

South Australia's container deposit scheme – 2019 Review

Stakeholder Reference Group meeting # 2

The Police Club, ADELAIDE

10 April 2019

Tony Circelli, Chief Executive
South Australia's Environment Protection Authority



Agenda



- Acknowledgement of Country
- Welcome, apologies and introductions
- Review purpose and drivers
- Reviewing outcomes from previous meeting & minutes
- Findings from the CDS scoping paper consultation
- Decision making process
- Facilitated high level discussion options to include in the CDS Review Discussion paper
- Preparing for the next step in the consultation (CDS Board Roundtable Governance Theme)
- Close and next steps
- Lunch

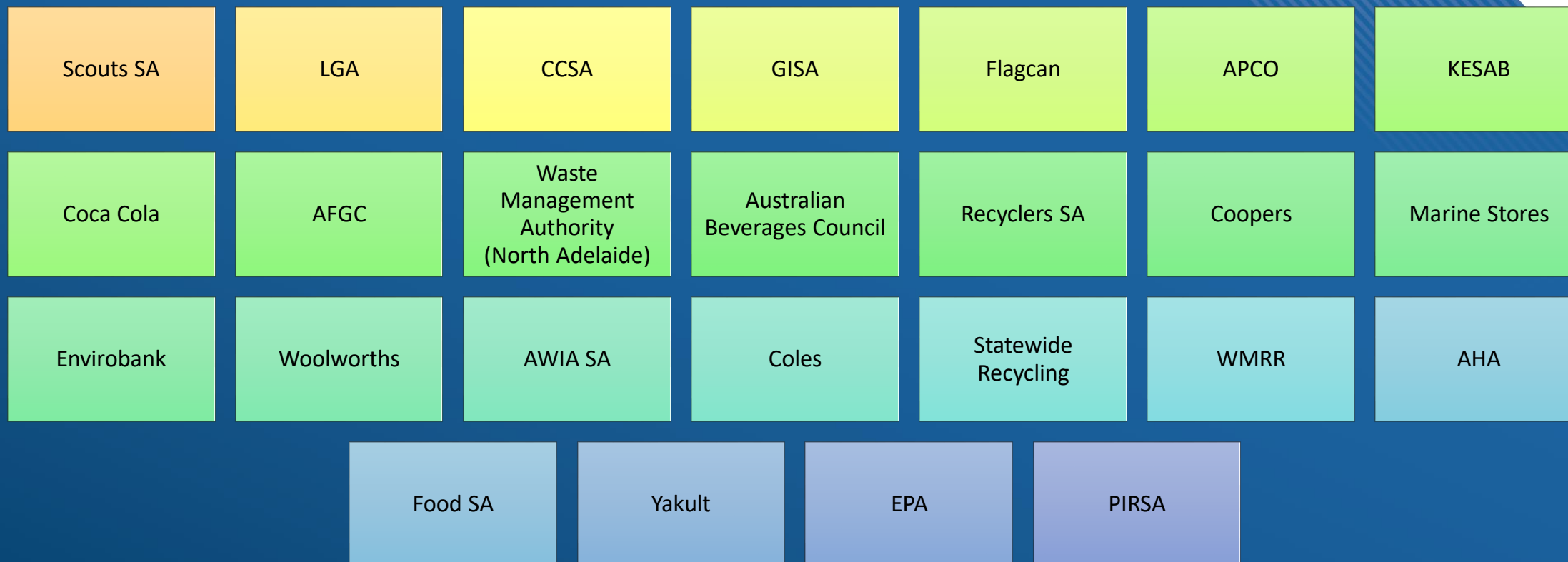
Acknowledgement of Country

We acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.

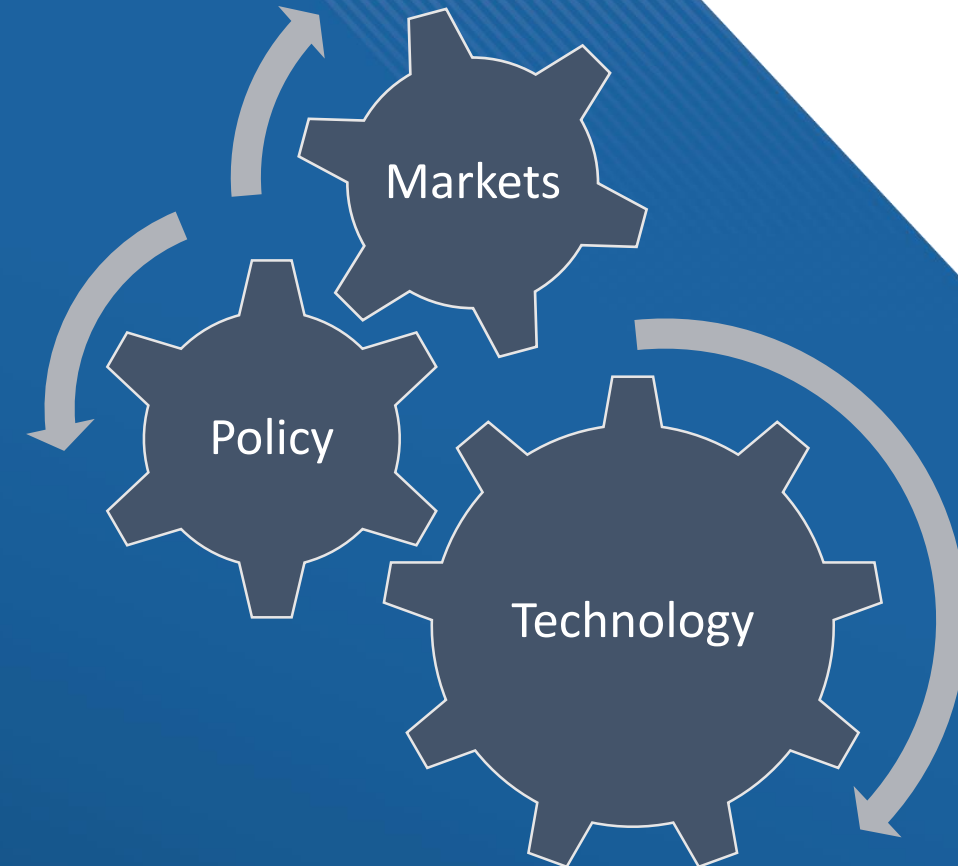
We also pay respects to the cultural authority of Aboriginal people visiting/attending from other areas of South Australia/Australia.

Welcome and introduction



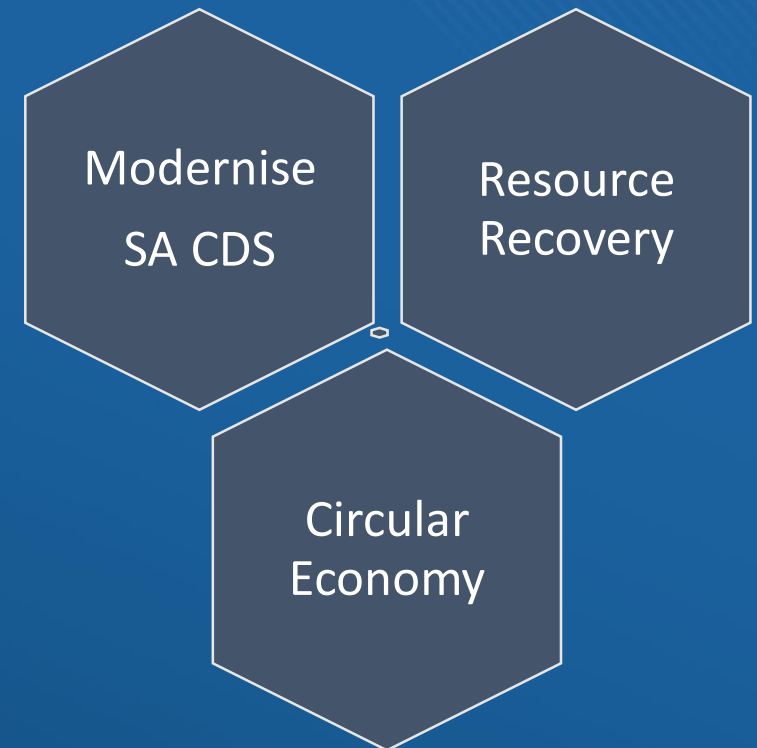
Drivers

- Markets e.g. China Sword
- Community expectations e.g. War on Waste
- Experience with SA CDS e.g. disputes, sorting
- Learnings from other more recent schemes



Purpose of the review

- To modernise the SA CDS
- To support government policy - i.e. Circular Economy
- To maintain leadership in resource recovery



Role of the Reference Group

- Help identify key issues and opportunities
- Provide data and information to inform evidence base
- Assist in evaluating options
- Support implementation of improvements



Previous Meeting Outcomes



Table Questions

What are the issues and opportunities in each of the following areas:

1. *Scope: containers covered*
2. *Governance: responsibilities of participants i.e. manufactures, super-collectors and recyclers and related issues e.g. handling fees*
3. *Operation: broader range of return options e.g. reverse vending machines, opportunity to increase support for charities, etc.*
4. *Deposit amount: keep, increase, differentiate based on container type*
5. *Audit and Transparency: reporting requirements and public information*
6. Other issues and opportunities - recorded on post-it notes on whiteboard

Snap shot - Issues and opportunities

1. Scope: containers covered

- Inconsistencies among beverages included
- Whether the infrastructure can handle the current/increased recycling
- Increase resource recovery, research material flows
- Contamination rates of glass in kerbside recycling an issue

Snap shot - Issues and opportunities



2. Governance: responsibilities of participants i.e. manufactures, super-collectors and recyclers and related issues e.g. handling fees

- Single Coordinator - popular option
- QLD model popular
- Acknowledging difficulty in introducing a new structure over SA's existing system and infrastructure
- Allow for ability to introduce new technology
- Independent Board
- Improve Transparency
- Nationally align with other jurisdictions
- What about a national scheme?

Snap shot - Issues and opportunities

3. Operation: broader range of return options e.g. reverse vending machines, opportunity to increase support for charities, etc.

- Room for innovation, consider different options for collection depots e.g. RVMs
- Research into other jurisdictions
- Must have thorough research, understand costs of any changes

Snap shot - Issues and opportunities

4. Deposit amount: keep, increase, differentiate based on container type

- Increase refund amount may increase return rates, keep enthusiasm for maintaining good return rates for the next generation.
- Need national harmonisation of refund amount
- Concerns about increase cost for producers.
- need to know why the return rates are decreasing before propose increase.
- need to review handling fee before proposing increase in refund amount.
- Differential deposits cause issues with interstate rorting, confusion in the public and labelling issues for manufactures.

Snap shot - Issues and opportunities



5. Audit and Transparency: reporting requirements and public information

- Increase transparency around auditing
- Review auditing process, i.e. increase technology
- Questioned efficiency of the weighing system

CDS Scoping Paper Consultation

Key Findings

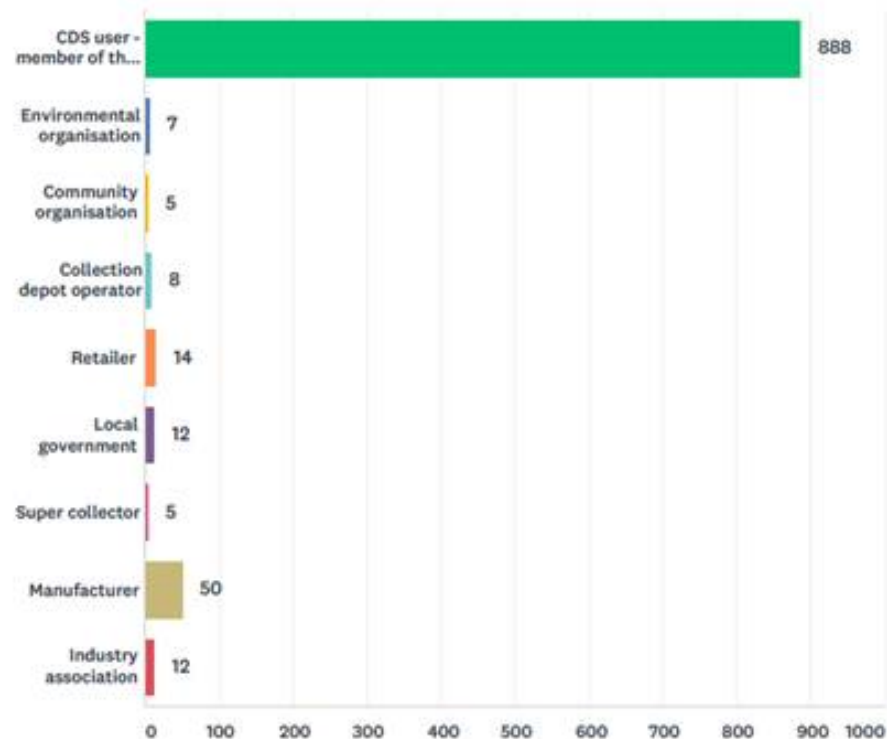


- 13 January 2019 - Minister released the *Improving South Australia's Recycling Makes Cents* scoping paper
- 22 February 2019 - consultation closed
- 1,001 comments on CDS scoping review survey and generated discussion on key themes.
- 97 written submission from key stakeholders and individuals

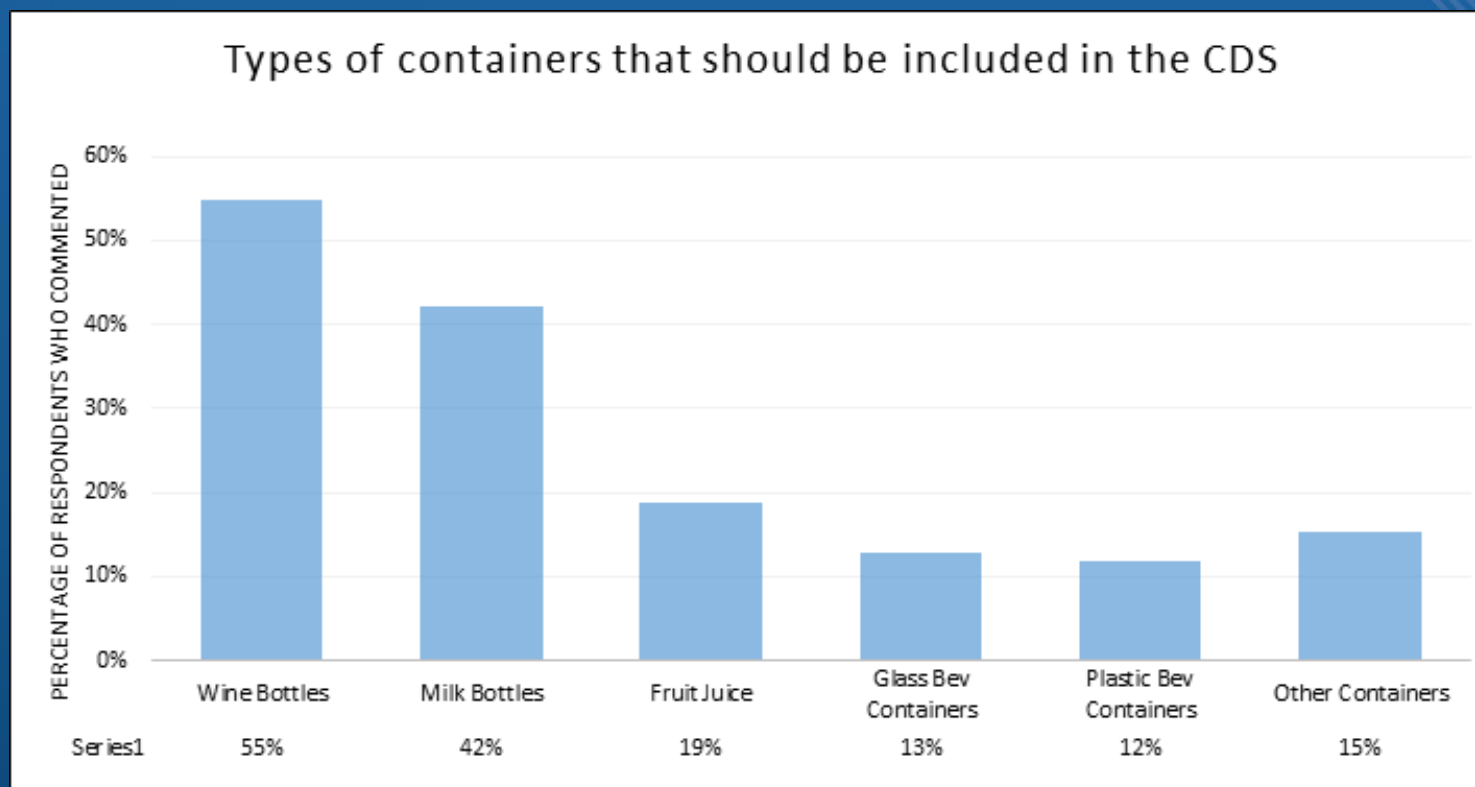
Summary of Survey Responses

Q8 Thank you for taking part in this survey. Please tell us which category best describes you

Answered: 1,001 Skipped: 0



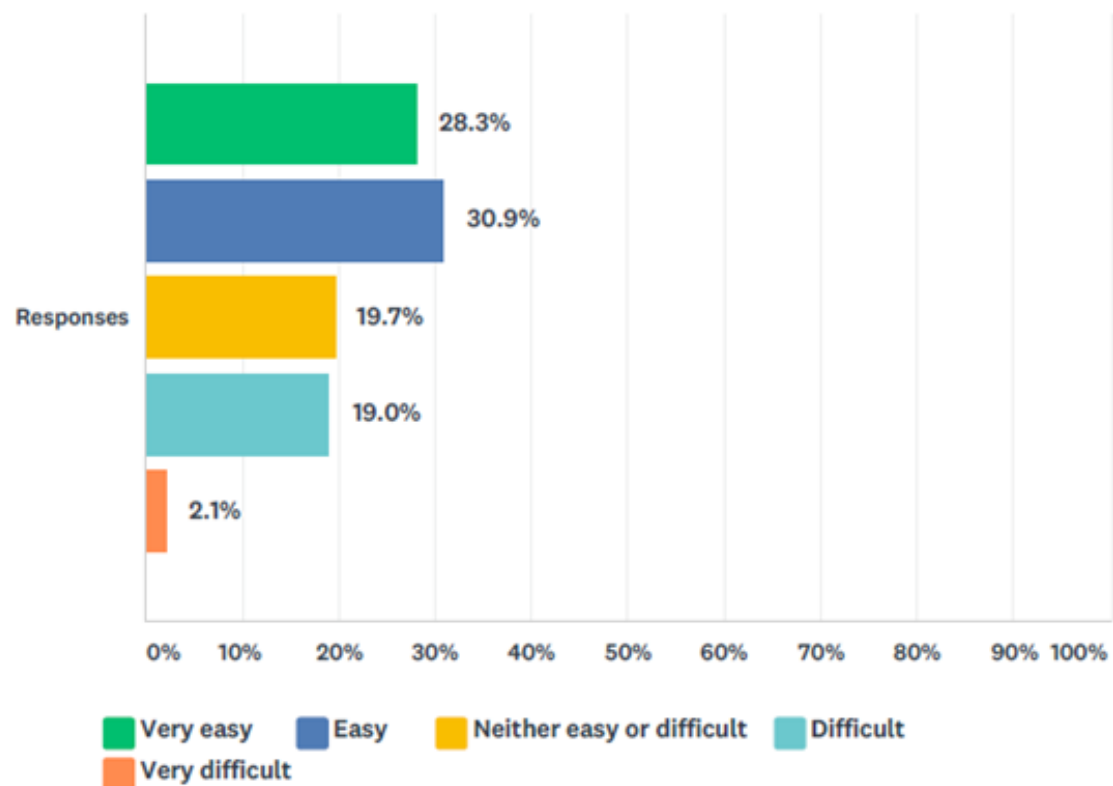
Summary of Survey Responses



Summary of Survey Responses

Q4 How easy / difficult is it to return containers for refund?

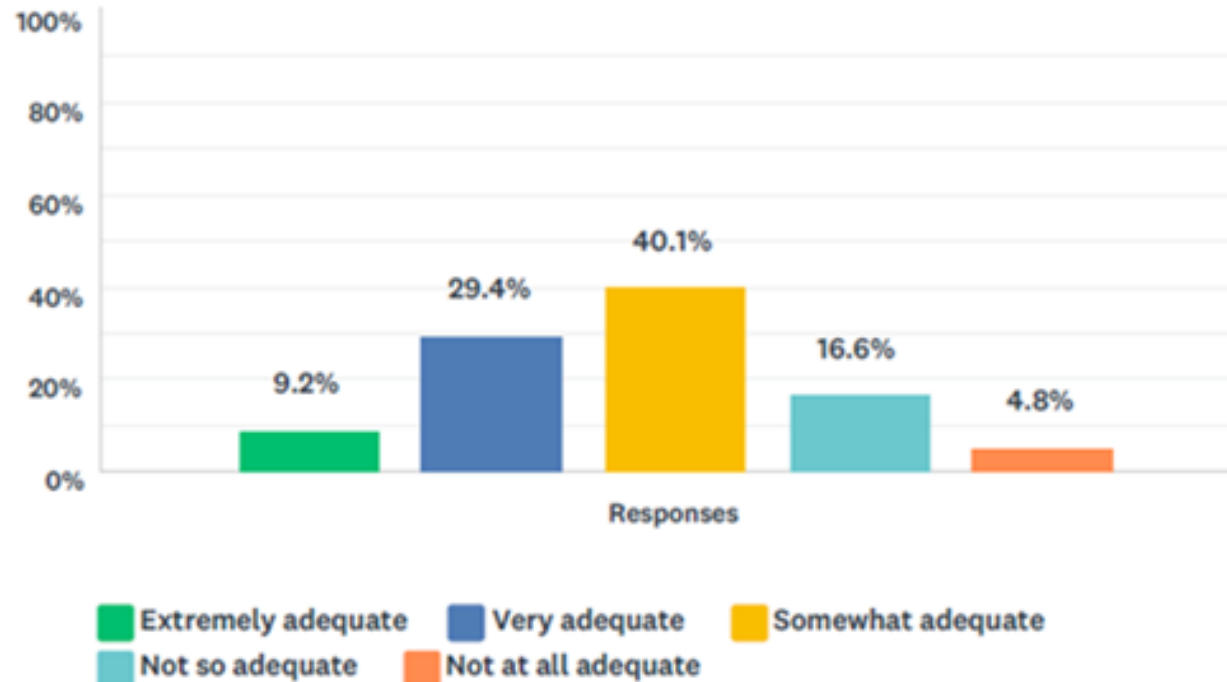
Answered: 998 Skipped: 3



Summary of Survey Responses

Q5 Are current recycling depots adequate in terms of how many there are and where they are?

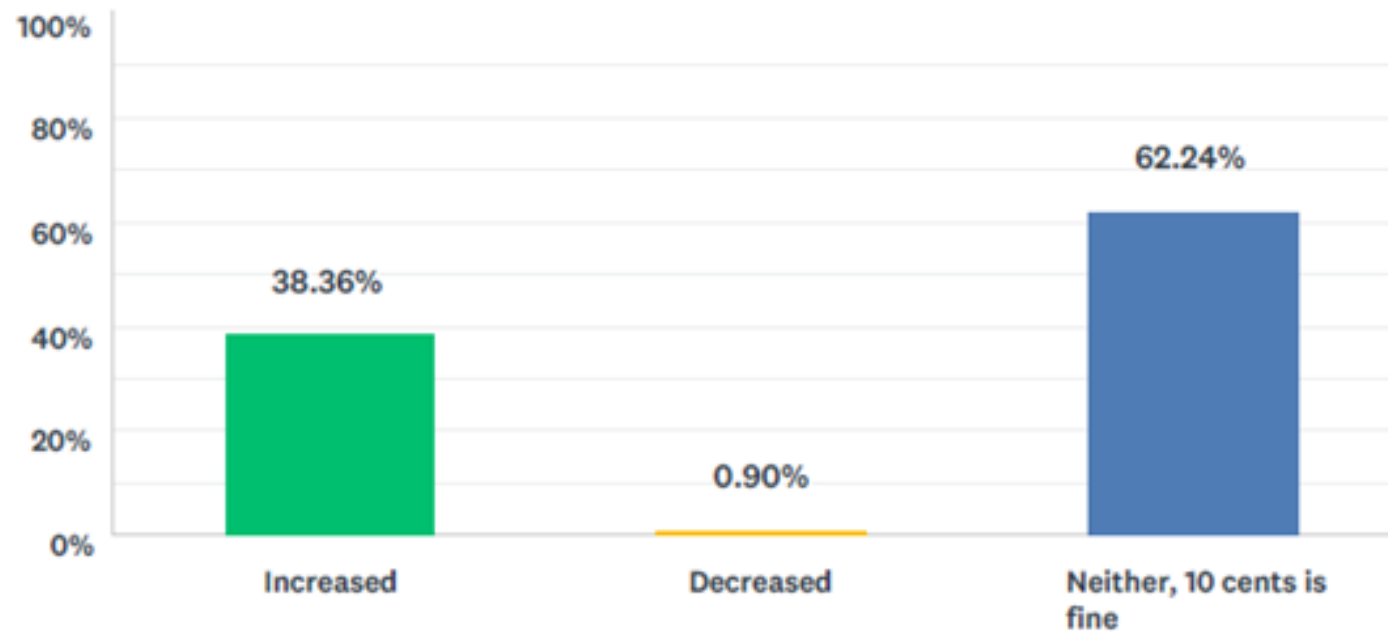
Answered: 1,001 Skipped: 0



Summary of Survey Responses

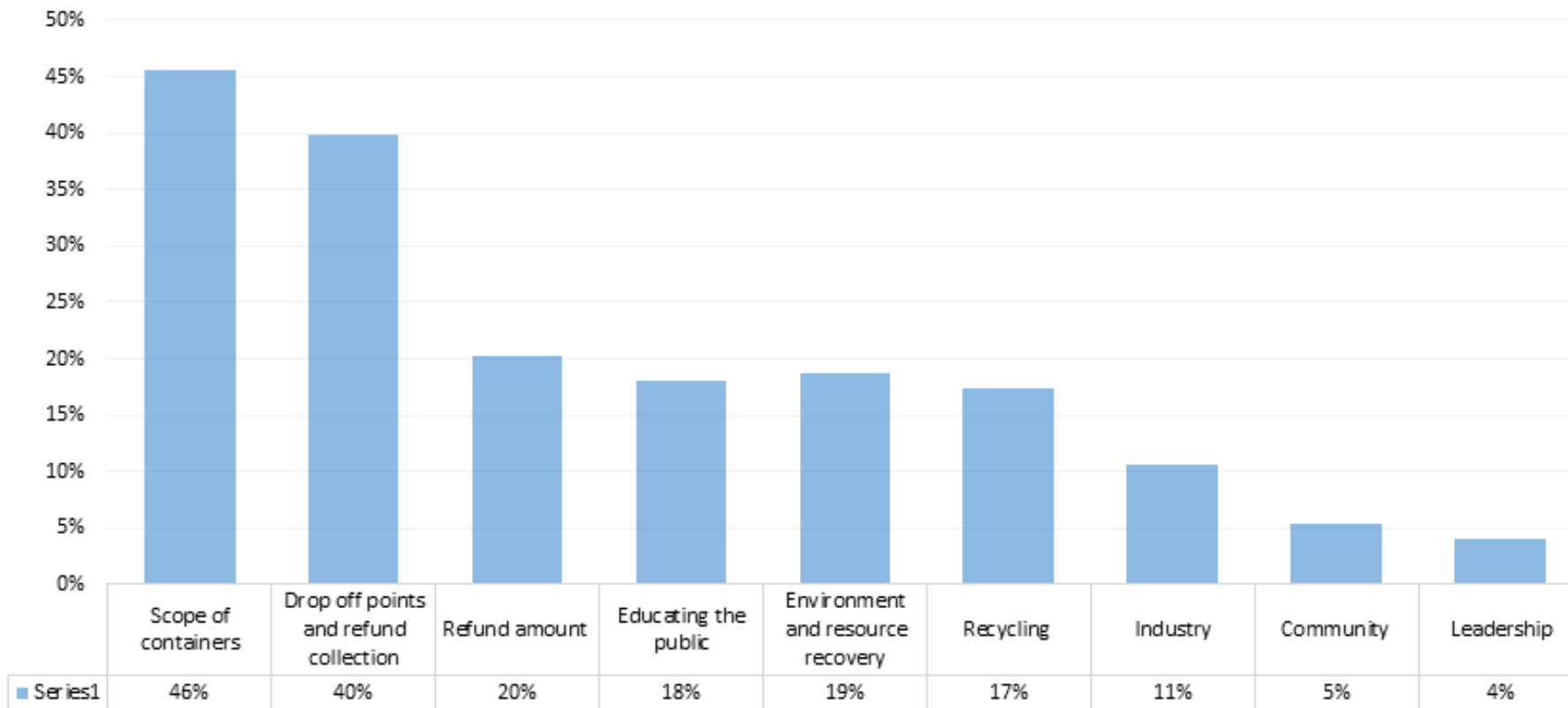
Q6 The refund on beverage containers is 10-cents. Do you think the refund amount should be increased or decreased?

Answered: 1,001 Skipped: 0



Summary of Survey Responses

Most important issues to be included in the CDS review



Summary of Written Submissions



Received 82 industry submissions and 15 from general community.

CDS Operator - 7

Production / Sales - 17

Wine Industry - 29

Industry Organisations - 15

Environment and Community Groups - 3

Government – 11

General Community - 15

Summary of Written Submissions

Objectives	How well it is working?	Other Aims?	Scope	Ban	Governance	Marking	Deposit Payment
Return Ease	Dispute Resolution	Compliance	Monitoring	Refund Amount	Research	Out of Scope	Engagement Options

Detailed independent summary of all written submissions, survey responses and open-ended questions is to be published in coming weeks.

Top three issues = scope, governance, and research/knowledge gaps.

Summary of Written Submissions

Scope

- 37 submissions (mostly from wine industry) against inclusion of wine bottles, and
- 35 recommending their inclusion (waste industry, local councils, other beverage manufacturers, and general community).

Provisional analysis indicates

- those not part of the CDS (e.g. wine industry) are opposed to being included,
- those who are part of the CDS want other containers added
- waste companies (e.g. recyclers) and local councils also want the scheme expanded, including to reduce the cost of sorting to differentiate between CDS and non-CDS products
- Any expansion of scope to be done in a nationally consistent manner.

Summary of Written Submissions

Governance

- Issues related to governance includes:
 - concerns about fairness due to the methods for calculating payments by super-collectors to recyclers,
 - lack of transparency and auditing of those calculations, and
 - the limited negotiation power of recyclers.
- Given the significant role of governance arrangements in the effective operation of the CDS, it is proposed that it be the main theme for the Board Roundtable.

Summary of Written Submissions



Research / information gaps

- Submitters keen for any changes to be based on clear evidence of costs and benefits.
- Gaps in information will be identified as part of the review.

Decision making process



- Decision: What reforms:
 1. are included in the CDS Review Discussion Paper
 2. require more research before reforms are consulted on
 3. are better pursued on a National level
 4. are not to be included in the CDS review.
- Reference Group to provide advice to EPA
- Tony Circelli to share the advice to the Board (Roundtable)
- EPA to advise the Minister of Reference Group advice and summary of submissions and recommendations
- Government to make decision

Table – Key issues for Worksop 1

1. *Scope: containers covered*
2. *Operation: broader range of return options e.g. reverse vending machines, opportunity to increase support for charities, etc.*
3. *Deposit amount: keep, increase, differentiate based on container type*
4. *Audit and Transparency: reporting requirements and public information*
5. Other issues and opportunities discussed in the scoping consultation

Workshop 1 - analysis of progressing key issues -



Question for each key issue on the table: How should the issue be addressed and why?

Should the issue be:

1. Included in the CDS Review Discussion Paper
2. Subject of more research before reforms are consulted on. If so:
 - a) What are the information gaps?
 - b) Where do we get this information from?
3. Pursued on a National level
4. Not to be included in the CDS review.

Why?

Table discussions

- A series of conversations among 5-6 people at different tables
- Each table has a different question for discussion
- Table host will record discussion and focus on identifying common ground in response to each question
- Participants change tables every 15 minutes on hearing the bell
- Table hosts to report back on common options to progress items and why
- Write up of all discussions will be distributed and used to inform decision making process including reporting to the Board Roundtable.

Workshop 2 Discussion



- Board Roundtable – 21 May 19
 - The CDS Review governance centred theme for this year's roundtable provides the opportunity to explore improvements to the CDS Governance arrangements in SA.
 - Draft program to seek the outcome of identifying:
 1. is there a mandate for change in the CDS Governance arrangements in SA?
 2. if so, which elements should form part of a new governance structure?
- Advice to the Minister
- Discussion paper and consultation – from mid-year

- Approval of collection depots, super collectors, and beverage label
- Refund and refund marking
- Recyclability considerations
- “Effective and appropriate ” waste management arrangements required
- Prohibition on sale of beverage unless approved or exempt

CDS Governance – Board RoundTable prep



- Proposed theme to focus on CDS Governance
- 4 members of the CDS Review Reference Group representing various areas of the CDS to present on their perspectives on the CDS Governance arrangements (based around workshop 2 discussion today)
- Format – 2 panels with Q&A from the open floor or table by table discussion

CDS Governance – Discussion 2

4 corners workshop



- Individual writing on posit notes issues and opportunities that can be realised by reform of SA CDS Governance.
- 4 corners of the room, ask participants to stand under the area of the CDS that best categorises their role in CDS:
 - Collection Depot
 - Super collector
 - Manufacture/retailer
 - Environmental Groups/Government
- Discussion and grouping of posit notes on perspectives on the CDS Governance arrangements, what issues and opportunities can be realised by reform of SA CDS Governance?
- Election of a representative to be part of the panel at the CDS RoundTable
- Report back from 4 members representing various areas of the CDS to present on their perspectives on the CDS Governance arrangements

Next steps

- Write up of table discussions distributed to reference group
- Board Roundtable – 21 May 2019
- Advice to the Minister
- Discussion paper and consultation – from mid-year
- Other research/knowledge gaps, National discussions
- Legislative process

Thank you and Lunch

Next Meeting – Mid 2019 (TBA)