

# Waste Reduction and Recycling (Container Refund Scheme – Material Recovery Agreements) Amendment Regulation 2019

Explanatory notes for SL 2019 No. 189

made under the

*Waste Reduction and Recycling Act 2011*

## General Outline

### Short title

*Waste Reduction and Recycling (Container Refund Scheme – Material Recovery Agreements) Amendment Regulation 2019*

### Authorising law

Sections 99ZF and 271 of the *Waste Reduction and Recycling Act 2011*

### Policy objectives and the reasons for them

The objective of the *Waste Reduction and Recycling (Container Refund Scheme – Material Recovery Agreements) Amendment Regulation 2019* (Amendment Regulation) is to provide for a continuation of refund sharing payments to local governments and Material Recovery Facility operators, in the absence of an agreed arrangement to share the refund.

This provides a mechanism for the scheme to complement existing recycling services by providing a community benefit in the form of a refund payment to local governments for the eligible containers that are still collected through the kerbside recycling services.

As the scheme costs, including the refund amount, have been paid by beverage manufacturers on these containers, it is important that the ability for a refund payment to be paid is continued.

## **Achievement of policy objectives**

The policy objective will be achieved by amending the *Waste Reduction and Recycling Regulation 2011* to allow for the continuation of the safety net default refund sharing by enabling both the Material Recovery Facility operator and the local government to continue to share the refund for eligible beverage containers.

The current section 47(4) states that the relevant period is 30 September 2019. This is the date by when the Product Responsibility Organisation (the Organisation) is to receive notification that a refund sharing arrangement has been agreed. If the notification is not received by this date, recovery amount payments to Material Recovery Facility operators will not be made for claims after this date until an arrangement is agreed.

The Amendment Regulation will extend the date in section 47(4) to 31 December 2019.

## **Consistency with policy objectives of authorising law**

The objectives of the *Waste Reduction and Recycling Act 2011* (the Act) in relation to the container refund scheme are to:

- increase the recovery and recycling of empty beverage containers;
- reduce the number of empty beverage containers that are littered or disposed of to landfill;
- ensure the manufacturers of beverage products meet their product stewardship responsibility in relation to their beverage products;
- provide opportunities for social enterprise, and benefits for community organisations by –
  - making funds available through the payment of refund amounts for empty beverage containers; and
  - creating opportunities for employment in activities related to collecting, sorting and processing of containers for recycling; and
- complement existing collection and recycling activities for recyclable waste (for example, local government collections of recyclable waste through kerbside collection services).

The Amendment Regulation extends the date by which an agreed refund sharing arrangement must be notified to the Organisation appointed to run the scheme (Container Exchange – COEX), and is consistent with the objectives of the Act.

## **Inconsistency with policy objectives of other legislation**

The Amendment Regulation is consistent with the policy objectives of other legislation.

## Benefits and costs of implementation

The Amendment Regulation provides for a continuation until 31 December 2019 of the default refund sharing arrangement between a local government and a Material Recovery Facility operator.

Where a person has made a decision to place eligible containers in the kerbside recycling bin they have also decided to forego the direct individual payment of the 10 cent refund attached to that container.

As refund payments have not been made on these containers, they are eligible for a refund payment. The refund sharing provision enables a payment to the Material Recovery Facility operator where there is a Material Recovery Agreement in place and provides for a share of that payment to flow back to local governments.

The Amendment Regulation will not impose any additional costs to government.

## Consistency with fundamental legislative principles

The Amendment Regulation has been drafted with regard to fundamental legislative principles as defined in section 4 of the *Legislative Standards Act 1992*, and are consistent with these provisions.

## Consultation

The Department of Environment and Science discussed the proposal to extend the refund sharing provision with the Local Government Association of Queensland (LGAQ) and impacted local governments (those local governments where an agreed refund sharing arrangement was unlikely to be reached before 30 September 2019).

LGAQ and impacted local governments support the proposal to extend the provision to provide more time for an agreed arrangement to be negotiated.

The proposal was also discussed with COEX, the not-for-profit company appointed to run the container refund scheme, as COEX has a contractual relationship with Material Recovery Facility operators in the form of a Material Recovery Agreement that states the date by which the notification of an agreed arrangement is to be made. COEX supports the proposal.

In accordance with *The Queensland Government Guide to Better Regulation*, the Office of Best Practice Regulation was not consulted in relation to the regulatory proposal. The department applied a self-assessable exclusion from undertaking further regulatory impact analysis (Category g – Regulatory proposals that are machinery in nature). This assessment has been made on the basis that no substantive policy change has been made. The regulatory proposal is a continuation of a policy position that supports the objective to complement existing recycling services.