

WHAT IS CASH FOR CONTAINERS?

Also commonly known as a container deposit system (CDS), it involves consumers receiving a refund for the return of their beverage containers for recycling. It aims to reduce the amount of container litter and increase the amount of recycling by a financial incentive. There are a range of models in over 40 jurisdictions around the world with the best achieving 80-90% return rates. Boomerang Alliance has produced a best practice CDS focussing on efficiency, low cost and convenience.¹

In previous years environmental campaigners sought a national CDS, but in the absence of Commonwealth action the focus has been on the states and territories. State action does not allow the levying of a deposit as it is regarded as a tax or excise, which breaches the Constitution – only the Commonwealth government can impose these. Instead a state CDS legally mandates an obligation on beverage suppliers to provide a financial refund. The cost of the refund is passed into the price of the beverage.

South Australia in 1977 and the Northern Territory in 2012 introduced older versions of a CDS. These are run by the beverage companies and consequently have some inbuilt inefficiencies

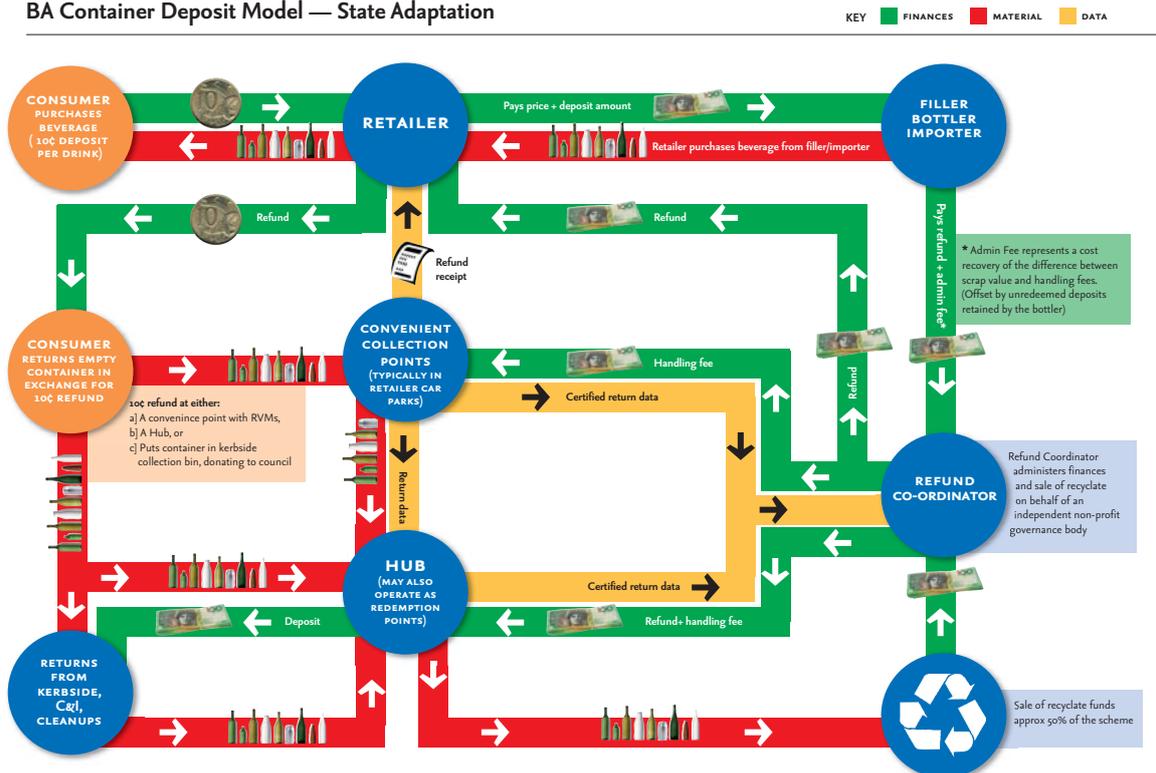
requiring multiple coordinators to deal with individual brands (many splits after collection). SA and NT also rely largely on manual separation of the containers into brands and material types.

The scheme structure proposed for NSW (which is likely to be broadly adopted by QLD, WA and ACT) involves a single Coordinator to deal with the receipt and disbursement of money and data – and which is brand neutral. Network Operators (NO) will be appointed to arrange Collection Points (CP) in various regions. The legislation defines the types and sizes of containers covered by the CDS.²

Consumers will return containers to CPs to receive their refund. The CP and NO receive a handling fee for operating the collection, sorting and transport of containers to recyclers. There will be a similar arrangement for containers collected from kerbside³, events, litter and commercial sector such as cafes. Beverage producers will be levied an amount by the Coordinator that matches the cost of the handling fee and total refunds provided.

A critical issue has been the convenience for consumers (who justifiably will want to get their refund which was part of the purchase price). Boomerang has pressed for the involvement of supermarkets and shopping centres as convenient

BA Container Deposit Model — State Adaptation



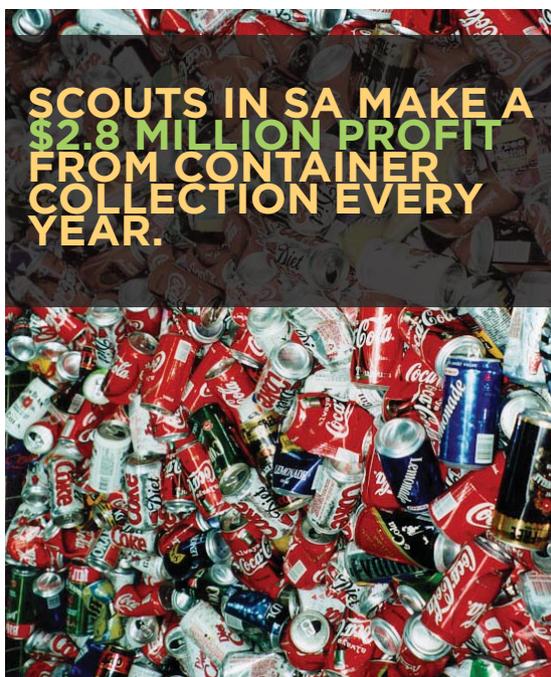
financial refund points because people will be regularly visiting these locations (the NSW CDS is weak in this area). The actual CP site may be next to the store or in the carpark or adjacent mall. The favoured collection infrastructure is reverse vending machines (RVM) which are automated and more efficient than manual operations. The RVMs crush and sort the containers and this reduces transport costs at an early stage of the collection process. They read the barcode which provides accurate information on returns and costs as well as assisting with control of fraud. RVMs can provide a voucher for redemption at a linked store or EFT or a donation to a nominated group.

In addition to RVMs at retail outlets, councils and community organisations like Scouts are keen to set up their own collection points or depots. Scouts in SA make a \$2.8 million profit from container collection every year. Schools, surf clubs, charities and a range of community organisations are also likely to get involved in collection. A CDS will provide huge benefits for community group fundraising.

Individuals can also benefit by collecting littered cans and bottles - many adults will remember collecting for pocket money when they were younger.

With several states (Qld, WA and ACT) moving to introduce a CDS, there is a joint agreement to harmonise the refund level (10cents), the label and scope of containers covered so as to minimise industry and consumer confusion and disruption; as well as beverage distribution complexities. As noted above they are also likely to copy the split Coordinator/Network Operator/Collection Point model. However there may be some differences in other areas such as convenience requirements and regions. Future harmonised changes will be subject to interstate discussion.

The NSW (and possibly ACT) scheme will start on 1 December 2017 and the other states in mid-2018.



1. For more detailed information on Boomerang's preferred model see: [https://d3n8a8pro7vhmx.cloudfront.net/boomerangalliance/pages/153/attachments/original/1448496487/BA_CDS_model_-_parameters_280915_final_\(1\).pdf?1448496487](https://d3n8a8pro7vhmx.cloudfront.net/boomerangalliance/pages/153/attachments/original/1448496487/BA_CDS_model_-_parameters_280915_final_(1).pdf?1448496487)
2. Metal, paper, plastic and glass containers 150mm to 3L are included but not included in the scheme and, therefore, do not qualify for a refund are: • plain milk (or milk substitute) containers • flavoured milk containers 1 litre or more • pure fruit or vegetable juice containers 1 litre or more • glass containers for wine and spirits • casks (plastic bladders in boxes) for wine and casks for water – 1 litre or more • sachets for wine 250ml or more • containers for cordials, concentrated fruit/vegetable juices • registered health tonics.
3. Although kerbside does not receive a handling fee as it is already being paid by councils to collect household waste.