

30th September 2022

Mr Joel Zamek
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Tasmanian Independent Retailers (TIR)
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Dear Joel,

Tasmania, CRS Locating Container Refund Points under the proposed Tasmania Container Refund Scheme (CRS).

Veolia Environmental Services (Australia) Pty Ltd (**Veolia**) is one of the tenderers for the upcoming Tasmanian CRS and as such is seeking certainty of locating Container Refund Points (**CRPs**) across the State in line with the State Government's objectives.

The Government has provided an indication of general locations for CRPs, with an implementation timeframe of 85% of CRPs operational by 31 October 2023 and a complete CRP roll-out by 31 December 2023.

CRPs are locations where containers are received, counted and refunds made. These can be depot locations, automated Reverse Vending Machines (**RVMs**) or Over the Counter (**OTC**) return to retail, i.e. in shops or other small businesses.

The type of solution for CRPs depends on available options, container number expected (i.e. catchment and competing CRPs in the network) and willingness and availability of partners. The Government's preference is for RVMs to be located in shopping centre locations. Veolia's solution for regional towns will be predominantly driven by placement of small RVMs in or adjacent to retail outlets, which is where the IGA network can play a part. We want to minimise the impact on the IGA store to ensure this is a benefit, increasing footfall and in store purchases, rather than a burden.

Large RVM Sites

There are some IGA sites which would have sufficient container returns to justify a large RVM, containerised in a 20ft shipping container and located in a car park. These units are self-sufficient and can accept 1m to 2m containers per year. Veolia would be looking to secure a licence to occupy car park land to site those units and provide the benefit of a commercial rental on a one year renewable licence to the IGA or landowner. Management of cleanliness around the RVM site is the only potential interaction if the public do not use

waste bins provided. Otherwise the only interaction is in store managing the voucher in exchange for goods or cash refunds.

Small RVM sites

The smaller units are the size of a drinks vending machine with a single entry point for containers.

The unit automatically sorts the containers into 3 fractions,

- Glass - into a 240l wheeled bin
- Plastic bottles/Tetra Pak/HDPE Flavour Milk - crushed into storage receptacle
- Aluminium cans - crushed into storage receptacle

Once full these bins and storage receptacles need to be emptied or replaced - this is the main store interaction required compared to the larger units which are automated.

Veolia acknowledges that Tasmania's IGA stores are independently owned and operated by local Tasmanians. We have individually engaged with many IGAs across the state and provide the following information to support the frequently asked questions from the wide network of more than 80 stores across Tasmania.

- What is the timeline on Tasmania CRS?
 - Tender submission - 18th October 2022
 - Contract Award - Feb 2023
 - Contract Start - October 2023
 - Full implementation - December 2023
- Where are Container Refund Points to be located?
 - The attached map and list of potential IGA stores in our minimum network design provides an indication of likely CRP locations.
- What are the CRP operating hours and peak periods?
 - Depending on location, CRPs must be available a minimum of 35 hours per week in urban areas and 20 ordinary hours per week, including at least 6 ordinary weekend hours in Regional Areas. Peak periods for returns tend to be across weekends.
 - During peak periods (over summer) there may be a requirement to open longer than 35 hours a week to accommodate customers wanting to return containers outside business hours.
- How many customers will visit the RVM to return containers
 - We have designed our network on the basis that these small RVMs will receive **200,000 to 500,000 containers per year**, based on catchment, consumption data and return rates per person.
 - These small RVMs are designed and will be marketed to accept **up to 50 containers per visit**.

- On that basis the total number of customers is **75-200 customer visits per week**.
- **Larger RVMs** will have a catchment of **1-2m containers** per unit and typically receive up to **200 containers per visit**
- How will refunds be paid?
 - Refunds are either paid direct to bank accounts or **paid by voucher** which is **exchangeable for goods** or **redeemable for cash** in participating stores.
 - On the assumption up to 50% of refunds are redeemed for cash, not spent in store, **total cash payouts could range from \$50 to \$500 per week for small RVMs, up to \$2,000 per week for a large RVM.**
- What interaction will the IGA store have with the **small RVM**
 - Each unit will be automatically monitored remotely to provide data on container numbers, usage, operating hours and availability.
 - The interaction depends on whether the unit is located in store or outside and containerised in a car park.
 - i. If inside the store, then the storage units for containers will require exchanging when full. The glass particularly may require frequent bin exchange (**up to once or twice per day**). The other containers require decanting into a bulk wheeled bin for storage perhaps once or twice weekly.
 - ii. To minimise the logistics costs particularly in regional locations, the store will be required to hold **up to 8 x 240l wheeled bins for glass and 2 x 1100l wheelie bins for other containers**.
 - iii. The bins for containers require a secure location for storage prior to collection by Veolia (between 2 to 5 times per week).
 - iv. If the RVM is containerised and in the car park, bin exchange and decanting as above may still be required, although we are working on a solution to automate this process.
- What happens to any customer waste generated from the return of containers?
 - A small amount of waste and recyclables (cardboard, non-eligible containers) may be received but this should be discouraged if in store. If external, then a bin will be provided for both material streams and this will be collected separately.
 - We require the IGA store to monitor the cleanliness of the external RVM location to ensure it is presentable to the public.
- What will the commercial arrangements be for hosting an RVM
 - The units are available for sale (cost of \$85k installed) and in those circumstances a payment per container is made to the owner of the unit (c \$0.065/container). All risk therein lies with the owner.
 - Given that model is unlikely to be attractive, Veolia proposes to own and maintain the units and is therefore looking for a service agreement model on

a peppercorn licence to occupy land, a service payment will be made for the costs of electricity and the management of bin exchange and storage and site cleanliness, to keep the unit operational, noting there will be a benefit to the IGA store in increased footfall and in-store spend.

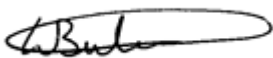
- The CRP needs to operate at a competitive cost per container. **Service payments would be in the region of \$3-\$7.5k per annum**, subject to container returns, to cover the management of the bins and maintain availability. This payment would be made **on the basis of a price per container of \$0.015**.
- The \$0.10 refund amount paid out to customers (where not paid directly into bank accounts) will be paid by Veolia in addition to the fee per container, weekly in arrears.

Ideally Veolia is seeking an indicative position from potential CRP operators on their willingness to host a CRP given an understanding of the expectations and requirements of Veolia and the Government if we are nominated as the Network Operator. We need this assurance prior to submission of our tender on 18th October, to allow us to nominate the site as a potential return point and to give the State Government confidence in our ability to deliver a complete solution.

In this case, if the IGA has an opinion on suitable locations for an RVM, then we would be very pleased to hear from you on this. Not all shopping centre car parks are suitable given space constraints and other Council owned land or third party sites may be more appropriate.

Thank you for your consideration with this request.

Kind Regards,



Wayne Burdon
General Manager Waste TAS
Veolia Environmental Services

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APPENDIX

RVM (Proline) Unit

RVM Dimensions

- A single RVM Proline will require the equivalent of 5 car park spaces to be able to operate in a safe and efficient manner. The first space will be protected so the public can stand and return containers, the next three spaces will be for the RVM 20ft container and the fifth space will be for the driver to access the back of the 20ft container to empty out the bins.

Power Supply

- The power supply for a proline machine will be single phase power for the machine to operate in the car park of the retail facility.

Container Storage Numbers

- The containers will be stored within the 20ft shipping container in the following way.
 - For a single RVM Proline
 - Glass - There will be two 660L bins located within the container
 - All other containers - There will be seven 1100L bins located within the container to collect all of the container that are not glass
 - The bin requirements will double for a double RVM

Approximate Cost

- The estimated cost a proline RVM is \$350k for the unit delivered and installed



RVM (X30) Unit

RVM Dimensions

- A single RVM Proline will require the equivalent of 3 240L bin spaces to be located either in store or outside in the carpark enclosed in a small cube shipping container that will require the equivalent of a single car space and able to operate in a safe and efficient manner.

Power Supply

- The power supply for a proline machine will be single phase power for the machine to operate in the car park of the retail facility.

Container Storage Numbers

- The containers will be stored within the machine in the following way.
 - For a single RVM Proline
 - Glass - There will be one 240L bin located within the machine
 - PET & Aluminium containers - There will be euro pallet bin located within the machine to collect the containers
 - All other material will be managed in a 240L bin that will sit separate

Approximate Cost

- The estimated cost a proline RVM is \$75k for the unit delivered and installed



LIST AND MAP OF POTENTIAL IGA LOCATIONS

LGA	Urban, Region, Remote	Pop.	Address	CRP	Refund point type	Total Containers
Break O'Day	Regional	439	31/33 Talbot St, Fingal TAS 7214	IGA	OTC	93,902
Break O'Day	Regional	826	92 Scamander Ave, Scamander TAS 7215	IGA	X30 (single)	233,834
Glamorgan-Spring Bay	Regional	706	5 Charles St, Orford TAS 7190	IGA	X30 (single)	449,829
Glamorgan-Spring Bay	Remote	1073	39 Foster St, Bicheno TAS 7215	IGA	X30 (single)	229,513
Meander Valley	Regional	2320	45 Meander Valley Rd, Westbury TAS 7303	IGA	Proline (single)	948,855
Northern Midlands	Regional	1045	113 High Street, Campbell Town, Tas, 7210	IGA	X30 (double)	476,353
Northern Midlands	Urban	4349	7a Wellington St, Longford TAS 7301	IGA	Proline (double)	2,127,223
West Tamar	Regional	1383	106 Weld St, Beaconsfield TAS 7270	IGA	Proline (single)	953,775
Devonport	Urban	4480	67 Caroline St, East Devonport TAS 7310	IGA	X30 (single)	350,000
Huon Valley	Regional	1786	14 Mary St Cygnet TAS 7112	IGA	X30 (single)	382,023
Huon Valley	Regional	940	1 Station Rd Dover TAS 7117	IGA	X30 (single)	201,065
Sorell	Urban	2681	60 Carlton Beach Road, Dodges Ferry, Tas, 7173	IGA	Proline (single)	1,900,705
Southern Midlands	Regional	740	54 High St, Oatlands TAS 7120	IGA	X30 (single)	158,285
Tasman	Regional	589	1856 Main Rd, Nubeena TAS 7184	IGA	X30 (single)	365,125
Huon Valley	Regional	1471	5 Brady St, Geeveston TAS 7116	IGA	X30 (single)	314,645
Glamorgan-Spring Bay	Remote	525	4/15 Esplanade, Coles Bay TAS 7215	IGA	X30 (single)	114,436
Break O'Day	Regional	757	56 Main St, Saint Marys TAS 7215	IGA	X30 (single)	219,075
Break O'Day	Regional	2255	23 Cecilia St, St Helens TAS 7216	IGA	Proline (single)	939,572

Kentish	Regional	1641	59 Main St, Sheffield TAS 7306	IGA	Proline (single)	919,123
West Coast	Remote	713	1 Reid Street, Strahan, Tas, 7468	IGA	X30 (single)	200,124
West Coast	Remote	766	16 Agnes Street, Rosebery, Tas, 7470	IGA	X30 (single)	214,540
King Island	Remote	785	8-10 Main St, Currie TAS 7256	IGA	X30 (single)	353,789

