



Baxter Healthcare Pty. Limited
A.B.N. 43 000 392 781
Postal Address:
P.O. Box 88, Toongabbie,
N.S.W. Australia 2146
1 Baxter Drive, Old Toongabbie,
N.S.W. Australia 2146

www.baxterhealthcare.com.au
Telephone: 02 9848 1111
Fax: 02 9848 1123

1st November 2024

RE: Australian Government Productivity Commission – Opportunities in the Circular Economy

To whom it may concern,

This document has been prepared in response to the Productivity Commissions request for submissions for information regarding Opportunities in the Circular Economy.

Baxter Healthcare Background

Every day, millions of patients, caregivers and healthcare providers rely on Baxter's leading portfolio of diagnostic, critical care, nutrition, hospital and surgical products used across patient homes, hospitals, physician offices and other sites of care.

As a local manufacturer in Australia for more than 50 years, Baxter's employees are proud to supply hospitals across Australia, New Zealand and the Oceania region with our range of life-saving and sustaining products and services used in the delivery of hospital and home-based care.

Our commitment to our mission to save and sustain lives is also creating lasting social, environmental and economic value in the communities we serve.

In Australia, we employ over 1,200 staff who share a commitment to making a meaningful difference in patients' lives, our communities and the environment.

Baxter's Western Sydney manufacturing plant produces tens of millions of units of intravenous (IV), irrigation and dialysis fluid solutions every year. Commercially prepared intravenous fluids are critical to therapeutic treatments in the hospital setting including surgery and ward-based care for the regulation of blood pressure, hydration, medication delivery, wound cleaning and dialysis.

Baxter's Australian made products can be found in around 95% of hospitals across Australia and New Zealand.

Baxter is also a critical provider of locally compounded patient treatments, including chemotherapy, immunotherapy, home IV antibiotics, total parenteral nutrition, and IV additives and analgesics for patients throughout Australia for over forty years.

With the largest network of TGA licenced compounding facilities in Australia, Baxter Compounding provides hospital pharmacies with a complete and tailored compounding service. Hospitals partner with Baxter to outsource their sterile compounding of patient-specific medicines, which can ordered, compounded, and delivered in less than three hours.

Product Stewardship

Hospital PVC Recycling Program

Baxter's Western Sydney manufacturing plant uses PVC plastic to produce tens of millions of IV fluid bags a year. In conjunction with healthcare providers and the Vinyl Council of Australia, we have created a program that recycles over 120 tonnes of this PVC medical waste per year within Australia.

Baxter supports the collection and shipment of medical waste PVC to Victoria where it is recycled by a PVC resin compounder. The recycled PVC resin is sold to manufacturers to make products such as garden hoses, gum boots and flooring.

Hospital Aluminium Recycling Program

Baxter also supports a recycling program for Aluminium anaesthetic gas bottles, collecting up to 1.2 tonnes from over 80 hospitals per annum to be recycled into products such as bicycle frames.

Baxter Compounding Packaging Initiatives

Baxter's compounding sites across Australia have replaced non-recyclable foil and polystyrene with recyclable, biodegradable package lining made from 100% sheep's wool in boxes used to distribute products to customers. The new liner provides additional cushioning for the products and protection from heat and moisture. This initiative helps reduce the number of materials used in packaging and substitutes with environmentally preferred alternatives.

Information Request 1: Circular Economy Success Stories and Measures of Success

Baxter Healthcare has supported the Hospital PVC Recycling in conjunction with the Vinyl Council of Australia since 2008. The Hospital PVC Recycling Program was initially an innovative pilot program that was initiated in Victoria and has grown nationally over the years, supporting the collection of Hospital PVC from over 300 hospitals across five states and diverting up to 120 tonnes of PVC fluid bags, oxygen masks and tubes from landfill per year. The collected PVC is sorted, recycled and used to make new Australian made products such as gumboots and garden hoses which can be recycled again after use.

Baxter's support for this program includes:

- Setting up network of collection partners across all major states
- Supporting the collection of used Baxter IV fluid bags and other non-Baxter PVC medical devices including face masks and oxygen tubing
- Supporting the sorting and shipping of collected material to the recycler in Victoria
- Developing and delivering training and education support for hospitals engaged in the program.

To ensure the success of this process, Baxter has found solutions to overcome challenges relating to transport logistics and the need for limited on-site pre-processing. Baxter has partnered with hospitals to facilitate critical training for hospital personnel in pre-processing of the bags for recycling (separation of PVC bags from labels, clips, and other non-PVC materials).

Ending plastic waste is a national sustainability priority, with the CSIRO setting a target of 80% reduction in plastic waste entering the environment by 2030. Being the only Australian manufacturer of IV products, Baxter is committed to helping Australia achieve this target.

Information Request 2: Priority Opportunities to progress the circular economy

The Hospital PVC Recycling program has demonstrated what can be done to reduce the disposal of single use plastics in landfill after use. There is an opportunity to utilise existing infrastructure to transport plastic waste to sorting and recycling centres across the country.

Information Request 3: Hurdles and barriers to a circular economy

Baxter would like to expand both our PVC and Aluminium recycling programs, but significant barriers exist, including;

- Lack of State-based Sorting and Recycling Partners to minimise transport of collected materials
- Collections focussed only on certain hospital departments. There is the potential to collect up to 5 times more than the scheme currently collects
- Coverage for remote states and low usage sites challenging
- High waste-stream contamination rates resulting in landfill or incineration of collected waste as opposed to recycling
- Limited local suppliers to sort and wash collected PVC prior to recycling
- Incentivise the implementation of programs to avoid situations where having a recycling program becomes a disadvantage during a procurement process

Information request 4: Governments' role in the circular economy

Governments' role in the circular economy consideration for policies such as "zero plastic waste economy" or the "refuse rethink reduce strategy" - should be carefully balanced in healthcare to ensure that any policies do not adversely affect patient safety and patient outcomes. For example, changing plastic components may need to satisfy other regulators, such as the TGA, which may require stability testing and other manufacturing changes to be undertaken, incurring additional costs and time.

Consideration is required regarding producer responsibility requirements where suppliers bear responsibility for the environmental impacts of their products throughout the entire life cycle. These need to be harmonised with global regulators to ensure Australia's standards are aligned with global requirements. Without alignment, it is likely Australia will not be a desirable location for business which may cause shortages of medicines and equipment. Considerations for reporting requirement to be balanced to ensure the administrative burden is minimised. This is particularly relevant for procurement and regulatory requirements.

The team at Baxter would welcome the opportunity to discuss the contents of this submission further with the Productivity Commission.

Paul Clark

IV Fluids Marketing and Sustainability Manager, ANZ
Baxter Healthcare Pty Ltd.