

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

Annual Report 2017-18

October 2018

Northern Territory Environment Protection Authority

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1 Executive summary

This 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 during 2017-18.

Territorians have continued to support the CDS with approximately \$11 000 000 in refunds paid out over the year, an increase of approximately \$2 000 000 compared to 2016-17. Return rates increased from 48% in 2016-17 to 75% in 2017-18. Increased public access to the CDS in regional and remote areas, including through new depots at Humpty Doo and Mataranka, and investment through the Environment Grants Program in CDS infrastructure to support collection points in the East Arnhem, Roper Gulf and Central Australian regions, has contributed to these achievements.

An independent review of the CDS commenced in 2017-18 as required under the Act. The review has identified a number of areas for improvement in terms of accessibility to CDS in regional and remote areas, reduced regulatory and administrative burden, a need for increased auditing and compliance, and improved data collection and reporting. Implementation of the review recommendations is currently being considered.

National interest in container deposit schemes continued to gain momentum. The New South Wales (NSW) and Australian Capital Territory (ACT) container deposit schemes commenced in December 2017 and June 2018 respectively. The Queensland (Qld) container refund scheme is due to commence on 1 November 2018 and the Western Australian (WA) scheme is due to commence in 2020. The NT continued to participate in inter-jurisdictional working group to ensure consistency across existing and proposed schemes.

In April 2018, the Tasmanian Government released a report on a model framework for implementing a container deposit scheme in Tasmania (<https://epa.tas.gov.au/policy/other-topics/resource-recovery/container-deposit-scheme>). The findings in this report have been highly relevant to the independent review of the NT CDS.

Monitoring of the plastic bag ban continued in line with the 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.

In June 2014 the Act was amended 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 to 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.

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 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 Regulations

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

On 3 March 2018, the Regulations were amended to introduce common refund marking agreed to nationally and in recognition of the refund marking used in New South Wales and emerging schemes in other jurisdictions.

The approved refund marking for a regulated container supplied into the Northern Territory is a mark or label that clearly and legibly states either of:

- a) 10c refund at collection depots when sold in NT; or
- b) 10c refund at SA/NT collection depots in State/Territory of purchase; or
- c) 10c refund at collection depots/points in participating State/Territory of purchase.

Note: it is irrelevant if marking a) reads “Northern Territory” instead of “NT”.

These regulatory amendments ensure consistency of CDS legislation across jurisdictions, and reduces the burden on industry to ensure container labels reflect the approved refund marking depending on the jurisdiction of operation.

2.3 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 consulted during the year on matters concerning redeemable containers, 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, which commenced in December 2017
- the ACT container deposit scheme, which commenced in June 2018
- the Qld container refund scheme, expected to commence in November 2018
- the WA container deposit scheme, expected to commence in early 2020.

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 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.

3.2 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.

In 2017-18, two new approvals were granted to open depots in Humpty Doo and Mataranka:

- Leever's, Glenys Rae trading as 'Can Doo Recycling NT' opened a collection depot in Humpty Doo in September 2017. The approval was revoked, and a new approval was granted to Humpty Doo Regional Recycling Pty Ltd (HRRR) to

enable HDRR to assume responsibility for operating the collection depot in December 2017

- Bevcon Recycling Pty Ltd opened a collection depot at Mataranka in April 2018

Approvals were also granted for the renewal of an existing collection approval, amendment to collection depot name and site details for three existing collection approvals.

There are 13 depots authorised under the CDS in the NT, of which seven are located in the urban (6) and outer (1) Darwin region, one is located in Alice Springs, one in Katherine and four in regional and remote areas (Mataranka, Tennant Creek, Elliot, and a mobile depot servicing Wagait Beach and Jabiru).

The following collection depots operated at locations across the Northern Territory during 2017-18:

- Bevcon Recycling Pty Ltd – Berrimah
- Bevcon Recycling Pty Ltd – Mataranka Recycling Centre
- 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
- Humpty Doo Regional Recycling Pty Ltd (initially Can Doo Recycling) – Humpty Doo
- M.T. Bins Pty Ltd – Katherine
- Murlran Pty Ltd trading as Bagnall Agencies – Elliot
- NT Recycling Solutions Pty Ltd – Berrimah
- TOMRA Collection Pty Ltd (formerly named Revive Recycling Pty Ltd) trading as 'I RETURN' – Coconut Grove.

3.3 Reporting

3.3.1 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.

Overall return rates have consistently increased since the introduction of CDS in 2012 (Figure 1). During 2017-18, a total of 148 572 794 approved containers were sold in the NT (Table 1). Of these containers sold, 111 277 928 were returned by a collection depot to a CDS coordinator. This equates to an overall return rate of 75% in 2017-18. This means that 75% of all regulated containers sold in the NT during 2017-18 were reused, recycled or otherwise appropriately disposed of.

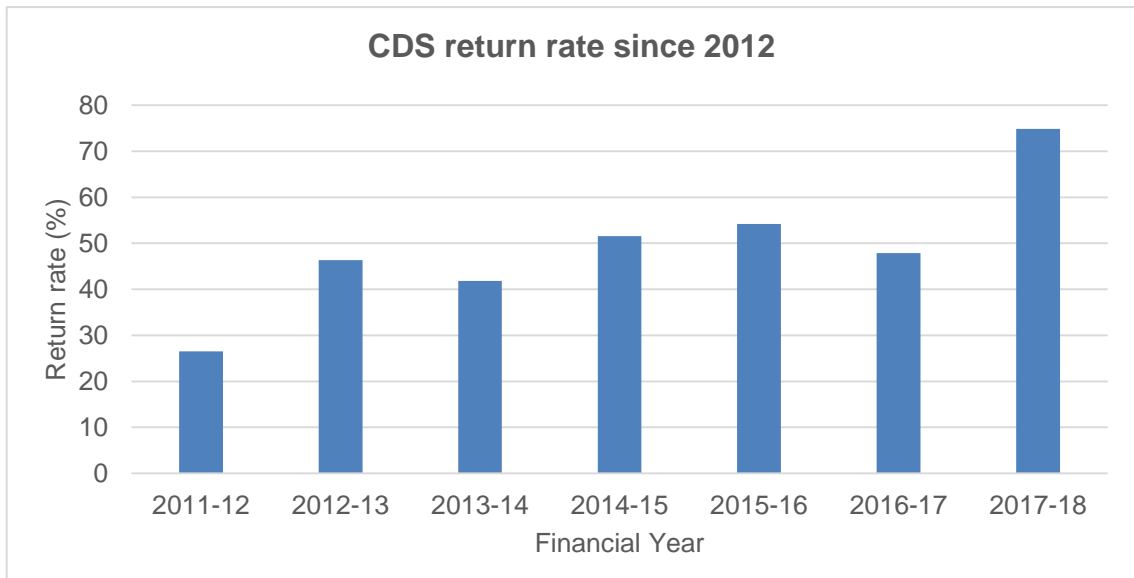


Figure 1: Comparative return rates of containers

The substantial increase in return rate in 2017-18 is likely to be due to changes in CDS legislation in 2017 to improve the efficiency of the operation of the CDS, as well as reducing inconsistencies in reporting between coordinators. The return rate of 48% in 2016-17 is thought to be at least partly associated with a temporary reduction in containers accepted by CDS coordinators from collection depots with the transitioning into the new legislative and operational environment from 1 January 2017. Coordinator data from 2016-17 is also currently being analysed to determine whether there was inconsistent reporting by some coordinators. The results of this analysis, and any required correction to the 2016-17 return rate, will be reported in the next annual report.

Aluminium, glass, polyethylene terephthalate (PET) and liquid paperboard make up the majority of containers returned to CDS coordinators by depots (Table 1). This is consistent with the container composition returned in previous years (Figure 2). There is generally an increasing trend in all container types returned since CDS was introduced in the NT. Glass, aluminium and PET consistently indicate the greatest return rate of all the material types since 2011-12.

The return rates for liquid paper board, HDPE and steel/other fluctuate more and have return rates significantly less than other material types. This may be associated with market demand, or potentially other issues associated with handling and storage. Further discussion is required with depots and coordinators to understand the factors influencing return rates on these material types.

Table 1: Annual return rate by material type

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	63 297 942	49 669 868	78
PET	32 877 116	23 379 852	71
HDPE	3 313 807	1 083 735	33
Glass	41 407 164	33 628 414	81
LPB	7 625 853	3 497 173	46
Steel/Other	50 912	18 886	37
Total	148 572 794	111 277 928	75

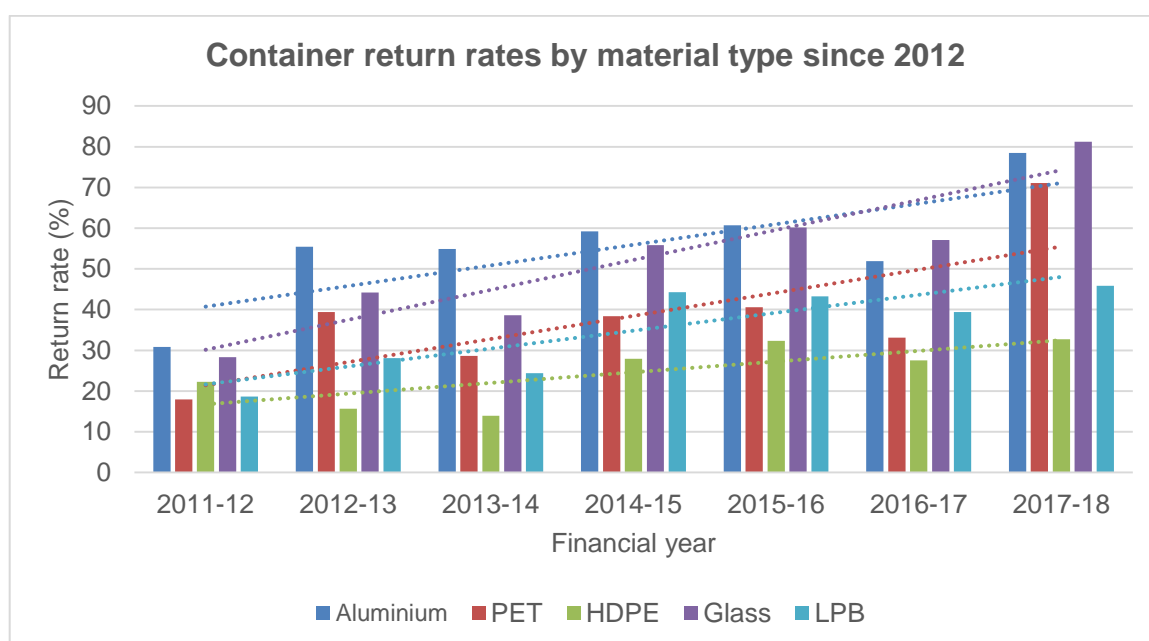


Figure 2: Container return rates by material type since 2012

3.4 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.

Redeemed containers continued to increase in 2017-18 with over 110 million containers redeemed at collection depots compared to approximately 90 million containers in 2016-17 and 21 million containers for the first six months of the CDS in 2011-12 (Figure 3).

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.

Approximately \$11 000 000 in container refunds were paid out to Territorians in 2017-18, an increase of approximately \$2 million compared to the previous year.

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.

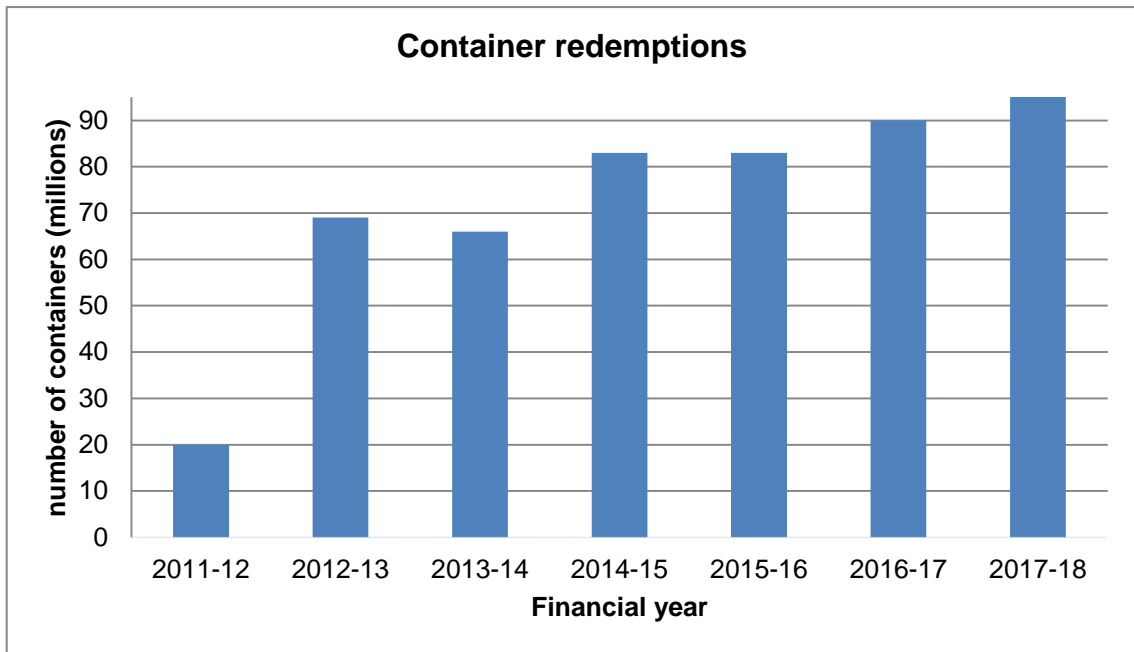


Figure 3: Number of containers redeemed at collection depots since commencement of CDS

A higher redemption rate was achieved for aluminium, PET and glass containers compared to containers of other material types (Figure 4). This is consistent with redemption rates in previous years and the 2017-18 return rates for containers by material type shown in Table 1.

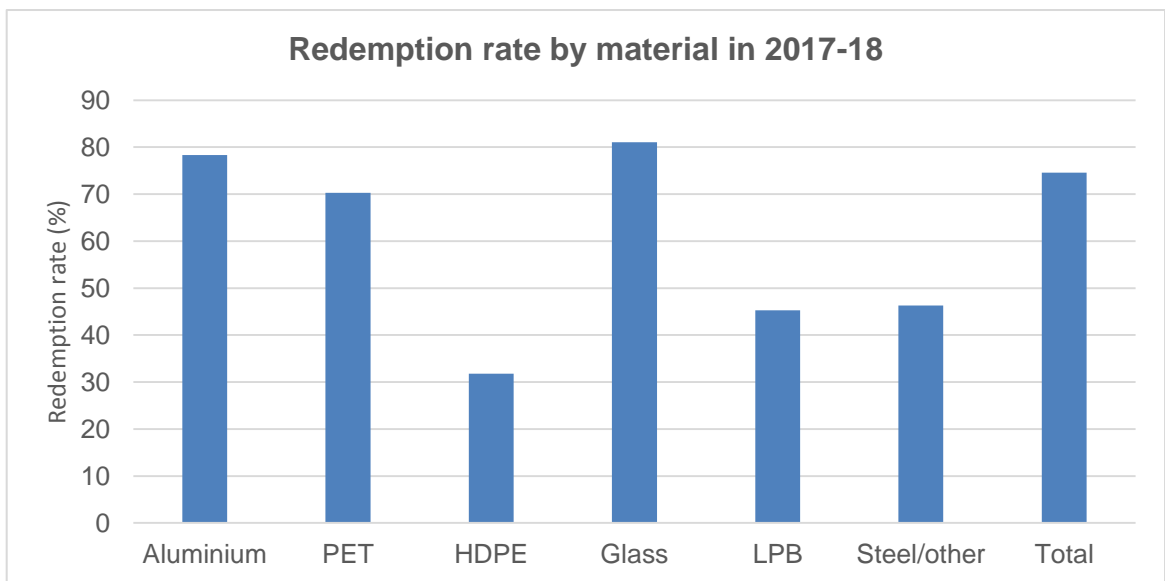


Figure 4: Percentage of containers deemed by depots by container type in 2017-18

3.5 Suppliers

During 2017-18, there were 240 beverage manufactures or suppliers registered in the NT CDS who held supply approvals.

The NT EPA issued 308 new or renewed supply approvals in 2017-18 and 148 572 794 approved containers were sold into the Northern Territory.

4 CDS infrastructure grants

During 2017-18 five CDS 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. All grants issued were in regional and remote areas.

Grants to the value of \$130 116 (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 2017-18

Organisation	Project Summary
East Arnhem Regional Council	Fabrication of cages and signage for a collection points to collect containers in East Arnhem communities of Gapuwiyak, Ramingining, Angurugu, Umbakumba, Milyakburra, Yirrkala and Gunyangara. The containers will be taken by barge to Darwin for payment of the refunds by an approved collection depot.
Hornsby Property Services	Purchase of a forklift, storage and other equipment, and signage for a collection point at King Ash Bay community.
ISAustralia - Job Central	Single phase baler and equipment for a collection point at Lajamanu community.
Roper Gulf Regional Council	Can crusher for Mataranka Regional Recycling Centre, and to support collection points in other communities of the Roper Gulf region. The crusher will help to reduce costs associated with transporting containers collected in the Roper Gulf region.
Voyages Indigenous Tourism Australia	Purchase of a new conveyer, bins and signage to improve container sorting capacity and increase public access to collection point facilities at Yulara.

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 2017-18 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-led initiatives to reduce the use of single use plastic bags, indicating continued community support for the program.

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 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.