

Container deposit scheme: Minimum network standards review

Summary of submissions and recommendations – Second review October 2021

Department of Water and Environmental Regulation November 2022 Department of Water and Environmental Regulation Prime House, 8 Davidson Terrace Joondalup Western Australia 6027 Locked Bag 10 Joondalup DC WA 6919

Phone: 08 6364 7000 Fax: 08 6364 7001

National Relay Service 13 36 77

dwer.wa.gov.au

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For more information about this report, contact A/Manager Container Deposit Scheme, Ross Belton 6364 7027.

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1 Background

The container deposit scheme (CDS), Containers for Change, started on 1 October 2020 to allow people in Western Australia (WA) to return their empty beverage containers to a refund point and receive 10 cents for each eligible container.

The Department of Water and Environmental Regulation (the department) developed the <u>Minimum network standards: Refund point locations and hours of operation</u> (May 2019). The Minimum network standards seek to balance consumer convenience with scheme costs, as the number of refund points is a key driver for each.

As part of developing the Minimum network standards, the department consulted key stakeholders and the public in 2018. Following consultation, the department released the Minimum network standards consultation summary (May 2019) which modelled the collection network to provide indicative locations and refund point numbers.

The department started the second review of the Minimum network standards in October 2021, in accordance with the legislative requirements detailed in section 2. This report provides an overview of comments provided by the scheme coordinator, WA Return Recycle Renew Ltd (WARRRL), and the Western Australian Local Government Association (WALGA), along with the outcomes of the review.

2 Legislative requirements

The CDS was established under the *Waste Avoidance and Resource Recovery Act* 2007. The Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019 require that the Minimum network standards are reviewed:

- · as soon as practicable after the six-month anniversary of the scheme starting
- after that, at intervals of not more than six months for the first three years
- · after that, at intervals of not more than one year.

The scheme started on 1 October 2020.

3 Review process

In April 2021, the department commissioned Metrix Consulting to conduct a benchmark study: *Community perceptions of Containers for Change*.

Metrix Consulting undertook an online survey of the WA community (aged 18 years+) between 3 and 17 May 2021. The survey took 10 minutes to complete. Targeted interviews were used in some Perth metro and regional areas to achieve the target samples in locations where refund points have reduced operating hours (refer to section 4.2). A total of 955 online surveys and 208 telephone interviews were completed. The scope and key findings of the benchmark study are summarised in Appendix 1.

In parallel to the benchmark study, the department prepared an issues paper that summarised the matters identified for consideration in the first review.

The issues paper supported consultation with key stakeholders, WALGA and WARRRL.

The department considered all comments and feedback received and has made decisions that seek to balance consumer convenience with scheme costs.

4 Issues identified

4.1 Application of maximum travel distances

The Minimum network standards (section 1.3, page 3) states:

On and from 12 months from the date of commencement, the coordinator must ensure that the travel distances to a refund point for those persons identified in column 1 of the table in Part 1.3 are no more than those distances specified in column 2 of the table in Part 1.3.

Column 1	Column 2
Regional category	Maximum travel distance to refund point
Perth metropolitan area	5 km
Inner regional area	50 km
Outer regional area	100 km
Remote and very remote area	200 km

These maximum travel distances were used for modelling network coverage and were based on an approximation of maximum shopping distances customers travel in different areas of the state (The Department of Water and Environmental Regulation, 2019).

It was not intended that exceeding maximum travel distances would result in noncompliance with the Minimum network standards. It is likely that there may be cases where these maximum travel distances are currently exceeded in remote areas.

The benchmark study of community perceptions of Containers for Change found that most scheme users are travelling up to 10 minutes to access their refund point and perception of the scheme is high overall (Metrix Consulting, 2021).

Table 1: Summarised stakeholder comments – application of maximum travel distances

Issue	WALGA comments	WARRRL comments
Application of maximum travel distances: 1) Insert additional text applied to section 1.3 of the Minimum network standards to clarify that maximum travel distances are only used to calculate the statewide coverage of the scheme.	 Support. Don't support: These distances are important to ensure there is adequate access to refund points 	 Agree to including text to 1.3 regarding maximum travel distances used to calculate coverage. Agree to removing 1.3.
2) Remove all reference to maximum travel distances.		

The maximum travel distances were intended to calculate the statewide coverage of the scheme. Based on the application of maximum travel distances and identified refund points in the Minimum network standards consultation summary, the scheme provides coverage to 98 per cent of the population.

The maximum travel distances also served as an important guide to the coordinator's design of the collection network, ensuring it provides an appropriate level of community accessibility.

Stakeholders support changing the standards to prevent the unintended outcome that the coordinator will inevitably be non-compliant with the regulations.

The department's recommendation: Modify text into section 1.3:

On and from 12 months from the date of commencement, the coordinator must endeavour to design the collection network so the travel distances to a refund point for those persons identified in column 1 of the table in Part 1.3 are no more than those distances specified in column 2 of the table in Part 1.3.

4.2 Application of sites identified in the Minimum network standards

To support consultation for the draft Minimum network standards, the department modelled a collection network that was consistent with the standards. The modelled network was updated to accommodate the changes to the Minimum network standards made in response to comments received, and was included in the Minimum network standards consultation summary (Department of Water and Environmental Regulation, 2019).

The modelled network was intended to provide context to, and help stakeholders understand, the likely implementation of the Minimum network standards rather than being a set of mandatory locations. Nevertheless, they are widely considered by stakeholders as required sites.

WARRL advised the department that it may not be able to establish refund points in three of the locations identified:

- Telfer
- Ngaanyatjarra-Giles
- Laverton.

The coordinator has since established a refund point in Laverton.

When approached by WARRRL, Telfer advised that it is a private mining town and was not prepared to open the town to external traffic by opening a refund point. An alternative refund point has been established in Marble Bar.

At the time of consultation, the coordinator had been unable to establish a refund point at Ngaanyatjarra-Giles. The nearest refund point is Warburton Roadhouse, 266 km away.

Table 2: Summarised stakeholder comments – application of identified sites

Issue	WALGA comments	WARRL comments
Application of sites identified in Minimum network standards consultation	 No comment. Support: Scheme coordinator to investigate regular or occasional 	Agree to removing Telfer. Marble Bar refund point has been established.
summary: 1) Remove reference to Telfer as an indicative refund point location.	mobile service for the Ngaanyatjarra-Giles community.	2) Agree to further investigating Ngaanyatjarra-Giles community periodic service. This is a challenging site to visit
2) Scheme coordinator to investigate regular or occasional mobile service for the Ngaanyatjarra- Giles community.		but WARRRL will continue to investigate opportunities.

While Telfer is mentioned in the Minimum network standards consultation summary as an indicative refund point location, it is not referenced in the Minimum network standards, which is the regulatory document. Telfer is not a public townsite and consequently public access to the townsite cannot be guaranteed. However, WARRL has negotiated with the Telfer mine operators to facilitate community donation of beverage containers generated from the mine. As an alternative, WARRL has established a refund point in Marble Bar.

The nearest refund point to Ngaanyatjarra-Giles is at Warburton Roadhouse, 266 km away. WARRL has provided a commitment to continue to investigate opportunities for a regular or occasional mobile service for the Ngaanyatjarra-Giles community.

The department's recommendation: No changes are required to the Minimum network standards.

4.3 Definition of seasonal refund point

Regional areas with populations affected by seasonal factors, such as growing seasons and holiday periods, were considered during consultation on the Minimum network standards.

While recognised as an important issue, it was difficult to provide for seasonal populations under the Minimum network standards because of limited reliable data. However, adjustments were made to the modelled collection network in the consultation summary to account for well-known regional areas with significant seasonal populations, including:

- Bremer Bay
- Coral Bay
- Rottnest Island.

The coordinator has established refund points in Coral Bay and at Rottnest Island.

At the time of this review a refund point had not been established in Bremer Bay; however, WARRL has since advised that a flexible refund point has been established at the Bremer Bay waste transfer station.

Table 3: Summarised stakeholder comments – seasonal refund point

Issue **WALGA** comments WARRRL comments Definition of seasonal 1) Support: In certain parts of 1) Agree to define refund point: WA seasonal refund points seasonal towns. can potentially benefit local 1) Define seasonal 2) Agree to exempt communities. refund points as seasonal towns from those that serve a 2) Conditional support: minimum hours. This town with fewer WALGA agrees that will assist in viability of than 500 people seasonal refund points those points. What and only operate have some flexibility in hours are being for part of the year proposed? Will these hours of operation, but the when tourism refund point would need to be seasonal? assists economic provide some form of 3) Agree to allow refund viability. justification to the points to self-identify department for the opening 2) Exempt seasonal as 'seasonal', but hours. refund points from request clarity on specified 3) Support: In some how/who will identify minimum hours instances, it may be the towns. What appropriate for some required for parameters will flexible refund refund points in regional determine which ones points. and remote locations to are seasonal? self-identify as seasonal 3) Allow refund 4) Agree to the date because of their location points in addition ranges if there is some and therefore have to those listed in flexibility and there is different minimum hours of the Minimum ability to change these operation. network standards as demand dictates. 4) Don't support: COVID-19 has had a significant

to self-identify as 'seasonal'.	impact on tourism in certain parts of WA,	
4) Establish (if required) date ranges applicable for individual seasonal refund points.	showing a substantial increase in many regions. This has meant visitors outside of the seasonal dates or times which were once considered usual.	

1) Definition

Seasonal refund points included in the Minimum network standards consultation summary, such as Bremer Bay and Coral Bay, do not have year-round populations to support minimum operating hours (fewer than population threshold of 500 people).

Towns with fewer than 500 people are potentially not economically viable to operate a flexible refund point based on minimum operating hours.

The department's recommendation: Define seasonal refund points as those that serve a town with fewer than 500 people and only operate for part of the year when tourism assists economic viability.

Refund points in consultation with WARRRL, as coordinator, can self-identify as seasonal (where they are in towns of fewer than 500 people) and operate for part of the year.

2) Minimum hours

Stipulating minimum operating hours during 'tourist season' is subject to a range of variables that might impact on the seasonal economic viability of the refund point.

The department's recommendation: Exempt seasonal refund points from specified minimum hours required for flexible refund points.

3) Determining the tourist season

Defining the seasonal period for minimum operating hours would require flexibility to respond to any factors that affect the tourist season, such as climate, global health or economic impacts. This would result in ongoing amendments to the Minimum network standards which would be impractical.

The department's recommendation: The Minimum network standards should not establish date ranges for seasonal refund points.

4.4 Definition of event-based refund point

Event-based refund points were envisaged to service particular social events, such as markets, music festivals, agricultural shows, sporting carnivals, and would only operate for the duration of those events.

It was not intended that event-based refund points would be required to conform to minimum operating hours for flexible refund points (at least 16 ordinary business hours per fortnight, at least eight of which must be weekend hours) nor contribute towards the scheme coordinator's obligation to meet the minimum number of refund points.

The coordinator defines pop-up refund points as follows:

These provide a scheduled service where refund point operators meet customers every week, fortnight or month. They allow customers, community groups and charities to return their containers for a refund either in cash, via retail cash voucher or through their scheme ID. Some operators count the containers on the spot, whereas others will take your containers back to their sorting point to count later and process your refund (Containers for Change 2021).

The department notes that WARRRL uses this term in a manner that includes mobile and event-based refund points.

Table 4: Summarised stakeholder comments – definition of pop-up refund point

Issue **WALGA** comments WARRRL comments Definition of event-1 and 2) Support. 1) Agree to the definition. based refund point: Pop-up refund points have the 2) If they are 'permanent' 1) Define eventpotential to capture many in location and time based refund containers from events. It is they should be points as unlikely they can adhere to the included within the servicing minimum hours of operation Minimum network standards. These are temporary social as required under the CDS events that exist Minimum network standards valuable points the outside regular and as such should be community uses as business hours exempt. WALGA would also part of standard such as markets. suggest that pop-up refund journeys or shopping points should also be music festivals. patterns. They also agricultural excluded from the Minimum provide a great shows, sporting network standards count of community feel to the carnivals. refund points required as they scheme. Including cannot meet these these sites may 2) Clarify that eventrequirements. require a review of based refund what hours a pop-up points do not form refund point would part of the need to keep to qualify

Minimum network	as an ongoing pop-up.
standards in	Alternatively, these
terms of minimum	could become part of
hours of	the mobile point
operation.	definition.

1) Definition

The Minimum network standards do not clearly define event-based. Without a clear definition, a refund point that only operates occasionally could claim to be an event-based refund point with less than the minimal operating hours.

The department's recommendation: Define event-based refund points as servicing temporary social events that exist outside regular business hours such as markets, music festivals, agricultural shows, sporting carnivals.

2) Minimum hours

Event-based refund points, by definition, have ad hoc operating hours and therefore cannot be expected to meet regular fortnightly operating hours.

The department's recommendation: Clarify that event-based refund points are not required to meet the Minimum network standards minimum hours of operation.

4.5 Definition of mobile refund point

Definition of mobile refund point

The Minimum network standards (section 2, page 4) consider mobile refund points in the definition of a flexible refund point:

Flexible refund point	Flexible refund points can be stationary facilities that must provide at least 16 ordinary business hours per fortnight, at least eight of which must be weekend hours.
	Flexible refund points can be mobile refund points, which will not be required to adhere to specified minimum hours, as they need the flexibility to cater for seasonal, mobile, or event-based circumstances.

Mobile refund points were envisaged as operating from a truck or trailer driven to smaller communities accessible from designated refund point locations. Thereby, communities considered too small for a stationary refund point operating on minimum network standard hours could still receive occasional service via a mobile refund point.

Table 5: Summarised stakeholder comments – definition of mobile refund point

WALGA comments WARRRL comments Issue Definition of mobile 1) Support. 1) There is an refund point: opportunity to refine 2) Conditional support: A this definition to make 1) Define a mobile definition of a mobile it clear what these refund point as refund point needs to be points are. The being a refund included in the Glossary definition needs to be point that can be section indicating it is not inclusive of locations easily moved from required to meet the where collection location to minimum network standard infrastructure has location as part of hours of operation for been left at a location a vehicle, flexible refund points (16 and is not always ordinary business hours connected to a attached to a vehicle vehicle or carried per fortnight, at least eight as per the above point. in a vehicle. of which must be weekend We also believe there hours). Where a stationary 2) Mobile refund is an opportunity to refund point is not points are not define hours within this economically viable but required to meet section - as many produces a high container the minimum sites cannot justify the return this should be hours of operation 16-hour fortnightly treated as mobile refund designated for requirements. The points. flexible refund weekend requirements points. 3) Conditional support: Mobile have also put pressure refund points would still on some smaller 3) Refund point need to meet some form of communities and locations minimum servicing Indigenous nominated in the standard/operating hours, corporations, for whom Minimum network approved by the the cost/benefit of standards that are department. outlaying weekend reasonably penalty rates versus considered by the small volume returns scheme presents challenges. coordinator to not In addition, some local be economically government areas do viable as not allow weekend stationary refund hours for mobile sites. points can be which are extremely serviced as popular with the mobile refund community. In areas points. where there is not a local refund point

because of zoning,

mobile sites are receiving up to 25,000 containers a day.
Mobile points should be counted as a refund point.
3) Agree mobile points be considered if a stationary point is not viable or there are no other options available in the location.

1) Definition

There is currently no definition of a 'mobile refund point'. Consequently, there could be some confusion as to what constitutes a mobile refund point and is therefore required to meet the Minimum network standards in terms of operating hours.

The department's recommendation: Define a mobile refund point as being a refund point that can be easily moved from location to location as part of a vehicle, connected to a vehicle or carried in a vehicle. Collection infrastructure may be transported to a location then left temporarily in place unattached to any vehicle to receive eligible containers before being transported elsewhere.

2) Minimum hours

Currently under the Minimum network standards, mobile refund points are exempt from the requirement to meet minimum operating hours.

The department's recommendation: Mobile refund points are not required to meet the minimum hours of operation designated for flexible refund points.

3) Economic viability

Refund point locations nominated in the Minimum network standards consultation summary meet a minimum threshold population criterion and are expected to provide a flexible refund point with minimum operating hours. The department notes that there are situations where refund points are not able to operate viably for the minimum operating hours. Some of these refund points are not mobile operations.

The department's recommendation: Further consideration to be given to how the Minimum network standards support convenience and accessibility objectives in locations where economic viability is a concern. This will also require consideration of measures to ensure against an ongoing reduction of refund point accessibility and a strategic response to risks of a diminished collection network because of economic

viability. These matters should be addressed in more detail in the next review of the Minimum network standards.

References

Containers for Change, 2021, Where to return, Pop-up refund points

Department of Water and Environmental Regulation, May 2019, Minimum network standards Consultation summary

Department of Water and Environmental Regulation, May 2019, <u>Minimum network</u> <u>standards: Refund point locations and hours of operation</u>

Metrix Consulting, June 2021, Community perceptions of Containers for Change, unpublished report provided to Department of Water and Environmental Regulation

Appendix

Appendix 1 - Community perceptions of Containers for Change

In April 2021, the department commissioned Metrix Consulting to conduct a benchmark study to understand *Community perceptions of Containers for Change* across WA. Key areas of the study were perceptions of convenience and the resulting impact on use of the collection network, with particular focus on refund points with limited operating hours.

Metrix Consulting undertook an online survey of the WA community (aged 18 years+) between 3 and 17 May 2021. The survey took 10 minutes to complete. Targeted interviews were used in some Perth metro and regional areas to achieve the target samples. A total of 955 online surveys and 208 telephone interviews were completed.

Target samples included metro and regional locations with reduced operating hours, shown in the table below. The Gascoyne was also captured as a separate regional sample, because it is the only region without a full-time refund point.

Metro sample locations			
Baldivis	lluka	Ocean Reef	
Coogee	Koondoola	Padbury	
Girrawheen	Mindarie	Warwick	
Hamilton Hill	Mundijong	Whiteman Park	
Regional sample locations			
Balgo	Mount Magnet	Pinjarra	
Bidyadanga	Nannup	Toodyay	
Boddington	Northam	Warmun	
Coolgardie	Onslow	Waroona	
Kalumburu	Pannawonica	Wickham	
Laverton	Paraburdoo	Wyndham	
Leonora	Pemberton	Yungngora (Noonkanbah)	

The study concluded that there are differences in community perceptions and behaviours in locations where refund points have limited operating hours and in the Gascoyne.

Other key findings included:

- 93 per cent of the WA community are aware of the scheme
- 60 per cent of the WA community aware of the scheme have returned containers to a refund point
- the proportion of people who have used a refund point is slightly higher in regional areas (64%) than in the metro area (58%)

- engagement with the scheme is highest in the Mid West and Wheatbelt regions (80%)
- families (and those aged 35–54 years) are most likely to have used the CDS
- awareness, understanding and use of the scheme is lower among those aged 18–34
- cash refunds are the most common type of refund, particularly in regional areas
- key motivators for using the scheme are environmental benefits and the monetary refund
- key barriers to using the scheme are largely attitudinal i.e. the perceived effort relative to the size of the refund
- forgetting to use the scheme and lack of convenience are barriers to greater uptake.