

## Container deposit scheme – a South Australian environmental success story

Updated January 2020

*EPA 74/20: This information sheet tells the history of beverage 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) now incorporated into the *Environment Protection Act 1993* enjoys overwhelming public and community support. The success of the container deposit scheme (CDS) in South Australia is measured by beverage container recovery and recycling rates 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 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 they could not be refilled or reused. This led to 'single trip' beverage packaging becoming highly visible in the litter stream, 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 Government passed the *Beverage Container Act 1975*, which became operational in 1977.

### What about the rest of Australia

For over 30 years, South Australia was the only state or territory in Australia with a container deposit scheme. In 2011 the Northern Territory Government introduced its Cash for Containers scheme. Based on the South Australian model, a 10-cent refund is available on the same beverage containers as those covered by SA legislation.

New South Wales introduced its Return & Earn scheme in December 2017, closely followed by the Australian Capital Territory in June 2018, and Queensland brought in the Containers for Change scheme in November the same year.

Western Australia will implement its new scheme early in 2020 and Tasmania recently announced it will introduce a scheme in 2022. At the time of writing, Victoria is the only Australian jurisdiction with no plans for a container deposit scheme.

All schemes operate independently of each other, meaning that a refund on eligible containers is only available in the jurisdiction where the beverage was purchased. A point of difference for the newer schemes is that containers less than 150 ml are excluded; the same containers are included in SA and NT schemes.

## Which beverage containers attract a refund

Most beverage containers sold in South Australia, in containers up to 3 litres, are eligible for a refund. Certain beverages containers are exempt such as:

- plain milk in all containers
- wine (made from the fermentation of grapes) and spirituous liquor in glass bottles
- fruit juice and flavoured milks in containers of 1 litre or more.

Most exempted beverage containers can be recycled and the EPA encourages consumers to dispose of them through their kerbside collection system or recycling centres, instead of putting them into waste bins.

## How CDL works for consumers

The price of a beverage bought in South Australia includes the deposit, which is refunded when the container is returned to 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, in South Australia, retailers have historically been reluctant to handle empty beverage containers, so 99% of beverage containers in the South Australian scheme are approved for a refund at collection depots rather than a retailer.

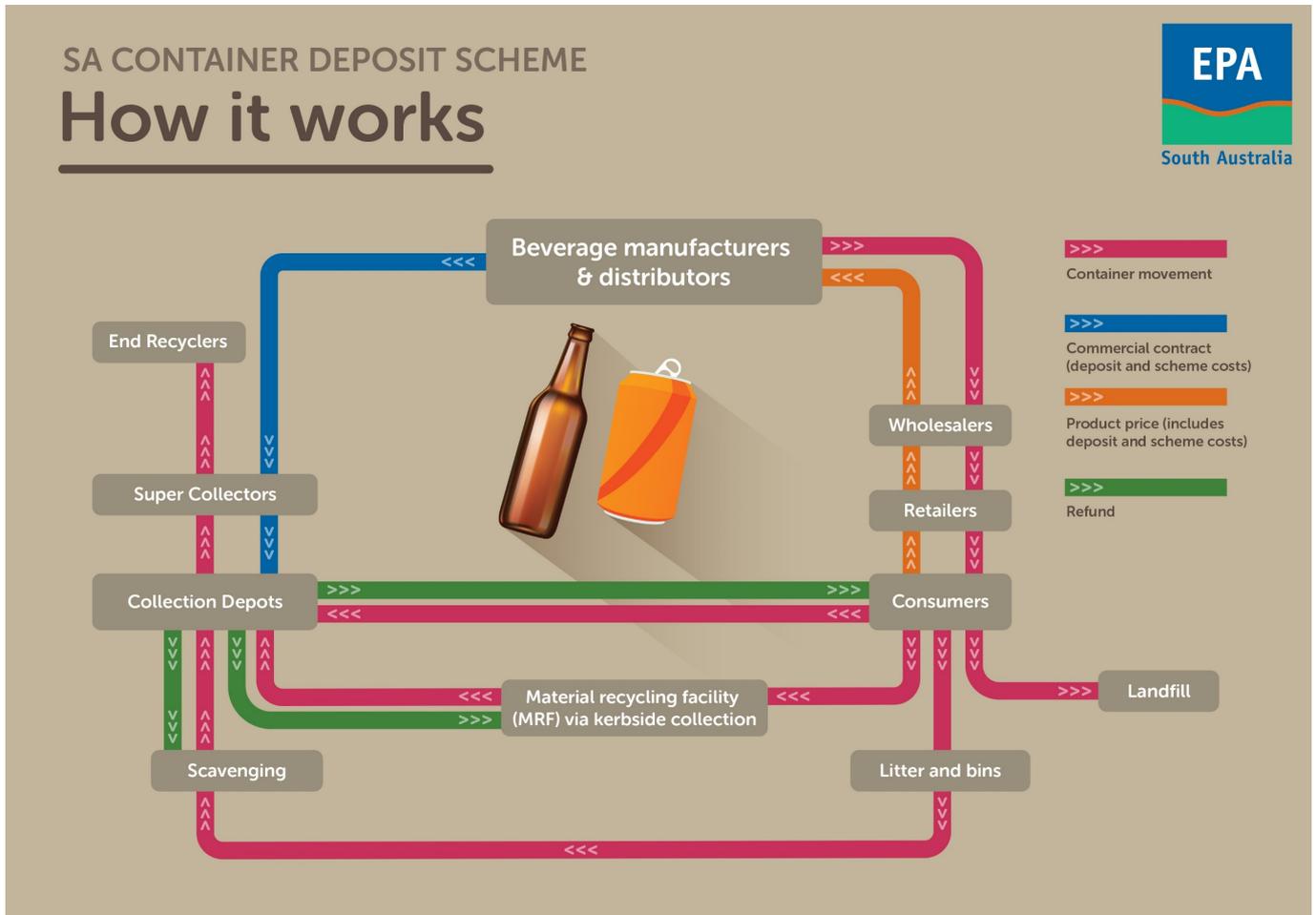
## How the collection depot system operates

The collection and recycling process is established by companies called 'super collectors', which have entered into contractual arrangements with collection depot operators 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.

In its simplest form, the South Australian 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, called a waste management arrangement or WMA, 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 takes the empty container 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, HDPE) containers are recycled through markets sourced by the super collector.



## Interstate containers

The beverage industry only provides a refund for drinks 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.

## Container Deposit Review

In January 2019, the Minister for Environment and Water, the Hon David Speirs MP released for public consultation the *Improving South Australia's Recycling Makes Cents* scoping paper to review the container deposit scheme. The scoping paper outlined 16 questions for the community to consider and submissions were received from a range of organisations from different sectors, representing a wide variety of viewpoints. A Stakeholder Reference Group was established and in May 2019, the EPA Board CDS Review Summit was held, focusing around the scheme's governance arrangements. The review is currently underway and a discussion paper is being developed for release in 2020.

## Legislation

[Online legislation](#) is freely available.

## General information

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