



8 November 2012

Ms Sophie Dunstone
Committee Secretary
Environment and Communications References Committee
P O Box 6100
Parliament House
CANBERRA 2600

By email:
Ec.sen@aph.gov.au

Dear Ms Dunstone

Inquiry into Container Deposit Schemes

Thank you for your letter of 5 November 2012.

The Australian Food and Grocery Council (AFGC) advises that it rejects the Boomerang Alliance allegation of collusion absolutely. AFGC and all of its members are subject to the *Competition and Consumer Act 2010*. We note that the basis of allegations of anti-competitive behaviour is a Boomerang Alliance report published in August 2012 entitled "Beverage Company Pricing Behaviour under the SA and NT Container Deposit Schemes". The Boomerang report has been shown by respected economists, ACIL Tasman, to have significant questions placed on its veracity and the robustness of its analysis (copy of ACIL Tasman report is attached).

The ACIL Tasman report also noted that the ACCC 2008 Inquiry into the Competitiveness of Retail Prices for Standard Groceries found retail grocery prices were influenced by local factors and price competition between retailers and strongly characterised by promotions. At any one time a supermarket may have between 2,000 and 4,000 items on promotion. The Coles examples cited in the Boomerang Alliance report are an example of the types of product promotions that are the decision of retailers, not brand-owners.

Through these promotions and for other reasons relating to local characteristics, the ACCC found that retail prices vary retailer by retailer, store by store, place by place and over time.

If the Boomerang Alliance or any other party has evidence to support allegations of this nature they should go directly to the ACCC. The AFGC actively represents the interests of its members, but does not and cannot act as a vehicle for anti-competitive behaviour.

We note the comments of ACCC NT Director, Derek Farrell, on ABC News on 5 January 2012 (see link: <http://www.abc.net.au/news/2012-01-05/20120105-cash-for-containers-criticism/3760256>). Mr Farrell acknowledged that following the introduction of the NT Container Deposit Scheme, beverage sellers had a genuine reason to raise prices. As stated by Mr Farrell, "It is perfectly legal for traders to set prices as they see fit and we recognise that remote communities are in a very difficult position." Mr Farrell then went on to state that "There is no suggestion in this instance that it (collusion) is occurring".

We appreciated the opportunity to present before the Senate Committee at its hearing in Adelaide yesterday, and the opportunity to answer further questions raised by Committee Members at the hearing. We look forward to the receipt of these questions and will ensure that



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we respond in a timely manner.

Sincerely

GARY DAWSON
Chief Executive Officer

AFGC Ref: 2012-40



Beverage pricing under Container Deposit Schemes

A review of the Boomerang Alliance's paper "Beverage Pricing Behaviour under the South Australian and Northern Territory Container Deposit Schemes, 2 August 2012"

Prepared for the Australian Food and Grocery Council

1 November 2012



ACIL Tasman

Economics Policy Strategy

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1 Introduction

1.1 Overview

On 11 October 2012 the Australian Senate referred the following matter to its 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.

This inquiry was triggered, at least in part, by a paper prepared by the Boomerang Alliance (Boomerang) on 2 August 2012 (the Boomerang report). The Boomerang report is reproduced at Appendix A to this report. Among other things, it alleges that beverage manufacturers (producers) have taken advantage of the existence of Container Deposit Schemes (CDS) in South Australia and the Northern Territory to engage in profiteering.

ACIL Tasman was commissioned by the Australian Food and Grocery Council to review the Boomerang report. Our terms of reference were to review the methodology used by the Boomerang Alliance in preparing their report, and provide a solid and soundly based analysis of their methodology and assumptions.

This report provides that review. It is structured as follows.

Section 2 provides an overview of Australian grocery markets as context for the Boomerang report and our review of it. It provides an overview of the CDSs in South Australia and the Northern Territory. It also provides a discussion of how CDSs could be expected to influence price in retail grocery markets.

Section 3 considers the Boomerang report. It first provides a discussion of Boomerang's sample and then reviews the analysis.

1.2 Conclusions

In our view the Boomerang report is unpersuasive. The analysis it presents is based on a flawed premise and the data used are inadequate to support meaningful analysis.

1.2.1 Flawed analytical premise

Boomerang's analysis rests on the premise that differences in the retail prices of beverages in CDS cities and non CDS cities are attributable to differences in the wholesale price of those beverages.

The Australian Competition and Consumer Commission's (ACCC) recent inquiry into the competitiveness of retail prices for standard Australian groceries shows clearly that this premise is inherently flawed.¹

As discussed in sections 2.1.2 and 2.1.3 of this report, the ACCC found that retail grocery prices are influenced by local factors and price competition between Australian grocery retailers is strongly characterised by promotions. At any given time a major supermarket is likely to have between 2,000 and 4,000 items on promotion.²

Through these promotions and for other reasons relating to local characteristics, the ACCC found that retail prices vary:

- retailer by retailer
- store by store
- place by place
- over time

Therefore, evidence that retail prices in a city with a CDS exceed those in a city without a CDS by a certain amount does not amount to evidence of the pricing behaviour of beverage producers.

1.2.2 Inadequate sample

Regardless of the validity of Boomerang's analytical premise, the data upon which its analysis is based are not adequate for meaningful analysis.

That is, Boomerang's data set is not sufficiently large or robust to provide firm support for a general conclusion regarding the level of retail prices in different

¹ Australian Competition and Consumer Commission, "Report of the ACCC inquiry into the competitiveness of retail prices for standard groceries", August 2008, available at <http://www.accc.gov.au/content/index.phtml?itemId=838251>, accessed 26 October 2012.

² *ibid* p.75



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cities. Even if the premise of the analysis was sound, the data used are not adequate to examine it.

2 Background

2.1 Grocery retailing in Australia

The ACCC reviewed the Australian grocery industry in 2008. This section provides a brief overview of the ACCC's findings. It focusses on the structure of the retail grocery industry and the nature of competition between participants, in particular between the major supermarket chains.

While several years have passed since the ACCC's report was completed, we understand that the structure of the industry and the nature of competition are substantially the same now as they were then.

2.1.1 Market structure

The ACCC identified that there are four key types of grocery retailer in Australia, as shown in Table 1.

Table 1 **Grocery retailers in Australia**

Retailer type	Participants
Major Supermarket chains	Coles and Woolworths
Vertically integrated supermarkets	ALDI and Franklins
Independent grocery retailers	Several thousand other stores supplied by Metcash including IGA stores , liquor stores and convenience stores
Specialty retailers	Approximately 22,000 stores such as butchers, fishmongers, bakeries etc. These range from chains to single, standalone stores

Data source: ACCC, op cit, pp. 42-44

The ACCC considered the concentration of the grocery industry in light of criticisms that it is too concentrated. The ACCC found that the concentration of the retail grocery industry is generally high, though it varies depending on the product(s) being considered. Broadly, markets for fresh products such as meat and fresh vegetables are less concentrated than markets for packaged groceries.³

The analysis in this report is concerned with the market(s) for beverages. Beverages are not discussed separately in the ACCC's grocery inquiry report and presumably they were analysed as part of the broader 'packaged grocery'

³ *Ibid*, pp62-63

category. The ACCC found that the market for packaged groceries is more concentrated than any other grocery category.⁴

However, in our view, this may not be an entirely appropriate characterisation of the structure of retail beverage market(s).

Beverages are sold much more widely than many packaged groceries in outlets other than the major supermarket chains. To the extent that this is true, the concentration of the retail market for beverages would be less than for other packaged groceries.

Notwithstanding this, beverages are still likely to be sold in a concentrated retail market of which the major supermarket chains will undoubtedly have a large share.

2.1.2 Basis of competition

Grocery retailers compete for customers on a range of elements including price, quality, range and convenience. While price is no doubt important, the ACCC found that competition on the non-price elements of the ‘retail offer’ also plays a key role.⁵

Retailers can influence the non-price elements of the offer they make to consumers in a number of ways including:⁶

- product range
- shopping convenience, including availability of parking, opening hours and queue length
- product quality, especially for fresh food.

They can also influence a range of other factors from the ‘look and feel’ of a store to the support the retailer provides for local community groups, which some customers consider to be important.

The importance of the non-price elements of the retail offer differ to individual consumers depending on their shopping patterns.

Approximately forty per cent of consumers typically buy groceries in a single shopping trip once a week, while almost one quarter shop several times throughout the week. Approximately a third are in between these groups, with one large shop and several smaller shops each week.^{7,8}

⁴ *Ibid*, p51

⁵ *Ibid*, p69

⁶ *Ibid*, p72

⁷ The remaining very small proportion of customers shop less frequently than once a week.

These different groups of consumers rate the elements of the retail offer differently. While price is important to all consumers, it is not necessarily the most important element.

The idea that elements of the retail offer than price are important to the customer appears to be especially so for beverages, which are routinely sold at very different prices in different venues and contexts. For example, the price of a drink at a sporting venue is typically higher than the price of the same drink at a food court, where it is higher again than at a supermarket. This clearly shows that consumers are prepared to pay more for the same product in different circumstances.

2.1.3 Price competition between retailers

Price is not the only basis of competition between grocery retailers, but it is an important part of competition. However, the way retailers compete on price is complex.

Retail shoppers typically buy numerous products at a time. Further, consumers will not necessarily buy the same ‘basket’ of items as each other or as they bought last time. This makes the ‘price’ of a retail offer, especially for a supermarket, a complex concept. Communicating it to consumers is not easy, but retailers’ ability to compete based on price depends on their ability to do so.

In practice, as the ACCC found, price competition between retailers tends to be on the basis of individual items that consumers buy often, spend a large proportion of their grocery budget on and can easily compare the price of. These are referred to as ‘known value items’, or KVI’s.⁹

Price competition between retailers is also influenced heavily by promotions. The ACCC found that, at any given time, a major supermarket will have between 2000 and 4000 items on promotion.¹⁰

We understand that beverages, and in particular carbonated soft drinks (such as Coca-Cola), are frequently used as KVI’s and featured in promotions as part of the major supermarket chain’s attempts to communicate price to their consumers. We also understand that these products tend to be promoted, and discounted, on a rolling basis. That is, a supermarket will promote, and discount, one brand of soft drink at a time, perhaps on a week on week off basis.

⁸ *Ibid*, p71

⁹ *Ibid*, p75

¹⁰ *Ibid*, p75

Further, while the major supermarket chains conduct certain national promotions, they do not have a single retail offer. Indeed the ACCC found the opposite to be the case, with significant store by store differences in price offered by major supermarket chains. The differences are based on local demand and competition conditions as well as cost.¹¹

The existence of discount cycles and the use of KVIs as ‘signals’ of the overall price level of a particular retailer means that the retail price of a single item can vary substantially. It can differ between outlets of the same retailer, for example between two supermarkets of the same ‘brand’. It can also differ between regions and between states. It can change rapidly over time.

A robust analysis of retail prices must take this into account and, as such, should be based on a suitable time series of data appropriately ‘controlled’ for promotions. From a consumer perspective, it will often be more appropriate to analyse the price of a basket of typical items rather than the price of a single item (i.e. an index approach¹²). For example, the ACCC cites an analysis conducted by CHOICE, which tracked the prices of a basket of 33 items at 111 supermarkets across Australia (the CHOICE study).¹³

2.2 Container Deposit Schemes

South Australia’s CDS has been in place since 1976. It initially applied to only a subset of beverage containers but was expanded in 2003 and now covers most soft drink, beer and water containers as well as juice and flavoured milk containers of juices and flavoured milk up to one litre in volume. It does not apply to wine containers or unflavoured milk containers.¹⁴

The Northern Territory introduced a similar scheme from 3 January 2012.

Broadly, the two schemes are similar. Consumers can take beverage containers to collection points and receive a payment of 10 cents per container. The mechanism by which that payment is funded is complex and a discussion is beyond the scope of this report.

The amount consumers receive when they take a container to a collection centre is described as a deposit. This reflects the fact that, notionally, they are

¹¹ *Ibid*, p69

¹² The ACCC provides some discussion of the relative merits of applying fixed or variable weights to an index for these purposes, but clearly concludes that an index is more informative than the price of a single item.

¹³ ACCC, *Op Cit*, p85

¹⁴ South Australian Government, cited in Productivity Commission inquiry report “Waste Management”, December 2006, p239

being repaid the amount they paid when they purchased the drink in the first place. In practice, there is no particular reason to think that the individual consumer who pays the ‘deposit’ also receives it back. For example, in the Northern Territory, community groups are actively encouraged to collect beverage containers and return them to receive the payment as a fund raising measure.

The core of the South Australian and Northern Territory CDSs is that they require collection depots to make a payment of 10 cents per container to people who deliver beverage containers to them. Failure to do so is illegal and punishable by a fine.

While collection depots provide people who return containers to them with a payment, they do not fund that payment. Ultimately, it is funded by consumers, but in the first instance it is funded by the beverage producers.

2.2.1 The impact of a CDS on retail price

A CDS places a cost on beverage producers. As with other costs, it is reasonable to expect that the cost of the CDS will be reflected in the price that producers charge to their customers. In this case, the various types of retailers that sell beverages to consumers.

It is reasonable to expect that the *wholesale* price of beverages reflects *retailer’s* willingness to pay (elasticity of demand).

The optimal approach to pricing a portfolio of products, such as a beverage wholesaler’s portfolio of brands, is complex and a detailed discussion is beyond the scope of this report. Conceptually, the price of any given product is likely to reflect the elasticity of demand for that product.

The effect that the CDSs have on *retail* prices is a function of their effect on *wholesale* prices, but it is not necessarily safe to assume that the cost would simply be passed through directly.

Retail pricing is a complex process with retail margins varying depending on local demand and demographic conditions, price competition between retailers, especially for beverage products that are treated as KVIs. Conceptually, the retail price of any given product is likely to reflect the elasticity of demand for that product. That is, retailers will charge more for products for which consumers are willing to pay more and less for other products.

These factors drive the retail (gross) margin that is applied to the wholesale cost of products. Therefore, these factors can influence the ‘multiple’ by which an increase in wholesale price causes retail prices to increase. They can do so differently in different places and at different times.

3 The Boomerang report

Boomerang observed the retail price of a handful of beverages in (the only) two capital cities where there are CDSs (Adelaide and Darwin). It compared those prices with the retail price of a similar sample of beverages in Perth and Sydney, where there are no CDSs.

Based on that sample, the Boomerang report concludes that:

1. the average retail price of beverages in CDS cities is higher than in non CDS cities
2. the difference between the retail prices in CDS cities and non CDS cities is more for beverages produced by some bottlers than others
3. the difference between retail price in CDS cities and non CDS cities is, for some bottlers, more than the cost of the CDS
4. bottlers that produce products for which the retail in CDS cities exceeds the retail price in non CDS cities by more than the cost of the CDS itself are engaged in profiteering

The following sections provide a more detailed description of Boomerang's analysis and our review of it. Section 3.1 provides a discussion of the sample Boomerang used. Section 3.2 provides a review of the analysis and Boomerang's conclusions.

3.1 The sample

Boomerang's analysis is based on the retail price of 28 beverage products. A table appended to the Boomerang paper provides the results of the survey and is reproduced as Table 2 in this report.

Boomerang checked the retail price of each of those products in either a Coles catalogue published in July or on Coles' website on an unspecified date (or dates).

Therefore, for each of the 28 products whose prices were checked, Boomerang obtained a single observation of retail price.

3.1.1 Data issues

On inspection, the data set appears to contain several inconsistencies.

The Sydney retail price of five items is omitted. Two items are marked 'n/a' in the table (3 x 1.5 litre bottles of Coca Cola and 2 x 1.5 litre bottles of Sprite or

Lift). The other three are left blank (Coles Natural Water 24 x 600ml bottle, Coopers Mild Ale 6 x 355 millilitre bottle and Corona 30 bottle carton¹⁵).

It seems implausible that the absence of data means that products themselves were not available. For example, it is implausible that, when the survey was conducted, it was not possible to buy Coca Cola from a Coles supermarket in Sydney in 1.5 litre bottles.

However, it is not clear how to interpret these omissions. Two possible reasons for the missing data are below, though this is probably not an exhaustive list of reasons.

It is possible that the data were omitted because the products in question were not sold in the same way in Sydney as they were in other cities. For example, it is possible that the 1.5 litre bottles of Coca Cola were omitted because they were offered at a single price for three bottles in Perth, Darwin and Adelaide, but not in Sydney.

It is also possible that the reason for the missing data is that Coles chose to promote different products in Sydney in the week the survey was conducted than in other cities. For four of the five items for which data were not provided in Sydney, the data in other cities came from a catalogue. It may be that those four products were not listed in the catalogue that was checked for Sydney data.

All that can be said for sure is that the data relied on in the survey are incomplete. In the absence of a valid reason for this, the data should be treated with extreme caution. If there is a valid reason, it should be stated in the report.

A second issue is that the data appear to suggest consistencies where none exists, at least in relation to one of the items.

One of the items sourced from the Coles Catalogue is referred to as an 'Assorted 2 carton deal' on Fosters products. The Boomerang paper contains extracts of the catalogue showing this item.

¹⁵ Boomerang's report indicates that this product was a 30 bottle carton, and their analysis is on that basis. However, this appears unusual. Our experience is that Corona beer is sold in 24 bottle cartons. This was confirmed by a brief survey of the market on 31 October 2012.

Our examination of that extract suggests that the products offered in this promotion differed between the cities considered. In each city the offer includes the customer's choice of two cartons of beer from two possible options. The options differ as follows:

- in Adelaide, a 30 can block of West End Draught or a 24 can carton of Carlton Draught
- in Darwin a 30 can block of XXXX Gold (a mid-strength beer) or a 24 can carton of VB
- in 'Sydney/Perth' a 30 can block of Carlton Mid (a mid-strength beer) or a 24 can carton of Toohey's Extra Dry

Therefore in three of four cities the 'Assorted 2 carton deal' includes a mid-strength beer.' However, in the fourth city it includes two full strength beers.

In Australia beer is subject to an excise based on the amount of alcohol it contains. Therefore, beer of different strengths is subject to a different cost of excise. All else being equal, the different beers included in this promotion would have different costs of production due to the excise arrangements applicable to them in addition to any differences that may exist in their physical production costs.

Further, the promotion allows the customer to choose any combination of two cartons from the available options. That is, a customer in Adelaide might choose two cartons of West End Draught, two cartons of Carlton Draught or one carton of each. Therefore, depending on the customer's preference, in any given transaction the number of containers sold could be 48, 54 or 60.

The fact that the production cost of the products offered in this promotion varies at the customer's discretion has implications for the average price per container and, therefore, for Boomerang's analytical methodology more broadly.



Table 2 **Boomerang data set**

Producer	Source	Product	containers	Perth	Sydney	Darwin	Adelaide	Increase in Darwin (av.)	Increase in Adelaide (av.)
Bundaberg Ginger beer	Online	Bundaberg Ginger beer (diet) - 750ml bottle	1	2.77	2.88	2.63	2.5	-0.05	-0.15
	Online	Bundaberg Ginger beer - 4 * 750 ml bottle	4	5.31	5.31	5.48	5.21		
Coca Cola Amatil	Online	Coca Cola - 6 * 1.25l	6	14.85	14.85	15.67	14.9	0.24	0.2
	Catalogue	Coca Cola - 3 * 1.5l	3	7	n/a	8	8		
	Online	Mother Energy Drink - 15 * 375ml	15	27.13	28.35	32.09	30.98		
	Catalogue	Coca Cola - 15 x 375 ml	15	12	12	14	14		
	Catalogue	Sprite/ Lift - 2 x 1.5l	2	3	n/a	3.5	3.5		
Coles	Catalogue	Coles natural water - 24 x 600ml	24	8	Blank	11	11	0.13	0.09
	Online	Coles water natural spring – 1.5l bottle	1	1.36	1.31	1.49	1.42		
Coopers	Online	Coopers Clear - 6 x 355	6	16.05	16.05	16.59	16.59	0.03	0.06
	Online	Coopers Mild Ale - 375 x 24	24	42.8	Blank	47.08	47.08		
	Online	Coopers Pale Ale - 12 x 750 ml	12	56.71	55.64	54.6	55.64		
Diageo	Online	Bundaberg Up Rum and Cola - 24 x 600ml	24	78.11	78.11	80.25	80.25	0.09	0.09
	Online	Johnnie Walker Red & Dry - 24 cans	24	75.97	75.97	78.11	78.11		

Producer	Source	Product	containers	Perth	Sydney	Darwin	Adelaide	Increase in Darwin (av.)	Increase in Adelaide (av.)
Fosters Group	Catalogue	Assorted 2 carton deal	54 ^a	75	78.11	86	80.25	0.09	0.09
	Online	Cascade Premium Lite	24	38.52	36.38	38.52	38.52		
	Online	Pure Blonde - 6 x 355 ml	6	16.06	16.05	15.75	16.05		
	Online	VB carton - 30 cans x 375	30	53.5	55.64	55.64	55.64		
Independent	Online	Aqua Pura Fruit Splash 1.25l	1	2.71	2.8	2.66	2.71	0.10	-0.05
	Online	Berocca Orange Drink 250ml	1	3.24	3.35	3.18	3.24		
Lion Co	Online	Assorted 2 carton deal	54	75	75	86	90	0.19	0.18
	Catalogue	Corona 30 bottle case	30	50	Blank	55	52		
	Online	Toohey's Extra Dry - 24 x 345 ml	24	44.94	48.15	49.22	49.22		
	Online	XXXX Gold - 30 x 375 ml	30	41.73	48.15	54.57	54.57		
Schweppes Australia	Online	Cool Ridge Water 1l	1	2.6	2.6	2.9	2.78	0.20	0.13
	Catalogue	Pepsi Max - 24 x 375ml	24	12	12	14	14		
	Catalogue	Pepsi Max - 15 x 375ml	15	9	9	12	12		
	Online	Gatorade Blue Bolt	1	2.7	2.7	2.91	2.77		

Data source: Boomerang report, unnumbered table, no page numbers



3.1.2 Sampling issues

In our view there are three key problems with the sample used for this analysis.

First, for reasons that are not explained, the data Boomerang analysed were collected:

- entirely from a single retail chain (Coles)
- at a single point in time.

The time when data were collected has not been disclosed, nor is it necessarily clear that the data were all collected at the same time.

Second, the sample does not cover the range of prices charged by that single retailer over time, or even allow for a range to exist.

Third, regional markets and some major markets (such as Melbourne and Brisbane) are not considered in the analysis.

These issues are discussed in turn below.

By failing to take account of the price of the products is examined at different types of retailers and changes in that price over time, Boomerang's analysis is too limited to capture the 'richness' that is likely to exist in retail price.

A snapshot from a single retail chain

As discussed in section 2.1, grocery retailing in Australia is characterised by three significant supermarket chains. In addition to these three chains, many of the products in Boomerang's sample are widely available at outlets other than supermarkets.

For example, the beer and other alcohol products are available from bottle shops, both large and small. Some of those bottle shops are owned by the same supermarket chains, others are independent.

The soft drink products are sold by numerous 'route trade' outlets ranging from convenience stores to service stations to small milk bars. Many of these are owned by large organisations independent of the supermarket chains. Others are owned by small businesses.

Therefore, the 'retail price' of grocery products such as those in Boomerang's sample is in fact made up of a very large number of prices set in a complex market by a very large number of decision makers acting independently. Retail prices change rapidly and are not necessarily the same in different places, even within the same retail brand

Of course many of those decision makers will choose the same price as each other, and many sellers will follow the recommended retail price of the supplier. However, many retailers, especially larger retailers such as franchised service station chains, will have their own pricing strategies.

Instead of taking the potential range and diversity of retail pricing into account, Boomerang chose to focus on Coles Supermarkets, a single retail chain. Boomerang reported that “other points of sale...had insufficient information” but that a number of spot checks were conducted which showed that relative price movements by brand were correlated with those it reported.

Those spot checks are not described in meaningful detail and the correlation coefficients to which Boomerang refers are not reported. The detail provided in relation to these spot checks is insufficient to justify giving weight to them.

Boomerang’s sample could have been improved relatively quickly by taking the price of the same products from Woolworths supermarkets. This would have provided at least the beginning of an understanding of the competitive dynamic in this portion of the market.

However, in order to obtain a full understanding of the price of the products in question, a significant sample of outlets, including supermarkets, service stations, and other convenience stores (for soft drinks) and bottle shops (for alcoholic and soft drinks) should be considered. Similarly, the analysis should be based on an appropriate time series. As the ACCC did in its analysis, price scanner data could be used for this purpose.

Boomerang’s decision to rely on a very small sample may have been due to resource constraints, but that is not sufficient reason to accept conclusions based on an inadequate survey.

A single point of observation within Coles

Another issue with Boomerang’s analysis is that it only considers a subset of prices offered by Coles supermarkets. In effect, it assumes that, at any given time, Coles sells each product for the same price at all stores in a city.

As discussed above, this assumption is not sound. Retail prices commonly reflect local conditions, including the demographic characteristics of the population surrounding a retail outlet and the presence (or absence) of competitors. To assume that the retail price of a product at Coles in Darwin is comparable to that in Perth, Adelaide and Sydney amounts to an assumption that demographics in those four places are the same, which is clearly not correct.

Significant markets overlooked

Boomerang's comparison data were collected entirely in Perth and Sydney. As discussed in section 3.2.3 the Sydney data appear not to have been taken into account, which we assume was a computational error.

Regardless of this, the analysis does not take account of retail prices in smaller markets, such as regional cities. Similarly, it disregards several capital city markets, specifically Melbourne, Brisbane, Hobart and Canberra.

It is possible that there was a valid reason for selecting some cities but not others and for disregarding regional areas, but, if so, it is not discussed in the report.

The decision to omit regional markets from the data set is particularly concerning in light of the finding of the CHOICE study that the three cheapest cities, and seven of the ten cheapest ten cities, were regional.¹⁶

3.2 The analysis

In its report, Boomerang analyses the difference in retail price in CDS and non CDS cities based on the sample discussed in section 3.1. In this section we discuss three aspects of its methodology.

First, in our view, the premise of Boomerang's argument is flawed. Boomerang's analysis is based on retail prices, yet it attributes the differences to producers. This issue is discussed in section 3.2.1.

Second, the analysis does not control for the various other factors that are known to influence retail prices.

Third, there appears to be a mathematical error in Boomerang's report. This is discussed in section 3.2.3.

3.2.1 Flawed premise - Confusion of retail and wholesale prices

The premise of Boomerang's argument is that differences in the retail prices of beverages in CDS cities and non CDS cities show that the producers of the products in question are profiteering by an incremental charge that is more than the cost of the CDS (allowing for some differences in the cost of transporting recycled containers).¹⁷

¹⁶ ACCC, *Op Cit* p. 86

¹⁷ That is, Boomerang argues that the difference in the price charged in CDS and non CDS states exceeds the cost of the CDS.

In our view this premise is flawed. That is, there is no reason to assume that retail 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.

Further, as the ACCC found, the extent of ‘vendor support’ for price promotions has been increasing over time. In other words, suppliers to the major supermarket chains have been receiving a smaller proportion of the final selling price of their products.

The Boomerang report refers to a similar, though more detailed, analysis published by the Massachusetts Department of Environmental Protection (DEP). DEP conducted a similar more extensive survey and concluded that the price of a sample of beverages in Massachusetts (which has a CDS) and neighbouring states (which do not have CDSs) are either the same or very similar. Therefore, DEP concluded that Massachusetts’ CDS is costless and has no impact on the retail price of beverages.

DEP’s analysis was considered by the Massachusetts Joint Committee on Telecommunications, Utilities and Energy in connection with a proposal to expand Massachusetts’ CDS.

In summary, DEP argued, similarly to Boomerang, that its analysis showed that the Massachusetts CDS is costless to consumers. On the basis that its research formed the basis of many of DEP’s claims, Northbridge Environmental Management Consultants wrote to the committee and expressed concern about DEP’s analysis. Northbridge considers that “DEP’s survey and analysis do not support a conclusion that [the cost of CDSs] will never reach consumers.” Rather, it “serves only to re-affirm obvious facts about the consumer products industry while missing the point about the true impact of the expansion.”

Northbridge’s argument is similar to that presented here, that retailers set prices based on a myriad of factors and do so in order to maximise the profit they earn on a the full range of products they sell. Northbridge says that “changes in prices ...may reflect general trends in underlying costs [but] it is exceedingly difficult, impossible really, to look at retail prices and deduce much

of anything about the underlying costs and market factors that go into the setting of that price.”¹⁸

In our view, Northbridge is correct, regardless of the veracity of Boomerang’s sample, the notion of implying wholesale prices from retail prices is flawed.

In fact, Boomerang’s own sample provides reason to suspect that the premise of its analysis is flawed through the inclusion of 24 and 30 container products in a single promotion at the same price.

Boomerang’s suggestion is that individual beverage manufacturers, such as Lion Nathan, are ‘over recovering’ the cost of the CDS on a per container basis. If this is so, it would be expected that a 30 container product would not be sold at the same price as a 24 container product. However, in each city where it was offered, the ‘assorted 2 carton deal’ allowed the customer to make a choice that would have resulted in 48, 54 or 60 containers being sold.

A further challenge that this product presents to the analysis, that appears to have been disregarded by Boomerang, is that the ‘assorted two carton deal’ includes products from different producers.

The VB, Carlton Draught and Carlton Mid brands are owned by the Fosters Group. The West End Draught, XXXX Gold and Toohey’s Extra Dry are owned by Lion Co.¹⁹

Between them, these two brands account for a substantial portion of the Australian beer industry and they compete with one another vigorously in that industry.

Boomerang’s analysis does not take account of the different ownership of these brands or competition between the two producers. Rather, it appears to have assigned this product offering to both of those producers jointly.

It is much more likely that we assume that it was a promotion compiled by Coles itself, which adds further weight to the notion of a logical break between retail and wholesale pricing.

3.2.2 Lack of control variables

As the ACCC found, and as discussed in section 2.1, there are a range of factors that influence retail prices. These include local factors such as population demographics and the intensity of local competition. Boomerang

¹⁸ Northbridge Environmental Management Consultants, letter to Joint Committee on Telecommunications, Utilities and Energy, 19 August 2011.

¹⁹ Boomerang refers to Lion Co by its previous name, Lion Nathan.

has made no attempt to control for these other factors other than mentioning that five unspecified products that were not beverages were checked for general price movement benchmarking purposes.

The results of this very small benchmarking sample are not reported and the products that were observed are not specified. There is insufficient information about this exercise to justify giving any weight to it.

In simple terms, Boomerang's analysis shows that the retail prices of beverages are higher in some places than others. The ACCC and the CHOICE study both found the same thing, though the rank order of prices differed between those two studies.²⁰ However, those other two studies referred to a broader range of products than beverages and thus cannot be attributed to CDSs.

3.2.3 Computational errors

The Boomerang report contains a table showing the data relied upon in the survey. That table is reproduced as Table 2 on pages 12 and 13.

The Boomerang report includes another table which shows the 'Impact on Consumer (Nett of refund)' (sic) of the prices Boomerang identified. The report is not explicitly clear, but the intention appears to be that the numbers in this column are calculated by:

- observing the average price per container of each product in Adelaide (or Darwin) (A)
- observing the average price per container of each product in Sydney and Perth (B)
- subtracting (B) from (A)
- subtracting the deposit amount (i.e. 10 cents per container)

In fact, the analysis appears to have disregarded the prices that were observed in Sydney.

We applied the process described above. That is, we compared the average of the Perth and Sydney prices with the Adelaide and Darwin prices (separately).²¹ The results show that Boomerang's approach of using only the Perth prices somewhat overstated the extent of the 'uplift' in Darwin and Adelaide for products other than Schweppes and Coles (private label) products.

²⁰ ACCC, Op cit, p86.

²¹ This analysis was based on Boomerang data and, as such, excluded products for which data were not available from Sydney.



Beverage pricing under Container Deposit Schemes

That is, when the Sydney prices are included (for the products for which Boomerang collected them²²) the average difference in retail price between CDS and non CDS cities is less than suggested by the Boomerang report.

The differences between uplifts as Boomerang presented them and our recalculation of them ranges from two cents to twelve cents or, in percentage terms, up to 38 per cent of Boomerang's claimed increase.

As discussed in section 3.2.1 we regard these figures as unhelpful even if calculated correctly due to the underlying flaw in the premise upon which Boomerang's analysis rests.

²² Boomerang did not disclose the time when its data was collected nor the reason for the omissions so it was not possible to complete its dataset.



ACIL Tasman
Economics Policy Strategy

Beverage pricing under Container Deposit Schemes

Appendix A Boomerang report

BEVERAGE COMPANY PRICING BEHAVIOUR UNDER THE SOUTH AUSTRALIAN AND NORTHERN TERRITORY CONTAINER DEPOSIT SCHEMES

Dave West, National Policy Director, Boomerang Alliance, 2 August 2012

Introduction

This analysis was undertaken to investigate and understand claims by the Australian Food and Grocery Council (AFGC) that the introduction of a National Container Deposit Scheme (CDS) would significantly increase the price of beverages.

This is a tactic commonly adopted by beverage companies in face of CDS initiatives – with Coca Cola and other beverage companies inflating the notion of price increases (which have then subsequently turned out to be untrue when investigated by government – for example, Massachusetts Department of Environment¹).

This ‘strategy’ was also adopted in the Northern Territory; where we have been informed there have been significant price increases that bear little to no correlation to the costs associated with a Container Deposit system.

Having studied the operation of CDS for some 10 years, the Boomerang Alliance has noted that some of the current price impacts appear substantially higher than the amount bottlers would need to pay out.

While the following study is not exhaustive, there are some clear patterns to indicate wide spread profiteering in particular by Coca Cola Amatil (CCA), Lion Nathan and Schweppes.

While it is important state governments and regulators undertake a more detailed investigation into the pricing and conduct of the major beverage brands - it is also clear that product stewardship schemes of any type need to introduce regulations to ensure that companies cannot profiteer on their environmental obligations and product stewardship.

This is not the first time this sort of unethical conduct has been an issue with suggestions of profiteering (ie, diversion of environmental levies) within the used tyre scheme reported in late 2010 where a number of tyre retailers were levying charges some 2-3 times their costs.

¹ Investigations of bottle-refund and non-refund states found no difference in prices and consumer choice. ‘Comparison of Beverage Pricing, Consumer Choice and Redemption System Performance in Massachusetts and Neighboring States’, The Massachusetts Department of Environmental Protection (MassDEP), July 2011

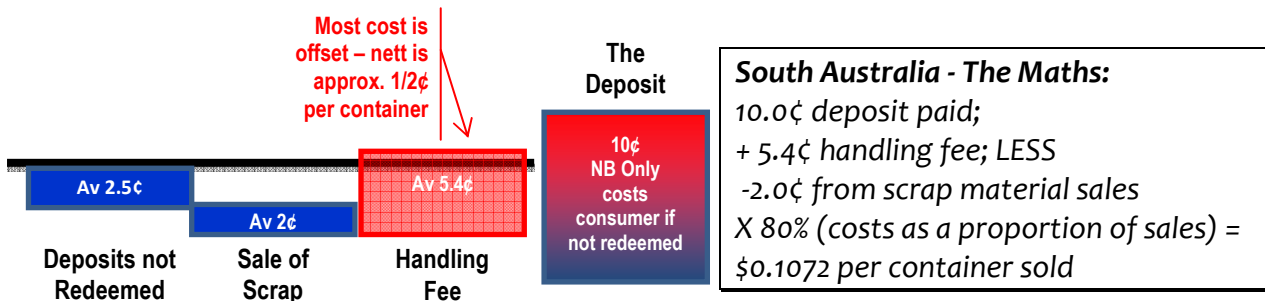
What is a reasonable cost?

While some bottlers will absorb part or all of their CDS cost impacts to try and maintain a price advantage over their competitors; it is reasonable for any beverage company to charge the full deposit value that creates the necessary incentive to encourage high recycling rates i.e. for the price of each container sold to increase by up to 10¢. Obviously, while this charge represents a shelf price it **does not** represent any actual hip pocket impact on consumers as they receive this money back when they return their containers.

Further it would be reasonable for a beverage company to also pass on any nett funds to support the CDS – namely the deposits they retain when consumers don't return containers and the income selling the recovered scrap for recycling.

The costs according to current depot operators in South Australia and the Northern Territory, are:

- In South Australia \$0.60 per dozen containers is paid as a handling fee to the collection depots and there is a further cost of (at most) \$0.05 per dozen containers to the operation of the Super Collectors (who administer the scheme and manage transport from the depot to the Super Collector)
- SA handling costs are offset by the sale of recovered scrap materials (aluminium, PET, HDPE etc.). These represent 2 – 2.2¢ per container
- At a current recycling rate of 80% this represents a total nett cost per container sold (i.e. where the CDS cost is passed into the price) of 10.72¢ per container

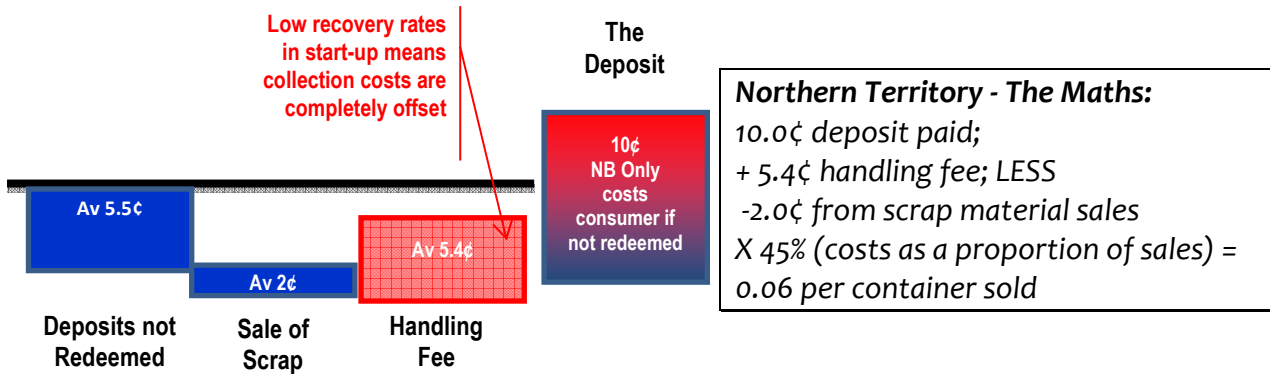


This means prices could increase by a **maximum** of 11¢ per container and the nett impact on consumers is 1¢ (nett of deposit) when they return their containers. Note the extra 0.3¢ per container that a bottler retains represents a substantial windfall – increasing their profitability.

In the Northern Territory, handling fees are actually less than they are in South Australia (between 4 & 4.5¢ each); however transport costs increase Super Collector costs but there is no evidence the overall cost per container is higher.

The scheme in the Northern Territory is still very new with recycling rates now reaching about 45%² compared to 80% in South Australia meaning any costs incurred are spread over almost twice as many containers. This means that any price increases over and above the 10¢ deposit is a serious rip off.

² Note: we understand these are rates since the first NT quarterly report.



The Northern Territory Government has stronger reporting regulations than South Australia and subsequently it is possible to understand both the actual income and expenditure made by bottlers in the Northern Territory.³

From January to March 2012, 31.6million beverage containers were sold in the NT and depots collected a total of 7.95million containers. This means bottlers paid out a total of \$795,000 in refunds and no more than \$477,000 in handling fees – a total cost of \$1.272million. Spread across sales of 31.6million this represents a cost (including deposits refunded) of 4c per container. Yet the Australian Food and Grocery Council is boasting:

“The latest industry research shows Coles selling a 15-pack of Coke cans in Perth (where there’s no CDL) at \$12 compared with Darwin at \$14, a Pepsi 24 pack at \$13 vs \$15 and Corona 24 pack at \$50 vs \$53. Woolworths has 24 packs of Coke and Becks beer selling in Darwin at \$3 higher than Perth stores. In some cases, customers are also paying up to 30 cents extra for other beverages.” AFGC Media Release 10/2/12⁴

Ironically the above media release was titled “Territorians conned and confused by CDL”. Our research shows the AFGC was partially right – Territorians, are being conned – by unethical profiteering and confused – by the AFGC’s misleading ad campaign.

The AFGC’s statements indicated their members were charging at average 13 cents per container. Thus on 31.6million containers sold in the Scheme’s first 3 months, beverage company manufacturers pocketed \$1.88million after their costs.

Alarmed, the Boomerang Alliance began this investigation.

The Study

We checked the price of 20 common bottles and cans of drink offered for sale by Coles via their online ordering in:

- Adelaide, SA
- Darwin, NT
- Perth, WA
- Sydney, NSW

In each instance the writer identified himself as being closest to the Coles CBD store (so market conditions were as similar as possible). Five products that are not beverages (and experience no costs from a CDS scheme) were also checked for general price movement benchmarking purposes.

³ <http://www.nretas.nt.gov.au/environment-protection/containerdeposit/quarterly-reports>

⁴ <http://www.afgc.org.au/media-releases/1119-territorians-conned-and-confused-by-cdl.html>

The July Coles Catalogue for each location was also reviewed to check the impact on specials and discounted product lines. There were 8 beverage items reviewed.

While other points of sale (e.g. bottle shops) had insufficient information to compare the impact of prices the writer did undertake a number of spot checks, and relative price increases by brand correlated with the initial findings.

The cost increases identified in South Australia and the Northern Territory were then compared to the costs bottlers are incurring to identify whether brands were profiteering.

Five products that did not attract a deposit were also checked for price variations between Sydney / Perth and Adelaide / Darwin. Price variations in these items were apparent but were only minor with Adelaide actually an average 1.02% cheaper than other major cities.

In Darwin prices are an average 2.8% more than other major cities. This increase was caused by 2 of 5 products being more expensive, with the rest being the same price as those found elsewhere. To this end, Darwin's well known disadvantages in transportation costs etc. could represent 1-2¢ more per bottle/can of drink. Thus we have only considered that average price increases of more than 12¢ (or 2¢ nett of the refundable deposit) to be serious profiteering.

The Results

While the scope of the study was somewhat limited the results are clear:

- Despite the selective price quoting of the AFGC - prices in South Australia and Darwin have only risen by an average 9.7¢ in Adelaide and 12.8¢ in Darwin
- 3 major bottlers (CCA, Lion Nathan & Schweppes) had increased prices across most of their brands and were in fact charging consumers more than 100% over the cost they incurred.
- Most leading beverage brands have absorbed some of the cost or are passing on (at most) the deposit cost.
- Excluding the 3 companies that seem to be profiteering on the CDS in NT and SA the average increase in prices is just 6.4¢ (SA) and 2.1¢ in the NT. This means beverage prices are actually **less** expensive in SA and the NT than the rest of the country if a consumer returns containers to receive the deposit refund.

A product by product analysis is included in a table at the rear of this analysis, but the summary results are as follows:

Price Impact By Company (red indicates clear profiteering activity)	Number of Items Checked		Av Price Difference		Impact on Consumer (Nett of refund)	
	SA	NT	SA	NT	SA	NT
Bundaberg Ginger Beer	2	2	-\$ 0.15	-\$ 0.05	-\$ 0.25	-\$ 0.15
Coca Cola Amatil	5	5	\$ 0.20	\$ 0.24	\$ 0.10	\$ 0.14
Coles	2	2	\$ 0.09	\$ 0.13	-\$ 0.01	\$ 0.03
Coopers	3	3	\$ 0.06	\$ 0.03	-\$ 0.04	-\$ 0.07
Diageo	2	2	\$ 0.09	\$ 0.09	-\$ 0.01	-\$ 0.01
Fosters	4	4	\$ 0.09	\$ 0.09	-\$ 0.01	-\$ 0.01
Small Brands	2	2	-\$ 0.05	\$ 0.10	-\$ 0.16	-\$ 0.00
Lion Nathan	4	4	\$ 0.18	\$ 0.19	\$ 0.08	\$ 0.09
Schweppes	4	4	\$ 0.13	\$ 0.20	\$ 0.03	\$ 0.10

The following images and pricing are examples extracted from the Coles July Catalogue and illustrate the differences between key cities:

Prices in Adelaide:

Darwin:

Sydney / Perth:



Comparisons between Competitors

Lion Nathan brands investigated included XXXX, Tooheys Extra Dry, West End and Corona. On average prices in Adelaide and Darwin were 18 - 19¢ more than in other states – meaning bottlers pocket \$2.04 on each case of beer they sell (after costs). Based on Lion Nathans claimed 40% share of the beer market Lion Nathan are charging their customers in the Northern Territory and South Australia an additional \$27million per annum and is pocketing an additional \$11million p.a. over the costs it incurs to participate in the container deposit scheme.

By comparison Fosters (9¢) and Coopers (4.5¢) brands have average price changes that reflect less than the actual deposit amount.

Coca Cola Amatil brands like Coke, Coke Zero, Diet Coke, Sprite, Lift, Mt Franklin and Mother Energy drinks prices in Adelaide and Darwin are an average 22¢ more than those in other major cities. Based on these prices and CCA's market share data published each year in its 'Fact Book', Coke would appear to be charging an additional \$27million per annum in South Australia & the Northern Territory alone and pocketing around and \$15million per annum over and above the costs it faces.

Schweppes Brands such as Pepsi, Pepsi Max, Schweppes, Gatorade & Cool Ridge Water are an average of 16.5¢ more in Adelaide and Darwin than in other major cities. With a 23% market share (compared to CCA's 30% share) it would appear are charging its customers in SA and the NT an additional \$17.9million p.a. and pocketing \$5.9million p.a. over and above costs incurred.

Other Soft Drink / Water/ Energy Drinks including Coles Own Brands, Aqua Pura, Bundaberg Ginger Beer and Berrocca, on average, are priced at just 1.4¢ more in Adelaide and Darwin than other major cities.

The Guilty?

It appears that compared to some bottlers retailers are not profit taking deliberately (given that exorbitant increases seem to be isolated to a small number of players). However, if the deposit and handling fees are not itemised separately on invoices to the actual wholesale cost of goods it is possible they are inadvertently marking up under the guise of an environmental charge.

There is also some question about of whether the major Super Collectors - notably Statewide and Marine Stores (owned by CCA and Lion Nathan) may also be overcharging their clients – by passing on handling fees but possibly not reflecting the revenues earned through the sale of scrap.

There are 6 major players in the Australian beverage sector:

CCA, Lion Nathan, Fosters, Schweppes, Diageo and Coopers. It is interesting to note that the 3 that are agnostic towards the issue of container deposits (Foster's, Diageo and Coopers) have not levied excessive charges on the consumer. However the other 3 (CCA, Lion Nathan, Schweppes) are 3 of the 4 bottlers who are members of the AFGC's controversial Packaging Stewardship Council – the major lobbyists against Container Deposits. The question must be asked whether the AFGC is leading a campaign to deliberately inflate prices for a political purpose and whether this is seen as collusion.

Action Required

- 1) The ACCC and consumer affairs bodies in South Australia and the Northern Territory should undertake an immediate investigation of the pricing practices of CCA, Lion Nathan and Schweppes. The investigation should concern itself with:
 - a. Whether the price increases in the NT and SA reasonably reflect costs imposed on them;
 - b. If the AFGC is providing advice to its members on pricing and whether they are in fact colluding;
 - c. Whether the misleading advertising (particularly on the eve of an election in the NT) is a reasonable business practice.
- 2) The Commonwealth's "Product Stewardship" legislation and the CDS legislation in the NT and SA should immediately be amended to make profiteering from a stewardship program an offence.
- 3) The Standing Committee on Environment and Water (composed of state and federal environment ministers) should immediately sanction the AFGC and condemn the practice of providing deliberately misleading information and reject information supplied by the AFGC or profiteering companies named here, to the current government packaging options investigation.

Supporting Information

Coca Cola Amatil's 2011 annual report highlighting the ownership of Can Recycling (trades as Statewide) - a South Australian and NT Super Collector. This establishes that CCA have autonomous control over the price they pay and charges they receive:

36. INVESTMENTS IN SUBSIDIARIES

	Footnote	Country of incorporation	Equity holding ¹	
			2011 %	2010 %
Coca-Cola Amatil Limited	1	Australia		
Subsidiaries				
AIST Pty Ltd	1	Australia	100	100
Amatil Investments (Singapore) Pte Ltd		Singapore	100	100
Coca-Cola Amatil (Fiji) Ltd		Fiji	100	100
PT Coca-Cola Bottling Indonesia	2	Indonesia	100	100
PT Coca-Cola Distribution Indonesia		Indonesia	100	100
Associated Products & Distribution Proprietary	1	Australia	100	100
Coca-Cola Amatil (PNG) Ltd		Papua New Guinea	100	100
Associated Nominees Pty Ltd	3	Australia	100	100
CCA PST Pty Limited	3	Australia	100	100
CCA Superannuation Pty Ltd	3	Australia	100	100
C-C Bottlers Limited	1	Australia	100	100
Beverage Bottlers (Sales) Ltd	1	Australia	100	100
CCKBC Holdings Ltd		Cyprus	100	100
Coca-Cola Amatil (Aust) Pty Ltd	1	Australia	100	100
Apand Pty Ltd		Australia	100	100
Baymar Pty Ltd		Australia	100	100
Beverage Bottlers (NT) Pty Ltd		Australia	100	100
Beverage Bottlers (Old) Ltd	1	Australia	100	100
Can Recycling (S.A.) Pty Ltd	1	Australia	100	100
Coca-Cola Amatil Holdings Pty Limited		Australia	100	100
Crusta Fruit Juices Proprietary Limited	1	Australia	100	100
Quenchy Crusta Sales Pty Ltd		Australia	100	100
Quirks Australia Pty Ltd	1	Australia	100	100

Can Recycling (SA) is one of 2 'Super Collectors' for the SA CDL trading as Statewide Recycling. This means any handling fees paid by CCA are retained within CCA

Unlike some politicians, we think you've already paid your fair share of tax.

An example of the advertisements being ran by the AFGC under its front name of 'nodrinkcontainer tax' which cites inflated costs. Only the members of the AFGC's controversial Packaging Stewardship Forum (previously BIEC) have arrived at these sorts of costs – collusion?

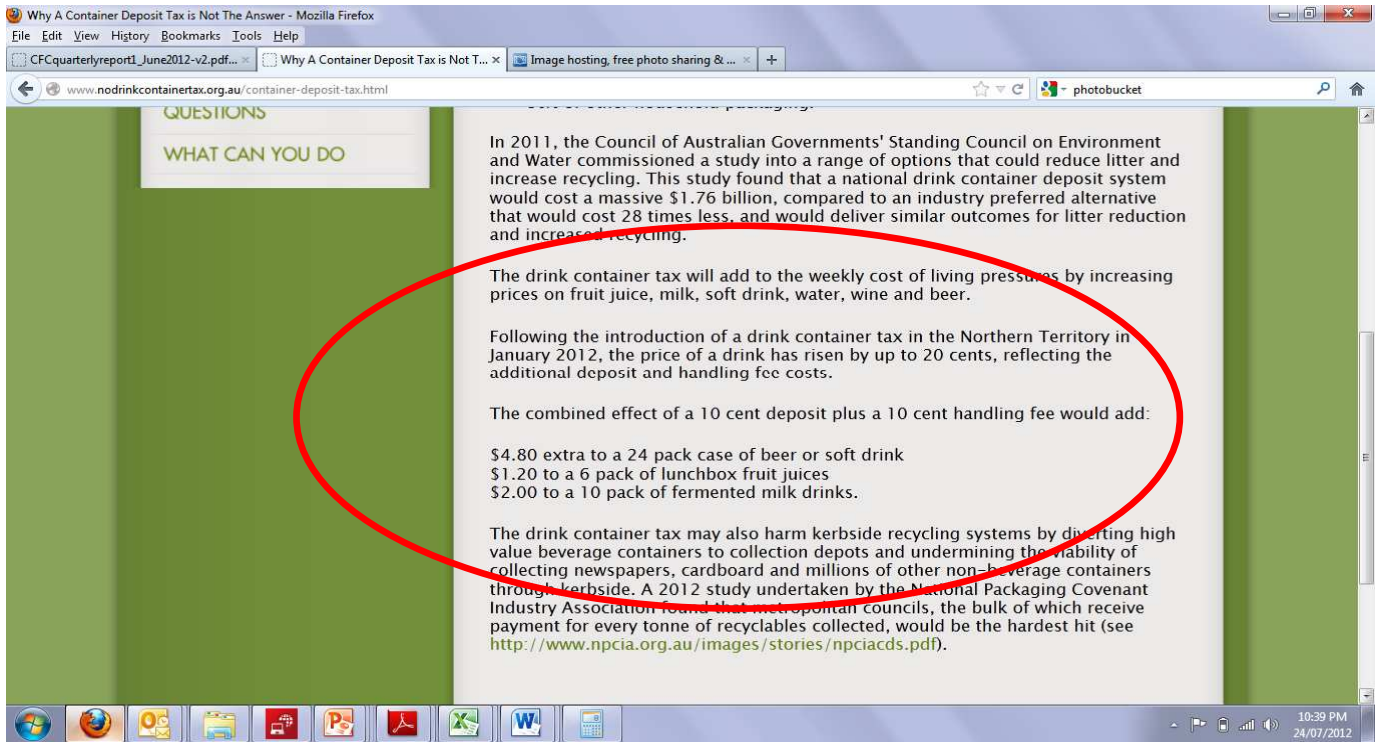
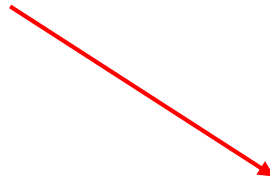


If some politicians get their way and a drink container tax is introduced we'll all be paying up to 20 cents more for every bottle of drink we buy. That's up to 20 cents extra on every bottle of milk, water, fruit juice, soft drink, wine or beer which will quickly add up to hundreds of dollars extra each year. Stop politicians from taking more of your hard-earned cash – say no to the drink container tax.

www.nodrinkcontainertax.org.au



The AFGC funded 'nodrinkcontainertax' web site which cites beverage price increases that do not reflect actual cost impacts of a container deposit costs but does reflect the apparent profiteering of CCA, Lion Nathan & Schweppes.



Owner	Retail Point	Product	Containers in item sold	Price Perth	Price Darwin	Price Adelaide	Price Sydney	Increase in Darwin (av.)	Increase in Adelaide (av.)
Bundaberg Ginger Beer	Coles Online	Bundaberg Ginger Beer Diet - 750mL bottle	1	2.77	2.63	2.50	2.88	-0.05	-0.15
	Coles Online	Bundaberg Soft Drink Ginger Beer 4 X 750ml bottles	4	5.31	5.48	5.21	5.31		
Coca Cola Amatil	Coles Online	Coca Cola - 1.25L X 6 bottles	6	14.85	15.67	14.90	14.85	0.24	0.20
	Coles Catalogue	Coca Cola - 1.5L X 3 bottles	3	7.00	8.00	8.00	N/A		
	Coles Online	Mother Energy Drink - 15 X 375ml cans	15	27.13	32.09	30.98	28.35		
	Coles Catalogue	Coke - 15 pack X 375ml cans	15	12.00	14.00	14.00	12.00		
	Coles Catalogue	Sprite/Lift - 2 X 1.5L bottles	2	3.00	3.50	3.50	N/A		
Coles	Coles Catalogue	Coles Natural Water - 24 X 600ml	24	8.00	11.00	11.00		0.13	0.09
	Coles Online	Coles Water Natural Spring - 1.5L Bottle	1	1.36	1.49	1.42	1.31		
Coopers	Coles Online	Coopers Clear - 6 X 355ml bottles	6	16.05	16.59	16.59	16.05	0.03	0.06
	Coles Online	Coopers Mild Ale - 375mL X 24	24	42.80	47.08	47.08			
	Coles Online	Coopers Pale Ale - 750ml X 12	12	56.71	54.60	55.64	55.64		
Diageo	Coles Online	Bundaberg Up Rum & Cola - 24 cans	24	78.11	80.25	80.25	78.11	0.09	0.09
	Coles Online	Johnnie Walker Red & Dry - 24 cans	24	75.97	78.11	78.11	75.97		
Fosters	Coles Catalogue	Assorted 2 carton deal	54	75.00	86.00	90.00	75.00		
	Coles Online	Cascade Premium Lite 24 bottles X 375ml	24	38.52	38.52	38.52	36.38		
	Coles Online	Pure Blonde = 6 X 355ml bottles	6	16.06	15.75	16.05	16.05		
	Coles Online	VB Carton - 30 Cans X 375ml	30	53.50	55.64	55.64	55.64	0.09	0.09
Independent	Coles Online	Aqua Pura Fruit Splash 1.25L	1	2.71	2.80	2.66	2.71		
	Coles Online	Berocca Orange Drink - 250ml	1	3.24	3.35	3.18	3.24	0.10	-0.05
Lion Nathan	Coles Catalogue	Assorted 2 carton deal	54	75.00	86.00	90.00	75.00	0.19	0.18
	Coles Catalogue	Corona 30 Bottle Case	30	50.00	55.00	52.00			
	Coles Online	Toohey's Extra Dry 24pack 345ml bottles	24	44.94	49.22	49.22	48.15		
	Coles Online	XXXX Gold Can 375 MI 30 Pack	30	41.73	54.57	54.57	48.15		
Schweppes	Coles Online	Cool Ridge Water 1L	1	2.60	2.92	2.78	2.60	0.20	0.13
	Coles Catalogue	Pepsi Max - 24 X 375ml cans	24	12.00	14.00	14.00	12.00		
	Coles Catalogue	Pepsi Max - 15 X 375ml cans	15	9.00	12.00	12.00	9.00		
	Coles Online	Gatorade Blue Bolt 600ml	1	2.70	2.91	2.77	2.70		