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SENATE INQUIRY INTO CONTAINER DEPOSIT SCHEMES

Dave West, National Policy Director, Boomerang Alliance, October 26, 2012

1. Introduction

Boomerang Alliance is pleased to make this submission into Container Deposit Systems and congratulates the Senate for its effort to investigate potential profiteering in both the South Australian and Northern Territory CD schemes as well as other product stewardship schemes.

We congratulate your for undertaking this inquiry and welcome the opportunity to testify or provide any more information as you may require.

As the organisation which initially 'discovered' the potential overcharging, we make the following initial comments:

1. Whether the Senate Committee finds evidence of profiteering or not it should be incumbent on all environmental regulators to ensure there are reasonable consumer protection provisions included in product stewardship schemes that receive 'endorsement' by government.
2. The issue of protecting the public from over charging as a result of product stewardship is not unique to container deposit systems – while the bottlers' behaviour around these schemes seems to be more overt than other schemes there are no consumer protection provisions for any of the Commonwealth / State schemes including but not limited to:
   - Beverage Containers (SA and NT);
   - The National E-Waste Scheme (TVs and Computers) being rolled out currently;
   - The voluntary tyre recycling scheme (in place until a scheme formalising the scheme is adopted but stalled in the RIS process now for some 5+ years);
   - The Scheme to manage end of Life CFL light globes;
   - The voluntary mobile phone recycling scheme (Mobile Muster).
3. Both the Commonwealth's 'so called' Best Practice Regulation Handbook and the overarching Product Stewardship Act fail to capture what are commonly regarded international best practice features of regulation like:
   - Transparency regarding regulation performance, effectiveness and claimed costs;
   - Accountability to ensure a scheme's fair and equitable conduct;
   - Provisions to ensure producers are prohibited from profiteering;
   - Powers for government to audit and investigate a producer's performance, claims and charges.
4. It would be easy for environmental regulators to claim these features are unimportant and that the ACCC can use its powers under the Trade Practices Act, yet the ACCC in its initial investigations notes that "the ACCC does not have a role in formally monitoring, setting, or restricting prices related to the CDS and is not empowered to stop a business from putting up its prices". This means the ACCC is powerless to stop profiteering – it can simply ensure a business does not make unsubstantiated claims that the increases stem from the scheme itself.

5. While the primary scheme being investigated by this Inquiry is focussed on state based container deposit schemes we believe that the best manner in dealing with these schemes should be enshrined at a commonwealth level – consistent with current government policy of ensuring regulatory consistency across state boundaries and ensuring provisions are enshrined in all schemes (i.e. in the event of state schemes they can simply reference the Product Stewardship Act).
6. While we have sought to gather information regarding the extent to which prices have been inflated under the CD schemes in both South Australia and the Northern Territory (and to then understand the legitimacy of these claims); we make no pretence that our investigations are either extensive or sufficient for the Senate Inquiry to draw a conclusion. As we made very clear at the time of releasing this information our intent was simply to examine claims made by the AFGC and whether there were grounds to formally investigate. We believe that our research, combined with the repeated claims about price rises made by the Australian Food & Grocery Council (AFGC) make it clear that there is reasonable cause for suspicion regarding some bottler's conduct to warrant formal investigation.
7. We urge the Senate to ensure it carries out a comprehensive and independent investigation including pricing surveillance; market research into increases in wholesale prices; and ensure bottlers actually provide actual financial records showing:
    a. Increases in wholesale prices in the NT from January 1st, 2012 (compared to say October 2011;
    b. Total containers sold into the NT between January 1 and June 30
    c. Total fees paid to co-ordinators to operate the NT scheme

(NB: because the NT scheme was introduced in January 2012 it is easier to track price increases unlike in South Australia where the scheme has been in place for over 35 years.)

Our submission is laid out in four parts:

- Information regarding the issue of pricing for CD schemes in the NT and SA;
- The conduct and behaviour of the Australian Food & Grocery Council (AFGC) and individual bottlers;
- Some suggestions regarding best practice mechanisms to ensure transparency in pricing; efficient operation of CD schemes etc.;
- Information regarding the operation of product stewardship schemes and their weaknesses from a consumer protection standpoint;

2. Information Regarding the Issue of Pricing for CD Schemes in the NT and SA

Below is information from our initial research conducted in July of this year. We will also be seeking to provide further information if called to testify – namely:

- A second and more comprehensive round of national pricing surveillance;
- Results of a survey of retailers in Darwin regarding the extent of price increases passed onto them when the Cash for Containers Scheme was introduced in January of this year.

We apologise that we cannot provide this information at this time, but the lead time between the Inquiry being announced and the closing date for submissions was inadequate to commission and finalise this work.

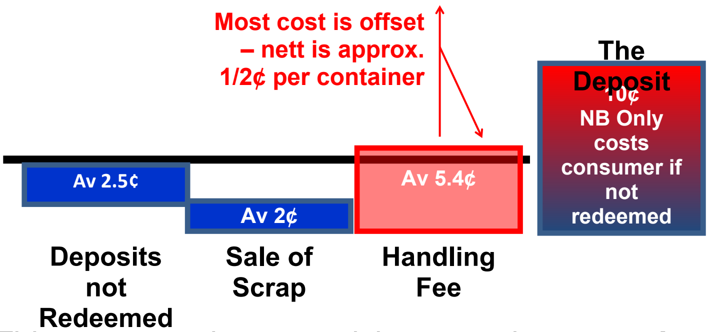
What is a reasonable cost for CDS?

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 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 from 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.



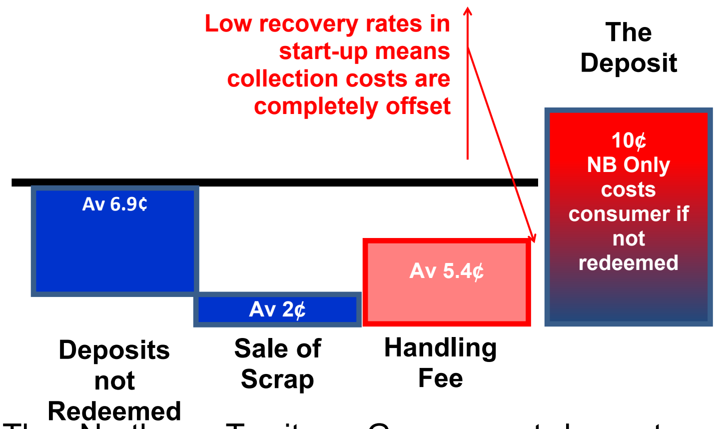
South Australia - The Maths:
10.0¢ deposit paid;
+ 5.4¢ handling fee; LESS
-2.0¢ from scrap material sales
X 80% (costs as a proportion of sales) =
$0.1072 per container sold

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 are higher, 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 31%[1] 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.

[1] Based on the second quarter reporting for the NT Cash for Containers Scheme.



Northern Territory - The Maths:
10.0¢ deposit paid;
+ 5.4¢ handling fee; LESS
-2.0¢ from scrap material sales
X 31%% (costs as a proportion of sales) =
0.04.2 per container sold

The Northern Territory Government has stronger reporting regulations than South Australia and subsequently it is possible to understand both the actual income and expenditure by bottlers in the Northern Territory.[2]

From January to June 2012, 70.4million beverage containers were sold in the NT and depots collected a total of 20.1million containers. This means bottlers paid out a total of $2.01million in refunds and no more than $684,000 in handling fees – a total cost of $2.694million. Spread across sales of 70.4million this represents a cost (including deposits refunded) of 3.8¢ 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 10/2/12[3]

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 (though they more often cite a price increase of 20cents). Based on the AFGC claims this would mean that on 70.4million containers sold in the NT Scheme's first 6 months, beverage company manufacturers have charged some $9.152million and expended just 29.4% of it to operate the scheme.

Alarmed, the Boomerang Alliance began our investigation.

Our 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.

[2] http://www.nretas.nt.gov.au/environment-protection/containerdeposit/quarterly-reports
[3] http://www.afgc.org.au/media-releases/1119-territorians-conned-and-confused-by-cdl.html

The Coles July 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 Nathan's 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 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 deliberately profit taking (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 Forum – 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 collusion.

Preliminary Information from our Further Study

While we have not yet finished our study it is important we do inform the Inquiry that in our survey of retailers regarding increases in the wholesale price of beverages, passed onto retailers - at least 3 separate retailers have informed us that Coca Cola Amatil (in contravention of the *Environment Protection (Beverage Containers and Plastic Bags) Act 2011)* increased its prices in December 2011 meaning it pocketed the deposits for all pre-Christmas sales as the scheme did not come into effect until January 3rd, 2012.

We would also highlight the attached correspondence from the Recyclers of South Australia (the depot operators in SA) to the South Australian EPA in December 2006 that identifies both the level of profiteering at the Super Collector level (NB: this is without bottlers taking any further margin) and the inefficiencies inherent in the scheme itself.

3. The Conduct and Behaviour of the Australian Food & Grocery Council (AFGC) and Individual Bottlers

It is ironic that the AFGC and its members are complaining about Boomerang Alliance's analysis regarding the extent of pricing increases, given their previous statements exhorting and almost bragging about the significant price rises that would follow introduction of a CDS scheme. Below are a series of statements made by the AFGC in media over recent times:

> *"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 10/2/12*
>
> *"We have seen this already, following the introduction of a CDS in the Northern Territory in January this year, the average price of a carton of beer has risen by $3-$4." Dr Annison AFGC acting CEO in a media release Friday, 18 May 2012*

“A CDS is effectively a multi-billion dollar tax on consumers that will further push up cost of living pressures. That’s been the case in the Northern Territory, where drink prices have risen by up to 20 cents (per item) since a deposit scheme was introduced this year,” Jenny Pickles in AFGC media release Friday, 15 June 2012
“This couldn’t come at a worse time for families. Just as they’re dealing with hikes in electricity and gas bills, they’ll also have to pay more for milk, soft drink and beer – around $4 a slab more,” Ms Pickles said. AFGC media release Sunday, 24 June 2012

"This is essentially a cost shifting exercise from councils to NSW families, who will see their grocery bills rise to the tune of <u>$300 or more</u> per year,” Ms Pickles said. AFGC media release Tuesday, 14 August 2012

(NB: Government investigations into CDS indicates the consumption of beverages is estimated to be 12.7billion p.a. across 8.5million households, thus the $300 per household equates to 20.07cents per container. The analysis used to make this claim of a $300 price impact used a benchmark a 26cent per unit price increase and excluded recovery of 80%+ of containers and the resultant price reduction).

These statements consistently suggest price increases of 15 – 30 cents per beverage container – consistent with our own research regarding the price increases that the members of the controversial AFGC Packaging Stewardship Forum, namely Coca Cola Amatil, Lion and Schweppes, foreshadowed - BUT significantly higher than the pricing increases across the sector.

The tactic of talking-up potential price increases is one commonly adopted by beverage companies in face of CDS initiatives – with Coca Cola and other beverage companies inflating the notion of price increases.

In fact it is interesting to ask exactly who the AFGC and its subsidiary the PSF are representing:

Of the 146 bottlers who are liable parties under the NT Cash for Containers Scheme just 19 are members of the AFGC and only 4 of these have joined the PSF.

This raises some obvious questions; namely whether the AFGC is misleading both the public and government about who it speaks for, when it only represents a very small minority of producers?

Further if just 19 of the AFGC’s 158 members are ‘liable parties’ under a CD scheme why is CDS such an important issue? The answer is simple because 7 of these members have their own private club paying an annual average subscription fee of some $ 311,792 per annum compared to the $23,109.71 average annual subscription fee to be a member of the AFGC itself. This some 33% of the AFGC’s total annual revenues.

It is difficult to see how the AFGC’s focus is protecting the interests of its members when, in reality, it is protecting a very small elite group of members who seem to carry an inordinate amount of influence.

Financial Year	AFGC Revenue	Component from the	% of total

		PSF	
2009/10	7,145,982	2,300,025	32%
2010/11	8,282,411	3,045,780	37%
2011/12	7,294,950	2,182,544	30%
Total	**22,723,343**	**7,528,349**	**33%**

Further all the bottlers who seem to have increased prices to the extent claimed by the AFGC are both members of the PSF and use the same SA CD scheme co-ordinators (Statewide or Marine Stores) - both of whom are 100% owned by the bottlers.

Of course this allows bottlers like Coca Cola and Lion to hide behind the AFGC claiming that the scheme is costly.

The fact that the charges currently being passed through the supply chain from wholesalers, such as CCA and Lion are significantly above the net costs of the scheme and that these companies happened to increase their prices concurrently is worth investigation.

4. Suggestions Regarding Best Practice Mechanisms to Ensure Transparency in Pricing; Efficient Operation of CD Schemes etc.

While there is a wealth of information Boomerang Alliance can provide regarding the efficient operation of CD schemes - for the sake of brevity we focus our feedback on the major issues inherent in the existing SA/NT schemes and standard best practice provisions included in most international schemes that ensure consumer protection and anti-fraud provisions are properly addressed.

First to ensure that CD schemes adequately prevent fraud and protect the consumer the following should be seen as virtually standard provisions in deposit / refund legislation:

- Specific provisions regarding what costs can be passed on through the supply chain and prohibitions regarding excessive charges;
- Provision of powers for government (either the ACCC or the environment regulator) to investigate; seize records and prosecute bottlers regarding excessive charging or any actions that inhibit or restrict any consumer from having convenient and timely access to be able to redeem their deposit;
- Requirements for bottlers and retailers to provide clear and transparent information regarding the deposit and any other charges being levied (which from a legal perspective should be viewed as public money held in trust by the bottler &/or scheme co-ordinator) on all sales invoices; shopping dockets and on shelf pricing
- The requirement to capture and record bar code data (linked to retail sales outlets) to ensure fraudulent activity can be identified and tracked back;
- A requirement for collection points to de-value a container as soon as it is returned (this involves the destruction of the container (e.g. crushing or compacting)) so that no operator along the return chain is able to redeem a container more than once). Ironically the SA/NT Co-ordinators at the demand of Marine Stores and Statewide (the co-ordinators owned by Coca Cola Amatil and Lion) are actually prohibited from undertaking the de-valuation process until the container is received by them – which also significantly inflates transport and handling costs.

The major points of inefficiency that drive up costs in the SA/NT schemes are:

- The operation of multiple super collectors and the payment of deposits on redemption (rather than into a fund in advance) means recovered containers need to be sorted by brand; and delivered to different co-ordinators duplicating handling and transport – for example in the Northern Territory containers need to be sorted by both material and by super collector meaning they require 28 splits instead of 7.
- SA Super Collectors will not accept bar code records as evidence of redemption. This means that recovered materials cannot be compacted before transportation (reducing a truck's payload by as much as 75%), virtually eliminating any opportunity to use automated sorting machines or Reverse Vending machines to drive down costs.
- The SA/NT redemption network and fee structures do not make specific provision for the approx.. 30% of containers received via kerbside recycling and the Commercial and Industrial Sector (C&I). These sectors are high volume redemption points that should receive significantly lower handling fees than those paid to collection points dealing with household consumption.

5. Information Regarding the Operation of Product Stewardship Schemes and their Weaknesses from a Consumer Protection Standpoint

Consumer protection provisions and other standards like accountability and transparency seem to have been largely missed by Commonwealth and State regulators when it comes to any product stewardship scheme. We presume this is because they believe (incorrectly) that these provisions can be readily dealt with by the ACCC via the Trade Practices Act.

But, as the ACCC points out, businesses are welcome to charge whatever they like and it only has powers to act is there are false and misleading claims made regarding pricing; and/or the relative law empowers them to undertake monitoring etc.

Government has long been aware of these problems and commonly includes specific legislative provisions for the ACCC to act as a pricing watchdog when new schemes are introduced. Two recent examples of legislation/regulation empowering the ACCC to ensure profiteering is adequately managed include the:

- Goods and Services Tax;
- Carbon Tax.

A reflection across the current schemes, highlights the potential risks of not providing consumer protection provisions in overarching product stewardship legislation and/or individual scheme rules. For example:

The **Commonwealth legislated E-Waste Scheme** for TVs and Computers makes provision for some levels of accountability and transparency but has no specific provisions to ensure that profiteering cannot occur.

There is currently a significant level of risk associated with this scheme in that the scheme has so far only been rolled out to capital cities and a limited number of states/territories (ACT; Victoria; Sydney only in NSW; Maroochydore and Windsor in Qld; Adelaide & Perth). While this staged roll out is completely acceptable there has been no action to ensure that purchasers in markets where the recycling scheme is in place are not potentially paying for a service which doesn't exist.

Further while there is some financial reporting enshrined in the scheme there is no transparency requirements to the consumer regarding the charge.

The **voluntary used tyre recycling scheme** in place for well over 5 years while the Standing Council on Environment and Water (SCEW) dithers about formalising the scheme has been beset by allegations of profiteering, in 2010 Today/Tonight exposed many tyre retailers with consumers being charged as much as $5 to recycle a passenger tyre when the levy was just 50cents.

In this instance Today/Tonight also showed copies of invoices highlighting this charge as an environmental levy – a clear case of misleading conduct.

Yet two years later, it is the writer's understanding that nothing has been done to prohibit this practice.

A cursory scan of the **Commonwealth's CFL globe Product Stewardship** scheme showed no consumer protection provisions.

Finally we come to the overarching legislation, the Product Stewardship Act, which is intended to "provide the framework to effectively manage the environmental, health and safety impacts of products, and in particular those impacts associated with the disposal of products. The framework includes voluntary, co-regulatory and mandatory product stewardship."

Yet the Act lays out no standards regarding transparency in pricing related to schemes nor does it contain any provisions to protect consumers.

Supporting Information

1. Extract from Coca Cola Amatil's 2011Annual 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

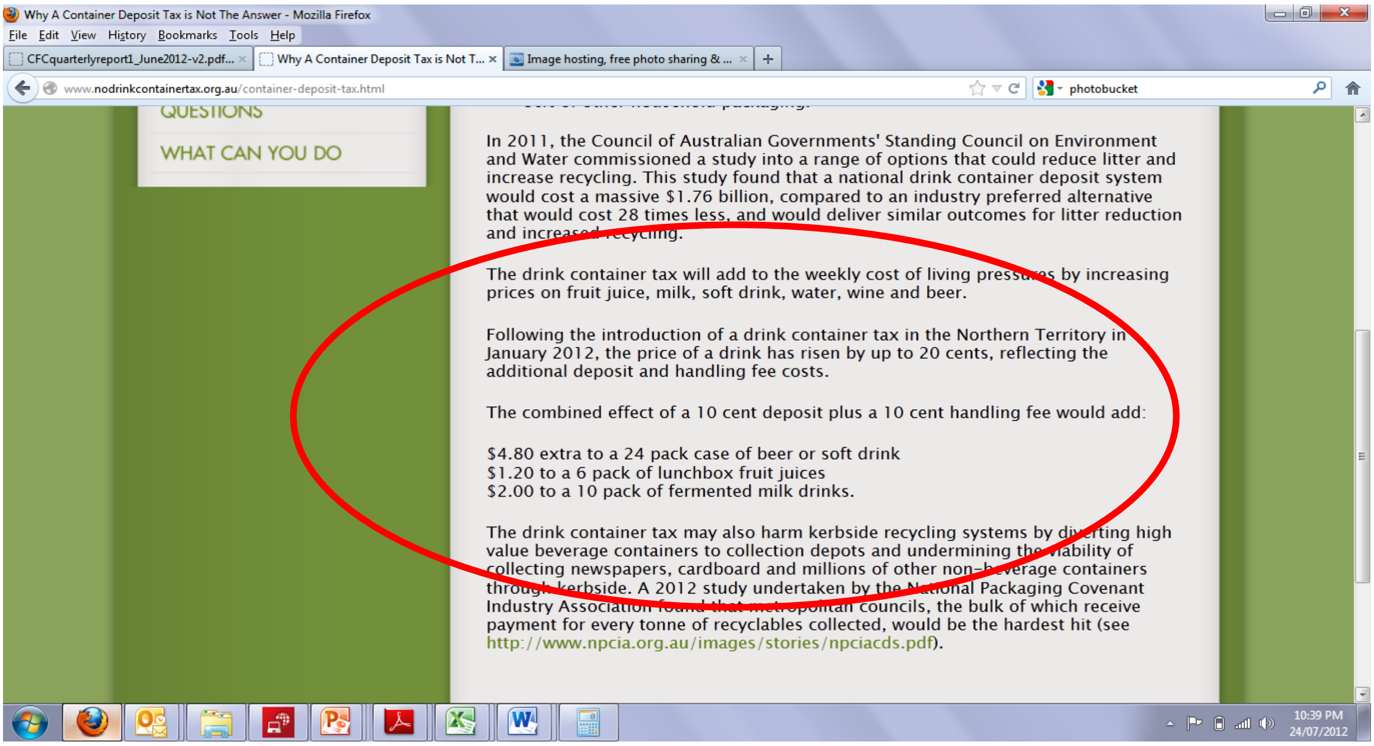
	Footnote	Country of incorporation	Equity holding[1] 2011 %	2010 %
Coca-Cola Amatil Limited	1	Australia		
Subsidiaries				
AIST Pty Ltd	1	Australia	100	100
Amatil Investments (Singapore) Pte Ltd		Singapore	100	100
Coca-Cola Amatil (Fiji) Ltd		Fiji	100	100
PT Coca-Cola Bottling Indonesia	2	Indonesia	100	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 (NQ) Pty Ltd		Australia	100	100
Beverage Bottlers (Qld) 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

2. Example of AFGC advertising regarding CDS

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?

3. The AFGC funded ‘no drink container tax’ web site which cites beverage price increases that do not reflect actual cost impacts of a container deposit system but does reflect the apparent profiteering of CCA, Lion Nathan & Schweppes.



4. Our Model CD Scheme
5. Excel spread sheet identifying liable parties under the NT CD schemes AFGC and PSF members
6. Recyclers of South Australia 2006 Submission into changes to the SA CDL Legislation and inefficiencies / profit taking from co-ordinators;
7. E-Waste Scheme Regulations;
8. Product Breakdown of Analysis into CD related price impacts (over page)

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 Ml 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		