

# Northern Territory response to Container Deposit Scheme (CDS) review

## Background

In 2018, an independent five year review of the Container Deposit Scheme (CDS) found that the scheme was effectively reducing beverage container waste and increasing resource recovery, reuse and recycling. It also found that more than 80% of those who participated in the review, considered the scheme 'successful' or 'very successful'.

The review made 21 recommendations associated with opportunities for improvement in the scheme. These opportunities fall into five broad categories:

- accessibility to the scheme in regional and remote areas, and broadening of the scheme to include currently exempt containers (e.g. wine bottles and milk cartons)
- reducing administrative and regulatory burden on industry, businesses and the regulator
- improved and target community awareness and engagement to ensure continued success of the scheme
- improved data collection, analysis and reporting
- a need to carry out regular auditing and compliance activities to ensure that the scheme is not compromised.

Of the 21 recommendations, the Northern Territory Government will support 17 in full, two in principle and two will be subject to further consideration.

## Implementing the recommendations

Review recommendation	Response	Timeframe
<p><b>Recommendation 1</b></p> <p>Consider the rationale and approach to excluding beverages and exempting containers from the scheme in order to ensure a well-defined, clear, and consistent container scope, which is aligned to all key objectives of the CDS.</p> <p><b>Priority:</b> High</p>	<p>Explore options for improvements to the current regulatory framework to reduce complexity in containers included in the Container Deposit Scheme (CDS), and the likely impacts of any proposed changes</p> <p>Improve community education and awareness of containers included in CDS</p>	2 years
<p><b>Recommendation 2:</b></p> <p>Determine the feasibility of including additional containers as regulated containers and increasing the scope of containers regulated under the scheme, considering specifically wine/spirituous liquor containers and milk bottles as well as excluded beverages and exempt containers where a similar container is currently a regulated container. In determining the feasibility of including additional containers, consider also factors such as the recyclability of the container material and markets available for the recycled container material.</p> <p><b>Priority:</b> High</p>	<p>Explore options for improvements to the current regulatory framework, the likely impacts of any proposed changes,</p> <p>Improve community education and awareness of containers included in CDS</p>	2 years
<p><b>Recommendation 3:</b></p> <p>Increase focus on communication and awareness raising about the CDS, including providing accurate and up to date information on the types of containers regulated under the scheme.</p> <p><b>Priority:</b> High</p>	<p>Implement a community engagement and education strategy to increase community awareness</p>	6 months

<p><b>Recommendation 4:</b></p> <p>Remove the requirement for a statutory declaration to be signed for deposits of 1,500 containers or more.</p> <p><b>Priority:</b> Medium</p>	<p>Review the need for collection depots to require customers to sign statutory declarations when depositing bulk containers</p>	<p>2 years</p>
<p><b>Recommendation 5:</b></p> <p>Shift the focus of the NT EPA from a clerical administrative role, to an advocacy, compliance and audit function, in order for the NT EPA to play a more strategic management and oversight role in the CDS. Assess the NT EPA's resource allocation (both financial, human and technological) to determine additional resource requirements in order to support the desired function and role in the CDS.</p> <p><b>Priority:</b> High</p>	<p>Develop a compliance and enforcement guideline for CDS</p> <p>Review NT EPA's resource allocation</p>	<p>6 months</p> <p>2 years</p>
<p><b>Recommendation 6:</b></p> <p>Work with CDS Coordinators, Collection Depot Operators and retailers to promote the establishment of Reverse Vending Machines (RVMs) at retail outlets and precincts and other areas of high public foot traffic. Retailers could also be encouraged to set up collection points in partnership with a community organisation/charity and all proceeds donated to that community organisation/charity.</p> <p><b>Priority:</b> Medium</p>	<p>Develop a community engagement strategy focusing on public access to facilities for depositing empty containers</p> <p>Community engagement with key stakeholders to support and promote increased public access to container collection facilities</p>	<p>6 months</p> <p>1 year</p> <p>(ongoing)</p>

<p><b>Recommendation 7:</b></p> <p>Provide better information to the public on options available to deliver containers to CDS facilities on the NT EPA website and social media platforms. This may include an interactive map of collection depots and collection points and information on community organisations that collect from home or the workplace.</p> <p><b>Priority:</b> High</p>	<p>Promote awareness of accessibility to CDS depots and collection points</p> <p>Promote awareness of, and facilitate access to, information on collection facilities and their locations</p>	<p>6 months</p> <p>1 year</p>
<p><b>Recommendation 8:</b></p> <p>Develop and implement clear guidelines for the establishment of collection depots that include considerations for the geographic location of collection depots and an analysis of potential demand.</p> <p><b>Priority:</b> Medium</p>	<p>Develop new guidelines for collection depot approvals with FAQs for applicants, ensuring the new guidelines consider legal and policy requirements in relation decisions on collection depot applications and the proposed location of depots</p> <p>Review infrastructure needs and gaps in accessibility and facilitate access to all collection depots</p>	<p>1 year</p> <p>2 years</p>
<p><b>Recommendation 9:</b></p> <p>Promote the establishment of collection points, in particular in remote communities, and investigate the establishment of a database of collection points.</p> <p><b>Priority:</b> Medium</p>	<p>Promote awareness of, and facilitate access to, information on collection facilities and their locations</p>	<p>1 year</p>

<p><b>Recommendation 10:</b></p> <p>Identify, engage and support “key-persons” (individuals or organisations) in remote communities to promote establishment of collection points and the on-going participation in the CDS in remote communities. Facilitate access to training and support to the individual or organisation to engage with the community to expand the awareness and participation in the CDS. Work with these key persons to determine equipment and infrastructure that will support the efficient and effective operation of collection points in remote communities (for example, equipment such as balers and compactors which significantly improve transport efficiencies).</p> <p><b>Priority:</b> Medium</p>	<p>Engagement with key stakeholders, such as the remote waste working groups, CDS coordinators and CDS depot operators to promote access to CDS in regional and remote areas</p> <p>Identify and facilitate strategic partnerships to support sustainable collection points</p> <p>Work with key stakeholders such as local government to support the development of existing and new collection points</p> <p>Promote awareness of, and facilitate access to information on collection facilities and their locations</p>	<p>6 months (ongoing)</p> <p>Ongoing</p> <p>1 year (ongoing)</p> <p>1 year</p>
<p><b>Recommendation 11:</b></p> <p>Facilitate better access to CDS infrastructure grants and provide ongoing support to grant recipients to facilitate ongoing sustainable operation of collection points operated by grant recipients.</p> <p><b>Priority:</b> Medium</p>	<p>Promoting and providing support with environment grants to support development of collection points in regional and remote areas</p>	<p>6 months</p>

<p><b>Recommendation 12:</b></p> <p>Work with key stakeholders and facilitate strategic partnerships to extend access to the CDS in remote communities (for example, through the use of back-loading provided by logistics companies).</p> <p><b>Priority:</b> Medium</p>	<p>Engagement with key stakeholders such as the remote waste working groups, CDS coordinators and CDS depot operators to promote access to CDS in regional and remote areas</p>	<p>6 months (ongoing)</p>
<p><b>Recommendation 13:</b></p> <p>Set resource recovery/return rate targets for CDS Coordinators as allowed for under section 49 of the Act.</p> <p><b>Priority:</b> High</p>	<p>Develop proposed targets in consultation with CDS coordinators and present proposed targets to the Environment Minister for consideration</p>	<p>1 year</p>
<p><b>Recommendation 14:</b></p> <p>Establish a requirement for the improved reporting of the reuse and recycling of containers. Ensure the monitoring and reporting of the reuse and recycling of containers is sufficiently robust to ensure its accuracy and reliability. Consider undertaking an audit of the recycling and reuse supply chain to verify accuracy of data and provide clarity for stakeholders on where these materials end up.</p> <p><b>Priority:</b> Medium</p>	<p>Undertake and report on trend analysis of return rates</p> <p>Work with CDS coordinators to improve data quality and reporting on reuse and recycling of containers</p> <p>Develop a compliance and enforcement guideline</p> <p>Explore options for online reporting and implement system improvements</p>	<p>6 months</p> <p>6 months</p> <p>6 months</p> <p>1 year</p>

<p><b>Recommendation 15:</b></p> <p>Explore and identify opportunities to promote circular economic activity and the domestic recycling of materials through the expansion and promotion of the domestic recycling industry and markets for recycled material.</p> <p><b>Priority:</b> Medium</p>	<p>Regular meetings with key stakeholders to explore market opportunities to increase our recycling capacity and progress the Territory Government's commitment to the National Waste Policy agenda</p>	<p>2 years</p>
<p><b>Recommendation 16:</b></p> <p>Develop a set of clear, step-by-step guidelines and FAQs for applicants describing the approval process and the required documentation.</p> <p><b>Priority:</b> High</p>	<p>Develop new guidelines for collection depot approvals with FAQs for applicants</p> <p>Review guidelines for CDS approvals</p>	<p>6 months</p> <p>2 years</p>
<p><b>Recommendation 17:</b></p> <p>Identify inefficiencies in the container approval process and implement appropriate changes to eliminate or reduce inefficiencies identified and streamline the process.</p> <p><b>Priority:</b> High</p>	<p>Investigate options for efficiencies in the administration of supply approvals including online system upgrades; and make recommendations on efficiencies</p>	<p>1 years</p>

<p><b>Recommendation 18:</b></p> <p>Consider the potential for a “once off” approval for Manufacturers/ Suppliers, as opposed to the ongoing approval of each beverage container a Manufacturer/ Supplier supplies into the NT, and allow Manufacturers/ Suppliers to “self-regulate”.</p> <p><b>Priority:</b> High</p>	<p>Review manual procedures for CDS approvals</p> <p>Investigate options for efficiencies in the administration of supply approvals including online system upgrades, and make recommendations on efficiencies</p>	<p>6 months</p> <p>1 year</p>
<p><b>Recommendation 19:</b></p> <p>Advocate the adoption of a coordinated approach and or mutual recognition of container approvals across participating states and territories in Australia. As more schemes are established (for example Queensland and Western Australia), which have similar if not identical container scope, it would be more efficient for a centralised system of approvals to be used.</p> <p><b>Priority:</b> Medium</p>	<p>Participation in existing intergovernmental working groups to support consistency between existing and emerging schemes in other jurisdictions, and identify opportunities for a coordinated approach where possible</p>	<p>Ongoing</p>
<p><b>Recommendation 20:</b></p> <p>Assess the technology systems utilised in the container approval process. Determine whether technology systems are fit for purpose and implement automation into the technology systems.</p> <p><b>Priority:</b> Medium</p>	<p>Investigate options for efficiencies in the administration of supply approvals including online system upgrades; and make recommendations on efficiencies</p>	<p>Ongoing</p>



<p><b>Recommendation 21:</b></p> <p>Investigate the potential for unclaimed refunds, either as a whole or in part, to flow through to the development of the CDS. For example, a proportion of these funds could be used to fund to address the challenges facing remote communities (improved infrastructure, transport subsidies, support for 'key people'). This funding could also be made available to the CDS infrastructure grants to help improve upstream packaging sustainability outcomes or collection and sorting infrastructure.</p> <p><b>Priority:</b> Medium</p>	<p>Give further consideration to the CDS funding including policy and legislative considerations, and other options for achieving the desired outcomes of this recommendation</p>	<p>2 years</p>
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## A staged approach

Some of the review's recommendations will require engagement with industry and other government agencies with similar schemes across Australia. In some instances, consultation with industries other than the beverage container and recycling industries will be required.

There are no immediate plans for regulatory change in response to the review recommendations. Should the need for regulatory changes be identified, this will be considered in consultation with industry, the community and relevant key stakeholders consistent with the Northern Territory Government's commitment to deliver effective and efficient regulation with minimal imposts on businesses and the community.

An implementation plan has been developed which will see the recommendations rolled out in a phased approach over the next two years.

### Within six months<sup>1</sup>

**Community engagement:** Develop and implement a community and awareness engagement strategy:

- to improve public access to the CDS by increasing awareness about the containers included in the scheme and about access to depots and collection points (recommendations 1-3, and 6-7).
- incorporating targeted communication with key stakeholders such as regional waste working groups, local government and CDS approval holders to promote and facilitate access to the scheme in regional and remote areas (recommendations 9-10).

**New guidelines:** Develop new guidelines for collection depot approvals with frequently asked questions to improve access to collection facilities by facilitating the application process for applicants (recommendation 16).

**Review manual procedures:** Review the procedures for administering CDS approvals to identify any immediate improvements that may be achieved through procedural change and/or minor system upgrades (recommendations 16 and 17).

**Compliance and Enforcement Guideline:** Develop a CDS compliance and enforcement guideline to support and strengthen industry's operation of the scheme, and reporting on the scheme's performance (recommendations 5 and 14).

### Within six to twelve months

**Investigate improvements:** Investigate the changes needed in the scheme's operations to support 'once off' approvals for, and 'self-regulation' by beverage manufactures/suppliers. The investigation will include system upgrades and any regulatory reforms needed to achieve greater efficiencies in administration of supply approvals. A proposal will be developed based on the outcomes of the investigation (recommendations 17, 18 and 20).

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<sup>1</sup> With the exception of #2 above, these 6 month actions are associated with recommendations we've identified as high priority

**Set targets:** Develop, in consultation with the CDS coordinators, a set of resource recovery targets and present the proposed targets to the Environment Minister for consideration (recommendation 13).

**Improve access:** Facilitate improved public access to the CDS through:

- promoting and supporting access to environment grants for the development of the CDS infrastructure and collection points in remote communities to (recommendation 11).
- exploring methods such as interactive technology to promote awareness of the location of collection depots, and to facilitate access to information about location of collection points (recommendations 7 and 9).

**Collection points:** Facilitate sustainability of collection points (existing and proposed):

- on an ongoing basis by identifying and facilitating strategic partnerships to aid or encourage opportunities that support sustainable collection points (recommendation 12)
- by working with regional councils to identify organisations and individuals involved in the operation of collection points, and their training and support needs, and solutions to address those needs (recommendation 10).

**Stakeholder engagement:** Work with key stakeholders on an ongoing basis including through existing forums, and with local government, regional and remote waste working groups and non-government organisations (NGOs) to:

- promote increased public access to facilities for depositing empty containers (depots, reverse vending machines and collection points in public areas)
- facilitate the development of innovative solutions through environment grants to increase access to these facilities (recommendation 6).

**Improve data, monitoring and reporting:** Explore options to further improve data collection, monitoring and reporting of reuse and recycling of containers including (recommendations 3, 5 and 14):

- further analysis of existing data, and reporting on trends
- consult with the CDS coordinators on potential improvements in the quality and consistency of data and information provided in returns including about the destination of containers/ constituent materials
- explore options for online reporting.

## Within the next two years

**Consider potential improvements to regulatory framework:** Explore options for improvements in the current regulatory framework for reducing the complexity in the types of beverage containers that are covered by the CDS (also known as regulated containers). In determining the options, consideration will be given to matters such as (recommendations 1 and 2):

- the basis for determining whether beverage containers are included or excluded, including container recyclability
- container redemption rates and the impacts of community awareness and/or changes to the scope of containers may have on these rates

- the impact of any proposed changes including any regulatory amendments on key stakeholders, and input from stakeholders
- the government's commitment to national waste policy agenda and harmonising schemes across Australia.

**Stakeholder engagement:** Engage with key stakeholders including industry, beverage suppliers and the CDS coordinators on any proposed changes to the scope of regulated containers including any proposed regulatory amendments (recommendations 1 and 2).

**Review resources:** Review the Northern Territory Environment Protection Authority's resource allocation where necessary. Develop options based on administrative efficiencies, gained through implementing the review recommendations, to realign and allocate existing resources to increasing the CDS compliance and enforcement activity (recommendations 5 and 17-20).

**Revise guidelines:** Revise existing guidelines, ensuring they clearly articulate requirements for supporting documentation and steps for the application process for the CDS approvals, and they capture any relevant system, policy and/or administrative changes that are implemented in response to the review recommendations (recommendation 16).

**Further consideration:** During this period further consideration will be given to the implications (policy or otherwise) of factors such as the geographic location of collection depots, and an analysis of potential demand in guidelines for collection depot approvals. An analysis of gaps in the CDS accessibility in the Northern Territory or a regional basis will be undertaken within the next two years, with the view to identifying infrastructure needs to facilitate access (recommendation 8).

**Signed statutory declaration:** Explore the need for collection depots to require a signed statutory declaration for deposits of 1500 containers, and benefits and risks associated with amending or removing this requirement, and as part of this, seek and consider input from key stakeholders including depots (recommendation 4).

**Ongoing improvement:** As part of a broader national waste agenda, in the next two years and on an ongoing basis, continue to:

- regularly meet and consult with key stakeholders to progress the national commitments on recycling waste, including to explore market opportunities and encourage access to markets and services. This will help ensure that challenges to reusing and/or recycling in the NT are considered in the broader national waste agenda (recommendation 15)
- participate in intergovernmental working groups to support consistency between existing and emerging schemes in other jurisdictions, and to identify opportunities for coordinated approach where possible (recommendations 19 and 21).

**Unclaimed refunds:** Give further consideration to investigation of the potential for unclaimed refunds as a source of revenue.