



The Hon Lily D'Ambrosio MP
Minister for Energy, Environment and Climate Change
Department of Environment, Land, Water and Planning
8 Nicolson Street
MELBOURNE VIC 3000
Email: container.deposit@delwp.vic.gov.au

22 June 2022

Dear Minister

Re: CDS draft regulations and RIS

Thank you for the opportunity to provide feedback on the Department of Environment, Land, Water and Planning's (DELWP) draft Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Regulations and Regulatory Impact Statement (RIS).

The Waste Management and Resource Recovery Association of Australia (WMRR) is the peak national body for all stakeholders in Australia's \$15.5 billion waste and resource recovery (WARR) industry. We have more than 2,000 members across the nation, representing the breadth and depth of the sector, spanning business organisations, the three (3) tiers of government, universities, and NGOs.

Our members are involved in a range of important WARR activities within the Australian economy, including community engagement and education, infrastructure investment and operations, collection, manufacturing of valuable products from resource recovery materials, energy recovery, and responsible management of residual materials.

WMRR acknowledges DELWP's efforts in developing draft regulations and a RIS that are comprehensive, considered, and reflect and embrace both the opportunities to drive national harmonisation and importantly, the feedback received on its CDS discussion paper at the end of November.

WMRR notes that DELWP has a number of elements that it is working on ahead of commencement, including appointing the scheme coordinator and network operator(s), and developing guidelines and refund collection points permitted under the *Victoria Planning Provisions*. While WMRR notes that the preferred option for government is option one (1), industry would advocate that option two (2) is the better option given the ability to create a cleaner stream of glass for a broader range of materials. This expansion of materials is, as noted in the paper, currently being proposed by other jurisdictions in Australia and it would make significant sense for Victoria to align with this now to ensure that national harmonisation is not undermined when we finally have all states developing and implementing container refund schemes.

WMRR also makes following comments and recommendations:

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- **Scheme targets:** as noted above, WMRR supports the proposed prescribed operation and performance requirements as detailed in the RIS and draft regulations and notes the reporting requirements by the scheme coordinator in part 3 (11) (h). However, what is lacking is how these KPIs will be enforced and importantly, the penalties in failing to meet performance requirements. WMRR recommends that the department considers an inclusion in part 3 of the regulations that states that targets will be backed by commensurate penalties or consequences, and that all penalties (penalty units for corporations and individuals) are clearly stipulated in the final regulations.

CDS options and container eligibility: as mentioned above, WMRR endorses a nationally harmonised CDS and we are in support of option two (2). As noted in the RIS, the benefits/avoided costs of option two (2) are higher (\$1.16 billion) compared with option one (1) at \$1.089 billion. Importantly, as also indicated in the RIS, SA and NT are already reviewing such an expansion, which is also a consideration that is being discussed by Heads of EPA (HEPA), which EPA Victoria is secretariat of. Thus, to anticipate national changes expected in the short- to medium-term as well as capture greater benefits/avoid greater costs, WMRR is encouraging the Victorian government to be an early mover and lead the charge at HEPA by expanding the scope of eligible containers to include all beverage containers, including wine and spirit bottles, as this would result in less consumer confusion and increased return of containers. This is particularly true if the scheme evolves into a product stewardship scheme, moving beyond one that is aimed at littering of away-from-home consumed beverage containers towards one that requires producers to have greater responsibility, including utilising Australian recycled materials in the containers registered.

- WMRR recommends that the Victorian government considers how it can ensure that only those containers that are genuinely recyclable are collected (for example, Tetra Pak and composite containers remain an issue in other jurisdictions). Further, Victoria has failed to recognise to-date that by creating a fourth bin for glass, it has not reduced cost to MRFs (as they will still require machinery to deal with glass receipted), and it has undermined the value of glass receipted at kerbside in MRFs that they could claim income from through an audit methodology. It would be far better for Victoria to not have to incur the additional cost of collection and facility infrastructure for glass and instead, broaden the scope of its CDS to ensure that MRFs are no longer adversely impacted by ongoing poor policy-making in relation to kerbside.
- **Other exemptions:** part 2 (6) (g) stipulates that any other container designed with a ring-pull opening mechanism, if the ring is (i) attached to the container when unopened; and (ii) is detached from the container when opened, is prescribed not to be an eligible container. This exemption appears to be out of step with all other jurisdictions and WMRR queries the rationale behind, and necessity of, the inclusion of this exemption.



WMRR looks forward to continued engagement with DELWP to drive a successful roll-out of the state's CDS. Please do not hesitate to contact the undersigned if you would like to further discuss WMRR's submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gayle Sloan'.

Gayle Sloan

Chief Executive Officer

Waste Management and Resource Recovery Association of Australia