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# **ACT Container Deposit Scheme**

## **Guidelines for beverage suppliers**

*These guidelines will help identify:*

- ***Who is a beverage supplier in the ACT and is liable to pay supply contributions into the ACT Container Deposit Scheme?***
- ***What are the requirements for container approvals under the Scheme?***

### **Introduction to the Container Deposit Scheme**

The ACT Container Deposit Scheme (ACT CDS) will start on 30 June 2018. From this time, beverage consumers will be able to return used beverage containers to a network of collection points around the ACT for a 10 cent refund. The ACT CDS aims to reduce littering of beverage containers and increase their recycling by offering a financial incentive to consumers to return containers. For details of which beverages and containers are part of the ACT CDS see <http://www.actcnds.com.au>.

The ACT CDS is a producer responsibility scheme funded by those who supply beverages in containers in the ACT. These beverage suppliers will pay “supply contributions” into the scheme to fund the 10 cent refund for each container that is returned, either at a collection point, or in kerbside recycling bins. The supply contribution will include a component to fund the operation, systems management and administration of the scheme.

The ACT CDS has the same eligible containers and refund amount as the existing CDS in NSW. The eligibility criteria in SA and NT and is also closely aligned with the ACT as are many other respects of these existing schemes.

### **Beverage supplier obligations in the ACT**

In order to supply containerised beverages in the ACT, a beverage supplier will require two things:

- a “supply arrangement” between themselves and the scheme coordinator which sets out how contributions to the scheme will be calculated and paid, and
- a “container approval” for their beverage containers so that containers which are part of the scheme can be identified and tracked.



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## SUPPLY ARRANGEMENTS

### How are beverages supplied?

There are many models in the beverage supply industry in Australia. Some are simple such as a single entity manufacturing a beverage and selling it directly to consumers. However many beverages are manufactured outside the ACT and imported from interstate or overseas for distribution and sale.

Beverages travel along a complex and varied supply chain from manufacture, through importers, wholesalers, distributors, brand owners to the consumer via a wide range of retailers like supermarkets, food outlets, events, vending machines, internet sales and many more.

### So who is a beverage “supplier” for the Scheme?

The manufacture and supply of beverages occurs under many different production and distribution systems and supply chains. A key part of the ACT CDS is to ensure that supply contributions are:

- only paid once;
- for each redeemed container; and
- by the entity that supplied the beverage in, or into, the ACT.

The governing legislation for the ACT CDS is the *Waste Management and Resource Recovery Act 2016*. In the Act a **supplier** is defined as follows:

**supplier**—

- means an entity that—
  - manufactures a container; or
  - imports a container from a State or another country; and
- carries on a business that is, or includes, the supply of a beverage in the container; but
- does not include a person prescribed by regulation not to be a supplier.

**supply** means provide, by way of sale or otherwise, in the course of carrying on a business.

The definition of **supplier** captures any manufacturer within the ACT, or importer into the ACT, of a container that contains a beverage subject to the ACT CDS. This could be different parties for the same beverage product line, if the mode of import and sale of that product line in the ACT differs.

The definition of **supply** captures not only the sale of a beverage, but also where beverages are given away (e.g. for promotional purposes).



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To identify the supplier in any individual case will depend on the particular manufacturing, distribution and supply chain for that beverage.

***The scheme coordinator has the responsibility to identify beverage suppliers to the ACT and ensure they participate in the Scheme via signing supply arrangements and making supply contributions when required.***

In order to help avoid disputes about who the supplier is, the following are guiding principles the scheme coordinator will use to correctly identify suppliers:

- Ownership:** The entity that owns the beverage, or owns the brand rights to the beverage, or has the rights to deal with the beverage (e.g. sell, give away) when it enters the ACT is considered the “supplier” for the ACT CDS.
- Change of title:** When a beverage product is sold, its ownership (or title) changes. For beverages imported to the ACT, the entity that has title to the beverage product immediately prior to it entering the ACT is considered the “supplier” for the ACT CDS. For beverages manufactured in the ACT, the manufacturer will likely be the “supplier” except where it manufactures for a separate entity which owns the beverage.
- Location of supply:** The supply occurs where the supplier passes over the beverage container to the recipient in the ACT.

## **CONTAINER APPROVALS**

### **What is a container approval?**

A container approval is issued to beverage suppliers for each class of beverages they supply into the ACT CDS. It has a description of the container and the product within, its material (e.g. aluminium, glass, PET, HDPE) its physical attributes (e.g. size, weight) and other attributes that can be used to identify the container (e.g. barcode). The container approval is required so that containers which are eligible for a refund can be identified.

### **How do I get a container approval?**

The ACT Government can issue a container approval. Other states and territories which already have a CDS, (NSW, SA and NT), already have a container approval system and most, if not all, beverages which are required to already hold a container approval in one or more of these states/territories.

***To reduce the burden on business, the ACT CDS will recognise other state or territory container approvals. If you already have a container approval for your beverage product in another state/territory, you will only need to quote the approval number and state/territory of origin to the ACT scheme coordinator.***



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### **How much will all this cost me?**

There are no fees for container approvals in the ACT and by recognising other state/territory approvals, we are minimising administration and costs for businesses. There are also no fees associated with entering into supply arrangements, however, as these are legal documents which set out obligations to pay contributions into the scheme, you may wish to seek legal advice before signing. You will need to meet the cost of any legal advice you seek in regard to this issue. Some industry associations are obtaining legal advice on the ACT CDS supply arrangements on behalf of their members, so you may wish to contact your industry association regarding this issue.