, stated: " This investment in the plastics



circular economy is a significant vote of confidence in the Morrison Government's transformation of the recycling industry, which is good for the environment, good for the economy and good for jobs. The project between Cleanaway and Pact, which is supported through our Recycling Modernisation Fund, will be critical in reaching two national waste targets – increasing the resource recovery rate to 80 per cent and seeing 50 per cent recycled content in packaging by 2030".

Victorian Minister for Energy, Environment and Climate Change Lily D'Ambrosio, said: "This new facility will massively increase Victoria's capacity to recycle plastics. It will mean more plastic material will be given a second life as new food grade packaging such as turning a milk bottle back into a milk bottle".

Commenting on the arrangement, Pact's Managing Director and CEO, Mr Sanjay Dayal, said: "This new recycling facility highlights the progress we are making in expanding our reuse and recycling capability, a core component of our growth strategy. At Pact, we are committed to leading the way in creating a strong, local circular economy that diverts waste materials from landfill and uses them to deliver sustainably manufactured products, including recycled packaging solutions that are increasingly in demand. With this in mind, we are delighted to be able to lead the development of this new industry in Australia which will also create thousands of new jobs and support the national manufacturing industry. We are pleased with the progress that we have made with our customers in enabling them to meet the expectations from consumers for brands to prioritise the adoption of sustainable packaging. We look forward to working with many more brand owners and retailers to help them achieve their 2025 APCO targets".

Cleanaway's Chief Operating Officer Brendan Gill said: "The opportunities presented by the circular economy are endless. This 20,000-tonne plastic pelletising facility is a huge win for the environment by creating a high value, recycled raw material from plastics we collect and sort through our network. This venture makes it possible to turn a milk bottle back into a milk bottle. This will provide our Melbourne councils and commercial customers with a great outcome for their recycling initiatives and contributes to the development of a domestic circular economy. At Cleanaway our mission is to make a sustainable future possible and we see waste as a resource to achieve that".

Australian Packaging Covenant Organisation CEO, Brooke Donnelly, said: "It's fantastic to see continued leadership and decisive action from sustainability champions, Pact and Cleanaway as we work towards achieving the 2025 National Packaging Targets. Recently APCO has been working closely with the dairy industry to co-design a Roadmap for sustainable packaging that will support Australia's transition to a circular economy in the dairy sector. The Dairy Roadmap will be released in the coming months and will provide a collective vision and framework for sustainable dairy packaging, providing direction for the dairy industry and supporting initiatives such as Circular Plastics Australia who are providing the infrastructure and capacity for HDPE and PP plastics to be collected, recycled, and used in other packaging". The UK has seen a successful market conversion of 30% inclusion of rHDPE in milk packaging since the creation of the National Dairy Roadmap in 2008. This new recycling plant will enable Australian dairy manufacturers to include locally processed rHDPE in milk bottles going forward.

Bulla CEO, Alan Hood commented: "We applaud Pact and Cleanaway for providing much needed local processing infrastructure to provide brands with food grade rHDPE. We know that our consumers care deeply about the environment and as one of Australia's largest privately owned dairy companies, we are



delighted to be able to offer recycled content in our packaging and make another important step towards achieving our 2025 APCO targets”.

Marc Anderson COO at Brownes Dairy said : “Sustainability is at the core of what we do at Brownes and we are excited to have the opportunity to provide our consumers with a more sustainable option through the introduction of recycled content in our HDPE milk bottles. This is an outstanding initiative between Pact and Cleanaway. Brownes is making great progress toward its obligations under the Australian Packaging Covenant, and we can only get there through the research, commitment and investment of these organisations”.

Archer Walters, Managing Director of Grove Juice stated: "We are proud to have committed to include recycled content in our packaging and it is only through these kinds of investments that brand owners are able to make these commitments. It is great to see Pact and Cleanaway showing industry leadership in providing much needed local processing capability and we look forward to a strong future supply partnership".

“Unilever ANZ’s CEO, Nicky Sparshott said: “Pact’s increased capacity to process recycled content locally will play an important role in enabling more of our Unilever products to be made with recycled plastic. We are proud of our bold commitments to reduce virgin plastic across our portfolio by 2025, and it is partnerships like these that help us bring some of Australia’s favourite brands (such as Dove, Omo and TRESemmé) to consumers in a more sustainable way – and at a mainstream scale. We are excited to be part of a coalition of changemakers and innovators committed to driving systemic change when it comes to plastics in Australia".

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