

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

**Annual Report 2014-15**

October 2015

**Northern Territory Environment Protection Authority**

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## 1 Executive summary

The 2014-15 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) commenced implementation of amendments to the Act that commenced on 30 June 2014. The amendments were designed to improve the efficiency of the scheme's operation and administration and to strengthen enforcement potential under its provisions. It is expected that the amendments will be fully implemented in the 2015-16 financial year.

Territorians have continued to support the CDS with approximately \$8 300 000 in deposits paid out over the year. 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 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

After two years of operation, it became apparent that the CDS was not functioning in all areas as was intended by the legislation. Amendments were made to the Act to improve the efficiency of the scheme's operation and administration and strengthen enforcement potential under the Act.

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) are subject to completion of a transitional phase that has spanned 2014-15. It is anticipated that the remaining provisions of the Amendment Act will be implemented by the end of the 2015-16 financial year.

When fully implemented overall benefits of the amendments will be realised including:

- CDS coordinators will be required to accept from collection depots approved containers sorted by material type (e.g. aluminium, plastic etc.) not 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; matters to improve the efficiency or effectiveness of the CDS; and matters of a transitional nature to support enactment of the Amendment Act.

The transitional period under regulation 13 relating to approved refund marking ended on 30 June 2014. All regulated containers supplied into the NT must display refund marking under regulation 2D as follows:

### **2D Approved refund marking**

(1) For the definition **approved refund marking** in section 4 of the Act, an approved refund marking for a regulated container is a mark or label that clearly and legibly states:

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

(2) However, for subregulation (1)(a), it is irrelevant if the marking reads "Northern Territory" instead of "NT".

In June 2014, the regulations were amended to incorporate the transfer of the responsibility for the administration of the Act to the NT EPA.

## **2.4 South Australia / Northern Territory Intergovernmental Agreement**

An Intergovernmental Agreement (the agreement) was established between the South Australian and the Northern Territory governments in December 2011. The agreement was signed on behalf of South Australia by the Minister for Sustainability, Environment and Conservation and for the Northern Territory 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 their 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 South Australia and Northern Territory CDS teams met periodically and consulted from time to time during the year. Containers redeemed, return rates, container types included under both schemes and other appropriate issues such as the Northern Territory's legislative amendments were discussed.

### **3 Container deposit scheme**

The CDS provides a 10 cent refund to consumers for approved containers purchased in the Northern Territory 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**

Five CDS coordinators are approved to operate under the CDS including:

- Envirobank NT Pty Ltd
- Marine Stores Pty Ltd
- NT Coordinators Pty Ltd
- NT Recycling Solutions 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 Northern Territory and the number that have been returned to them by approved collection depots.

During the 2014-15 financial year 160 048 569 approved containers were sold in the Northern Territory (Table 1). Of these containers sold, 82 466 155 were returned<sup>1</sup> to

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

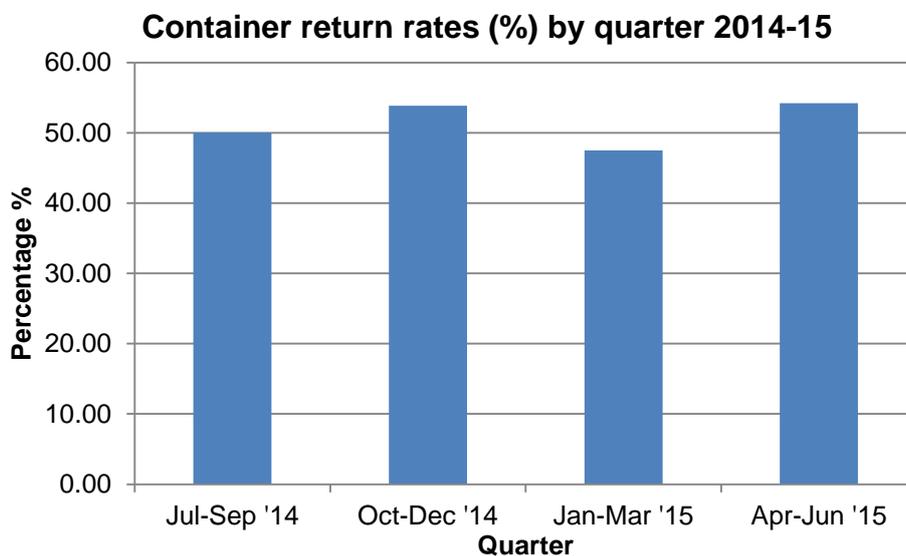
CDS coordinators resulting in an overall return rate of 52% for the 2014-15 financial year.

That is, 52% of all regulated containers sold in the Northern Territory during 2014-15 were reused or recycled or otherwise appropriately disposed of. This has increased from the 2013-14 reporting period by approximately 10%.

**Table 1: Annual returns by material type**

<b>Container Material</b>	<b>Total Containers Sold</b>	<b>Number Returned</b>	<b>Return Rate (%)</b>
Glass	42 991 641	23 994 858	56
Aluminium	64 767 143	38 357 347	59
PET	41 098 600	15 792 064	38
HDPE	3 308 109	870 686	26
LPB	7 795 656	3 449 868	44
Other	87 420	1 332	2
<b>TOTAL</b>	<b>160 048 569</b>	<b>82 466 155</b>	<b>52</b>

Figure 1 illustrates an increasing trend in return rates from 50% in the July to September 2014 quarter to 54% in the April to June 2015 quarter.



**Figure 1: Container return rates by quarter**

There was a reduced return rate in the January to March 2015 quarter. This was likely due to isolated factors including the transition of CDS coordinator services for a major beverage supplier being transferred to another CDS coordinator, which likely resulted in the delayed return of containers during that quarter. The return rates may also have been influenced by the temporary closure of two regional collection depots during the quarter. Return rates continued an upward trend in the April to June 2015 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**

During 2014-15 one new collection depot approval was issued. Marine Stores Pty Limited trading as Bevcon Recycling NT opened a collection depot in April 2015. The following collection depots were operating at locations across the Northern Territory during the 2014-15 year:

- Envirobank NT Pty Ltd – Pinelands
- Marine Stores – Berrimah
- Murlran Trading as Bagnall Agencies – Elliot
- Darrin's Rubbish Removal – Tennant Creek
- Envirobank NT Pty Ltd – Alice Springs
- Territory Recycling Depots – Alice Springs
- MT Bins – Katherine
- NT Recycling Solutions – Berrimah
- Territory Can Man – Winnellie
- Envirobank – Katherine
- Veolia Environmental Services – Berrimah (ended operations in November 2014).

The following Reverse Vending Machines were in operation:

- Envirobank NT Pty Ltd – Charles Darwin University
- Envirobank NT Pty Ltd – ALPA Stores Millingimbi (temporarily suspended in 2015)
- Envirobank NT Pty Ltd – Mobile RVM, Wagait Beach.

### **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.

Over 83 million containers were redeemed at collection depots from 2014-2015.<sup>2</sup> That is approximately \$8 300 000 in deposits that were paid out to Territorians.

Approximately 17 million more containers were redeemed in 2014-15 than 2013-14, representing a 25% increase.

Redemptions in the January to March 2015 quarter were lower than in other quarters of 2014-15. This was likely due to factors such as the temporary closure of a regional depot to upgrade infrastructure, and reduced access to regional depots during the wet season (Figure 2).

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<sup>2</sup> Not all containers redeemed at a collection depot are returned to a CDS coordinator in the same reporting period in which they are redeemed.

**Number of containers redeemed per quarter 2014-15**

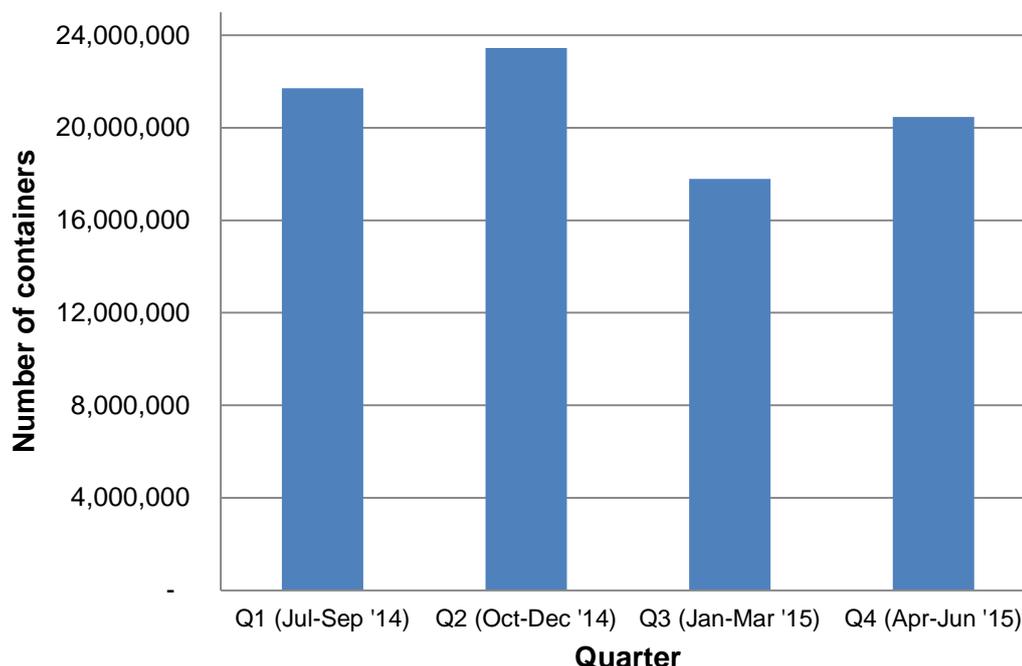


Figure 2: Number of containers redeemed at collection depots by quarter

### 3.3 Suppliers

216 beverage manufactures/suppliers registered in the Northern Territory Container Supply Approval Registry held supply approvals during 2014-15. The NT EPA issued 204 new supply approvals and 160 048 569 approved containers were sold into the Northern Territory.

## 4 CDS infrastructure grants

During 2014-15 eleven 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 Northern Territory.

Grants to the value of \$135 859 (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 2014-15

Organisation	Project Summary
Berry Springs Primary School	Trailer and shed for collection point.
Braitling Primary School	Infrastructure and equipment to support a CDS collection point.
Alice Springs Town	Infrastructure and installation of equipment including recycling cages to support a collection point at the

Council (ASTC)	Regional Waste Management Facility.
Durack Primary School	Infrastructure and equipment to set up collection point facilities at the school for CDS containers and other recyclables including a cage trailer, bin bays, wheelie bins, chains and padlocks.
Thamarrurr Development Corporation	Infrastructure and equipment to set up a collection point at Wadeye to be serviced by a mobile depot.
Darwin High School	Infrastructure and equipment to contribute to existing collection activities at Darwin High School (recycling station equipment and signage).
Envirobank NT Pty Ltd	Infrastructure and equipment to support the establishment of regular mobile collection service for communities in the MacDonald Shire, Central Desert Shire, Alice Springs and Yulara district.
Charles Darwin University (CDU)	Infrastructure and equipment to establish collection points throughout the CDU Casuarina campus with in kind support from Envirobank NT.
Recyclabill	Infrastructure and equipment to build on an existing collection point that currently provides recycling facilities at local events and functions, businesses and residences in Alice Springs.
Scouts NT Katherine	Infrastructure and equipment to support collection point at the NT Scouts Katherine site.
Scouts NT Alice Springs	Infrastructure and equipment to support collection point at the NT Scouts Alice Springs site.

## **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.

The NT EPA continued to monitor this program in line with the NT EPA Compliance Activity Plan. The NT EPA received no reports of potential non-compliance with, or complaints about, the plastic bag ban during the 2014-15 financial year. This indicates continued community support for the program as was identified in the June 2014 review of the plastic bags ban in the Northern Territory.

## 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.