

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

Annual Report 2016-17

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Northern Territory Environment Protection Authority

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1 Executive summary

The 2016-17 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) completed implementation of the amendments to the Act which are designed to improve the efficiency of the operation of the CDS, reduce administrative burden on industry and strengthen compliance capabilities for non-compliance.

Territorians have continued to support the CDS with approximately \$9 000 000 in deposits paid out over the year, an increase of approximately \$700 000 compared to 2015-16. Monitoring of the plastic bag ban continued in line with the NT EPA Compliance Activity Plan.

National interest in container deposit schemes continued to gain momentum. The New South Wales (NSW), Queensland (Qld), Australian Capital Territory (ACT) and Western Australian (WA) governments have progressed development of schemes which are scheduled for commencement over the next eighteen months. The NT continued to participate in the NSW-led inter-jurisdictional working group 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 operation of the CDS, reduce administrative burden on industry and strengthen compliance capabilities for non-compliance.

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) were subject to transitional arrangements. The transitional arrangements were governed by

statutory time frames that ensured all approval holders established arrangements to support the changes to the scheme.

The amendments came into full effect on 1 January 2017, providing immediate and long term overall benefits including:

- CDS coordinators are required to accept from collection depots approved containers sorted by material type (e.g. aluminium, plastic etc.) rather than 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).

2.3 Regulations

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

2.4 South Australia / Northern Territory Intergovernmental Agreement

An Intergovernmental Agreement (the agreement) was established between the SA and the NT governments in December 2011. The agreement was signed on behalf of South Australia by the 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.

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 SA and NT met periodically during the year to discuss matters concerning redeemable containers, return rates, container types included under both schemes, common refund marking, national consistency in CDS and other relevant issues.

The SA and NT CDS teams provided input to the consultation processes for the development of container deposit schemes in other jurisdictions including:

- the NSW return and earn scheme, expected to commence in December 2017

- the Qld container refund scheme, expected to commence in July 2018
- the ACT container deposit scheme, expected to commence in early 2018
- the WA container deposit scheme, expected to commence in January 2019.

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 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:

- 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 NT and the number that have been returned to them by approved collection depots.

During the 2016-17 financial year 149 752 726 approved containers were sold in the NT (Table 1). Of these containers sold, 71 680 286 were returned¹ to CDS coordinators resulting in an overall return rate of nearly 48% for the 2016-17 financial year. This means that 48% of all regulated containers sold in the NT during 2016-17 were reused, recycled or otherwise appropriately disposed of. Aluminium, glass, polyethylene terephthalate (PET) and liquid paperboard make up the majority of containers returned to CDS coordinators by depots (Table 1).

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

Overall return rates have consistently increased since the introduction of CDS in 2011 (Figure 1), except for the current reporting period. There was a 6% decrease in return rate from the 2015-16 reporting period correlating with a temporary reduction in containers accepted by CDS coordinators from collection depots. This reduction was to be expected with the transitioning into the new legislative (and operational) environment from 1 January 2017, and while the required systems and arrangements to support the new operating environment were implemented. This is reflected in the reduction in quarterly return rates from January 2017 (Figure 2) following a peak in returns for the quarter ending December 2016.

Table 1: Annual return rate by material type

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	61 590 485	31 948 464	52
PET	34 029 841	11 270 319	33
HDPE	3 715 174	1 023 967	28
Glass	42 991 515	24 530 386	57
LPB	7 382 343	2 906 683	39
Steel	43 368	467	1
Other	0	0	0
Total	149 752 726	71 680 286	48

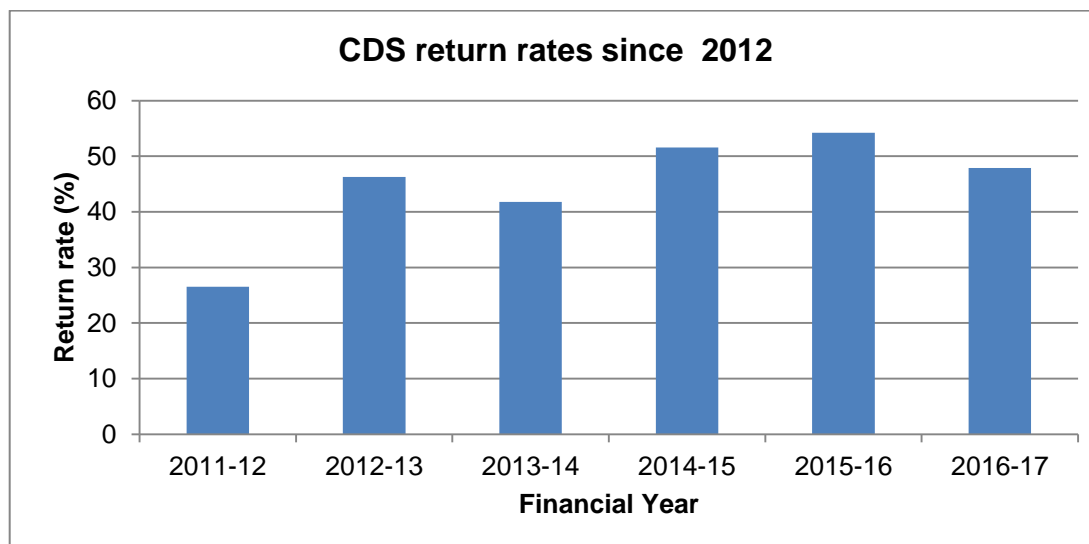


Figure 1: Comparative return rates of containers

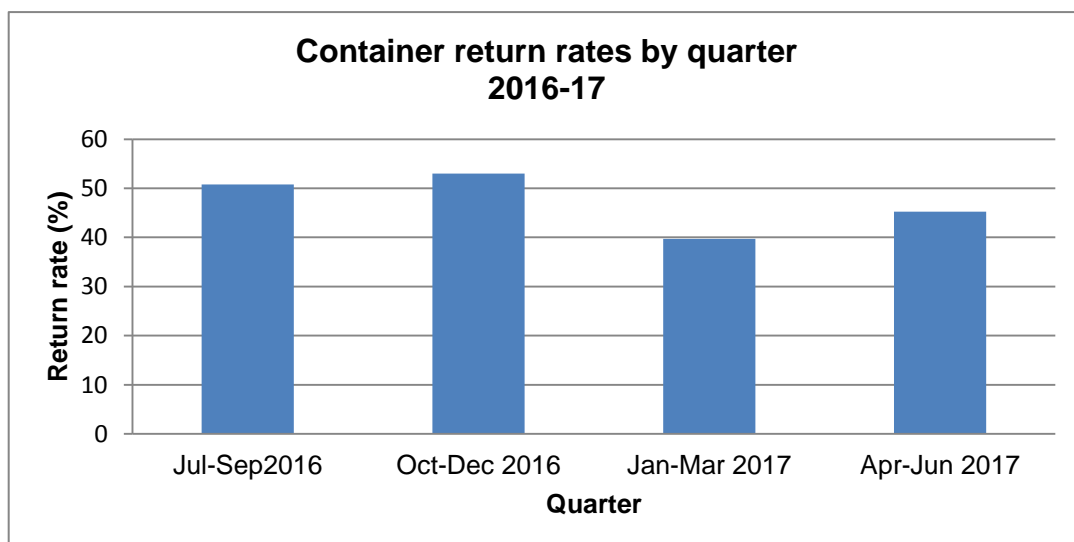


Figure 2: Container return rate by quarter

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

Revive Recycling Pty Ltd trading as 'I RETURN' opened a collection depot in Coconut Grove in 2016-17. Approval for the collection depot was granted in 2015-16.

One replacement collection approval was granted in accordance with transitional provisions of the Act, and one existing collection approval was renewed.

The following collection depots were operating at locations across the Northern Territory during 2016-17:

- Bevcon Recycling Pty Ltd – Berrimah
- Darrin's Rubbish Removal (Recycling Centre) – Tennant Creek NT
- Envirobank Recycling (Australia) Pty Ltd – Alice Springs
- Envirobank Recycling (Australia) Pty Ltd – Charles Darwin University Casuarina (reverse vending machine)
- Envirobank Recycling (Australia) Pty Ltd – Pinelands
- Envirobank Recycling (Australia) Pty Ltd – Mobile Unit (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 Ltd trading as Bagnall Agencies – Elliot
- NT Recycling Solutions Pty Ltd – Berrimah
- Revive Recycling Pty Ltd trading as 'I RETURN' – Coconut Grove.

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. The containers received by depots from the public are referred to as 'redeemed containers'.

Redeemed containers continued to increase in 2016-17 with over 90 million containers redeemed at collection depots compared to approximately 83 million containers in 2015-16² and 21 million containers for the first six months of the CDS in 2011-12 (Figure 3). Annual container redemptions are expected to continue to increase next year with greater interest and participation in the CDS in regional and remote areas of the NT.

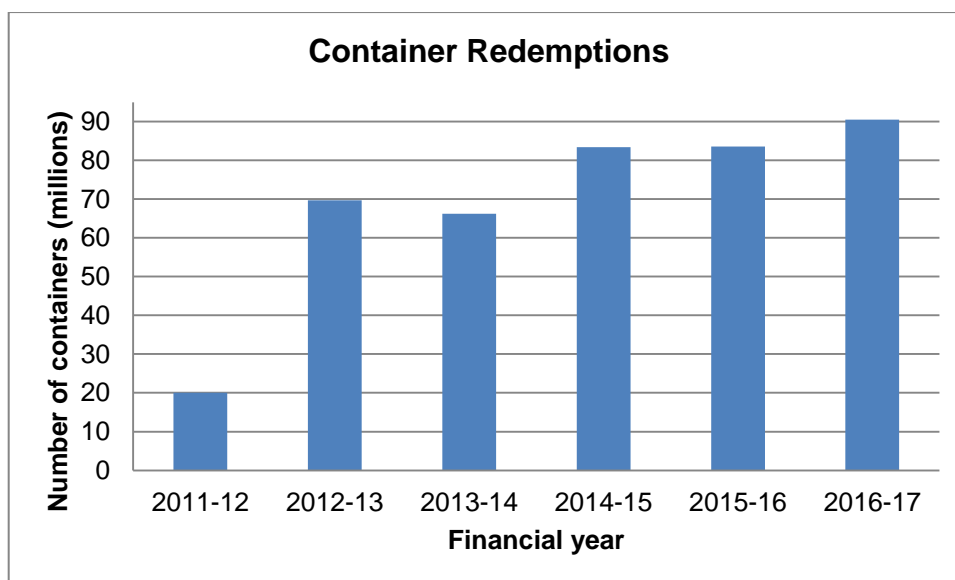


Figure 3: Number of containers redeemed at collection depots since commencement of CDS

Aluminium and glass containers made up 75% of all container redemptions in 2016-17, whilst PET and liquid paperboard made up a further 24% of container redemptions (Figure 4). This is consistent with previous years.

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.

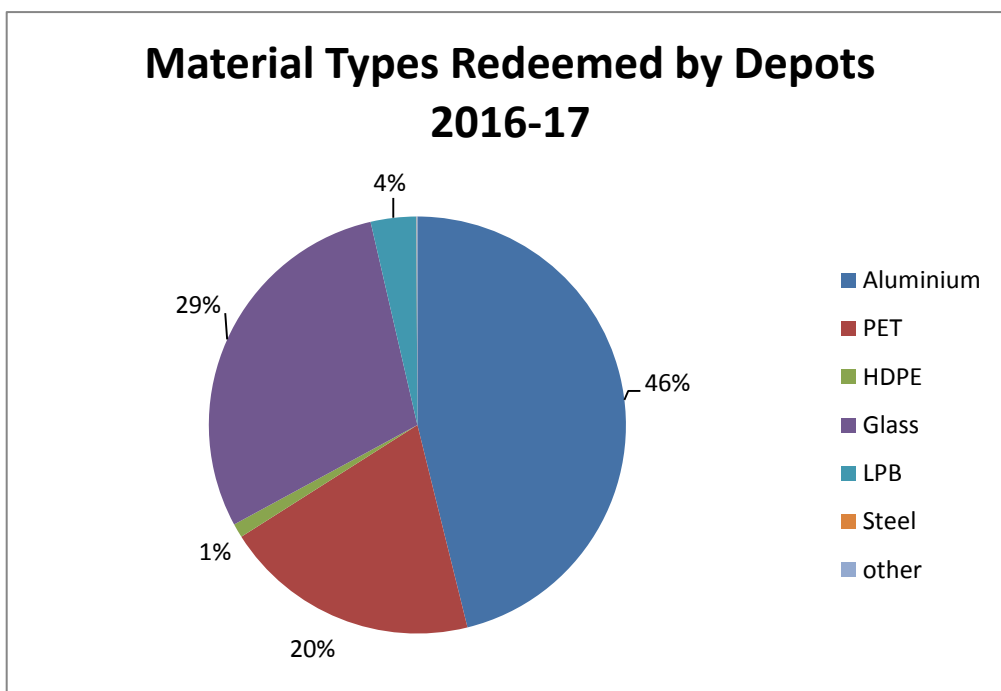


Figure 4 Percentage of containers deemed by depots by container type

Approximately \$9 000 000 in container refunds (deposits) were paid out to Territorians in 2016-17, an increase of approximately \$700 000 compared to the previous year.

3.3 Suppliers

During 2016-17, there were 244 beverage manufactures/suppliers registered in the NT CDS who held supply approvals.

The NT EPA issued 347 new or renewed supply approvals and 149 752 726 approved containers were sold into the Northern Territory.

4 CDS infrastructure grants

During 2016-17 eight 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 NT.

Grants to the value of \$138 560 (excluding GST) were awarded to assist in improving CDS infrastructure. Projects included establishing collection points, infrastructure for bulk processing and improving existing collection depots. Table 2 details the grants that were awarded.

Table 2: CDS infrastructure grants awarded in 2016-17

Organisation	Project Summary
East Arnhem Regional Council	Fabrication of cages for a collection point to collect containers at Galiwinku. The containers will be taken by barge to Darwin for payment of the refunds by an approved collection depot.

Organisation	Project Summary
Gray Primary School	Purchase of bins for a collection point to service the school community, and construction of a bike and trailer for retrieving containers from collection bins in classrooms and the school grounds. The collection point is managed by the student leadership council with support by school staff members.
Litchfield Council	Installation of larger collection bins for collection points at the Litchfield Council transfer stations to improve public access to the bins. These made it easier for machinery and vehicle access for handling and transporting the container collections to the collection depot. Funds raised will be used to drive community grants and environmental initiatives.
Manunda Terrace Primary School	Purchase of commercial recycling bins and trailer to improve access by the school community and public to the school's collection point. The trailer is used to store and transport containers to the collection depot. Students are responsible for collecting, sorting and cleaning containers. The school now operates a structured CDS programme through the support of this grant.
Marrara Christian College	Purchase of bins and construction of shelter for collecting and storing containers collected through the school's collection point. Middle school student leaders empty the bins once a week, and sort the containers. A staff member takes the collected containers by trailer to a collection depot.
Mindil Beach Sunset Market Association Inc.	Purchase of bins, bin lifter and trailer to transport eligible containers collected at the Mindil Beach Markets to a collection point operated by Palmerston Special School.
Roper Gulf Regional Council	Purchase of four purpose built trailers to support access to CDS, and participation in CDS activities by Barunga, Beswick, Jilkminggan and Mataranka communities. The trailers will be located at the communities and used to transport collected containers to the collection depot.
St Francis of Assisi Catholic Primary School	Purchase of bins and installation of container collection cages to facilitate public and school access to the school's collection point.

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 2016-17 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, the NT EPA received few reports of potential non-compliance with the plastic bag ban, and enquiries about the plastic bag ban reflected increasing public interest in the ban and community lead initiatives to reduce the use of single use plastic bags, 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.