

# Closing the loop

A Wellington company's new \$12 million plant means waste plastic recycled by Kiwis is being turned back into a high-quality product right here in New Zealand.

In an era of great excitement over pioneering tech start-ups, a century-old family-owned manufacturing business has put itself at the forefront of change for recycling in New Zealand.

At its site in Lower Hutt, Flight Plastics new \$12 million plant is turning waste plastic collected around the country into a high-quality packaging product, reducing the need to import plastic from overseas.

It's an exciting new phase for a business with a history stretching back over more than 100 years and across four generations of its owners, the Osborne family.

Founded as a luggage company early last century, the company moved into plastic production in the 1970s and has since established plants in Australia and the United Kingdom. It began using recycled clear "PET" (polyethylene terephthalate) plastic in its UK plant eight years ago and in 2012 began a five-year, multi-million-dollar investment to enable the entire recycling process to be performed in New Zealand.

By 2014, it was using recycled PET to make packaging at its Lower Hutt site – a first for New Zealand – using the latest in European-built extrusion and thermoforming equipment. Until this year, it had to import recycled PET flakes, but the opening in August of a new PET wash plant, supported by a \$4 million grant from the Ministry for the Environment's Waste Minimisation Fund, means it can now process waste PET plastic collected locally and turn it back into food-

grade plastic packaging.

Previously, any of the clear plastic collected from the New Zealand waste stream had to be exported for recycling.

Flight director Derek Lander says that while importing recycled plastic is better than buying virgin material, being able to process plastic collected at kerbsides back into a high-quality product here in New Zealand "closes the loop" for recycling.

Flight estimates New Zealand imports about 20,000 tonnes of virgin PET every year, with a rise in recent years as

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supermarkets have moved to PET meat trays. Though they're recyclable, "it's actually adding to the pile of plastic coming into New Zealand," says Lander. More than half of the imported plastic goes to landfill.

Flight's new plant can recycle up to 8000 tonnes of the incoming plastic. "That's maybe a third of New Zealand's PET plastic imports we don't need to buy and we don't need to put into the waste stream and the landfill or onto our beaches and parks," says Lander.

The benefit compounds, he says, with no practical limit to how many times a tonne of plastic can be recycled and reused. "Every time it goes around, it's a tonne that we haven't had to buy from elsewhere."

BNZ has been part of the Flight story since its founding in the early 20th century. "We're 100-year customers of BNZ," says Lander. "They've always been an important part of the business and continue to be."

The bank has supported multiple upgrades and acquisitions over the years, both here and overseas, and provides the banking services required to run operations across three countries.

BNZ Corporate Partner Scott Menzies works closely with the company to ensure its needs are understood. "I think that's been one of the BNZ's strengths," says Lander. "They've always been very interested in the operations and what we're doing and we welcome that."

Lander says funding the PET recycling project was a "very substantial undertaking" for a private company. The government's financial backing was important. "It was very helpful to have such strong support from central government for an initiative that we think is a really constructive, useful, long-term piece of infrastructure for this country."

Lander says Flight's employees are themselves excited to be part of an operation at the forefront of technology. They get to work with the very latest recycling equipment to be found anywhere in the world. "It's modern-day manufacturing IT at its best," he says. "We're in the plastics business. It doesn't get a lot of good press, but we're actually doing something for New Zealand here."

## Eye to the future

Should the demand for plastic recycled domestically prove strong enough, Flight's new plant has the potential for expansion.

"If we can get everyone in New Zealand excited about it and suddenly find we're full up, then we can scale the plant up," says Derek Lander.

A rapid growth in the use of recycled PET in the UK a few years ago gives reason for optimism. Lander says a couple of supermarkets there led a big swing away from using virgin product for packaging. "All the other supermarkets had to come on board, so it shows it can be done."

Flight is in discussions with New Zealand

supermarkets about using the locally recycled product now in production. Making the switch away from imported plastic packaging would seem a move in keeping with recent commitments to phase out plastic bags. "Here is a much bigger tonnage of material that can be dealt with in the country now," says Lander.

The company expects no special favours from its suppliers or customers. It is paying recycling companies the going export price for bales of waste plastic and selling its completed plastic packaging products for the same price as products being made from imported plastic. "We've had to work

out how we can do all this and make it cost-neutral for everybody else."

The challenge now is to spread the word. It's hoped having the plant here will help promote the recycling message and combat scepticism about where collected plastic ends up.

"People will see that that if you go to the trouble of putting some recycling in the bin, it's actually going directly into New Zealand-made products that can then be recycled again. Today's water bottle can be tomorrow's punnet or meat tray," says Lander. "When you talk someone through it, you can see the penny drop."

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