



TASRecycle

Tasmanian Container Refund Scheme

Opportunities for Small Business & Social Enterprise

June 2021

Introducing TasRecycle

Who are we?

- Established by **Coca-Cola Amatil** and **Lion** in recognition of shared responsibility (with other manufacturers and the community) for reducing waste generated by beverage product packaging.
- Will be a **not for profit**.
- Seeking to deliver the Tasmanian CRS under a **Community Producer Responsibility Model**.

Our motivation

Our motivation for participating in the CRS:

1. **Our vision for sustainability, corporate responsibility and industry leadership** – as two of the largest beverage suppliers globally, we recognise the importance of producer responsibility and our role in promoting sustainability. As good corporate citizens we strive to make a long-lasting, positive impact on the community.
2. **Positive outcomes** – it is important that the community has every opportunity to participate in and benefit from the Scheme. TasRecycle is focused on job creation and opportunities for individuals and social enterprise organisations.
3. **Community impact** – the introduction of the CRS has the potential to deliver more than **\$6m per annum in additional revenue** to social enterprise.

The opportunity

The Tasmanian Government has announced its intention to introduce a Container Refund Scheme (CRS) in Tasmania commencing in 2022.

This follows the introduction of other schemes in South Australia, the Northern Territory, New South Wales, Australian Capital Territory, Queensland and Western Australia.

The introduction of the CRS should be a significant revenue raising and business opportunity for small business and social enterprise.





Small Business Opportunities

Video Stories from Successful Small Businesses



Townsville - Heather:

<https://www.youtube.com/watch?v=wZjNgZFVPrY>

Brisbane – Janelle:

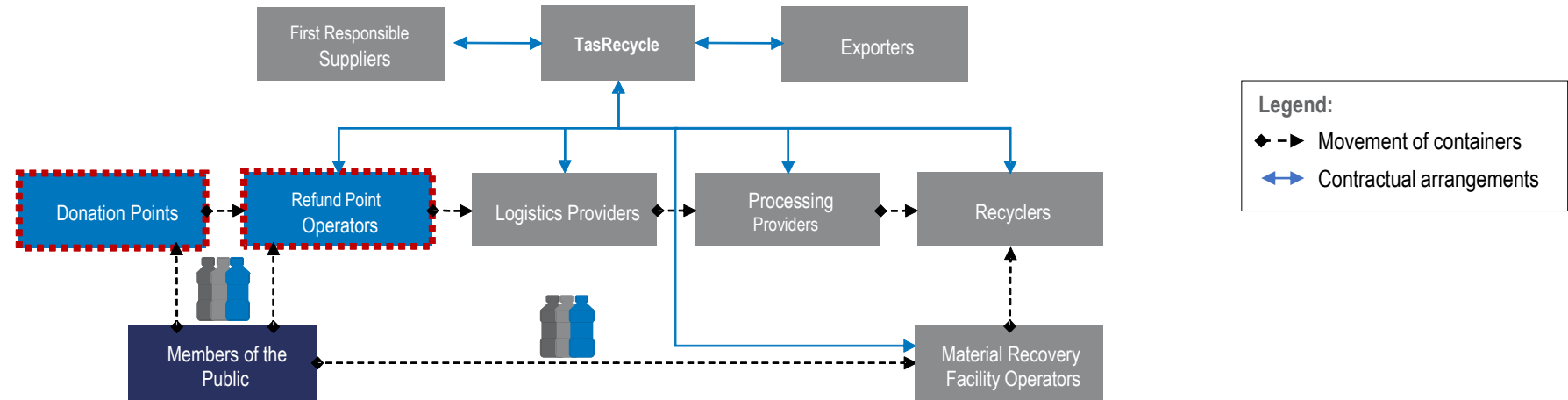
<https://youtu.be/MJPdS4Uvmmc>

Ten Cent Tom: <https://youtu.be/nVVgsDyFSUo>

Tanduringie School: <https://youtu.be/fBC77z4NkGc>

Opportunities for small business & social enterprise

There would be significant opportunities for small business & social enterprise organisations to participate in the Scheme under the **Community Producer Responsibility Model**.



Donation Points

Social enterprise organisations can operate Donation Points as a form of fundraising to receive gifts of Containers from the public. Donation Points will need to take donated Containers to a Refund Point in order to receive the 10-cent Refund Amount. **We also actively support donations to all charities and social enterprise at all refund points across the state.**

Refund Points

Small businesses & social enterprise organisations can become a Refund Point Operator to generate income through both Handling Fees and the donation of Containers (should members of the public choose to donate their Containers). Under the **Community Producer Responsibility Model**, Refund Points would receive a Handling Fee of 6.50+ cents per eligible Container for counting, paying customers and sorting the Containers.

Donation Points

Social enterprise organisations can operate Donation Points as a form of fundraising to receive gifts of Containers from the public.

Social enterprise organisations might collect containers with a secure cage at their location or undertake a bottle drive.

Donation Points will need to take donated Containers to a Refund Point in order to receive the 10-cent Refund Amount.

We also support donations to all charities and social enterprise at all refund points operating across the state.



Donation Point activities



Collection

Collecting Eligible Containers deposited by members of the public



Return of Containers

Return Containers to Refund Points to receive the Refund Amount per Eligible Container

Refund Points

Refund Point Operators play a crucial role in the Scheme, delivering a range of services at each Refund Point they operate.

The operation of Refund Points should be considered as both a business and a lucrative revenue raising opportunity.

Types of Refund Points include:

- Over-the-Counter
- Reverse Vending Machines (RVMs)
- Drop-off
- Mobile

Under the **Community Producer Responsibility model** proposed by TasRecycle - Refund Point Operators will receive a Handling Fee of 6.50+ cents per Eligible Container for providing the Refund Point Services.

Refund Point Services



Collection

Collecting Eligible Containers deposited by members of the public and charity organisations and ensuring all bottle caps are removed



Counting and payment

Counting the returned Containers and paying members of the public the Refund Amount of 10 cents per Eligible Container



Sortation

Sorting the collected containers into the 11 Material Types



Use of TasRecycle's POS system

Enter all transactions into the POS system at the time Containers are counted and sorted



Aggregation Point

Transport collected Containers to an agreed Aggregation Point and prepare Containers in provided Collection Infrastructure for collection by TasRecycle's Logistics Provider.



Community connection

Connecting with the community to ensure awareness and understanding of the Scheme



Audit and Reporting

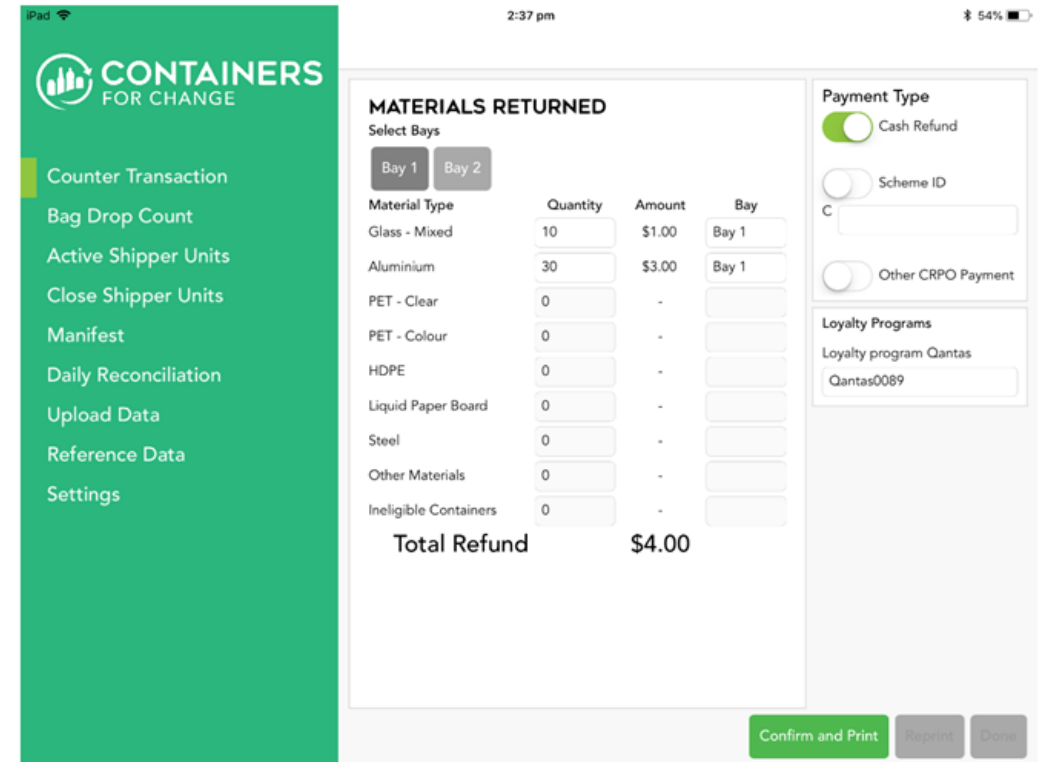
Compliance with TasRecycle's reporting requirements and audit and verification activities.

Supporting you on your journey

TasRecycle wishes to actively encourage and support small business social enterprise participation in the Scheme.

Under a **Community Producer Responsibility scheme**, we will do this by:

- Ensuring Small business social enterprise receive **fair handling fees**.
- Simplifying the Application Process for applicants seeking to provide 5 or less Refund Points.
- Providing ample training material and support
- Reducing barrier to entry:
 - ✓ Reducing set up costs by providing a Point of Sale (POS) system free of charge;
 - ✓ Lowering working capital requirements by providing cashless payment options; and
 - ✓ Provision of Collection Infrastructure to facilitate collection of Containers.



Containers for Change app interface showing materials returned and refund details.

Material Type	Quantity	Amount	Bay
Glass - Mixed	10	\$1.00	Bay 1
Aluminium	30	\$3.00	Bay 1
PET - Clear	0	-	
PET - Colour	0	-	
HDPE	0	-	
Liquid Paper Board	0	-	
Steel	0	-	
Other Materials	0	-	
Ineligible Containers	0	-	
Total Refund		\$4.00	

Payment Type: ☒ Cash Refund

Scheme ID:

Other CRPO Payment:

Loyalty Programs: Loyalty program Qantas, Qantas0089

Buttons: Confirm and Print, Reprint, Done

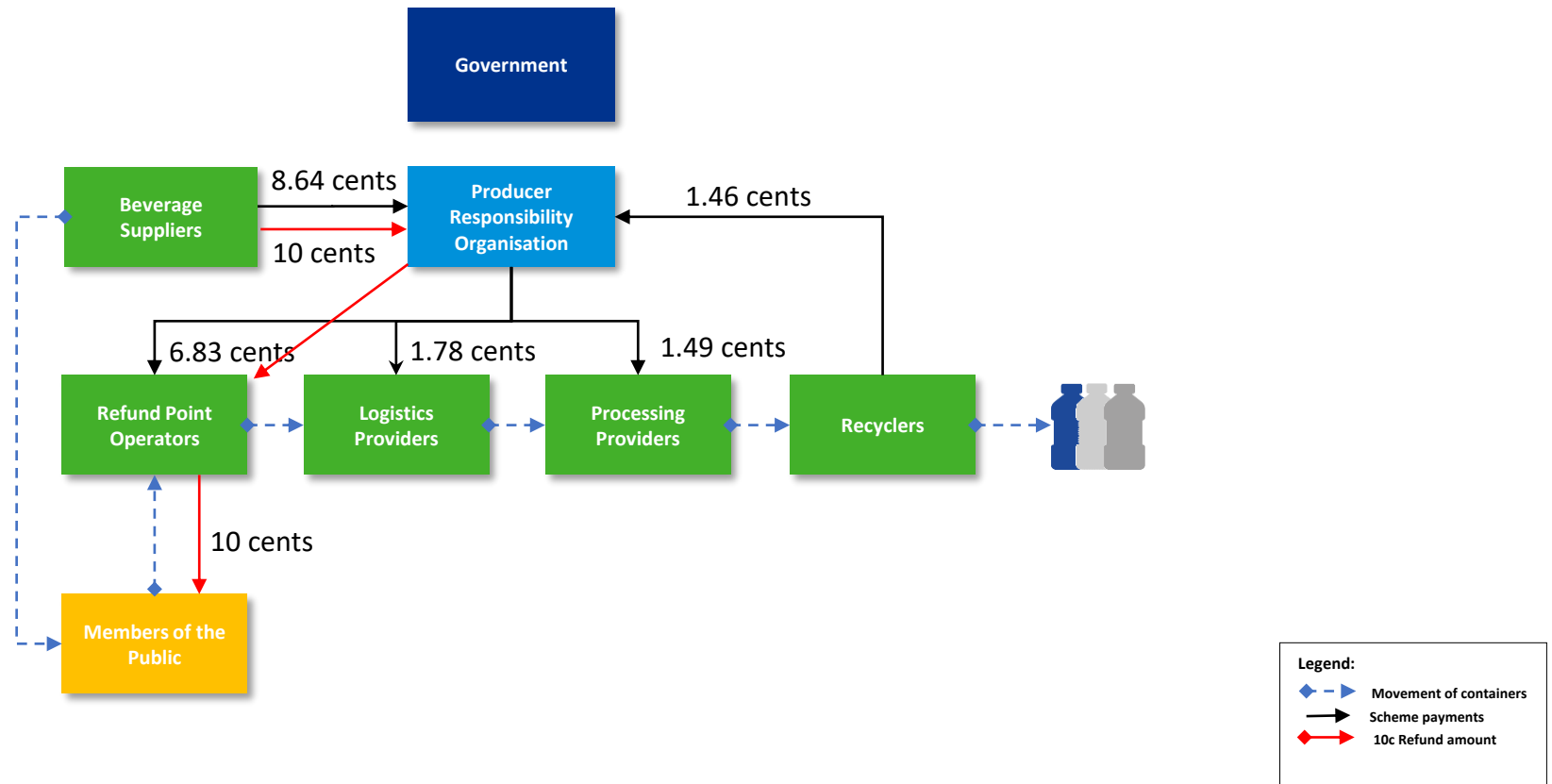
Why the governance of the CRS matters...

The Tasmanian Government is currently contemplating delivering the scheme under the NSW Waste Industry (Monopoly) model. The governance structure of the scheme will have a significant impact on who delivers the refund point network...

- **NSW** – 81.1% of container volume is collected through Network Operator owned and operated sites, with the remaining (18.9%) of container volume collected by operators subcontracted by the Network Operator¹. In NSW, 91.7%+ of the value of the Network Fees paid by the Scheme Coordinator are estimated to be retained by the Network Operator, with only 8.3% benefiting third party refund point operators.²
- **QLD** – 72 refund point operators delivering 311 refund points across the State. 12% of refund points are operated by social enterprises and not-for-profits, 1% by local governments, and the remaining 87% by commercial operators (49% SMEs and 38% commercial waste operators), including many local small businesses.³
- **WA** – At scheme launch, there were 74 refund point operators delivering 200 refund points across the State. 35% of refund points operated by social enterprises and not-for-profits, 15% by local governments, and the remaining 50% by commercial operators (35% SMEs and 15% commercial waste operators), including many local small businesses.⁴
- **SA** – there are over 92 refund point operators delivering 124 refund points across the State. 8% of refund points are operated by social enterprises and not-for-profits (16% of scheme volume) and 88% are operated by SMEs, including many local independent and family owned small businesses.⁵

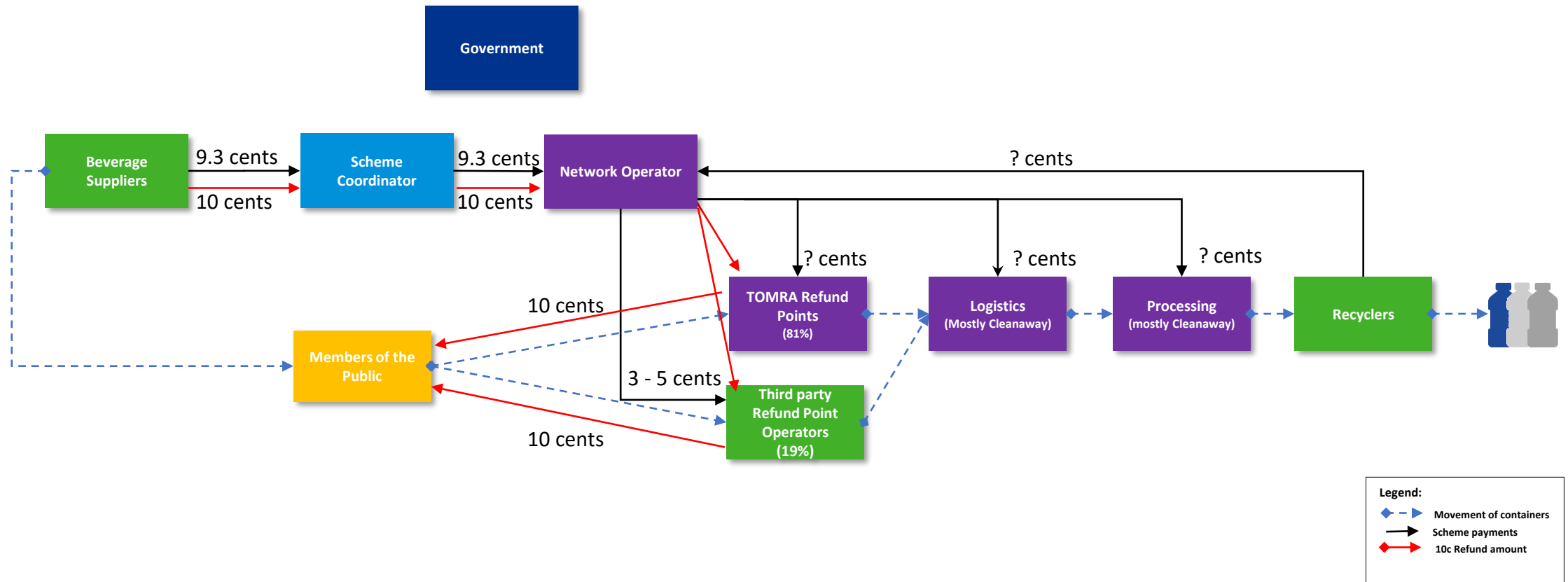
Flow of funds – Community Producer Responsibility Model

For every container collected at refund points in QLD in FY 2020...



Flow of funds – Waste Industry (Monopoly) Model

For every container collected at refund points in NSW in FY 2019...



Why does it matter?

Indicative modelling undertaken by KPMG shows a big difference in the benefits delivered by the governance models. Under a Community Producer Responsibility Scheme:

- **Tasmanian social enterprises** (including football clubs, charities, community organisations) may benefit from up to \$6m per year in new revenue, and \$50+m over the first decade of operation.
- **Small and medium sized businesses** (including pubs and local businesses) may stand to gain up to \$8 million per annum.
- An estimated **150 jobs may be created**, compared with an estimate of only 90 if the NSW model is adopted.

In Launceston...

Assuming that each member of the community (68k residents) consumes 500 containers per annum, under a Community Producer Responsibility Scheme:

- Total available refund amounts would be equal to \$3.4m per annum; and
- Handling fees paid to social enterprises and small and medium sized businesses operating refund points could be as much as \$2.3m per annum.

Social enterprise deserves to play a key role in the scheme!



Thank You

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