# ACT CONTAINER DEPOSIT SCHEME

# 21/22 ANNUAL STATUTORY REPORT







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# About the ACT Container Deposit Scheme

It has been a strong year for the ACT Container Deposit Scheme (CDS), with record participation and redemption rates despite the impact of COVID-19 at the start of the year.

The introduction of a reverse vending machine (RVM) to the return point options contributed to growth in community participation, with two-thirds of ACT residents having used the scheme.

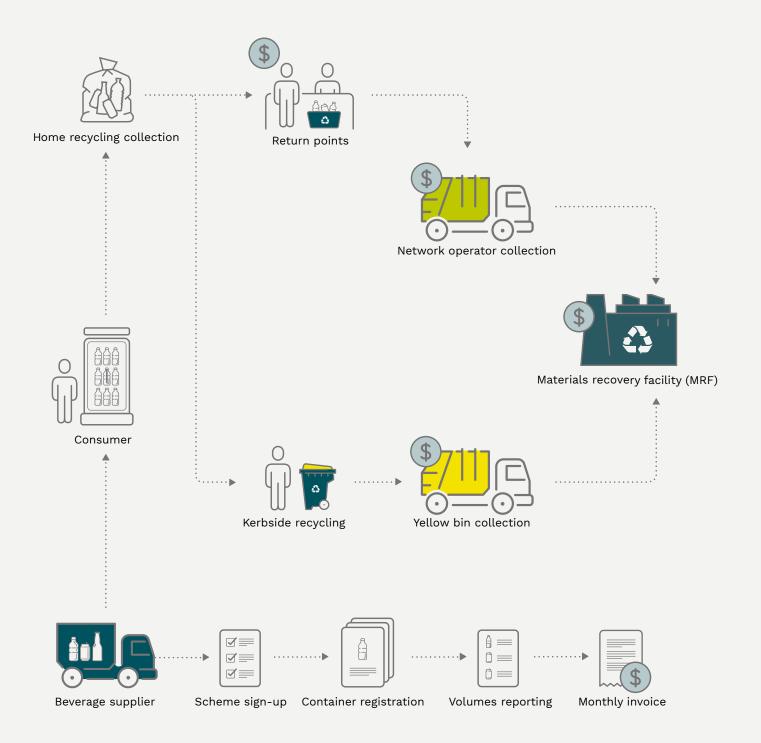
As the financial year closed, the scheme celebrated its fourth birthday and one of the best redemption rates in the country.

# **How it works**

The ACT CDS is based on a self-funding model that rewards and encourages all participants. Individuals, families and community groups return their eligible beverage containers to a return point and receive a 10c 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.









# A partnership model



#### Scheme coordinator - Exchange for Change

EfC 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.

# RETURN-IT

#### Network operator - Return-It

Return-It is contracted to set up and manage a territorywide network of return points. It also manages the logistics and sale of commodities to ensure all collected containers are recycled.



#### Scheme regulator - ACT Government

The 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.

# Other participants

#### First suppliers

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

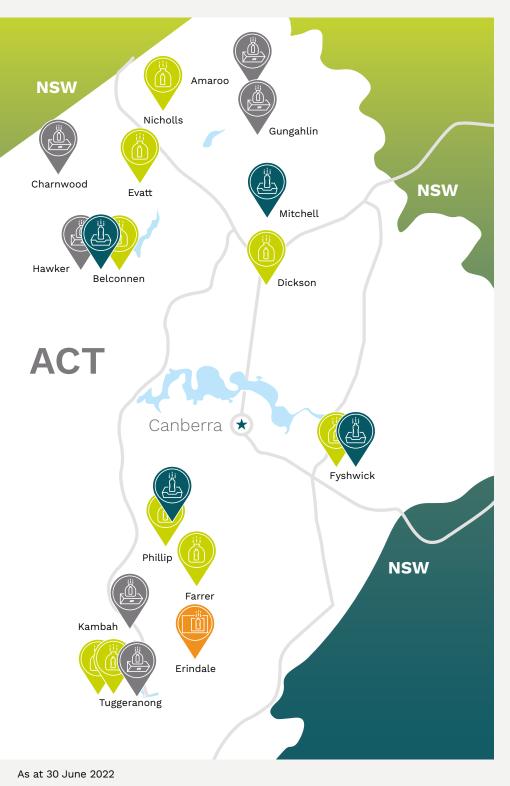
#### Materials recovery facility operator

The Hume materials recovery facility operator, ReCycle, is registered with the ACT and can claim processing refunds for eligible containers collected through kerbside recycling bins.

### Consumers

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

# **Return points in the ACT**





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



IGA Evatt IGA Farrer IGA Nicholls

Salvos Fyshwick (temporarily closed)

Salvos Store Phillip

Salvos Store Tuggeranong

Vinnies Belconnen

Vinnies Dickson

Vinnies Tuggeranong





# **Return point types**

# **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
	<b>⊘</b> Yes

# **Drop & Go points**

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

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

Refund types	Donations

# **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

# **Reverse vending machine**

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

Ideal for returning containers close to home. Electronic refund only.

Refund types	Donations



# Where does the material go?

The ACT CDS is part of a long-term solution to divert beverage container waste from landfill and litter, and turn it into a valuable resource. Beverage containers returned through the scheme are highly valued as they are source-separated at the point of return. This results in a clean stream of recyclable material that is in high demand in Australia and overseas.

Network operator Return-It is contractually obliged to ensure all collected containers are recycled.

- 100 per cent of all glass collected through the network is reprocessed in NSW to produce new glass bottles and glass packaging products.
- All plastic containers collected through the network are sold and recycled in NSW and Victoria.
- All aluminium collected through the network is baled and sold via local traders to overseas markets for smelting to produce new containers and other products.

New costumes funded thanks to empty containers collected at Kingsford Smith School

When teacher Timothy Kirsopp did the maths on how many recyclable containers were binned at Kingsford Smith School, he realised they were throwing out nearly \$10,000 per year.

We have 900 students, so if half the kids use one container per day that adds up," Tim says, adding that poppers and juice boxes are extremely popular with students.

Realising what a valuable resource eligible empty containers can be when returned via the ACT CDS, he decided to do something about it. Planning began in his first term at the school in early 2021, and by Term 2 the school had six dedicated container bins, loaned to the school by Return-It, the ACT CDS network operator. Four bins are in permanent positions, and two can be moved around as needed, including for events.

While container returns have been slowed by COVID-19 restrictions, the school has already raised nearly \$900. To decide how the funds are spent, student clubs apply for a grant. If successful, they help return containers at the Return-It cash-back depot in Belconnen.

So far the school's Lion Dancing Club successfully applied for \$300.

"Over a series of afternoons we took containers back and processed them — and now the club has new costumes," says Tim. "This gives the students ownership over the fundraising."

Tim says students across the school have responded positively to the initiative. "We still find litter on the ground, but it's significantly reduced," he says. "And after I did a presentation at assembly about container recycling with the ACT CDS, some students came forward and said they'd be happy to help empty bins, even without applying for a grant."

The longer-term plan, Tim says, is to build up a kitty of \$1,000 from the container returns, and then really encourage clubs to apply for grants.

The container returns have also become part of classroom learning. Tim has created a website with graphs showing the number and types of containers that are returned with the ACT CDS, along with a tally of the money earned. Students use this in math class to learn about statistics, data and graphing.



Over a series of afternoons we took containers back and processed them — and now the club has new costumes.



TIMOTHY KIRSOPP



# Chair's foreword



In my message last year, I reflected that the ACT Container Deposit Scheme was entering FY22 in a strong position to tackle new challenges, and that I was looking forward to watching it grow and mature.

It's certainly been another challenging year for Canberrans. A year of optimism and hope as we began to see our neighbourhoods, communities and borders open up - tinged with caution as we continued to navigate the challenges of COVID-19.

But I am very pleased to report that my hopes for the scheme were realised. It did grow and mature, and demonstrated much more than resilience – it has thrived achieving a record redemption rate of 75 per cent. This makes it one of the most successful container deposit schemes in Australia. The fact it has achieved this after only four years is incredible.

Sitting behind this 75 per cent redemption rate is a more nuanced story about the environmental, social and economic benefits that are being realised through the ACT Container Deposit Scheme.

The scheme was set up as a litter reduction initiative and to date and, thanks to the support of Canberrans, more than 300 million containers have found their way into the scheme, ensuring they are recycled and not littered or thrown away in landfill. This of course supports the circular economy with much of the material being turned back into new drink containers.

From an economic perspective the scheme continues to generate jobs, as well as delivering more than \$19 million in container refunds into the pockets of Canberrans. From the stories we hear at return points, this money is used for everything from pocket money to putting a loaf of bread on the table, and raising money for many, many good causes. The latter brings me to one of the less obvious benefits of the ACT Container Deposit Scheme - the positive social impacts.

This annual report is filled with inspirational stories about individuals, community and sporting groups, and charities tapping into the potential of the ACT Container Deposit Scheme, using it as an important revenue stream to support the incredible work they do for our communities. From Arushi raising money to help others, to the National Zoo & Aquarium Conservation Team saving a vulnerable native marsupial, and the Strange Weather Gospel Choir bringing joy through song. These are all examples of how the ten-cent value of a drink container is multiplied again and again through the social benefits it generates when people pick it up and return it.

I and my fellow Board Directors are proud to be partners in the ACT Container Deposit Scheme and we look forward to helping it deliver even more environmental, social and economic benefits in the next 12 months.

Tracy Lord Howe • Chair Exchange for Change



...more than 300 million containers have found their way into the scheme, ensuring they are recycled and not littered or thrown away in landfill.



# Shared goals as Lids4Kids begins fundraising with the ACT Container Deposit Scheme

# Lids4Kids, is all about sustainability and recycling.

Lids4Kids began when Canberra's Tim Miller started collecting plastic bottle lids to recycle into new plastic products. Initially the bottle lids went to the charity Envision Hands to recycle into children's prosthetics (this program has since closed down). Now the lids are used by schools, community groups and small plastic manufacturers. Lids are sorted by colour and plastic type before they are shredded. Once shredded some are pressed into sheets or injected into moulds to make new products.

The charity has grown so much that more funds are needed to continue to operate and rescue plastic lids as well as purchase more equipment. So, in keeping with the strong sustainably ethos, volunteer Jo Erskine initiated fundraising via the ACT CDS and established a number of dedicated collection bins for eligible drink containers around Canberra. She returns the containers to the Return-It Mitchell and Belconnen cash-back depots, with help from her son.

66

We want to get kids to understand about the environment, plastics and the effect that it has.



TIM MILLER

Even though the initiative has only just begun, more than 1,000 containers have already been collected and returned. Jo has plans to scale up in a big way, and says she hopes to partner with sports clubs and events to collect their eligible containers.

Tim says Lids4Kids is trying to grow what they do with local schools and hopes to be able to provide schools with materials and equipment so they can recycle their plastic into practical items such as cutlery for school camps and picture frames.

"We want to get kids to understand about the environment, plastics and the effect that it has," Tim says. "We already have a number of schools that are involved. It's really picking up pace now."

Jo adds that she hopes as fundraising grows, Lids4Kids will be able to afford an injection moulding machine, which will cost about \$10,000.

Eligible container refunds can be donated to Lids4Kids at ACT CDS return points using Lids4Kids' code **0493214482**.





# CEO's overview



In June 2018 the ACT Government, in partnership with Exchange for Change and Return-It introduced the ACT Container Deposit Scheme and planted a seed of change.

From little things, big things grow, and big things were expected from the scheme. What no one anticipated were the challenges on the horizon for this little seedling. This year was no exception with COVID-19 once again disrupting our everyday lives.

Extraordinarily that seed has not only taken root in the last four years – it has grown into one of Australia's most successful product stewardship schemes. The beverage industry has fully funded the scheme, Canberrans have returned a staggering 194 million containers, with a record redemption rate of 75 per cent in 2021-22 (that's three out of every four drink containers sold in the Territory making their way into the scheme). It has also become an important income stream for community groups, charities and schools.

The resilience shown by the ACT Container Deposit Scheme can be attributed to the many hands nurturing its growth along the way. The ACT Government, Exchange for Change, Return-It, and beverage manufacturers have all played a part. But most importantly the people of Canberra who trust and love the scheme.

I am proud of Exchange for Change's ongoing contribution to the growth of the scheme and in FY22 our focus was on making participation easier.

The ACT Container Deposit Scheme is fully funded by the beverage industry with 577 beverage suppliers delete signed up to it. The suppliers are diverse, made up of large multinational companies, through to tiny boutique manufacturers, and everything in between. Making participation easier for all of them was a key focus of of the year.

This was the first full year we administered a simplified payments method, based on feedback from the beverage industry they wanted pricing certainty. Other initiatives introduced by Exchange for Change include:

 Reducing administration and complexity by introducing a customer-friendly reporting portal.



Customer satisfaction surveys indicate these initiatives are making a difference with 76% of suppliers finding it easy to meet their monthly reporting requirements.



- Consolidating scheme sign-up forms and onboarding processes.
- Harmonising audits with NSW, WA and Queensland to reduce administrative burden for suppliers operating in multiple jurisdictions; and
- Offering payment plans for suppliers impacted by COVID-19.

Customer satisfaction surveys indicate these initiatives are making a difference with 76 per cent of suppliers finding it easy to meet their monthly reporting requirements (up from 47 per cent the previous year), and 70 per cent satisfied with Exchange for Change's customer service.

Making it as easy as possible for Canberrans to return their containers was another key focus with campaigns providing information on what containers can be returned, how to return and the location of return points. For community groups, Exchange for Change developed resources about how to use the scheme for fundraising, and supported schools wanting to become involved.

As we have learnt over the last three years, we don't know what surprises FY23 will hold but we are confident about the resilience of the ACT scheme. And we are excited to see how it will blossom in FY23.

Danielle Smalley • CEO Exchange for Change

# Network operator's message



The ACT CDS continues to grow and, despite the various challenges of the year, we are very proud to have set a new return rate record in 2021-22. Return-It's diverse approach to the collection network, and the agility of our front-line team, allowed us to continue safely service customers throughout most of the pandemic. This meant we were able to continue providing much needed revenue for individuals, community groups and charities.

Taking on board key feedback from the community, as part of our continuous improvement focus, we have rebranded our Mitchell Depot to better align with the overall ACT CDS branding and provide a more consistent look and feel for customers. We think the site looks great, and we will be progressively updating other sites throughout the year ahead.

Other customer experience improvements included trialling new anti-slip flooring that is easier to keep clean, as well as providing new trolleys that are made from recycled plastic containers and are easier to manoeuvre from the car park to the automated return terminals. We installed odourisers in cash-back depots to make the return experience more pleasant, and we are continuing to gather feedback from our valued customers in order to shape our future improvement areas.

Adding to the diversity of the ACT CDS return network, this year we added a Reverse Vending Machine (RVM) at Erindale. Combined with the cash-back depots, drop & go points and the drop and go PODs, we are committed to giving Canberrans choice in how they return their containers.

In 2021-22 we also expanded the number of items we collect from the community, with new bins rolled out in all our cash-back depots to safely collect used batteries, old mobile phones and accessories. We continue to look for more opportunities to help the community responsibly dispose of items that shouldn't be put into household bins.

We were proud to see our partner ReCollect win the inaugural 'Product Stewardship Centre of Excellence' digitalisation award in December 2021. The innovative ReCollect contactless home pickup service was one of the ways we were able to continue safely operating throughout the pandemic.

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.

Marc Churchin Return-It CEO

# 2021-22 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 scheme provides an incentive for returning containers rather than disposing of them via littering or general waste.

# **Priorities**

The ACT CDS' priorities for 2021-22 were:







The following sections detail the scheme's achievements in each of these areas.

# 2021-22 scheme highlights



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



awareness by ACT residents (18+)1



support among ACT residents for the



of ACT residents (18+) have participated<sup>3</sup>



return points4

- 1 Consumer research from Instinct and Reason, June 2022.
- 2 Ibid.
- 3 Ibid.
- 4 As at 30 June 2022.



Ensuring efficient and sustainable delivery of operations for the scheme:



**2021-22 PERIOD:** 

million containers supplied into ACT\*

SINCE COMMENCEMENT: 601.2M



**2021-22 PERIOD:** 

million containers collected through the scheme

SINCE COMMENCEMENT: 366.5M



**2021-22 PERIOD:** 

average redemption rate of total containers supplied\*

SINCE COMMENCEMENT: 61%

\* After adjusting for exports

# Priority 3

Industry participation



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



supplier arrangements in force



million in supplier contributions paid in 2021-22 (excl GST)



million in MRF processing refunds paid in 2021-22 (excl GST)



# Year in review

The 2021–22 financial year was a strong year for the ACT CDS. Despite the uncertainty of the ongoing COVID-19 pandemic and a temporary closure of return points, the scheme finished the year with record levels of community trust and participation. It also achieved one of the highest average yearly redemption rates in the country.

# Strong tripartite model

This financial year highlighted the capacity of the tripartite model to manage unexpected shocks and challenges. When the second wave of COVID-19 in August 2021 resulted in a temporary shut down of the return point network EfC, Return-It and ACT NoWaste worked closely together to monitor the evolving situation. They conformed to government public health directives to ensure a safe environment for the community and staff.

In response to public health directives at the time, Return-It introduced a Drive and Drop option at the Mitchell and Fyshwick cash-back depots. This enabled members of the community to safely drop off their containers and receive their refund directly into their bank account. Return points reopened in stages, with the network back to full operational capacity, albeit still with COVID-19 safe measures in place, by 15 October 2022.

# **Record redemptions and participation**

Despite the challenges of COVID-19 and the temporary network shutdown, the scheme reached a new milestone of 300 million containers returned for recycling in February 2022.

Participation continued to grow, reaching a new high of 66 per cent of ACT residents (aged 18+) by the end of the year. A record overall average redemption rate for the year was set, with an incredible 75 per cent of containers supplied in the ACT redeemed through the scheme – either via the network or through kerbside collection.



Despite the challenges of COVID-19 and the temporary network shutdown, the scheme reached a new milestone of 300 million containers returned for recycling in February 2022.





# **Circular economy in action**

Fours years on from the scheme's launch, beverage containers make up just two 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 that is in high demand in Australia and oversees.

In 2021-22, all glass collected through the ACT CDS was reprocessed in NSW to produce new glass bottles and glass packaging products. All plastics collected was sold and recycled in NSW and Victoria contributing to a growing domestic circular economy. All aluminium collected was shipped overseas to produce new containers and other products.



## **Ongoing network improvement**

During 2021–22, Return-It implemented a range of new measures to improve the customer experience and make it even easier for the ACT community to return their eligible containers.

The ACT welcomed its first reverse vending machine to the return point network in January 2022 at Erindale Shopping Centre. The introduction of the RVM follows the installation of self-service machines at all four cash-back depots in the Territory.

As part of its customer improvement project, Return-It completed a full refresh of the Mitchell cash-back depot. It introduced strong new external scheme branding to attract customers and improved the interior, with refreshed signage, new trolleys made from recycled plastic, and even a signature scent. The Mitchell depot refresh is the first to be completed with the refresh of the three remaining depots to be rolled out in 2022-23.

At the end of the year, overall customer satisfaction in the scheme was high at 81 per cent.

## **Making it easy for industry**

EfC is committed to making it easier for the beverage industry to participate in the ACT CDS. In 2021–22 the scheme transitioned to a simplified approach to supplier contributions with longer-term fixed pricing. EfC developed a more user-friendly reporting portal, improved the sign-up experience, and made pricing information more easily accessible. The positive effect of these changes is evident in the latest supplier research which found ease of reporting for suppliers into the ACT increased from 47 per cent in 2021 to 76 per cent in 2022 and overall customer satisfaction increased from 66 per cent to 70 per cent.

EfC also maintained a fixed price per material type throughout the year, providing ongoing pricing certainty for suppliers during a period of uncertainty due to COVID-19.

# Sustainability matters at Amaroo Primary School

Amaroo Primary School in Gungahlin is serious about creating a more sustainable school and community.

Amaroo means 'a beautiful place' in Nyoongar, and with the help of the Student Representative Council (SRC) and Green Team, the school yard will be a beautiful space for students to enjoy thanks to a project to recycle bottles and cans using the ACT CDS.

In just under 12 months, the school has returned 4,846 drink containers through the ACT CDS ensuring those containers are recycled and don't end up as landfill. Plus they have raised nearly \$500 for school improvement and sustainability projects.

"The SRC and Green Team spearheaded the project, and came up with ideas to launch the initiative, as well as educate the student body on the importance of recycling and how to participate in ACT CDS. The students see how easy it is to recycle and the benefits to the school, community and environment, and they take these lessons into the community," said SRC teacher Steph Booksmythe.

Students from Kindy to Year 6 voted to use the money for paper recycling bins in every class and for a 'buddy bench' in the playground. Keeping with the school's sustainability focus, the bench will be bought second-hand and students will paint and decorate it to brighten up the outdoor area.

If a child feels lonely, they can go to the bench as a signal that they need someone to play with. Other children will see they need a friend and go over to chat or include them in a game.

The school also plans to implement a 'waste warriors' program as part of the Green Team. Students will use rubbish grabbers and patrol the playground to collect any litter.

The students involved in the SRC are passionate about making their school and community a better place.

"I wanted to be part of SRC because as part of the team I felt like I could help change up the school to be a better place. If we send everything to landfill, then some of it ends up in the ocean and other places we don't want it to be, and it could affect animals' lives such as turtles," said Year 5 student Younus.



(L-R) Younus and Ben collecting 10c containers that have been put in the landfill bin.

Other Year 5 students agree. "I wanted to help the school be better and cleaner, and to help get more equipment and resources for classes. I want to be someone who helps other people in the class. It's important to recycle so we prevent it from ending up in the oceans," said Ben.

"I wanted to be on the SRC because I thought it would be good to participate in making the school better with other people. It's important to recycle because it means we're helping our environment more. If the environment is bad, then it's bad for us – it has a bad impact on us," said Khadija.



The students see how easy it is to recycle and the benefits to the school, community and environment, and they take these lessons into the community.



SRC TEACHER STEPH BOOKSMYTHE

# Churchgoers recycle containers to build a children's playground

When the ACT CDS launched in 2018, the Mosaic Baptist Church jumped onboard.

We saw it as a great opportunity for us to raise awareness of recycling amongst our parishioners, as well as to provide some income for church projects," says the church's office manager, Bronwyn Parsons.

The church has a number of sites across the ACT, but Bronwyn says container returns have been especially popular in Page, where they have a large wheelie bin onsite at the church grounds for people to drop off their eligible cans and bottles. "We frequently advertise and remind folk through our weekly newsletter and Sunday announcements," adds Bronwyn.

Bronwyn says parishioners enjoy being able to contribute in a tangible way and are kept informed about the total number of cans and bottles collected and money raised as a result of returning them via ACT CDS for 10 cents each.

"Elderly individuals and couples have particularly embraced the idea of recycling," she says.

"They see value in us pooling our recyclables for the greater good." Empty containers are returned at the Return-It Hawker Shops Drop & Go Pod and Belconnen cashback depot by volunteers from the congregation. So far the church has collected more than 30,000 cans and bottles, and earned more than \$3,000 in funds.

The funds are earmarked for a new children's playground at the Page church. The design for the playground is currently underway, with construction planned to commence next year. Bronwyn says it will be a wonderful addition for the numerous playgroups that use the facilities each week, as well as for the children who attend Sunday services with their families.

In the longer term, Bronwyn says funds raised through the container returns will be used to support the various community activities held each week at the church. These include English classes, a Creative Leisure craft group, as well as the playgroups and other children's programs.



Elderly individuals and couples have particularly embraced the idea of recycling.



BRONWYN PARSONS



# Priority 1: Customer excellence





20 return points\*



85%





**79%** 

support for the scheme\*\*



66% participation\*\*



**81%**satisfaction with the scheme\*\*

\*As at 30 June 2022. \*\*For ACT residents (18+) – Consumer research findings, Instinct and Reason, June 2022. 2021–22 saw the ACT CDS go from strength to strength, with high levels of awareness and support among ACT residents maintained, and trust and participation steadily increasing throughout the year.

These achievements were particularly significant given the disruptions caused by COVID-19. These included a temporary shutdown of the return point network and a pause on scheme promotional activities for much of the first half of the year.



Returning containers has become a routine part of life in the ACT, with 89 per cent of scheme participants using the scheme once a quarter or more.





# **Public education** and awareness

As a result of COVID-19 restrictions, promotional activities for the ACT CDS were paused until mid-November 2021. Once advertising could commence again, activities focused on driving participation through improved knowledge of key aspects of the scheme.

EfC developed a new 'how it works' campaign video designed to follow on from the 'why' campaign developed in 2020-21 which outlines the two key motivations to participate – for the financial reward or to help the environment. The new campaign video describes which containers are eligible for a refund under the scheme and the different return point types available to participants.

Focus was also placed on increasing understanding of where return points are located with locally targeted marketing activities.

EfC supported these campaigns with community engagement activities to share inspirational community success stories, across scheme and partner channels. During 2021–22, EfC paid particular attention to increasing trust by improving scheme transparency. As part of this, it launched a new-look homepage for the ACT CDS website, which features a live dashboard that tracks the number of containers returned through the network, and redemption and participation rates. A series of social media tiles explaining the recycling journey for each of the three main material types was also developed in consultation with Return-It, to increase trust in the recycling outcomes of the scheme.

By June 2022, awareness for the scheme remained high at 85 per cent of ACT residents and 79 per cent in support. Trust in the scheme reached a new high of 77 per cent of ACT residents while participation continued to steadily increase, reaching 66 per cent of ACT residents (18+).

Returning containers has become a routine part of life for the majority of ACT residents, with 89 per cent of scheme participants using the scheme once a quarter or more and 67 per cent returning once a month or more.

### **COVID-safe returns**

In response to ACT Government's Public Health Directives due to COVID-19, the network of return points was temporarily closed on 12 August 2022. EfC worked closely with ACT NoWaste and Return-It to develop and implement a communications plan to advise scheme participants and industry of the temporary closure.

When return points reopened in a phased approach to coincide with the easing of restrictions, EfC developed communications to ensure the public were aware of the COVID-safe measures in place at return points and what they needed to do to comply with public health directives when returning containers.

Network operator Return-It developed a Drive and Drop option at the Mitchell and Fyshwick depots as part of the staged reopening. This enabled consumers to drop off bags of containers and receive an electronic refund. EfC worked closely with Return-It to ensure consistent messaging across all scheme channels to support public participation post-lockdown.

The temporary network shutdown had no impact on the high levels of awareness, support, participation, trust and satisfaction in the community. The ACT CDS remains a service that is highly valued by the ACT public.

# Introducing ACT's first reverse vending machine

Return-It launched the territory's first RVM at Erindale Shopping Centre in January 2022. The addition follows the transition to self-service machines at all four ACT cash-back depots. The RVM provides ACT residents with another convenient and accessible way to recycle their containers by adding to Return-It's comprehensive offering of 20 return points across Canberra.

#### **Continuous improvement**

During 2021–22, Return-It implemented a comprehensive program of customer experience improvements in response to community feedback. This included a refresh of return points, incorporating stronger ACT CDS branding and improved signage.

The return point rebrand was first applied to the Erindale RVM, with prominent use of the ACT CDS colours and characters increasing the RVM's visibility. Mitchell cashback depot was the first of the depots to be refreshed, with a new-look interior and exterior, improved signage, and new layout to make it easier to return containers.

New customer trolleys made from recycled plastic make it easier for customers to transport their containers from their car. Return-It have focused on improving the customer experience at its depots by ensuring all customers interact with a staff member for a seamless customer experience. The refresh also included the introduction of a new signature scent at all four depots.

# **Engaging groups and schools**

During 2021–22, EfC encouraged community groups, charities and schools to fundraise using the ACT CDS, particularly while more traditional face-to-face fundraising approaches were limited due to COVID-19 restrictions.

EfC published resources about how the ACT CDS could be used to fundraise on the scheme's website including tips and tricks, inspiring case studies and marketing assets to promote fundraising.

The scheme continued its partnership with educational resource provider Cool Australia. It also established a new 12-month partnership with the ACT Council of Parents and Citizens Association to support school engagement and participation in the ACT CDS.

With the support of Cool Australia, a survey of ACT early learning, primary and secondary schools was launched in October 2021. The survey found 56 per cent of surveyed schools are participating in the scheme, with 93 per cent of participating schools having implemented an ongoing collection system for the scheme and 21 per cent having conducted classroom lessons incorporating the ACT CDS. Nearly half of participating schools (43 per cent) included the ACT CDS as part of their environmental plan.

Reasons schools had participated included:

- to raise funds for a school project (100 per cent)
- to engage students in recycling and litter reduction activities (79 per cent)
- remove litter from the environment (64 per cent).

While the ACT CDS curriculum-linked teaching resources for preschools and primary schools went live at the end of the 2020-21 financial year, this year was focused on increasing awareness and use of those resources in ACT schools. By June 2022, there were over 1,800 downloads of the resources by 445 individual educators and 43 individual parents/carers including 81 educators in the ACT. Cool Australia reported 4,389 students have been taught with the ACT CDS school resources.



By June 2022, there were over 1,800 downloads of the resources by 445 individual educators.



# Food truck friends saving containers to help save others

Friends Ismail Hammoud and Jad Hmeidan are finding ways for their food truck Fares Bueller to help make the world a better place using the ACT CDS.

"We noticed, at the end of each night, how much of the waste was bottles and cans, and lots of people passing by the food truck would also toss their empty drink containers in our bins," said Ismail.

Ismail and Jad set up a dedicated container bin next to the Fares Bueller rubbish bin, and started to return containers through the ACT CDS to reduce waste going to landfill and to raise money for charity.

The first month of fundraising was during Ramadan, so Ismail and Jad decided to send money to a charity for people who need assistance in Lebanon. They returned around 1,000 containers at an ACT CDS return point. This earned them \$100 in refunds, which they then matched dollar for dollar giving a total of \$200 to the charity.

"Just \$45 pays for a food hamper that will feed a family for a month," said Ismail.

The reduction in waste going to landfill from their bins was noticeable.

"It's telling that when we go out to check the bins, the container bins are full and the other waste bin is low. We're now emptying our waste bin once every three months instead of once a month," Ismail said.

Awareness of their fundraising is growing after the two friends posted about the container returns on social media.

"We've had some customers really warm to it. I've noticed a few of them picking up littered cans from the ground to put into our container bins."

They plan to donate to a different cause each month, with customers already suggesting which charities to focus on next.

Ismail and Jad are now both big advocates for the ACT CDS.

"I've been to a lot of places, especially overseas, where waste is managed so poorly it affects the quality of life. We're blessed to have this system in the ACT – it's good for the environment and it's social justice. It's a win-win situation," he said.



# Priority 2: Sustainable operations



In 2021-22:



148.3 million containers supplied into ACT\*



million containers collected through the scheme



75% average redemption rate\*

\*Volume is net of exports.



In August 2021, ACT went into a COVID-19 lockdown that saw return points close temporarily. In response to the uncertain conditions, Return-it introduced a Drive and Drop service at two cash-back depots to enable residents of the ACT to continue redeeming containers.

Following the end of lockdown, high numbers of containers were dropped off at return points as participants redeemed all the containers that they had saved up.

This year, redemption rates were extraordinary. The scheme recorded an annual redemption rate of 75 per cent, which is 7 per cent higher than was achieved in 2020–21. The growth was supported by an overall increase in total containers redeemed during the financial year despite a slight decrease in total containers supplied.

Network redemptions accounted for 57.3 million containers, while 53.5 million containers were redeemed via kerbside recycling.

# **Supplier contributions**

During 2021–22, EfC introduced a revised supplier contributions methodology to simplify scheme administration and increase pricing certainty for participating suppliers. It was introduced in two stages.

- Stage 1: monthly fixed price per material (September 2021–January 2022,). EfC used suppliers' actual reported volumes to determine their contribution based on a fixed price for the month. This resulted in the removal of the 'true-up' process.
- Stage 2: longer term fixed price (commenced in February 2022). EfC introduced a fixed price per material type for an initial period of six months (February 2022–July 2022). This provided suppliers with more pricing certainty.

EfC aims to maintain fixed pricing for 12 months, however we will undertake quarterly reviews and only adjust pricing when there are significant changes from what has been forecast.

EfC will communicate pricing changes when suppliers and retailers traditionally negotiate supply prices to take effect in August and February each year.

# Does the ACT CDS make a profit?

The short answer is no. The scheme operates under a cost-recovery methodology. Supplier contributions cover the expected annual operating costs with any surplus funds reducing future costs. As a result, the scheme does not generate any profit.

Supplier contributions cover the core scheme costs, which are:

- refunds 10c (including GST) per container, paid to the network operator and passed on to consumers
- **network fees** paid to the network operator (Return-it) per container collected, based on the material type
- MRF refunds 10c (including GST), paid to MRF operators for each container collected through kerbside recycling
- **export rebates** to refund suppliers for beverage containers exported from ACT
- a fixed scheme coordinator fee for administration carried out by the scheme coordinator
- a fixed scheme compliance fee paid to the ACT Government to cover management, administration and operation of the scheme.

# Scheme pricing in 2021–22

Table 1: Actual pricing summary by material type

Container material type	Average price per container 2021-22 (cents)	Maximum price per container charged (cents)	Minimum price per container charged (cents)
Aluminium	14.12	16.10	10.42
Glass	13.06	14.73	8.22
HDPE	9.31	14.61	6.10
PET	13.07	17.23	10.76
LPB	5.45	7.09	4.55
Steel	3.22	4.06	2.10
Other plastics	2.29	3.88	1.45
Other materials	2.00	3.88	1.45

Note: prices are based on reported volumes at the time the August 2022 invoice was generated

# **Supplier 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 2021–22, export volumes remained at 16 per cent of all gross supply volumes supplied into the ACT. While the proportion of exported containers remained unchanged, net supply volumes decreased by 6 per cent as compared to 2020–21.

Aluminium, glass and PET remain the top three materials supplied into the Territory, forming about 90 per cent of the total volumes supplied into the ACT.



Six-year-old Arushi Natu has been busy this year collecting bottles and cans to fundraise for two important causes using the ACT CDS – supporting efforts to combat COVID-19 in India and helping to build a Hindu temple.

"Australia has lots of oxygen and India needs oxygen," explains Arushi, adding that funds are also needed for the temple "so that kids from India can go to the temple and also play there".

Arushi collects containers she finds littered about in Canberra, and has asked her neighbours to save containers for her.

"I wrote so many letters to my neighbours; it was my best writing," she said.

Although only in Year 1 at school, Arushi has returned 2,205 bottles and cans to the Phillip cashback depot since April 2021, raising \$220.50.

The money Arushi collects for the COVID-19 response goes to a fundraiser organised by her father, Ambarish, to supply medical equipment, such as oxygen concentrators and ventilators, to India. Funds for the temple will go to the



## **Supply volumes**

Table 2: Actual supplier volumes net of exports 2021–22

Container material type	Total	Volume share (%)*
Aluminium	60,666,227	41
PET	39,832,048	27
Glass	34,833,487	23
LPB	9,261,130	6
HDPE	3,152,080	2
Other materials	306,296	0
Steel	229,447	0
Other plastics	41,526	0
Total	148,322,241	100

Note: volumes are based on reported volumes at the time the August 2022 invoice was generated. \*Volume share has been rounded to the nearest whole per cent.



Arushi collecting eligible containers from the community

construction of the planned Canberra Hindu mandir (temple) in Moncrieff.

"Arushi wishes to contribute whatever little or big amount she can for this effort. She has been applauded for this by the entire community," said Ambarish

Arushi's three-year-old sister, Avni, helps out where she can.

Arushi is happy to know she is helping keep the streets clean by collecting littered containers when she goes for walks and bike rides with her dad.

"It's not very nice to have rubbish on the road, [but] I am good at spotting it," she said.

# **Scheme redemptions**

During 2021–22, the total redemption volume increased by 3.1 million containers, which is 3 per cent higher than 2020–21. This increase in redemption combined with the reduction in net supply volumes resulted in an annual redemption rate of 75 per cent, eclipsing the previous record of 68 per cent reported last year.

Strong redemptions through both channels contributed to this record-breaking performance. Fifty-two per cent of redemptions came via return points and 48 per cent via kerbside recycling.



### **Total scheme containers redeemed**

Table 3: Total scheme containers collected through the network and material recovery facilities, 2021-22

Container material type	Net supply volume	Redeemed volume	Redemption rate (%)*
Glass	34,833,487	32,424,819	93
Aluminium	60,666,227	50,407,062	83
HDPE	3,152,080	1,991,291	63
PET	39,832,048	24,388,460	61
LPB	9,261,130	1,571,530	17
Steel	229,447	8,275	4
Other plastics	41,526	0	0
Other materials	306,296	0	0
Total	148,322,241	110,791,437	75

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

<sup>\*</sup>Redemption rates have been rounded to the nearest whole per cent.

Container returns are helping the environment in an unexpected way

Most people have never heard of the Kowari, a small carnivorous marsupial. But William La Marca, founder and chairperson of Team Kowari, is studying this vulnerable predator and its vital role in the ecosystem. In conjunction with his PhD studies, he established Team Kowari as a conservation initiative to research and promote the species to the public.

The organisation recently received a welcome boost when the National Zoo & Aquarium Conservation Team (NZACT) donated a month's worth of funds they had raised through the ACT Container Deposit Scheme.

The nearly \$900 donation to Team Kowari was used to help fund a field trip and fieldwork in May and June 2021.

"We went to the Stony Desert region in South Australia to do live trapping of Kowaris to understand long-term trends. On our next trip, we will do radio tracking using radio collars and a drone to track the Kowaris, to learn about their habitat and range," said William. "Research equipment and fuel are the primary expenses on each trip."

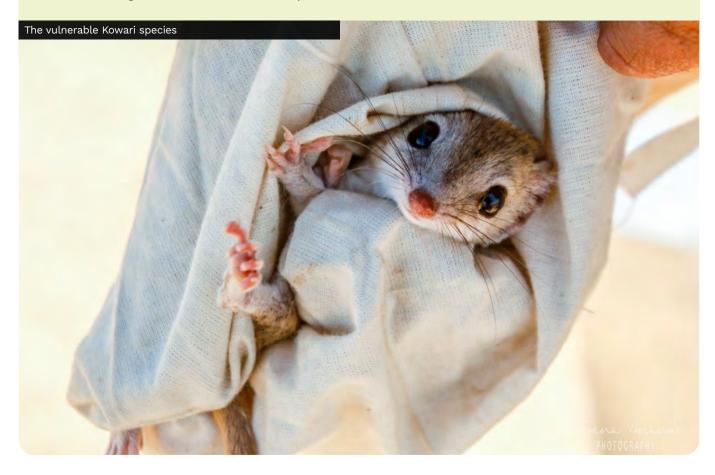
While Team Kowari is still relatively new, William says they already have some preliminary data.

"The Kowari is suspected to be a keystone predator, which means they're going to have significant implications if removed for the ecosystem," William said. "They are currently listed as vulnerable, but trapping data shows they might be more accurately described as endangered, which means they are at risk of extinction."

Volunteers with NZACT collect and return empty bottles and cans to their local return point and receive a 10c refund for every eligible container. Each month they donate their ACT CDS refunds to different animal charities.

"NZACT is dedicated to preventing extinction in the natural world and works tirelessly to raise funds to help scientists and conservation organisations continue their ongoing work to save species.

Hopefully, the work being done at the National Zoo & Aquarium will allow Kowaris and other species to thrive in the wild," said NZACT Director Brendan Sheean.



# **Network trends**

Similar to 2020–21, other plastics and other materials were not redeemed during 2021–22. However, this year saw a change in the mix of containers redeemed, with aluminium, PET, LPB and steel volumes growing, while glass and HDPE declined compared with the volumes redeemed in the previous year.

For the fourth consecutive year, aluminium proved to be the most popular material type redeemed. It made up 51 per cent of all containers redeemed, followed by glass at 24 per cent and PET at 21 per cent. From 12 August to 15 October 2021, the ACT went into a COVID-19 lockdown, including a temporary shutdown of return points. This was followed by a staged reopening in line with changes to the public health directives at the time. The lockdown significantly affected the volume of containers returned through the network of return points during this period. When the lockdown ended on 15 October, redemption volumes were significantly higher than at the same time in the previous year for approximately five weeks. Volumes then broadly realigned with the redemption behaviour of the prior year – albeit at a sustained, higher volume.

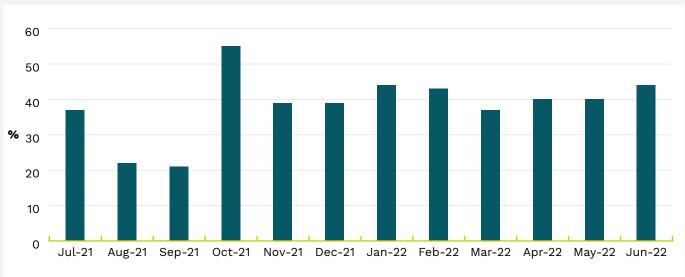
### **Network trends**

Table 4: Total number of containers collected through return points 2021-22

Container material type	Net supply volume	Containers collected through network	Redemption rate (%)*
Aluminium	60,666,227	29,113,279	48
Glass	34,833,487	13,490,906	39
PET	39,832,048	12,271,803	31
LPB	9,261,130	1,571,530	17
HDPE	3,152,080	834,239	26
Steel	229,447	8,275	4
Other plastics	41,526	0	0
Other materials	306,296	0	0
Total	148,322,241	57,290,032	39

Note: redemption rates are based on the supplier volumes reported in Table  ${\bf 2}$ 

Graph 1: Return-It's monthly redemption performance



<sup>\*</sup>Redemption rates have been rounded to the nearest whole per cent.

# Materials recovery facility trends

2021–22 was a record-breaking year for the Hume Materials Recovery Facility (MRF) with 53.5 million containers redeemed – up from 51.7 million in 2020–21. There was also a change in the mix of material types redeemed. Aluminium and glass became the most popular material types, with 21.3 million and 18.9 million containers redeemed, respectively.

There was more consistent redemption of plastics (PET and HDPE) throughout the year without the significant release of stock-on-hand seen in 2020–21. At the same

time, there was an overall reduction in plastics volumes collected during 2021–22 – down to 12.1 million for PET and 1.2 million for HDPE compared to 19.4 million for PET and 1.5 million for HDPE in 2020–21.

During 2021–22, the MRF operator was paid for 54,164,975 containers. These volumes relate to the final quarter of 2020–21 and the first three-quarters of 2021–22 due to timing differences between the delivery of the containers for reuse or recycling and the finalising of associated claims and payments.

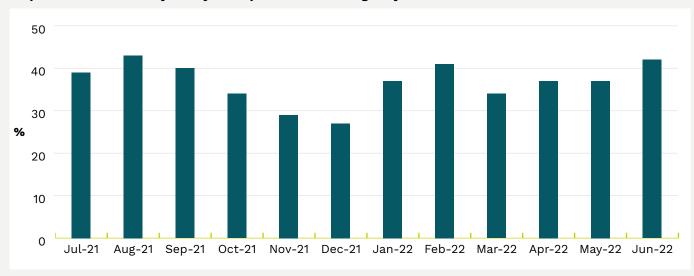
# **Materials recovery facility trends**

Table 5: Materials recovery facility operator container redemptions, 2021-22

Container material type	Net supply volume	Total containers redeemed through MRF	Redemption rate (%)*
Glass	34,833,487	18,933,913	54
HDPE	3,152,080	1,157,052	37
Aluminium	60,666,227	21,293,783	35
PET	39,832,048	12,116,657	30
LPB	9,261,130	0	0
Steel	229,447	0	0
Other plastics	41,526	0	0
Other materials	306,296	0	0
Total	148,322,241	53,501,405	36

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

Graph 2: Materials recovery facility redemptions and claim eligibility 2021-22



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 and reported by the scheme.

<sup>\*</sup>Redemption rates have been rounded to the nearest whole cent.

# Canberra choir recycles their way through COVID-19

The 50 members of the Strange Weather Gospel Choir are not just talented singers – they're enthusiastic recyclers too.

The Canberra community choir named after two songs – Strange Fruit and Stormy Weather – features a repertoire of folk, contemporary, African, Aboriginal and Torrs Strait Islander, as well as gospel and spiritual music.

Rachel Gilks, the choir's convener, says that as well as bringing together people from all walks of life to sing, "we're very socially aware and want to do what we can for the planet and for Canberra".

When the ACT CDS launched in 2018, one of the choir members suggested container recycling as a great way to fundraise. Initially, members would bring eligible containers with them to rehearsals and volunteers from the choir took responsibility for returning them.

"As COVID-19 hit, we stopped meeting as a choir and it was a bit harder to fundraise, so we set up a 'how to' document explaining to members how to take containers to the different return points – we encouraged them to do it themselves," said Rachel.

"It's been so successful because of how easy it is for our volunteers to drop off bags of containers at the ACT CDS return points. We were able to set up an account really easily, and all the refunds go straight into that. It's very easy to do – flexible and fuss free," Rachel said. So far, they have raised \$3,650 and returned a remarkable 36,500 containers. The funds will go towards covering costs for upcoming performances, as well as acquiring new music and administrative items.

Despite returns dropping off in 2021 during COVID-19 restrictions, the choir is starting to see a pickup in numbers again.

"Members have reached out to their colleagues, family, friends and neighbours to collect their containers, and people have been really supportive. Some people have put boxes next to the recycling bins at work and asked colleagues to leave eligible containers there for fundraising.

"Without the ability to fundraise through concerts, the ACT CDS has been vital over the past couple of years. We were astounded that even a small amount of bottles can be so impactful," Rachel said.



The ACT CDS has been vital over the past couple of years. We were astounded that even a small amount of bottles can be so impactful.



RACHEL GILKS



# Priority 3: Industry participation





**577** 

**supplier arrangements** in force



\$22

million in supplier contributions paid in 2021-22 (excl GST)



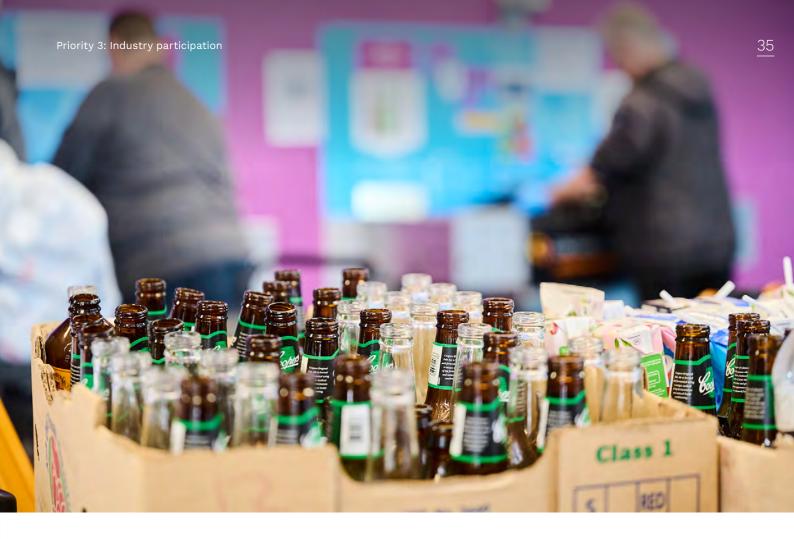
\$4.9

million in MRF processing refunds paid in 2021-22 (excl GST)

During 2021–22, EfC continued to focus on making it easier for industry to participate in the ACT CDS by supporting suppliers during the implementation of the simplified supplier contributions approach, introducing a new reporting portal and consolidating scheme sign-up forms and onboarding processes. These improvements were introduced to remove complexity, reduce the administrative burden for suppliers and provide greater pricing certainty.

EfC also led the implementation of a harmonised first supplier audit program to reduce the audit burden for national suppliers and improve consistency and assurance. The new harmonised approach uses a single audit for suppliers participating in container deposit schemes in NSW, ACT, Queensland and Western Australia rather than individual audits in each jurisdiction.

EfC continued to focus on ensuring confidence in the scheme by building on effective governance and risk management practices. This included supporting Return-It in its implementation of the new return point type; resolving any audit and risk, governance and branding requirements; and improving fraud and corruption control by developing an enhancement program designed to better manage risk and assurance across the scheme.



# COVID-19

EfC, ACT NoWaste and Return-It worked closely together to develop and implement initiatives to manage and mitigate COVID-associated risks to the scheme throughout 2021–22.

All three partners ensured scheme operations aligned with COVID-19 safety principles and any public health directives in place at the time. As a result, the return point network was temporarily closed to the public from 12 August to 28 August 2022.

A phased plan for the reopening of the return point network was agreed, which saw all return points reopened by 15 October 2022.

At the peak of the lockdown, twice weekly meetings were held between scheme partners to review the ongoing situation and ensure alignment on activities and communications.

Operating processes were revised to meet objectives while complying with legislative and contractual obligations, community expectations and public health directives. This included reducing or suspending non-essential onsite activities based on risk assessments and the development of an Interim Audit Plan.

EfC also supported first suppliers experiencing financial hardship due to COVID-19 by offering payment plans.

# **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 577 supplier arrangements in force. However, 17 of these exited the scheme during the year. There have been 602 arrangements since the scheme's commencement. Suppliers collectively paid a total of \$22 million in supplier contributions in 2021–22 (excluding GST).

#### Simplifying supplier contributions

As outlined in Priority 2 of this report, EfC implemented a new simplified supplier contribution approach in 2021–22. EfC supported suppliers during the transition period, supplying detailed briefing materials to explain the new approach alongside quick reference 'how-to' guides for the new portal.

#### **Compliance**

EfC administers the first supplier audit program through outsourced independent auditor PKF Australia. These audits are outsourced to ensure audits and any associated activities are impartial and independent from EfC and its shareholders. The audits verify the accuracy of supplier-reported volumes and ensure correct contributions by suppliers are made to the scheme.

A risk-based approach to audits is taken to ensure high confidence levels around assurance of aggregate volume of supply into the ACT.

PKF Australia conducted a total of 33 supplier and exporter audits of more than 181,210,484 million supplied containers.

In 2021–22, EfC worked with suppliers and exporters to address some of the non-compliance themes identified in the prior year. These themes included human error in reporting, issues with the effectiveness of systems and process controls, and understanding of the scheme. These efforts resulted in a marked reduction in aggregate supplier and exporter non-compliance over the reporting period. Analysis of the reduced number of non-compliance notices that were issued revealed a common theme related to staff turnover, with associated gaps in new staff members' understanding of the scheme and compliance requirements.

In this instance, EfC worked closely with suppliers and exporters to improve understanding and resolve any errors, minimising the likelihood of any future issues.

EfC led the development of a harmonisation initiative in partnership with the NSW, Queensland and Western Australian container deposit schemes, which saw harmonisation of first supplier audits across these jurisdictions. The purpose of the initiative was to reduce the audit burden on suppliers while increasing assurance outcomes.





# In 2021–22, EfC's customer service team managed and resolved 400 supplier enquiries and support requests.



# Supplier and exporter satisfaction

As part of EfC's ongoing commitment to enhancing the supplier experience, it focused on delivering solutions that would make it easier for suppliers to participate and meet their obligations.

As the scheme coordinator for both the ACT and NSW container deposit schemes, EfC recognised the importance of streamlining its services to reduce effort required from suppliers to comply with regulations. This resulted in the consolidation of the ACT and NSW portals to manage reporting obligations. In a recent survey, 76 per cent of suppliers participating in the ACT CDS indicated it is easy to meet monthly reporting requirements using the portal – up from 47 per cent the previous year.

In response to supplier feedback, EfC undertook a review of the new onboarding process for new suppliers and exporters. EfC implemented a range of improvements, including consolidating the NSW and ACT sign-up form. It also created a step-by-step guide and support material that have significantly simplified the process and improved the experience for suppliers and exporters.

In 2021–22, EfC's customer service team managed and resolved 400 supplier enquiries and support requests. In a recent survey of suppliers, of those that have engaged with EfC service personnel in the last 12 months, 70 per cent were satisfied with the quality of customer service received. Over a third of suppliers have become more satisfied with EfC over the past 12 months. EfC will work to continue to make it easier for suppliers to participate in the scheme.

### **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 totalling \$3.9 million in rebates in 2021–22 (excluding GST).

### Meet the team – Darcy Wilson from Return-It

Darcy Wilson has been interested in recycling since he visited the materials recovery facility at Hume when he was six years old. He knows all about garbage trucks and has spent many years sorting his neighbours recycling and putting their bins out.

When Darcy was 20, he met Martina Johnson, Senior Autism Consultant from Employ for Ability – an organisation that works to help people achieve their employment goals. Darcy is neurodivergent, so despite being extremely capable, he faced barriers to employment. He had supported work experience jobs, but not an independent, paid role.

When Martina met a Senior Director at ACT NoWaste on a professional development course, she mentioned Darcy's passion for recycling and raised the possibility of gaining on-the-job experience. The two identified Return-It, the network operator for the ACT CDS, as a great fit. From there, Martina met with the Return-It team to see how it might work, and to make sure they understood Darcy's interests, abilities and challenges.

"Job interviews are not a good measure of ability when people are neurodiverse or have social anxiety. We prefer to negotiate trial shifts, and Return-It agreed to that," said Martina.

When Darcy began work in July 2021, he initially had a job coach with him for the whole time, but that quickly dropped to one hour per shift, and soon that will reduce even more.

"He is doing fantastically. He's already working independently in express processing. On the second shift, he absolutely nailed it," said Martina.

Importantly, Darcy is also pleased with the role.

"He loves every aspect of the job; there's never a complaint. He thinks it's the best job in the world, and he works really hard. He loves that feeling of independence and being an adult with pay coming in," Martina added.

Martina emphasises that it has been a really positive experience for everyone, not just Darcy.

"Return-It gets some really good benefits.

Neurodivergent staff tend to be incredibly loyal – retention rates are over 90 per cent. If the job is aligned with their area of interest, they can see outside the box and be incredibly innovative," she said.



Corroboree Group clients clean up and learn life skills with the ACT CDS

Canberra's Corroboree Group began recycling bottles and cans as a way to assist the group's young clients.

The organisation provides a range of services to assist Aboriginal and Torres Strait Islanders, especially young people, with employment opportunities. The ACT CDS has given them a way to raise a bit of extra money for incidental expenses. It has also become a path for some of the young people to develop skills and take on responsibilities.

"By collecting bottles and cans around our office, we were able to provide some local young people with money to purchase their phone credits and other nice-to-haves, which they would not otherwise get," said Managing Director, Colin Williams.

"The scheme also provides them with the structure and necessary work ethic that can be used in the workforce. All the staff at the office deposit bottles and cans in the designated bin, but it's the young clients who are responsible for the entire process of sorting and returning the containers," said Colin.

"The concept is to provide a framework that allows them to practise being independent and solely responsible for a task, and to work through a process, which can provide them with life skills," he said.

So far, more than 5,000 containers have been recycled by the Corroboree Group, raising \$500 for the young people who manage the process.

The recycling also ties into the organisation's environmental policy – it is consistently looking for ways to reduce waste and lighten its impact on the environment.

"We now produce far less waste at the office and are more conscious of the waste that is being produced. Simply, this is a useful exercise. It has cut the amount of waste in our bins enormously, and it encourages our young people to be a part of something productive. Hopefully, we can make this something bigger in the future," Colin said.



### **MRF** operator

### **Processing refunds**

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

The MRF 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 \$4.9 million (excluding GST) in processing refunds to ReCycle during the reporting period.

Audits are conducted by EfC to track the large volumes of kerbside, commercial and network operator material that are processed through the facility. EfC audits claim and related source data on a quarterly basis to ensure claims are validated prior to processing the refund claim and to detect, manage and mitigate the risk of fraud and corruption.

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



Good governance and risk management is essential to delivering on the ACT CDS' purpose and objectives.



### **Network operator**

### **Network payments**

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 it is eligible based on the total volume of eligible containers collected through the network. A total of \$5.2 million in network payments were paid in 2021–22 (excluding GST).

EfC's audit program validates the volume of containers claimed throughout the year, including the total volumes collected, counted and delivered for reuse or recycling, and Return-It's financial records to substantiate the claims. Due to the implementation of the COVID-19 Interim Audit Plan and the resulting impact on onsite audit activities, EfC only undertook risk-based onsite inspections of return points over the course of the financial year.

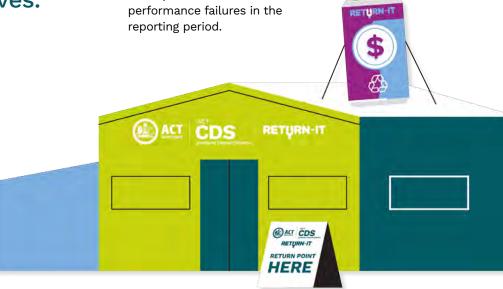
No serious or material non-compliance notices were issued over the course of the year.

### Governance

EfC reported zero

Good governance and risk management is essential to delivering on the ACT CDS' purpose and objectives. It enables EfC to maintain integrity and confidence in the scheme, fulfil its corporate governance, legislative and contractual obligations, and to ensure the continued success of the scheme.

EfC is committed to sustaining and improving on the outcomes achieved to date. Over the year, it focused on improving governance and risk management to ensure it has the right policies, systems and processes in place to deliver on these obligations and meet the expectations of the community, industry and regulators.



### Risk and assurance

### Risk and assurance approach

A key element of governance for the ACT CDS is the scheme's risk and assurance program. EfC is responsible for coordinating this in partnership with ACT NoWaste, Return-It and the independent scheme auditor (RMS Australia).

This program is the primary mechanism for:

- the identification, monitoring and management of risks that may impact the scheme's ongoing success, with a particular emphasis on minimising the risk of fraud and corruption
- maintaining scheme partner and participant compliance with the ACT's Waste Management and Resource Recovery Act 2016 and other associated legislative, regulatory and contractual instruments
- validating and assuring the significant volumes of materials and funds that flow through the scheme.

The program was developed to mature the scheme's governance and risk management framework, and further integrate and harmonise scheme risk and assurance. It also improves assurance outcomes by eliminating duplication, driving consistency, strengthening collaboration and applying better practice. EfC undertook initial planning, education and review activities across the year. The program's next phase will be undertaken in 2022–23.

#### **Audit and assurance**

EfC undertook audit and assurance activities throughout the year in accordance with the approved Interim Audit Plan, which reflected changes to audit activities impacted by COVID-19. EfC maintained 100 per cent compliance with this approved plan and there were zero performance failures across the year.

The Interim Audit Plan reflected the ongoing change from quota-based audits of the scheme to a risk-informed approach that first began in 2020 (at the start of the pandemic). Under this approach, onsite audit activities were reduced or suspended at various times during the year. Despite this challenging environment, EfC identified opportunities to enhance business-as-usual audit activities that have taken assurance outcomes beyond pre-COVID-19 levels, including:

- enhancing supplier audit experience through use of improved systems automation, accessibility and streamlining of processes to reduce administrative burden
- enhancing assurance outcomes through improved risk assessments and monitoring mechanisms in partnership with partners and participants
- increasing collaboration and harmonisation opportunities nationally, including harmonising first supplier audits across the NSW, ACT, Queensland and West Australian schemes – this reduces the audit burden on suppliers while increasing assurance outcomes.



Passionate volunteers raise \$44,000 for animal conservation

Sue Fallon is a well-known and passionate advocate for animal conservation and has been a volunteer at the National Zoo & Aquarium in Canberra for over 13 years. Sue is also dedicated to sustainability and recycling, as demonstrated by her efforts to divert tens of thousands of drink containers from landfill every year.

When the ACT CDS launched in 2018, Sue immediately started collecting eligible drink containers at the zoo to raise funds for animal conservation and to benefit the environment.

"Saving valuable resources from landfill and returning them through the ACT CDS for the refund was an absolute no-brainer for me," said Sue.

"Once collections were set up across the zoo grounds, visitors, volunteers and staff – especially all the keepers – were keen to get involved. It's become such a community effort and the containers have really added up."

The team has recycled around 440,000 containers, raising an incredible \$44,000. They are now close to reaching their milestone of returning 500,000

containers by August, with the \$50,000 raised in container refunds to be donated to animal conservation initiatives, such as the Mulligans Flat Woodland Sanctuary and emergency relief funds.

The zoo's recycling efforts are now back in full swing after a lull during COVID-19. Six dedicated purple container collection bins are located across the grounds.

For the first couple of years, Sue single-handedly collected the containers and returned them to the Belconnen cash-back depot with the help of her husband. Now, with three more volunteers, Ann, Liz and Lee, on board to sort and collect, the task is even easier.

"We like to call ourselves the dumpster divas, belles of the bottles or goddesses of the garbage," said Sue.

"We personally sort through all the zoo's bins to make sure every eligible container is collected and that the recycling bins are free from contamination."

Although it's time-consuming to sort and return the containers, the positive impact on the environment and refund for each container makes it worthwhile for Sue and her small team of helpers.

"Once you get going, it's so simple and every bottle counts. Otherwise, it's literally throwing money in the bin, not to mention into landfill," said Sue.

Visitors are encouraged to help the team reach their fundraising goal by using the purple bins to donate their eligible bottles, cans and poppers.





### Independent scheme auditor

The independent scheme auditor, RSM Australia, 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 periodic audits of EfC's risk and audit activities and associated records to ensure compliance with its obligations as scheme coordinator and the approved audit plan.

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

### Fraud and corruption control

Fraud and corruption has the potential to undermine the integrity of the ACT CDS, and industry, community and regulator confidence in the scheme. Fraud and corruption are not tolerated and EfC and its scheme partners are committed to preventing, detecting and responding to any instances of it.

EfC and scheme partners continued to enhance fraud and corruption control initiatives, which delivered greater levels of assurance across the scheme. Some of the key fraud and corruption control enhancement activities implemented in 2021–22 included:

- greater education of industry and scheme participants focused on understanding how to monitor, identify and reduce the risk of fraud and corruption
- continued development of the national scheme coordinator forum and approach to sharing intelligence, risks and coordinating investigations
- establishment of the first-of-its-kind detailed fraud and corruption risk assessment, which will continue into 2022–23
- increased training and provision of tools to uplift scheme partner cooperation and capability in investigation and enforcement of fraud, corruption and serious non-compliance matters.

No material instances of fraud or corruption resulting in loss to the scheme were identified during the reporting period.

### Health, safety and the environment

EfC is committed to providing a safe place to work as well as considering the environmental sustainability of our operations.

At an organisational level, EfC ensured 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).

Throughout 2021–22, EfC partnered with NoWaste and Return-It as part of a regular tripartite risk forum on COVID-19 to consider and manage the temporary closure of the return point network and ongoing risks, especially to community safety, during an extended period. The success of this approach is evidenced by the reporting of zero material health, safety or environmental incidents during 2021–22 and the enhanced safety maturity developed across the three partners as a result of the pandemic-related challenges they faced.

While the scheme partners are individually responsible for managing their own business safety risks, Return-It has primary duty of care for safety across the network and EfC ensures there is an integrated approach to safety risks.

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.

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

### Data governance, security and confidentiality

The global evolution of sophisticated cyberattacks reinforces the need for EfC to remain vigilant when guarding confidential data across its systems and networks. Ensuring customers can trust EfC to secure their personal data is a key priority.

EfC proactively reviews its approach to the controls and measures to ensure information security and confidentiality are maintained by:

- de-identifying and aggregating commercial-inconfidence supplier and exporter data when reporting to the EfC Board
- working to constantly expand employee awareness of data security risks
- conducting independent audits of IT security, backup systems and operational processes using data security standards to benchmark for risk assessments, controls and settings.

There were no material data or confidentiality breaches during 2021–22.



Charnwood-Dunlop students leading the way to a more sustainable future

In 2021, students and staff at Charnwood-Dunlop School started looking at ways to improve and rejuvenate the school recycling system. The school had recycled paper and cardboard only, but after taking a closer look at the waste generated, it was clear that many juice boxes were being sent to landfill.

Teacher Lisa Williams realised there was an opportunity to improve recycling practices by taking the juice boxes to a nearby ACT CDS return point, generating a 10c refund for each juice box.

"The Charnwood return point is close enough that we can walk down with students, and they become part of the whole recycling process," said Lisa.

A visit to the return point is made each week with refunds from the recycled juice boxes credited to their school account.

"So far, we have raised over \$250 that can be put towards other sustainability initiatives around our school," she added. Students in Years 3 and 4 can join a 'sustainability squad' with part of their role being to encourage other classes within the school to recycle.

"An important job of the sustainability squad is to check class recycling bins – including mixed recycling, soft plastics, used pens and textas, and the dedicated ACT CDS bin – and report back to each class on how they are going with their recycling. This provides students and teachers with constructive feedback to improve the school's recycling practices," said Lisa.

"Students in the sustainability squad get really excited to see that their school is making a difference to the environment. They come back from their duties saying things like 'Kindergarten has done a really good job! All the juice boxes were in the right bin!"

Since starting this recycling, 2,561 containers have been returned, including some from teachers who return their household containers and allocate the funds towards the school account.

Charnwood-Dunlop has also introduced a range of additional environmental initiatives, including recycling used pens and soft plastics. In 2021, the school was recognised for its commitment to sustainability and was awarded the ACT Sustainability Leadership Award – Primary Student Team at the ACTsmart Schools Awards.





Students in the sustainability squad get really excited to see that their school is making a difference to the environment.



LISA WILLIAMS, TEACHER AT CHARNWOOD-DUNLOP

### Kaleen Recycle Kids inspire community to recycle

Triplets Aiden, Bryce and Cooper (12), and their two friends Tad (13) and Desan (10) have banded together to form the Kaleen Recycle Kids.

They are all eager to help the environment, and recycling containers with the ACT CDS means that they can do that while earning some pocket money along the way.

The boys began in their local suburb, Kaleen, letting their neighbours and local businesses know they would collect their empty eligible containers and offering to pay 5 cents per container. Most people are more than happy for the boys to have their bottles and cans for free, meaning the children keep the full 10c refund.

The boys collect containers on their bikes with a trailer attached. Their parents sometimes help them collect large container donations from other suburbs. They take the containers to their local return point, Mitchell cash-back depot.

Tad's mother, Jad Ruzic, explained that the boys have long been interested in recycling, although this was the first time they had started a business.

"The boys are enjoying every minute of it," she said, adding that the support from the community has been "unbelievable".

In the first three weeks, the boys collected nearly 15,000 bottles and cans, and in doing so, saved two-and-a-half tonnes of recyclable materials from landfill and reduced greenhouse gas emissions by 1,400 kg.

So far, the money the boys have made has mostly gone back into the business – purchasing second-hand bike trailers, hi-vis vests, gloves and masks. Once business expenses are taken care of, the boys are planning to use some of container refunds for their personal saving goals – a mountain bike, an electric scooter or an electric bike.

They also plan to donate some of their income to support a cerebral palsy charity. Jad says this was the boys' own idea, and they all agreed on it.

"It's a lot of hard work, but very rewarding for them – and for us as parents seeing them thrive at such a young age," said Jad.







It's a lot of hard work, but very rewarding for them – and for us as parents seeing them thrive at such a young age.



# Looking ahead to 2022–23

The ACT CDS is entering a new stage of maturity, with sustained high public awareness and support. The majority of ACT residents now use the scheme regularly.

EfC will continue to work with ACT NoWaste, Return-It and other key stakeholders to build on the successes of the past four years and ensure the scheme continues to deliver tangible environmental, social and economic outcomes for the Territory.

The focus for the year ahead is to maintain high levels of community support while driving more habitual participation and a better understanding of how the scheme contributes to a more sustainable future.



# Contributing to a circular economy

With the ACT and federal governments strongly focused on building a circular economy, the ACT CDS showcases the benefits of a product stewardship scheme that tangibly contributes to a growing domestic circular economy and enables individuals to take responsibility for their waste.

The ACT CDS supports the ACT Government's strategy to encourage Canberrans to take everyday action on climate change. Communication and engagement activities in the coming year will focus on increasing community and industry understanding of the circular outcomes of the scheme and its contribution to a valuable commodity stream. These activities will show how used containers can be recycled into new bottles and other products that are back on the shelf within weeks.

Activities will also focus on increasing redemption rates by identifying where the remaining 25 per cent of containers supplied into the ACT end up, and developing a plan to funnel those containers into the scheme.

### Commitment to harmonisation

With container deposit schemes to be established in Victoria, Tasmania and New Zealand in the coming year, EfC recognises the administrative impact on suppliers who participate in multiple jurisdictions, including the ACT.

EfC is committed to working with environmental protection authorities in other jurisdictions, and with other scheme coordinators via the national working group and ACT NoWaste, to harmonise the experience for the beverage industry. This includes simplifying supplier and exporter audit and compliance requirements, and investigating ways to harmonise export protocols.



# Making it easier to participate

EfC will continue to actively engage with the beverage and waste industries to better understand how they are affected by the ACT CDS, and to introduce initiatives to make it easier to participate.

In line with this, EfC will streamline the registration and onboarding process in its reporting portal, enabling users to self-manage organisational and user data, and track support requests through individualised accounts.

EfC will also deliver training and education materials for suppliers, exporters and the MRF to increase their understanding of and engagement with the scheme and help them fulfil their compliance obligations.

### **Enhancing governance**

EfC will continue to work alongside ACT NoWaste and Return-It to continually improve risk and assurance across the scheme. The focus will be on improving the customer experience for our stakeholders during the audit process, and streamlining risk management and audit activities. EfC will also work on improving fraud and corruption control measures.

Some key initiatives planned for 2022–23 include implementing the enhancement program outcomes for risk management and audit and assurance activities across the scheme. EfC will also finalise fraud and corruption control enhancement initiatives. This will ensure EfC maintains high levels of integrity and confidence while responding to the maturity of the scheme and emerging trends relating to fraud and corruption risks.

# Building an engaged community of participants

EfC will elevate the environmental and community benefits of the scheme and foster increased community engagement and support for the scheme in partnership with ACT NoWaste and Return-It. This will include launching new digital tools to help individuals and groups better understand the impact of their participation and the cumulative benefit of the scheme. EfC will also increase its presence at community events to engage with the public and implement container collections at large events.

EfC will hold community engagement events to explain the recycling outcomes of the scheme, build greater trust and support, and increase community understanding of how and where people can participate. In this way, new participants will have the information they need to have a positive first experience with the scheme and use it again and again.

# Leveraging donations as a motivator

EfC and Return-It are committed to supporting charities and community groups to maximise the fundraising benefits of the scheme. Activities will focus on leveraging Return-It's home collection service to make it easier for schools, community groups and charities to implement large-scale container drives. The scheme will also explore using donations as a way to encourage participation and support the social outcomes of the scheme.

# 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.

### **Impact of COVID-19**

EfC has continued to engage with the beverage industry to understand the direct impacts of COVID-19 on industry participants when it comes to meeting their financial obligations to the scheme. Payment plans have been made available to suppliers experiencing hardship.

In response to ongoing uncertainty resulting from COVID-19, 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 2021–22. 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.

Recycled plastic trolleys arrive at cash-back depots

Thanks to the continuous dedication to better recycling outcomes and improved customer experience from our network operator, Return-It, the ACT Container Deposit Scheme's cashback depots now offer participants convenient trolleys made from 100% recycled plastic.

The Australian-made trolleys reduce the impact of climate change by 47% and require 43% less resource depletion potential compared to trolleys made from steel.

When returning eligible containers for a 10 cent refund at the Belconnen, Fyshwick, Phillip, or Mitchell cash-back depot, participants can cart their containers from their car to the automatic



counting bays with ease knowing that the plastic bottles they are returning are contributing to a circular economy.

Find your nearest cash-back depot by visiting actcds.com.au/return-points/

Table 6: Scheme contributions and costs for 2021-22

Financial accounts	2021–22
Revenue (AUD)	
Scheme contribution	\$21,944,633
Finance income	
Bank interest	\$2,254
Total finance income	\$2,254
Total revenue	\$21,946,887

Expenses (AUD)	
Scheme refunds (container deposits)	(\$5,208,185)
Network operator fees	(\$5,242,038)
Materials recycling facilities' processing refund	(\$4,924,089)
Exporters refund	(\$3,949,837)
Scheme coordinator administration fee	(\$1,098,318)
Scheme marketing fee	(\$600,000)
Scheme compliance fee	(\$356,157)
• Other	(\$568,263)
Total expenses	(\$21,946,887)
Profit for the period	_

### Recycling competition reduces litter at Canberra High School

Students at Canberra High School are learning how to make the world a more sustainable place, starting with their own backyard.

A student-led action team, the 'Green Team', set their own sustainability goals and currently have lots of projects on the boil at the school. Some of the students' environmental activities include organising the collection of empty bottles and cans to deposit with the ACT CDS. The 10c refund they receive for each drink container goes back into the school to help fund the Year 10 formal and other activities.

"The collection drive is student-led and the Green Team spends considerable effort promoting it through videos and presentations at assemblies," said teacher Benjamin Crossman.

Members of the P&C take the containers to local return points. So far 38,000 containers have been recycled, earning the school nearly \$4,000.

Collections have been made easier by a recent overhaul of the entire bin system for the playground.

"Previous to our efforts, the system just consisted of a single bin into which all streams of waste were thrown," said Benjamin. The current system uses colour-coded recycling bins for each of the school houses, so the students can compete to see which house recycles the most.

"The kids responded really well to the house bins idea, and enthusiastically recycle their 10c drink containers. We've noticed a big decrease in the amount of bottles and cans in the playground, and in the other bins," Benjamin said.

Students learn about sustainability and recycling in the classroom too.

"They learn what happens to waste that is left on the ground by taking a walk around the school grounds, and down to the stormwater catchment drain and filter adjacent to the school where waste visibly collects after rain," he said.

"Students also audit the waste on the school grounds to find problem areas and types of litter, and they put what they learn into the design of a fictional theme park as part of their assessment."

The next step at the school will be to look at how to reduce green waste.

"Through our waste audits, we have found that a considerable percentage of what gets thrown out is banana peels, apple cores, sandwiches and that sort of thing. The students also have ideas around soft plastic collection as a waste stream," Benjamin added.





We've noticed a big decrease in the amount of bottles and cans in the playground, and in the other bins.



BENJAMIN CROSSMAN



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