

Further to our first submission we are pleased to submit detailed information in relation to term of reference:

*(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.*

Much of the criticism about consumer impacts and sale and employment implications of container deposit schemes in Australia, stems from particular product price and operational experiences in the Northern Territory and South Australia (and at times extreme extrapolations of these). However the state systems are not being proposed by us for a national system and the forthcoming Decision Regulatory Impact Statement for environment ministers will consider in detail, our scheme as proposed in Attachment 4 (BA Model) of our first submission. As such the various criticisms about costs and inefficiencies are overcome by the Boomerang proposal which is based on international best practice and discussions with scheme operators.

Following is a comparison between the NT/SA and Boomerang schemes:

## Key Features and Benefits of the BA Container Deposit Model

Design Feature	Differences from the SA/NT approach	Benefit BA modification provides
<b>Scheme Funding</b>	The Scheme in SA/NT is funded on redemption whereas the BA model charges the deposit to bottlers at the time it is sold into the supply chain.	<ul style="list-style-type: none"> <li>Using a single fund where deposits are paid in advance eliminates the need to sort by brand - eliminating cost</li> <li>The scheme is easier to administer for both the system and bottlers as the payment is made at the same time goods are invoiced</li> <li>Unredeemed deposits are used to offset the cost of the scheme</li> <li>Charges are transparent to consumer and embedded into the supply chain</li> <li>Consumers do not pay additional costs beyond deposit</li> </ul>
<b>Single Co-Ordinator</b>	In SA/NT there are as many as 5 coordinators representing different bottlers. The BA model has a single independent co-coordinator.	<ul style="list-style-type: none"> <li>Eliminates the need to transport to multiple points of co-ordination;</li> <li>Co-ordinator is independent—eliminating the conflicts of interest inherent in the SA/NT scheme</li> <li>Charges are consistent and transparent across all bottlers (unlike in SA and NT)</li> <li>Fees paid to collectors are consistent and transparent across the entire scheme</li> </ul>
<b>Independent Governance</b>	In SA/NT, the government administers depot and container approvals but scheme does not have any governance body.	<ul style="list-style-type: none"> <li>Data collection and transport services can be organised across the entire network to provide a volume that can drive down costs</li> <li>A single body administers the entire scheme—allowing it to promote, modify, improve the scheme with ease</li> <li>All stakeholders are represented on the scheme’s board improving independence and transparency, and providing a voice in system design and administration</li> </ul>

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<b>Education &amp; Promotion</b>	In SA/NT there is no education or promotion of the scheme other than some government promotion.	<ul style="list-style-type: none"> <li>• There is an ongoing annual budget to promote the scheme and redemption points—improving participation and overall redemption</li> <li>• Each depot provides a visual point (either a billboard on the facility’s entry or a media clip for use on RVM screens) to undertake recycling education</li> </ul>
<b>Convenient Collection</b>	While there are 124 redemption points in SA there are few collection points convenient to shopping locations.	<ul style="list-style-type: none"> <li>• The use of RVMs means depots can be placed in shopping centre car parks and high streets to deliver cost efficient and convenient locations</li> <li>• Scheme regulations require large grocery retailers to be located within 200 metres of a redemption point or to provide space to establish same</li> </ul>
<b>Use of Automation</b>	In SA/NT there is little to no use of automation like Reverse Vending Machines.	<ul style="list-style-type: none"> <li>• Automation reduces the amount of space and labour required to run a redemption point, which allows smaller, more convenient redemption points</li> <li>• In addition to handling cost savings, RVMs add value and save costs within the system as a whole – through devaluation and compaction (fraud avoidance and lower transport costs) and accurate data for system administration and clearing</li> <li>• Automation also allows the system to track containers via their barcode—eliminating the need to physically transport containers to a central point to manage the redemption process and providing accurate data</li> <li>• Together such handling, logistics and admin savings are in excess of 30% of those of manual systems.</li> </ul>
<b>Hubs</b>	There is no specialist network to deal with C&I collection in SA/NT. Fees reflect a one size fits all approach.	<ul style="list-style-type: none"> <li>• By designing a redemption point geared up for high volume C&amp;I redemption we are able to reduce costs for this sector (approx. 25% of all redemption) by nearly 50% and improve service quality</li> </ul>
<b>MSW Sector Participation</b>	While MSW recycling participates in the scheme in SA/NT, it is ad hoc and not co-ordinated.	<ul style="list-style-type: none"> <li>• Providing specific rules and redemption processes for kerbside recycling both improves ease of the MSW sector participating in the scheme and also ensures there are no overpayments made</li> </ul>
<b>Consolidation &amp; Transport</b>	In SA/NT depots have to separate materials by brand and transport redeemed materials to a variety of co-ordinators.	<ul style="list-style-type: none"> <li>• The BA scheme eliminates the need to transport to central facilities and allows compaction at the point of redemption. This eliminates a number of transport legs (in the SA scheme all materials need to be transported to a number of ‘super-collectors’) and increases the payload per truck</li> <li>• Overall the BA scheme should experience transport costs that are around half of those of the SA/.NT scheme</li> </ul>
<b>Redemption Process</b>	In SA/NT redemption is by cash. The BA model makes payment by redemption of a refund receipt at grocery stores or by way of EFT transfer.	<ul style="list-style-type: none"> <li>• Eliminating the need to provide cash at the redemption point improves the opportunities to use automation, removes opportunities for fraud and also reduces security overheads and labour costs</li> </ul>