

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

**Annual Report 2018-19**

October 2019

**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 2011* (the Act) details the operation and performance of the container deposit scheme (CDS) and plastic bag ban in the Northern Territory during 2018-19.

Territorians have continued to support the CDS with over 109 million containers redeemed at depots, and \$10 000 000 in refunds paid out over the year. The total number of containers redeemed at depots by the public decreased marginally in 2018-19 (down by approximately 600 000 containers), however the annual redemption rate increased to 84%, an increase of approximately 10% to the redemption rate in 2017-18.

Return rates increased from 75% in 2017-18 to 84% in 2018-19. Comparatively, the annual return rate in South Australia (SA) during 2018-19 was approximately 76%.

This is partly due to increased public access to the CDS in regional and remote areas, including through a new depot at Nhulunbuy. Investment through the Environment Grants Program in CDS infrastructure in Katherine and for collection points in the Central Australian, West Daly and West Arnhem regions has contributed to these achievements.

A desktop audit of CDS data conducted in 2018-19 identified that under-reporting by coordinators in 2016-17 resulted in the reported annual return rate of 48% in 2016-17 also being underreported. The corrected return rate of 61% in 2016-17 shows a relatively consistent increase in annual return rates since the introduction of CDS in 2012.

An independent review of the CDS that commenced in 2017-18 as required under the Act was completed in August 2018. The review 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. An implementation plan has been developed which will see the recommendations rolled out in a phased approach over the next two years.

National interest in container deposit schemes continues to gain momentum. The Queensland (Qld) container refund scheme commenced on 1 November 2018. The Western Australian (WA) scheme is due to commence in 2020, and on 6 June 2019 the Tasmanian Government announced plans to commence a scheme in 2022. The NT continues to participate in inter-jurisdictional working groups to ensure consistency across existing and proposed schemes.

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. 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 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 2011 (the Regulations) provide for matters such as regulated containers, and matters to improve the efficiency or effectiveness of the CDS.

### **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 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.

In January 2019 the SA Government released a scoping paper, undertook a survey and sought public submissions to inform the impending review of its CDS. A discussion paper is scheduled to be released later in 2019.

The NT will continue to work closely with SA as NT as the recommendations from the CDS review are rolled out, to inform the review of the SA scheme, and to facilitate opportunities for coordinated approach where possible.

The SA and NT CDS teams have continued to provide input to the consultation processes for the development of new and emerging container deposit schemes. New South Wales (NSW) and the Australian Capital Territory commenced schemes in 2017-18, and Qld commenced its container refund scheme in November 2018. The WA container deposit scheme is expected to commence in early 2020. In June 2019 the Tasmanian Government announced plans to commence a scheme in 2022.

### **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 2018-19, there were 251 beverage manufactures or suppliers registered in the NT CDS who held supply approvals.

The NT EPA issued 340 new or renewed supply approvals in 2018-19 and 131 039 766 approved containers were sold into the Northern Territory.

#### **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
- 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 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.

One new approval was granted to Bishdun Pty Ltd trading as Nighthawk Recycling Services to open a collection depot at Nhulunbuy in May 2019.

Approvals were also granted to replace two and renew two existing collection depot approvals, and to amend details of three existing collection approvals.

There were 14 depots authorised under the CDS in the NT, with seven located in the urban (6) and outer (1) Darwin region, one located in Alice Springs, one in Katherine and five in regional and remote areas (Mataranka, Tennant Creek, Elliot, Nhulunbuy and a mobile depot servicing Wagait Beach and Jabiru). The operator of the reverse vending machine situated in Casuarina ceased this service in 2018-19 and did not renew the collection approval in January 2019, citing plans to review and update existing RVM services.

The following collection depots operated at locations across the Northern Territory during 2018-19:

- Bevcon Recycling Pty Ltd – Berrimah
- Bevcon Recycling Pty Ltd – Mataranka Recycling Centre
- Bishdun Pty Ltd trading as Nighthawk Recycling Services – Nhulunbuy
- 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 – 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 trading as 'I RETURN' – Coconut Grove.

### **3.4 Review of the container deposit scheme**

An independent review of the CDS commenced in 2017-18 as required under the Act. The review was completed in 2018-19. It made 21 recommendations associated with opportunities for improvement of the scheme. These opportunities fall broadly into the areas of:

- accessibility to CDS including in regional and remote areas, and the scope of the scheme
- administrative and regulatory burden on industry, businesses and the regulator
- community awareness and engagement
- data collection and reporting
- auditing and compliance.

The review report is available at <https://ntepa.nt.gov.au/container-deposits/reports>

An implementation plan has been developed which will see the response to the recommendations rolled out in a phased approach over the next two years. This will see improvements that support the NT EPA's regulatory function and reduce administrative and regulatory burden including:

- the development of a CDS compliance and enforcement guideline to support and strengthen industry's operation of the scheme, and reporting on the scheme's performance
- improved guidelines and procedures for administering CDS approvals.

Targeted community awareness and stakeholder engagement will seek to improve access to the CDS particularly in regional and remote areas.

More information about the implementation plan is available at:

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

## **3.5 Reporting**

### **3.5.1 Audit of CDS participant records**

Under the Act, CDS approval holders must keep records of their CDS activities and submit annual returns on those records each financial year

In 2018-19 a desktop audit of CDS approval holders' annual returns was conducted. The audit provided CDS approval holders the opportunity to correct any inconsistencies between their records and past annual returns.

The audit identified inconsistent reporting by CDS coordinators, and that under-reporting in 2016-17 had contributed to the reported annual return rate of 48% for 2016-17. This return rate was previously attributed to a temporary reduction in containers accepted by CDS coordinators from collection depots with the transitioning from 1 January 2017 into the new legislative and operational environment. The audit analysis has resulted in substantial corrections to the total number of containers returned and a corrected 2016-17 annual return rate of 61%.

Further information on these findings and corrections is provided below.

### **3.5.2 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.

#### **2016-17**

Corrected data for 2016-17 provided by the CDS coordinators indicates that during that financial year, a total of 149 752 726 approved containers were sold in the NT (Table 1).



Of these containers sold, 90 704 612 were returned by a collection depot to a CDS coordinator. This equates to an overall return rate of 61% in 2016-17, representing a 7% increase on the annual return rate of 54% in 2015-16. This means that 61% of all regulated containers sold in the NT during 2016-17, were reused, recycled or otherwise appropriately disposed of.

Table 1 2016-17 Annual return rate by material type (revised)

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	61 590 485	41 894 657	68
PET	34 029 841	16 352 941	48
HDPE	3 715 174	1 113 736	30
Glass	42 991 515	27 921 290	65
LPB	7 382 343	3 421 213	46
Steel/ Other	43 368	775	2
<b>TOTAL</b>	<b>149 752 726</b>	<b>90 704 612</b>	<b>61</b>

Overall return rates have consistently increased since the introduction of CDS in 2012 (Figure 1).

**2018-19**

During 2018-19, a total of 131 039 766 approved containers were sold in the NT, down 12% from 148 572 794 approved containers in 2017-18. Of these containers sold, 110 678 233 were returned by a collection depot to a CDS coordinator (Table 2). This equates to an overall return rate of 84% in 2018-19, representing a 9% increase on the annual return rate of 75% in 2017-18. This means that 84% of all regulated containers sold in the NT during 2018-19, were reused, recycled or otherwise appropriately disposed of. Comparatively, the annual return rate during the same period in SA was approximately 76%.

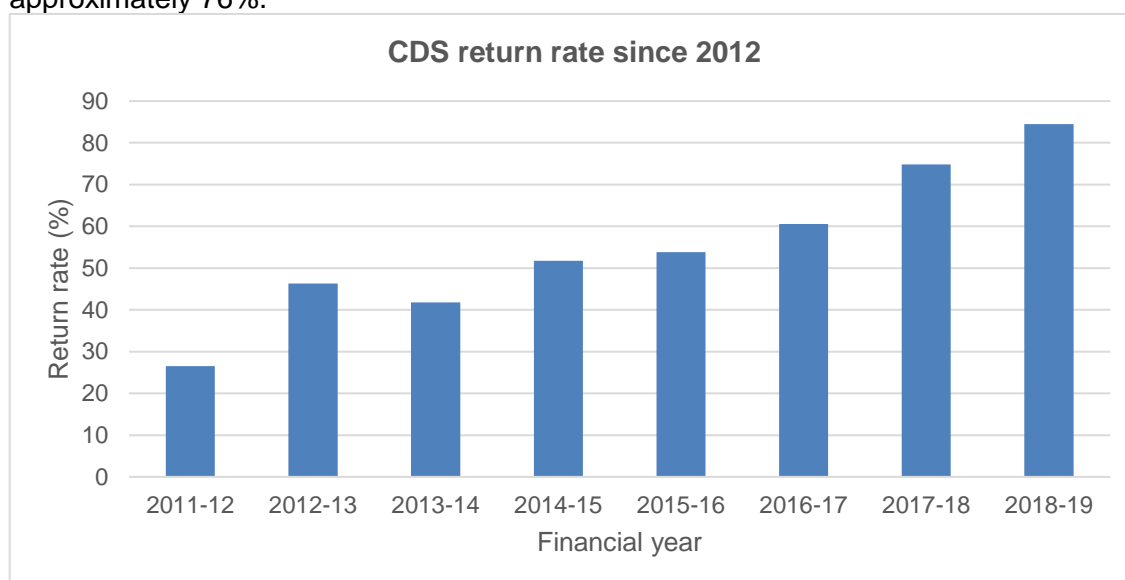


Figure 1 : Comparative return rates of containers

Aluminium, glass, polyethylene terephthalate (PET) and liquid paperboard make up the majority of containers returned to CDS coordinators by depots (Table 2). This is consistent with the container composition returned in previous years (Figure 2). Figure 2

reflects the increasing trend in all container types returned since CDS was introduced in the NT. Glass, aluminium and PET consistently show 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 2 : 2018-19 Annual return rate by material type

Container Material	Total Containers Sold	Number Returned	Return Rate (%)
Aluminium	58 213 484	51 124 637	88
PET	29 946 261	23 459 988	78
HDPE	3 242 397	1 246 249	38
Glass	33 666 789	31 213 062	93
LPB	5 934 619	3 612 675	61
Steel/ Other	36 216	21 622	60
<b>TOTAL</b>	<b>131 039 766</b>	<b>110 678 233</b>	<b>84</b>

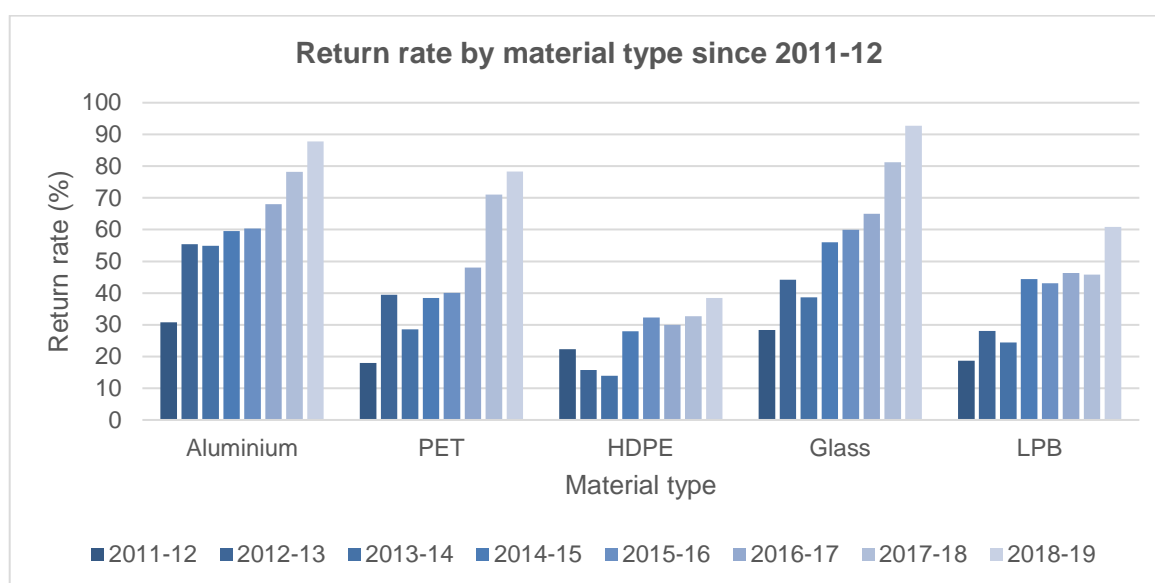


Figure 2 : Container return rates by material type since 2012

### 3.5.3 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 2018-19 over 109 million were containers redeemed at collection depots. Over \$10 000 000 in container refunds was paid out to Territorians in 2018-19.

The total number of redeemed containers decreased by approximately 600 000 from over 110 million in 2017-18, however the annual redemption rate increased by approximately 10% in 2018-19 to 84%. This means that 84% of approved containers sold in the NT, were redeemed by depots in 2018-19.

Overall, the number of containers redeemed outside of the Greater Darwin area shows an increasing trend since the scheme commenced in 2012, suggesting ongoing improvement in access to the CDS in regional and remote areas of the NT (Figure 3). A marginal reduction in redemptions outside of the Greater Darwin area in 2016-17 corresponds with a period of staff turnover and the relocation of regional collection depots that service larger populations.

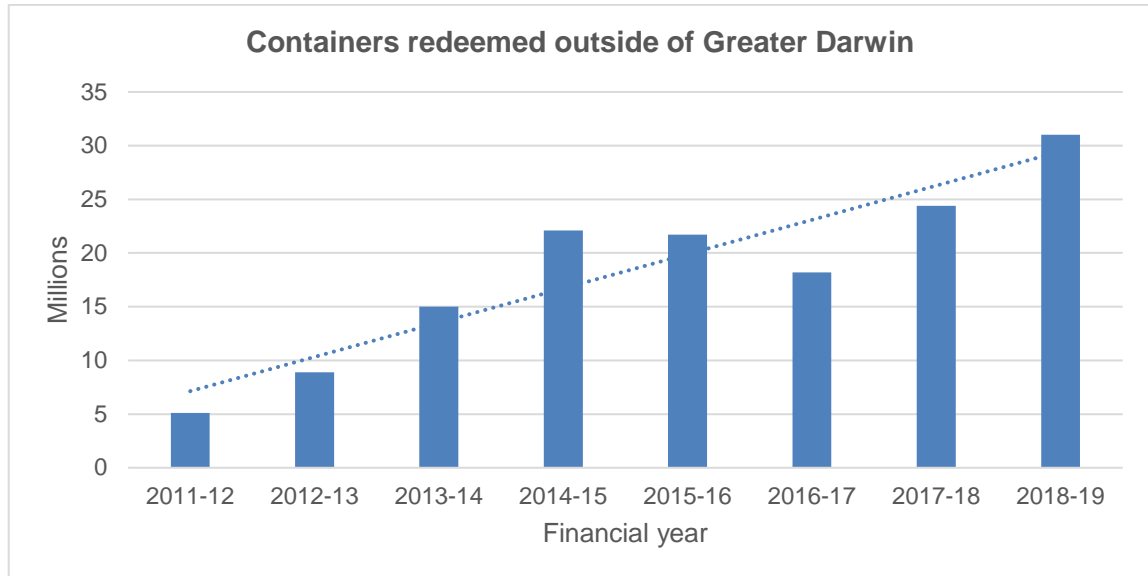


Figure 3 Number of containers redeemed by depots outside the Greater Darwin area since 2012

A higher redemption rate was achieved for aluminium, PET and glass containers compared to containers of other material types. This is consistent with the redemption rates in previous years. Overall the redemption rate has increased consistently over the last three years across all materials types (Figure 4).

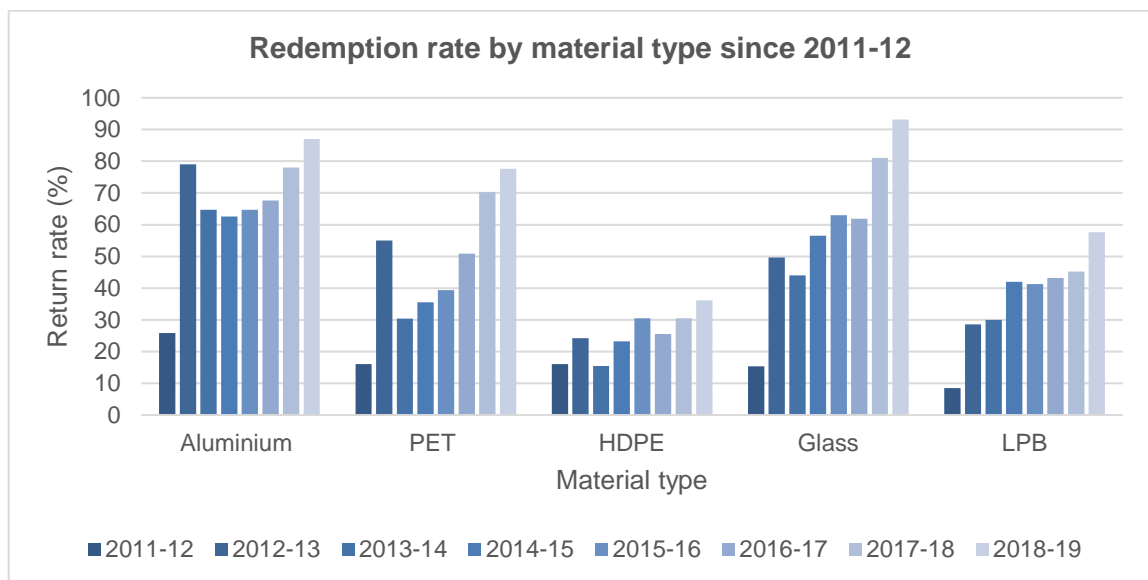


Figure 4 : Percentage of containers redeemed by depots by container material type since 2016-17

### 3.5.4 CDS infrastructure grants

During 2018-19 six CDS infrastructure grants were awarded. These grants provided one-off funding under the Environment Grants Program for businesses and organisations to purchase equipment or infrastructure for establishing CDS collection depots or collection points throughout the NT. Five of the six grants were offered in regional and remote areas.

Grants to the value of \$114 310 (excluding GST) were awarded to help improve CDS infrastructure. Projects include establishing collection points, infrastructure for bulk processing and infrastructure to improve the capacity of existing collection facilities.

Table 3 details the grants that were awarded.

Table 3 : CDS infrastructure grants awarded in 2018-19

Organisation	Project Summary
Jingili Primary School	Building of a secure enclosure at the collection point to increase the school community's confidence and use of the collection point.
Kakadu Tourism (GLC) Pty Ltd	Fabrication of 48 custom made bin enclosures and signage to improve separation of plastic, glass and metal containers at collection points on the Coinda Lodge grounds.
Knight Family Trust t/a M.T.Bins	Concreting the fork-lift and customer offloading area of the collection depot to increase work safety and public access in Katherine.
Voyages Indigenous Tourism Australia	Purchase of a new conveyor, drum lifter and a wheelie bin lifter to enable the processing of larger volumes and increase work safety for the collection point at Yulara.
West Daly Regional Council	Fabrication and installation of three secure cages and signage to be placed around Peppimenarti to act as collection points for the community.
West Daly Regional Council	Fabrication and installation of three secure cages and signage to be placed around Nganmarriyanga to act as collection points for the community.

## 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 2018-19 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. In 2018-19 discussions progressed nationally around the expansion of existing plastic bag bans to other jurisdictions (NSW and VIC) and scoping the broadening of the ban to include

other types of plastic bags such as boutique bags supplied by retail outlets. These discussions are ongoing and form part of the broader waste policy agenda agreed by Environment Ministers in 2018. In June 2019, the Victorian Government announced a ban on lightweight plastic shopping bags from 1 November 2019.

## 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 depots.
<i>Greater Darwin Area</i>	The area within the Darwin and Palmerston city council boundaries.
<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>Redemption rate</i>	The percentage of containers redeemed by the public at collection depots compared to the number of containers sold
<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.