



SUBMISSION TO:

NORTHERN TERRITORY IMPROVING THE CONTAINER DEPOSIT SCHEME

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The Boomerang Alliance of 55 NGOs and Total Environment Centre welcomes this opportunity to make a submission to the further proposals to improve the NT Container Deposit Scheme (CDS).

We note that as the second CDS in Australia in 2012, it was initially modelled on the long running South Australian CDS and inherited some out-of-date features. We recognise the NT government wishes to update it and that while it is achieving a 75% return rate, it has begun to decline each year from a high of 84% in 2018-19.

Reduce Container Complexity

We strongly support expanding container eligibility to:

- Any recyclable container that holds 3 litres or less of ready to drink beverage.
- Currently excluded containers such as:
 - o plain milk cartons and bottles, including milk substitutes (e.g., soy milk, oat milk),
 - o wine and spirits bottles, and
 - o larger flavoured milk or juice bottles and cartons

The exclusion of plain milk and substitutes was initially based on cost-of-living concerns that such beverages being consumed at home and also not contributing to the litter problem. However, the cost issue is now redundant with the high return rate (and many of those not returning are not concerned about the loss of refund). The diminution of confusion about what is refundable will also assist.

We understand all CDS jurisdictions are undertaking consultation on expanding eligible containers and we urge that this is implemented in 2023.

Importantly the key achievement is not just about litter but critically about the circular economy and the CDS is an essential contributor. The extension of eligibility also plays a role in reaching the national packaging target of 70% recycling.

In regard to lids, we support them being part of the collection process. Lids are collected at refund points in NSW and have not caused any scheme cost or recycling issues (i.e., they can be separated at the reprocessing stage).

Improving Scheme Reporting

We support measures to improve reporting and consequently fraud control, accountability, and public transparency by:

- Capturing data on containers through the entire container lifecycle – from the container sale, collection and acceptance by coordinators and recycling outcomes.
- Moving to an online system for CDS data collection by 2025 to streamline data collection and reporting for industry and the regulator, increase data reliability and timeliness of data collection.

Confidence in scheme numbers is essential to the public reputation of a CDS. Further improvements can be made such as with barcode data. The use of barcode data for returns allows accurate reporting of brands and is also a check for fraud (for example, provision of refunds for ineligible or unregistered drink containers as the producer is not paying into the scheme). The NT uses a mix of manual and weight based and verified by overall average weights. This can also lead to ongoing disputes between super collectors or network operators and collection point operators on number/weight factors.

Setting Targets

Targets are a good way to incentivise scheme operators and to improve public accountability. This is especially so where a CDS is overwhelmingly managed by the beverage industry which has an inherent motivation to reduce costs by inhibiting return rates and consumer access to refund points.

Enforcement of targets is a critical matter and while we note the proposal states the government could use suspension or cancellation powers – this is a last resort measure – and severe financial penalties along with a direction to place a high-profile advert in local media admitting failure, should also be utilised.

Additional Measures

Total Environment Centre is about to release a review of all the Australian operating CDS. In addition to above a number of other improvements could be considered:

- Mandating the production of a detailed strategic plan setting out scheme manager and collector goals over coming years. The WA CDS Plan is a good example. Further public consultation should be encouraged.
- The longer a scheme operates at the same refund level, the greater likelihood that inflation erodes the incentive provided by the refund. This occurred with the SA CDS when it was 5c. It is possible the same is now occurring with the 10c refund in the NT after 11 years. The NT government should consider raising the refund unilaterally to 20c or initially taking a strong position the joint environment ministers' meetings.

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Director
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