



Northern Territory
Environment Protection Authority

***Environment Protection (Beverage Containers and
Plastic Bags) Act***

Annual Report 2015-16

October 2016

Northern Territory Environment Protection Authority

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1 Executive summary

The 2015-16 annual report on the administration of the *Environment Protection (Beverage Containers and Plastic Bags) Act* (the Act) details the operation and performance of the container deposit scheme (CDS) and plastic bag ban in the Northern Territory.

This year the Northern Territory Environment Protection Authority (NT EPA) continued the implementation of amendments to the Act that commenced on 30 June 2014. The amendments are designed to improve the efficiency of the scheme's operation and administration and to strengthen enforcement potential under its provisions. Subject to compliance with the statutory timeframes implementation of the amendments are expected to be completed by January 2017.

Territorians have continued to support the CDS with approximately \$8 300 000 in deposits paid out over the year. Monitoring of the plastic bag ban continued in line with the NT EPA Compliance Activity Plan.

National interest in CDS schemes is gaining momentum following announcements by the New South Wales, Queensland and Western Australian governments. NSW is leading an inter-jurisdictional working group in which we are participating to ensure consistency across existing and proposed schemes.

2 Legislation

The Act was passed by the Legislative Assembly in February 2011 and assented 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. In June 2014 the Act was amended to increase efficiencies and fairness in the operation of the CDS.

Section 92 of the Act states the NT EPA must prepare a report for each financial year about the administration of the Act. The Report is tabled by the Minister in the Legislative Assembly within four months after the end of the financial year.

2.1 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.

2.2 Amended Act

Amendments were made to the Act to improve the efficiency of the scheme's operation and administration and strengthen enforcement potential under the Act.

The amended Act was assented on 2 June 2014 and commenced on 30 June 2014. Some provisions of the Act affected by the *Environment Protection (Beverage Containers and Plastic Bags) Legislation Amendment Act 2014* (Amendment Act) are subject to transitional arrangements. The transitional arrangements are governed by statutory time frames that ensure all approval holders have appropriate arrangements in place to support the changes to the scheme.

When fully implemented overall benefits of the amendments will be realised including:

- CDS coordinators will be required to accept from collection depots approved containers sorted by material type (e.g. aluminium, plastic etc.) not by brand
- improved efficiencies at collection depots
- improved access to the CDS through the removal of some barriers to the urban and remote roll out of the CDS
- a more stable framework for negotiating handling fees and for the development of effective waste management arrangements (WMAs).

During 2015-16 CDS coordinators and a number of collection depot operators established WMAs that support changes to the scheme. Subject to compliance with the statutory timeframes the remaining provisions will commence in January 2017.

2.3 Regulations

The *Environment Protection (Beverage Containers and Plastic Bags) Regulations* provide for matters such as fees payable under the Act; regulated containers; matters to improve the efficiency or effectiveness of the CDS; and matters of a transitional nature to support enactment of the Amendment Act.

2.4 South Australia / Northern Territory Intergovernmental Agreement

An Intergovernmental Agreement (the agreement) was established between the South Australian and the Northern Territory governments in December 2011. The agreement was signed on behalf of South Australia by the Minister for Sustainability, Environment and Conservation and for the Northern Territory 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 their respective schemes.

The objectives of the agreement are:

- to provide ongoing communication and where possible promote consistency in the administration and development of container deposit schemes of both jurisdictions
- to commit to cooperation on strategies to manage cross border flows of beverage containers and jointly resolve potential issues of fraudulent activity
- to promote consistency on key components of the two schemes
- as far as possible to coordinate any legislative changes to promote consistency
- to work towards making the CDS a corresponding law.

The South Australia and Northern Territory CDS teams met periodically during the year to discuss matters including containers redeemed, return rates, container types included under both schemes and other appropriate issues.

In 2015-16 the New South Wales Government announced that they would commence a container deposit scheme in July 2017. The Queensland government would commence a container deposit scheme in 2018. The Western Australian government has committed to a CDS if re-elected in March 2017. The South Australia and Northern Territory CDS

teams provided input to the consultation processes for the development of both schemes.

3 Container deposit scheme

The CDS provides a 10 cent refund to consumers for approved containers purchased in the Northern Territory 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 CDS 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 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.

3.1.1 Approvals

Four CDS coordinators are approved to operate under the CDS including:

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

3.1.2 Annual Returns

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

During the 2015-16 financial year 151 153 382 approved containers were sold in the Northern Territory (Table 1). Of these containers sold, 81 939 191 were returned¹ to CDS coordinators resulting in an overall return rate of 54% for the 2015-16 financial year.

That is, 54% of all regulated containers sold in the Northern Territory during 2015-16 were reused or recycled or otherwise appropriately disposed of. This has increased from the 2014-15 reporting period by over 2%.

Table 1: Annual returns by material type

¹ Containers returned by a collection depot to a CDS coordinator and available for reuse and recycling.

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Glass	41 470 605	24 941 902	60
Aluminium	62 459 538	37 911 075	61
PET	36 089 744	14 654 130	41
HDPE	2 830 314	915 798	32
LPB	8 117 917	3 513 001	43
Other	185 264	3 285	2
TOTAL	151 153 382	81 939 191	54

Figure 1 illustrates an increasing trend in return rates during the 2015-16 with a peak in returns in the January to March 2016 quarter.

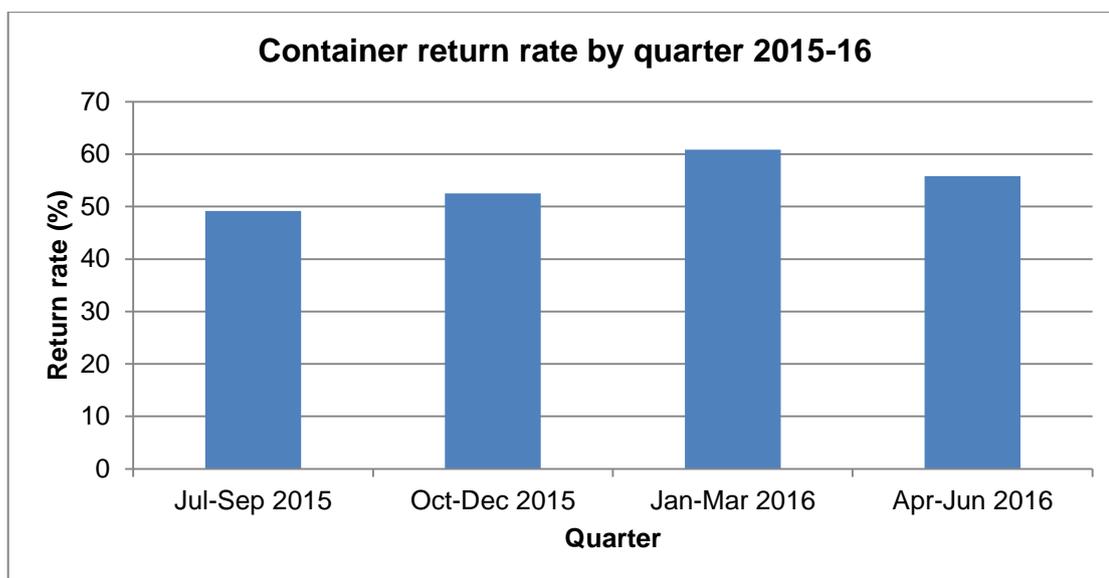


Figure 1: Container return rate by quarter

3.2 Collection depots

An approved collection depot is the public face of the CDS, where the community can claim their 10 cent 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.

3.2.1 Approvals

During 2015-16 nine collection approvals were granted. A collection approval was granted to Revive Recycling Pty Ltd trading as '1 RETURN' for a new collection depot in Coconut Grove that is expected to open to the public in 2016-17. Replacement collection approvals were granted in accordance with transitional provisions of the Act. Approvals

were granted to Envirobank Recycling (Australia) Pty Ltd for four collection depots formerly operated by Envirobank NT Pty Ltd.

The following collection depots were operating at locations across the Northern Territory during the 2014-15 year:

- Bevcon Trading Pty Ltd – Berrimah
- Darrin’s Rubbish Removal (Recycling Centre) – Tennant Creek
- Envirobank Recycling (Australia) Pty Ltd (formerly Envirobank NT Pty Ltd) – Alice Springs
- Envirobank Recycling (Australia) Pty Ltd (formerly Envirobank NT Pty Ltd) – Charles Darwin University (remote vending machine)
- Envirobank Recycling (Australia) Pty Ltd (formerly Envirobank NT Pty Ltd) – Pinelands
- Envirobank Recycling (Australia) Pty Ltd (formerly Envirobank NT Pty Ltd) – Mobile Depot (provided services to Wagait Beach and Jabiru)
- Greg Meyer Paving Pty Ltd trading as Territory Can Man – Winnellie
- M.T. Bins Pty Ltd – Katherine
- Murlran Pty Limited trading as Bagnall Agencies – Elliot
- NTRS Pty Ltd – Berrimah
- Revive Recycling – Coconut Grove (to commence operations in 2016-17)

3.2.2 Annual redemptions

Collection depots are required to report annually on the number of approved containers that they have accepted and paid a deposit on.

Over 83 million containers were redeemed at collection depots from 2015-2016.² That is approximately \$8 300 000 in deposits that were paid out to Territorians. This reflects a minimal change in total redemptions in 2015-16 compared to 2014-15. Annual redemptions are expected to increase next year as the NT EPA continues to liaise with remote communities to improve access to the scheme.

A reduction in redemptions for the January to March 2016 quarter reflects seasonal fluctuation. Factors such as reduced access to regional depots during the wet season likely contribute to this (Figure 2).

² Not all containers redeemed at a collection depot are returned to a CDS coordinator in the same reporting period in which they are redeemed.

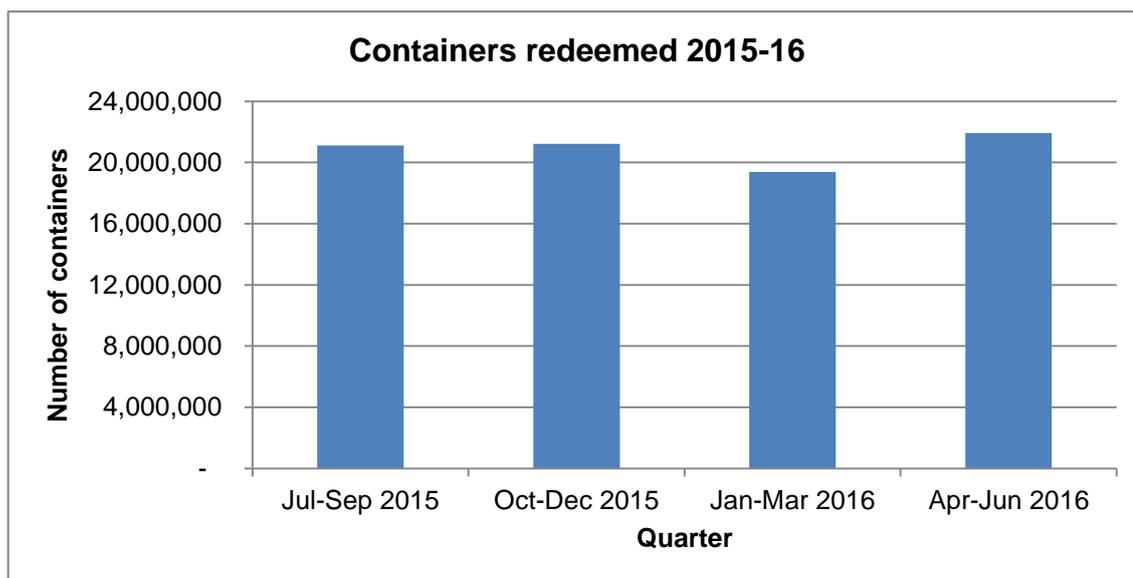


Figure 2: Number of containers redeemed at collection depots by quarter

3.3 Suppliers

235 beverage manufactures/suppliers registered in the Northern Territory Container Supply Approval Registry held supply approvals during 2015-16. The NT EPA issued 215 new supply approvals and 151 153 382 approved containers were sold into the Northern Territory.

4 CDS infrastructure grants

During 2015-16 three infrastructure grants were awarded. The grants provide one off funding for businesses and organisations to purchase equipment or infrastructure for establishing CDS collection depots or collection points throughout the Northern Territory.

Grants to the value of \$76 023 (excluding GST) were awarded to assist in improving CDS infrastructure. Projects included establishing collection points, infrastructure for bulk processing and improving existing collection depots. Figure 2 details the grants that were awarded.

Table 2: CDS infrastructure grants awarded in 2015-16

Organisation	Project Summary
Alice Springs Town Council	Construction and installation of container recycling bins in Alice Springs to expand on the council's existing waste management and recovery program.
Victoria Daly Regional Council	Purchase a mobile baler to facilitate collection of containers in Kalkarinji and other communities in the in the Victoria Daly Region.
Apex Club of Central Australia	Purchase trailer and equipment to facilitate improved community access to CDS through a collection service in Alice Springs and surrounding communities, and through participation in community events.

5 Plastic bag ban

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

During 2015-16 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. The NT EPA received no reports of potential non-compliance with, or complaints about, the plastic bag ban financial year indicating continued community support for the program.

Appendix A: Key definitions

Key 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 points.
<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>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.