

Fact Sheet – Security of Pre-Consumer Containers

Purpose

This fact sheet sets out minimum expectations for the secure management of pre-consumer containers to protect scheme integrity, reduce fraud risk, and ensure compliance with Container Refund Scheme Act (CRS) and the Supply Agreement signed by First Responsible Suppliers with the Scheme Coordinator, TasRecycle Limited.

What are Pre-Consumer Containers?

Pre-consumer containers are eligible beverage containers that have not entered the consumer market. Examples include:

- Unsold or recalled stock
 - Damaged or expired inventory
 - Warehouse returns
 - Production surplus or rejected stock
 - Retailer or distributor write-offs
 - Stock given away or sold to staff or others but not declared as sales
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Key Risks

These containers require additional controls because they may be able to be claimed for refunds without having been purchased by consumers or declared as sales and paid into the scheme by First Responsible Suppliers.

Without appropriate security and oversight, pre-consumer stock may:

- Be diverted into the refund stream illegitimately.
- Create significant financial exposure to the scheme as these containers have not been declared and paid for into the scheme.



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- Lead to price increases for First Responsible Suppliers.
 - Lead to regulatory non-compliance or enforcement action.
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Best Practice Security Controls

Implementing and monitoring the following controls is strongly advised to minimise the risk of leakage of pre-consumer stock into the scheme:

1. Physical Security

- Store pre-consumer containers in secure and controlled areas.
 - Store pre-consumer containers intended for recycling or destruction in controlled areas.
 - Restrict access to authorised personnel only.
 - Use locked storage, monitoring such as CCTV, or other reasonable safeguards.
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2. Segregation and Identification

- Clearly separate pre-consumer containers from consumer-return material.
 - Use labelling or designated storage zones.
 - Separation of duties (ordering / production / authorising damaged/rejected containers for recycling).
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3. Inventory Control

Maintain accurate records including:

- Source and ownership of stock.
- Container types and quantities.
- Batch or shipment details.



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- Movement history and disposal actions.
 - Conduct regular reconciliation and stocktakes.
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4. Chain of Custody

- Documented transfers between facilities.
 - Use of authorised transporters where applicable.
 - Verification upon receipt and dispatch.
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5. Secure and Transparent Disposal

- maintain records of the number of pre-consumer containers being disposed.
 - engage a secure recycling/destruction service provider and obtain a certificate of recycling/destruction on completion; or
 - if disposing of containers via kerbside collection, delaying kerbside presentation of the bins until truck arrival.
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6. Monitoring, Education and Policies

- Conduct periodic audits or inspections.
- Monitor for unusual pre-consumer stock ordering patterns or rejected/damaged container volumes.
- Conduct staff and contractor education and training on compliance obligations including the importance of preventing pre-consumer containers from entering the Scheme and the potential consequences of improper handling.
- Implement Policies or Procedures that regarding the controls in place to manage risk regarding pre-consumer containers, including preventing the unauthorised removal of pre-consumer containers from sites.