

IMPROVING SOUTH AUSTRALIA'S RECYCLING MAKES CENTS

A scoping paper
to review SA's
container deposit
scheme



Contents

A message from the Minister 01

Invitation to comment 02

Purpose 03

Questions 05

Overview 06

Snapshot of SA Container Deposit Scheme 09

Where to from here 11



A message from the Minister



South Australians have led the nation in litter reduction and resource recovery since 1977 with the introduction of our successful container deposit scheme.

Our container deposit scheme continues to be a highly successful environmental program aimed at litter reduction and resource recovery.

The container deposit scheme also provides a financial benefit to community groups, sporting clubs and charities that collect empty containers for refund and supports an industry of container recyclers. In 2017/18 over \$60 million was refunded in South Australia.

As the new Minister for Environment and Water, I am committed to keeping South Australia at the forefront of recycling and resource recovery while also increasing economic activity and creating jobs.

The Marshall Government is starting a conversation on how we as a state can build on our success and improve the container deposit scheme in South Australia and increase litter reduction and resource recovery.

Your views and feedback will help inform the scope of the issues to be considered in the review and the research required to inform the review. These initial discussions will inform a CDS review discussion paper for stakeholder and community consultation in mid-2019.

Your involvement in each stage of the review is sought to generate informed and evidence based discussions and recommendations for change.

Finding innovative solutions that reduce waste, improve our environment and benefit our community is critical to ensuring South Australia continues to lead the nation in waste management and litter reduction.

I welcome your feedback on this very important issue.

David Speirs MP

Minister for Environment and Water

Invitation to comment

This paper is the start of a conversation on how we can build on the success of our container deposit scheme (CDS) to improve recycling and further reduce litter.

The government is seeking ideas on how to improve South Australia's container deposit scheme. Your feedback will help government to determine the scope of the review and the research required to inform the review. It will also help confirm what works well and should be retained.

How to respond

The deadline for comments and submissions is 5pm, Friday, 22 February 2019.

Comments can be provided via:

- [YourSAy](#)
- Email to epainfo@sa.gov.au
- Mail to GPO Box 2607 Adelaide SA 5001.

Written submissions must be lodged with the Environment Protection Authority, at epainfo@sa.gov.au or GPO Box 2607 Adelaide SA 5001.

Important information about your submission

Submissions will be treated as public documents, unless received in confidence subject to the requirements of the *Freedom of Information Act 1991*, and may be quoted in full or part in subsequent Environment Protection Authority (EPA) reports. If you do not want the public to read your submission, please write 'confidential' on your submission.

Please comment on the general issues under discussion.

Tips for written submissions

Providing reasons and evidence for your comments, will assist in the consideration of your comments.

Please include your name, position, organisation and contact details (telephone number, email and postal address) with your submission.

**Further Information: Tobias Hills, Manager
Legislation and Policy, Environment Protection
Authority, at tobias.hills@sa.gov.au**

Purpose

This scoping paper is the start of a conversation on how we can build on the success of the container deposit scheme (CDS) in South Australia and further improve recycling and litter reduction.

Much has changed since the start of the CDS in 1977, including in terms of types of containers, consumer choices, technology, and markets for recycled materials. It is therefore important to keep looking for opportunities to improve the CDS, both in terms of its role in recycling, and in litter reduction.

Your views and feedback will help inform the scope of the issues to be considered in the review and the research required to inform the review.





Questions

In providing your feedback you may like to consider and respond to the following questions on commonly raised issues. These are offered to help generate discussion and are not meant to be a comprehensive list of potential issues and opportunities.

Questions to guide the preparation of submission

Objectives

- 1 What should be the objectives of the container deposit scheme [CDS]?

Currently the objectives of the CDS are reflected in the Beverage Container Division of the *Environment Protection Act 1993*.

- 2 How well do you think the CDS is currently achieving these objectives?
- 3 Are there other aims that the scheme could achieve that should be reflected in the legislation?

Opportunities to improve the effectiveness of the South Australian CDS

Your views are sought on what opportunities the review should consider to improve the operation of the CDS. In commenting on what you think could be working better you may have a view on the following components of the scheme:

- 4 Containers included – should more types of containers be included in the CDS and are there containers currently receiving a 10-cent refund that should be removed from the scheme?
- 5 Banning of containers – should the scheme ban the sale of beverage containers that present challenges for recycling?

- 6 Governance arrangements – should the review consider how collection depots and supercollectors operate?
- 7 Marking of containers – is there a need to modernise how containers are marked to display the 10-cent refund?
- 8 Payment of deposit – is there another way that you would like refunds to be paid?
- 9 Ease of returning containers – how difficult is it to return your containers for a refund? Are current recycling depots adequate in terms of how many there are and where they are?
- 10 Dispute resolution – should the review consider options to improve the process of dispute resolution between industry parties in the scheme?
- 11 Compliance – are there opportunities for improvements in the administration and enforcement of the scheme?
- 12 Monitoring and information – is there sufficient and transparent information in the current scheme, for example audit needs?

Refund amount

- 13 Should the refund amount be revised?

Supporting research

- 14 What research do you think is required to inform the CDS review?

Out of scope

- 15 Are there parts of the scheme that are working really well and you think should not be considered for change as part of the review?

Engagement options

- 16 How would you like to be part of the CDS review conversation in the future?

Overview

South Australia has led the way in Australia in container recycling for over 40 years.

Container deposit legislation was first introduced in South Australia in 1977 as a litter control measure and is now also used to support resource recovery and recycling.

The container deposit scheme (CDS) was introduced to address significant volumes of beverage containers in the litter stream and broadly coincided with the introduction of non-refillable beverage containers such as cans and then later, plastic soft drink bottles. Prior to this, refillable glass bottles for beer and soft drinks were collected via voluntary schemes established by the manufacturers of those beverages.

In 2003 the scope of containers covered by CDS was expanded to include additional beverage containers such as flavoured milk, juice and waters prevalent in the litter stream at the time. In 2008 the refund amount was increased to 10-cents.

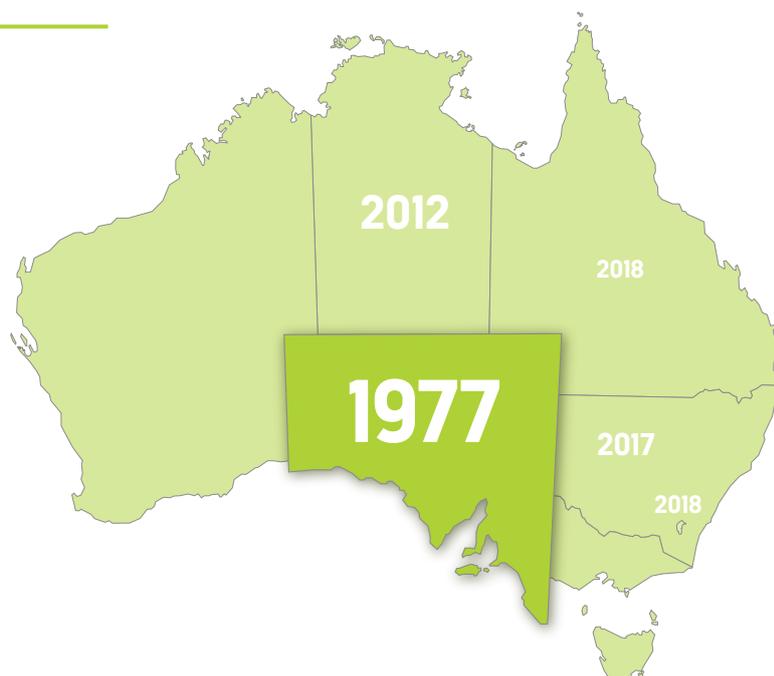
South Australia's CDS continues to be a highly successful environmental program aimed at litter reduction and resource recovery.

In 2017 – 18, almost 603 million containers were recovered by collection depots for recycling, representing a return rate of almost 77% and diverting about 42,913 tonnes from landfill or litter in that year. At its height the CDS return rate was 81% in 2011 – 2012 and has since dropped to 76.9%.

There is an opportunity to build on this success and improve the management of the CDS and the effectiveness of the scheme to promote litter reduction and resource recovery. The government are therefore keen to hear from anyone involved in the scheme, from the manufacturers of beverage containers, to the person returning their empty containers to the local recycling depot, about their ideas to make the CDS work even better.

We will also be looking at lessons learned in other jurisdictions, where container deposit schemes were introduced more recently.

FIGURE 1 Introduction of container deposit schemes by year

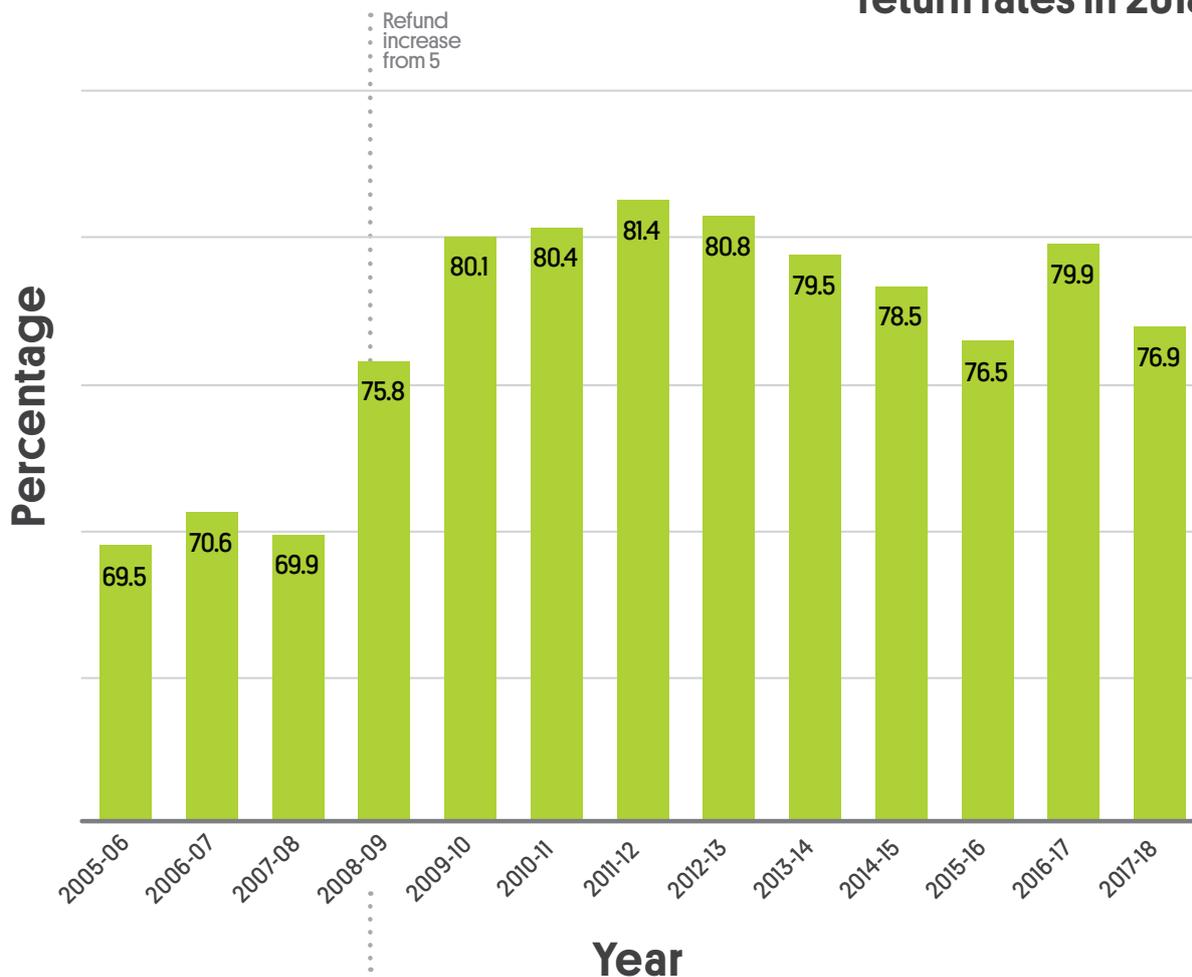


What is CDS achieving in SA?

South Australia leads the nation in the recovery and recycling of beverage containers with a current overall return rate of 76.9%. In 2017 - 2018, almost 603 million containers [42,913 tonnes] were recovered by collection depots for recycling, resulting in beverage containers making up only 2.8% of litter in SA.

FIGURE 2 Beverage Container Return Rates in 2018. Source: EPA

Beverage container return rates in 2018



The CDS provides a financial benefit to individuals, community groups, sporting clubs and charities that collect empty containers for refund. In 2017 - 2018 over \$60 million was refunded in South Australia.

South Australians enjoy the convenience of an extensive depot network throughout the metropolitan and regional areas of the state. Many of the 132 approved depots accept a wide range of recyclable materials making them a 'one stop shop' for the public.

According to the KESAB Environment Solutions *CDL Containers and Plastic Shopping Bags in the Litter Stream Report 2018*, beverage container litter currently represents only 2.8% of litter items in South Australia. This result is the same as the Northern Territory which recorded 2.8%. About 6.2% of Queensland's litter was beverage containers, with 6.5% in Victoria, 8.2% in New South Wales and 14.7% in Western Australia.

Percentage of CDS items in the litter stream

FIGURE 3 Percentage of CDS items in the litter stream. Source: KESAB Environment Solutions CDL Containers and Plastic Shopping Bags in the Litter Stream Report 2018

State/ Territory	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
NT	3.2%	4.3%	5.3%	4.1%	2.1%	2.1%	2.0%	2.8%	2.6%	2.8%
SA	2.7%	2.2%	1.9%	2.2%	2.1%	1.9%	2.0%	2.9%	3.0%	2.8%
QLD	5.3%	4.2%	5.0%	4.7%	4.8%	5.8%	5.5%	5.7%	6.6%	6.2%
VIC	4.3%	7.1%	6.9%	7.0%	7.8%	8.1%	7.1%	7.4%	7.5%	6.5%
NSW	6.1%	7.1%	6.9%	7.5%	8.0%	8.5%	8.7%	8.7%	9.6%	8.2%
WA	10.2%	9.7%	11.0%	13.2%	12.8%	13.9%	14.6%	13.0%	15.8%	14.7%

A snapshot of South Australia's Container Deposit Scheme

How does the Container Deposit Scheme work?

South Australia's container deposit legislation is contained within Part 8 Division 2 of the *Environment Protection Act 1993*.

The Environment Protection Authority (EPA) is the regulator of the scheme and ensures that the refund is made available for the person returning the empty container to the collection depot and that the empty containers are collected for recycling or reuse.

The collection and recycling process has been established by companies called 'super collectors', which enter into contractual arrangements with both collection depots and beverage suppliers.

The beverage suppliers must ensure that they have an effective waste management arrangement for the return and recovery of their containers sold in South Australia and they must ensure that their containers are recyclable.

The process ensures consumers are refunded the deposit and depots are paid for the collection and sorting service. The financial incentive provided by the ability to get a refund ensures the empty beverage containers are collected for recycling rather than littered or sent to landfill.

The scheme operates as follows:

- Beverage supplier establishes a contract with a super collector and pays a fee to cover the 10-cent refund and handling of containers to the super collector to establish a collection system to recover beverage containers sold in South Australia.
- Beverage supplier may incorporate these costs in the price of the product when selling to the retailer.
- Retailer passes these costs on to the consumer as part of the total price of the product.
- Consumer or person who has collected the empty container takes it to a depot or retailer and collects the 10-cent refund.
- Beverage containers are sorted by material type and returned to the super collector for recycling. The super collector reimburses the refund amount and pays a handling fee to the collection depot.
- Glass containers are sorted by colour and sold to a glassmaker for the manufacture of new bottles.
- Aluminium, steel, liquid paperboard and plastic containers are recycled through markets sourced by the super collector.

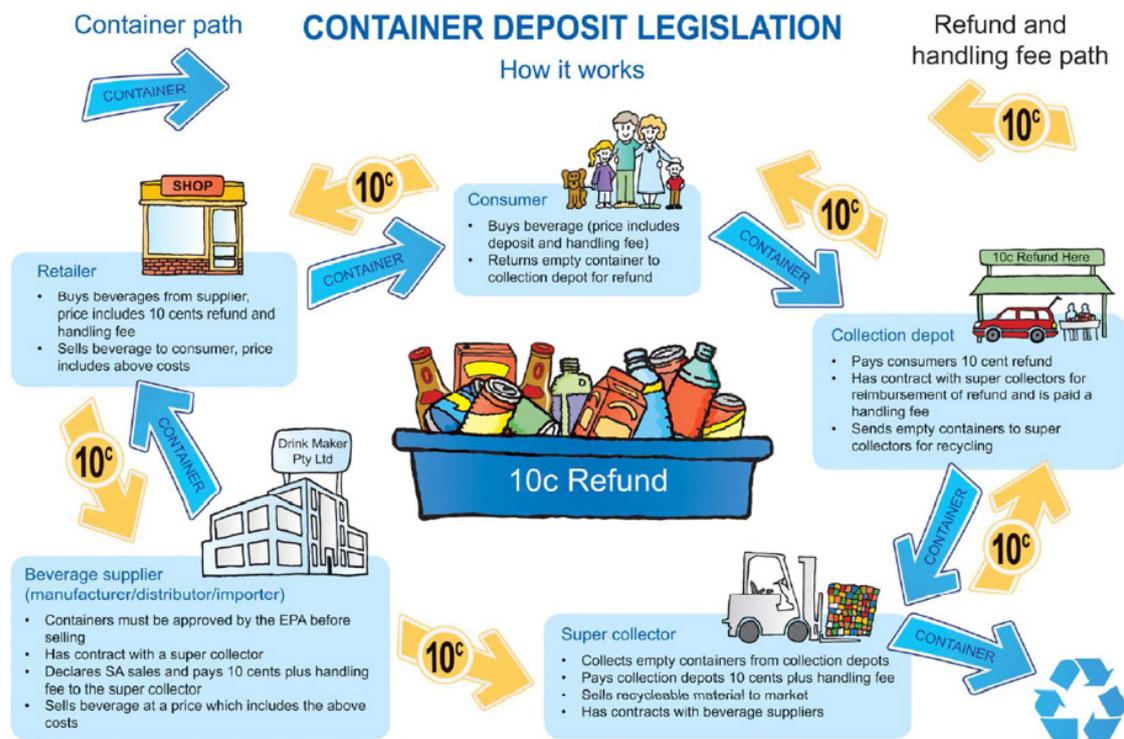


FIGURE 4 South Australia Container Deposit Scheme, EPA 2017

Which beverage containers attract a refund?

The legislation applies only to containers sold in South Australia and for which a deposit has been paid. The following is a guide of beverages [guide of beverages](#) covered:

In containers up to and including **three litres**:

- soft non-alcoholic drinks
- beers, ales and stouts
- water – plain, still or carbonated spring water, mineral water and any other water intended for human consumption
- wine-based and spirit-based beverages – any beverage that contains both wine or spirituous liquor and additional beverages or flavours. This can include (but is not limited to) fruit-flavoured wine, wine coolers, ready to drink alcoholic beverages
- most other alcoholic beverages.

In containers less than **one litre**:

- flavoured milk
- pure juice (90% or more fruit or vegetable juice).

South Australia's Australia's container deposit scheme (CDS) does not capture certain beverages and their containers — such as plain milk, wine (made from the fermentation of grapes) and spirituous liquor in glass bottles, fruit juice in containers of one litre or more, flavoured milk in containers of one litre or more, and any beverages in containers greater than three litres — because these are not generally consumed as take-away products and therefore do not usually contribute to the litter problem.

Most beverage containers not captured by the legislation can be recycled and the EPA encourages consumers to dispose of them through their council kerbside collection system or drop-off centres.

Where to from here?

How will your feedback be used?

A summary of feedback will be prepared and released publicly. Based on the outcomes of this consultation process, further detailed consultation with the community, business, industry and other parties will be undertaken.

The results of the consultation process will be used to inform decisions by government on options to improve the Container Deposit Scheme, including any legislative change.



