New PET recycling facility to be built by industry partnership

Pact Group, Cleanaway, Asahi Beverages and Coca-Cola Europacific Partners (CCEP) have announced they have signed a Memorandum of Understanding (MOU) to form a joint venture that will build and operate a new PET recycling facility. Under the MOU, the parties intend to come together to provide an industry model for recycling solutions in Australia. This will include the new facility as well as the PET recycling facility currently being built by Pact Group, Cleanaway and Asahi Beverages through Circular Plastics Australia (PET) in Albury-Wodonga, which is expected to be completed later this year.

The proposed facility will provide a massive boost to Australian recycling by processing raw plastic material collected via Container Deposit Schemes and kerbside recycling. It is expected to process the equivalent of around 1 billion bottles each year to produce over 20,000 tonnes of new recycled PET bottles and food packaging. The facility will use state-of-the-art sorting, washing, decontamination and extrusion technology.

The cross-industry solution combines the complementary expertise of each participant to enhance their individual sustainability goals. Cleanaway will provide available PET through its collection and sorting network, Pact will provide technical and packaging expertise and CCEP, Asahi Beverages and Pact will buy the recycled PET from the facility to use in their respective products. The plant, when fully operational, will be run by Pact.

A decision on the plant’s location is anticipated in the coming months and construction is expected to be complete by 2023.

CCEP and Asahi Beverages, while competitors in the beverage market, have, for the purpose of this joint venture, joined with Pact and Cleanaway to increase the production and availability of recycled PET resin in Australia. The parties are proud to work with one another to advance the cause of sustainability and recycling. This proposed plant is an important step forward in creating a local plastics circular economy in Australia. This new self-sustaining industry is expected to create dozens of new jobs during the construction phase and operation of the plant.

In describing the deal, Peter West, CCEP Vice President and General Manager Australia, Pacific and Indonesia said, “This new joint venture will deliver a collaborative cross-industry solution to recycle the material that we use to produce our products. Together we can work towards creating a circular economy for PET within the beverages industry, ensuring that we are using more locally processed recycled content for the production of our bottles in Australia.”

Asahi Beverages Group CEO Robert Iervasi said, “This will be a ground-breaking project that will massively boost PET recycling capacity. It will help transform recycling in Australia by providing a new, local source of high-quality recycled PET. The building of this large rPET plant along with the facility in Albury-Wodonga is a major step towards helping us deliver a truly circular economy for our consumers.”
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Cleanaway Chief Operating Officer Brendan Gill said, “This project supports Cleanaway’s Footprint 2025 by ensuring we have the right infrastructure in place to create a domestic circular economy. This PET 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. At Cleanaway our mission is to make a sustainable future possible and we see waste as a resource to achieve that.”

Group CEO and Managing Director from Pact Group, Sanjay Dayal said, “We are delighted to be able to bring a scaled cross-industry solution that solves for the local production of recycled resin. We are proud to have CCEP, Asahi Beverages and Cleanaway as partners creating a local circular economy. This partnership shows the value of a solution that works for industry and consumers. This is completely aligned to Pact’s strategy which is to lead the local circular economy through reuse, recycling, and packaging solutions”.

The arrangements set out in this announcement remain subject to the finalisation of legally binding documents between the parties.

Ends