

Environment Protection (Beverage Containers and Plastic Bags) Act 2011

Annual Report 2019-20

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NT	Northern Territory
CDS	Container Deposit Scheme
HEPA NWWG	National Waste Working Group of the Heads of EPAs

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1. Executive Summary

The annual report on the administration of the *Environment Protection (Beverage Containers and Plastic Bags) Act 2011* (the Act) details the operation and performance of the container deposit scheme (CDS) and plastic bag ban in the Northern Territory (NT) during 2019-20.

Territorians have continued to support the CDS with over 100 million containers redeemed at depots, and \$10 000 000 in refunds paid out over the year. The total number of containers redeemed at depots by the public decreased by 8% in 2019-20 (down by approximately 9 million containers). The annual redemption rate (i.e. the number of approved containers that have been accepted by collection depots to give a 10 cent refund to the community) was 80%, representing a 4% decrease compared to the redemption rate in 2018-19.

More than 31 million containers were redeemed at approved depots outside of the Greater Darwin Area, representing over 31% of all containers redeemed in the CDS during 2019-20. There was a 2% increase in the number of containers redeemed outside of the Greater Darwin Area in 2019-20 compared to the previous financial year. This reflects an increase in public access to the CDS in regional and remote areas, including through new depots in Wadeye and East Arnhem delivering mobile services to communities in the region. Investment through the Environment Grants Program in projects to increase access to collection facilities in Wadeye, Alice Springs, Alcoota and Amooinguna helped to support these achievements.

The CDS return rate was 80% in 2019-20. This was a decrease of 4% compared to 2018-19. Comparatively, the annual return rate in South Australia (SA) during 2019-20 was 76.7%.

The decline in the redemption and returns rates in 2019-20 is largely attributable to the impacts of the coronavirus (COVID-19) pandemic, with a number of depots closing for period of time and the numbers of containers supplied into the NT declining since March 2020. A number of CDS approval holders attribute the declining rates to a down turn in the number of customers accessing CDS collection depots. All of the collection depots had reopened by the beginning of July 2020.

An independent review of the CDS was conducted in 2017-18 as required under the Act, with the Northern Territory Government supporting the 21 review recommendations to be implemented in a phased approach over two years (see <https://ntepa.nt.gov.au/publications-and-advice/container-deposit-scheme-reports>). During 2019-20, a number of the recommendations progressed, including:

- The implementation of more robust quality assurance processes for the receipt and analysis of CDS approval holder returns and CDS data management.
- Drafting of a discussion paper scheduled for release in 2020-21 to consult on:
 - options for improving the existing regulatory framework to reduce complexity in containers covered by the CDS, including opportunities to expand the scope of containers
 - options for generating efficiencies in the administration of supply approvals including online system upgrades.

National interest in container deposit schemes continues to gain momentum. All Australian states and territories now have schemes operating or a commitment to establishing a container deposit scheme. The NT continues to participate in inter-jurisdictional working groups to ensure consistency and harmonisation of regulation and administration across existing and proposed schemes.

Monitoring of the plastic bag ban continued in line with the Northern Territory Environment Protection Authority (NT EPA) Compliance Activity Plan.

2. Legislation

The Act was passed by the Legislative Assembly in February 2011 and assented to on 4 March 2011. The Act provides the legal framework for the CDS and bans the supply of single-use, lightweight, non-biodegradable plastic bags.

The plastic bag ban came into effect in September 2011. The CDS began operating in January 2012.

Section 92 of the Act requires the NT EPA to prepare a report on the administration of the Act for each financial year. The report is tabled by the Minister in the Legislative Assembly within four months of the end of the financial year.

2.1. Regulations

The *Environment Protection (Beverage Containers and Plastic Bags) Regulations 2011* (the Regulations) provide for matters such as regulated containers, and matters to improve the efficiency or effectiveness of the CDS.

2.2. Mutual Recognition Act 1992 (Cth).

The Mutual Recognition Act 1992 (Cth) (MRA) applies the 'mutual recognition principle' in relation to goods. The mutual recognition principle (section 9 of the MRA) states that goods produced in, or imported into, the first State, that may be lawfully sold in that State, may, by virtue of the MRA, be sold in the second State. For the CDS this principle relates to the requirement for the approved refund marking on regulated beverage containers.

2.3. South Australia / Northern Territory Intergovernmental Agreement

An Intergovernmental Agreement (the agreement) was established between the South Australia (SA) and the NT governments in December 2011. The agreement was signed on behalf of SA by the then Minister for Sustainability, Environment and Conservation, and for the NT by the then Minister for Natural Resources, Environment and Heritage.

The agreement provides for mutual assistance and, where possible, alignment of the administration and development of the respective schemes. During 2019-20, the NT and SA continued to consult on matters concerning redeemable containers, container types included under both schemes, common refund marking, national consistency in CDS and other relevant issues.

In January 2019, SA commenced a review of the SA scheme. The review will look at opportunities to improve the scheme in the modern context, both in terms of recycling and in reducing litter. Further information about the SA review is available at:

https://www.epa.sa.gov.au/environmental_info/waste_recycling/container_deposit.

The NT will continue to work closely with SA as the recommendations from the NT CDS review are implemented, and to facilitate opportunities for a coordinated approach where possible.

The SA and NT CDS teams have continued to provide input to the development of new and emerging container deposit schemes. In 2019-20, the Victorian Government announced it will commence a scheme by 2022-23. Schemes now operate in New South Wales (NSW), the Australian Capital Territory (ACT), and Queensland. Western Australia will commence a scheme on 1 October 2020, and Tasmania has committed to implementing a scheme by 2022. In September 2019, the New Zealand Government also announced plans to investigate a national scheme.

2.3.1. National harmonisation of container deposit schemes

In November 2019, Environment Ministers agreed that states and territories with container deposit schemes would work together to harmonise the scope of containers and alignment of schemes, and product labelling. The NT is represented on the CDS subcommittee of the National Waste Working Group of the Heads of EPAs (HEPA NWWG) chaired by SA, which formed in 2019 to identify opportunities for harmonisation of schemes. Opportunities under investigation include aligning application processes, the scope of eligible containers, and the deposit amount (currently 10c).

3. Container Deposit Scheme

The CDS provides a 10 cent refund to consumers for approved containers purchased in the NT on or after 3 January 2012. Empty approved containers must be delivered to an approved collection depot to obtain a refund. The collection depot then arranges with CDS coordinators to claim the reimbursement of the refund amount and associated costs. The CDS coordinator then arranges for the containers to be reused, recycled or appropriately disposed of.

3.1. Suppliers

During 2019-20, there were 279 beverage manufactures or suppliers registered in the NT CDS who held supply approvals. For this period, the NT EPA issued 357 new or renewed supply approvals. There were 126 222 575 approved containers sold into the NT during this reporting period.

3.2. Coordinators

CDS coordinators are responsible for the coordination of the activities of CDS participants under the CDS. They collect, handle and deliver for reuse, recycling or other appropriate disposal, approved containers received from collection depots.

CDS coordinators are also responsible for the reimbursement of the refund amount and handling costs to collection depots that have accepted delivery of empty approved containers and paid the refund amount to the consumer.

Four CDS coordinators are approved to operate under the CDS:

- Envirobank NT Pty Ltd
- Marine Stores Pty Ltd
- NT Coordinators Pty Ltd
- Can-Recycling (SA) Pty Ltd trading as Statewide Recycling.

3.3. Collection depots

An approved collection depot is the public face of the CDS, where the community can claim their 10 cents redemption for approved containers. The operator of an approved collection depot pays the refund amount to the consumer for an empty approved container. The collection depot then delivers the containers to CDS coordinators who pay the refund amount and a handling fee relating to the sorting, cleaning, packing and processing of the container to ensure that it can be reused, recycled, or otherwise appropriately disposed of.

In 2019-20, three approvals for new collection depots were granted: Thamarrurr Development Corporation for a collection depot in Wadeye from November 2019; the East Arnhem Regional Council to operate a mobile collection depot to service nine East Arnhem communities from July 2019; and Envirobank Recycling (Australia) Pty Ltd for a reverse vending machine at Coles Casuarina.

During 2019-20, there were 16 collection depots authorised under the CDS in the NT, with seven located in the urban (6) and outer (1) Darwin region, one located in Alice Springs, one in Katherine and five in regional and remote areas, including Mataranka, Tennant Creek, Elliot, Nhulunbuy, Wadeye, and two mobile depots based in Darwin and Nhulunbuy. The mobile depots provide services to Wagait Beach and Jabiru; and to eight communities in the East Arnhem region respectively.

The following collection depots operated at locations across the NT during 2019-20:

- Bevcon Recycling Pty Ltd – Berrimah
- Bevcon Recycling Pty Ltd – Mataranka Recycling Centre
- Bishdun Pty Ltd trading as Nighthawk Recycling Services – Nhulunbuy
- East Arnhem Regional Council – Mobile depot (providing services to eight East Arnhem communities)
- Darrin's Rubbish Removal (Recycling Centre) – Tennant Creek NT
- Envirobank Recycling (Australia) Pty Ltd – Alice Springs
- Envirobank Recycling (Australia) Pty Ltd – Pinelands
- Envirobank Recycling (Australia) Pty Ltd – Mobile Unit (provided services to Wagait Beach and Jabiru)
- Envirobank Recycling (Australia) Pty Ltd – Coles Casuarina (reverse vending machine)
- Greg Meyer Paving Pty Ltd trading as Territory Can Man – Winnellie
- Humpty Doo Regional Recycling Pty Ltd – Humpty Doo
- M.T. Bins Pty Ltd – Katherine
- Murlran Pty Ltd trading as Bagnall Agencies – Elliot
- NT Recycling Solutions Pty Ltd – Berrimah
- Thamarrurr Development Corporation – Wadeye
- TOMRA Collection Pty Ltd trading as 'I RETURN' – Coconut Grove.

Four existing collection depot approvals were renewed during 2019-20, with two other depot approvals amended during the period.

In the first half of 2020, six collection depots temporarily suspended their operations in response to the COVID 19 pandemic. All six depots based in Darwin (3) and remote communities (3) had reopened and were operating by the beginning of July 2020.

3.4. Review of the container deposit scheme

An independent review of the CDS was completed in 2018-19 resulting in 21 recommendations associated with opportunities for improvement of the scheme.

The review report is available at <https://ntepa.nt.gov.au/publications-and-advice/container-deposit-scheme-reports>.

A phased approach is being taken to the implementation of the response to the review recommendations. This will see improvements that support the NT EPA's regulatory function and reduce administrative and regulatory burden. In 2019-20 work focused on the following areas:

- *Accessibility to CDS including in regional and remote areas:* In 2019-20 the environment grants program targeted projects that focus on waste reduction, including to support development of CDS collection facilities and expand access to CDS in regional and remote areas (see section 3.6 of this report). In 2019-20, the development of new and existing collection depots and collection points was also supported through communication with remote community organisations, local government organisations and regular participation in remote working groups.
- *Data collection and reporting:* An audit of CDS data has resulted in the implementation in 2019-20 of more robust quality assurance processes for the receipt and analysis of CDS approval holder returns, and CDS data management. This has involved ongoing discussion with CDS coordinators to improve the quality of data and reporting on the reuse and recycling of containers. These measures support more reliable reporting on the scheme's performance.
- *Auditing and compliance:* Internal consultation to inform the development of CDS compliance and enforcement guidelines.
- *Administrative and regulatory burden on industry, businesses and the regulator:* The development of guidelines for collection depot approvals and frequently asked questions for applicants commenced in 2019-20 and will be finalised in 2020-21.

Work commenced on a discussion paper for public release in 2020-21 to consult on:

- options for improving the existing regulatory framework to reduce complexity in containers covered by the CDS, including opportunities to expand the scope of containers
- options for efficiencies in the administration of supply approvals including online system upgrades
- likely impacts of any proposed changes.

More information about the review implementation plan is available at:

<https://denr.nt.gov.au/environment-information/container-deposit-scheme/container-deposit-scheme-review>.

3.5. Reporting

Under the Act, CDS approval holders must keep records of their CDS activities and submit annual returns on those records each financial year. Incoming annual returns are subject to quality checks.

3.5.1. Return rate

CDS coordinators are required to report annually on the number of containers that have been sold into the NT and the number that have been returned to them by approved collection depots.

During 2019-20, a total of 126 222 575 approved containers were sold in the NT, down from 131 039 766 approved containers in 2018-19. Of these containers sold, 100 848 173 were returned by a collection depot to a CDS coordinator. This equates to an overall return rate of 80% in 2019-20, meaning 80% of all regulated containers sold in the NT during 2019-20, were reused, recycled or otherwise appropriately disposed of. Comparatively, the annual return rate during the same period in SA was approximately 76%.

The 2019-20 return rate represents a 4% decrease on the annual return rate of 84% in 2018-19. It is likely that the COVID-19 pandemic contributed to the reduction in the number of containers returned, which fell in the second half of 2019-20 (Figure 1).

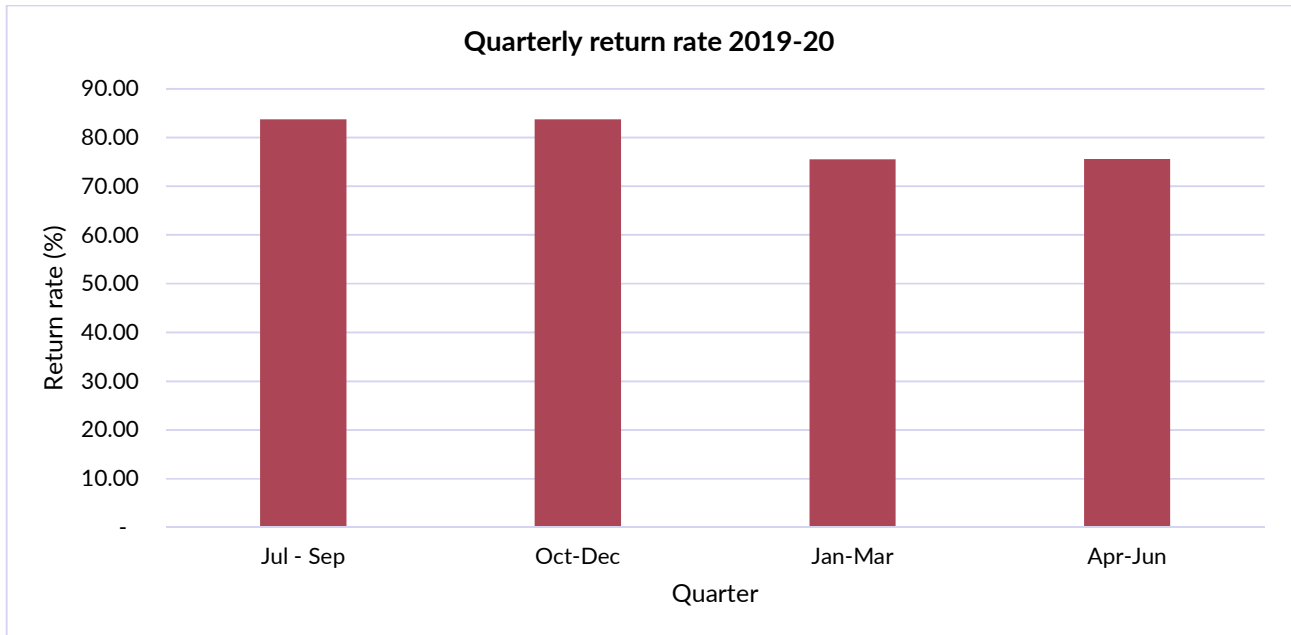


Figure 1. Quarterly return rates

CDS coordinators process (crush, press and/or bail) the containers returned through the NT CDS, and on sell them for further reprocessing, remanufacture or end-use as outlined below:

- Aluminium: further reprocessing/ remanufacturing into aluminium products such as metal sheeting
- Plastics: further reprocessing/ remanufacturing into products such as polyethylene terephthalate (PET) flakes, and PET and high-density polyethylene (HDPE) bottles
- Glass: processing such as glass remelt or bottle making
- Liquid paper board (LPB): further processing/ remanufacture into products such as tissue paper
- Steel: further processing as scrap metal.

Aluminium, glass, PET and liquid paperboard LPB continue to make up the majority of containers returned to CDS coordinators by depots (Table 1), with greatest return rates for glass, aluminium and PET.

Table 1. 2019-20 Annual return rate by material type

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	61 669 601	47 628 878	77
PET	26 630 811	22 362 090	84
HDPE	3 193 629	1 074 619	34
Glass	29 414 707	26 595 381	90
LPB	5 264 785	3 163 159	60
Steel/ Other	49 044	24 046	49
TOTAL	131 039 766	110 678 233	80

Compared with aluminium, glass and PET, return rates for containers made of LPB, HDPE and steel/other are significantly less and tend to fluctuate more than other material types (Figure 2). SA, NSW and the ACT have also reported lower rates of recovery of HDPE, LPB, and steel/ other, compared to glass, aluminium and PET collected and returned through schemes in their jurisdictions.

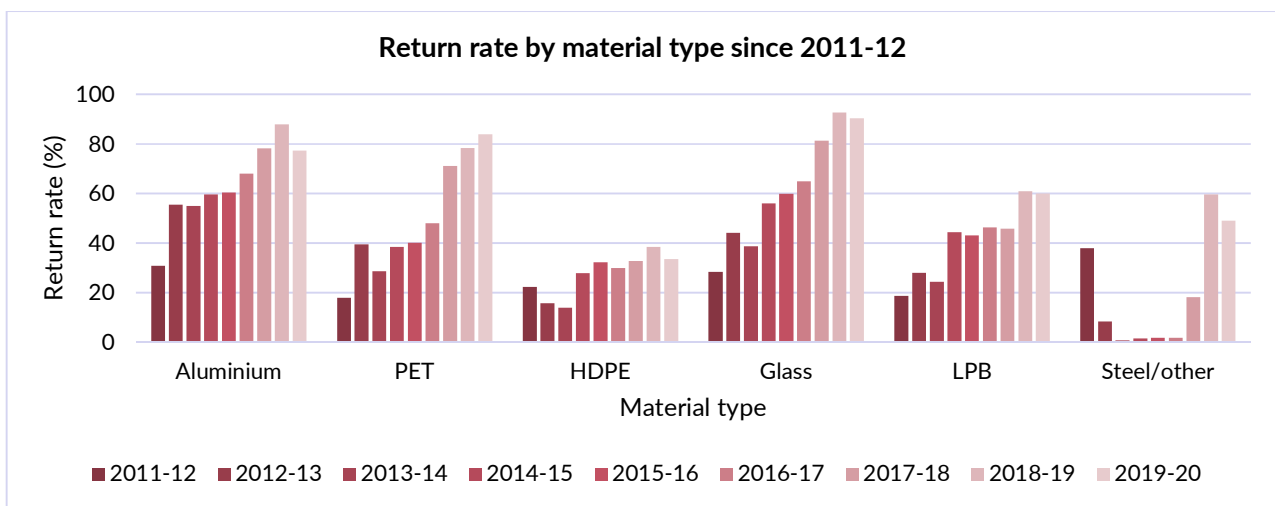


Figure 2. Container return rates by material type since 2012

Beverages sold in CDS eligible LPB and HDPE containers typically include flavoured milk, fruit juice drink (less than 90 percent fruit juice), or fruit juice (at least 90 percent fruit juice). CDS eligible steel beverage containers are also used to contain fruit juice, or fruit juice drinks. These types of beverages tend to have a shorter shelf life and are more likely to spoil in hot weather compared to beverages sold in aluminium, glass or PET, which typically include beer, cider, soft drink or water.

Industry feedback suggests the risk of beverage residue spoiling and contaminating empty beverage containers may contribute to consumers being less inclined to collect LPB and HDPE containers and more inclined to place these containers in the kerbside recycling bins or discard them as general waste. Industry feedback also suggests beverages packaged in LPB or HDPE may be less widely recognised as CDS eligible containers compared with aluminium, glass and PET containers, and therefore less likely to be redeemed.

LPB, HDPE and steel/ other containers represent a small proportion (7%) of approved containers sold in the NT, with LPB comprising 4%, HDPE 3%, and steel/ other less than 1%, potentially contributing to these containers being less recognisable as CDS eligible (Figure 3).

There may also be a greater degree of consumer confusion over which LPB or HDPE containers are eligible for CDS. The 2018 CDS review found the largest perceived barrier to public participation in the CDS is associated with complexity in the types of containers that are eligible for a refund and those containers that are exempt from the CDS, and lack of consumer knowledge in this regard. Some beverages sold in LPB and HDPE containers, for example, plain milk, and larger juice and flavoured milk containers (one litre or more) are not eligible for a refund. Containers of flavoured milk or fruit juice up to one litre, and containers of fruit juice drink up to three litres are eligible for a refund¹.

The response to the CDS review recommendations, including investigations into reducing the complexity in containers covered by the CDS and targeted community awareness will further explore these questions.

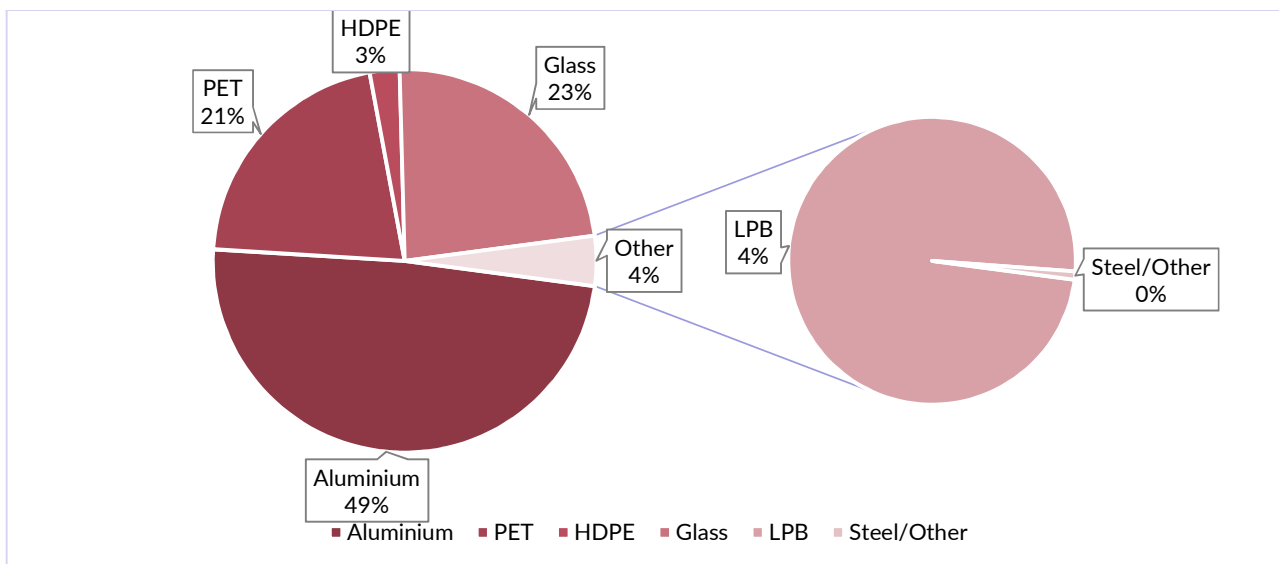


Figure 3. Composition of beverage containers sold in the NT

¹ If purchased in the NT

3.5.2. Container redemptions made by the public

The containers received by depots from the public are referred to as ‘redeemed containers’. Collection depots are required to report annually on the number of approved containers that they have received from the public and paid a 10c refund for.

Note that not all containers redeemed at a collection depot are returned to a CDS coordinator in the same reporting period in which they are redeemed.

In 2019-20 over 100 million containers were redeemed at collection depots and over \$10 000 000 in container refunds was paid out to Territorians.

The total number of redeemed containers decreased by approximately 9 million from over 109 million in 2018-19. The annual redemption rate decreased by 4% in 2019-20 to 80%. This means that 80% of approved containers sold in the NT, were redeemed at depots in 2019-20.

The COVID-19 pandemic likely contributed to the reduction in the number of redeemed containers. CDS data reflects that collection depots, with few exceptions, experienced a down turn in the number of containers redeemed in the first half of 2020, particularly between April and June 2020. Redemption numbers for this period were also low compared with the corresponding period in the previous financial year.

In 2019-20, the number of containers redeemed in areas outside of Greater Darwin increased by more than 2% compared to the previous financial year. More than 31 million containers, representing over 31% of all containers redeemed, were collected by approved depots outside of the Greater Darwin Area. Overall the number of containers redeemed outside of the Greater Darwin Area continues to show an increasing trend since the scheme commenced in 2012² (Figure 4).

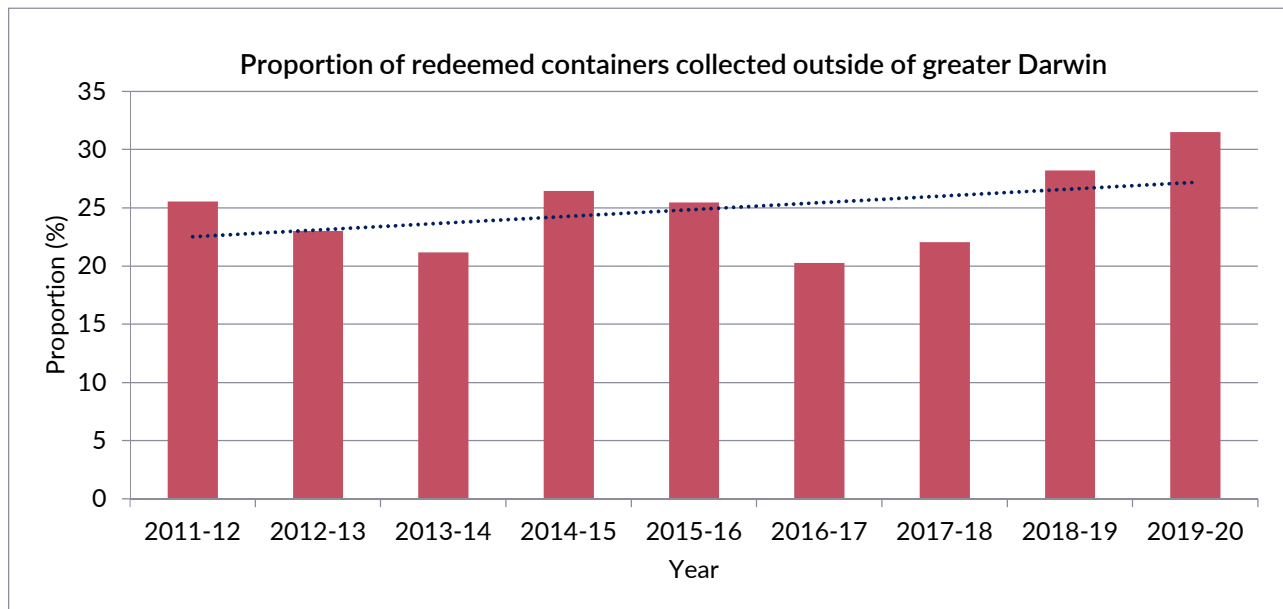


Figure 4. Proportion of all redeemed containers taken to collection depots located outside of Greater Darwin

² A marginal reduction in redemptions outside of the Greater Darwin area in 2016-17 corresponds with a period of staff turnover and the relocation of regional collection depots that service larger populations.

3.6. Environment grants

Environment grants provide an opportunity for government to deliver policy initiatives through community engagement. In 2019-20, the community based environment grants program targeted projects with a focus on waste reduction, reuse and recycling initiatives, and assisting the NT to deliver on strategies and actions in the 2018 National Waste Policy 2018: Less Waste, More Resources. Out of the 12 projects funded, two projects were funded to assist improving access to the CDS collection facilities in regional and remote areas of the NT (Table 1).

Table 1 Environment grants awarded in 2019-20 for projects aimed at helping improve access to the CDS

Organisation	Project Summary
Olive Pink Botanic Garden	More Jobs Less Waste More Resources is a two-year project that will establish CDS collection points as part of a broader sustainable waste management program that will include a recycling, re-use and composting program in the Garden, engagement with schools in Alice Springs and two schools in the remote communities of Alcoota and Amoonguna, focusing on the waste hierarchy and the circular economy.
Thamarrurr Development Corporation Ltd	Upgrade the CDS collection facility at Thamarrurr Ranger Base with ergonomic sorting tables to improve the working environment, efficiency and continuity of its CDS operations.

4. Plastic bag ban

The NT plastic bag ban has been in effect since 1 September 2011 and has operated successfully since this time in accordance with the Act.

During 2019-20, the NT EPA continued to monitor this program and provided advice to retailers about the plastic bag ban in line with the NT EPA Compliance Activity Plan. During the financial year enquiries to the NT EPA about the plastic bag ban continued to reflect public support for the ban, and increasing interest in and community-led initiatives to reduce the use of single use plastic bags and other plastics. The NT EPA also received enquiries from retailers and industry seeking clarification about the parameters of plastic bag ban to inform their participation. There were few reports of potential non-compliance with the plastic bag ban.

In 2019-20 the expansion of existing plastic bag bans to other jurisdictions (NSW and Victoria) progressed with the commencement of a ban on lightweight plastic shopping bags on 1 November 2019 in Victoria. In March 2020, the NSW Government released a discussion paper to inform the development of a NSW Plastics Plan scheduled for release in late 2020. The aim is to establish a plan that sets targets, priorities and directions for phasing out single-use plastic bags and other priority plastics, and increase the amount of plastic waste recycled in NSW to 30 percent by 2030.

In 2019-20, discussions nationally focused on initiatives to reduce single plastics more broadly as part of a wider discussion to drive the implementation of the 2018 National Waste Policy, and the ban on export of waste plastic, paper, glass and tyres, announced in August 2019 by the Council of Australian Governments (COAG). In November 2019, Environment Ministers endorsed the National Waste Policy Action Plan, which sets the target of phasing out unnecessary and problematic unnecessary plastics by 2025, and incorporates actions to support the implementation of the COAG export ban on plastic waste and other waste streams. In addition to the plastic bag ban and the CDS, the NT will continue to explore

opportunities that could assist in the implementation of the COAG ban on the export of plastic waste locally.

Appendix A: Definitions

<i>Containers redeemed</i>	The number of approved containers that have been accepted by collection depots to give a 10 cent refund to the community.
<i>Containers returned</i>	The number of containers that have been aggregated and returned to CDS coordinators from collection depots.
<i>Greater Darwin Area</i>	The area within the Darwin and Palmerston city council boundaries.
<i>HDPE (high-density polyethylene)</i>	The material that some plastic juice containers are made from. Classification of HDPE under the resin identification coding (RIC) system established in 1988 is represented by the number 2 embedded in the container.
<i>LPB (liquid paper board)</i>	Materials utilised in packaging of beverages such as popper juices. LPB also includes aseptic which is the packaging of beverages in a sterile container, used for example in long life ultra-high-temperature (UHT) processed beverages.
<i>Other material</i>	Material types may include steel, foil sachets, and other plastics including biodegradable, photo-sensitive and plant-based plastics. This includes other resin types classified under the resin identification coding system that are represented by the number 7 embedded in the container.
<i>PET (polyethylene terephthalate)</i>	The material that some plastic beverage containers are made from (for example, water bottles). Classification of PET under the resin identification coding system is represented by the number 1 embedded in the container.
<i>Redemption rate</i>	The percentage of containers redeemed by the public at collection depots compared to the number of containers sold
<i>Return rates</i>	The total percentage of container numbers that have been returned to CDS coordinators in relation to the total number of containers sold in the Northern Territory.
<i>RVM (reverse vending machine)</i>	A device that accepts used (empty) beverage containers and returns money to the user. Some RVM only accept aluminium and plastic containers.