

Environment Protection (Beverage Containers and Plastic Bags) Act 2011

Annual Report 2022

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Contact details	Northern Territory Environment Protection Authority
Approved by	Amy Dennison Executive Director Environmental Regulation Delegate of the Northern Territory Environment Protection Authority
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Glossary of Terms

Acronyms	Full form
CDS	Container Deposit Scheme
Greater Darwin Area	The area within the Darwin and Palmerston City Council boundaries.
HDPE	high-density polyethylene
LPB	liquid paper board
NT	Northern Territory
Other material	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.
PET	polyethylene terephthalate
RVM	reverse vending machine
Redeemed	Containers returned to depots by the public
Redemption rate	The proportion of approved containers sold that were accepted by collection depots for a 10 cent refund.
Returns	The number of containers returned by coordinators to beverage containers suppliers
Return Rate	The proportion of containers returned to CDS coordinators by depots for recycling and reuse

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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 the 2021-22 financial year. A summary of the success of the CDS in 2021-22 comparative to 2020-21 is provided below.

Measure	2021-22	2020-21	Change
Number of containers sold into the scheme	136 142 198	144 097 535 *	5% decrease
Number of containers Redeemed by the public	104 531 977	101 057 365	3% increase
Number of containers returned to coordinators	101 777 826	101 559 554	0.2% increase
Redemption rate	77%	70% *	7% increase
Return Rate	75%	70% *	5% increase

*Incorporates corrected container sales data reported to the NT EPA during 2021-22.

Territorians have continued to support the CDS with over 100 million containers redeemed at depots and more than \$10 million in refunds paid out during the year. The total number of containers redeemed at depots by the public increased by approximately 3.47 million containers in 2021-22.

This is the fifth consecutive financial year where return rates have been at least 70%, which demonstrates the scheme's effectiveness at meeting the objectives of litter reduction and resource recovery.

Container redemption rates remain at the usual distribution of 67% in the Darwin, Palmerston & Litchfield area vs 33% in regional areas.

Amendments to the Act commenced in October 2021 and March 2022 to streamline the CDS approval process, establish a framework for supplier registration and remove the need for beverage containers and waste management arrangements to be approved under the Act. These changes have substantially reduced the administrative and regulatory burden for industry and the regulator.

There were two new collection service locations approved for Borroloola and Jilkminggan in this period. There are now 19 approved CDS Depots covering 30 locations.

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 NT EPA has delegated this function to the Executive Director Environmental Regulation. The report is to be tabled by the Minister in the Legislative Assembly within four months of the end of the financial year.

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.

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.

2.1. Amended Act

The Act was amended during 2021-2022 to streamline CDS approval processes, including:

- the introduction of a new CDS supplier registration scheme, which came into effect on 2 October 2021 upon commencement of provisions of the Act affected by the *Statute Law Amendment (Territory Economic Reconstruction) Act 2021*, removing the requirement for each type of beverage container to be approved for supply or sale in the NT; and
- the removal of the requirement for any type of waste management arrangement to be approved, which came into effect on 31 March 2022 upon commencement of provisions of the Act affected by the *Environment Legislation Amendment Act 2021*.

As of 2 October 2021, beverage manufacturers and importers of regulated containers must be a registered CDS supplier to supply regulated containers for sale in the NT and hold a CDS supplier registration certificate issued by the NT EPA. CDS supplier registration may be granted for up to 10 years. Under the transitional arrangements beverage suppliers that held a valid supply approval immediately before the amended Act commenced became registered CDS suppliers. Eligible suppliers were issued a certificate of CDS supplier registration shortly after the changes came into effect.

Whilst all registered CDS suppliers and CDS approval holders must maintain waste management arrangement/s that comply with the requirements of the Act, the changes to the Act mean that these arrangements no longer require approval by the NT EPA.

Together these changes have significantly reduced the number of applications for CDS approvals and the processing times associated with applications, thereby reducing the administrative and regulatory burden for industry and the regulator. The changes also deliver on the recommendations of the CDS review regarding streamlining the CDS approval process and incentivising resource recovery.

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 permitted 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 arranges for the containers to be recycled.

3.1. Suppliers

When the framework for CDS supplier registration came into effect on 2 October 2021, 207 beverage suppliers became registered CDS suppliers under transitional provisions in the Act. Collectively these suppliers held approvals for over 5,600 containers immediately before the provisions for CDS supplier registration commenced. Most of these suppliers (181) were issued a certificate of CDS supplier registration upon commencement of the amended Act. The remaining CDS suppliers were party to a supplier arrangement which was due to expire within a short period after the changes came into effect. Those CDS suppliers were issued a certificate once they had submitted a replacement arrangement to the NT EPA.

There were 233 suppliers who held an NT CDS Supplier Registration at the end of the 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 or recycling 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 currently approved to operate under the CDS: Envirobank NT Pty Ltd, Marine Stores Pty Ltd, NT Coordinators Pty Ltd, and 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 10 cents for each approved container returned to a depot (redemption). 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, collating and processing the containers for transport or further processing by the CDS coordinator ready for reuse before being reused or recycled.

A total of 30 locations are serviced by the following 19 approved collection depots operating in the NT:

- Bevcon Recycling Pty Ltd – Berrimah
- Bishdun Pty Ltd trading as Nighthawk Recycling Services – Nhulunbuy
- East Arnhem Regional Council – Mobile service (Gapuwiyak, Yirrkala, Ramingining, Galiwinku, Milingimbi, Umbakumba, Angurugu, Gunyangara, Milyakburra communities)
- Envirobank Recycling (Australia) Pty Ltd – Alice Springs
- Envirobank Recycling (Australia) Pty Ltd – Alice Springs Mobile Service (Kintore Community)
- Envirobank Recycling (Australia) Pty Ltd – Coles Casuarina & Northlakes Shopping Centre (“Smart Pod” bag drop)
- Envirobank Recycling (Australia) Pty Ltd – Pinelands
- Envirobank Recycling (Australia) Pty Ltd – Pinelands Mobile service (Wagait Beach and Jabiru)

- Envirobank Recycling (Australia) Pty Ltd – Darwin City (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
- Roper Gulf Regional Council – Mataranka Recycling Centre & mobile service (Jilkminggan)
- Roper Gulf Regional Council – Borroloola Recycling Centre
- Thamarrurr Development Corporation – Wadeye
- TOMRA Collection Pty Ltd trading as 'I RETURN' – Coconut Grove
- Darrin's Rubbish Removal (Recycling Centre) – Tennant Creek.

3.4. 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.

3.4.1. 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. Containers are recorded as sold when they are supplied to retailers for sale in the NT. There is a lag between consumers purchasing the containers, consuming the contents and the empty containers being returned to a CDS coordinator via a depot.

During 2021-22, a total of 136 142 198 permitted containers were sold in the NT, down by 6% compared to 144 222 575 in 2020-21. Of the containers sold, 101 777 826 were returned by a collection depot to a CDS coordinator for recycling or reuse. This equates to an annual return rate of 75%, which means 75% of permitted containers sold in the NT during 2021-22 were recycled (Table 1).

The decrease in annual container sales together with a marginal increase in containers returned resulted in this increased annual return rate.

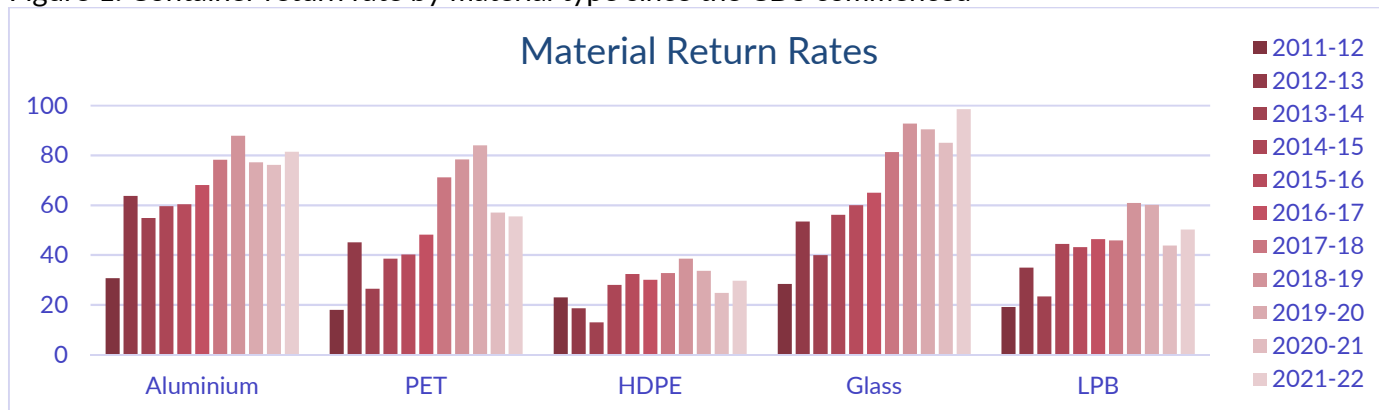
Table 1. 2021-22 Annual return rate by material type

Container material	No. sold in NT	No. returned	Return rate (%)
Aluminium	64,351,405	52,393,410	81
PET	38,384,897	21,295,558	55
HDPE	3,134,262	927,497	30
Glass	24,588,107	24,219,560	99
LPB	5,526,969	2,773,992	50
Steel	156,559	86,099	55
other	0	81,710	0
Total	136,142,198	101,777,826	75

Glass and aluminium containers continued their trend for high return rates (Figure 1).

Similar to previous years, the majority of containers sold in the NT during 2021-22 were made of aluminium, PET and glass, which together represent more than 93% of all containers sold. Investigations into the lower than expected PET return rate are ongoing.

Figure 1. Container return rate by material type since the CDS commenced



3.4.2. Resource recovery

The 101 777 826 containers returned to CDS coordinators amounted to 6 192 tonnes of container materials that have been diverted from litter and landfills into the circular economy. The vast majority was made up of glass (79%) followed by aluminium (12%) and PET plastic (8%).

The containers returned to CDS coordinators in 2021-22 were bailed or crushed then sold for further processing and /or recycling as follows:

- Aluminium: further reprocessing to be recycled into products such as metal sheeting and cans
- Plastics: further reprocessing/ remanufacturing into products such as PET flakes or bottles, and HDPE bottles
- Glass: processing such as glass remelt or bottle making
- LPB: further processing/ remanufacture into products such as writing or tissue paper
- Steel: further processing as scrap metal.

The majority of the materials are sent interstate for further processing or recycling. A small proportion of material is sent overseas.

3.4.3. Container redemptions made by the public

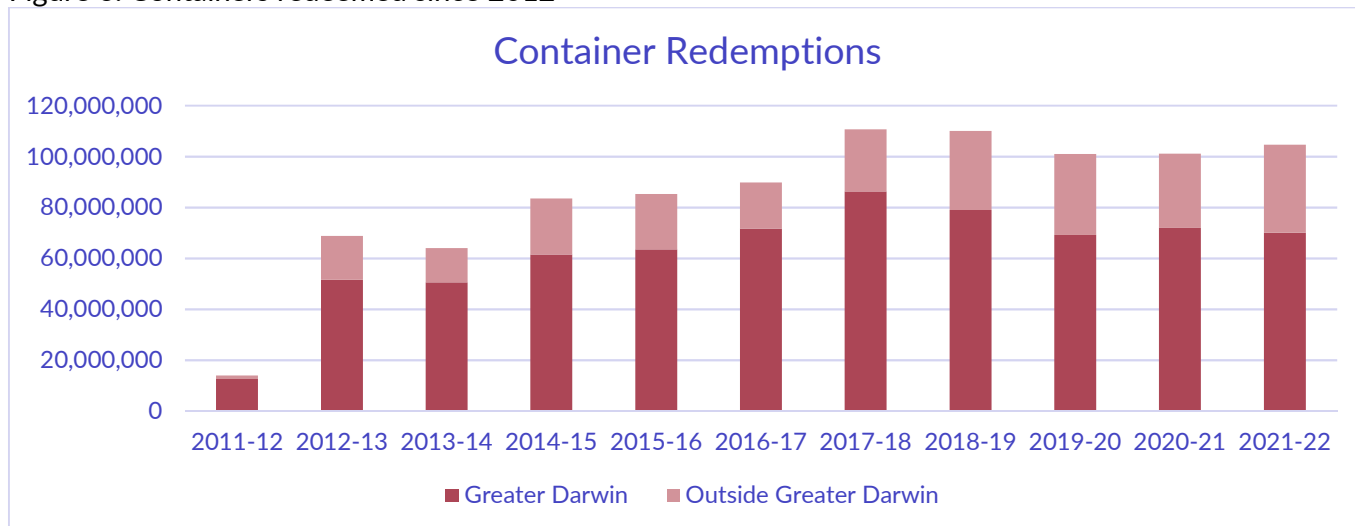
The containers received by depots from the public are referred to as 'redeemed containers'. Collection depots are required to report annually on the number of permitted containers that they have received from the public and paid a 10c refund for.

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.

For the fifth consecutive year over 100 million containers were redeemed at collection depots and over \$10 million in container refunds was paid out to Territorians. Over \$3.4 million of this was paid in locations outside of the Darwin, Palmerton & Litchfield council areas (Greater Darwin).

The total number of redeemed containers increased in 2021-22, up by over 3.5 million compared to 2020-21, resulting in an annual redemption rate of 77%.

Figure 6. Containers redeemed since 2012



3.5. National Harmonisation of container deposit schemes

The NT is represented on the CDS subcommittee of the National Waste Working Group of the Heads of EPAs (HEPA NWWG) formed in 2019 to work on harmonising schemes.

In April 2021, Environment Ministers agreed to harmonise container deposit schemes across jurisdictions where possible by 2025, including the containers, refund amounts, standards for labelling and community education.

Investigations by the HEPA NWWG into aligning application processes, the scope of eligible containers, and the deposit amount (currently 10c) continued in 2021-22.

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 2021-22, 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 Policy. During the financial year there were no reports to the NT EPA of potential non-compliance with the plastic bag ban. Enquiries to the NT EPA from retailers and industry about the bag ban reflected broad awareness among the regulated community, and willingness to comply with the ban. Enquires from the public continued to reflect support for the ban, and increasing interest in initiatives to reduce the use of single use plastic bags and other plastics.

All Australian states and territories now have plastic bag bans with the commencement of a ban on light weight plastic bags in NSW from June 2022. Discussions nationally continued to focus on implementing measures and delivering on the commitment by all states and territories to phase out problematic and unnecessary plastics by 2025.