

**Submission to the
Northern Territory
Legislative Scrutiny
Committee:**

***Environment Protection
(Beverage Containers and
Plastic Bags) Legislation
Amendment (Expansion of
CDS and Other Matters)
Bill 2025***

Australian Beverages Council Limited

9 September 2025





The Australian Beverages Council Limited (ABCL) is the leading peak body representing Australia's non-alcoholic beverages industry.

For over 75 years, the ABCL has been the only dedicated advocate for this industry, representing approximately 95 per cent of the industry's production volume. Our members range from Australia's largest drinks manufacturers to small and micro beverages companies whose drinks are enjoyed nationally as well as around the world. These beverages include carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, 100 per cent juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, kombuchas, flavoured milk products and flavoured plant milks.

The ABCL welcomes the decision of the Northern Territory Government to expand the scope of its Container Deposit Scheme (CDS). The non-alcoholic beverages industry has strongly endorsed and supported the broadening of the scope of eligible containers, with CDS providing a clean, source-separated stream of recycled material as well as reducing litter in our communities. This expansion recognises the value proposition of CDS and inclusion of wine, spirits and larger volume containers will further support sustainability objectives, including in the circular economy.

However, the ABCL has raised concern with emergence of a two-tier system that provides different implementation timelines for the new containers included in the scope of the scheme. The legislation proposes that new entrants be categorised as either Class 1 or Class 2 beverage containers. Class 1 containers, as defined by the current subordinate legislation, includes wine and spiritous liquor containers. Beverage manufacturers that produce drinks in Class 1 have been granted a 2-year transition period. Whereas beverages in Class 2, including large volume flavoured milk and juice, plain milk products and large volume water products, have been provided 12 months to make the necessary changes. This bifurcation of the scheme does not recognise that the challenges in meeting the implementation timeline are shared between manufacturers and suppliers of the classes. While sections of our industry already have containers included in the scope, this expansion adds new container types and sizes which necessitates changes that require appropriate time for adoption.

The ABCL strongly urges the Northern Territory Parliament to reconsider the proposed implementation timelines in the legislation to ensure that it applies equally to all new beverage containers. The proposed expansion will require new and existing scheme participants to, for example, update product labels. Despite a shorter product shelf-life, label transitions can take an extended period of time, particularly for small and micro manufacturers that often rely on annual or semi-annual bulk order of stock. If these issues are not addressed, they present significant challenges for micro, small, and medium-sized non-alcoholic beverage manufacturers that have long participated in the scheme.

This concern has been further heightened by the alternative payment terms proposed for some Class 1 beverage containers. Currently, arrangements are subject to terms agreed to by manufacturers with the super collectors, often requiring monthly or quarterly reporting and payment obligations regardless of the size of the manufacturer. However, in this expanded scope of CDS, the Northern Territory Government has proposed annual reporting terms for small wine and spirit manufacturers. This intervention fails to recognise the long-standing obligations placed on micro, small and medium sized manufacturers that have participated in the scheme for over a decade. Nor does this acknowledge that the proposed expansion brings in new beverage categories, beyond wine and spirits, that have not previously been participants. The impact of the current payment terms is particularly burdensome given the high-volume, low unit cost of products within the non-alcoholic beverages industry. Should the Northern Territory Government propose to set out the regularity of payment terms, **the ABCL requests it should be applied equally across all manufacturers of that size.**

The ABCL commends the Northern Territory Government for its decision to expand the scope of CDS. We have strongly encouraged other governments to adopt a similar policy approach and utilise the infrastructure available within the scheme to enhance domestic recycling capabilities in Australia. However, we do raise significant concern with the decision to provide separate timelines for implementation of these changes and the regularity of financial reporting for new container categories. Failure to rectify these issues undermines the integrity of the scheme, to the disadvantage of long-standing participants in the non-alcoholic beverage industry.