

Independent Review:

The Northern Territory Container Deposit System

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1. Executive Summary

In 2012 the Boomerang Alliance, auspiced by the Total Environment Centre received a grant from the Northern Territory Government to review the container deposits system (CDS) called Cash for Containers, introduced at the beginning of that year. The Alliance has a long history in assessing the various features of CDS around the world and is involved in developing detailed proposals for a national scheme. While Boomerang had welcomed the establishment of a CDS in the NT it was aware of structural issues and problems with participants including coordinators allied to major bottlers.

The project examined a range of economic, social and environmental dimensions in the second half of 2012 including site visits, surveys and comparison to overseas schemes. In summary our findings are:

1. Beverage container recovery rates have more than doubled (from a very low rate) and when compared to overseas systems are on a trajectory to reach 70% (but improvements to the system are required to consolidate progress).
2. There is evidence that container litter has reduced significantly; and the improved recovery rate has valued resource savings.
3. A combination of flawed system architecture and almost 'toxic' relationships between some coordinators and collectors is damaging the scheme's capacity to achieve its full potential. For example the need to - negotiate different fee structures based on the rates of each coordinator despite collecting effectively the same range and type of containers for each operation; separate returns of containers by brand; meeting different coordinators' time requirements to be paid for containers collected; transporting containers to different locations – all contribute to architecture and relationship problems.
4. The responsible Department lacks the skills to manage a CDS and has failed to establish an effective compliance regime. For example, the CDS Principles are not enforced.
5. There has been much public debate regarding the community's attitude to the introduction of the scheme. Without doubt the scheme enjoyed significant public support at the time of introduction – and despite controversy about prices and convenience - our survey showed significant ongoing public support.
6. We also found that one in four people are not aware of the scheme and there is a need to improve communications and education by government, retailers and bottlers (eg, via labelling and signage).
7. Additional depots need to be established; and services improved in remote parts of the Territory and heavily visited tourist areas such as national parks.
8. We undertook two pricing surveys and found a wide variety of prices including those below the 10cent deposit; retail discounting; and some others at the high end. The difference appears to be due to the degree of efficiency of each coordinator/collector; retail practises; and use of unredeemed deposits to cover costs. Improvements to the scheme could smooth out the differences caused by inefficiency and legal architecture. It also appears that those bottlers most opposed to CDS have constructed the most inefficient operations and have used the resulting costs of some drinks in some circumstances (for example where there is no discounting) for political purposes.

9. We analysed the legislative, regulatory and administrative facets of the CDS and found a number of key improvements that could be made. As a consequence the NT would have lower beverage prices (for those products that actually experienced a rise) and retain a popular scheme achieving impressive litter reduction and recycling results.

Recommendations

We highlight 22 corrective actions that we believe will have the greatest impact on improving the scheme in the simplest way and have little cost/financial impact on CDS participants.

Over the longer term, the legislation and system architecture needs substantial rework; though with the possibility of a national CDS policy being adopted in mid 2013 one option is to let that process run its course before the NT Government should consider major legislative revisions of its own scheme. However given that a national CDS may not be implemented until 2016 then more significant changes could be considered.

Please note that we have, generally, sought to focus on improving the CDS Principles as the primary point of reform as it is the simplest pathway to make change. However, this approach will only be effective if these provisions are enforceable and penalties for non-compliance (which could be established after the changes to the CDS Principles) – are effective and put parties on notice that they are expected to improve performance.

Weakness Within Current Scheme	Pathway for Corrective Action	Action	Impact of Action
1. Profiteering	Legislation	1.1 Amend the legislation to make it an offence for a brand owner to profiteer from the CDS	While brand owners like Coca Cola Amatil, Lion and Schweppes have been 'crafty' in the way they have increased their prices; it is evident that some brands have increased their prices by as much as 50% more than the costs they have experienced. This behaviour and the disregard they have shown towards government and the community should not be tolerated.
2. Government knowledge and skills to administer the CDS	Internal Action	2.1 Consider sending key Departmental staff to study administrative aspects of CDS in Nth America 2.2 Engage international expertise in implementing CDS to train and mentor Departmental staff	The last time a CDS was introduced in Australia was 35 years ago. Consequently there is little experience or understanding within Australian governmental ranks on how to implement and administer the CDS or its more modern aspects. Departmental staff urgently

			need adequate support and training to feel confident in their decisions and empowered to make decisions in a difficult socio-political environment.
3. CDS Principles are unenforceable and are poorly crafted	Departmental review Legislative / regulatory amendments	3.1 Rework CDS Principles to reflect SMART criteria 3.2 Add penalties for non-compliance with revised CDS Principles	While these principles do not directly impact on the scheme's recovery rates and costs; their weakness is a root cause of difficulties experienced to date. Clarification of stakeholders' responsibilities combined with specific and measurable performance standards are vital to the scheme's improvement.
4. Dispute Resolution	CDS Principles Regulations	4.1 Establish an independent mediator to resolve disputes 4.2 Give mediator powers for their decisions to be binding on both parties	Again these reforms do not directly improve scheme performance; but it needs to be recognised that disputes between CDS participants and the Department's inability to resolve same has created an operating environment that has become toxic. A clear pathway to resolve disputes in a timely and impartial manner will increase depot operators' confidence and encourage investment into the recovery network.
5. Low Return Rates (caused by) community awareness/ education	Ministerial powers CDS Principles CDS Principles	5.1 Require in-retail signage for a 6 month period 5.2 Make brand owners responsible for promoting the scheme rather than other CDS participants. 5.3 Require brand owners to undertake consumer education or add regulations for department to recover promotional costs	With 1 in 4 residents unaware of CDS; and only 40% of residents actually redeeming it is reasonable to expect a 15- 20% lift in recovery rates if community awareness of the scheme is raised. 2-3 collection points in the north of Darwin will increase convenient access

<p>Depot Coverage</p> <p>Recovery Targets</p>	<p>Ministerial Powers</p>	<p>5.4 Set coordinators / brand owners targets for establishment of convenient collection points</p> <p>5.5 Set (each brand owner) minimum recovery targets to be reached within 12 months – particularly for plastic (25.45) and LPB (16.3%) which are performing much worse than aluminium (39.4%) and glass (34.5%)</p>	<p>to half the greater Darwin population and should lift recovery rates by at least 10%.</p> <p>Raising plastic and LPB recovery rates to those of aluminium and glass will lift recovery by approx. 8.8million containers p.a. (an overall improvement of 18.7%).</p>
<p>6. Litter</p> <p>Outdoor tourist destinations</p> <p>Cigarette Butts</p>	<p>Departmental Support</p> <p>Departmental Support</p>	<p>6.1 Department to focus on assisting national parks to establish CDS points</p> <p>6.2 Establish increased monitoring and enforcement on cigarette butt litter</p>	<p>While litter improvements have been impressive there are major (and important) opportunities to improve further by establishing collection points within the national parks that are also major tourist destinations (Kakadu, Uluru, Lichfield, Kata Juta, Kings Canyon etc.)</p> <p>CDS and the plastic bag ban have had a major impact on the litter stream; but the improvements here are offset by a steep increase in cigarette butt litter.</p> <p>Complementing action on cigarette butt litter will see the government’s job on litter largely complete.</p>
<p>7. Community Accessibility</p>	<p>CDS Principles</p>	<p>7.1 Establish performance criteria for network reach into remote communities</p> <p>7.1 Improve CDS principles to reassure potential depot operators they will receive fair and equitable compensation for collection in the remote NT</p>	<p>Cleaning up the outback and improving recycling infrastructure in the NT were two major benefits of the CDS promoted during its introduction. While improving the reach of the network into smaller remote communities will not substantially improve collection rates, it is important that the scheme does not disadvantage rural</p>

	Infrastructure Grants	7.2 Consider infrastructure grants (by Government and possibly community / business partnerships) for remote community collection facilities	<p>communities.</p> <p>Because of the uncertainty regarding the scheme's future (legal action by Coca Cola et al) and the toxic environment caused by infighting and disputes between initial CDS participants - many remote communities have chosen to not participate in the collection network. Government should consider offering infrastructure support grants (possibly cost recovered from brand owners) as well as community/business partnerships (e.g. ERA would likely be interested in supporting collection points in Jabiru, Kakadu and other East Alligator River communities) to encourage organisations to establish collection points in their community.</p>
8. Collection and Sorting Costs Sorting by Brand	CDS Principles	8.1 Allow barcode data and/or digital imaging as an alternative form of evidence to the physical return of the container to the coordinator (along with other conditions like the 'any container' provision described in section 9).	Substantially reduces (by as much as 25%) handling costs.
	Regulations	8.2 Regulations regarding excluded beverages and exempted containers should be reviewed to address anomalies that add cost or create elasticity (e.g. exempt containers of less than 100ml)	
9. Transport Costs	CDS Principles	9.1 Require the crushing	The transportation of

		<p>and compaction of recovered containers before transportation to the coordinator</p> <p>9.2 Establish uniform standards for the presentation of containers for return to coordinators</p>	<p>crushed containers is as much as 60% (per container) less expensive than that of transporting non-compacted containers. The use of a standardised stillage for container return and uniform rules for container quality/presentation will improve efficiency and reduce capital costs for materials handling and storage costs.</p>
<p>10. Devaluation & Bulk Refund Provisions</p>	<p>CDS Principles</p>	<p>10.1 Require devaluation of containers upon receipt and establish clear bulk refund provisions</p>	<p>This both improves licensed opportunities for bulk collection operations (e.g. municipal waste, kerbside recycling and C&I recycling), while also establishing strong systems that will restrict opportunities for fraud.</p>

2. Introduction

Boomerang Alliance has developed an extensive knowledge of the types and operations of container deposit systems (CDS) during its advocacy for greater action on packaging on behalf of 22 national and state environment groups.

Now in our 10th year of operation we have reviewed over 30 of the 44 CDS in operation across the globe, visited first hand some 15 schemes and have brought out global experts from Germany, Norway, Nova Scotia, British Columbia, Michigan and California to better our and other stakeholders' understanding.

Our preferred CDS model for a national scheme in Australia and currently subject to a Decision Regulatory Impact Statement process has recently been lauded by US experts as the best deposit/refund scheme ever designed.

While Boomerang Alliance congratulates the past NT government for its efforts in introducing a deposit/refund scheme; thanks the current government for supporting the bill at the time it was introduced and continue to respect South Australia's leadership both on CDS and waste and recycling in general - we have been aware, and cautioned the past NT Government, that both the South Australian and NT system architecture have a number of fundamental flaws that would limit efficiency and create opportunities for opponents to be obstructive.

Some 12 months into operation and as a result of our research, these flaws are self-evident.

When we commenced the project in August, we expected to find that the scheme was facing difficulty but were unprepared for what we found. There were initial barriers to obtaining information. Departmental staff were unable to be interviewed or provide detailed information; a number of depot operators and retailers refused interviews citing fear of repercussions from some bottlers and coordinators if they spoke out; and coordinators cited pending litigation prohibiting them sharing their views.

Discussion with the public demonstrated confusion about the scheme and many had inadequate information about how to participate.

One exception has been the Chief Minister, Terry Mills and his office, who have continually avoided any easy exit and repeatedly stated their intention to 'fix the scheme'. This has been vital in keeping nervous CDS participants moving forward.

Despite the considerable barriers we found ways to garner sufficient information to complete this review and are heartened that the public continues to believe the scheme is worthwhile. We have also found there has been substantial improvement in recycling rates and reducing litter. Territorians love their outdoor lifestyle and the landscape's rugged and beautiful nature; and they see the substantial improvement it is making in many of their favorite places.

It is also apparent that while the architecture directing the scheme is substantially flawed, there are a number of relatively simple steps government can make to both dramatically increase the performance and reduce the cost. While far from being the most efficient scheme it is the most effective step made to address waste and recycling by far and has seen the Northern Territory move from being the worst recycler in Australia towards a performance more comparable to the national average.

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Concurrently there are discussions about a national CDS and if one eventuates over coming years then as for the South Australian system, transitional arrangements will be able to be developed to integrate operations.

We welcome any commentary and feedback from coordinators, depot operators, local and territory government agencies and are more than willing to offer the NT Government any assistance and support to ensure the scheme's improvement and ongoing success.

3. Performance and Environmental Impact to Date

The *Environment Protection (Beverage Containers and Plastic Bags) Act 2011* was passed by the Northern Territory Legislative Assembly on 24 February 2011, and came into operation on the 3 January 2012. Its objectives in relation to drink containers are to reduce beverage container waste; and increase resource recovery, reuse and recycling. The following section assesses progress towards achieving these goals.

Existing Packaging Recycling Performance Pre Container Deposit System (source: NT reporting on the Used Packaging NEPM to the NEPC Annual Report 2010/11)

The following table represents the most accurate picture of packaging recycling in the Northern Territory prior to the implementation of the Container Deposit System:

Table 1:

Materials	Recycling in NT pre CDS
Paper, etc	3,376
Glass	1,574
Plastic	248
Aluminium	107
Steel	122
LPB	0
TOTAL	5,427

Please note: The above table is an estimate of packaging materials recovered not total recycling in the Northern Territory. While no data is available to identify the exact amount of packaging generated in the NT before the CDS was introduced, it is possible to use new reporting data to present a reasonably accurate picture as outlined below.

According to the Cost Benefit Analysis prepared by PriceWaterhouseCoopers/Wright Corporate Strategy (PWC/WCS) as part of the recent CRIS into Packaging Impacts (2011) - consumption of beverage containers is growing slowly (projected at less than 1% growth p.a.). To this end, based on the first 3 quarterly reports (2012) from the Northern Territory's CDS scheme, annualised consumption of beverage containers would be reasonably expected to look as follows:

Table 2:

Containers Sold	Q1	Q2	Q3	Annualised	Containers Per Tonne	Annualised Tonnes
Glass	7,690,631	10,929,941	11,390,825	40,015,196	4,784	8,364
Plastic	8,274,109	8,327,513	8,645,002	33,662,165	27,901	1,206
Aluminium	13,630,644	17,048,707	17,693,338	64,496,919	66,821	965
LPB	1,763,445	2,541,585	2,623,382	9,237,883	24,060	384
Total	31,358,829	38,847,746	40,352,547	147,412,163		10,919

Having established a baseline for consumption of containers in the NT, we have then estimated what proportion of existing recycling (before the scheme's implementation) represents those beverage containers that were already being recovered in the NT.

To estimate the pre-scheme recycling activity of beverage containers we adopted the splits between beverage container and other forms of rigid packaging developed by PWC/WCS for the National Packaging Impacts CRIS. Based on their estimates the amount of beverage container materials recycled in the NT prior to the implementation period would be approximately the following:

Table 3:

Materials	Packaging Recycling in the NT pre CDS ¹	Proportion of Material not Covered by CDS ²	CDS Material
Paper etc	3,376	3,376	0
Glass	1,574	330	1,244
Plastic	248	174	74
Aluminium	107	0	107
Steel	122	61	61
LPB	0	0	0
TOTAL	5,427	3,941	1,486

This indicates that the beverage container recycling level prior to the CDS scheme was:

- Beverage Container Consumption = 10,920 tonnes per annum;
- Beverage Container Recycling = 1,486 tonnes per annum
- **Recycling Rate (Prior to CDS) = 13.6%**

New Resource Recovery Activity via Container Deposit System Redemption³

CDS reporting over the first 9 months of the scheme's implementation indicates that the CDS should reasonably generate the following results over 2012 (please note that this calculation is a simple annualisation of the first 9 months results and **does not** factor in any expected increase in performance).

Table 4:

	Q1 (containers)	Q2 (containers)	Q3 (containers)	Total Containers	Containers / Tonne	Total Tonnes Recovered To Date	Annualised Container Recycling ⁴
Glass	2,448,168	2,881,518	5,020,836	10,350,522	4,784	2,164	2,885
Plastic	1,347,846	2,141,900	2,933,587	6,423,333	27,901	230	307
Aluminium	3,945,851	6,842,845	8,249,889	19,038,585	66,821	285	380
LPB	185,963	292,268	652,345	1,130,576	24,060	47	63
Total	7,927,828	12,158,531	16,856,657	36,943,016		2,726	3,637

Revised Overall Improvement in NT Recycling of Used Packaging (with Container Deposit System)

Based on the above and combined with the existing recycling of packaging materials not covered by the CDS, packaging recycling rates are now estimated as follows:

¹ Source 2010-2011 Used Packaging NEPM Reporting

² Source: Used splits estimated by 2012 SCEW Packaging Impacts CRIS

³ Data Based on NT Published quarterly Cash for Containers Reports – Containers Per Tonne based on SCEW CRIS for Packaging Impacts

⁴ Calc : Divide by 3 then multiply by 4 to adjust 9 months data into an annualised figure

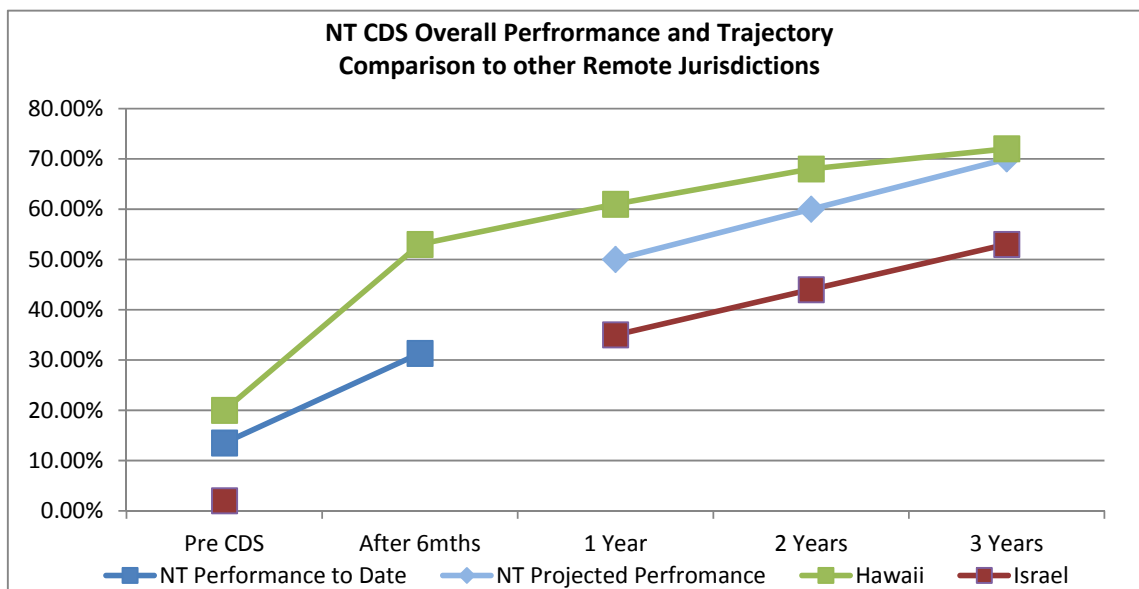
Table 5:

Materials	Recycling in NT pre CDS	Packaging not covered by CDS	CDS Annualised Recovery	Annual Packaging Recycling ⁵	Improvement (tonnes)	Increase %
Paper, etc	3,376	3,376	0	3,376	0	N/A
Glass	1,574	331	2,885	3,216	1,642	104%
Plastic	248	174	307	481	232	94%
Aluminium	107	0	380	380	273	255%
LPB	0	0	63	63	63	
TOTAL	5,305	3,881	3,635	7,516	2,210	42%

While there is much more work to be done before the NT Container Deposit System can be considered to be fully implemented it is important to highlight that:

- In the writer’s 15 years studying Australian waste and recycling no jurisdiction has ever improved its recycling rates to this extent over such a short time.
- In just 9 months packaging recycling has increased by 42% and beverage container recycling rates have more than doubled.
- Based on the National Waste Report (2012) (from the MSW, commercial and industrial and construction and demolition sectors combined) total recycling activity in the Northern Territory was just 16,670 tonnes per annum. The new recycling activity expected via the CDS program in 2012 (2,210 tonnes) already represents an improvement of some 13.25%.
- When compared to other ‘remote’ jurisdictions around the world that have introduced deposit/refund schemes (e.g. Hawaii and Israel) the NT could be on track to achieving recycling rates in the vicinity of 70% within the next 2 years.
- These improvements and projections would be reinforced with additional depots. For example depot operators consider that the new depot at Nightcliffe Shopping Centre will redeem a conservative 30,000 containers per week (20,000 of which should be new recycling activity) lifting beverage container recycling rates by around 3%⁶ at one location alone.

A conservative estimate of the improvement trajectory for recycling rates in the NT (and compared with Israel and Hawaii’s performance during the implementation phase) would be as follows:



Impact of CDS on the Litter Stream in the Northern Territory

The following table shows a comparison across 6-monthly intervals of Keep NT Beautiful bi-annual litter research as part of their National Litter Index. This table compares the amount of beverage litter found in the two surveys immediately before the CDS was introduced (May and November 2011) with the first survey after the CDS was introduced:

Table 6:

	May-12	Nov-11	May-11
GLASS BEVERAGE CONTAINERS COVERED BY CDS:			
Alcoholic Sodas etc	2	6	1
Beer <750ml	25	23	39
Beer 750ml+	2	3	7
Cider etc	2	2	0
Sports drinks <1litre	1	1	1
Sports Drinks 1litre+	0	0	0
Soft Drink <1litre	0	3	0
Soft Drink 1litre+	1	3	0
Fruit Juice <1litre	2	1	2
Plain Water <1litre	1	0	1
Plain Water 1litre+	0	1	0
Wine & spirits	2	4	0
Wine Cooler	0	0	0
Sub Total Glass	38	47	51
ALUMINIUM BEVERAGE CONTAINERS COVERED BY CDS:			
Alcoholic Sodas etc	17	15	38
Beer	32	61	27
Cider etc	0	0	0
carbonated soft drink	38	23	40
non-carb flavoured water	2	3	2
Sub Total Aluminium	89	102	107
LPB BEVERAGE CONTAINERS COVERED BY CDS:			
Flavoured Milk <1litre	15	15	95
Flavoured Milk 1litre+	1	2	11
Fruit Juice <1litre	3	5	2
sports drinks <1litre	0	12	0
sports drinks 1litre+	3	2	0
Sub Total Aluminium	22	36	108
PLASTIC BEVERAGE CONTAINERS COVERED BY CDS:			
Flav Milk <1litre	6	6	6
Flav Milk 1litre+	1	0	1
Non carbonated flav waters <1litre	1	10	8
Non carbonated flav waters 1litre+	3	8	8
Soft Drink <1litre	7	42	16
Soft Drink 1litre+	1	17	10
Fruit Juice <1litre	1	7	5
Plain Water <1litre	9	18	9
Plain Water 1litre+	1	2	4
Sub Total Plastic	30	110	67
TOTAL BEV CONTAINERS COVERED BY CDS	179	295	333

This data shows a clear pattern of reduced beverage container litter across a variety of sites and materials. In May 2012 there was some 39% less beverage container litter than found in November and 46% less litter from the May 2011 period.

Also relevant is that despite criticisms that CDS does not have an impact on other items there are a number of clear trends:

- Industry has claimed that beverage container related litter (bottle tops, straws, hi-cone rings) do not reduce with a CDS approach. The KAB results contradict this claim with substantial reductions achieved within less than 6 months. In fact here has been an even greater reduction in beverage related items – a 52% reduction from November 2011 to May 2012. It is also notable that every beverage related item shows consistent improvement (as do the results for whole containers above). The following table compares the KAB Litter Index before and after the introduction of the CDS:

Table 7:

	May-12	Nov-11
Bottle Tops etc	29	257
Plastic Can holders (6 ring)	0	2
Plastic bottle tops	176	229
Straws	93	133
TOTAL Other Beverage Related Litter	298	621

- Overall levels of litter are something of a mixed bag. With the total litter increasing but at a lower rate than the increase in cigarette butts found in the litter stream:

Table 8:

	May-12	Nov-11	May-11
Total Litter	6,046	5,322	3,796
Cigarette Butts	3,400	2,421	1,683

This highlights that overall litter measured in the Northern Territory increased between the November 2011 to May 2012 study period by an estimated 724 items all of which is attributable to the growth in cigarette butt litter which increased by 979 items. Consequently the rest of the litter stream actually reduced by 255 items over this time period.

Similarly when comparing May 2011 with May 2012 total litter increased by 2,250 items (from 3,796 items to 6,046) with the vast majority of this increase attributable to the rise in cigarette butt litter (increased by 1,717 items) representing some 75% of the overall increase.

While there is no empirical evidence to suggest why this trend has commenced it is worth noting that the 2012 KAB National Litter Index shows that most jurisdictions are experiencing similar trends.

A cursory view of the type of sites representing the vast majority of increased litter levels could be suggested by tightening economic circumstances – with the number of cigarette butts found increasing on private property where litter costs are borne by an individual person or company:

Table 9:

	Nov-11	May-12
Private property (comprising the sites below)	1844	2851
Car Parks	452	703
Industrial	189	239
Residential	219	684
Retail	604	671
Shopping Centres	380	554
Public Property (comprising the sites below)	577	549
Beach	3	5
Highways	523	295
Parks	51	249

This highlights that:

- The level of cigarette butt litter increased in every private property sector studied
- Overall the incidence of cigarette butt litter on private property increased by some 54% while public property decreased slightly (-4.8%).

As a further check on the improvement in littering, Boomerang Alliance also measured the level of beverage container rubbish found in five sites (which Boomerang Alliance had measured in July 2010 - before the NT Container Deposit System had been introduced). They are:

- Bennet St (CBD) between Cavanagh and Mitchell Streets
- the Parkland around the Darwin Waterfront & Wave Lagoon
- Coastline at East Point, Fannie Bay (at the end of Alec Fong Lim Drive)
- Arnhem Highway at the entry into Kakadu National Park
- Stuart Highway at the turn off to Litchfield National Park.

The methodology is a simple one, which Boomerang Alliance calls 'the 2 minute test'. Put simply we record the amount of beverage container litter that can be collected in a 2 minute period – which provides both a measure of the prevalence of litter found but also a measure of the potential earnings made from a litter clean up in a given area.

All sites were tested (on both occasions by the writer personally) to ensure consistent results.

Comparative results are as follows:

Table 10:

	Test Results – July 2010		Test Results – September 2012	
	Litter Collected	Earnings from a litter clean up (per person)	Litter Collected	Earnings from a litter clean up (per person/hr)
Darwin CBD Street (Bennet St)	26	\$52/hr	14	\$28/hr
Darwin Parkland (Waterfront Park)	21	\$42/hr	4	\$8/hr
Coastline/Beach (Fannie Bay)	18	\$36/hr	3	\$6/hr
National Park -Kakadu (Arnhem Highway)	38	\$76/hr	12	\$24/hr
Highway (Stuart Highway)	46	\$92/hr	28	\$56/hr
Totals	149		61	

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This analysis showed that the amount of beverage litter, while still reasonably high had reduced by nearly 60%.

Interestingly the 2 minute test identifies that there remain plenty of sites where community groups could make money undertaking litter clean ups – probably because the limited roll out of redemption depots has made it difficult for many to participate.

Resource Recovery Benefits

While there are a number of environmental benefits from increased beverage container recycling there are two primary benefits that have a significant impact on the Northern Territory – reductions in waste to landfill; and the greenhouse gas savings from recycling the additional beverage containers recovered via the CDS.

Using RMIT’s calculations for the benefits of a kerbside recycling system it is possible to calculate both the benefit the CDS has delivered in its first year of operation and to project the level of savings expected over a 25 year study period:

Estimated savings already experienced over 2012:

Table 11

	Waste to Landfill Reduction (tonnes)	GHG Savings / Tonne ⁷	GHG Reductions (Tonnes Co2-e)
Glass	1,642	1.25	2,052
Aluminium	273	18.80	5,132
Plastic	232	6.00	1,395
LPB	63	0.13	8
Savings pa	2,210		8,587

Projected Savings over a 25 year study period⁸

Table 12:

Projected Resource Recovery Benefits as Recycling Rates improve	Total Tonnes Recovered	Average GHG Savings (Mixed Tonne)	GHG Reductions
Year 1	2,210	3.89	8,587
Year 2 (@ 60%)	2651.607774	3.89	10,304.44
Year 3 (@ 70% X 22 years)	3093.542403	3.89	12,021.85
Combined Increase years 4 - 25	64964.39046	3.89	252,458.88
Total GHG & Landfill Reductions (over 25 years)	72,919		283,372

⁷ Source: RMIT “Benefits of Kerbside Recycling” (2003)

⁸ Assumes the mix of materials in an average tonne recovered in 2012 is consistent over the study period

4. Depot Operators' and Coordinators' Perspectives

Boomerang Alliance attempted to undertake interviews with all Darwin-based depot operators and coordinators. Unfortunately a number of coordinators felt they could not discuss the scheme due to potential litigations between operators over financial disputes. As a result Boomerang Alliance was only able to undertake interviews with a single coordinator and just three depot operators.

However, the operators who did give feedback were open and honest and provided extensive information.

Firstly it must be said that the feedback regarding the scheme's operating parameters and its rules was not positive and highly critical of a number of parties. Operators also expressed confidence that the scheme could be fixed but at the time were pessimistic of the commitment and capacity of government to rectify flaws in the scheme.

Feedback is summarised below.

The Scheme Architecture: All respondents were critical of the legislative and operational parameters that had been developed for the CDS in the NT. Topping the list of nominated short comings were:

- The legislation allows each brand owner to make its own arrangements without establishing any form of overall management regime or 'clearing house' function to collect redemption data between different parties. As a result each collector needs to:
 - Negotiate different fee structures based on the rates of each coordinator despite collecting effectively the same range and type of containers for each operation
 - Separate returns of containers by brand
 - Meet different coordinators' requirements to be paid for containers collected
 - Transport returned containers to different locations.

This has had a direct impact on the cost and efficiency of the scheme. Operators claim they have to separate containers into as many as 28 different groupings (known as splits) necessitating a sorting process by brand (across 4 coordinators); then by material and by colour (for glass). This requirement alone inflates the cost of collection by at least 30% and more probably by as much as 50% in some cases.

The need for depot operators to transport containers to at least three coordinators' locations adds significantly to the transport costs of the scheme. Increasing the time to deliver a load of material to various locations also increases collector premises costs for increased storage space.

Operators highlighted that two coordinators (Statewide and Marine Stores) had established rules that they would only accept whole containers and will reject the use of recorded barcodes as a form of evidence that containers are legitimate. This means that the number of containers per truckload is sub optimal. This has largely eliminated any efficiency opportunities that should be gained through the use of automated systems such as Reverse Vending Machines. The decision adds significantly to the cost of sorting and adds another level of transport cost. Crushed containers

at a collection point can transport approximately 45,000 containers in a 6metre truck – uncrushed the capacity per truck is reduced to just 8,000 containers – a massive inefficiency.

Operators also highlighted that there was no agreed system of operation. As a result collection points also had to manage container redemptions (that are effectively the same item, in terms of value, material, shape and weight) in different ways based on the whims of brand owners. This, again, has a financial impact on the system and viability of depot owners. For example:

- Coordinators have differing policies on the way containers are to be ‘packaged’ for return. This means that wool bales, stillages and pallets used to transport returns cannot be managed in a standardised manner (e.g. swapping full stillages for empties) increasing the capital (purchase of handling equipment) and operating (transport and delivery time) costs of collection points.

Regulatory Penalties and Enforcement: There was also substantial criticism and confusion regarding penalties for misconduct under the scheme and enforcement of same. Examples cited included:

- Allegations that Coca Cola Amatil levied the deposit before the scheme commencement date. From a scan of the legislation this does not appear to contravene the legislation as claimed; but if it occurred it is certainly suspect for CCA to increase prices over the Christmas period, knowing consumers could not claim the deposit back.
- Operators (along with many other stakeholders) claimed many beverage producers had increased retail prices far in excess of the scheme costs (which our subsequent investigations outlined herein support). However, we note consumer protection provisions have not been included in the legislation. This is a fundamental failing of the legislation and the public has a reasonable expectation that government will ensure that its legislation and associated regulation does not allow private enterprise to profiteer.
- Operators also stressed that while the legislation contains a number of requirements to ensure reasonable efficiency (Part 2, Section 2, Item 12 “CDS Principles”), the Department has consistently failed to enforce these provisions. The legislation outlines that the “Minister must develop principles for ensuring effective, efficient and equitable waste management arrangements (the CDS Principles).” The Principles are required to include:

“(a) the responsibilities of CDS participants in managing the collection, reuse, recycling or other appropriate disposal of regulated containers in a cost-effective and efficient way, including, for example, by:

(i) minimising handling and sorting of regulated containers; and

(ii) minimising costs to consumers and CDS participants while at the same time providing business opportunities and maximising benefits to the community and industry;

(b) as far as reasonably practicable, providing access to collection depots to communities in the Territory;

(c) establishing standard and transparent processes for receiving and paying refund amounts and handling costs by CDS participants;

(d) providing an accountable and transparent monitoring process;

(e) establishing ways to calculate refund amounts for containers delivered in bulk;

(f) resolving disputes between CDS participants.”

All operators believed that the Department's development and enforcement of these principles had failed to adequately address the following key issues:

1. Failure to minimize the handling and sorting requirements of regulated containers.
2. Minimising costs to consumers.
3. Poor access to collection depots to remote communities in the NT. In fact other than Envirobank's efforts in remote aboriginal communities and the collection depot at the Apatual Community Store in Finke - the approximately 50,000 aboriginal people living in remote NT communities have effectively no access to the CDS.
4. There is no standard or transparent process for the receipt and payment of refunds and collection costs.
5. Methods of calculation of payment for bulk containers have not been addressed to the satisfaction of all participants.
6. Inadequate dispute resolution with the Department's attempts described as 'pathetic'.

Performance Targets: Further it was noted that the legislation provides opportunities to set collection targets for each brand owner and penalise parties who fail to meet these targets. Operators noted that the public behavior of many of the lead bottlers and industry associations (specifically Coca Cola Amatil, Lion, Schweppes and the Australian Food and Grocery Council (AFGC) "telegraphed" the fact that leading bottlers were going to be less than committed to ensuring the scheme's success. By implication if individual brands had been required to meet a reasonable performance targets many of the operational problems faced could have been avoided.

To assess whether targets are important we consulted with Mr. Wolfgang Ringel, Vice President for Government Affairs at Tomra Systems the largest provider of container collection systems in the world. Mr Ringel's job is to study and monitor current and prospective systems across the globe. He reiterated that establishing performance targets and significant penalties for underperformance were one of the most important features of a deposit/refund system particularly in a system like the NT where individual brands are financially incentivised to keep redemption low by pocketing unredeemed deposits.

There was also considerable criticism of government efforts at funding collection operations, public communications and the Department's lack of understanding and experience in operating a CDS.

Start Up Funding: Operators claimed government grants were awarded in an ad hoc manner with little to no consideration to a strategic plan to ensure collection facilities were established to achieve a reasonable level of reach across the entire Territory.

We also heard complaints that certain operators received favoritism over others. While we make no comment on this claim's accuracy we would note that the grants made do not seem to reflect which depot operations had limited impact to improve the accessibility of the community or increasing redemption rates overall.

Generally CDS do not require financial assistance to establish collection points. However, to attract financial investment depot operators need to have certainty about the scheme's long term future and the level of handling fees they receive. This has not been the experience in the NT to date.

Further in other jurisdictions where there are substantial challenges to service remote communities they generally receive higher handling fees and/or reimbursement of transport costs – another area the NT system architecture has failed to address.

There are a number of options for the NT Government to address these issues in the Recommendations section of this report - but we would stress that ensuring the rollout of a collection network that provides reasonable convenience to the NT population is a pressing priority for the current administration.

Public Communications: Again there was significant criticism of both the extent and motivation of government efforts to educate the population regarding the CDS scheme. In particular it was noted that:

1. Operators felt there was more advertising focused on informing the community about the legislation than any practical information such as what the CDS covered and where redemption could be made.
2. All advertising/public engagement ended by May 2012 without testing whether the public was well engaged in the scheme and before a reasonable collection network had been established.
3. Despite the government’s decision to allow beverage containers to be sold without specific labeling (noting the 10cent deposit applied in the NT as well as SA) - the Department did not use legislative provisions to ensure in-store signage was utilised to inform consumers the scheme had commenced and where they could redeem.
4. Despite the visitors being an important and considerable component of the population of the NT at any given time little to no effort had been made to inform visitors about the scheme (e.g. at airports and major visitor destinations).
5. Operators questioned why ensuring the community was properly informed about the CDS was not the responsibility of bottlers – consistent with the notion that brand owners are responsible for ensuring the scheme’s success.

Departmental Experience and Knowledge of CD Schemes: Operators stressed that a core barrier to improving performance and resolving problems lay in the lack of knowledge and understanding of how a CDS operated and its underlying logic. This is hard to dispute both in terms of the failings of the initial scheme architecture and the inability to resolve key issues faced.

It appears to have resulted in a lack of confidence regarding what action the Department could take, which some operators misinterpret as being “overly sympathetic towards the brand owners” and unsupportive of very real concerns tabled by depot operators and coordinators.

It is crucial that senior Departmental staff experience how successful schemes are operated and receive some training in implementing CDS Principles. It is also suggested that the Government should seek to engage a ‘mentor’ from the international community who can guide Departmental staff through the challenges they are facing on a regular basis.

Summary and Conclusions

Boomerang Alliance found that while the details of depot operators’ and coordinators’ feedback are unsurprisingly from their point of view and immediate operational experiences – there are clearly issues that need to be resolved:

- The legislation and regulation have been poorly crafted and are missing important aspects
- The CDS Principles (which can be improved) are largely unenforced
- Departmental efforts to rectify system failures and ensure reasonable performance have been poor, but that this is largely due to a lack of support and resourcing to ensure that staff are equipped to do their job
- Funding and public communications issues have not been well planned or thought through
- Establishing performance targets is a critical first step to improvement.

We note that despite the range of problems there is ongoing public support and the suggested actions and recommendations to address these issues and improve the scheme found in Section 10 - will undoubtedly be well received.

5. Community Attitudes Toward the CDS

There has been much public debate regarding the community's attitude to the introduction of the scheme. Without doubt the scheme enjoyed significant public support at the time of introduction. It has been widely alleged that there has been major community anger over supposed price rises, particularly amongst beer drinkers.

In order to quantify community attitudes Boomerang Alliance undertook a face to face survey interviewing 300 people both at the entry to major supermarkets (i.e. with grocery buyers) and at collection depots (i.e. with the redeemer) in August 2012. Those surveyed were asked a series of questions:

Q1: Are you aware of the Container Deposit System scheme? YES / NO

IF no -

The scheme puts a 10cent deposit on each can or bottle of drink. You return the containers to a nearby depot and receive a refund . If you don't return the containers you forfeit your deposit; that money is used to pay someone else to recover the container. Its been in place in South Australia for over 35 years and is in place in over 40 states / countries around the world.

Q2. Do you think the Container Deposit System is a worthwhile initiative? YES / NO

Q3. Are you taking your bottles and cans back to a depot? YES / NO

Q4. What proportion of your containers are you returning?

- None*
- Most of the containers (when I remember)*
- All the containers we consume at home*
- All of my containers (including drinks I consume when I'm out)*

Q5. Have you been to a depot to redeem your containers? YES / NO

Q6. Do the depots and the redemption process operate efficiently? YES / NO

Q7. The scheme has had a fairly slow start and there are some problems that need to be fixed. With this in mind I'm going to say a series of statements that could be used to describe progress of the scheme – can you give me a score of 1-5 (5 being excellent and 1 being poor)

- I've been well informed about what the cash for container scheme is and how it affects me*
- Its easy and convenient for me to return my bottles and cans to a depot*
- The scheme has had little impact on my household budget*
- Getting rid of bottle and can rubbish is worth the impact on my household budget*

Survey respondents were also given the opportunity to provide their general impressions/opinions and complaints about their experience with the CDS to date.

The results were both somewhat surprising and overall demonstrate that the community while frustrated at some aspects of operation still support the scheme and believe it to be worthwhile. Key conclusions regarding the survey highlight that:

- 78% of all people surveyed were aware of the CDS though this result is somewhat distorted by the obvious 100% of redeemers' awareness of the scheme. 73% of grocery buyers were aware of the scheme.
- While this result would be considered high in many instances - the fact that 1 in 4 grocery buyers are still unaware (after 8 months of operation) that they are paying a deposit on their beverages and can obtain a refund to save money is a significant failure in the establishment of operations.
- At the time of the survey just 40% of people are redeeming their containers and only 38% had been to a collection depot.
- Only 32% of people who had visited a collection depot agreed with the statement that depots and the redemption process operated efficiently. This was also reflected with a poor average 1.88 out of 5 when asked to score the extent that it was easy and convenient to participate in the CDS.
- Despite community disappointment regarding both the convenience in participating and the impact on grocery prices (where respondents gave an average score of just 2.18 out of 5) there was overwhelming support for the scheme itself with:
 - 88% of people responding that they felt the CDS was worthwhile
 - Respondents scoring an average 3.65 out of 5 when asked to indicate whether the extent that bottle can rubbish had been addressed was worth the impact they had experienced on their household budget.

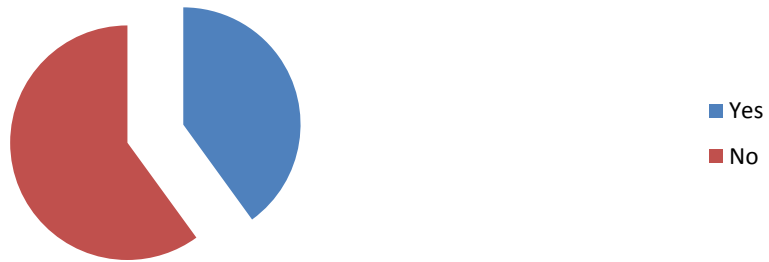
Q1: Aware of the Cash for Containers Scheme



Q2. Think the Cash for Containers is worthwhile



Q3. Are returning their containers to a depot



3A. The Proportion of containers respondents are redeeming

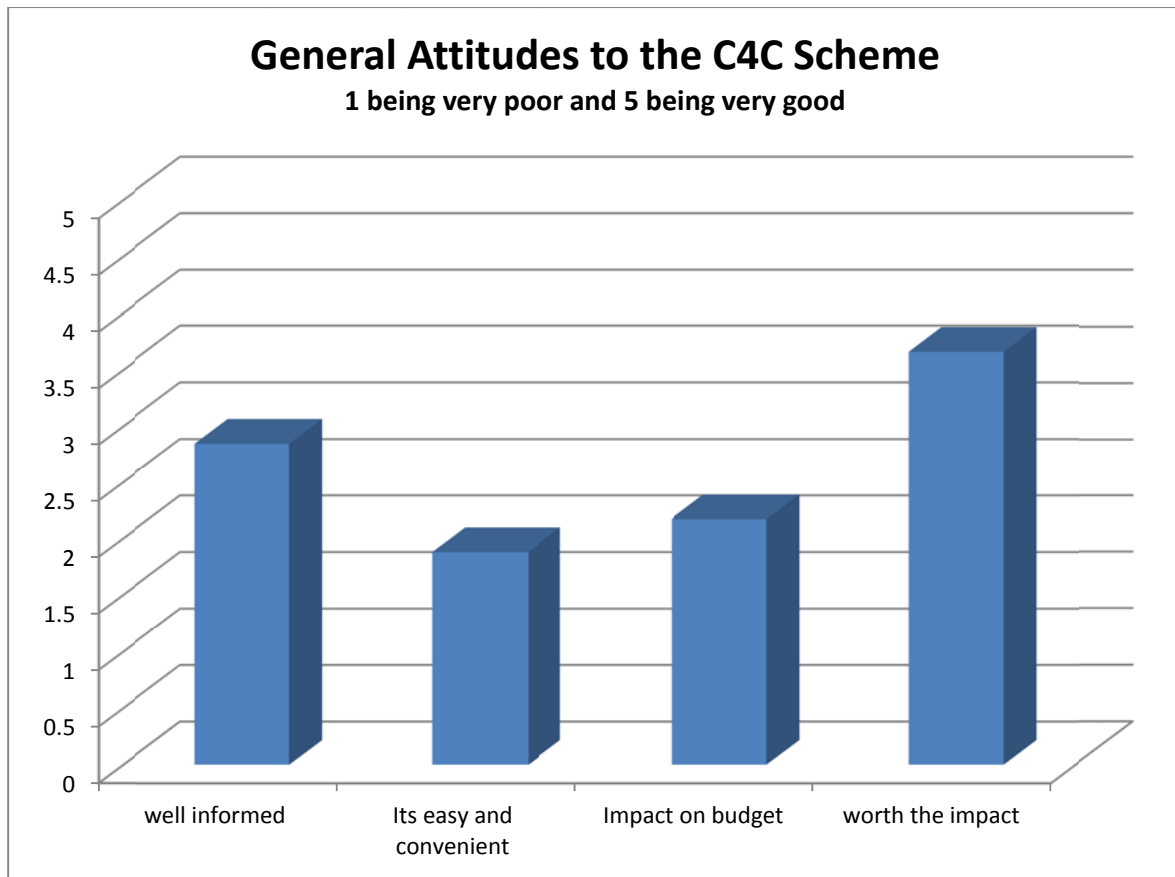


4. Respondents That Have been to a Depot



5. Depots & Redemption Process are Efficient





6. Depot Locations and Redemption Convenience

Convenience of redemption is a central factor in any deposit/refund scheme's performance. At the time of writing there are just 4 redemption points established in the greater Darwin metropolitan area and 7 depots to service the rest of the Northern Territory. Typically a CDS would see at least 1 redemption point per 15-20,000 people⁹ in urban populations. Yet in the NT scheme the ratio of depots per capita is closer to 1 depot per 30,000 people and there are virtually no depots in the Northern Suburbs or Central Darwin City.

This has been one of the most significant failings during the establishment of the CDS. In fact the Envirobank depot alone is responsible for between 30-40% of total redemption – evidencing the success the scheme could enjoy with a reasonable spread of committed depot operators.

In our opinion the establishment of around 4 more redemption points (accompanied by publicity to inform the community of their operation) should lift recovery rates in the NT by as much as 50%. To this end it should be a priority for government to facilitate the establishment of at least 4 more redemption points in the greater Darwin area to service the resident population.

Priority locations for investigation to establish new redemption points targeting the residential population in greater Darwin should include:

- Palmerston
- Casuarina
- Wanguri
- Northlakes
- Karama

There are also a number of locations critical to servicing the very high visitor population whose limited knowledge of the local geography and transport limitations means they need to be able to be serviced by different redemption points. To this end the following visitor focused locations should be investigated for redemption points:

- Darwin CBD
- Darwin Airport

Ideally these locations would be best serviced by Reverse Vending Machine (RVM) operations and would also be central to all marketing and communications plans (as venues to educate visitors and CBD workers about the scheme and how to participate).

Finally the NT Government should consider improved accessibility for local military bases which represent a substantial proportion of the Darwin population and workforce by establishing RVM centres at locations such as:

- Larrakeyah
- Robertson Barracks
- Darwin RAAF Base
- HMAS Coonawarra

⁹ This ratio is consistent with the number of depots operating under the SA CDL scheme and the modelling for a national scheme outlined in the Packaging Impacts CRIS.

In rural and remote NT the establishment of depots to service major regional population centres has been reasonably successful but consideration needs to be given to improving accessibility to remote communities and major wilderness tourist destinations. Once again, it seems that Envirobank is the only coordinator focused on servicing the NT's remote communities.

An important benefit of the CDS to the NT is improving the experience of visitors to the Territory, where litter can spoil a visitor's holiday either through disappointment about poor visual amenity and in the more extreme situation, glass injuries while bush walking. Additionally, we note that when population figures are adjusted for visitors to the area some smaller communities become viable and attractive redemption points for depot operators. For example:

- The community of Jabiru has a resident population of just 1,129 people but also services at the same time an average visitor population to Kakadu of some 1,498 people¹⁰. Visitors are also primarily camping during their visit so beverage consumption rates could be expected to be substantially higher than that in a residential community – amounting to some 20,000 beverage containers consumed in this area annually.
- Similarly the visitor population at Uluru represents some 640,000 days of residence – the equivalent of a residential population of some 1,800 people.

A list and map identifying existing and potential locations in both Darwin and the overall NT may be found in Appendix A.

¹⁰ Source: Tourism NT Regional Tourism Profile Kakadu/Arnhem (total visitor nights 533,400 / 365 day per annum)

7. Public Education and Promotion of the CDS

It is disappointing that while the past government spent significant amounts of money promoting the introduction of the scheme it had done little effective work to educate the public about participation in the scheme (i.e. what containers are covered, where redemption may take place). This combined with the fact that the Department has chosen not to utilise section 45 of the legislation (requiring retailers to have signage in their premises to explain the scheme and the location of the nearest redemption point) and that no requirement for bottles to have any labelling means that understanding of the CDS remains low (and subsequently limits the scheme's performance).

This is evidenced by the community research Boomerang Alliance undertook where 1 in 4 shoppers in metropolitan Darwin were unaware of the scheme (27%) some 8 months after the scheme's commencement; and some 68% of shoppers had not been to a depot or aware of where the nearest depot was located.

Government should not expect the scheme to perform well without proper labelling, signage or community education. It should be a priority for the Mills Government to quickly:

- Inform all major retailers that they are expected to erect signage at each cash register informing shoppers of the scheme and the nearest depot location
- Introduce labelling requirements so that all eligible containers are labelled with the words "10cent refund at collection depots when sold in the NT" (or NT/SA where applicable)
- Plan an effective community education program to accompany the opening of depots in new areas (e.g. a local letter drop and media).

8. Pricing Impacts and Potential Profiteering

This project investigated (to the extent possible with limited resources) pricing behavior under the CDS. The impact of CDS on beverage prices has been a matter of some controversy with the Australian Food and Grocery Council claiming excessive price rises (20cents) - and using these figures in a political campaign in other states and against a national scheme. Environment groups claimed that if these price rises were correct, then serious profiteering was occurring because unredeemed deposits were not being returned to support scheme costs. During the project research, the Senate undertook an inquiry into pricing into the NT and SA schemes.¹¹

In our first survey we checked the price of 20 common bottles and cans of drink offered for sale by Coles via their online ordering in:

- Adelaide, SA
- Darwin, NT
- Perth, WA
- Sydney, NSW

In each instance the researcher identified himself as being closest to the Coles CBD store (so market conditions were as similar as possible). Five products that are not beverages (and experience no costs from a CDS) were also checked for general price movement benchmarking purposes.

The Coles July Catalogue for each location was also reviewed to check the impact on specials and discounted product lines. There were eight beverage items reviewed.

While other points of sale (e.g. bottle shops) had insufficient information to compare the impact of prices the writer did undertake a number of spot checks, and relative price increases by brand correlated with the initial findings.

The cost increases identified in South Australia and the Northern Territory were then compared to the costs bottlers are incurring to identify whether brands were profiteering.

Five products that did not attract a deposit were also checked for price variations between Sydney / Perth and Adelaide / Darwin. Price variations in these items were apparent but were only minor with Adelaide actually an average 1.02% cheaper than other major cities.

In Darwin prices are an average 2.8% more than other major cities. This increase was caused by 2 of 5 products being more expensive, with the rest being the same price as those found elsewhere. To this end, Darwin's well known disadvantages in transportation costs etc. could represent 1-2¢ more per bottle/can of drink. Thus we have only considered that average price increases of more than 12¢ (or 2¢ net of the refundable deposit) to be serious profiteering.

The Results

While the scope of the study was somewhat limited the results were clear:

¹¹ Operation of the South Australian and Northern Territory Container Deposit Schemes, Nov 2012

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- Despite the selective price quoting of the AFGC - prices in Darwin have only risen by an average 12.8¢ in Darwin (including the deposit).
- 3 major bottlers (CCA, Lion Nathan & Schweppes) had increased prices across most of their brands and were in fact charging consumers more than 100% over the cost they incurred.
- Most leading beverage brands have absorbed some of the cost or are passing on (at most) the deposit cost.
- Excluding the 3 companies that seem to be profiteering on the CDS in NT the average increase in prices is just 2.1¢ in the NT. This means beverage prices are actually **less** expensive in SA and the NT than the rest of the country if a consumer returns containers to receive the deposit refund.

A product by product summary follows:

Table 13:

Price Impact By Company <i>(red indicates clear profiteering activity)</i>	Number of Items Checked		Av Price Difference		Impact on Consumer (Nett of refund)	
	SA	NT	SA	NT	SA	NT
Bundaberg Ginger Beer	2	2	-\$ 0.15	-\$ 0.05	-\$ 0.25	-\$ 0.15
Coca Cola Amatil	5	5	\$ 0.20	\$ 0.24	\$ 0.10	\$ 0.14
Coles	2	2	\$ 0.09	\$ 0.13	-\$ 0.01	\$ 0.03
Coopers	3	3	\$ 0.06	\$ 0.03	-\$ 0.04	-\$ 0.07
Diageo	2	2	\$ 0.09	\$ 0.09	-\$ 0.01	-\$ 0.01
Fosters	4	4	\$ 0.09	\$ 0.09	-\$ 0.01	-\$ 0.01
Small Brands	2	2	-\$ 0.05	\$ 0.10	-\$ 0.16	-\$ 0.00
Lion Nathan	4	4	\$ 0.18	\$ 0.19	\$ 0.08	\$ 0.09
Schweppes	4	4	\$ 0.13	\$ 0.20	\$ 0.03	\$ 0.10

Comparisons between Competitors

Lion Nathan brands investigated included XXXX, Tooheys Extra Dry, West End and Corona. On average prices in Adelaide and Darwin were 18 - 19¢ more than in other states – meaning bottlers pocket \$2.04 on each case of beer they sell (after costs). Based on Lion Nathan’s claimed 40% share of the beer market Lion Nathan are charging their customers in the Northern Territory and South Australia an additional \$27million per annum and pocketing an additional \$11million p.a. over the costs it incurs to participate in the container deposit scheme.

By comparison Fosters (9¢) and Coopers (4.5¢) brands have average price changes that reflect less than the actual deposit amount.

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Coca Cola Amatil brands like Coke, Coke Zero, Diet Coke, Sprite, Lift, Mt Franklin and Mother Energy drinks prices in Adelaide and Darwin are an average 22¢ more than those in other major cities. Based on these prices and CCA's market share data published each year in its 'Fact Book', Coke would appear to be charging an additional \$27million per annum in South Australia & the Northern Territory alone and pocketing around and \$15million per annum over and above the costs it faces.

Schweppes Brands such as Pepsi, Pepsi Max, Schweppes, Gatorade & Cool Ridge Water are an average of 16.5¢ more in Adelaide and Darwin than in other major cities. With a 23% market share (compared to CCA's 30% share) it would appear are charging its customers in SA and the NT an additional \$17.9million p.a. and pocketing \$5.9million p.a. over and above costs incurred.

Other soft drink / water/ energy drinks including Coles Own Brands, Aqua Pura, Bundaberg Ginger Beer and Berrocca, on average, are priced at just 1.4¢ more in Adelaide and Darwin than other major cities.

We carried out a second survey in November 2012

Notwithstanding the limitations there is once again a clear trend evident, ie, that a small number of bottlers seem to have passed on supposed costs that are far in excess of the rest of the industry and that these operators are all members of the controversial industry body, The Packaging Stewardship Forum (PSF) who are the main lobby group making critical public statements regarding both a proposed national scheme and in the NT.

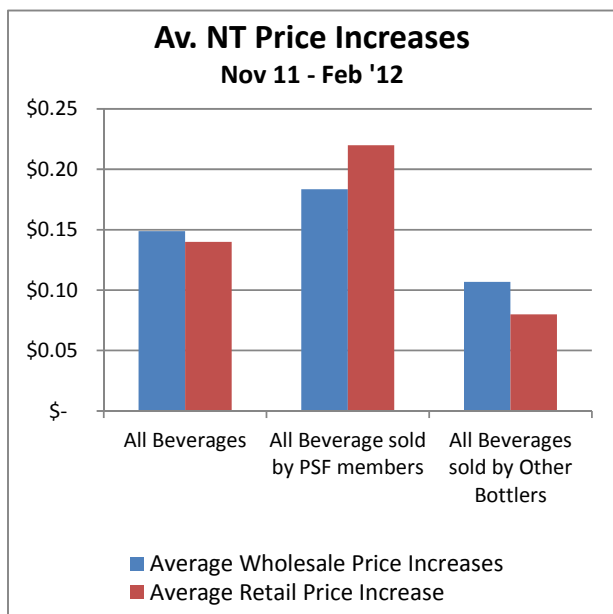
It is also now clear that some retailers have resisted any mark up of container deposit (CD) related charges; in fact many have absorbed part of the costs they faced. This has been the experience in other CD states such as Massachusetts; and exposes Australian Food and Grocery Council (AFGC) claims about job losses and household costs - based on all products bearing at least a 26 and 20 cent price rise respectively - as grossly inaccurate.

Our survey methodology was to make contact with 30 independent retail stores (11 agreed to participate) to inquire about what price increases passed from bottlers to retailers. We focused on 3 key issues:

- The extent that individual bottlers increased charges around the time the scheme was introduced
- Whether bottlers – provided any explanation for the increases
- The impact these increases may have had on sales.

Retailers were also asked to provide on any other feedback about the scheme; consumer attitudes, etc.

Pricing information was limited to the product lines of major suppliers only.



The survey across 11 retailers (of 30 called – most were nervous that providing wholesale pricing information could lead to some sort of backlash from certain suppliers) - recorded information about the price increase across 31 product lines (i.e. various products covered under the CDS). We were only able to access some information as the increase occurred in the last financial year – meaning shop owners generally only had limited access to past information. Some retailers sourced old invoice data; others simply cited memory. In our earlier survey we found that in the Northern Territory the average price for a single bottle/can was some 14cents more than in Perth or Sydney. NT retailer feedback indicates they experienced an

average 15cents increase between December 1st and February 28th 2012.

Like our previous retail price survey there was a marked difference between the price increases by members of the Australian Food and Grocery Council's controversial Packaging Stewardship Forum (PSF) and other bottlers such as Fosters, Coopers and Diageo. PSF member price increases averaged 18cents per container whereas other bottlers were an average of just 11cents. Our retail price survey showed an average increase of PSF brands of over 21cents and for other bottlers products the average increase was just 8cents.

The question that arises is: *are those with lower prices able to operate more cost effective operations and/or are using unredeemed deposits to reduce consumer price impacts, compared to the PSF members?* If the answer is yes, then further investigation is required into those high-cost bottlers and action that could be taken by government to lower their prices. This could take the form of strengthening the CDS provisions and exerting public pressure on the bottlers. It should be highlighted that this is not a matter for the ACCC as it only investigates the representations made about prices – not the operation of a CDS.

Retailers noted that Parmalat corresponded with them highlighting new costs and in a number of cases subsidising those costs while the scheme became more established. Fosters reportedly didn't increase charges at all until February when CPI increases and charges for the scheme were applied. Two retailers complained that Coca Cola product prices were increased in December – a month before the scheme commenced.

When asked to comment on the extent that the scheme had impacted on sales / or led to complaints about price increases - four of nine retailers noted they had received complaints. All retailers agreed they had experienced no loss of sales as a result of the scheme's introduction and/or subsequent price increases.

Only one of eleven retailers had been provided with any signage etc. (to display in their store) explaining the scheme and nearest point of redemption. Again this is a concern, given the requirement under the scheme to display this information – a clear failure that creates confusion and resentment amongst consumers.

A table outlining the increases by product and retail point is found on the following page.

Table 14:

Retailer	Product	Increase / Container	PSF Member Increases	Non PSF Increases
Bottle Shop A	XXXX gold 375ml	\$ 0.17	\$ 0.17	
Bottle Shop A	Coke 600ml	\$ 0.15	\$ 0.15	
Bottle Shop A	Coopers pale 375ml	\$ 0.14		\$ 0.14
Bottle Shop A	Bundy & Cola 375ml	\$ 0.07		\$ 0.07
Bottle Shop B	Coke 2l	\$ 0.15	\$ 0.15	
Bottle Shop B	Carlton Draught 375ml	\$ -		\$ -
Bottle Shop C	Coke 600ml	\$ 0.15	\$ 0.15	
Bottle Shop D	Coke (all products)	\$ 0.20	\$ 0.20	
Bottle Shop D	XXXX Gold 375ml	\$ 0.17	\$ 0.17	
Bottle Shop D	VB 375ml Can	\$ -		\$ -
Bottle Shop E	XXXX Gold 375ml	\$ 0.17	\$ 0.17	
Bottle Shop E	Fosters Mid Strength 375ml	\$ 0.12		
Bottle Shop F	Solo & Pepsi 600ml x 24	\$ 0.12	\$ 0.12	
Bottle Shop F	Pauls flavoured milk 600ml	\$ 0.20		\$ 0.20
Bottle Shop F	Coke 600ml x 24	\$ 0.23	\$ 0.23	
Bottle Shop F	VB 375 x 24	\$ -		\$ -
Bottle Shop F	Coopers Pale 375 x 24	\$ 0.12		\$ 0.12
Supermarket A	Coke 600ml x 24	\$ 0.36	\$ 0.36	\$ 0.12
Supermarket A	Schweppes 600ml x24	\$ 0.13	\$ 0.13	
Supermarket A	XXXX gold 375 x 30	\$ 0.19	\$ 0.19	
Supermarket A	Paul's ice coffee 600ml	\$ 0.22		\$ 0.22
Supermarket A	VB 375ml	\$ 0.11		\$ 0.11
Supermarket A	Coopers Pale 375ml	\$ 0.20		\$ 0.20
Supermarket B	Schweppes 600ml x 24	\$ 0.17	\$ 0.17	
Supermarket B	VB 375ml	\$ 0.12		\$ 0.12
Supermarket B	Pura Flavoured Milk (Lion) 600ml	\$ 0.14	\$ 0.14	
Supermarket B	Pauls Flavoured Milk 600ml	\$ 0.10		\$ 0.10
Supermarket C	Pepsi Max 660ml	\$ 0.16	\$ 0.16	
Supermarket D	Coke 600ml	\$ 0.29	\$ 0.29	
Supermarket E	Pepsi Max 600ml x 24	\$ 0.17	\$ 0.17	
Supermarket E	Pauls ice coffee 600ml	\$ 0.09		\$ 0.09

Conclusions

The various claims being made about prices and the impact of CDS prompt two questions:

1. If the AFGC are correct, then what is the extent of profiteering and the real costs?
2. If the AFGC are incorrect, then what are the real price movements in the NT?

Evidence to the Senate Inquiry revealed that the CDS scheme is just one driver of retail prices. An important influence was retailer discounting practices with widely disparate prices. Coca Cola for example

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is regarded as a 'known value item' which is used by a supermarket to promote its general competitiveness and is frequently discounted.¹²

While it appears correct that some brands (eg, Coca Cola) have established less efficient and more expensive schemes than others (eg, Fosters), the Senate found that the AFGC's claims of comprehensive price rises appear to be based on 'weak methodology and poor data.' (p20)

While the Inquiry was not able to conclusively answer the question about profiteering it did make a number of recommendations intended to protect consumers from such behavior. There was also the suggestion that the coordinators owned by those bottlers alleged to be engaged in profiteering may be invoicing for the profit arising from unredeemed deposits - in order to hide the profit from the bottlers' own books.

Thus NT consumers have not faced a comprehensive rise of 20 cents for all products; and the price of even one product such as a soft drink varies widely. Noting that the alleged price rise includes the 10 cent deposit – which can be redeemed – and that various brands appear to have differing handling and transport costs and pricing strategies - closing the CDS would make little real difference to retail prices (ex-deposit) of many products.

However, improving the efficiency of the scheme and ensuring unredeemed deposits are used to support scheme costs, would impact on those brands which are operating inefficiently and consequently reduce their prices. Government would then achieve the twin objectives of reducing prices and retaining a popular scheme that is delivering significant environmental results.

¹² See, ACIL Tasman, 2012, Beverage Pricing under Container Deposit Schemes.

9. CDS Legislation and System Architecture

Having established different stakeholders' perspectives and collected data regarding the scheme's operation, cost and performance - Boomerang Alliance then sought to review the legislation and system architecture to establish what mechanisms permitted/drove the difficulties described earlier in this review.

The NT scheme was enacted by the *Environment Protection (Beverage Containers and Plastic Bags) Act* which was brought into force on January 27th, 2012. Underpinning this legislation are the *Environment Protection (Beverage Containers and Plastic Bags) Regulations* and a guideline for operations (described within the legislation) known as the 'CDS Principles'.

The legislation describes the CDS Principles as "For achieving the object of this Act, the Minister must develop principles for ensuring effective, efficient and equitable waste management arrangements (the CDS principles)."

The legislation also states that the CDS Principles "*must deal with the following matters:*

- (a) the responsibilities of CDS participants in managing the collection, reuse, recycling or other appropriate disposal of regulated containers in a cost-effective and efficient way, including, for example, by:*
 - (i) minimising handling and sorting of regulated containers; and*
 - (ii) minimising costs to consumers and CDS participants while at the same time providing business opportunities and maximising benefits to the community and industry;*
- (b) as far as reasonably practicable, providing access to collection depots to communities in the Territory;*
- (c) establishing standard and transparent processes for receiving and paying refund amounts and handling costs by CDS participants;*
- (d) providing an accountable and transparent monitoring process;*
- (e) establishing ways to calculate refund amounts for containers delivered in bulk;*
- (f) resolving disputes between CDS participants."*

This means the development of the CDS Principles; the rigour with which these Principles are enforced and the ability to apply a penalty that adequately reflects non-compliance by either a CDS participant or brand owner - are critical to the scheme's success.

Legislation

The legislative framework was largely based on the South Australian Container Deposit Legislation; and while improved in some areas it needs to be recognised that the South Australian legislation was introduced 35 years ago and has a number of key flaws and omissions that would typically not be found in more modern approaches to a deposit/refund system.

Coordination and Governance. Typically a modern scheme would either establish an independent government or non-profit agency to operate the scheme; or require the establishment of a Producer Responsibility Organization (PRO) which all liable brand owners are required to join. This approach creates a single body to administer both the collection and payment of deposits, handling fees etc. and also co-ordinate the scheme (appointing collection depots, negotiating transport systems etc).

In the current legislation a brand owner is required to appoint their own coordinator. This has resulted in the appointment of 5 different coordinators; each of whom has, in effect, created their own rules; transport systems and fee structure. This produces significant duplication of functions; requires collection

points to present and transport in different ways (depending on the individual coordinator's requirements); and adds a level of sorting complexity (where each collection point needs to sort both the material a container is made from and the brand owner of the beverage it contained).

The result is a cost structure that is significantly higher than is necessary and creates a commercial environment that discourages operators from being interested in investing in the collection and transport network.

Without a strong framework outlining dispute resolution, operating systems and procedures, it also creates an operating environment for conflict between parties. In effect it is a little like playing a sport with no rules; umpire or even an agreed method of scoring.

This is unlike the experience in South Australia where some level of efficiency and process has been established due to the determination and persistence of Recyclers of South Australia (an industry association of depot owners) who have worked closely with both Zero Waste SA and the South Australian EPA to manage through these legislative flaws by a collective bargaining approach and the development of strong uniform operational procedures. While there are a number of interim recommendations on how to correct some of these issues contained later in this review, it should be noted that consideration should be given to modification of the legislation at least establish a central coordinating body that can:

- make binding rules of operation that are consistent and equitable
- negotiate or authorise a single coordinator to establish a single transportation network
- mediate disputes so the scheme will reach optimal levels of efficiency and the environment of hostility between different CDS participants that has been evident to date, can be resolved.

Liable Parties. Generally the bottler/brand owner is the liable party within deposit/refund schemes. The NT legislation separates the function of the coordinator from the bottler. This removes the onus from ensuring the brand owner's agent (the coordinator) is fulfilling their responsibilities and, in effect, allows a recalcitrant brand owner set up their coordinator to fail without any financial impost or threat to the brand owner themselves.

Targets. Most CDS targets are for minimum levels of performance. While the Act does allow for the Minister to establish a target; there have been none set, nor does the legislation identify any penalties (other than potential suspension or cancellation of their approval to sell beverages) thus making any target if adopted, little more than a goal.

The lack of targets, combined with the liable parties issues immediately above, creates a situation where it is actually in a brand owner's interest to take action to keep recovery rates as low as possible i.e. the brand owner can charge a retailer the same price increase (deposit and handling charges) as a competitor committed to the CDS and pocket substantial monies if they have poor rates of redemption.

Profiteering. Provisions to limit price gouging and profiteering are a key point of best practice legislation and a regular feature to avoid impact on the cost of living. Generally these provisions also include expanded powers or enforcement and monitoring by consumer affairs departments. Examples of these provisions utilised in recent times include the introduction of the GST and the Carbon Tax. The NT legislation does not have these provisions and it should be noted that the recent Senate Inquiry reported that any new CDS should include anti-profiteering provisions.

The CDS principles. While a meritorious idea these have no penalties associated with them and as such are largely unenforceable.

Penalties. The only penalties that the legislation describes for a brand owner is suspension or deregistration of their container approval (effectively rendering the product unable to be sold in the NT). This is very much a last resort approach, given the serious stakes involved in withdrawing a product from market and a decision of this extent is also likely to be challenged in the courts. To this end it is unlikely that enforcement officers are likely to take this action - meaning the legislation lacks the ability to practically compel a brand owner to co-operate with the scheme.

Cost recovery. The legislation should have terms allowing the government to recover administration costs and if necessary marketing costs given there is no single coordinating body that administers/promotes the scheme.

Whole Containers & Devaluation. The legislation should specify that only whole containers may be redeemed and a requirement that every redeemed container be crushed or broken upon receipt at a depot. This is the fundamental tool to ensure the system cannot be defrauded. However, if adopted, bulk refund arrangements should include exemption provisions for example by a weight proxy.

Brand Owners prohibited from running a depot or being a coordinator. Coordinators and depots have access to too much commercial-in-confidence material to be expected to use a coordinator who is also a brand owner. It is also a direct conflict of interest when a brand owner is incentivised to have low rates of recovery and allow brand owners control over the scheme by operating the collection network.

Regulations

Excluded Beverages. Care should be taken to review the definitions of excluded containers to ensure drinks that primarily compete with non-beverage products are not disadvantaged. The main area where this is obvious is health tonics which are defined as being more like a medicine. However a product like Yakult is a pro-biotic, is taken for health purposes and is principally in competition with yoghurt. There is no real benefit from this product being included in the scheme and the price elasticity created between it and competitors that should be avoided.

Exempted Containers. While the scheme limits the upper limit in size of beverage containers (which ensures that automated sorting systems and Reverse Vending Machines can participate in the scheme to drive efficiency) it does not create a lower limit. Most schemes internationally limit CDS by also exempting containers of less than 100ml (which cannot be redeemed via a RVM). It is inadvisable to restrict the uptake of technology.

The regulations restricted labeling provisions for the first 12 months. The scheme allowed labeling to say 10cent refund when sold in SA and not note the NT scheme - was a reasonable transition period. However this has also limited community education and awareness about the scheme. The regulations should require bottlers to provide alternate information to customers and possibly a temporary requirement on retailers for signage until labeling comes fully into effect.

This limitation has had a substantial effect on restraining community participation with (as noted above) over 1 in 4 Territorians not aware of the scheme as at September 2012.

CDS Principles

Overall the CDS Principles are broad concepts and lack specificity. Each principle should be written in a way that reflects SMART (Specific, Measurable, Attainable; Relevant; and Time bound) so that each CDS participant has a clear understanding of exactly what is expected of them rather than what are little more than motherhood statements.

No recovery/redemption targets have been set under the CDS principles. Targets should be specific by material type and reflect each brand owner's performance not an industry wide target (given that different brand owners have different coordinators and differing levels of success).

While the CDS identifies that brand owners and other participants should ensure that the community has reasonable access to collection depots it does not set any concrete targets. Consequently, with the exception of EnviroBank, coordinators have done little to establish collection points in remote communities or major visitor destinations. This means some 53,000 mostly Aboriginal Australians living in remote locations in the NT have been virtually ignored and do not have reasonable access to the NT CD scheme. Similarly major tourist destinations that have a big impact on the NT including Kakadu and

Uluru National Parks do not have any collection points (which could substantially enhance park revenue). This means that some 699,000 NT holiday makers cannot participate in the scheme; and limits the important litter clean-up efforts the scheme should deliver.

Minimising costs to consumers - The CDS Principles state that participants should minimise costs to consumers and other CDS participants without specifying any operational requirements; targets; or milestones. It is also virtually impossible for coordinators or depots to achieve this without requiring some of brand owners.

Bulk refund provisions are identified in the CDS Principles but again are not specified. Without uniform approaches it is impossible to efficiently recover containers from the C&I sector; MSW or municipal recycling systems as collectors will need to meet different requirements for each coordinator, rendering the activity largely unviable.

These provisions should include a process for all CDS participants to adopt uniform standard weights and measures.

Bulk refunds should also be restricted to licensed waste and recycling operations so that they are easily monitored for potential fraud.

Data evidence - the CDS Principles should have specific provisions that allow any CDS participant to crush or destroy containers prior to transport if they can provide bar code data or digital imagery to substantiate claims.

Where data is used to verify redemption by brand there should be provisions that a coordinator will accept that the container can be substituted with any container made from the same material (and equally the amount defined using a standard weight and measure). This eliminates the need to physically sort by brand and drives down costs of sorting significantly.

Accountability - the Principles state that all CDS participants should adopt 'accountable and transparent processes, reporting and refund arrangements'. After significant investigation it is difficult to accept these principles reflect the reality of the scheme operation.

Promotion and awareness raising focuses on depots and coordinators. The onus to promote the scheme must focus on the brand owner promoting the scheme at the time goods are sold (labelling; messaging on brand marketing and cartons etc).

Dispute resolution - the Principles should identify an independent mediator appointed by Government with powers to enforce a binding agreement in the case of disputes.

10. Recommendations

This section summarises weaknesses identified in this review and highlights 22 corrective actions that we believe will have the greatest impact on improving the scheme in the simplest way and have little cost/financial impact on CDS participants.

Over the longer term, the legislation and system architecture needs substantial rework; though with the possibility of a national CDS being adopted in mid 2013 one option is to let that process run its course before the NT Government should consider major legislative revisions of its own scheme. However given that a national CDS may not be implemented until 2016 then more significant changes could be considered.

Please note that we have, generally, sought to focus on improving the CDS Principles as the primary point of reform as it is the simplest pathway to make change. However, this approach will only be effective if these provisions are enforceable and penalties for non-compliance (which could be established after the changes to the CDS Principles) – are effective and put parties on notice that they are expected to improve performance.

Weakness Within Current Scheme	Pathway for Corrective Action	Action	Impact of Action
<p>1. Profiteering</p>	<p>Legislation</p>	<p>1.1 Amend the legislation to make it an offence for a brand owner to profiteer from the CDS</p>	<p>While brand owners like Coca Cola Amatil, Lion and Schweppes have been 'crafty' in the way they have increased their prices; it is evident that some brands have increased their prices by as much as 50% more than the costs they have experienced. This behaviour and the disregard they have shown towards government and the community should not be tolerated.</p>
<p>2. Government knowledge and skills to administer the CDS</p>	<p>Internal Action</p>	<p>2.1 Consider sending key Departmental staff to study administrative aspects of CDS in Nth America 2.2 Engage international expertise in implementing CDS to train and mentor Departmental staff</p>	<p>The last time a CDS was introduced in Australia was 35 years ago. Consequently there is little experience or understanding within Australian governmental ranks on how to implement and administer the CDS or its more modern aspects. Departmental staff urgently need adequate support and training to feel confident in their decisions and empowered to make</p>

			decisions in a difficult socio-political environment.
3. CDS Principles are unenforceable and are poorly crafted	Departmental review Legislative / regulatory amendments	3.1 Rework CDS Principles to reflect SMART criteria 3.2 Add penalties for non-compliance with revised CDS Principles	While these principles do not directly impact on the scheme's recovery rates and costs; their weakness is a root cause of difficulties experienced to date. Clarification of stakeholders' responsibilities combined with specific and measurable performance standards are vital to the scheme's improvement.
4. Dispute Resolution	CDS Principles Regulations	4.1 Establish an independent mediator to resolve disputes 4.2 Give mediator powers for their decisions to be binding on both parties	Again these reforms do not directly improve scheme performance; but it needs to be recognised that disputes between CDS participants and the Department's inability to resolve same has created an operating environment that has become toxic. A clear pathway to resolve disputes in a timely and impartial manner will increase depot operators' confidence and encourage investment into the recovery network.
5. Low Return Rates (caused by) community awareness/ education Depot Coverage	Ministerial powers CDS Principles CDS Principles Ministerial Powers	5.1 Require in-retail signage for a 6 month period 5.2 Make brand owners responsible for promoting the scheme rather than other CDS participants. 5.3 Require brand owners to undertake consumer education or add regulations for department to recover promotional costs 5.4 Set coordinators / brand owners targets for establishment of	With 1 in 4 residents unaware of CDS; and only 40% of residents actually redeeming it is reasonable to expect a 15- 20% lift in recovery rates if community awareness of the scheme is raised. 2-3 collection points in the north of Darwin will increase convenient access to half the greater Darwin population and should lift recovery rates by at least 10%.

Recovery Targets		<p>convenient collection points</p> <p>5.5 Set (each brand owner) minimum recovery targets to be reached within 12 months – particularly for plastic (25.45) and LPB (16.3%) which are performing much worse than aluminium (39.4%) and glass (34.5%)</p>	<p>Raising plastic and LPB recovery rates to those of aluminium and glass will lift recovery by approx. 8.8million containers p.a. (an overall improvement of 18.7%).</p>
<p>6. Litter Outdoor tourist destinations</p> <p>Cigarette Butts</p>	<p>Departmental Support</p> <p>Departmental Support</p>	<p>6.1 Department to focus on assisting national parks to establish CDS points</p> <p>6.2 Establish increased monitoring and enforcement on cigarette butt litter</p>	<p>While litter improvements have been impressive there are major (and important) opportunities to improve further by establishing collection points within the national parks that are also major tourist destinations (Kakadu, Uluru, Lichfield, Kata Juta, Kings Canyon etc.)</p> <p>CDS and the plastic bag ban have had a major impact on the litter stream; but the improvements here are offset by a steep increase in cigarette butt litter. Complementing action on cigarette butt litter will see the government's job on litter largely complete.</p>
7. Community Accessibility	<p>CDS Principles</p> <p>Infrastructure Grants</p>	<p>7.1 Establish performance criteria for network reach into remote communities</p> <p>7.1 Improve CDS principles to reassure potential depot operators they will receive fair and equitable compensation for collection in the remote NT</p> <p>7.2 Consider infrastructure grants (by Government and possibly community /</p>	<p>Cleaning up the outback and improving recycling infrastructure in the NT were two major benefits of the CDS promoted during its introduction. While improving the reach of the network into smaller remote communities will not substantially improve collection rates, it is important that the scheme does not disadvantage rural communities.</p> <p>Because of the uncertainty regarding the scheme's</p>

		business partnerships) for remote community collection facilities	future (legal action by Coca Cola et al) and the toxic environment caused by infighting and disputes between initial CDS participants - many remote communities have chosen to not participate in the collection network. Government should consider offering infrastructure support grants (possibly cost recovered from brand owners) as well as community/business partnerships (e.g. ERA would likely be interested in supporting collection points in Jabiru, Kakadu and other East Alligator River communities) to encourage organisations to establish collection points in their community.
8. Collection and Sorting Costs Sorting by Brand	CDS Principles Regulations	8.1 Allow barcode data and/or digital imaging as an alternative form of evidence to the physical return of the container to the coordinator (along with other conditions like the 'any container' provision described in section 9). 8.2 Regulations regarding excluded beverages and exempted containers should be reviewed to address anomalies that add cost or create elasticity (e.g. exempt containers of less than 100ml)	Substantially reduces (by as much as 25%) handling costs.
9. Transport Costs	CDS Principles	9.1 Require the crushing and compaction of recovered containers before transportation to	The transportation of crushed containers is as much as 60% (per container) less expensive than that of transporting non-

		<p>the coordinator</p> <p>9.2 Establish uniform standards for the presentation of containers for return to coordinators</p>	<p>compacted containers. The use of a standardised stillage for container return and uniform rules for container quality/presentation will improve efficiency and reduce capital costs for materials handling and storage costs.</p>
<p>10. Devaluation & Bulk Refund Provisions</p>	<p>CDS Principles</p>	<p>10.1 Require devaluation of containers upon receipt and establish clear bulk refund provisions</p>	<p>This both improves licensed opportunities for bulk collection operations (e.g. municipal waste, kerbside recycling and C&I recycling), while also establishing strong systems that will restrict opportunities for fraud.</p>

Appendix A: Current CDS participants as at time of report; and proposed depot expansion

CDS Coordinators

NT Coordinators Pty Ltd

Contact: Tim Alver

P: 08 8376 0555

e: ntcoord@gibsonpartners.com.au

Envirobank NT Pty Ltd

Contact: Narelle Anderson

p: 0417 803 428 or 0414 538 622

e: nanderson@envirobank.com.au

Statewide Recycling

Contact: Tony Spadavecchia

p: 0417 832 515 or 08 8341-2511

e: tony@statewiderecycling.com.au

Northern Territory Recycling Services Pty Ltd

Contact: Leon Schulz

p: 08 8947 2721 or 0437 321 307

e: coordinator@ntrs.com.au

Marine Stores Pty Ltd

Contact: Garry Bull

p: 08 84439737 or 0417 861 194

e: garry.bull@marinestores.com.au

Depots

Veolia Environmental Services

13 Beaton Road, Berrimah

p: 08 8947 8947

8.00am - 4.30pm Mon - Fri

8.00am - 12 noon Sat

Envirobank Recycling

41 McKinnon Road, Pinelands

p: 08 8931 0397

8.00am - 4.00pm Mon - Fri

8.00am - 2.00pm Sat

Closed Public Holidays

Envirobank Recycling Mobile Depot

The mobile depot will tour locations throughout the Territory, so check this website regularly for updates

M.T. Bins Pty Ltd

Shed 5, Bovril St , Katherine

p: 08 8971 0577

8.00am – 4.00pm Mon - Fri

8.00am - 12 noon Sat

Envirobank Recycling

Shed 4, 44 Crawford Street, Katherine

p: 08 8931 0397

10.00am - 4.00pm Mon & Thurs

7.00am - 12 noon Sat

Closed Public Holidays

Bagnall Agencies and Elliott Mechanical

4-6 Lewis Street, Elliott

p: 08 8969 2085

8.00am - 12 noon Mon - Sat

Barkly Metal Traders

Factory 2, 26 Irvine Street, Tennant Creek

p: 08 8962 3637 or 0427 185 438

8 am - 4pm Thurs - Fri

8 am - 12 noon Sat

Territory Recycling Depot and Veolia Environmental Services

106 Smith Street, Alice Springs

p: 08 8952 8333

8.00am - 4.30pm Mon - Fri

8.00am - 12.30pm Sat

Aputula Community Store

Lot 43 Mayvale Road, Finke

p: 08 8956 0968

2.00pm – 3.00pm Mon – Fri

Reverse Vending Machines

Reverse Vending Machines (RVMs) are suitable for small quantities only and provide a convenient way to recycle containers on a daily basis. For bulk deposits it is recommended that you visit a Collection Depot (listed above).

Users of an RVM are allocated a loyalty card and have the option to redeem their containers for cash, rewards or donate to charity.

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Envirobank Recycling RVM

Charles Darwin University
Ellengowan Drive, Casuarina
p: 08 8931 0397
9.00am - 6.00pm Mon - Sun
Closed Public Holidays

Note: This RVM only accepts aluminum and plastic containers.
No Cardboard or Glass.
For more information visit www.envirobanknt.com.au/recycle-for-rewards

Envirobank Recycling RVM

15 Parap Road, Parap
p: 08 8931 0397
10.00am - 4.00pm Mon - Fri
10.00am - 1pm Sat - Sun
Closed Public Holidays

Note: This RVM does not accept cardboard.
For more information visit www.envirobanknt.com.au/recycle-for-rewards

Envirobank Recycling

Mobile Reverse Vending Machine
41 McKinnon Road Pinelands
p: 08 8931 0397
8.00 - 12 Noon Sat - Sun

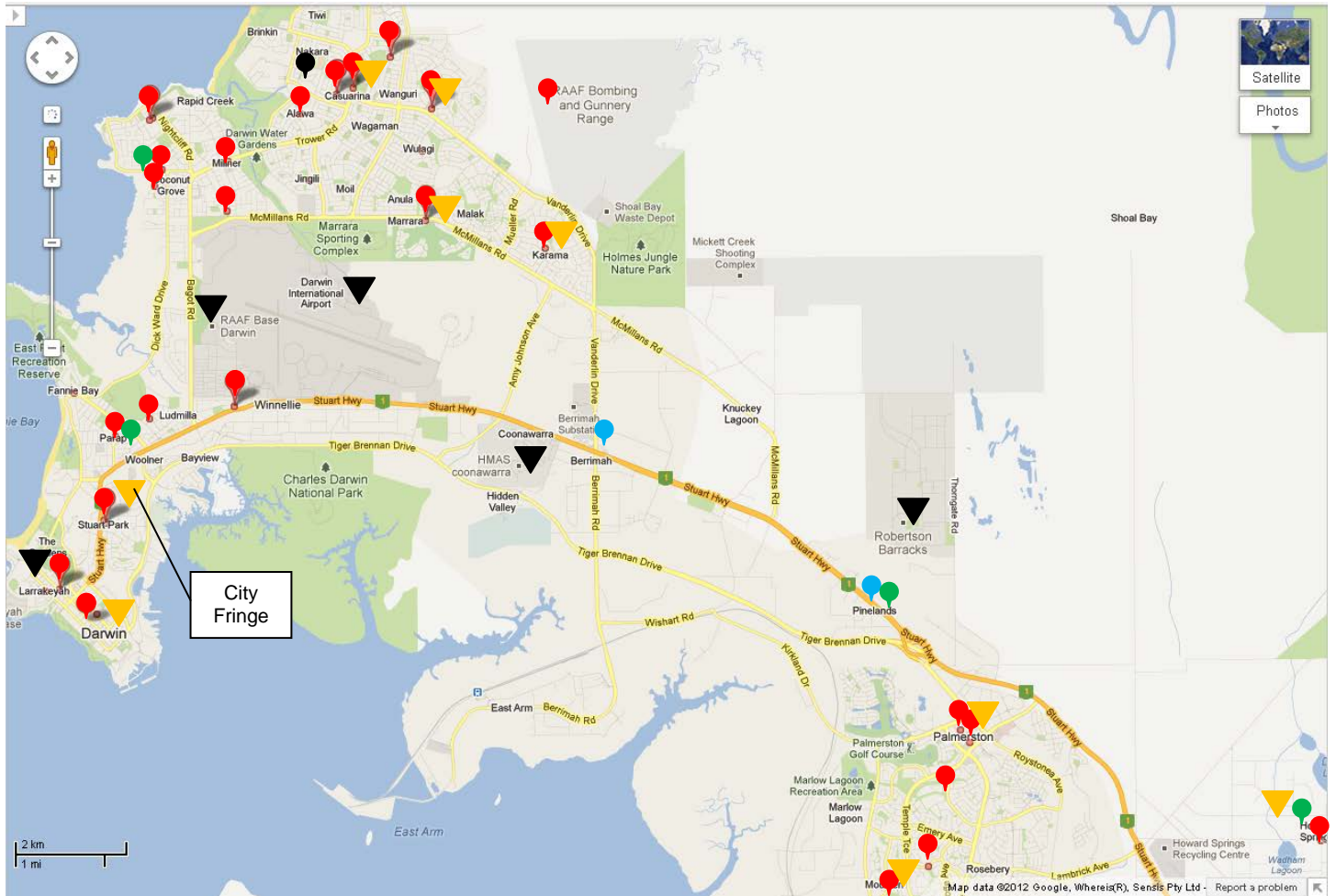
Revive Recycling Pty Ltd

Reverse Vending Machine
159 Dick Ward Drive, Nightcliff
Shopping Centre, Nightcliff
p: 03 9558 0344
7.30am - 9.30pm Mon - Sun

Envirobank Recycling RVM

Alpa Store, Lot 83, Gadapu Road, Milingimbi
P: 08 8931 0397
10.00am – 4.00pm Mon - Sun (*coming soon*)

Darwin – Supermarkets, Depots & RVM's



Key	
Supermarkets	
Existing Depots	
RVM sites existing & approved	
Proposed	
Non-residential/Special purpose RVM	



1	MT Bins
2	Envirobank Recycling
3	Bagnall Agencies & Elliott Mechanical
4	Barkly Metal Traders
5	Territory Recycling Depot & Veolia Environmental Services
6	Aputula Community Store
7	Envirobank Recycling RVM

Key	
Supermarkets	
Depots	
RVM sites existing & approved	
Proposed	