

Delivering a CDS under a Producer Responsibility Model



March 2019



Scheme introduction and delivery

As producers of beverage containers, the beverage industry recognises that we have a role to play to support the reduction of litter from single-use beverage containers, and therefore strongly encourage the delivery of the Scheme to be in partnership with a Producer Responsibility Organisation (PRO) as the Scheme Coordinator.

Industry will ensure the Scheme objectives below are met:

Reduce the volume of
containers in the litter
stream

Increase the rate of
recycling

Protect the environment

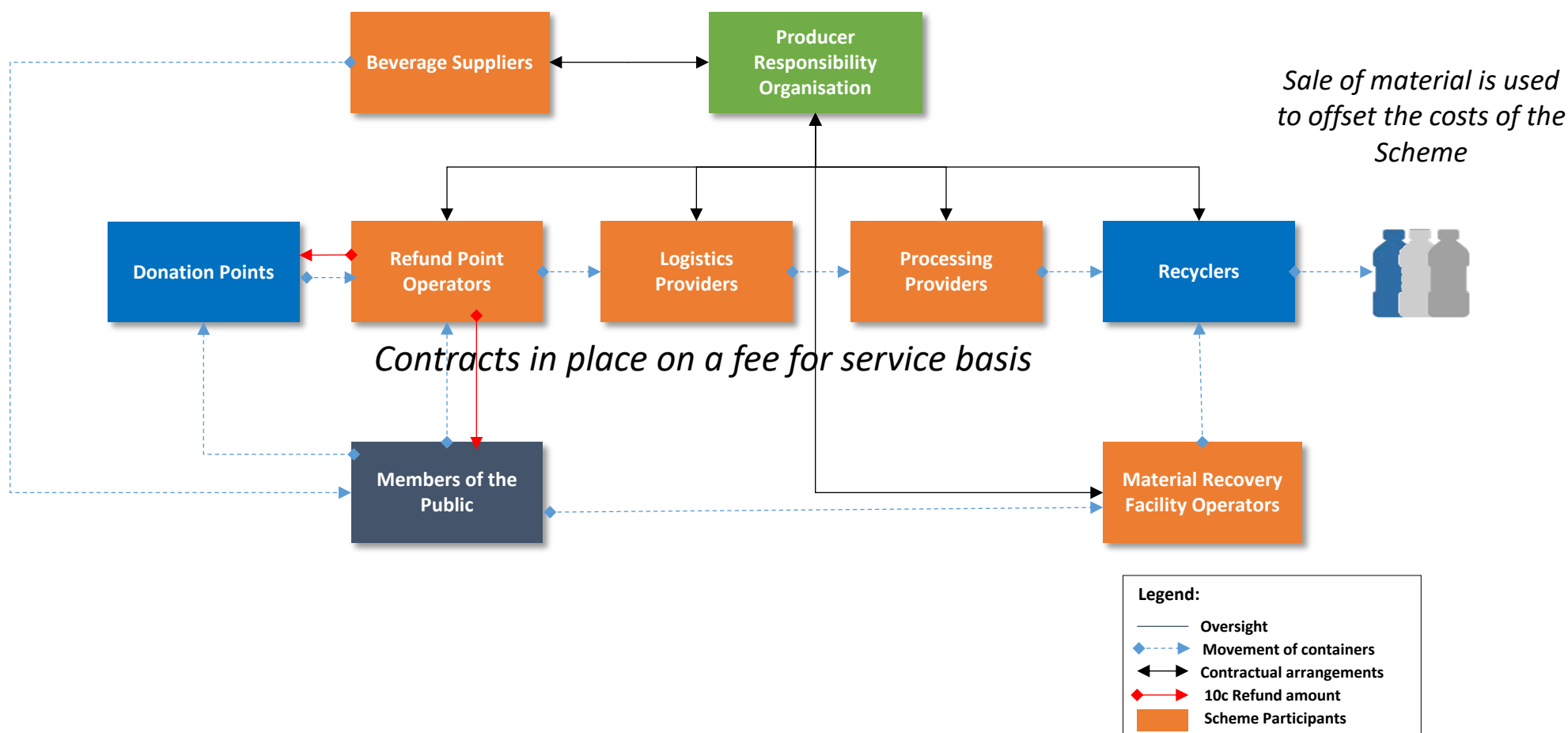
Support community
participation

Producer Responsibility Organisation (PRO) operations & structure

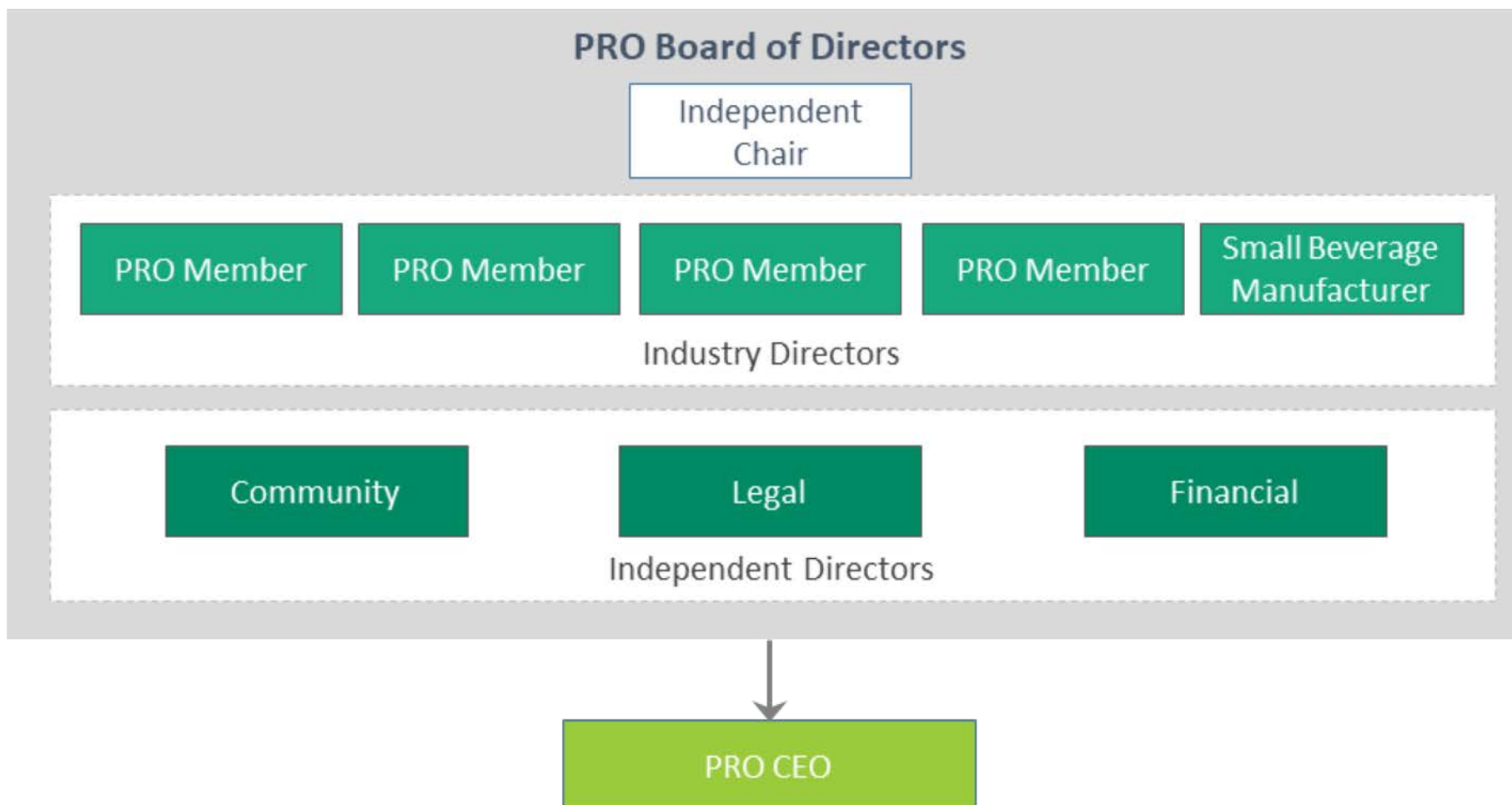
The PRO will be charged with the overall governance and administration of the Scheme. The PRO will:

- Be **obligated under legislation** to coordinate scheme operations;
- Be **responsible** for Scheme performance and achievement of Scheme objectives;
- Be mobilised with the benefit of **experience, plans, resources and funding** from the Proponents – while drawing on representation and input from the broader industry; and
- Be **governed by the beverage industry**, in a robust and transparent way, consistent with the core principles of extended producer responsibility on which the CRS and equivalent schemes are built.
- The PRO will be:
 - A **company limited by guarantee**
 - Be registered as a **not-for-profit** (NFP)
 - Be governed by a Board of **at least four independent directors** and five directors representing beverage suppliers; and
 - Have a **membership open to representatives** of the beverage industry, such as beverage industry associations.
- **Redemption system** NOT a deposit system

PRO design & operations



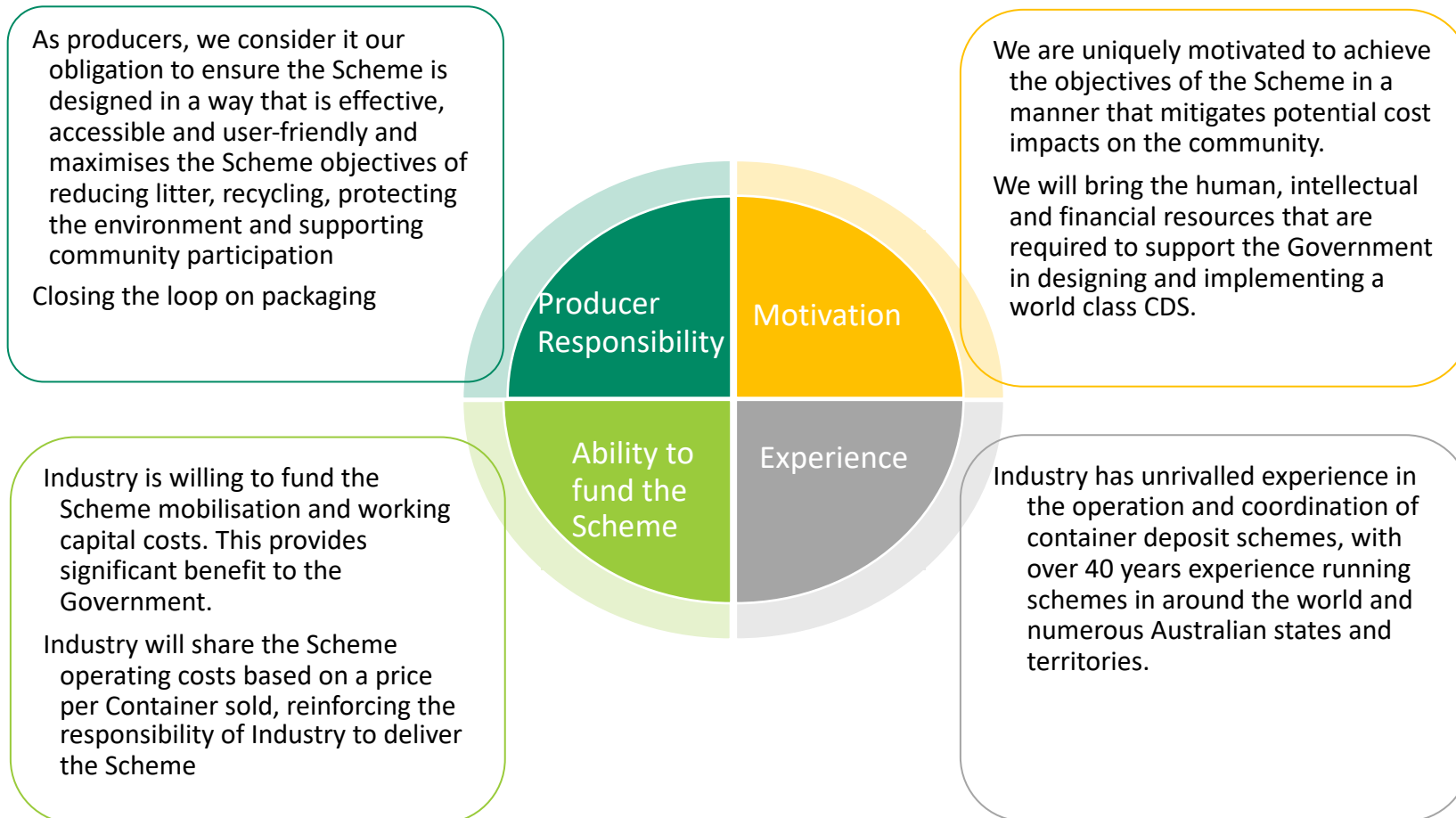
PRO Board representation



Industry's vision for CDS

Environmental outcomes	<ul style="list-style-type: none"> • Full achievement of environmental outcomes, including a reduction in litter in the environment and an increase in the volume of collected and recycled materials. 85% recovery target
Support community groups and participation	<ul style="list-style-type: none"> • Provide opportunity to participate and benefit for social enterprises and community groups.
Realisation of product stewardship responsibilities	<ul style="list-style-type: none"> • Manufacturers of beverage products fulfilling their corporate and product stewardship responsibilities, with that responsibility being shared across Industry in a fair and transparent way.
Minimise cost impact for community	<ul style="list-style-type: none"> • Efficient design and operation of the Scheme by leveraging efficiencies where possible to minimise unnecessary cost impact on the community and consumers – including usage of existing waste infrastructure. Protect Kerbside
Ensure confidence in the Scheme	<ul style="list-style-type: none"> • Robust and transparent governance arrangements to ensure confidence in the Scheme for all parties concerned, including the Government, environmental groups, Industry, and the broader community.

Why the beverage industry?

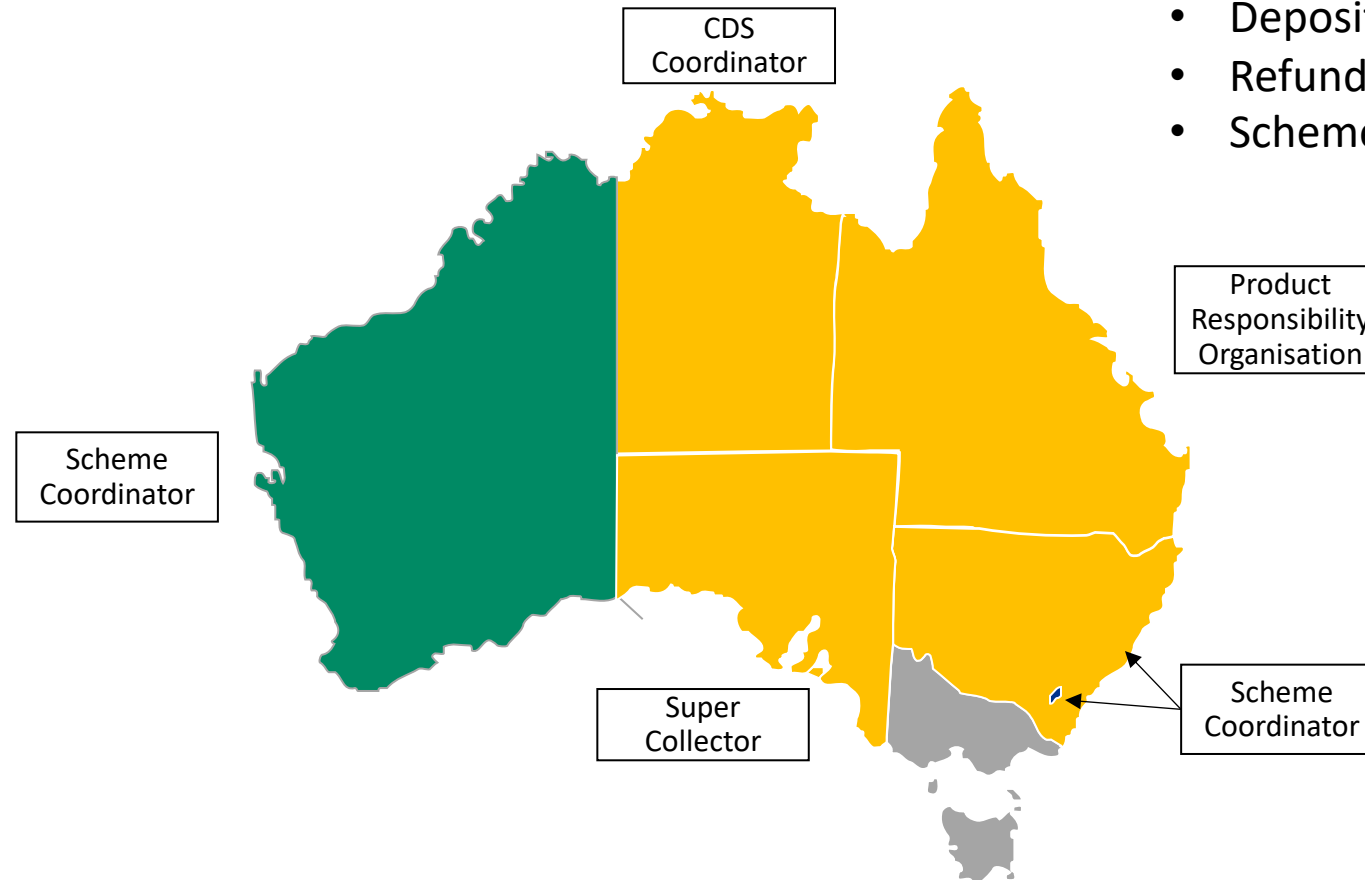
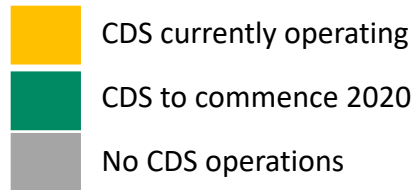


Industry experience in Australia

Industry is involved in the delivery of every CDS in Australia

Standardised:

- Container Scope
- Deposit value – single rate
- Refund Mark
- Scheme appearance/interface

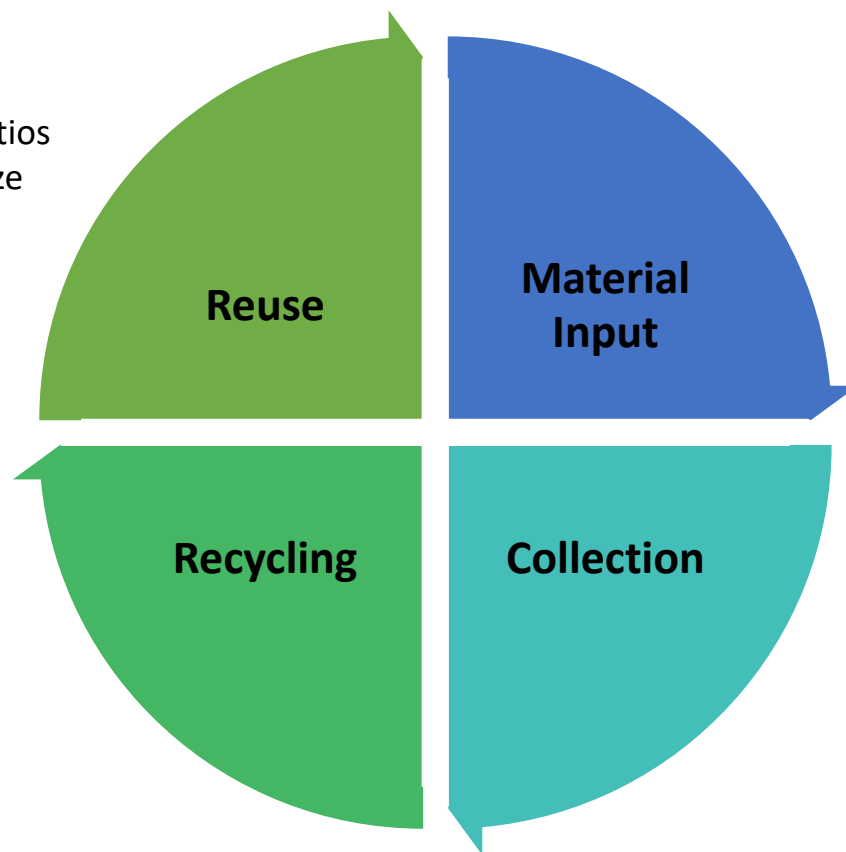


Where to Next? – Closing the Loop



- Incorporate back into beverage packaging at ratios between 25% - 100% dependant on package size and carbonation rates

- There is now an opportunity to build recycling plants using the post-consumer material stream available.
- The mechanical reprocessing technology is well understood and in use all over the world producing food grade resin



- The resin must be food grade and subject to very stringent quality specifications
- We have a strong understanding of the how the post-consumer material enters into the Australian waste stream
- With SA, NT, NSW and QLD CDS in place and WA announced for 2020 there is growing collection and sorting of a high quality raw material
- Challenge is to capture material returned through kerbside – sortation is critical to get acceptable yields

Innovation: Bag Drop – The “Fast” RVM

Here's how it works:

- Consumers sign up to a free account, they visit the CDS the site and register for an account number lodging their bank account details.
- There's no need to sort. They simply place their empty beverage containers securely into a transparent and recyclable bag.
- They then visit an **Bag Drop Kiosk** and print off labels to be stuck on each bag which links to their account. (You can pre-print labels to make the drop off even faster)
- They can either choose their bank account or print the label for the community group with which they are associated.
- Place the bag into the **Bag Drop Kiosk**.
- Depots collect, sort, count and refund the deposit to the associated account. It's that simple.

