

The Senate

Environment and Communications
References Committee

Operation of the South Australian and
Northern Territory container deposit schemes

November 2012

© Commonwealth of Australia 2012

ISBN 978-1-74229-722-4

This document was printed by the Senate Printing Unit, Parliament House, Canberra

Committee membership

Committee members

Senator Simon Birmingham (LP, SA) (Chair)
Senator Doug Cameron (ALP, NSW) (Deputy Chair)
Senator Catryna Bilyk (ALP, TAS)
Senator the Hon Ron Boswell (NATS, QLD)
Senator Anne Ruston (LP, SA)
Senator Larissa Waters (AG, QLD)

Substitute members

Senator Peter Whish-Wilson (AG, TAS) to replace Senator Larissa Waters (AG, QLD)

Participating members

Senator Nick Xenophon (IND, SA)

Committee secretariat

Ms Sophie Dunstone, Acting Secretary
Ms Toni Matulick, Inquiry Secretary
Mr Chris Lawley, Senior Research Officer
Mrs Dianne Warhurst, Administration Officer

Committee address

PO Box 6100
Parliament House
Canberra ACT 2600
Tel: 02 6277 3526
Fax: 02 6277 5818
Email: ec.sen@aph.gov.au

Internet:

www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/index.htm

Table of Contents

Committee membership	iii
Abbreviations and acronyms	viii
Chapter 1 - Introduction	1
Conduct of the inquiry	1
Structure of the report	1
Chapter 2 - Background	3
Introduction	3
Previous inquiries	3
National Waste Policy	5
South Australia's container deposit scheme	7
Northern Territory container deposit scheme	11
Chapter 3 - Discussion of key issues	13
The pricing of beverages in container deposit schemes	13
Committee comment	20
Super collectors and pricing structures	21
Calculating rates of return	22
Unredeemed deposits	24
Transparency	27
Other related matters	30
Dissenting report from Senator Whish-Wilson and Senator Xenophon	31
Appendix 1 - Submissions, tabled documents and answers to questions taken on notice	37
Appendix 2 - Public hearings	39

Abbreviations and acronyms

ACCC	Australian Competition and Consumer Commission
AFGC	Australian Food and Grocery Council
CDL	container deposit legislation
CDS	container deposit scheme
COAG	Council of Australian Governments
EPA	Environment Protection Authority
EPHC	Environment Protection Heritage Council
GST	Goods and Services Tax
HDPE	high density polyethylene
KESAB	Keep South Australia Beautiful
PET	Polyethylene terephthalate
PVC	Polyvinyl chloride
RIS	Regulation Impact Statement
SCEW	Standing Council of Environment and Water

Chapter 1

Introduction

Conduct of the inquiry

1.1 On 11 October 2012 the Senate referred the following matter to the Environment and Communications References Committee for inquiry and report by 22 November 2012:

The pricing and revenue allocation practices of the beverage industry in the container deposit schemes operating in South Australia and the Northern Territory, including:

- a. management of the operation of container deposit schemes in South Australia and the Northern Territory;
- b. the cost structure of the beverage industry's involvement in these container deposit schemes;
- c. the use of unredeemed deposits and unused handling and transport fees;
- d. alternative scheme structures which ensure beverage producers cannot pass on unreasonable costs from these recycling schemes if such schemes are implemented in additional states or nationally;
- e. structures to ensure schemes managed under the *Product Stewardship Act 2011* do not result in producers passing on unreasonable costs; and
- f. any other related matters.¹

1.2 In accordance with its usual practice, the committee advertised details of the inquiry on the internet.² The committee also contacted a range of organisations inviting submissions by 26 October 2012. The committee received 28 submissions, listed at Appendix 1.

1.3 The committee held one public hearing in Adelaide on 7 November 2012. Details of this public hearing are shown at Appendix 2.

1.4 The committee thanks all those organisations and individuals who contributed to the inquiry.

Structure of the report

1.5 The report consists of two substantive chapters. Chapter 2 provides background information to the inquiry and highlights the reviews this committee has

1 *Journals of the Senate*, 11 October 2012, pp 3119.

2 See Senate Environment and Communications References Committee, *Inquiry into container deposit schemes*, available at: http://www.aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=ec_ctte/container_deposit_schemes/index.htm (accessed 16 November 2012).

recently conducted into container deposits. Chapter 3 provides a discussion of key issues raised as part of the inquiry, including the pricing of beverages in container deposit schemes, issues surrounding unredeemed deposits and rates of return and one related matter concerning small containers.

Chapter 2

Background

Introduction

2.1 Container deposit schemes are generally seen as a policy response to reducing landfill and litter, and as a way of encouraging recycling especially in geographic locations that do not have kerbside recycling. They also offer a way of reducing waste from out-of-home consumption of beverages that might not be so easily captured by existing kerbside recycling facilities.

2.2 This inquiry follows the rejection by the Senate on 13 September 2012 of the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2010. This bill was introduced by Senator Ludlam on 30 September 2010 and sought to impose a levy on defined beverage containers produced or imported into Australia. The bill set the levy at 10 cents per container with a regulation making power to amend that amount, and provided for payment to be made for the return of relevant beverage containers at authorised collection depots. The 2010 bill followed several unsuccessful attempts to have similar bills passed by the Senate.

Previous inquiries

2.3 Senate committees have considered the issue of beverage container deposit and recovery schemes (CDS) on several previous occasions during reference and bills inquiries, and considered a range of related issues.

2.4 In 2008 the former Senate Standing Committee on the Environment, Communications and the Arts reported on the *Management of Australia's waste streams (including consideration of the Drink Container Recycling Bill 2008)*, and recommended that the Environment Protection and Heritage Council¹ (EPHC) consider initiatives, including container deposit schemes, to improve away-from-home recycling.

2.5 In September 2009 the former Senate Committee on Environment, Communications and the Arts tabled its report on the Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009.

2.6 Like the 2010 bill, the 2009 bill sought to apply a 10 cent deposit to the sale of each eligible beverage container, with the deposit paid to the administering department. Labelled beverages would be eligible for a refund at authorised collection depots and transfer stations. The authorised collection depots and transfer stations would provide the refund upon receipt of eligible beverage containers. The relevant government department would then refund the deposit amount to the authorised

1 The remit of the EPHC was withdrawn in 2011 upon the establishment of the Council of Australian Government's Standing Council on Environment and Water
<http://www.environment.gov.au/about/councils/ephc/index.html> (accessed 12 November 2012).

collection depots and transfer station operators. Unclaimed deposits or levy funds would be retained by the department.²

2.7 While the committee in its 2009 report recommended that the bill not be passed, the committee did provide detail of the status of possible container deposit schemes under consideration in the states and territories, as well as work the Commonwealth had done to investigate such schemes.

2.8 The committee noted that, at that time, no other state or territory had an operational scheme for beverage container deposits except South Australia; however the Northern Territory government had committed to implement a scheme by 2011.

2.9 In February 2010 the Commonwealth government responded to the committee's 2009 bill report. In this response the Commonwealth government noted that day-to-day management of waste is primarily the responsibility of state, territory and local governments, and that at that time, 'harmonised action on waste issues of national significance'³ were the responsibility of the EPHC and the National Environment Protection Council. It was through these mechanisms that Australian environment ministers were working across governments, with industry and communities, 'to achieve effective, efficient and nationally consistent policies on waste in order to enhance social, human health, economic and environmental outcomes.'⁴

2.10 The former EPHC investigated alternative mechanisms for increasing recycling and decreasing litter, including container deposit legislation, from April 2008. In May 2009, the EPHC considered the results of an investigation into these options (the *Beverage container investigation final report*) and agreed to conduct a survey of the community's willingness to pay for improved packaging, recycling and reduced litter.⁵ At their meeting on 5 November 2009, the EPHC considered preliminary findings from the modelling study on the community's willingness to pay

2 Environment, Communications, and the Arts Legislation Committee, Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009, September 2009, p. 6.

3 Australian Government response to the Senate Standing Committee on Environment, Communications and the Arts Report: The Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009, p. 3, available at: <http://www.environment.gov.au/settlements/waste/publications/pubs/beverage-container-govt-response.pdf> (accessed 12 November 2012).

4 Australian Government response to the Senate Standing Committee on Environment, Communications and the Arts Report: The Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009, p. 3, <http://www.environment.gov.au/settlements/waste/publications/pubs/beverage-container-govt-response.pdf> (accessed 12 November 2012).

5 Environment Protection and Heritage Council, *Beverage container investigation final report*, 20 March 2009, available at: http://www.ephc.gov.au/sites/default/files/BevCon_Rpt_Beverage_Container_Investigation_FinalReport.pdf (accessed 16 November 2012).

and which indicated a high level of community interest in recycling, packaging and reduced litter.⁶ However, there was no agreement to develop national container deposit legislation.

National Waste Policy

2.11 The National Waste Policy was agreed by all Australian environment ministers in 2009, and sets direction for Australia's waste management to 2020.⁷ The National Waste Policy sets out sixteen priority strategies for reducing the generation of waste in Australia, and attributes responsibility for the implementation of these strategies in the following way:

1. Product stewardship framework legislation to allow the impacts of a product to be responsibly managed during and at end-of-life (Australian government).
2. Sustainable procurement principles and practices across and within government operations (individual jurisdictions).
3. Better packaging management (collaboration).
4. National definition and classification system for wastes (including hazardous and clinical wastes) that aligns with international conventions and has provision for items that have ceased to be classed as waste (collaboration).
5. National principles, specifications, best practice guidelines and standards to remove impediments to effective markets for potential wastes (collaboration).
6. Access to knowledge and expertise in sustainable procurement and business practices (collaboration).
7. Continued government focus to reduce the amount of biodegradable material sent to landfill (states and territories individually).
8. Management of safety and health risks arising from landfill gas emissions (states and territories individually).
9. Strategy for emissions from landfills and other waste activities not covered by the operation of a future Carbon Pollution Reduction Scheme (Australian government led collaboration).
10. Improvements in waste avoidance and re-use of materials in the commercial and industrial waste stream (state and territory led collaboration).

6 Australian Government response to the Senate Standing Committee on Environment, Communications and the Arts Report: The Environment Protection (Beverage Container Deposit and Recovery Scheme) Bill 2009, p. 3, <http://www.environment.gov.au/settlements/waste/publications/pubs/beverage-container-govt-response.pdf> (accessed 12 November 2012).

7 <http://www.environment.gov.au/wastepolicy/about/index.html> (accessed 13 November 2011).

11. Continued government encouragement of best practice waste management and resource recovery for construction and demolition projects (individual jurisdictions).
12. Responsibility to meet international obligations; reduce hazardous materials entering the waste stream; dispose of and move trans-boundary waste in an environmentally sound manner in appropriate facilities (Australian government led collaboration).
13. Adoption of a system that aligns with international approaches to reduce hazardous substances in products and articles sold in Australia (Australian government led collaboration).
14. Identify actions to build capacity and ensure an appropriate suite of services is available to regional and remote communities (states and territories individually).
15. Audit of existing waste infrastructure and local capability in selected remote Indigenous communities as part of essential services audit under the COAG National Indigenous Housing Partnership (Australian government).
16. Publish a three yearly waste and resource recovery report, underpinned by a system that provides access to integrated national core data on waste and resource recovery (Australian government led collaboration).⁸

2.12 The policy places heavy reliance on product stewardship to reduce the environmental, health and safety footprint of manufactured goods.

Product Stewardship legislation

2.13 In 2011 the Environment and Communications Legislation Committee inquired into the Product Stewardship Bill 2011, which was passed by the Senate in 2011. The *Product Stewardship Act 2011* provides flexibility for different products, materials and industries to be treated differently. Products currently on the National Waste Policy implementation plan for product stewardship action include televisions and computers, packaging, tyres and mercury containing lights.⁹

2.14 The legislation provides for voluntary, co-regulated and mandatory approaches. Co-regulatory product stewardship schemes are delivered by industry and regulated by the Commonwealth government, with these arrangements to be established by regulation. Mandatory product stewardship places a legal obligation on parties to take certain actions in relation to a product.¹⁰

8 <http://www.environment.gov.au/wastepolicy/publications/pubs/fs-product-stewardship-act.pdf> (accessed 13 November 2012).

9 <http://www.environment.gov.au/wastepolicy/publications/pubs/fs-product-stewardship-act.pdf> (accessed 13 November 2012).

10 <http://www.environment.gov.au/wastepolicy/publications/pubs/fs-product-stewardship-act.pdf> (accessed 13 November 2012).

2.15 The national scheme for televisions and computers is a co-regulatory scheme and is the first scheme regulated under the Product Stewardship Act.

2.16 The committee was advised by the Commonwealth government that the Standing Council on Environment and Water (SCEW) has been considering a range of options for better managing packaging in Australia, including consideration of a national container deposit scheme.¹¹ In December 2011 a Consultation Regulation Impact Statement (RIS) was released for public comment, and following this process the SCEW agreed to proceed to a Decision RIS.¹² The Decision RIS will provide the SCEW with further information to assist them to make a decision on these options.

2.17 Options investigated in the Consultation RIS were container deposit schemes, an advance disposal fee, industry-run schemes that may be co-regulated under the *Product Stewardship Act 2011*, and a nationally consistent government initiative.¹³

Committee comment

2.18 The committee notes that it and its predecessors have undertaken a number of inquiries over recent years into container deposit schemes.

2.19 The committee is also aware that the Council of Australian Governments (COAG), through SCEW, is undertaking an assessment of policy options for better managing packaging in Australia, including national container deposit schemes. The committee expresses its hope that through the COAG processes, all Australian governments can reach a consensus on the best way to manage container waste. Further, noting the lengthy periods of consideration these matters have attracted, the committee hopes such matters are resolved as soon as possible.

South Australia's container deposit scheme

2.20 South Australia's container deposit scheme commenced in 1977 as a method of reducing litter and promoting resource recovery. The scheme was introduced via the *Beverage Container Act 1975* (SA). Legislative provisions for the operation of the scheme are now contained in Part 8 of the *Environmental Protection Act 1993* (SA).

2.21 The scheme allows South Australians to collect a 10 cent deposit for each beverage container they return to a retailer or collection depot.

How the scheme operates

Approval for beverage containers

2.22 Prior to certain beverage containers being sold in South Australia, approval must first be received from the Environmental Protection Agency (EPA). Beverage

11 Department of Sustainability, Environment, Water, Population and Communities, *Submission 9*, p. 1.

12 Department of Sustainability, Environment, Water, Population and Communities, *Submission 9*, p. 1.

13 <http://scew.gov.au/strategic-priorities/packaging-impacts.html> (accessed 13 November 2012).

containers included in the scheme are listed in Table 2.1 below. Under current regulations certain health tonic, milk (other than flavoured milk) and wine products are exempt from the container deposit schemes.¹⁴

Table 2.1 List of beverages covered by the South Australian and Northern Territory container deposit schemes¹⁵

Beverage	Container type	Container capacity	
		Included	Exempted
Carbonated soft drinks	All	3 litres or less	Greater than 3 litres
Non-carbonated soft drinks (such as sport drinks, vitamin drinks, energy drinks and ready-to-drink cordials)	All	3 litres or less	Greater than 3 litres
Pure fruit juice	All	Less than 1 litre	1 litre or more
Flavoured milk	All	Less than 1 litre	1 litre or more
Unflavoured milk	All	Nil	All
Water	All	3 litres or less	Greater than 3 litres
Beers/ales/stouts	All	3 litres or less	Greater than 3 litres
Wine	Glass	Nil	All
	Plastic and aluminium	3 litres or less	Greater than 3 litres
	Aseptic packs/casks	Less than 1 litre	1 litre or more
	Sachets	Less than 250ml	250ml or more
Spirits	Glass	Nil	All

14 Environmental Protection Regulations 2009 (SA), section 45.

15 Source: Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p. 5, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 16 November 2012); and Northern Territory government, *List of regulated beverages and containers*, available at: http://www.nretas.nt.gov.au/_data/assets/pdf_file/0007/116782/regulated_containers.pdf (accessed 16 November 2012).

Beverage	Container type	Container capacity	
		Included	Exempted
	Other materials	3 litres or less	Greater than 3 litres
Wine- and spirit-based beverages	All	3 litres or less	Greater than 3 litres
Alcoholic beverages (such as cider, alcoholic lemonade)	All	3 litres or less	Greater than 3 litres

2.23 In granting approval, the EPA is to divide beverage containers into two categories:

- Category A containers which can be presented for refund at the point of sale; and
- Category B containers which can be presented for refund at collection depots.

2.24 Both Category A and Category B containers must have product labels displaying the approved refund statement.¹⁶

2.25 Manufacturers of Category A containers must ensure that retailers selling their beverages are aware of the obligations to refund the deposit and store containers—irrespective of the place of purchase.¹⁷ It is also a condition of approval that there is a waste management agreement in place for the empty containers to be retrieved from retail outlets and aggregated for reuse or recycling.¹⁸

2.26 Category B containers must also have a waste management agreement in place prior to approval. The agreement is to specify details between the beverage manufacturer and a super collector for the collection, sorting and aggregation of

16 Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p.1, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 13 November 2012).

17 Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p. 2, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 13 November 2012).

18 Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p. 2, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 13 November 2012).

containers and their reuse and recycling.¹⁹ The beverage manufacturer must also ensure that all sales into South Australia, whether directly or via an interstate distribution centre, are declared to the super collector and accompanied by funds in accordance with requirements specified in the waste management agreement.²⁰

Deposits

2.27 Theoretically beverage manufacturers in South Australia include the 10 cent refund deposit and a handling fee in the wholesale price of their products. Price strategies vary between companies and are not necessarily based entirely on cost structures.²¹ If the refund and handling fee are not included in the wholesale price, they may be partially or fully absorbed by the beverage manufacturer or distributor.²²

2.28 When a beverage is bought in South Australia, the 10 cent deposit is refunded when the consumer returns the container to either a collection depot or a retailer. Consumers discarding the container lose the value of the deposit, which then becomes available to anyone who wants to collect the containers and collect the refund amount, including companies undertaking kerbside rubbish collection.

Collection depots and super collectors

2.29 The collection depot or point of sale retailer reimburses the consumer and sorts the containers. A super collector collects the containers from various collection depots for auditing and recycling and pays the collection depots the refund and agreed handling fee. The super collectors are paid the refund and handling fee by the beverage manufacturers on the basis of documented container returns.

2.30 Non-refillable glass containers are sold to a glassmaker for the manufacture of new bottles. Aluminium, steel, liquid paperboard and plastic (PET, PVC and HDPE) containers are recycled through markets sourced by the super collection agency.

19 Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p. 1, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 13 November 2012).

20 Environmental Protection Authority (SA), *Container deposit guidelines: Beverage container approval*, July 2012, p. 2, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Guideline/cdlguide01.pdf (accessed 13 November 2012).

21 EPA (SA), *Consultancy report: Collection industry arrangements under container deposit legislation*, July 2005, p. 4, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Report/cdl_collection.pdf (accessed 13 November 2012).

22 EPA (SA), *Consultancy report: Collection industry arrangements under container deposit legislation*, July 2005, p. 4, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Report/cdl_collection.pdf (accessed 13 November 2012).

Northern Territory container deposit scheme

2.31 On 3 January 2012 the Northern Territory government commenced a 'Cash for Containers' deposit scheme that provides a 10 cent refund on beverage containers when returned to a collection depot. The legislative provisions for the scheme are contained in the *Environment Protection (Beverage Containers and Plastic Bags) Act 2011* (NT).

2.32 The Northern Territory container deposit scheme is based on the South Australian scheme and allows for the same containers to be refunded (see Table 2.1).²³ The scheme also requires beverage containers to be approved by the Chief Executive Officer of the Department of Natural Resources, Environment, the Arts and Sport before being sold in the territory. Approval for containers is dependent upon them having approved labels and beverage manufacturers having a waste management agreement in place with a super collector.²⁴

2.33 When an empty and clean container is returned to a collection depot a 10 cent deposit is returned to the consumer. Containers are not able to be returned via the point of sale.

2.34 Containers purchased in South Australia and the Northern Territory are only able to be refunded in the jurisdiction in which they were bought—that is, containers purchased in South Australia can only be refunded in South Australia and containers purchased in the Northern Territory can only be refunded in the Northern Territory.

23 Northern Territory government website, *Cash for containers: Questions and answers*, available at: <http://www.nretas.nt.gov.au/environment-protection/containerdeposit/questions-and-answers> (accessed 13 November 2012).

24 Northern Territory government, *Regulated container supply approval guidelines*, p. 3, available at: http://www.nretas.nt.gov.au/data/assets/pdf_file/0017/7217/Regulated_Container_Supply_Approval_Guidelines.pdf (accessed 13 November 2012).

Chapter 3

Discussion of key issues

3.1 The committee found that there is both support for and opposition to container deposit schemes. Environmental and community organisations believed that the schemes are effective at keeping containers out of the litter stream and encouraging recycling.¹ For example, Keep South Australia Beautiful (KESAB) submitted that:

Beverage container recycling rates in South Australia outstrip all Australian jurisdictions...receive a very high level of community support...and achieves the lowest beverage container litter rate.²

3.2 Beverage manufacturers and representatives of the food and beverages industry submitted their opposition to the scheme, arguing that it is an out-dated and costly method of recycling.³ For example, the Australian Beverages Council stated:

It is the Beverages Council's concern that a [container deposit scheme]...that addresses *just* beverage containers is an antiquated approach to litter reduction and recycling, and believe that in 2012 and beyond, a more integrated and broader approach to these issues is possible.⁴

3.3 Whilst noting submitters' general comments about the merits of container deposit schemes, the committee's inquiry has focused on the matters dealt with in its terms of reference. More specifically the committee has examined the cost structure of container deposit schemes, issues surrounding unredeemed deposits and rates of return, issues of transparency to ensure unreasonable costs involved in operating the schemes are not passed on to consumers and one other related matter concerning small containers.

The pricing of beverages in container deposit schemes

3.4 Boomerang Alliance, a collective of environmental groups committed to achieving zero waste in Australia, submitted that it had concerns that beverage manufacturers could use container deposit schemes as a means to overcharge for products sold in states that operate container deposit schemes.⁵

1 For example see Keep South Australia Beautiful (KESAB), *Submission 3*, p. 2; Total Environment Centre, *Submission 6*, p. 1; and Conservation Council of South Australia, *Submission 11*, p. 1.

2 KESAB, *Submission 3*, p. 2.

3 For example see Australian Food and Grocery Council (AFGC), *Submission 1*, p. 4; Australian Beverages Council, *Submission 5*, p. 1; National Packaging Covenant Industry Association (NPCIA), *Submission 8*, p. 1; and Winemakers' Federation of Australia, *Submission 18*, p. 1.

4 Australian Beverages Council, *Submission 5*, p. 1.

5 Boomerang Alliance, *Submission 23*, p. 1.

3.5 Boomerang Alliance argued that beverage manufacturers may be increasing the price of their products sold in South Australia and the Northern Territory above what is needed to fund the container deposit schemes.⁶

3.6 The cost of operating container deposit schemes in South Australia and the Northern Territory involve:

- a 10 cent deposit paid to consumers on return of containers;
- a handling fee paid to collection depots for handling containers;
- a fee paid to super collectors for administering the scheme and transporting containers from collection depots.⁷

3.7 Handling costs may be offset by the sale of recovered scrap materials (such as aluminium, PET and HDPE).

Claims made by Boomerang Alliance

3.8 Boomerang Alliance submitted that it believed the current costs involved in operating the South Australian scheme are 60 cents per dozen containers paid as a 'handling fee' and 0.05 cents per dozen containers paid as an administration and transportation fee.⁸ These costs are offset by the sale of recovered scrap materials of approximately 2 cents per container. According to Boomerang Alliance, 'at a current recycling rate of 80% this represents a total net cost per container sold (i.e. where the CDS cost is passed into the price) of 10.72 cents per container'.⁹

3.9 Boomerang Alliance therefore asserted that:

This means prices could increase by a maximum of 11 cents per container and the net impact on consumers is 1 cent (net of deposit) when they return their containers.¹⁰

6 Boomerang Alliance, *Submission 23*, p. 5.

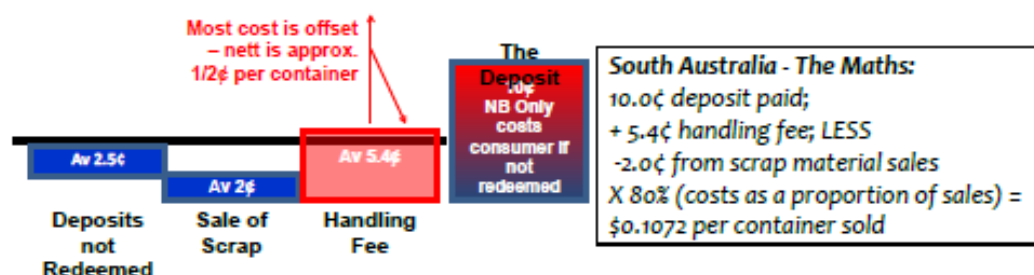
7 Environmental Protection Authority (SA), *Container deposit legislation—a South Australian success story*, May 2010, pp 2–3, available at: http://www.epa.sa.gov.au/xstd_files/Container%20deposit/Information%20sheet/info_cdl.pdf (accessed 14 November 2012).

8 Boomerang Alliance, *Submission 23*, p. 3.

9 Boomerang Alliance, *Submission 23*, p. 3.

10 Boomerang Alliance, *Submission 23*, p. 3.

Boomerang Alliance's estimation of the South Australian container deposit scheme costs per container¹¹



3.10 In the Northern Territory, Boomerang Alliance used regular data reporting provided by beverage manufacturers and super collectors to the Northern Territory government on the container deposit scheme to estimate that the cost of the scheme at 3.8 cents per container:

From January to June 2012, 70.4 million beverage containers were sold in the NT and depots collected a total of 20.1 million containers. This means bottlers paid out a total of \$2.01 million in refunds and no more than \$684,000 in handling fees—a total cost of \$2.694 million. Spread across sales of 70.4 million this represents a cost (including deposits refunded) of 3.8 cents per container.¹²

3.11 Following on from its estimation of the cost per container of operating the container deposit schemes, Boomerang Alliance submitted that it conducted an analysis of the price of beverage items sold by a major supermarket retailer in the central business districts of Adelaide, Darwin, Perth and Sydney.¹³ The purpose of this study was to identify cost increases in beverages in those cities that operated the container deposit schemes (Adelaide and Darwin) as compared to those cities without the schemes (Sydney and Perth).

3.12 For each city, Boomerang Alliance viewed the price of beverages via the supermarket's online shopping system and its shopping catalogue.¹⁴ Five products that did not attract a deposit were also checked for price variations to determine if there was a general variation in price across cities.¹⁵

3.13 In examining prices of beverages in South Australia and the Northern Territory, Boomerang Alliance stated that they were motivated by claims made by the Australian Food and Grocery Council (AFGC) that beverage prices in South Australia and the Northern Territory were high due to the container deposit schemes.¹⁶

11 Boomerang Alliance, *Submission 23*, p. 3.

12 Boomerang Alliance, *Submission 23*, p. 4.

13 Boomerang Alliance, *Submission 23*, p. 4.

14 Boomerang Alliance, *Submission 23*, pp 4–5.

15 Boomerang Alliance, *Submission 23*, p. 5.

16 Boomerang Alliance, *Submission 23*, p. 4.

3.14 According to its analysis, Boomerang Alliance found that prices in Adelaide are 9.7 cents higher than in cities without container deposit schemes and prices in Darwin are 12.8 cents higher.¹⁷ Boomerang Alliance also believed that three major bottlers in South Australia and the Northern Territory 'had increased prices across most of their brands and were charging customers more than 100 per cent over the costs they incurred'.¹⁸ This is in contrast to the rest of Boomerang Alliance's findings that 'most leading beverage brands have absorbed some of the cost or are passing on (at most) the deposit cost'.¹⁹

3.15 In presenting its argument to the committee, Boomerang Alliance highlighted that its research indicates how container deposit schemes could be exploited and highlights the concerns of community groups regarding the schemes, while acknowledging the limitations of their research:

...to use our evidence on the basis of whether there is misconduct, negligence and profiteering we do not think is reasonable. It is not the community sector's job to do that sort of investigation into this matter; it is our job to act as a representative of the community and highlight issues which are of concern to us.²⁰

Beverage industry response to claims made by Boomerang Alliance

3.16 The beverage and grocery industry strongly refuted the claims made by Boomerang Alliance that container deposit schemes provide an opportunity for beverage manufacturers to increase prices above what is required to operate the scheme.²¹

3.17 The AFGC submitted that it believes the claims made by Boomerang Alliance to be 'ill-founded and without substance'.²² The AFGC argued that beverage companies do not set retail prices—retailers do:

When, and if, the container deposit and handling fees are added to the wholesale price of containers sold into markets in the Northern Territory and South Australia by beverage containers, local retailers will then apply their retail margin plus GST.²³

3.18 The AFGC was also concerned that the Boomerang Alliance methodology did not take into account the fact that regular retailer discounting and product promotions

17 Boomerang Alliance, *Submission 23*, p. 5.

18 Boomerang Alliance, *Submission 23*, p. 5.

19 Boomerang Alliance, *Submission 23*, p. 5.

20 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

21 For example see AFGC, *Submission 1*, p. 7; Coca-Cola Amatil, *Submission 4*, pp 1–2; Australian Beverages Council, *Submission 5*, p. 2; and Lion, *Submission 7*, p. 2.

22 AFGC, *Submission 1*, p. 7.

23 AFGC, *Submission 1*, p. 7.

occur constantly.²⁴ As such, the AFGC argued that a substantial survey of beverage prices in South Australia and the Northern Territory would need to be monitored over a long period of time and across a broad range of retailers.²⁵

3.19 The AFGC also provided the committee with a report it commissioned into the claims made by Boomerang Alliance.²⁶ The commissioned report, conducted by ACIL Tasman, found that the Boomerang Alliance report was based on 'a flawed premise and the data used are inadequate to support meaningful analysis'.²⁷

3.20 The report also went on to state that there are many factors that contribute to rises in beverage prices, including local factors and retail competition:

...there is no reason to assume that retailer and wholesale prices will automatically move in parallel with one another, with retailers simply passing on changes in wholesale price to their customers.

Retail pricing is a complex process. Retailers routinely 'fine tune' prices with regard to local demographics and a range of factors including competition from other retailers.

The result is that the retail price of the same product can vary across relatively small distances within the same supplier. This has been shown by the ACCC in Australia and is documented in economic literature in other countries.²⁸

3.21 In summarising its analysis of the Boomerang Alliance claims, the AFGC contended that it:

...fails on all counts: firstly, by failing to take account of local factors and retailer promotions, which the ACCC found to have the greatest influence on retail grocery prices; secondly, by its inadequate data sample and inconsistencies in the data that is presented; and thirdly, by their lack of understanding of how the retail sector works. If prices are increased at the wholesale level, retailer margin and GST will increase those prices, forever, in most instances...²⁹

3.22 However the AFGC did concede that their study to counter the claims made by Boomerang Alliance was based on a similar methodology to that used by

24 AFGC, *Submission 1*, p. 7.

25 AFGC, *Submission 1*, p. 7.

26 See AFGC, Tabled document (7 November 2012), *Beverage pricing under container deposit schemes*.

27 AFGC, Tabled document (7 November 2012), *Beverage pricing under container deposit schemes*, p. 2.

28 AFGC, Tabled document (7 November 2012), *Beverage pricing under container deposit schemes*, p. 2.

29 Ms Jenny Pickles, General Manager, Packaging Stewardship Forum, Australian Food and Grocery Council (AFGC), *Proof Committee Hansard*, 7 November 2012, p. 8.

Boomerang Alliance and only examined prices at a 'snapshot of time'.³⁰ According to the AFGC, it conducted '...some very quick analysis, certainly not for the purposes of demonstrating anything other than that prices had risen'.³¹

3.23 Beverage manufacturers Coca-Cola Amatil and Lion also raised objections to the argument put forward by Boomerang Alliance. Coca-Cola Amatil stated that its approach to pricing is to 'recover the costs of regulation from the region covered by that regulation'.³² Coca-Cola Amatil highlighted that beverage manufacturers have additional costs above and beyond the payment of handling fees to super collectors in order to participate in container deposit schemes, such as the printing of separate labels for South Australia and the Northern Territory, holding additional stock units with loss of warehouse capacity, additional line changing time and loss of production efficiencies, cost impacts of small volume runs and additional administrative and accounting work.³³

3.24 Further Coca-Cola Amatil informed the committee that competitive market forces prevent beverage manufacturers from charging excessive prices for products as consumers can choose not to purchase products that are too expensive. Coca-Cola Amatil stated:

In terms of the financial underpinnings of the scheme, or pricing, regulators and legislators have taken a view that we do not have prices justification tribunals anymore. There is a belief in the market operating to keep prices regulated. Should legislation be changed to bring in that sort of prices justification mechanism, if people are advocating that, we would comply with any regulations as such. Our view as a corporation is that that is not necessary where you have adequate operation of competitive markets.³⁴

3.25 Lion refuted Boomerang Alliance's argument 'on the basis of scant facts and incorrect assumptions'.³⁵ Lion informed the committee that:

In both South Australia and the Northern Territory, [container deposit loop] CDL systems are market based. Robust competition exists at each point in the supply chain, from beverage manufacturers and wholesalers, to retailers, container collectors (ie: depot operators), waste contractors and materials coordinators.

While the deposit amount in both jurisdictions is set by regulation, the handling fee and other system costs are determined by the market.³⁶

30 Ms Jenny Pickles, General Manager, Packaging Stewardship Forum, AFGC, *Proof Committee Hansard*, 7 November 2012, p. 12.

31 Ms Jenny Pickles, General Manager, Packaging Stewardship Forum, AFGC, *Proof Committee Hansard*, 7 November 2012, p. 12.

32 Coca-Cola Amatil, *Submission 4*, p. 2.

33 Coca-Cola Amatil, *Submission 4*, p. 2

34 Mr Alec Wagstaff, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 14.

35 Lion, *Submission 7*, p. 2.

3.26 Lion further stressed that 'Australian food and beverage manufacturers are operating in a highly competitive domestic market, with an increasingly concentrated retail sector in which manufacturers' margins are experiencing unprecedented squeeze'.³⁷ According to Lion, pricing is a critical value driver and is approached carefully and strategically by the company.³⁸ Lion stated that 'pricing is reviewed periodically to drive our brand and business objectives, within the context of a highly competitive and price-sensitive market'.³⁹

3.27 Also of concern to Lion was what they perceived as Boomerang Alliance's lack of understating of the beverage supply chain. Lion submitted that in many jurisdictions, particularly in the Northern Territory, there is an additional party in the beverage value chain—a wholesaler—to whom Lion sells its products for on-selling to retailers.⁴⁰ Accordingly, each party in the value chain determines its own pricing which involves a range of factors.⁴¹

3.28 Both the beverage industry groups and beverage manufacturers highlighted to the committee that the Australian Competition and Consumer Commission (ACCC) has investigated claims of overcharging in the grocery sector and found that, overall, there are myriad reasons why prices will vary from retailer to retailer, place to place and over time.⁴²

3.29 Boomerang Alliance suggested that where legislation, such as that covering container deposit schemes, could have an impact on the price of products, special provisions be inserted to ensure that unreasonable charges are not passed on to consumers. Boomerang Alliance proposed:

Where it is a priority of the government to introduce legislation that has impacts on consumers—and the two most obvious examples are the goods and services tax [GST] and the carbon tax—it is common practice to put provisions on what is and what is not reasonable to charge a consumer and mechanisms to investigate that. The problem we have is that that does not extend into a variety of waste schemes.⁴³

36 Lion, *Submission 7*, pp 2–3.

37 Lion, *Submission 7*, p. 4.

38 Lion, *Submission 7*, p. 4.

39 Lion, *Submission 7*, p. 4.

40 Lion, *Submission 7*, p. 3.

41 Lion, *Submission 7*, p. 3.

42 For example see Ms Jenny Pickles, General Manager, Packaging Stewardship Forum, AFGC, *Proof Committee Hansard*, 7 November 2012, p. 8; Australian Beverages Council, *Submission 5*, p. 2; Lion, *Submission 7*, p. 5.

43 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 1.

Committee comment

3.30 The committee acknowledges that a debate about the price impacts of imposing a container deposit scheme is inevitable.

3.31 The argument presented by Boomerang Alliance is reliant upon very basic and rudimentary price surveys that the organisation has undertaken. Beyond the deposit refund, handling fees and recycling material rebate, their data fails to separate out other factors that may contribute to the cost of container deposit schemes such as local conditions, promotional pricing and the cost of manufacturing containers intended for the container deposit scheme markets let alone other reasons for possible price rises or differentials.

3.32 Similarly, the AFGC's claims of price rises due to container deposits made in various examples of media commentary highlighted by Boomerang Alliance appear to be based upon similarly weak methodology and poor data.

3.33 The committee was not presented with any compelling evidence to support the argument put forward by Boomerang Alliance—that beverage manufacturers may be increasing their prices above what is needed to operate the container deposit schemes. The committee also stresses that the ACCC is the appropriate regulator to deal with matters of overcharging and price collusion and that if there is evidence of such claims, that evidence should be provided directly to the ACCC.

3.34 It is clear that there is a cost impact above and beyond the cost of the 10 cent container deposit, although the evidence as to the extent of that impact is varied. Where market conditions allow, companies have taken the decision to pass on those cost impacts to consumers. The committee acknowledges the competitive environment that manufacturers operate in and the role played in retail pricing by wholesalers and retailers too.

3.35 Nonetheless, the committee believes that if another state or territory was to adopt a container deposit scheme, or if a national container deposit scheme was to be adopted, there would be understandable consumer interest in ensuring that—as was the case with the GST and the carbon price—the imposition of such a container deposit scheme was not used as justification for price rises beyond those warranted by the scheme. While in no way suggesting this has been the case in South Australia or the Northern Territory, the committee believes it would be preferable to address such concerns up front, in the initial design of any further schemes.

Recommendation 1

3.36 The committee recommends that should a national container deposit scheme be agreed to and implemented through the COAG process, steps similar to those used during the GST and carbon pricing policies be taken to ensure it is not used as a justification for price rises beyond those warranted by the scheme.

Recommendation 2

3.37 The committee recommends that should any other state implement a container deposit scheme, they be mindful of taking steps to ensure it is not used as a justification for price rises beyond those warranted by the scheme.

Super collectors and pricing structures

3.38 The committee's inquiry had a particular focus on the transparency of the container deposit schemes and, in particular, on the role of super collectors in the setting of price structures and determining rates of return.⁴⁴ Questions were also raised over what occurs with deposits collected on unredeemed containers.⁴⁵

3.39 In the South Australian and Northern Territory container deposit schemes, beverage manufacturers are required to have in place a waste management agreement with a major recycler (the super collector) before their products are able to be sold.

3.40 The waste management agreement is established between beverage manufacturers and the super collectors, which in turn have contractual arrangements with smaller collection depots. The super collectors obtain funds from the beverage manufacturer to cover the refund value and handling fees, and reimburse collection depots for refunds paid to people who take containers to the depots. The super collectors subsequently seek end markets for the aggregated containers recovered from depots.⁴⁶

3.41 The waste management agreements take into account the refund value plus a service and handling fee to cover collection depot and super collector costs and profit margins.⁴⁷ The agreements also consider recovery rates of the various container types.

3.42 Waste management agreements are determined by the market under commercial terms and the content of individual agreements can vary, as does the handling fee for various container types.⁴⁸ Indeed two super collectors suggested to the committee that their businesses are not charities but are intent on 'providing the best possible service at the most competitive cost'.⁴⁹

3.43 In South Australia there are three approved super collectors: Marine Stores (owned by Coca-Cola Amatil), Statewide Recycling (owned by Lion and Coopers Brewery), and Flagcan Distributors.

3.44 In the Northern Territory there are five approved super collectors (also known as container deposit scheme coordinators): NT Coordinators, Statewide Recycling, Envirobank NT, NT Recycling Services and Marine Stores.⁵⁰

44 For example see Mr Tony Circelli, Deputy Chief Executive, Environment Protection Authority, South Australia, *Proof Committee Hansard*, 7 November 2012, pp 59–60; Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2; and Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 18.

45 Boomerang Alliance, *Submission 22*, p. 1.

46 Environment Protection Authority (South Australia), *Submission 27*, p. 2.

47 Environment Protection Authority (South Australia), *Submission 27*, p. 2.

48 Environment Protection Authority (South Australia), *Submission 27*, p. 2.

49 See Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 18; and Marine Stores, *Submission 10*, p. 2.

50 Northern Territory Government, *Submission 28*, p. 1.

3.45 One of the super collectors, Marine Stores, informed the committee that the pricing structures used to refund and recycle beverage containers on behalf of manufacturers and importers has a number of variables.⁵¹ In both the South Australian and Northern Territory schemes there are a number of uncertainties, such as the rates of return of containers and the value of recyclable materials.⁵² Marine Stores explained the price structure involved in calculating their waste management agreements:

In general, the South Australian system is mature and predictable, allowing Marine Stores to set pricing annually with a high level of confidence. The cost components in our South Australian business include the deposits redeemed based on actual return rates, the handling fees negotiated with the RSA—or Recyclers of South Australia—the scrap value of recyclable materials, and Marine Stores' freight costs, infrastructure and overheads...

The Northern Territory scheme is not as mature, with inadequate infrastructure, conflicting legislative arrangements and still-emerging risks and costs, including increasing, although inconsistent, return rates. While handling fees paid to collectors are similar to those paid in South Australia we are incurring significantly higher risks and costs in the Northern Territory, which have necessitated pricing adjustments to make provision for these additional exposures.⁵³

Calculating rates of return

3.46 In calculating fees for their services to the manufacturers, Marine Stores indicated that they make an estimate of the rate of return of containers which are then measured against actual return rates.⁵⁴ The clients of the super collectors are then able to be charged for the correct amount of refunds of their product that is returned.

3.47 Marine Stores informed the committee that if beverage manufacturers have been incorrectly charged on their rates of return a credit is returned to them. Marine Stores stated:

...if we underestimate the return rates or the value of the material then the brand-owners need to compensate Marine Stores; similarly, if it goes the other way then a credit could be applied to the manufacturers. However, in the case of the Northern Territory, the prudent position has been taken that

51 Dr Timothy Cooper, AM, Chairperson of Directors, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 48.

52 Mr Gary Bull, General Manager, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 49.

53 Dr Timothy Cooper, AM, Chairperson of Directors, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 48.

54 Dr Timothy Cooper, AM, Chairperson of Directors, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 49.

provisions have been made for the likely increase in costs going forward, and the fact that more material will come back.⁵⁵

3.48 In order for super collectors to calculate the rate of return, containers need to be sorted, or 'split', into different products and brands. The Recyclers of South Australia, an association representing collection depots, informed the committee of the process to sort containers:

...the responsibility under the [Environment Protection] Act of an approved depot is to take back the label-approved products. That is the legislative part of it. The super collector is interested in the products they control and need to manage, so how they are handled and sorted and how the audit check is conducted are all matters [conducted] for the super collector and usually relates to a combination of count by declaration and/or a weight check and variation on weights.⁵⁶

3.49 The Recyclers of South Australia went on to state that the methodology for calculating return rates are specified in contracts and rates are based on a manual audit.⁵⁷ The Recyclers of South Australia stated:

...there is a methodology in the contracts. How that should evolve is currently up for debate. Essentially, there is a manual audit conducted. Plastic is probably the most sensitive. Cans are pretty well uniform—there are some different sizes but they are much more uniform, so less sensitive. PET bottles, which is a large slice of the market, vary from the 200-millilitre to two-litre size, and bigger with some containers. So there is a need to work out averages per kilogram in three different size groups: smalls, mediums and large. They are sorted into those sizes and then they are manually counted to come up with an average per kilogram so that depots can be paid that amount of money, whereas the act requires us to count and pay on individual items not by weight, so there is always that little bit of conflict between what we pay out and what those averages are.⁵⁸

3.50 The committee heard evidence that in South Australia the number of splits required in processing returned containers is much less than occurs in the Northern Territory.⁵⁹ The Recyclers of South Australia argued that the fewer number of splits in South Australia is the result of their association 'negotiating and using...contractual

55 Dr Timothy Cooper, AM, Chairperson of Directors, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 50.

56 Mr Trevor Hockley, Consultant, Recyclers of South Australia, *Proof Committee Hansard*, 7 November 2012, p. 34.

57 Mr Trevor Hockley, Consultant, Recyclers of South Australia, *Proof Committee Hansard*, 7 November 2012, p. 34.

58 Mr Trevor Hockley, Consultant, Recyclers of South Australia, *Proof Committee Hansard*, 7 November 2012, p. 34.

59 Mr Trevor Hockley, Consultant, Recyclers of South Australia, *Proof Committee Hansard*, 7 November 2012, p. 35.

arrangements to make sure that we get efficiencies with our negotiations with super collectors'.⁶⁰

3.51 The committee considered evidence which suggested the number of different co-ordinators in the Northern Territory ensures that it has a higher number of splits. Mr Stewart Pritchard stated:

With the recognition of each [c]o-ordinator a whole new set of “splits” has been created. With each co-ordinator requiring separation of clear, green and brown glass, aluminium, liquid paper board, clear and coloured P.E.T. and H.D.P.E....with only a token effort to “bulk” product we have the totally ridiculous situation of separating the 8 different containers for the 5 different Co-ordinators.⁶¹

3.52 It was suggested that improvements in technology could help in the processing of returned containers and reduce the need for manual splits to occur. KESAB suggested that:

Clearly the number of splits that are required is an impost on the recycling depots when it comes to the physical handling of product.

...

I would have thought that in this day and age with technology and with companies working to a common system, the [container deposit loop] CDL system, it would not be that difficult for them to work through a cost centre to amortise their product volume that goes out into the retail market and that is returned based on a percentage and would not necessarily require the splits into brands...when you could just collect five million bottles. Amortised at five per cent based on market share would be one brand, seven per cent another brand, and then there would not be the requirement for splits. The glass is, after all, palletted and sent off to be remade, the aluminium is blocked and sent overseas or sent to a factory for reuse, and PET the same.⁶²

3.53 Marine Stores told the committee that the current system in South Australia of sorting products is manually intensive, but introducing technology to assist with sorting would be expensive.⁶³

Unredeemed deposits

3.54 Concerns were also raised about whether additional deposits were collected by beverage manufacturers on containers that were not returned.⁶⁴ The South

60 Mr Trevor Hockley, Consultant, Recyclers of South Australia, *Proof Committee Hansard*, 7 November 2012, p. 35.

61 Mr Stewart Pritchard, *Submission 17*, p. 2.

62 Mr John Phillips, OAM, Executive Director, Keep South Australia Beautiful (KESAB), *Proof Committee Hansard*, 7 November 2012, p. 15.

63 Mr Gary Bull, General Manager, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 48.

Australian Environment Protection Authority (EPA) outlined the issue of unredeemed containers:

There are two potential situations here with unredeemed deposits...

If a beverage supplier comes to a super collector and the arrangement struck is that they will pay 100 per cent of their sales to that super collector to pass on, back through the system, to the collection depots and to the consumers, and then only 80 per cent of those goods on the right-hand side get returned to the collection depots, in that case the super collector would theoretically have kept 20 per cent of all the costs negotiated with that contract. So that is the handling fee, and the deposit...

On the other hand, as we have heard today from submissions, if the beverage manufacturers are paying on returns but passing on the deposit and the handling fee on 100 per cent, let us say, on all their sales, then indeed the beverage manufacturer would be collecting a tidy sum of 20 per cent of all those costs. We have said in our submission that if you assume that unredeemed deposits are occurring in the marketplace, then in South Australia alone it is probably about a \$20 million gain that one of these parties is making.⁶⁵

3.55 The Boomerang Alliance, in particular, was concerned with the potential for unredeemed deposits.⁶⁶ It is the opinion of Boomerang Alliance that a lack of transparency around the price structure of the container deposit scheme could allow either super collectors or beverage manufacturers to make profits above what is needed to operate the scheme. Boomerang Alliance contended:

That money, in every container deposit scheme around the world—except for South Australia and the Northern Territory—is clearly identified as a deposit. It is money held in trust, not money owned by the bottlers.⁶⁷

3.56 Boomerang Alliance was concerned that if there are any unredeemed deposits being held, who holds those deposits.⁶⁸ Boomerang Alliance stated that the unredeemed deposits could be sitting with the beverage manufacturer or the super collector.⁶⁹ Boomerang Alliance further contended that:

64 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

65 Mr Tony Circelli, Deputy Chief Executive, Environment Protection Authority, South Australia, *Proof Committee Hansard*, 7 November 2012, p. 59.

66 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

67 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

68 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

69 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

[the unredeemed deposit] is sitting in the hands of the bottler or the bottler's coordinator. We believe it is in hands of the bottler. Having read the submissions that have been made, it is as clear as mud exactly where that flows through, because the super collectors are owned by bottlers in the majority of instances. We would contend that making 4c cents on a bottle on that pricing scenario is somewhat outrageous.⁷⁰

3.57 The EPA informed the committee that it does not know if there is 'such a concept as unredeemed deposits or not'.⁷¹ The EPA stated:

We do not have any evidence—we do not sight the commercial contracts, in terms of what arrangements have been struck between the beverage manufacturers and the super collectors, and neither do we know how the cost arrangements occur on the pricing side between the wholesalers and the retailers. As we have seen, those prices fluctuate. They discount; they amortise costs across the country—or have done so, historically; perhaps that is not the case anymore. It is quite a difficult thing, and our economists are continually scratching their heads to figure out what they can assume, what sense they can make and whether the unredeemed deposits are actually occurring or not.⁷²

3.58 The EPA further stated that it believes that 'these concerns are currently subject to dispute between beverage container approval holders and super collectors, and can only be resolved by these parties without direct intervention by the EPA'.⁷³

3.59 Coca-Cola Amatil countered these claims in stating that it is not making profits from unredeemed containers.⁷⁴ Coca-Cola Amatil argued that the contracts that they negotiate with super collectors for the refunding and handling of containers are long-term agreements that take into account the projected rates of return for recycling containers. Coca-Cola explained that the refund they pay collectors:

...is not a set deposit, for a start. For instance, if the collection rate were 50 per cent and that were confident over a long period of time, then in fact we would collect 5c, not 10c...because we would only collect what we were going to pay out. If the deposit is 10c and half of it is being collected, we will only ever pay out the equivalent of 5c for every bottle we sell.⁷⁵

70 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 2.

71 Mr Tony Circelli, Deputy Chief Executive, Environment Protection Authority, South Australia, *Proof Committee Hansard*, 7 November 2012, p. 59.

72 Mr Tony Circelli, Deputy Chief Executive, Environment Protection Authority, South Australia, *Proof Committee Hansard*, 7 November 2012, p. 60.

73 Environment Protection Authority (South Australia), *Submission 27*, p. 2.

74 Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 18.

75 Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 18.

3.60 Coca-Cola Amatil further pointed out that if claims that beverage manufacturers were pocketing substantial profits from unredeemed containers were true, it would be 'surprising that we would not be advocating the extension of that national scheme so that we could then pocket \$150 million additional profit nationally'.⁷⁶

3.61 Similarly Marine Stores stated that there is a readjustment of charges made by the super collectors depending upon the return rate of containers.⁷⁷

Transparency

3.62 Boomerang Alliance suggested that the container deposit schemes could be more efficient and remove the need for splits if there was more transparency in the pricing structure. According to Boomerang Alliance, if the money paid by consumers as the deposit for the container was itemised on their receipt and held by one independent body, there would not be the need for splitting the returned containers. Boomerang Alliance remarked that:

...the deposit is not transparent and is not levied. In every [container deposit] scheme around the world, once again, when you get a receipt the deposit is an item and any handling is an item on your grocery bill, which means the money is independently managed...What is inherently inefficient in South Australia and the Northern Territory is this idea that says, 'Each bottler will make their own arrangement.'...

In effect, that means that, if these containers are being recovered, they have to be managed by a brand, which means that the split or the sorting is magnified by every coordinator. The optimum is seven splits. In the Northern Territory, at the moment, they are managing 28 splits. That is about a 40 per cent loading on handling fees. It also means transport is duplicated.⁷⁸

3.63 In contrast to Boomerang Alliance's demands for more transparency in the setting of super collector costs, Coca-Cola Amatil (owner of super collector Statewide) argued to the committee that an adequate amount of transparency already exists in the container deposit schemes. Coca-Cola explained:

We have absolute transparency in what we charge an individual customer. A customer who is doing business with us clearly has transparency at the price we are charging. They can compare that price from alternate suppliers. In some cases that can be for an alternate brand of a similar product. In some cases it can be for the same brand through an alternate source—say, through a wholesaler, distributor or, in some cases of small

76 Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 19.

77 Mr Gary Bull, General Manager, Marine Stores, *Proof Committee Hansard*, 7 November 2012, p. 49.

78 Mr David West, National Policy Director, Boomerang Alliance, *Proof Committee Hansard*, 7 November 2012, p. 3.

businesses, through a supermarket as an alternate source. In that sense they have the transparency of knowing what they pay for.⁷⁹

3.64 Coca-Cola Amatil, on behalf of Statewide, also argued that for true competition to occur amongst super collectors, requiring further transparency may have the unintended effect of stifling competition:

We have no problems with transparency of regulatory schemes, absolutely. We think they definitely should be there...However where the regulators of the legislation decide to operate a competitive market, the need for transparency and accountability needs to be balanced against the benefits of competition. One of the very elements of competition is commercial confidentiality. In fact, if you are going to prevent cartel and collusive behaviour, you cannot have as much transparency. So in terms of the South Australian model and the Northern Territory model, they are both competitive models. You have a number of competitors actually vying for business and if you were to have open transparency of their cost structures et cetera, you could not operate a commercial operation.

So as a listed company, we are subject to accountability in terms of financial reporting and in terms of competition practices through the ACCC, and we welcome all of those accountabilities. But in terms of where you run an environmental scheme in a competitive way, I think people need to realise that there is a trade-off between the transparency and accountability and the commercial reality of operating that sort of scheme.⁸⁰

Committee comment

3.65 The committee acknowledges that there are many complexities involved with the operation of the container deposit scheme and how the pricing structures are set. The waste management agreements that are made between beverage manufacturers and super collectors are conducted in an open and competitive market. As with any commercial operation, the super collectors are exposed to risks and market forces and as such will seek to make a profit when participating in the container deposit schemes.

3.66 There are complexities involved in super collectors determining price structures which are driven by a range of uncertainties, such as the return rates of containers and the value of recyclable material. It is important that the beverage manufacturers, and in particular the smaller manufacturers, have confidence in the cost models applied by the super collectors regarding rates of return. This is particularly important in light of a number of super collectors owned by fellow beverage manufacturers. It is vital that transparency is shown in the vertical integration of beverage manufacturers and super collectors to ensure that the public and small manufacturers have faith in the container deposit schemes.

79 Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 16.

80 Mr Alex Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil, *Proof Committee Hansard*, 7 November 2012, p. 14.

3.67 The committee recognises that resolving some the issues raised by submitters in relation to increasing transparency and using technology to better improve the container deposit schemes would need to be correctly balanced. For example, while the implementation of technology to assist with the sorting of containers could increase efficiency, it could also increase the cost of processing containers in the short term.

3.68 In relation to unredeemed deposits and estimations of the rates of return, the committee acknowledges the evidence given by super collectors that credits are provided should overcharging occur. All super collectors indicated that the rate they charge manufacturers varies based on the experienced rates of return. Accordingly, the committee has seen no evidence that profiteering via unreturned containers is occurring as alleged.

3.69 The committee however has concerns that some manufacturers remain unhappy with the level of transparency surrounding the calculation of return rates and feel that they could be subsidising other manufacturers as a result. On the evidence available the committee feels that methods to address those concerns and provide transparency to such manufacturers may be inadequate.

3.70 The committee therefore recommends that should another state or territory adopt a container deposit scheme, or if a national container deposit scheme is to be adopted, there should be appropriate measures to ensure transparency in estimating and reporting return rates for various products and appropriate measures to assist in dispute resolution between any beverage manufacturers and super collectors.

3.71 The committee also recommends that the South Australian and Northern Territory governments should review their schemes to ensure confidence in estimating and reporting return rates for various products and that appropriate measures are in place to assist in dispute resolution between any beverage manufacturers and super collectors.

Recommendation 3

3.72 The committee recommends that should a national container deposit scheme be agreed to and implemented through the COAG processes, there should be appropriate measures to ensure transparency in estimating and reporting return rates for various products and appropriate measures to assist in dispute resolution between any beverage manufacturers and super collectors.

Recommendation 4

3.73 The committee recommends that should any other state implement a container deposit scheme, they be mindful of implementing appropriate measures to ensure transparency in estimating and reporting return rates for various products and appropriate measures to assist in dispute resolution between any beverage manufacturers and super collectors.

Recommendation 5

3.74 The committee recommends that the South Australian and Northern Territory governments should review their schemes to ensure confidence in

estimating and reporting return rates for various products and that appropriate measures are in place to assist in dispute resolution between any beverage manufacturers and super collectors.

Other related matters

3.75 As part of its inquiry the committee became aware that fermented milk products in containers less than 100 millilitres are included in the container deposit schemes. These products are intended for dietary health and must be refrigerated up until consumption.

3.76 Under the current South Australian and Northern Territory regulations, such containers must be included in the container deposit schemes with a 10 cent deposit.

3.77 The current South Australian regulations on the container deposit scheme do however exempt health tonics that are supplied with a label specifying that the tonic is for medical purposes and is a recommended maximum dosage.⁸¹ Similarly the current regulations also exempt containers containing milk from the container deposit scheme as they are almost always consumed in the home and do not contribute to the public litter stream.

Committee comment

3.78 The committee also notes that small fermented milk products are overwhelmingly consumed in the home and as such would be recycled via existing kerbside recycling schemes and their contribution to the litter stream would be negligible. The inclusion of such products in container deposit schemes is likely to provide a marginal benefit to reducing litter or increasing recycling rates at best.

3.79 The committee therefore recommends that the South Australian and Northern Territory governments give consideration to removing products that are sold in containers less than 100 millilitres and that need to be kept refrigerated from being included in their container deposit schemes.

Recommendation 6

3.80 The committee recommends that the South Australian and Northern Territory governments give consideration to removing products that are sold in containers less than 100 millilitres and that need to be kept refrigerated from being included in their container deposit schemes.

Senator Simon Birmingham

Chair

81 Environmental Protection Regulations 2009, regulation 42.

Dissenting report from Senator Whish-Wilson and Senator Xenophon

Previous Senate committees have considered the issue of container deposits. This inquiry provided the committee with the opportunity to interrogate the details of the established schemes in South Australia and the Northern Territory.

Claims of profiteering within the existing schemes have been raised by the Boomerang Alliance in their recent reports on container deposit schemes. These allegations precipitated the Senate inquiry. Further background to this inquiry has been a well-resourced campaign by the Australian Food and Grocery Council asserting that the cost of living will rise if a national container deposit scheme is legislated.

The committee's report states that the committee was 'not presented with any compelling evidence to support the argument put forward by Boomerang Alliance – that beverage manufacturers may be increasing their prices above what is needed to operate the container deposit schemes'.

While this conclusion is difficult to dispute on the evidence provided publicly to the committee, the committee was unwilling to go 'in-camera' to hear confidential evidence which may have shed more light on the operation of the container deposit schemes. The committee has also not been prepared to require certain witnesses attend the hearing and certain documents be supplied to the committee. This means that it is difficult to prove or disprove whether profiteering is occurring because the information required has not been brought forward.

However based on the evidence presented in the inquiry and the confidential information provided by Coca Cola Amatil subsequent to the inquiry we believe Coca Cola Amatil are profiteering on the container deposit scheme in South Australia via their wholly owned subsidiary 'super collector' State Wide. While this is not illegal this does demonstrate some problems with the structure of existing container deposit schemes. The below outlines the reasoning for coming to this conclusion.

Alec Wagstaff from Coca Cola Amatil (CCA) claimed that 'we make no apology that we recover the costs of regulation from within the markets in which that regulation is imposed. So we do charge more at the wholesale level for our products in the Northern Territory and in South Australia'¹

¹ Mr Alec Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil *Proof Committee Hansard*, 7 November 2012, p. 15

The full cost recovery mechanism occurs via the amount CCA charges on units of beverages sold by CCA to the wholesalers (provide to the Senate in confidence)

CCA have also claimed to make a profit from their 'super collector' State Wide, as State Wide is a wholly owned subsidiary consolidated on their balance sheet if State Wide profits CCA does.

We know State wide are making a profit because Mr Wagstaff at CCA acknowledged that 'we are making money out of statewide'²

Mr Wagstaff confirmed that this Super collector profit is a component of the overall effective cost of the CDL scheme (from Cokes perspective) when he commented on the CDL scheme costs submitted by the Recyclers of South Australia.

"they are not actually accurate. Both they and the Boomerang numbers are inaccurate. If you read the last sentence of that page, it makes a very interesting statement, saying **"if profit is ignored"**".

It says -these costs are indicative only and relate to the cost of the system in **South Australia before profit is made by the Super Collector.**

We are not a charity. None of the super collectors are charities. They all need to operate. It not only **ignores profit that a super collector will make**, it ignores the costs that the super collector incurred, so these costs are actually inaccurate".

In other words the costs and profits associated with their wholly owned and consolidated 'super collector' are part of the regulation costs passed on to customers by CCA.

Based on this, it is possible to draw the conclusion that the charge by Coke to wholesalers, calculated to recover the costs of CDL regulation, are inclusive of their Super Collectors profit (and should this profit data be available for South Australia we could calculate this down to a per container/unit basis).

Although we can state with confidence that Coke must be profiteering through their super collector arrangements, we cannot quantify this on a per unit/container basis without further information on the Super collectors profitability and contractual arrangements.

It is worth noting Mr Wagstaff didn't disclose the level of this profit when asked by Senator Cameron

'why can't you simply identify the profitability of that part of your operation [the super collector] so people can be absolutely confident there is no price gouging'³

² Mr Alec Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil *Proof Committee Hansard*, 7 November 2012, p. 19

Mr Wagstaff responded that:

‘for exactly the same reason that we do not identify the separate business operation of any parts of our stream to see if there is no price gouging’ he continued on to say ‘to test to see whether they are price gouging is the ability of people to go to another supplier. If State Wide were price gouging, they would not have any other customers because they would all go to their competitor’⁴

The second part of this comment from CCA’s representative relates to companies and price gouging within the collection/coordination regime, not the impact on consumers through their (Cokes) wholesale prices being inflated by the level of profit made by their super collector. In other words, apart from claiming commercial In confidence concerns, the representative distracted away from the key issue-whether Coke were making profits from their Super Collector and then charging these profits as scheme costs back to the consumer (and profiteering).

The committee’s report focuses on the competitiveness of the ‘super collector’ market. Some of the witnesses at the hearing used to insisted that the ‘super collector’ market was competitive.

While this point is debatable, the focus should be on wholesale prices charged, how these flow on to retail prices and whether there is transparency in the market for consumers. Allegations by Alec Wagstaff from Coca-Cola Amatil (CCA) that

‘ we have absolute transparency in what we charge an individual customer. A customer who is doing business with us clearly has transparency at the price we are charging. They can compare that price from alternate suppliers. In some cases that can be for an alternate brand of a similar product. In some cases it can be for the same brand through an alternate source. ‘⁵

The soft drink market is heavily brand driven and CCA is the only supplier of their branded product. So it is unclear what transparency in this context CCA is referring to.

A number of witnesses in the inquiry highlighted the “inefficiencies” inherent in container deposit schemes, which directly influence the costs of administering CDL schemes, which beverage companies directly recoup by charging higher wholesalers prices to customers. Inefficiencies in the CDL scheme are therefore likely to feed into higher retail prices for beverages under a CDL scheme, and in this sense, a Senate

³ Senator Cameron, *Proof Committee Hansard*, 7 November 2012, p. 17

⁴ Mr Alec Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil *Proof Committee Hansard*, 7 November 2012, p. 17

⁵ Mr Alec Wagstaff, Director, Corporate Affairs, Coca-Cola Amatil *Proof Committee Hansard*, 7 November 2012, p. 16

Inquiry into pricing and revenue allocation practices of the beverage industry needs to acknowledge the underlying basis for the costs of the scheme, and how these costs relate to allegations/perceptions of price gouging at the wholesale and retail level (especially in the Northern Territory).

It is therefore important to acknowledge that inefficiencies exist, they impact cost and generally they are passed onto consumers. These inefficiencies therefore may be responsible for allegations and perceptions of price gouging and profiteering (especially in the NT), or they may be used by beverage companies as an excuse to advertise that container deposit schemes are expensive and should be replaced by other recycling initiatives, On this basis it is imperative that any future legislation looking at a national CDL scheme needs to address these “in efficiencies” in its legislative structure.

It is also obvious that beverage companies who own super collectors and are therefore part of the CDL structure could implement solutions to fix these inefficiencies, but there is no obvious incentive for them to do so. This is based on the fact that they are fundamentally opposed to CDL schemes and want to see them replaced by other recycling initiatives, and the way the schemes are structured it is not in their financial or cultural interest to improve recycling rates (increased recycling rates lead to higher effective scheme costs due to higher redemption rates -or lower unredeemed deposits available to beverage companies.)

These inefficiencies, especially in the NT, are due to Container Deposit Legislation and the architecture of the schemes. They include (amongst many issues) the number of splits depots are required to sort containers into, and restrictions on bundling/crushing prior to transport from depots to super collectors.

For example the inefficiencies in the scheme In the Northern Territory relate directly to the fact that containers need to be sorted into 24 categories (splits). This means collection depots sue significant resources sorting containers. Marine Stores and Statewide two ‘super collectors’ who gave evidence seemed reluctant to provide any insights into how this inefficiency could be addressed and downplayed the role of technology in providing a solution to these inefficiencies.

The committee report also refers to the agreements that are made between beverage manufacturers and super collectors as being conducted in an open market. While this may be the case, two of the super collectors are majority owned by beverage companies. Beverage companies who are on the record stating their opposition to any form of container deposit scheme own ‘super collectors’ who are part of the inefficiencies in the system. According to the Recyclers of South Australia

‘the reason for the relative efficiency [of the SA scheme] of not having multiple splits like they have in the Northern Territory is more a function of our association

negotiating and using those contractual arrangements to make sure that we get efficiencies with our negotiations with super collectors.’⁶

The same beverage companies who run super collectors complain that the system is ‘fundamentally inefficient and expensive.’⁷

When pressed on whether if the inefficiencies could be removed from the system would beverage company Lion accept a container deposit scheme, they stated

‘we do not believe container deposits are the solution’⁸

The question of unredeemed deposits was also tackled by the inquiry. The South Australian Environmental Protection Authority (EPA) stated in regards to unredeemed deposits ‘that if you assume that unredeemed deposits are occurring in the marketplace, then in South Australia alone it is probably about a \$20 million gain that one of these parties is making.’⁹

They also make it clear that the EPA ‘economists are continually scratching their heads to figure out what they can assume, what sense they can make and whether the unredeemed deposits are actually occurring or not.’¹⁰

The EPA is the regulator of the container deposit scheme in SA. It is revealing that the regulator doesn’t have visibility of where unredeemed deposits sit in the scheme.

If a national container deposit scheme is established or any other state introduces a container deposit scheme, evidence from this inquiry suggests that serious consideration should be given to excluding beverage companies from involvement with super collectors. The evidence presented gives an impression that there is a conflict of interest in a beverage company being subject to container deposit legislation and running a ‘super collector.’

Recommendations:

- 1. The committee should initially request and if necessary compel beverage companies to provide in-confidence time series information (over a period**

⁶ Mr Trevor Hockley, Consultant, Recyclers of South Australia Inc., *Proof Committee Hansard*, 7 November 2012, p. 35

⁷ Mr David Carter, Group Environment and Business Continuity Director, Lion Pty Ltd, *Proof Committee Hansard*, 7 November 2012, p. 21

⁸ Mr David Carter, Group Environment and Business Continuity Director, Lion Pty Ltd, *Proof Committee Hansard*, 7 November 2012, p. 22

⁹ Mr Tony Circelli, Deputy Chief Executive, Environment Protection Agency, South Australia, *Proof Committee Hansard*, 7 November 2012, p. 59

¹⁰ Mr Tony Circelli, Deputy Chief Executive, Environment Protection Agency, South Australia, *Proof Committee Hansard*, 7 November 2012, p. 60

of 18 months) on wholesale prices in South Australia and the Northern Territory and a non CDL state as a comparison.

2. The committee should also request and if necessary compel the ‘super collectors’ to provide in-confidence information on their annual profits, including a breakdown by state.

This information will allow calculation of the level of profiteering in the existing schemes.

3. If a national container deposit scheme is established or any other state introduces a container deposit scheme, evidence from this inquiry – relating to the existence of inefficiencies and profiteering -suggests that serious consideration should be given to excluding beverage companies from involvement with future super collection operations (ie co-ordinator roles).

Senator Peter Whish-Wilson
Senator for Tasmania

Senator Nick Xenophon
Senator for South Australia

Appendix 1

Submissions, tabled documents and answers to questions taken on notice

Submissions

- 1** Australian Food and Grocery Council
- 2** The Packaging Council of Australia Inc
- 3** KESAB environmental solutions
- 4** Coca-Cola Amatil
- 5** Australian Beverages Council
- 6** Total Environment Centre
- 7** Lion
- 8** National Packaging Covenant Industry Association
- 9** Department of Sustainability, Environment, Water, Population and Communities
- 10** Marine Stores Pty Ltd
- 11** Conservation Council of South Australia
- 12** Keep Australia Beautiful Victoria Inc
- 13** Australian National Retailers' Association
- 14** Confidential
- 15** Recyclers of South Australia Inc
- 16** Mr Don Chambers
- 17** Mr Stewart Pritchard
- 18** Winemakers' Federation of Australia
- 19** Australian Dairy Products Federation
- 20** Confidential

- 21 Arid Lands Environment Centre
- 22 Master Grocers Australia
- 23 Boomerang Alliance
- 24 Confidential
- 25 Confidential
- 26 Confidential
- 27 Environment Protection Authority, South Australia
- 28 Northern Territory Government

Tabled documents

- 1 NT Cash for Containers Scheme, tabled by Boomerang Alliance, public hearing, Adelaide, 7 November 2012
- 2 Beverage pricing under Container Deposit Schemes, tabled by the Australian Food and Grocery Council, public hearing, Adelaide, 7 November 2012

Answers to questions taken on notice

- 1 Lion Pty Ltd - Answers to questions taken on notice (from public hearing, Adelaide, 7 November 2012)
- 2 Total Environment Centre - Answers to questions taken on notice (from public hearing, Adelaide, 7 November 2012)
- 3 National Packaging Covenant Industry Association - Answers to questions taken on notice (from public hearing, Adelaide, 7 November 2012)
- 4 Australian Food and Grocery Council - Answers to questions taken on notice (from public hearing, Adelaide, 7 November 2012)
- 5 Australian National Retailers Association - Answers to questions taken on notice (from public hearing, Adelaide, 7 November 2012)

Appendix 2

Public hearings

Wednesday, 7 November 2012 - Adelaide

Boomerang Alliance

Mr David West, National Policy Director

Australian Food and Grocery Council

Dr James Mathews, Director, Communications

Ms Jenny Pickles, General Manager, Packaging Stewardship Forum

Coca-Cola Amatil

Mr Alec Wagstaff, Director, Corporate Affairs

Lion Pty Ltd

Mr David Carter, Group Environment and Business Continuity Director

Australian National Retailers Association

Mr Russell Goss, Deputy Chief Executive Officer and Director of Policy

Ms Margy Osmond, Chief Executive Officer

National Packaging Covenant Industry Association

Mr Stan Moore, Chief Executive Officer

Miss Jessica Sheehan, Research and Policy Officer

Recyclers of South Australia Inc

Mr Trevor Hockley, Consultant

Mr Philip Martin, President

Mr Neville Rawlings, Vice-President

Total Environment Centre

Mr Jeff Angel, Executive Director

Arid Lands Environment Centre

Mr James Cocking, Coordinator

Keep South Australia Beautiful

Mr John Phillips OAM, Executive Director

Marine Stores

Mr Garry Bull, General Manager

Dr Timothy Cooper AM, Chairperson of Directors

Environment and Protection Agency, South Australia

Mr Tony Circelli, Deputy Chief Executive

Ms Andrea Woods, Team leader, Container Deposit Legislation

