

Container deposit legislation—a South Australian environmental success story

Updated September 2015

EPA 074/15: This information sheet tells the history of container recycling in South Australia, up to the successful present-day refund system.

Introduction

Returning empty beverage containers for recycling has become a way of life for South Australians, resulting in the state being known as the cleanest and tidiest in Australia.

This is because container deposit legislation (CDL) incorporated into the *Environment Protection Act 1993* enjoys overwhelming public and community support. The success of CDL has resulted in South Australia achieving recovery and recycling rates for beverage containers that are well above the national average. The associated reduction in litter has resulted in a cleaner environment, providing South Australia with a 'point of difference' for its clean beaches, parks and roadsides.

Why container deposit legislation?

South Australia has a history of recycling beverage containers dating as far back as the late 1800s. Local beer and soft drink manufacturers operated a voluntary system to recover and refill their glass bottles for many years before the original container deposit legislation was introduced in 1975. At that time South Australian consumers returned soft drink bottles to retailers, and beer bottles to collection depots for refunds.

The current network of collection depots originated from bottle agents known as 'marine stores'. These were first established by the Adelaide Bottle Company, which had been collecting, washing and hiring out glass bottles for reuse by local breweries, such as the South Australia Brewing Company and Coopers Brewery, since 1897.

When non-refillable beverage containers such as aluminium and steel cans became common in South Australia in the 1970s, beverage manufacturers failed to introduce a return system for those containers as these are single use only and could not be refilled. This led to 'single trip' beverage packaging becoming a highly visible part of the litter stream and posing a potential threat to the environment. Based on the 'polluter pays' principle and reinforcing the existing return systems developed by industry, the South Australian Parliament passed the *Beverage Container Act 1975*, which became operational in 1977.

For over 35 years, South Australia was the only state or territory in Australia with a container deposit scheme. However in 2011 the Northern Territory Government introduced its own container deposit scheme. Based on the South Australian model, a 10-cent refund is available for the same types of beverage containers to those covered by SA's legislation. The

SA and NT schemes operate independently of each other so that a refund for beverage containers purchased in SA is only available at collection depots in SA.

In 2015 the New South Wales Government announced its intention to implement a container deposit scheme in 2017 and other states and territories are showing interest following that announcement.

Which beverage containers attract a refund?

The following is a guide only and not a complete list of beverages covered by CDL.

In containers up to and including **three litres**:

- carbonated soft (non-alcoholic) drinks
- beers, ales and stouts
- water – plain, still or carbonated spring water, mineral water and any other water intended for human consumption
- wine-based and spirit based beverages – any beverage that contains wine or spiritous liquor plus additional beverages or flavours. This can include (but is not limited to) fruit-flavoured wine, wine coolers, ready to drink alcoholic beverages (RTDs)
- alcoholic beverages derived from the fermentation of fruit (other than grapes) or other substances (cider, alcoholic lemonade, sake, etc)

In containers less than **one litre**:

- flavoured milk
- pure juice (90% or more fruit or vegetable juice).

South Australia's CDL exempts certain beverages and their containers—such as plain milk, wine (made from the fermentation of grapes) and spirituous liquor in glass bottles, fruit juice in containers of one litre or more, flavoured milk in containers of one litre or more, and any beverages in containers greater than three litres—because these are not generally consumed as take-away products and therefore do not usually contribute to the litter problem.

Most beverage containers exempted by the legislation can be recycled and the EPA encourages consumers to dispose of them through their council kerbside collection system or drop-off centres instead of putting them into waste bins.

It is important to remember that the legislation applies only to containers sold in South Australia and for which a deposit has been paid.

How CDL works for consumers and the environment

When a beverage is bought in South Australia, the price includes the deposit, which is refunded when the container is returned to either a collection depot or a retailer (depending upon the refund information printed on the container). All containers covered by the legislation must clearly display a refund statement to show where the refund is available:

- If the container is marked '**10c refund at collection depots when sold in SA**', the container must be returned to a collection depot.
- If the container is marked '**10c refund at points of sale when sold in SA**', the container must be returned to a retailer that sells the beverage in that container.

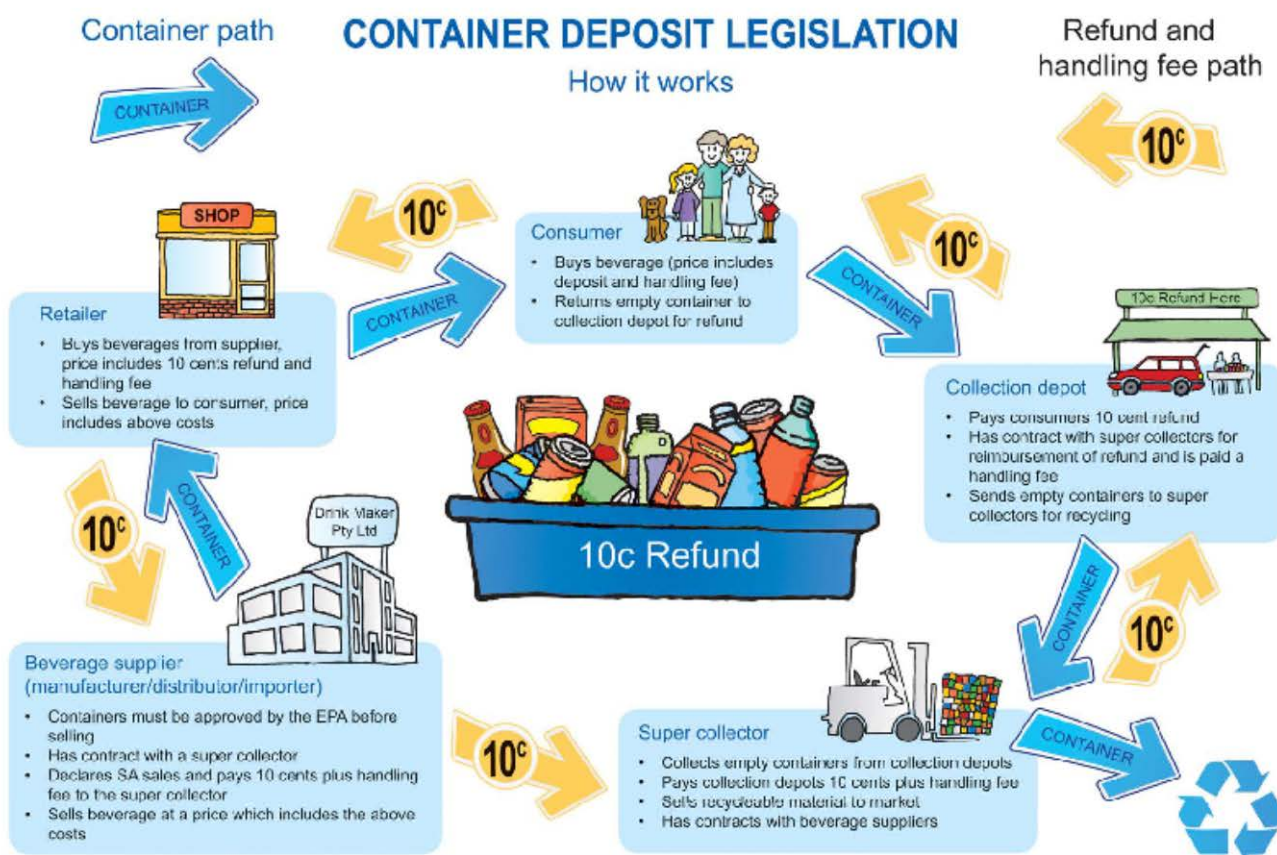
However, retailers are reluctant to handle empty beverage containers, so 99% of beverage containers in the scheme are approved for a refund at collection depots rather than a retailer.

How the collection depot system operates

The collection and recycling process has been established by companies called 'super collectors', which enter into contractual arrangements with both collection depots and beverage suppliers. The process guarantees consumers are refunded the deposit and depots are paid for the collection and sorting service. The financial incentive provided by the ability to get a refund ensures the empty beverage containers are collected for recycling rather than littered or sent to landfill.

The scheme operates as follows:

- Beverage supplier establishes a contract with a super collector and pays deposits and handling fees to the super collector to establish a collection system to recover beverage containers sold in South Australia.
- Beverage supplier incorporates these costs in the price of the product when selling to the retailer.
- Retailer passes these costs on to the consumer as part of the total price of the product.
- Consumer or person who has collected the empty container takes it to a depot or retailer and collects the refund.
- Beverage containers are sorted by material type and returned to the super collector which pays a handling fee to the collection depot.
- Glass containers are sorted by colour and sold to a glassmaker for the manufacture of new bottles.
- Aluminium, steel, liquid paperboard and plastic (PET, PVC and HDPE) containers are recycled through markets sourced by the super collector.



Interstate containers

The beverage industry only provides a refund for beverages sold in South Australia. Refunds are not available at SA collection depots for beverage containers purchased outside of the state. The maximum penalty for attempting to seek a refund for interstate containers is \$30,000.

Further information

Legislation

[Online legislation](#) is freely available. Copies of legislation are available for purchase from:

Service SA Government Legislation Outlet
Adelaide Service SA Centre
108 North Terrace
Adelaide SA 5000

Telephone: 13 23 24
Facsimile: (08) 8204 1909
Website: <shop.service.sa.gov.au>
Email: <ServiceSAcustomerservice@sa.gov.au>

General information

Environment Protection Authority
GPO Box 2607
Adelaide SA 5001

Telephone: (08) 8204 2004
Facsimile: (08) 8124 4670
Freecall: 1800 623 445 (country)
Website: <www.epa.sa.gov.au>
Email: <epainfo@epa.sa.gov.au>
