

ACT CONTAINER DEPOSIT SCHEME

20/21
ANNUAL STATUTORY REPORT



ACT
Government

ACT
CDS
Container Deposit Scheme

Exchange
FOR CHANGE



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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing in September 2021. However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date, and to check the currency of the information with the appropriate officer of Exchange for Change (ACT) Pty Ltd.

About the ACT Container Deposit Scheme

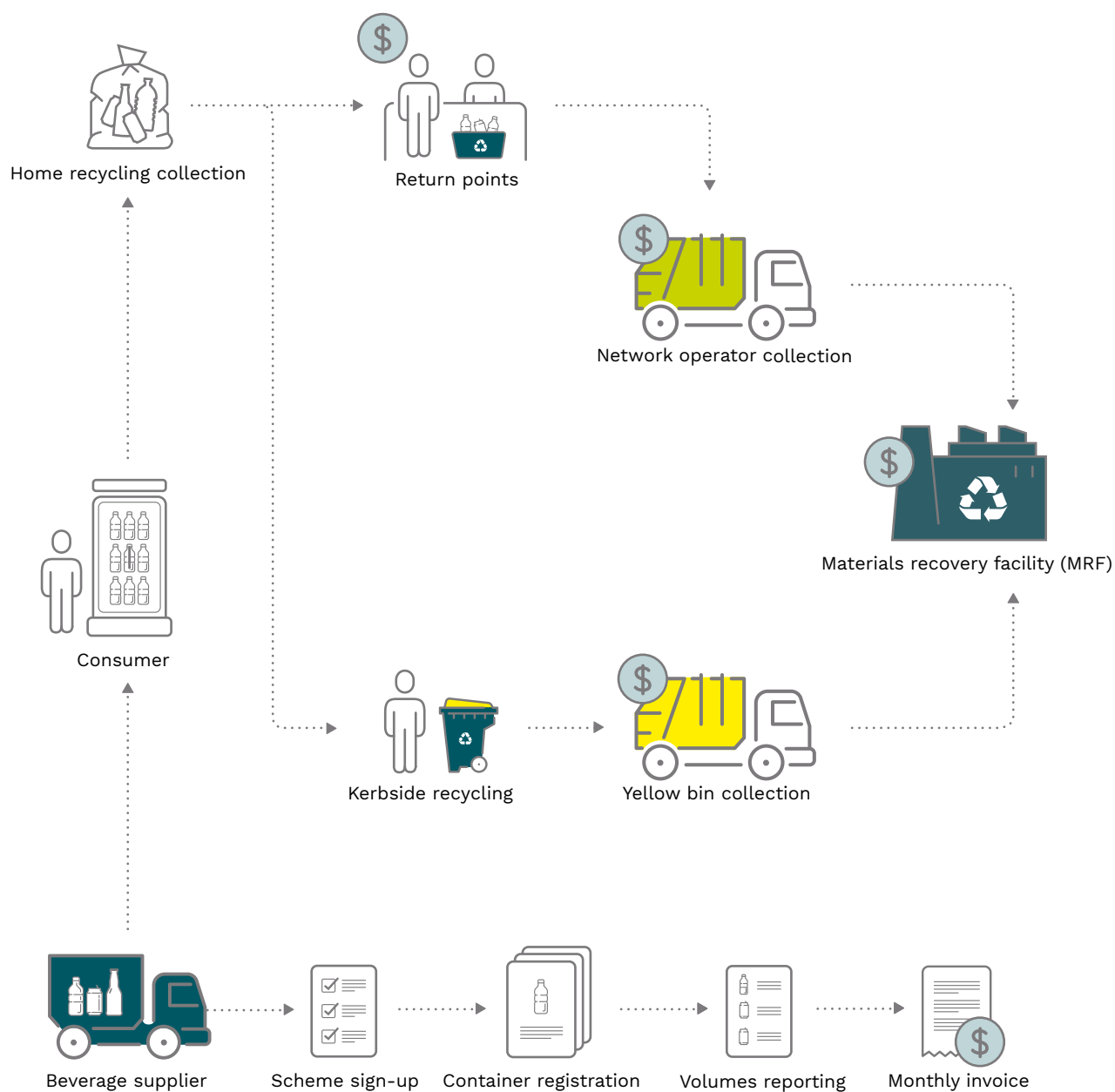
The ACT Container Deposit Scheme (CDS) scheme continues to deliver measurable environmental outcomes with increasing participation, satisfaction and engagement with the community.

The scheme celebrated its third anniversary on 29 June 2021, with support for the scheme among Canberrans at an all time high, and strong and growing participation.

How it works

The ACT CDS is based on a self-funding model that rewards and encourages participants. Individuals, families and community groups return their eligible beverage containers to a return point and receive a 10 cent refund per container. Beverage suppliers fund the scheme, including the container refunds and scheme operating costs.

The scheme works on a partnership model. Scheme coordinator Exchange for Change (EfC) manages the financial operations, marketing and community education, and ensures scheme integrity; network operator Return-It manages all return points and ensures returned containers are recycled; and the ACT Government governs and regulates the scheme to ensure it is operating efficiently.



“

It was so easy and the staff were wonderful and very helpful and encouraging.

”

– INSTINCT & REASON
APRIL 2021 CONSUMER
FOCUS GROUP ATTENDEE



A partnership model



Scheme regulator - ACT Government

ACT Government's ACT NoWaste is responsible for developing the scheme and managing the obligations and performance of contracts with the scheme coordinator and network operator.



Scheme coordinator - Exchange for Change

is contracted to provide financial management, scheme auditing, fraud identification, verification, community education and marketing services. A key part of the scheme coordinator's role is to manage suppliers and ensure supplier funds are paid into the scheme.



Network operator - Return-It

Return-It is contracted to set up and manage a territory-wide network of return points, as well as manage the logistics and sale of commodities to ensure all collected containers are recycled.

Other participants

First suppliers

The success of the scheme is in no small part due to beverage suppliers who fund the ACT CDS. Any businesses selling beverages in containers or giving them away as part of a promotion, whether manufacturers, distributors, wholesalers or retailers must enter a supply agreement with EfC and register any eligible containers.

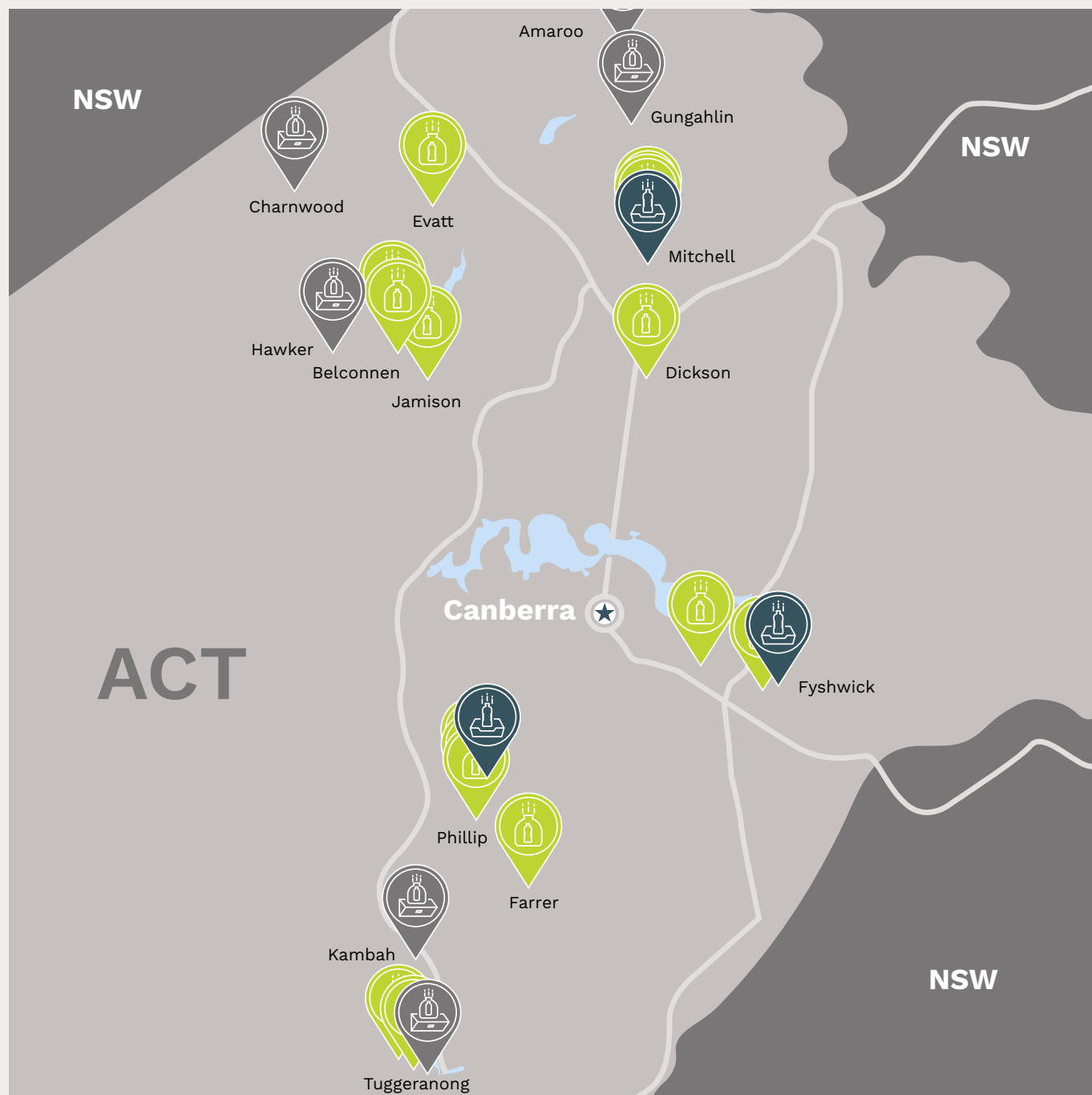
Material recovery facility operators

The Hume material recovery facility (MRF) operator is registered with the ACT and can claim processing refunds for eligible containers collected through kerbside recycling bins.

Consumers

Essential to the ACT scheme's success has been the support and participation of the ACT public, community groups and charities, who regularly return their eligible drink containers at a return point in exchange for 10c a container.

Return points in the ACT



Return point types

4 Cash-Back Depots

Staffed and open during business hours and weekends. Provides cash or electronic refund.

Ideal for larger quantities of containers.

Refund types	Donations
✓ Cash	✓ Yes
✓ Electronic refund	

6 Drop & Go PODs

Self-service and open 7am to 7pm, seven days a week.

Ideal for smaller number of bags of drink containers. Electronic refund only.

Refund types	Donations
✓ Electronic refund	✓ Yes

12 Drop & Go Points

Self-service and staffed. Open during business hours and weekends.

Ideal for four to five bags of drink containers at a time. Electronic refund only.

Refund types	Donations
✓ Electronic refund	✓ Yes

Cash Back Depot



Depot Belconnen
Depot Fyshwick
Depot Mitchell
Depot Phillip

Drop & Go POD



Amaroo District Playing Fields
Charnwood Shopping Centre
Hawker Shops
Kambah District Playing Field
RDOC Gungahlin
RDOC Tuggeranong

Drop & Go Point



IGA Evatt
IGA Farrer
Salvos Fyshwick
Salvos Mitchell
Salvos Phillip
Salvos Tuggeranong
Vinnies Belconnen
Vinnies Dickson
Vinnies Tuggeranong
*ACT Basketball Belconnen**
*Anglicare Jamison**
*Anglicare Phillip**

*return point operational for part of the financial year.

Where does the material go?

The ACT CDS is part of a long-term solution which sees beverage container waste diverted from landfill and litter to become a valuable resource.

Three years after the scheme's launch, beverage containers make up just 2 per cent of littered items in the ACT. Importantly, beverage containers returned through the scheme are highly valued as they are source separated at the point of return which results in a clean stream of recyclable material which is in high demand in Australia and overseas.

Network operator Return-It is contractually obliged to ensure all collected containers are recycled. All glass collected through the ACT CDS is reprocessed domestically in NSW to produce new glass bottles and glass packaging products. More than 90 per cent of plastics collected is sold and recycled in NSW and Victoria, while all aluminium collected is baled and shipped overseas for smelting to produce new containers and other products.

Chair's Foreword



While this year has been challenging for all of us, I am pleased to say that the ACT Container Deposit Scheme has continued to mature and grow with scheme participation by Canberrans steadily increasing and returning of containers becoming a routine part of everyday life.

This has resulted in a record rolling 12-month redemption rate of 68 per cent and tangible environmental, social and economic benefits to the community. With 107.7 million containers collected through the scheme via both the return point network and kerbside recycling, more than \$5.5 million in refunds has been returned to Canberrans, a 17.6 per cent reduction in the volume of drink container litter, and a highly sought-after clean stream of material has been generated for recycling into new products.

We cannot underestimate the social benefits of the ACT Container Deposit Scheme. Canberrans are highly resourceful and we are seeing local community groups and charities tap into the revenue that can be generated by participating in the scheme. Exchange for Change has developed resources to support these groups' fundraising efforts and increase their participation in the scheme.

The scheme's success is all the more remarkable because it is only three years old. However in those three years the ACT Government, Exchange for Change and Return-It have worked incredibly hard to build and maintain strong relationships with a shared objective of continually improving the scheme.

Instrumental to this success has been the Exchange for Change board. I would like to thank my fellow Exchange for Change

directors, many of whom represent the beverage industry, for their dedication and hard work which has helped shape the ACT Container Deposit Scheme and steer it towards success.

I would also like to recognise the outstanding efforts of the team at Exchange for Change. This small organisation consistently delivers on its commitments and makes continual improvements to scheme operations. They have also been participating in the National Harmonisation Working Group, and leading cross-jurisdictional discussions about harmonising supplier audit experience.

We enter the coming year in a strong position to tackle new challenges and I look forward to watching the ACT Container Deposit Scheme further mature and grow.

Tracy McLeod Howe • Chair
Exchange for Change

“

More than \$5.5 million in refunds has been returned to Canberrans, and a highly sought-after clean stream of material has been generated for recycling into new products.

”

CEO's Overview



2020-21 has been an incredible year of growth and maturity for the ACT Container Deposit Scheme with increasing participation a key objective this year and we certainly achieved that with the rolling 12-month redemption rate growing from 51 per cent to 68 per cent. In partnership with the ACT Government and network operator Return-It, there were a number of initiatives we put in place to drive this increase.

Based on customer feedback, we implemented an advertising campaign to show people the location of their nearest return points. This was successful in increasing awareness of the range of return points in Canberra, and the convenience of making returns.

Importantly it became clear this year that Canberrans are increasingly seeing the potential of the scheme to fundraise for causes that are important to them. Over the last 12 months, we have seen lots of examples emerge in the community including the amazing 10-year-old Charlie who uses container refunds to buy toys for children staying in hospital, Gungahlin Country Womens Association who has raised \$57,000 for community initiatives including educational grants, and Canberra Reptile Zoo who are using the scheme to fund Charlie the crocodile's new enclosure.

EfC will continue to support community groups, schools and businesses to maximise their participation. We are delighted with the new relationships we have fostered with key groups such as the ACT Parents & Citizens Association, ACT Scouts and ActSmart. In 21/22 we will continue to build our connections with the ACT community.

“

It became clear this year that that Canberrans are increasingly seeing the potential of the scheme to fundraise for causes that are important to them.

”

Of particular focus for Exchange for Change this year has been improving industry participation. We began work on a simplified payments methodology to increase transparency and decrease effort for beverage supplier contributions. With the project work done this financial year, we will implement the program in 21/22 including using first suppliers' actual volumes to calculate their contributions, and looking to set longer term fixed, rather than monthly pricing to give more certainty for suppliers.

As I reflect on the last 12 months, I am delighted with the ongoing growth of the ACT scheme and I look forward to seeing even greater growth in the future. I am also grateful for the determination, passion and dedication of the team at Exchange for Change. With the support of our board, the ACT Government and Return-It, we have driven the ACT Container Deposit Scheme to a new level of maturity, ensuring improved efficiency, collaboration and strong results. I feel that our foundation, as a tripartite scheme, is even stronger as we enter 2021-22.

Danielle Smalley • CEO
Exchange for Change

Network operator's message



The 2020-21 period will be remembered around the world as a time of great challenges created by the global COVID-19 pandemic. During this time, the benefit to the ACT community of Return-It's diverse approach to the collection network has been on full display, responding to the challenges and providing options for Canberrans to safely return containers, even while other parts of the economy were locked down. By working with the ACT Government and implementing safety measures that allowed the collection network to stay open, we have been able to continue providing much needed revenue for individuals, community groups and charities.

The fact the total container redemption rate in the ACT grew to 68 per cent in 2020-21, despite the various challenges the year presented, is testament to the popularity of the ACT CDS, and the impact of Return-It's continued focus on customer service and convenience. Return-It's collection network in the ACT CDS continues to grow and evolve, based on customer feedback.

Key highlights for 2020-21 included:

- opening of a new Belconnen depot, the fourth cash-back depot in the ACT CDS
- relocation of the Fyshwick depot to a more accessible location, and the addition of automated counting machines.

Automated counting systems are now in place at all the cash-back depots, located in Belconnen, Fyshwick, Mitchell and Philip; this enhances the speed and enjoyment of returning containers. We are proud to see our ongoing focus on customer service reflected in more than 80 per cent of Canberrans supporting the scheme.

In the year ahead we are looking to add new automated counting options for the ACT community, continuing our mission of providing the most diverse scheme in Australia, in order to ensure all Canberrans have the opportunity to choose a return format that best suits their individual needs.

We continue to see strong uptake of the convenient drop-and-go POD option. These solar-powered return points provide the convenience of being able to print off a bag label, drop off mixed containers, and have electronic payments made into the customers Return-It Express account, or donated directly to charity. As part of our response to COVID-19, Return-It also partnered with ReCollect to provide contactless home pickup of eligible bottles and cans during the lockdown periods, allowing Canberrans to continue getting their refund values without having to leave home.

Our collaborative approach, working with Exchange for Change and the ACT Government as well as a range of charity and community partners, enables Return-It to continue to deliver a world class network of convenient container refund points, designed to make the return process fast, fun and rewarding. We are committed to continuous improvement and will continue to innovate and respond to the needs of our customers. We look forward to continuing to provide Territorians the high levels of service, convenience and benefits to society and the environment that they have come to know and expect from the ACT CDS and Return-It.

David Singh • CEO
Return-It

2020-21 Scheme Performance Overview

Goal

The goal of the ACT CDS is to encourage recycling in the community while reducing litter and the number of containers going to landfill.

The ACT CDS provides an incentive for the return of containers rather than disposal via littering or general waste. The outcome is a reduction of redeemable containers in recycling, general waste and public bins, as well as a reduction of these containers as litter.

Results

In 2020-21, drink container litter in the ACT decreased by 16.8 per cent and contributed 2 per cent of littered items. By volume, drink containers decreased by 17.6 per cent and made up 19 per cent of the litter volume in the ACT.

Priorities

The ACT Container Deposit Scheme has made significant progress in achieving its objectives in 2020-21. The following section details the scheme's progress in meeting the three priority areas:



Priority 1

**Customer
Excellence**



Priority 2

**Sustainable
Operations**



Priority 3

**Industry
Participation**

2020-21 Scheme Highlights

Priority 1

Customer Excellence



Delivering a seamless customer experience through public awareness, community engagement and easy access to return points.



85%
awareness among
ACT residents (18+)*



94%
of ACT residents know
about the scheme*



81% support
for the scheme*



55% of ACT
residents (18+)
have participated*



22 return points**

*Instinct & Reason June 2021 Consumer Research;
**return points operational throughout 2020-21.

Priority 2

Sustainable Operations



Ensuring efficient and sustainable delivery of operations for the scheme.

Since commencement:



452.7
million containers
supplied into ACT^



255.7
million containers
collected through the
scheme



56%
average redemption
rate of total containers
supplied^

^ after adjusting for exports.

2020-21 period:



157.6
million containers
supplied into ACT²



107.7 million
containers collected
through the scheme



68%
average redemption
rate of total containers
supplied[^]

[^] after adjusting for exports.

Priority 3

Industry Participation



Working together with stakeholders
and industry to ensure scheme
integrity and safety.



466 supplier
arrangements in force



\$20
million in supplier
contributions
paid in 2020-21
(excl GST)



\$4.2 million
in MRF processing
refunds paid in
2020-21 (excl GST)

Year in Review

The ACT CDS continued to deliver strong results in 2020-21, with solid growth in participation and record redemptions despite the COVID-19 pandemic impacting communities and industry across Australia.

Increasing community participation

Participation in the ACT CDS continued to increase, achieving an important milestone of over 50 per cent of the population having participated in the scheme and 78 per cent habitually participating once a month or more. These results highlight Canberrans' robust support for and trust in the scheme, which is rapidly becoming part of everyday life in the territory.

Participation by community groups has also grown over the last 12 months, with additional resources developed to support groups in their fundraising efforts at a time when many more traditional, face-to-face fundraising activities have been limited due to COVID-19 restrictions.

Record redemptions driving positive outcomes

As the year closed with the scheme's third birthday, positive results were driven by strong industry and community participation. Redemption through both return points and kerbside collections set scheme records with 55.9 million and 51.7 million containers redeemed respectively.

The scheme recorded a substantial increase in redemption performance, finishing with a 68 per cent redemption rate. This equates to two in every three beverage containers supplied into the ACT being returned for recycling or reuse through the scheme.

Reducing litter in the ACT

In addition to the \$5.08 million in refunds back in the hands of the ACT community, the scheme also delivered measurable benefits to the ACT environment; the 2020-21 Keep Australia Beautiful National Litter Index recorded a 16.8 per cent decrease in eligible container litter in the ACT with beverage containers making up just 2 per cent of litter items.



By volume, drink container litter in the ACT reduced by 17.6 per cent in 2021 compared to the previous year, contributing to 19 per cent of the volume of litter.

Making it easier for industry

EfC remained committed in 2020-21 to making it easier for industry to participate through its program of continual improvement.

Improving the experience of suppliers, exporters and the MRFs was a focus during the year, with the introduction of customer service enhancements to provide greater support, faster resolution of issues and increased education on obligations, processes and scheme performance.

The transition to a simplified supplier contributions approach was confirmed in 2020-21, heralding the removal of the forecast and true-up method in favour of a methodology that uses a supplier's historical actual volumes, to commence in 2021-22.. This shift in approach reflects many months of consultation with industry and detailed modelling to ensure the scheme's ongoing sustainability while removing complexity and providing greater certainty for suppliers.

The great container recycling competition of 2020

During National Recycling Week in November 2020, two ACT utility companies, Icon Water and Evoenergy, operator of ACT's electricity network, embarked on a challenge to see which company could recycle the most bottles and cans through the ACT CDS and raise the highest amount for a charity of their choice.

Icon Water's Chloe MacPherson said the challenge fitted with both companies' passion for sustainability and caring for the environment. "We're always looking for opportunities to bring an element of fun to this space. There's nothing like creating some healthy competition from one utility to the next," she said.

"While we were keen for the chance to show who's really capable of taking home the 2020 Recycling Champion title, we were also excited to see just how much waste we could reduce and money we could raise for a good cause," said Evoenergy's Ayla Sorensen.

"The ACT Container Deposit Scheme has already made a significant impact on reducing the volume of waste to landfill in Canberra and we are happy to help spread the word in our community."

Both companies and their teams share the same values around recycling, sustainability and the environment.

"Modern living generates a whole lot of waste," said Ayla. "But there is an exciting, growing transition to a more circular model of resource management. We're mindful of this at Evoenergy and are always on the lookout for ways we can do our part to contribute to a sustainable future for all."

Chloe said "Icon Water is passionate about resource recovery, buying fit-for-purpose recycled products, acting to tackle climate change and protecting people and waterways from pollution".

"Recycling is something every one of us can do towards sustainability - all our actions add up," she said.

Both companies were hugely motivated by the fundraising element of the competition because they were both directing the ACT CDS refunds to charities close to their hearts: Evoenergy chose to donate to Movember, which funds projects to address issues affecting men's health, while Icon Water's refunds went to Abundant Water, a locally-managed globally-focused water and sanitation charity that provides people in need with safe drinking water.

As a result of the friendly competition, almost 6500 containers were recycled - Icon Water returned an impressive 2,857 containers, while Evoenergy came in ahead with 3,596 containers - and funds were raised for two very worthy causes. ■

Chloe MacPherson from Icon Water (left) and Ayla Sorensen from Evoenergy



Priority 1

Customer Excellence

Priority 1

Customer
Excellence



21 **return** points*



55% **of ACT**
residents (18+)
have participated**



85% **awareness**
among ACT residents (18+)**



81% **support**
for the scheme**



79% **satisfied**
with the scheme **

“

It's a fantastic fundraising opportunity as it helps the environment as well as engaging the community in making a contribution.

”

– MICHAEL WEST, GORDON COMMUNITY CENTRE VOLUNTEER

*As at 30 June 2021. **Instinct & Reason June 2021 consumer research findings.

Public education and awareness

In 2020–21, there was a sustained high level of awareness and support for the scheme, with strong growth in scheme participation by ACT residents (aged 18+), rising from 42 per cent at the start of the year to 55 per cent by June.

Returning containers has become part of everyday life for many Canberrans with 78 per cent of participants habitually participating once a month or more.

People know and trust the ACT CDS

A focus during the year was to build support and trust in the scheme, reflecting the behaviour change model of needing to ensure people understand the benefits of the scheme and how to participate, before they can become participants.

A new animated ‘why’ campaign with refreshed messaging to highlight the two main motivators for participation – financial and environmental – was developed and rolled out across the ACT from mid-year. Advertising was supported by positive community stories placed in local media of people and groups using the scheme to achieve fundraising goals. This content also served to inspire others to participate by emphasising the environmental, social and economic benefits of the scheme to the community.

The June 2021 round of consumer research found that eight in 10 ACT residents support the scheme. Trust in the ACT CDS is also high at 69 per cent while one in two Canberrans think the scheme is the best way to reduce litter and recycle more containers which is reflected in current participation levels.

Supporting community groups and charities

Particular emphasis was placed on supporting community groups and charities to realise the fundraising potential of the scheme throughout the year. A new fundraising guide and toolkit were developed and launched to support their participation with useful tips, tricks and resources to promote their collection drives.

Supporting school participation was also a focus with the development of free curriculum-linked ACT CDS sustainability and recycling teaching resources for preschools and primary schools, developed in partnership with Cool Australia. A new schools’ landing page was also created with useful content for schools and P&C associations wanting to get started, including case studies.

Community engagement activities continued with the delivery of a business toolkit aimed at increasing business and workplace participation in the scheme. The toolkit was launched in June in conjunction with a new dedicated landing page, featuring case studies to inspire businesses to participate.

Improved access and customer experience

Convenience of return points and ensuring a quick and easy experience for the customer continued to be focuses in 2020–21. The network operator rolled out automated counting systems at each of its cash-back depots, enabling a faster and improved customer experience.

A new cash-back depot was opened in Belconnen and the Fyshwick depot was relocated to a more convenient location, providing ACT residents with even greater access to the scheme and a range of return points to choose from.

Advertising was also used to increase awareness of people’s nearest return point with the implementation of a new ‘where’ campaign in the second half of the year. The campaign targeted Inner Canberra and Northside residents, with advertisements placed in key locations such as shopping centres, carparks and light-rail stops directing them to their nearest return point. By June 2021, knowledge of the ACT CDS had increased, with 94 per cent of residents having some knowledge of the scheme.



Gungahlin CWA partners with environmentally conscious retirees

When Country Women's Association (CWA) Gungahlin started fundraising with the ACT CDS in July 2018, Branch Treasurer Melissa Lee thought they would maybe raise \$10 or \$20 each month to put towards baking ingredients.

Just over two years and \$5,700 later, container returns have become an integral part of the association's fundraising, allowing it to donate to several local charities.

Melissa said a huge part of the success can be credited to the Grove Retirement Village in Ngunnawal.

"One of our members, Kay, and her husband, John, are residents at the village and they saw the potential to involve the residents in container collection for the CWA," said Melissa.

With the support of the retirement village manager and residents' committee, 14 dedicated CDS bins were placed around the village.

"Kay and John spoke at residents' meetings to educate residents on eligible containers and explain how CWA Gungahlin would use the proceeds," said Melissa. "The bins quickly began filling with eligible containers and soon more volunteers were needed to manage the volumes of containers!"

Other village residents soon got involved, and there is now a group of 10 volunteers who collect, process and deliver the containers to the Mitchell cash-back depot. The group is known as 'The Grove Recycling Team' and have had shirts printed so they are easily identified as they carry out their work in the village.

The ACT CDS is very easy to use according to Melissa. "CWA has an account with the scheme, which means our volunteers can simply bag the containers and print a label at the deposit centre. Funds are then transferred each month directly into the CWA Gungahlin bank account. We usually deposit our containers at the Mitchell depot. The staff there are very helpful - a shout out to Catherine!"

"The team averages \$200 in containers a month for CWA and we are so grateful, especially this year as we have not been able to conduct any other of our usual fundraising activities due to COVID-19 restrictions," said Brand President Roslyn Looyen.

Other Gungahlin businesses, including the G-Spot Food Van and M&I Barber Shop, also help out by collecting containers on behalf of CWA.

Funds have gone towards projects including educational grants, medical research and disaster relief, as well as local charities. "Charities we have supported through our CDS proceeds include Backpack Beds for the Homeless, ACT Cancer Council, Radio 1 RPH, Roundabout Canberra, Alannah & Madeline Foundation, Ronald McDonald House Canberra and Share the Dignity," said Roslyn. ■

From left: Roslyn Looyen Country Women's Association Gungahlin Branch President; The Grove Recycling Team.



Give your
containers
a second life!



Give your containers
a second life!



Priority 2

Sustainable Operations

Priority 2

Sustainable Operations



157.6 million containers
supplied into ACT*

Compared with the previous year, the ACT CDS enjoyed more stable conditions during 2020–21. Unlike much of Australia, the ACT experienced minimal COVID-19 impact allowing the scheme to operate under the usual operating conditions.



107.7 million containers
collected through the scheme

This year the scheme recorded a substantial increase in redemption performance, to finish the year with a redemption rate of 68 per cent, significantly higher than the 50 per cent attained in the two prior financial years. Redemption through both return points and kerbside collections set a scheme record with 55.9 million and 51.7 million containers redeemed respectively.



68% average
redemption rate of containers
supplied net of exports

*Volume is net of exports.

“

Since the ACT CDS launched, we've really noticed a lot less cans and bottles in the litter stream.

”

– KIRSTY YOUNG, LANYON LITTER CONTROL

Supplier contributions

The ACT CDS is based on a cost recovery model. Pricing is set on a monthly basis to recover the scheme costs associated with each material type in advance, so that the scheme is able to pay the 10c refund for each eligible container returned and meet the costs of administering the scheme.

The prices for each material type are determined by forecasting the costs associated with the redemptions for each material type each month combined with an allocation of fixed costs based on forecast supply before dividing the total cost by the forecast number of containers expected to be supplied in that period for that material type.

When actual redemptions and supply volumes are known, a series of adjustments

are made, known as ‘true-ups’, which result in an adjusted price that reflects the actual cost per container per material type each month.

Table 1 below provides a summary of the adjusted pricing observed in 2020-21.

Simplifying the supplier contributions approach

During 2020-21, the transition to a simplified contributions approach was confirmed and announced to scheme participants. The simplified approach, which will come into effect from September 2021, will replace the forecast and true-up method with a calculation based on historical actual volumes multiplied by the published price. Contributions will continue to be made in advance on a cost recovery basis with variations managed through future pricing adjustments rather than a true-up process.

Scheme pricing in 2020–21

Table 1: Actual pricing summary by material type

Container material type	Cents per container 2020-21 (average)	Maximum price per container charged (cents)	Minimum price per container charged (cents)
Aluminium	11.73	16.76	8.16
Glass	9.74	13.80	6.25
HDPE	7.29	8.25	6.45
PET	11.88	13.93	10.05
LPB	5.78	6.84	5.01
Steel	3.92	5.69	2.84
Other plastics	2.97	3.73	1.91
Other materials	3.29	3.73	2.13

Note: prices are based on reported volumes at the time the August 2021 invoice was generated

Supply volumes

The ACT acts as a distribution hub for the supply of eligible beverage containers in the ACT and surrounding parts of NSW. To ensure that containers are only subject to a container deposit/refund charge in the jurisdiction where they are finally consumed, an export protocol continues to provide rebates to businesses that purchase containers within the ACT and then supply them into another jurisdiction.

During 2020–21, 16 per cent of the total volume of containers first supplied into the ACT were exported, an increase from 15 per cent reported in the prior year.

Table 2 contains the volumes of each container material type after this adjustment. Notwithstanding the increase in the proportion of containers exported, total supply into the ACT after deducting exports increased by 3 per cent on 2019–20.

Scheme redemptions

During 2020–21, the total volume of containers redeemed through the ACT CDS increased by 32.2 million (43 per cent) to 107.7 million. This significant increase was driven by record-breaking redemptions through both the network of return points and kerbside recycling.

Strong redemption volumes through both channels saw the ACT CDS achieve a redemption rate of 68 per cent, a marked improvement on the 50 per cent redemption recorded in each of the first two years of the scheme's operation.

The scheme does not recognise containers recovered through kerbside recycling until they are delivered for reuse or recycling. This creates a timing difference between when the material is collected and processed and when it is recognised by the scheme. In 2020–21, the MRF operator released stock on hand in the second half of the year. This release boosted the overall redemption performance.

Supply volumes

Table 2: Actual supplier volumes, net of exports, 2020–21

Container material type	Total	Volume share (%)*
Aluminium	58,909,423	37
PET	42,336,615	27
Glass	40,475,167	26
HDPE	5,900,330	4
LPB	9,388,463	6
Steel	185,558	0
Other plastics	34,466	0
Other materials	395,423	0
Total	157,625,445	100

Note: volumes are based on reported volumes at the time the August 2021 invoice was generated.

*Volume share has been rounded to the nearest whole per cent.

Charlie the crocodile wants Canberra to recycle

Charlie the crocodile is on his way to getting a spacious new enclosure at the Canberra Reptile Zoo, thanks to container recycling efforts with the ACT CDS.

At 2.5 metres long, the saltwater croc still has a lot of growing to do, and the chilly Canberra weather means the new enclosure – large enough to house him when he reaches an expected five metres in length – must be entirely indoors.

The non-profit reptile zoo serves as a tourist attraction and an education centre with Charlie a key part of the education program.

Building a suitable new enclosure for Charlie is vital. According to zoo owner and manager Peter Child, “if Charlie can’t be housed appropriately, he’ll have to be sent back up north”. He added that “crops with perfect skin [like Charlie’s] are often used as a commodity. This means it is more likely Charlie will become a handbag than a tourist attraction if he can’t stay in Canberra”.

Peter said the idea to fundraise through the ACT CDS came from his parents who remain the “driving force” behind the container returns. The reptile zoo hosts around 10 children’s birthday parties each weekend, creating a steady stream of empty eligible drink



containers. Staff and volunteers at the zoo also often bring in their containers from home to be returned, with refunds for each container donated to the zoo.

All of the container refunds go into the fund for Charlie’s new enclosure. Peter said that combined with donations from the public they have raised thousands of dollars and have already raised nearly half the required funds.

“It might only be 10c per bottle or can, but if you put enough together it adds up,” said Peter. “It’s a real analogy for conservation. It might feel insignificant, but every little bit you do counts, and if everyone does it and you keep doing it, it all contributes to making a real difference.” ■

Photo: Charlie the crocodile getting a spacious new enclosure at the Canberra Reptile Zoo

Total scheme containers redeemed

Table 3: Total scheme containers collected through the network and material recovery facilities, 2020-21

Container material type	Redeemed volume	Net supply volume	Redemption rate (%)*
Aluminium	45,581,384	58,909,423	77
PET	31,347,049	42,336,615	74
Glass	26,996,594	40,475,167	67
HDPE	2,330,266	5,900,330	39
LPB	1,404,884	9,388,463	15
Steel	8,150	185,558	4
Other plastics	0	34,466	0
Other materials	0	395,423	0
Total	107,668,327	157,625,445	68

Note: redemption rates are based on the supplier volumes reported in Table 2

*Redemption rates have been rounded to the nearest whole per cent.

Network trends

Similar to 2019-20, other plastics and other materials were not redeemed during 2020-21. Of those container material types redeemed, all types other than steel showed continued year-on-year growth; steel redemptions fell, with redeemed containers falling by 75 per cent.

For the third consecutive year, aluminium proved the most popular material type redeemed (49 per cent of total redemptions), followed by glass (26 per cent) and PET (21 per cent). A combination of continuing education through marketing initiatives and enhancements to the network of return points operated by Return-It resulted in increased awareness and participation in the scheme. There were 22 return points operating throughout 2020-21.

Network trends

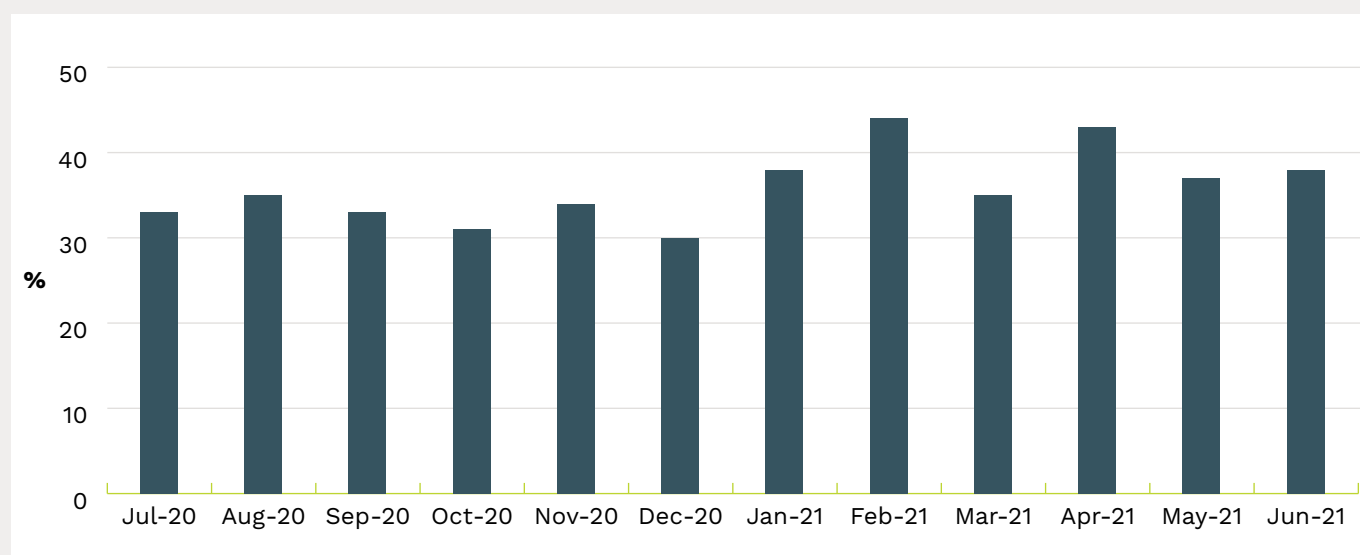
Table 4: Total number of containers collected through return points, 2020-21

Container material type	Total	Net supply volume	Redemption rate (%)*
Aluminium	27,233,588	58,909,423	46
Glass	14,582,232	40,475,167	36
PET	11,870,314	42,336,615	28
LPB	1,404,884	9,388,463	15
HDPE	844,177	5,900,330	14
Steel	8,150	185,558	4
Other plastics	0	34,466	0
Other materials	0	395,423	0
Total	55,943,345	157,625,445	35

Note: redemption rates are based on the supplier volumes reported in Table 2

*Redemption rates have been rounded to the nearest whole per cent.

Graph 1: Return-It's monthly redemption performance, 2020-21



Charlie is recycling to raise money for sick kids

When Charlie Brown was a toddler, he spent time at Canberra Hospital. Now 10 years old, he's running a fundraiser to help bring joy to other kids who are sick in hospital. He collects eligible bottles and cans to deposit with the ACT CDS, and with his refunds he buys toys for the children at Canberra Hospital's Ronald McDonald House (RMH).

"I got the idea for this project because Mum was already volunteering and helping at RMH, and although I was too young to become a volunteer, I still wanted to help," said Charlie.

He explained that at school he had been learning about recycling and sustainability, and when he realised that he could help the planet and fundraise at the same time it was like a lightbulb moment.

Charlie said he has asked friends, family and neighbours to save their containers for him. "Mum helped me write a letter explaining the project, and we included a photo of me so people would know who I was. Then Mum and I did a letterbox drop in our local streets."

Five households have become strong supporters and leave their bottles and cans out for Charlie every fortnight. "There is one generous lady who will often come out and say 'hello' when she sees me collecting the containers," Charlie said. "I also get Mum to help me write regular update letters with more photos, so my neighbours can see how much of a difference the project is making."

Since beginning his fundraising in January 2021, Charlie has returned approximately 3,000 containers to his local cash-back depot in Phillip and raised \$300. A little bit goes into his savings account, but mostly the money goes towards gifts for children in the hospital. He and his mum go shopping together and he chooses the toys.

"When I deliver my donations to RMH I feel proud and happy. Proud because I'm doing something for an amazing cause. Happy because I love doing this - it's so fun helping others and giving back to the community," Charlie said. "I know that the gifts I buy with the recycling money are going to sick children and it will make them smile. I am so grateful to my family and friends for supporting my project." ■

From left: Charlie Brown and his mum Dani collecting containers to raise money for toys to donate to sick kids at Canberra Hospital's Ronald McDonald House; Charlie Brown returning containers to raise money for toys to donate to sick kids at Canberra Hospital's Ronald McDonald House.



Material recovery facility trends

The MRF operator's claimed redemption volumes reached record levels in 2020-21. The MRF operator was able to reduce the volume of containers held as stock on hand, boosting redemption performance for the year, with 51.7 million containers delivered and eligible for payment. Lower redemption volumes were observed in 2019-20 as containers processed by the MRF operator are not recognised by the scheme until they are delivered for reuse or recycling which did not occur within the previous year.

The four material types typically recovered by the MRF all showed significant growth over the volumes claimed in 2019-20. In 2020-21, the most redeemed material type was PET, which is delivered to recyclers as a separated product and as the primary material type within the mixed plastics fraction. With a significant reduction in the stock of mixed plastics held by the MRF operator, total PET claimed increased by 234 per cent to 19.5 million containers. Aluminium was a close second with 18.3 million containers redeemed (24 per cent increase), followed by glass with 12.4 million containers redeemed (37 per

Material recovery facility trends

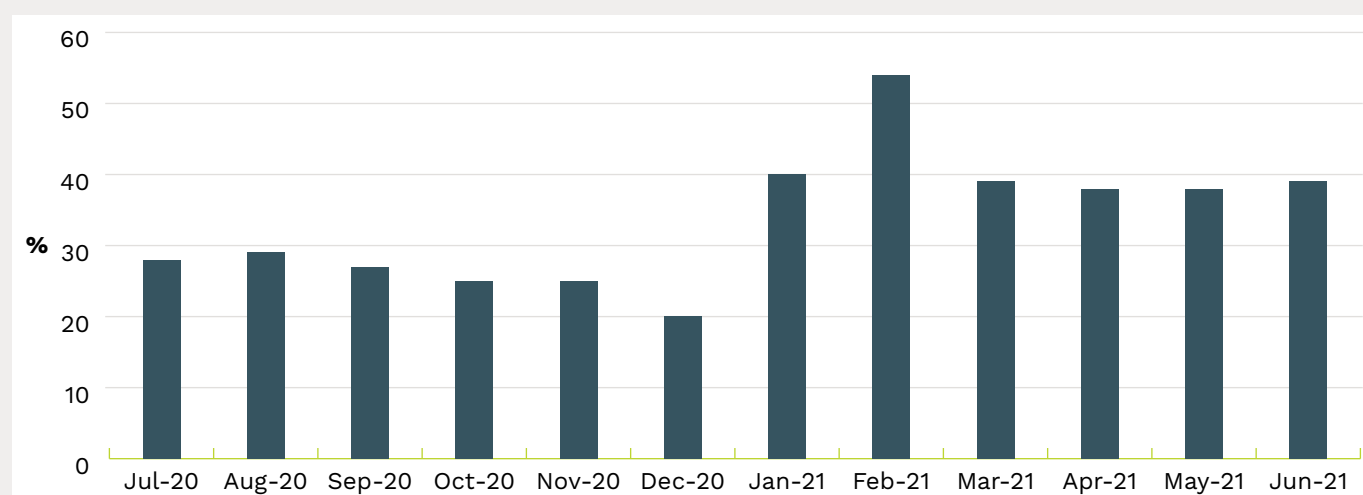
Table 5: Material recovery facility operator container redemptions, 2020-21

Container material type	Total	Net supply volume	Redemption rate (%)*
PET	19,476,735	42,336,615	46
Aluminium	18,347,796	58,909,423	31
Glass	12,414,362	40,475,167	31
HDPE	1,486,089	5,900,330	25
Other plastics	0	34,466	0
LPB	0	9,388,463	0
Steel	0	185,558	0
Other materials	0	395,423	0
Total	51,724,982	157,625,445	33

Note: redemption rates are based on the supplier volumes reported in Table 2

*Redemption rates have been rounded to the nearest whole cent.

Graph 2: Material recovery facility redemptions and claim eligibility, 2020-21



cent increase) and HDPE with 0.8 million containers redeemed (125 per cent increase). Like PET, HDPE is delivered for recycling as a separated product and as a minor constituent in the mixed plastics output.

During 2020–21 the MRF operator was paid refunds for 46,717,576 containers. These volumes relate to the final quarter of 2019–20 and the first three quarters of 2020–21, due to timing differences between when the containers were delivered for reuse or recycling and when the associated claims and payments were finalised.



Dog lovers support recycling

Canberra's oldest dog training club, the ACT Companion Dog Club, began fundraising through the ACT CDS in 2020.

Heather McPherson, who has volunteered with the club for nearly 20 years, said that like many other clubs, they have struggled to fundraise during COVID-19 restrictions. The club used to run regular Bunnings sausage sizzles to raise funds, but they were put on hold this year. When she saw how many drink cans were being thrown out at the club, she got the idea to use the ACT CDS to fundraise.

"This makes it easy for members to contribute," said Heather. "Containers can be dropped in the deposit box at the club or can be returned to a collection centre. The refunds are donated to the club by using the club's account number. My neighbours are now donating their bottles to us too." She noted that this was also part of the club's broader recycling program.

Money raised through container returns goes towards improving the club's facilities and grounds, for example purchasing outdoor tables and chairs, and fixing fences. ■



Priority 3 Industry Participation

Priority 3

Industry Participation



466 **supplier**
arrangements in force



\$20 **million** in supplier
contributions paid in 2020-21
(excl GST)



\$4.2 **million**
refunds paid to MRF in
2020-21 (excl GST)

EfC continued to work closely with suppliers and exporters to improve understanding of the scheme.

While the scheme was in its third year of operation, industry participation drove strong scheme outcomes, with over 55.9 million beverage containers returned by consumers through the scheme's network of return points, and 51.7 million containers through kerbside delivered for recycling or reuse.

EfC is responsible for managing the scheme finances, including contributions made by first suppliers of beverages into the ACT and payments to network operator Return-It for network operations (including the 10c refund for consumers); MRF processing claims; and exporter rebates within a closed financial loop. All funds are accounted for and independently audited.

Based on industry feedback, EfC continues to focus on improving customer service and the experience of the scheme's participants, and ensuring confidence in the scheme by building on effective governance and risk management practices including:

- modelling and resultant announcement of a new, simplified supplier contribution approach
- review of scheme governance and the management of the risk of fraud
- EfC audits of the network operator and MRFs to verify claims and ensure compliance
- outsourced supplier and exporter audit activities to ensure activities are impartial and independent from EfC and its shareholders.

COVID-19

Although the COVID-19 pandemic did not have a significant impact on scheme operations in 2020-21, EfC worked closely with ACT NoWaste and Return-It on initiatives to monitor and mitigate the risks to the scheme and community.

Suppliers and Exporters

Funding the scheme

First suppliers of beverages into the ACT cover the ongoing costs of managing, administering and operating the ACT CDS. During the reporting period, there were 466 supplier arrangements in force, an increase of 27 per cent on the previous year. There have been 491 arrangements since the scheme's commencement. Suppliers collectively paid a total of \$20 million in supplier contributions in 2020-21 (excluding GST).

To guarantee the scheme's integrity, a risk-based audit regime was managed to verify the accuracy of supplier reported volumes and ensure correct contributions by suppliers were made to the scheme. Independent specialist, PKF Australia, was engaged to manage supplier audit and verification activities to ensure audits are impartial and independent from EfC and its shareholders. PKF Australia conducted a total of 38 supplier audits of more than 5 million supplied containers.

Non-compliance notices identified through audit activities across the year saw some prominent themes, including:

- human error in reporting
- issues with the effectiveness of system and process controls
- misinterpretation of units of measure
- understanding of the scheme and participant obligations (in some cases due to staff turnover or shortages resulting from COVID-19)

EfC continued to work closely with suppliers and exporters to improve understanding of the scheme, individual obligations and any system or process issues to resolve any current errors and streamline outcomes for the future.

Export rebates

Some businesses buy eligible CDS containers within the ACT and sell or supply the containers to another business outside the jurisdiction. These businesses are treated as

exporters within the scheme and can claim a rebate for these containers.

During the reporting period, there were 11 executed Exporter Deed Polls in force, of which three made exporter claims totaling \$3.4 million in rebates in 2020-21 (excluding GST).

Supplier and exporter satisfaction

As part of its commitment to improving supplier experience, EfC invested in enhancing the customer service function to better support suppliers in the management and resolution of issues, provision of information, guidance and portal support.

The team enhancement and process improvements helped to service over 196 contacts and 447 issues, with a 72 per cent first contact resolution outcome and issues resolved within three days at 84 per cent.

EfC will continue to focus on acting on feedback from suppliers to further improve service performance outcomes.

MRF operator

Processing refunds

The ACT MRF operator ReCycle is entitled to claim processing refunds for eligible containers collected through kerbside recycling bins.

The operator is paid a processing refund of 10c (including GST) for each container delivered for reuse or recycling. A container factor is used to convert container weights into a count that is calculated based on independent sampling data collected at kerbside for glass and from the MRF output streams for all other material types. The factors are published on the EfC website.

EfC paid a total of \$4.2 million (excluding GST) in processing refunds to the MRF during the reporting period.

EfC audited ReCycle's claims and related source data on a quarterly basis to ensure claims were validated prior to processing the refund claim and to detect, manage or mitigate the risk of fraud and corruption.

Due to the implementation of the COVID-19 Interim Audit Plan, and the resultant impact on onsite audits, EfC primarily undertook desktop audits and increased sampling thresholds during the year. Risk-based audit techniques continued to mature and be maintained or in many cases improve pre-COVID-19 assurance levels. The MRF operator's financial claims were validated against the calculated mass balance to identify potentially incorrect claims so that adjustments could be processed.

Network operator

Network payments

Network operator Return-It operates the return point network in the ACT and manages the logistics and sale of commodities to ensure all collected containers are recycled. EfC administers the payments to Return-It ensuring that they are eligible, based on the total volume of eligible containers collected through the network.

A total of \$5.1 million in network payments were paid in 2020-21 (excluding GST).

EfC's audit program verifies the volume of containers and Return-It's financial records to substantiate the claims. During the financial year, EfC audited Return-It four times to review and validate the volume of containers collected, counted and delivered for reuse or recycling, as well as matters of compliance.

No serious or material non-compliance notices were issued over the course of the year.

Return points

Due to the implementation of the COVID-19 Interim Audit Plan and resultant impact on onsite audit activities, EfC only undertook risk-based on-site return point inspections over the course of the financial year.

“

I've noticed a much cleaner city since the program started.

”

– INSTINCT & REASON
JUNE 2021 CONSUMER
SURVEY RESPONDENT

Governance

EfC is committed to continuously improving and embedding effective governance and risk management practices, and recognises that establishing a robust and fit-for-purpose culture and approach to governance and risk management is integral to:

- maintaining the integrity and confidence in the scheme
- fulfilling corporate governance, legislative and contractual obligations
- achieving the scheme's objectives and its ongoing success.

EfC reported zero performance failures in the reporting period.

Audit and Assurance

EfC is responsible for administering the scheme's risk and assurance program to deliver a scheme of high integrity that is safe, secure and customer-focused, in partnership with ACT NoWaste, Return-It and the independent scheme auditor, RSM.

The program is made up of:

- identifying, monitoring and managing risks that may impact the scheme's ongoing success, with a particular emphasis on minimising the risk of fraud and corruption
- maintaining scheme participant compliance with the *Waste Management and Resource Recovery Act 2016 (ACT)* and other associated legislative, regulatory and contractual instruments through risk-based audit activities, which validate and assure the significant volumes of material and funds that flow through the scheme.

This program provides the framework that informs the development of EfC's Annual Audit Plan.

Throughout the reporting period, EfC undertook audit and assurance activities in accordance with the COVID-19 Interim Audit Plan with zero performance failures.

Independent scheme auditor

The independent scheme auditor, RSM, is responsible for providing independent oversight and specialist advice to ACT NoWaste on audit and assurance matters across the ACT CDS risk and assurance program.

RSM undertook detailed quarterly audits of EfC's audit activities and associated records to ensure EfC's compliance with its obligations as scheme coordinator and the approved audit plan.

The four quarterly audits resulted in zero non-conformances during the reporting period.

Fraud and corruption control

The effective management of risks associated with fraud and corruption is a key obligation and focus of EfC.

The continued uplift in the maturity of the governance approach and collaboration between scheme partners regarding fraud and corruption control have seen even greater levels of confidence and assurance across the scheme.

A key fraud and corruption minimisation improvement activity implemented in 2020-21 was the development of a fraud and corruption control enhancement program.

No material instances of fraud or corruption resulting in loss to the scheme were identified during 2020-21.



Health, safety and the environment

EfC is committed to providing a safe place to work and to protecting the environment in which we operate.

The scheme's approach to risk management was developed with the first priority being the safety of all stakeholders, including but not limited to, scheme partners, participants and the community.

While the three scheme partners are individually responsible for managing their own business safety risks and the network operator has primary duty of care for the scheme network, EfC ensures there is an integrated approach. This involves taking a holistic view of the scheme when identifying, analysing and mitigating health, safety and environmental risks.

A whole-of-scheme workplace health and safety risk management approach has been developed in accordance with Safe Work Australia guidelines. It is managed collaboratively by scheme partners and overseen by the independent scheme auditor.

At an organisational level, EfC ensures the ongoing implementation and independent certification of its Work Health and Safety Management System in accordance with ISO 45001:2018 (Occupational health and safety management systems) and in alignment with ISO 14001:2015 (Environmental management systems).

EfC did not experience or report any material health, safety or environmental incidents during 2020–21.

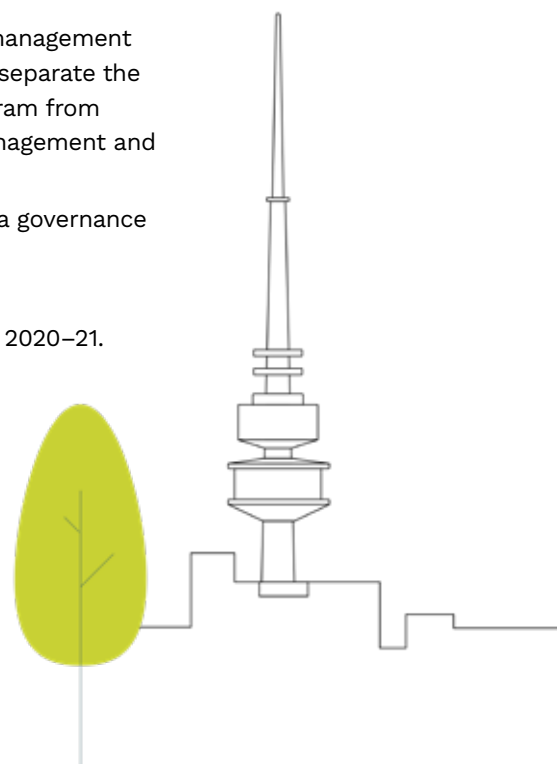
Data governance, security and confidentiality

EfC manages significant volumes of confidential data across a number of systems and networks, with customer trust in the security of their personal data a key priority. We are constantly improving our cyber and physical security capabilities as part of our overall organisational and information technology strategy.

EfC recognises it operates in an environment of ever-evolving cyber threats, where threats are always adopting more sophisticated techniques. It is therefore committed to guarding the confidentiality of the data and information it manages, and continues to proactively review its approach. Controls and measures currently in place to ensure information security and confidentiality include:

- de-identifying and aggregating commercial-in-confidence supplier and exporter data when reporting to the EfC Board
- working to constantly expand employee awareness of data security risks, including through structured training and ongoing near-miss and external risk awareness campaigns. The need for shared vigilance on cyber issues is supported by the recognition of employees who help detect attempted cyber scams and sharing of case studies across the organisation
- independent audits of IT security and backup systems, and the introduction of a robust testing regime using penetration, scenario and simulation testing
- use of ISO 27001:2018 Information Technology and PCI DSS v3.2.1 Data Security standards as a benchmark for risk assessments, controls and settings for the EfC reporting portal
- reviews of the IT security management approach and structure to separate the governance and audit program from day-to-day operational management and implementation
- developing a cyber and data governance uplift program.

There were no material data or confidentiality breaches during 2020–21.



Primary students begin sustainability journey at school

At Bonython Primary School, a key aspect of learning is the natural world and sustainability, in what Deputy Principal Marc Warwick said is the start of a lifelong journey.

“A couple of years ago we identified that waste management was a big challenge,” said Marc.

The launch of the ACT DS in June 2018 occurred at a good time for the school, with the scheme quickly becoming part of the school’s sustainability and recycling approach.

“It was a way to reduce the amount of waste sent to landfill,” said Marc. “We put it to a group of our Year 5 and 6 student leaders and co-created a way forward. Student leaders took on the responsibility of developing and implementing a strategy for collecting and returning eligible drink containers, receiving 10 cents for each.”

The students worked out how to collect and store containers, and educated their peers about using the new container bins. There were challenges along the way, with some students not initially using the dedicated bins. But the problems were solved with education, container bins in every learning space, and bins with lids to deter insects.

Container returns have been incorporated into the classroom too. Marc said students have looked at how many containers have been returned, graphed the amount of waste saved from landfill and the amount of money raised through using ACT CDS. In addition students have visited the ACT Recycling Discovery Hub to learn more about the recycling process, with the site also hosting professional learning opportunities for Bonython’s school staff.

Funds raised through container refunds support school initiatives. “In the first year we made around \$700, and we put that money into our Year 6 graduation activities,” said Marc.

Since then, refunds from the ACT CDS have been used to support the school’s garden and sustainability work. Students learn about how things grow and how compost works. Garden produce has been used in cooking sessions with students, and produce has even been supplied to the school canteen. Before COVID-19 restrictions, produce was harvested by students and sold at an onsite market stall to the school community.

“Sustainability is an ongoing journey and education is key,” said Marc. “Students understand that recycling is the right thing to do and that their choices reduce the amount of waste that goes to landfill. They’re starting to see that they can really make a difference, and as we value integrity, doing the right thing is important.” ■

Bonython Primary School Year 5 and 6 student leaders collecting eligible drink containers to support the school’s garden and sustainability initiatives.



Looking Ahead

At the time of writing, the ACT CDS was experiencing significant disruption, with COVID-19 restrictions resulting in the shutdown of parts of the return point network.

The onset of COVID and temporary closures bring much uncertainty to the start of 2021-22. However, within this context, EfC will continue to work closely with the ACT Government, Return-It and other key stakeholders to ensure the scheme remains financially stable while retaining public confidence, support and participation.

Increasing community support, participation and advocacy

Strong community support for the scheme and its outcomes are key to fostering habitual participation and positive word of mouth. EfC will work closely with ACT NoWaste and Return-It to highlight the positive environmental and community impacts of the scheme to drive greater support and engagement. New assets and resources will also be developed to enable scheme partners and stakeholders to engage their communities on the benefits of the ACT CDS.

Supporting community groups and charities to fundraise

As the community and charities continue to feel the economic impact of the COVID-19 pandemic and the limits on traditional face-to-face fundraising, EfC expects the ACT CDS to become an increasingly important

fundraising tool for many sporting and community groups, schools and charities.

EfC will implement its new community engagement strategy to educate community groups on the fundraising potential of the scheme, and develop resources and tools to help them realise their fundraising goals.

Simplifying supplier contributions and improving supplier experience

EfC will work closely with ACT NoWaste to finalise the simplification of the contribution approach for suppliers, to be phased in during the first quarter of 2021-22.

The simplified supplier contribution approach will be supported with a new reporting portal, harmonising the experience with that of NSW and helping to make it easier to participate.

Based on supplier feedback, a range of new features will also be introduced to the portal, including a 'My Account' hub to enable resetting of passwords, management of supplier users for the portal, direct chat with EfC's customer service team and more.

Harmonisation

EfC will continue to champion harmonising the experience for suppliers participating in container deposit schemes across Australia, including the ACT, working closely with the beverage industry and scheme coordinators from other jurisdictions to identify opportunities for greater alignment and harmonisation.

EfC is leading initiatives to develop a national supplier audit program, harmonising export protocols, enhancing fraud and corruption control through improved intelligence and investigation-sharing and cooperation between schemes, and ongoing focus on harmonising the ACT portal experience with that of NSW for monthly reporting.

Enhancing the risk and assurance approach

EfC is dedicated to continuous improvement with an ongoing focus in 2021-22 on driving further enhancements across risk management, audit and assurance, fraud, and corruption control and safety. A number of initiatives have been developed that have been guided by principles of enhancing accountability, efficiency, effectiveness, customer satisfaction and scheme integrity.

The EfC team looks forward to delivering on these commitments and working with scheme partners, stakeholders, community and industry to ensure the ongoing success of the ACT CDS.

Ngunnawal Street Pantries raise funds by recycling

Two years ago, retired Ngunnawal couple Paul and Margaret McGrath set up a street pantry outside their home to assist vulnerable people in the community. The initiative quickly grew into a network of nine pantries in four locations, covering food and other necessities such as clothes and household items.

Paul and Margaret decided to add container recycling to their endeavours as a way to bring in funds. "It helps buy those incidental things that don't get donated, such as \$10 Coles gift cards for petrol or food, or to buy fresh food for the pantries, or sometimes items for the ladies' pantry," said Paul.

"In May we set up the wheelie bin out the front of our place, where people can donate their containers for us to then return via the ACT CDS. We've raised maybe \$1,000 to \$1,500 through container refunds so far – the back of the car has been filled several times over." ■

Ngunnawal Street Pantries volunteers



Appendix 1

ACT Container Deposit Scheme Accounts

Financial management of the ACT CDS is based on a cost-recovery model, operating to achieve a similar outcome to that of a not-for-profit model.

The scheme coordinator receives a fixed fee to perform a number of duties including acting as the trustee of the ACT CDS assets. The fixed fee forms part of the cost recovery model.

The scheme's accounts are independently audited each year to ensure the financial statements comply with Australian Accounting Standards and other mandatory professional requirements in Australia.

Scheme costs

The core scheme costs comprise:

- refunds – the refund (10c including GST) per container paid to the network operator and passed on to consumer
- network fees – paid to the network operator per container collected
- MRF refunds – 10c (including GST) payable to the MRF operator for each container collected through eligible commercial and kerbside recycling streams
- export rebates – refunds paid to suppliers for beverage containers exported out of the ACT
- a fixed scheme coordinator fee – paid to the scheme coordinator for administration
- fixed scheme compliance fees – paid to the ACT Government to cover compliance costs.

Impact of COVID-19

EfC has continued to provide support and engage with the beverage industry to understand the direct impact COVID-19 has on industry participants in meeting their financial obligations to the scheme. Payment plans were also made available to suppliers experiencing hardship.

In response to ongoing uncertainty resulting from COVID-19 and its potential impact, EfC stress-tested the scheme's balance sheet and liquidity position across a range of scenarios to meet stringent COVID-19 financial audit requirements.

Breakdown of contributions and costs

The following table shows scheme contributions and costs for 2020-21. As preparation of the financial reports is based on applicable Australian Accounting Standards, revenue and expenses are recognised net of goods and services tax (GST). The financial information below has been prepared on an accrual basis.



Table 6: Scheme contributions and costs for 2020-21

Financial accounts	2020-21
Revenue (AUD)	
Scheme contribution	\$20,061,748
Total revenue	\$20,061,748
Expenses (AUD)	
• Scheme refunds (container deposits)	(\$5,085,759)
• Network operator's fees	(\$4,900,637)
• Material recycling facilities' processing refunds	(\$4,195,675)
• Exporters refunds	(\$3,454,904)
• Scheme coordinator administration fee	(\$1,672,257)
• Scheme compliance fee	(\$347,470)
• Other	(\$405,045)
Total expenses	(\$20,061,748)
Profit for the period	-

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Container Deposit Scheme

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