The impact of post-consumer plastics export ban on Victoria

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The Australian Harmonised Export Commodity Classification (AHECC) is the product classification used to identify goods being exported from Australia.

Since July 2021, additional details have become available on the export of unprocessed scrap plastics. The number of AHECC codes relating to scrap plastics has more than doubled from 4 to 9, under chapter 3915 of the AHECC codes. The list of 3915 codes current from 1 July 2021 are available [here](https://www.awe.gov.au/environment/protection/waste/exports/declare#plastic-waste).

These new details allow for a new analysis to be undertaken on the unprocessed singlepolymer plastics which have been exported over 10 months in the 2020–21 financial year. This also allows for the opportunity to compare these exported quantities to the local reprocessing capacity that is available to process this material from July 2022.

Exporters can still apply for temporary exemptions to export unprocessed single polymer scrap plastics (post July 2022), however these are granted on a case by case basis.

The 3915 codes do not apply to reprocessed plastics that have been transformed into primary forms. This means that recovered single polymer plastics that have been processed into clean flake or pellets are considered primary resins and are exported under the same codes as virgin plastics, which are across chapters 3901–3914 of the AHECC.

This is due to processed recycled polymer often being considered a virgin equivalent, or close to, when properly sorted, cleaned, and flaked or pelletised. However, this change may have the negative impact of hiding data on the international trade of recycled plastics from July 2022, as it is now able to be combined with the trade of virgin plastics.

Table 1 summarises Victorian and national exports from 2021–22 by polymer type and data on committed new reprocessing capacity nationally. The national scrap exports total is available, but not the polymer level splits, so the Victorian polymer export ratios have been used to approximate national exports by polymer type.

**Table 1: Exports of unprocessed single polymer scrap plastics in 2021–-22.a**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Polymer type** | **Vic kerbside generation** | **Vic export**  **(tonnes)** | **National exportsb**  **(tonnes)** | **New capacity in Australiac**  **(tonnes)** | **Capacity shortfall** | **Comments** |
| PET (1) | 18,000 | 15,900 | 57,500 | ~80,000 | None | Some new capacity won’t be in operation until late 2023. |
| HDPE (2) | 22,000 | 10,600 | 38,300 | ~30,000 | Probably minimal | Some new capacity won’t be in operation until late 2023.  This HDPE is not all kerbside material, however the kerbside versus non-kerbside split is unknown. |
| PVC (3) | 0 | 0 | 0 | 0 | Phase-out | Negligible exports. |
| LDPE (4) | ~0 | 18,400 | 66,500 | <30,000 | Large | This is C&I material, not kerbside. Capacity estimate is uncertain. |
| PP (5) | 17,000 | 400 | 1,400 | ~20,000 | Probably minimal | Some new capacity won’t be in operation until late 2023. |
| PS (6) | 3,000 | 200 | 700 | 0 | Phase-out | Negligible exports. |
| **Total** | **60,000** | **45,600** | **164,900** | **~160,000** | **-** |  |

Source: ABS and IE (2022) and Blue Environment.

1. Data is for July 2021 to April 2022 (10 months), scaled to 12 months.
2. National scrap export total split using Victorian polymer ratios.
3. New capacity data drawn from Table 3 In Plastics Report. Rough approximations only.

**PET**

There appears to be plenty of new capacity in the pipeline to absorb the PET exported in 2021–22. In addition, the new capacity will target rigid PET packaging that is currently not recycled locally or overseas, and likely growth in rigid PET packaging use.

**HDPE**

New capacity for HDPE packaging recycling is consistent with current exports. It is also likely that existing capacity will be able to be expanded to reprocess more rigid HDPE packaging, which is highly sought after.

**PVC**

Minimal exports and no new planned reprocessing capacity identified. Phaseout in the use of rigid plastic packaging is progressing.

**LDPE**

LDPE film exports, which are entirely film from C&I sources, for example pallet wrap, are large and the identified new reprocessing capacity appears to be significantly less than exports.

**PP**

Exports are minimal as a sorted single polymer bale and there is plenty of planned new capacity that will target PP from both rigid packaging and non-packaging PP products.

Significant growth in the use of rigid PP packaging is likely as PVC and PS use is phased out, and through general growth in the use of rigid PP packaging.

The new capacity is, in part, targeting the sorted PP streams which are being generated by an increasing number of MRFs. It is a relatively new development that MRFs are moving towards positively sorting a single polymer PP stream.

**PS**

Minimal exports and no new planned reprocessing capacity identified. Phaseout in the use of rigid plastic packaging is progressing.

**Summary**

In summary, after 2023 there does not appear to be an ongoing exposure to the upcoming unprocessed single polymer export bans for rigid packaging from kerbside sources. However, LDPE film from C&I sources does appear to have a local reprocessing shortfall for the foreseeable future. Although local reprocessors may pivot to reprocessing this internationally sought after material sufficiently to avoid the export bans, it will take time.

There is a delay between the export bans and the availability of all the new kerbside PET, HDPE and PP reprocessing capacity. This may lead to the increased stockpiling of these unprocessed bales until the reprocessing capacity is available unless temporary export exemptions are granted.

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