

# Environment Protection (Beverage Containers and Plastic Bags) Act 2011

Annual Report 2020-21

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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 2020-21. A summary of the success of the CDS in 2020-21 comparative to 2019-20 is provided below.

Measure	2020-21	2019-20	Change
Number of containers sold into the scheme	140 119 195	126 222 575	11% increase
Number of containers Redeemed by public	101 057 365	100 954 077	0.1% increase
Number of containers returned to coordinators	101 559 554	100 848 173	0.7% increase
Redemption rate	72%	80%	8% decrease
Return Rate	72%	80%	8% decrease

Territorians have continued to support the CDS with 100 million containers redeemed at depots, and \$10 000 000 in refunds paid out during the year. The total number of containers redeemed at depots by the public increased by approximately 100 000 containers in 2020-21.

The sale of eligible beverage containers increased by 11% in 2020-21 (140 119 195 containers), from 126 222 575 beverage container sales in the 2019-20. The annual redemption rate (i.e. the proportion of approved containers sold that were accepted by collection depots for a 10 cent refund) was 72% in 2020-21. Although container sales were up, the proportion of containers returned by the public decreased by 8% compared to 2019-20 (redemption rate was 80% in 2019-20).

More than 29 million containers were redeemed at approved depots outside of the Darwin and Palmerston City Council areas. This represents almost 3 million (8%) less containers redeemed within the same region in 2019-20, despite an increasing number of collection depots in regional areas. Conversely containers redeemed at depots in the Darwin and Palmerston City Councils in 2020-21 increased by more than 2.7 million containers (4%) on the previous financial year.

In 2020-21, 101 559 554 containers were returned to CDS coordinators by depots for recycling and reuse, correlating to a container return rate of 72% in 2020-21. This is an 8% decrease compared to the return rate in 2019-20.

The decline in the Territory's redemption and returns rates in 2020-21 is attributable to the increase container sales in 2020-21 (increasing of 13 million containers) compared to sales in 2019-20, yet redemption and return of containers remained consistent to the previous year. Other jurisdictions also observed an increase in supply of CDS eligible containers during 2020-21, yet experienced a decline in container redemptions and returns, likely due to temporary closures of collection facilities due to the COVID-19 pandemic. The Territory's CDS however was not significantly impacted COVID19 restrictions and is unlikely to have contributed to a decline in redemptions or return rates.

Further investigation into the reasons behind lower container redemption and return rates in the NT is required to understand whether consumers (or retailers) have stockpiled beverages for later consumption or return to a depot, or whether more containers are being disposed of as general waste.

By weight, glass (80%), aluminium (11%) and PET (8%) containers made up 99% of containers for recycling or reuse, with the majority of containers sent interstate for further processing and reuse. This suggests the impact of the export ban on glass has had minimal impact in the Territory to date.

A phased approach is being taken to implement recommendations from the 2018 independent review of the CDS by Ernst & Young (the review). Significant progress towards implementing the recommendations occurred in 2020-21, with the focus on:

- Streamlining the legislative framework for CDS approvals with a draft Bill tabled for Parliament's consideration in May 2021. The Bill establishes a framework for CDS supplier registration, and removes the need for approval of containers to be sold in the CDS.
- Increasing the scope of the CDS to include currently excluded containers such as wine bottles and milk cartons.
- Improving access to CDS particularly in regional and remote areas. An analysis of regional access to approved collection depots in 2020-21 informed policy and recommendations to incentivise establishment of depots and resource recovery. These have been included in a draft discussion paper for government's consideration.
- Considering a number of policy reforms to improve resource recovery and reuse through the CDS, particularly of certain material types such as liquid paperboard and HDPE.
- Considering options for increasing refunds to Territorians through CDS.
- Improve the monitoring and reporting of the success of CDS through improvements in data accuracy and timeliness, and development of audits and compliance programs.

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. Tasmania and Victoria, the only jurisdictions yet to commence, are expected have schemes in place by 2023 or earlier. The NT continues to participate in inter-jurisdictional working groups to ensure consistency and harmonisation of regulation and administration across existing and proposed schemes.

## 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 2020-21, 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.

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.

#### 2.3.1. National harmonisation of container deposit schemes

All Australian jurisdictions have container deposit schemes in place, or have committed to establish a scheme by 2023. 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.

The NT is represented on the CDS subcommittee of the National Waste Working Group of the Heads of EPAs (HEPA NWWG) formed in 2019 and chaired by SA, to work on harmonising schemes. Opportunities under investigation include aligning application processes, the scope of eligible containers, and the deposit amount (currently 10c).

New Zealand has also commenced investigations on a container return scheme as an option to addressing beverage container waste.

## 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 2020-21, there were 263 beverage manufacturers or suppliers registered in the NT CDS who held supply approvals. For this period, the NT EPA issued 294 new or renewed supply approvals. There were 140 119 195 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 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, cleaning, packing and processing of the container to ensure that it can be reused, recycled, or otherwise appropriately disposed of.

During 2020-21, there were 18 collection depots authorised under the CDS in the NT, with eight located in the urban (7) 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 three mobile depots based in Darwin, Nhulunbuy and Alice Springs. The mobile depots provide services to Wagait Beach and Jabiru; eight communities in the East Arnhem region; and Kintore respectively. The approved depot collection operators in 2020-21 are listed in Appendix 1.

Three existing collection depot approvals were renewed or amended during 2020-21, and three new collection depots were issued for:

- a mobile collection depot based in Alice Springs to service Kintore Community from July 2020; and
- a “Smart Pod” bag drop service based at Coles in Northlakes Shopping Centre from December 2020



- a collection depot service at Mataranka Recycling Centre from June 2021, operated by Bevcon Recycling Pty Ltd in collaboration with Roper Gulf Shire Council.

Disruption to collection services due to the COVID 19 pandemic was limited to those located in areas subject to lockdown orders from late June 2021. Depots based in Darwin (3) and remote communities (3) that closed temporarily in 2019-20 due to COVID 19 restrictions were operating by the beginning of the 2020-21 financial year.

### 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 short lag between consumers purchasing the containers and consuming the contents, and the empty containers being returned to a CDS coordinator via a depot.

During 2020-21, a total of 140 119 195 approved containers were sold in the NT, up by 11% (more than 13 million containers) compared to 126 222 575 in 2019-20. Of the 140 119 195 containers sold, 101 559 554 were returned by a collection depot to a CDS coordinator for recycling or reuse. This equates to an annual return rate of 72% for 2020-21 meaning 72% of all regulated containers sold in the NT during 2020-21, were reused or recycled (Table 1).

Table 1. 2020-21 Annual return rate by material type

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	67 344 603	51 260 424	76
PET	33 122 667	21 136 410	64
HDPE	3 466 977	857 477	25
Glass	30 121 013	25 590 638	85
LPB	5 992 151	2 621 497	44
Steel/ Other	71 784	93 108	130
<b>TOTAL</b>	<b>140 119 195</b>	<b>101 559 554</b>	<b>72</b>

The 11% increase in annual container sales together with a marginal increase (of less than one million) in containers returned in 2020-21, resulted a lower annual return rate of 72%, down 8% compared to 80% in 2019-20. This means, during 2020-21 empty containers were returned via collection depots to CDS coordinators in similar numbers to the previous financial year, even though in 2020-21 more containers were sold in the NT.

In 2020-21, the annual return rates by material type were highest for glass (85%) and aluminium (76%) followed by polyethylene terephthalate (PET) bottles, liquid paper board (LPB) cartons, and high-density polyethylene (HDPE) bottles (Table 1).

The largest change in annual return rates was for PET at 64% in 2020-21 (down 20% from 80% in 2019-20). In previous financial years, return rates for PET have been similar to return rates for glass and aluminium. Return rates for LPB and HDPE were also much lower in 2020-21 at 44% (down 16% from 60%) and 25% (down 9% from 34%) respectively.

Sales of beverage containers increased during 2020-21 in other Australian jurisdictions as well as the NT. A higher number of domestic travellers visiting the NT in 2020-21 following easing of state and territory border restrictions may have contributed to higher container sales. Input from key stakeholders suggests the presence of the quarantine facility in Howard Springs and Marines exercises in the Top End contributed to an increase in demand for food and beverage supplies in the NT in 2020-21.

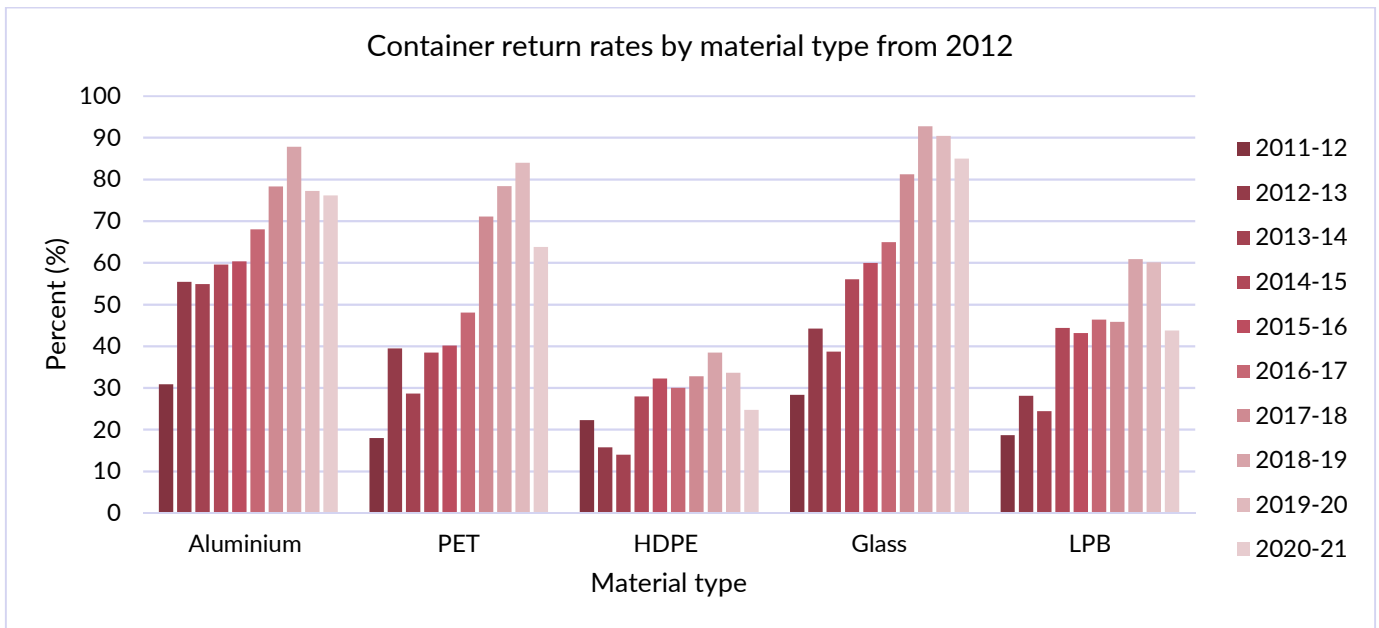


Figure 1. Container return rate by material type since the CDS commenced

Similar to previous years, the majority of containers sold in the NT during 2020-21 were made of aluminium, PET and glass, which together represented more than 93% of all containers sold during 2020-21 (Figure 2).

An increase in the total number of PET containers sold, up 24% from 26 630 811 in 2019-20 will have contributed to the lower return rate of 64% for PET in 2020-21. This would have also contributed, though to a lesser extent on the lower annual return rate in 2020-21 across all materials, given that PET makes 24% of all containers sold in the Territory.

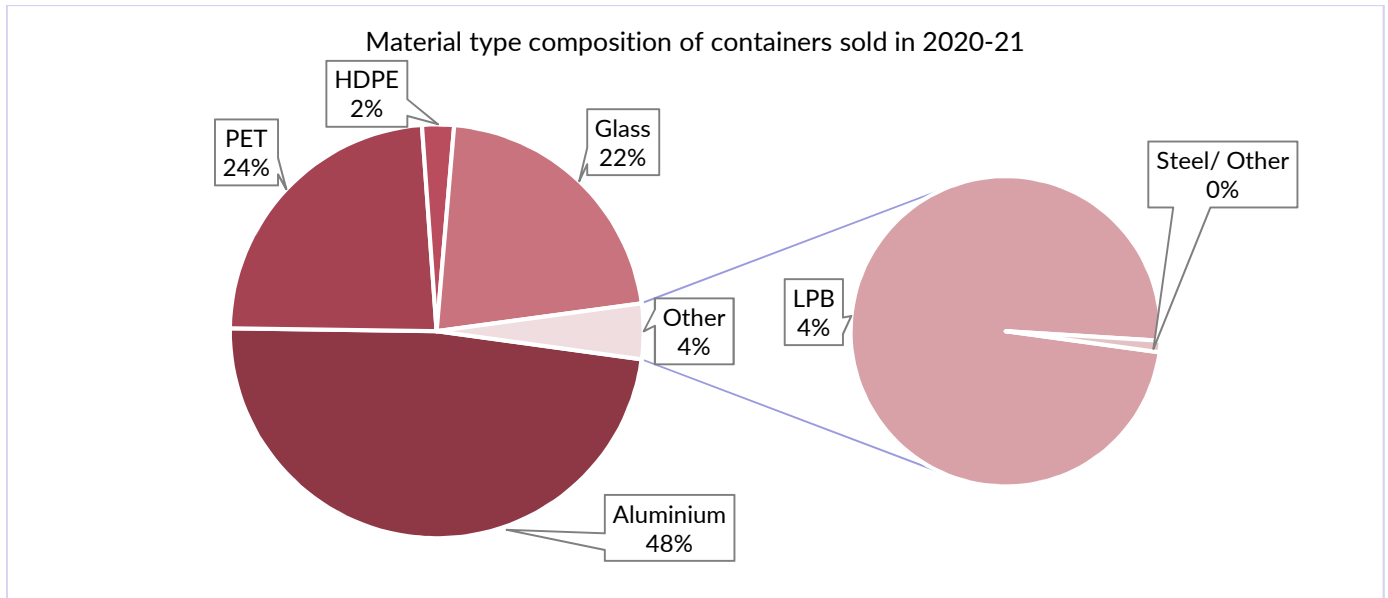


Figure 2. Material composition of containers sold in 2020-21

Further analysis is needed to better understand the changes in the container return rates observed during 2020-21, including whether factors such as delays in purchased containers coming back through the scheme (e.g. due to an increase in consumers purchasing single-use beverages for later consumption or empty containers being stockpiled for later redemption) played a role, or whether containers are being discarded to general waste in greater numbers than in previous years.

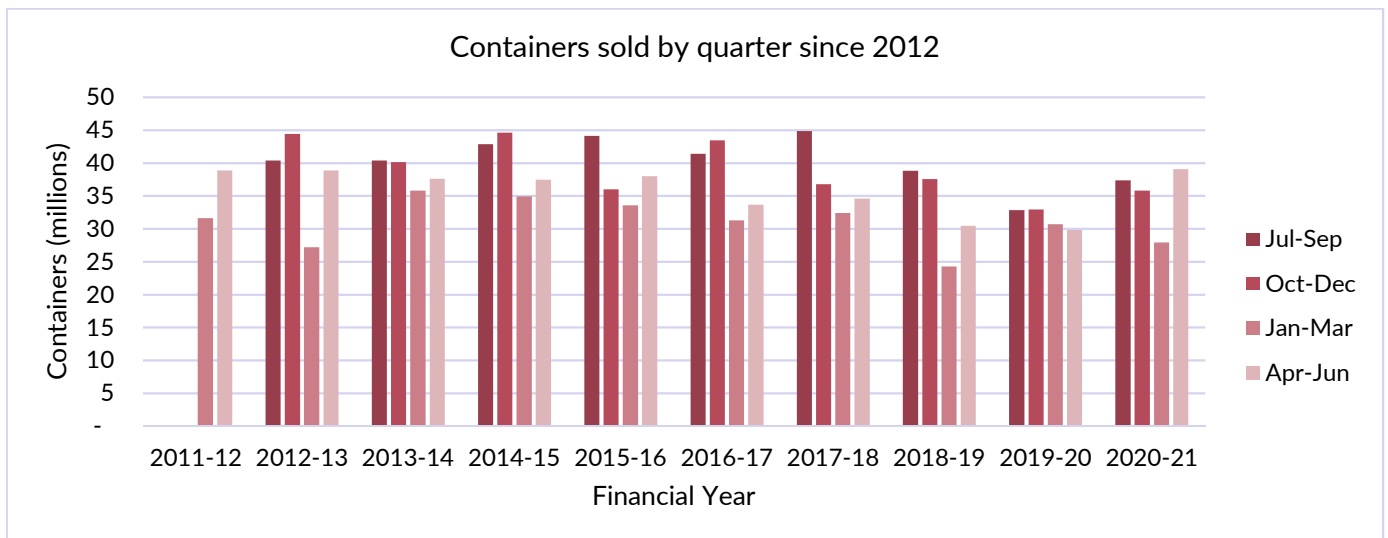


Figure 4. Millions of containers sold in the NT by financial year and quarter since the CDS commenced

### 3.4.2. Resource recovery

By weight, the 101 559 554 containers returned to CDS coordinators amounted to more than 6 000 tonnes of container materials. The vast majority was made up of glass (80%) followed by aluminium (11%) and PET plastic (8%), which collectively make up more than 99% (Figure 5).

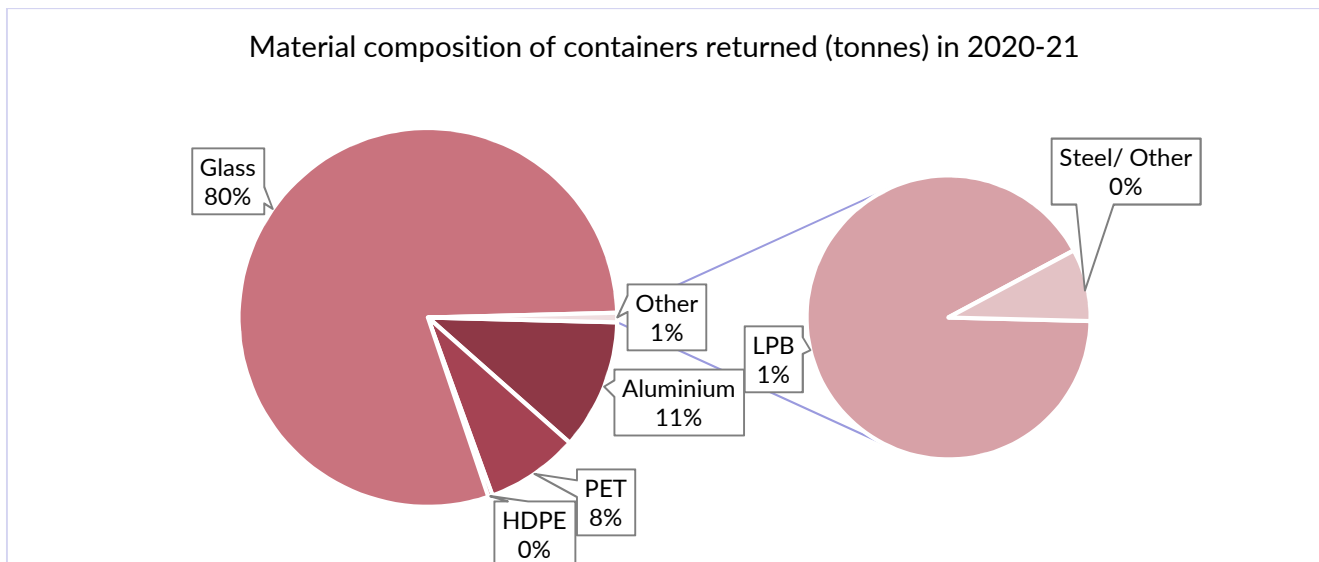


Figure 5. Material composition of containers returned in 2020-21 by weight

The containers returned to CDS coordinators in 2020-21 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 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 2020-21 over 100 million containers were redeemed at collection depots and over \$10 million in container refunds was paid out to Territorians. Over \$2.9 million of this was paid out by depots located outside of the Darwin and Palmerton city council areas.

The total number of redeemed containers in the NT in 2020-21 increased marginally, up by approximately 100 000 compared to 2019-20. The annual redemption rate 2020-21 was 72%, meaning that 72% of approved containers sold in the NT, were redeemed at depots in 2020-21. This represents an 8% decrease on the redemption rate of 80% in 2019-20. This indicates containers are being redeemed at a lower rate in the NT despite the increase in annual container sales comparative to last financial year.

In 2020-21, approximately 72 million containers were redeemed in areas in the Darwin and Palmerston city council areas, representing an increase of approximately 2.7 million containers (4%) on the 2019-20 financial year (Figure 6).

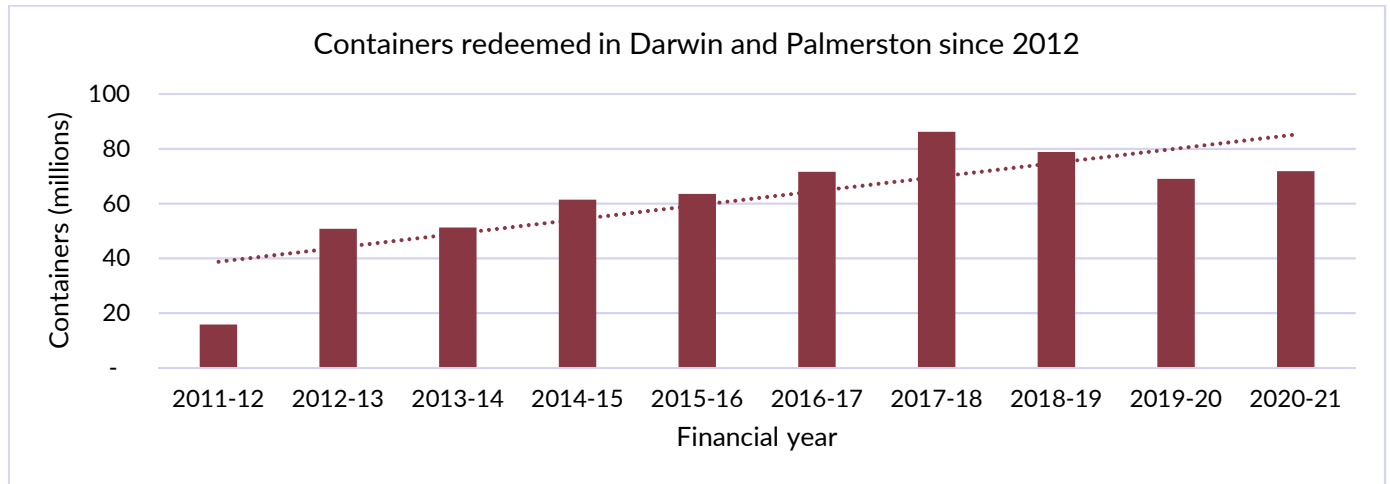


Figure 6. Containers redeemed in the Darwin and Palmerston city council areas since 2021

Comparatively approximately 29 million containers were redeemed outside of Darwin and Palmerston, representing a decrease of over 2.5 million containers (8%) on the previous financial year when more than 31 million containers were collected by approved depots in the same region. This suggests regional and remote areas were impacted more Darwin and Palmerston by the downturn in NT container redemption rates in 2020-21. Overall the number of containers redeemed outside of Darwin and Palmerston continues to show an increasing trend since the scheme commenced in 2012 (Figure 7).

The composition of the containers redeemed at depots located outside of Darwin and Palmerston city council boundaries also varies, with a greater proportion of the container collected regionally made up of aluminium containers, and a smaller proportion comprising glass and PET containers (Figure 8). It is unclear, in the absence of regional container sales data, whether this is representative of the material composition of containers sold in regional areas, or if it relates solely to the logistics transporting heavier more bulky materials like glass long distances, versus aluminium, which also has greater value as a recyclable material.

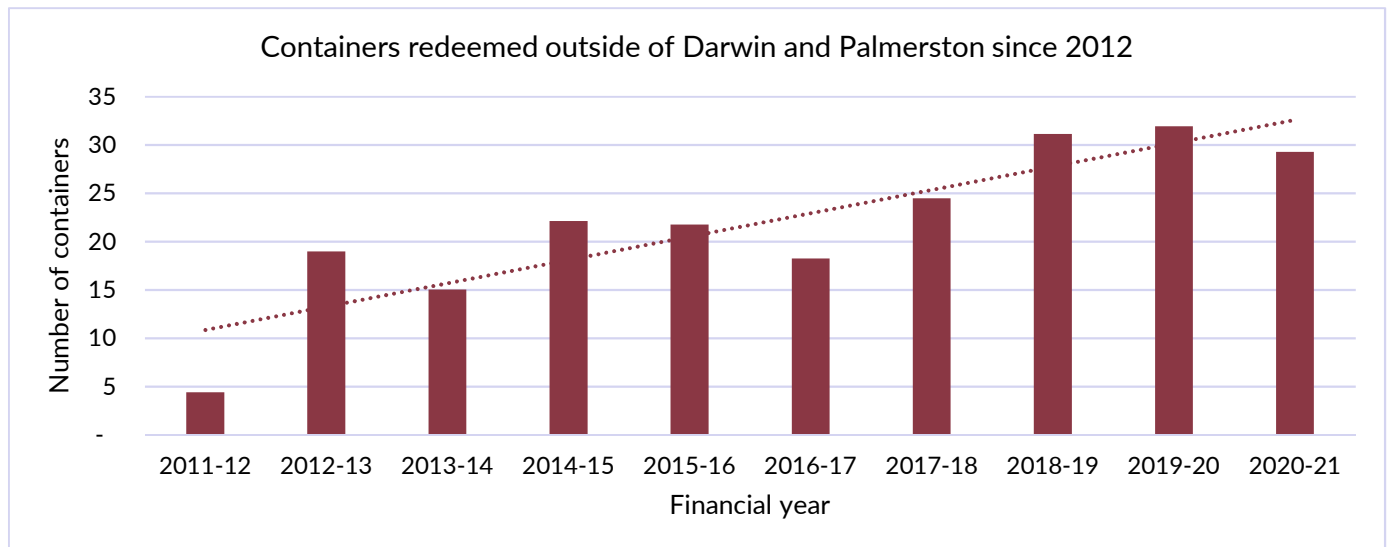


Figure 7. Containers redeemed outside of the Darwin and Palmerston city council areas since 2021

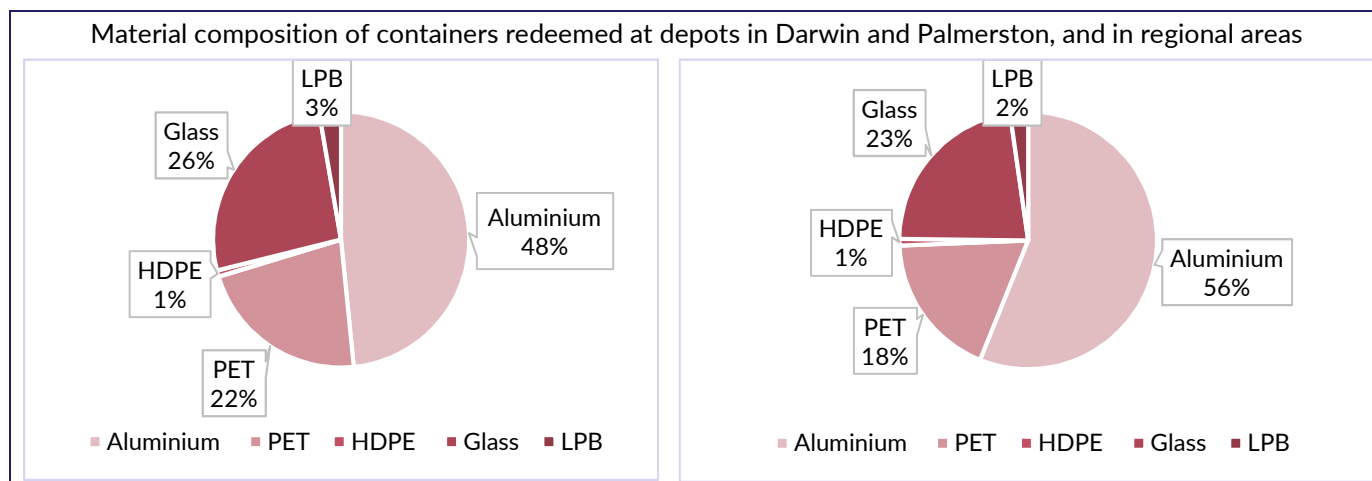


Figure 8. Material composition of containers redeemed at depots in Darwin and Palmerston city council areas (left), and outside of Darwin and Palmerston (right)

### 3.5. Review of the container deposit scheme

The 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 to implementing the recommendations from the review is occurring. In 2020-21 work focused on:

- *Streamlining the legislative approvals framework:* Legislative amendments to the Act proposed in the [Statute Law Amendment \(Territory Economic Reconstruction\) Bill 2021](#) during 2020-21 to establish a framework for CDS supplier registration were introduced into Parliament in May 2021. The draft Bill establishes provisions to support the framework for CDS supplier registration. The proposed amendments mean that:
  - Suppliers will need to hold a CDS supplier registration certificate to supply regulated containers for sale in the NT.
  - Suppliers must have a supplier arrangement with an approved CDS coordinator before applying for CDS supplier registration certificate.
  - Transitional arrangements allow for suppliers that hold a valid CDS supply approval when the changes come into effect, to be issued a new CDS supplier registration certificate<sup>1</sup> with conditions of registration. Registration may be granted for up to 10 years (previously up to 5 years for a supply approval).
  - A registered CDS supplier must at all times maintain a supplier arrangement with an approved CDS coordinator for the containers that are supplied in the NT.

Prior to the changes coming into effect a supplier (manufacturers, distributors and retailers) must ensure there is a valid supply approval for any regulated containers supplied in the NT. The changes

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<sup>1</sup> Based on the details provided by the supplier to the NT EPA to support the CDS supply approval, and subject to the supplier providing additional information, should this be required to facilitate the issue of the certificate.

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will reduce processing times for supply applications and wait times for suppliers by replacing the need for approval of individual containers with CDS supplier registration.

- *Accessibility to CDS including in regional and remote areas:* An analysis of regional access to approved collection depots was undertaken to help inform the discussion paper on CDS referred below. In 2020-21, the development of new and existing collection depots and collection points was supported through communication with remote community organisations, local government organisations and regular participation in remote working groups.
- Preparation of a discussion paper to be released for public consultation in early 2022 considering:
  - Simplifying and expanding the scope of containers included in the scheme
  - Improving reporting on CDS performance
  - Resource recovery targets for CDS coordinators to improve reuse and recycling
  - Scheme funding, particularly in relation to regional and remote access to the scheme

More information about the review implementation plan is available at:

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

## 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 2020-21, 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 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. Enquiries 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.

In 2020-21 all states and territories except NSW had plastic bag bans in place. In June 2021, NSW committed to establishing a ban on lightweight plastic shopping bags by 2022. Discussions nationally continued to focus on measures to reduce single use plastics more broadly, as part of the wider discussion on measures to phase out problematic and unnecessary plastics by 2025.

## 5. Appendix A

Approved depot collectors in 2020-21 are listed below.

- Bevcon Recycling Pty Ltd – Berrimah
- Bevcon Recycling Pty Ltd / Roper Gulf Regional Council – 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 – Alice Springs Mobile Service (Kintore Community)
- 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)
- Envirobank Recycling (Australia) Pty Ltd – Northlakes Shopping Centre (“Smart Pod” bag drop service)
- 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.