

Media statement

Container deposit scheme financial workings
8 April 2018



Over the past four months, since the NSW container deposit scheme (CDS) commenced in December 2017, more than 204 million containers have been returned to collection points around NSW.

This has seen some \$20 million returned to families and communities in container deposit refunds.

Scheme coordinator Exchange for Change CEO Mr Peter Bruce said the CDS, which is funded entirely by the beverage industry, is modelled on similar schemes in South Australia, the Northern Territory and many other countries around the world.

“Return and Earn has been embraced by consumers and the community, with its popularity increasing every week,” he said.

Mr Bruce said recent media coverage regarding the scheme’s finances had been misleading. “The scheme has been specifically designed as a cost recovery model, not a profit generating model.

“Beverage suppliers are invoiced a month in advance so there are always funds available for the community to collect their 10c refund when they return a container to a collection point. This also covers the refunds on containers recycled through kerbside collections.

“Beverage suppliers pay only for containers that are actually collected or returned through the scheme, so each month, refunds to the community are reconciled against funds paid in advance by suppliers and any difference means the supplier may pay less into the fund for the next month.

“There is no pool of “unclaimed refunds” to profit from.

“Funds paid into the scheme by suppliers can only be used for container refunds and the cost of operating the scheme. Exchange for Change does not “return” large amounts of money to any beverage supplier, big or small.”

Mr Bruce said Exchange for Change was subject to independent auditing across multiple elements of the Scheme and required to formally report on an annual basis.

“As the scheme matures over the coming months, estimates of returns will become more accurate and advance payments by suppliers will more accurately align with actual costs. Our aim is to minimise the need to reconcile payments each month and only collect the amount needed to cover actual costs. “In the meantime, some of the beverage industry’s biggest businesses are on the record saying they will pass on any savings from the scheme costing less than anticipated, to consumers.

“In simple terms this means any increased prices to consumers should only cover the cost of the scheme, which is as it should be,” Mr Bruce said.

NSW Container Deposit Scheme fact sheet

- The NSW Container Deposit Scheme has been embraced by the community – more than 204 million containers (at 7 April 2018) have been returned since the Scheme commenced in December 2017
- Container returns have been rising as more collection points have rolled out around the state and consumers embrace the scheme.
- The NSW CDS is modelled on similar schemes in South Australia, the Northern Territory and many other places around the world including schemes in Canada, Germany and the United States. Similar schemes operate in 38 countries around the world.
- ACT, Queensland, Western Australia and England are also planning to introduce schemes.

Scheme finances

- The NSW Container Deposit scheme is funded by the beverage industry.
- Over the first four months some \$20 million has been refunded to families and communities.
- A significant amount of money is expected to be returned to councils and recyclers for containers returned through kerbside collections, which councils must use to benefit rate payers. These refunds are paid out after the end of the quarter.
- The scheme has been specifically designed as a cost recovery model, not a profit generating model. There is no pool of “unclaimed refunds” to profit from.
- Beverage suppliers pay only for containers that are collected or returned through the scheme.
- Since December 2017 the beverage industry has been invoiced \$184 million by the scheme coordinator, Exchange for Change, to fund the scheme.
- Suppliers pay a month in advance so there are always funds available for the community when they return a container to a collection point, and for the refunds on containers recycled through kerbside collections.
- At the end of each month refunds to consumers are reconciled against funds paid in advance by suppliers and any difference means the supplier may pay less into the fund for the next month.
- Exchange for Change receives a fixed fee for its services as Scheme Coordinator, which was determined through a competitive tender process. Exchange for Change does not profit from a lower recovery rate. Their fixed fee is not related to the number of containers collected.
- As the scheme matures and estimates of containers returned becomes more accurate, the estimated costs charged to suppliers each month and the actual costs each month will become more accurate and stabilise.
- Some of the beverage industry’s biggest businesses are on the record saying they will pass on any savings from the scheme costing less than anticipated, to consumers.

Reporting back to the community

- The Independent Pricing and Regulatory Tribunal (IPART) is monitoring for any impact of the CDS on beverage prices from 1 November 2017 and 1 December 2018, and will report to the NSW Government.
- The NSW Fair Trading Commissioner has warned against engaging in misleading and deceptive conduct in relation to price increases that are not a result of the scheme.
- Exchange for Change is subject to independent auditing across multiple elements of the Scheme.
- Exchange for Change is required to formally report on an annual basis.