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STUDY



# Paintback: The responsible solution for unwanted paint & packaging

Even if you aren't one of the many Australians who have done home renovations during the pandemic, chances are you still have a couple of empty or partially-used paint cans gathering dust in your garage. Since 2016, Paintback has offered DIY and trade painters a takeback solution through convenient drop-off locations across Australia. The Paintback scheme diverts unwanted paint and packaging from landfills and vital waterways, as well as finding new and innovative reuses for unwanted paint.

Product Stewardship in Action with



## INTRODUCTION

In this case study, we focus on Paintback, the stewardship scheme of the Australian paint industry. Used paint is a low toxicity, relatively high-volume substance that must be handled securely and responsibly. It also contains valuable materials that can be recovered to higher value uses. This creates end-of-life opportunities and challenges with respect to leftover paint and paint cans. With one-in-three Australians with unwanted paint in their home and one-half unsure of how to safely dispose of it, this is an important material stream to address.<sup>1</sup>

The Paintback program works with state, territory and local governments, as well as waste service providers, to operate a network which has grown to 170 collection points nationally, establishing drop off points for trade and DIY customers to bring their unwanted paint and packaging for no additional charge. In 2020/21, more than 9 million kilograms of old paint and packaging was diverted through the Paintback program, up from 8 million in the previous year.<sup>2</sup> The top collection site for 2020/21 was the Balcatta Recycling Centre in Stirling, West Australia, where 263,000 kg of used paint and packaging was returned.

The impact of Covid-19 and lockdowns on paint and packaging recycling has emerged as a trend in the data. For example, the waste and transfer recycling station in the City of Monash in Victoria, which saw the most paint and packaging returned to it than any other site for the five years to 2019/20 dropped to second highest in Australia, with 224,000kg collected in 2020/21 compared to 350,000kg in 2019/20. Notwithstanding this, Paintback's total collections nationally still exceeded Scheme expectations and was the highest on record for the program.

## DIVERTING UNWANTED PAINT

Guided by circular economy principles, Paintback utilises a five-stage process to divert unwanted paint:

1. DIY and trade painters can take their excess paint and packaging to one of 170 Paintback locations which cover approximately 85% of the Australian population. The collection sites accept up to 100L per visit in the original containers or up to 20L.
2. The used paint is stored at the collection point until ready for pick-up.
3. Paintback arranges for the stored paint to be transported to processing plants, where the liquids and packaging are separated.
4. The containers are recycled (unless too contaminated). The solvent paint is used in cement kilns as an alternative fuel. Water is extracted from water-based paints and used as a coolant for industrial machinery.
5. An ongoing R&D program has a target of 90% or more diversion from landfill and crucially, movement up the waste hierarchy.<sup>3</sup> Movement up the waste hierarchy refers to promoting reuse or material recovery as opposed to energy recovery.

What makes Paintback's stewardship unique is the strong focus on R&D programs to achieve its purpose of creating a net environmental benefit and deliver sustainable solutions for its material streams. Over time, it has grown a considerable portfolio of R&D programs. Examples include turning paint pails into new plastic products, water-based paints into other useful products, and advancing the recovery of valuable ingredients, like titanium dioxide, to reuse in paint or other applications.

## INDUSTRY-LED PRODUCT STEWARDSHIP

Paintback is an example of a voluntary, industry-led product stewardship scheme. In addition to founding members Dulux, Haymes, PPG, Resene Paints and Wattyl, participating paint suppliers also include Tint Paint, and Rust-Oleum Australia. Together, the Paintback program represents 90% of the architectural and decorative paint sold in Australia.

Paintback members are involved in a number of company-level initiatives, including on-site waste management, solar power generation, rain harvesting, the use of low VOC (volatile organic compounds) paints, and a range of other initiatives that aim to deliver on a triple-bottom-line.

## ACCC AUTHORISATION

The Paintback program relies on a 15 cent per litre (plus GST) levy on eligible products, between 1 litre and 20 litres inclusive. This levy is used to fund the collection, transportation, recycling, education and R&D activities. This is an example of a practice that requires authorisation from the Australian Competition and Consumer Commission (ACCC) because participating paint suppliers have agreed to impose a levy on the wholesale price of paint.

ACCC authorisation “provides businesses with legal protection for arrangements that may otherwise risk breaching the law but are not harmful to competition and/or are likely to result in overall public benefits.”<sup>4</sup> Authorisation can be important tool for industry-led product stewardship schemes to gain protection for scheme conduct or arrangements that would otherwise be deemed anti-competitive. ACCC authorisation was granted to Paintback in 2015.

## AUTHORISATION: TO EXTEND OR NOT TO EXTEND?

With its first authorisation period coming to an end, Paintback used the process of preparing a new application as an opportunity for not only reflection on its existing scheme design but also for forward planning. A decision had to be made if Paintback would extend their existing authorisation or prepare a new application altogether, as well as a decision on the most appropriate authorisation period that should be sought.

This included engaging in a process of consultation with legal advisors and team members as to the kind of scheme design and horizon that would help Paintback achieve its product stewardship and in particular, how to expand R&D objectives more broadly within the scheme.

There were a number of strategic considerations that informed the decision of Paintback to seek new authorisation for ten years, rather than apply for an extension of the existing scheme.

First, applying for a ten-year authorisation was a reflection of the maturity of the scheme and progress that Paintback had made during the first five years, including achieving widespread industry buy-in and acceptance of the levy funding model, demonstrating that the Paintback stewardship design is effective.

Second, a related goal of achieving a longer authorisation was to allow the scheme to focus on consolidating and optimising its collection network and reaffirm its commitment to realising R&D investments over the long term.

And third, under the Competition and Consumer Act, there are two ways of applying for a new authorisation for an authorised scheme. One is to make a new application and the other is to apply for the existing authorisation to be revoked and a new one substituted.

The ACCC must make a final determination in relation to new applications for authorisation within six months of the application being

lodged.<sup>5</sup> However, this time limit does not apply to applications for revocation and substitution.

In addition to the previously mentioned strategic decisions for applying for a new ten-year authorisation, administratively, a new application would provide a defined timeframe for the process to be completed.

Thus, based on this rationale and careful legal advice, rather than seeking a five-year extension of the 2015 authorisation, Paintback sought a new authorisation for ten years. In 2021, the scheme was granted authorisation for ten years. In their decision, the ACCC wrote:

*“The ACCC considers that the Paintback scheme as funded through the levy is likely to result in environmental benefits through increased collection and less improper disposal of waste A&D paint than would be the case if state, territory, and local government collection programs continued to operate without the Paintback scheme. The ACCC considers that the scheme is unlikely to produce significant public detriment. The size of the levy is small relative to the cost of A&D paints, and the imposition of a uniform levy on the wholesale supply of A&D paint is unlikely to significantly impact competition at either the wholesale or retail levels of the supply chain”.*<sup>6</sup>

## LOOKING AHEAD

Over the next ten years, Paintback aims to build its network of collection points and further develop its R&D program by continuing to invest in circular economy and product stewardship innovations which harness the potential of used paint and reduce reliance on raw materials.

## NOTE

The content of this case study is information of a general nature sourced from public sources and investigations conducted by the Product Stewardship Centre of Excellence. It does not represent advice, direction or endorsement from the Product Stewardship Centre of Excellence, nor does it represent the

only method or practice to address the topics laid out in this document.

Individuals or organisations are encouraged to conduct their own analysis and consideration of strategic options relevant to their situation before taking action in regards to the matters covered.

## REFERENCES

<sup>1</sup>[HTTPS://7NEWS.COM.AU/BUSINESS/PAINT-RECOVERY-SCHEME-POSTS-RECORD-HAUL-C-2926165](https://7news.com.au/business/paint-recovery-scheme-posts-record-haul-c-2926165)

<sup>2</sup>[HTTPS://WWW.PAINTBACK.COM.AU/MEDIA-CENTRE/NEWS/AUSTRALIANS-HELP-PAINT-DISPOSAL-SCHEME-SMASH-COLLECTION-RECORDS](https://www.paintback.com.au/media-centre/news/australians-help-paint-disposal-scheme-smash-collection-records)

<sup>3</sup>[HTTPS://WWW.PAINTBACK.COM.AU/ABOUT/WHO-WE-ARE](https://www.paintback.com.au/about/who-we-are)

<sup>4</sup> [HTTPS://WWW.ACCC.GOV.AU/UPDATE/ACCC-RE-AUTHORISES-INDUSTRY-LEVY-TO-FUND-PAINT-COLLECTION-AND-RECYCLING-ACTIVITIES](https://www.accc.gov.au/update/accc-re-authorises-industry-levy-to-fund-paint-collection-and-recycling-activities)).

<sup>5</sup>[HTTPS://WWW.ACCC.GOV.AU/BUSINESS/EXEMPTIONS/APPLYING-FOR-AUTHORISATION#SIX-MONTH-TIME-LIMIT](https://www.accc.gov.au/business/exemptions/applying-for-authorisation#six-month-time-limit)

<sup>6</sup>[HTTPS://WWW.ACCC.GOV.AU/UPDATE/ACCC-RE-AUTHORISES-INDUSTRY-LEVY-TO-FUND-PAINT-COLLECTION-AND-RECYCLING-ACTIVITIES](https://www.accc.gov.au/update/accc-re-authorises-industry-levy-to-fund-paint-collection-and-recycling-activities)

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