

# re-use and re-cycle to boost revenue

With the help of digital technology, environmental concerns can go hand in hand with packaging efficiency.

by Sam Pitruzzello

Back in the 1980s while studying engineering, I was fortunate to have an inspirational lecturer. He always talked about making lots of money with innovative technology. One particular lecture, he was very excited about the potential of the existing copper telephone network to handle much higher data speeds than just voice calls. This was when using the internet for domestic use wasn't thought of. One million transistors were on a silicon chip (there are over 1.0 billion today) and Bill Gates released DOS version 2.0.

The technology he was talking about is now known as ADSL (Asymmetric Digital Subscriber Line) and it's the main way many Australians receive broadband services. ADSL demonstrates the power of re-using existing infrastructure, capitalising on sunk costs and delivering enhanced services to a broad market in a simple and clever way.

The packaging industry is not one where you'd expect to find cutting edge innovation, advanced technology or the re-use of infrastructure – or so I thought. From an environmental and competitive position, innovation is crucial to the success of a packaging business. Minimising waste and input materials contributes to a lower cost product.

**Colorpak** (ASX: CKL) has been leading the way in this respect with its continual improvement program for over a decade. All waste at its cardboard manufacturing facilities is now recycled.

Managing director, Alex Commins,

says the company began implementing systems to recycle and minimise waste back in 1996 when it built a new plant in Braeside, Victoria. An automatic waste extraction system collects off-cuts from the carton packages produced for customers. Large fans pick up the off-cuts and they are chopped up into small pieces then sent to large bins for sale to major recycling companies such as Visy and Amcor. When Colorpak built its new Greenfield site in Regents Park, New South Wales in 2006, the \$450,000 system was an early inclusion. 'The pay back on the investment in the system is excellent as it adds to our revenue on an ongoing basis', Commins says.

Commins states that Colorpak's program to boost its environmental record looks for a competitive edge. 'We recycle the plastic wrapping that comes with our raw materials such as cardboard and we also recycle used aluminium printing plates'.

As a signatory to the National Packaging Covenant, administered by the Packaging Council of Australia (PCA) since 2002, the company says the Covenant gives it the opportunity to be more proactive in driving environmentally positive outcomes with its products.

An example is advanced technology printing presses which reduce waste and increase productivity by speeding up the set-up process. The PCA states in its paper, *The Digitisation of the Printing Industry*, that digital printing provides solutions to environmental issues as it is generally a less wasteful process, both in terms of the volume



Colorpak's Sydney site

of inks and substrates used (as set-up requirements are much reduced) and in the absence of printing plates, films and chemicals.

**Pro-Pac Packaging** (ASX: PPG) is another small Australian-listed company that has succeeded with product and process innovation to deliver environmentally sound packaging products. Established in 1987, it manufactures protective void filling products and claims to be the first company in Australia to offer biodegradable Voidfill packaging which is the term used for 'flowable' packaging material poured into a carton to fill all the spaces, thereby preventing the possible movement and damage of goods. The most commonly used Voidfill material is polystyrene.

As an alternative, Pro-Pac have developed a range of environmentally friendly Voidfill packaging products. Green-Pak is manufactured from Australian-grown wheat and ground by local millers. Green-Pak is reusable, 100 per cent biodegradable and compostable without residues. It is water-soluble so it does not pollute ground water. Another natural product is Envirofill which is a starch mixture made from potato or wheat processed and extruded into small pieces.

The digital revolution has become prevalent in society and it is now having an impact on packaging. We look forward to seeing more companies re-using and recycling to boost revenues. □

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