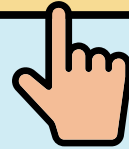


# Container Refund Scheme Bill 2021

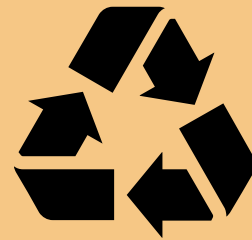
## Explanatory Paper



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# Minister's Message

The Tasmanian Government is committed to commencing operation of a Container Refund Scheme in 2022. Container Refund Schemes operate in approximately 40 countries around the world and all Australian states and territories now have Container Refund Schemes in place, or have committed to introduce them.

The introduction of the Container Refund Scheme Bill 2021 is an important part of the Tasmanian Government's commitment to reducing litter and increasing resource recovery and recycling. A Container Refund Scheme will also generate purer streams of recyclable materials that can have a second life as inputs to new products, helping to build a more sustainable 'circular economy'.

Under the Scheme, Tasmanians will be able to receive a 10 cent refund for every empty drink container they return to a designated Refund Point for recycling. There will also be the option of donating your 10 cent refund to eligible charitable organisations, or donating recyclable containers to a community group who can redeem your refund. The Government will ensure that a network of Refund Points will be available across Tasmania so everyone in Tasmania can participate in the Scheme. It is expected that there will be a range of different Refund Point types including over-the-counter refund points, large depots, and automated kiosks.

Under the preferred governance model that I announced on 4 February 2021, Tasmania will have a 'split-responsibility' model, which will bring together all relevant sectors to deliver the best Scheme for Tasmania. The split-responsibility model (which already operates in NSW, ACT, and has been announced as the Victorian Government's preferred model) involves a Scheme Coordinator who will run the administration and finance for the Scheme, while a separate Network Operator/s run the network of Refund Points.

The draft legislation covers establishment of the Scheme, requirements for container approvals, and identifies Scheme participants. It also explains the administration of the Scheme, including the roles of Scheme Coordinator, Network Operator, and other key participants. The more operational details of the Scheme will be addressed through regulations.

Members of the public are now invited to have their say on the draft legislation and I look forward to working with relevant industries, retailers, the charitable sector, local government and the broader community as we roll out a Container Refund Scheme for Tasmania.



**The Hon Roger Jaensch MP**  
Minister for the Environment



# Public Consultation Process

Consultation is open from Saturday 5 June until 5pm Friday 9 July.

The Tasmanian Government is currently seeking feedback on the draft *Container Refund Scheme Bill 2021*. This is your chance to have your say on the proposed legislation. We will be holding an online public webinar, as well as targeted stakeholder information sessions.

You can view the draft Bill, this Explanatory Paper, the Regulatory Impact Statement, and FAQs on the Container Refund Scheme website <https://dpipwe.tas.gov.au/crs>

## PUBLIC WEBINAR

There will be a webinar on Thursday 17 June at 12:30pm that members of the public are invited to attend regarding the draft *Container Refund Scheme Bill 2021*.

Information about attending the public webinar can be found on our website <https://dpipwe.tas.gov.au/crs>

## HAVE YOUR SAY

You can provide feedback on the draft Bill by filling out the online survey, or by making a written submission. Submissions are due by **5pm on Friday 9 July 2021**. No late submissions will be accepted.

A direct link to the survey can be found on our website <https://dpipwe.tas.gov.au/crs>

Email: [crs.enquiries@dpipwe.tas.gov.au](mailto:crs.enquiries@dpipwe.tas.gov.au)

Mail: Policy and Business Branch,  
Department of Primary Industries, Parks, Water and Environment,  
GPO Box 1550,  
HOBART TAS 7001.

Phone: 03 6165 4599

# Why does Tasmania need a Container Refund Scheme?

The Tasmanian Government released the draft *Waste Action Plan 2019*. The Waste Action Plan includes a commitment to introduce a Container Refund Scheme (CRS) in 2022, as part of a move towards a circular economy for Tasmania. A circular economy aims to maximise the use and value of resources, and ensure that instead of becoming 'waste', materials become valuable resources that can be reused or recycled into the future.

The CRS will contribute to Tasmania's circular economy by reducing litter and increasing recovery and recycling of beverage containers. Container Refund Schemes operate worldwide, and every Australian state and territory has or plans to implement a CRS. It is now Tasmania's turn to take this important step towards improving outcomes for the Tasmanian environment and community.

The Tasmanian Government has set the target of having the lowest rate of litter in the country by 2023, and the CRS will make a significant contribution towards achieving this goal. Litter harms our environment, community health, and Tasmania's image as a 'natural state'. Drink containers are one of the most commonly littered items in Tasmania – in 2018/19 drink containers made up around 45 per cent of litter by volume in the state.

By providing a 10 cent refund for each beverage container returned, the CRS will provide an incentive for consumers to recycle containers. The CRS will allow Tasmania to meet its litter targets and help to protect our natural environment while creating new circular economy jobs and opportunities in the recycling and resource recovery sector.

# How does the Scheme work?

In accordance with the principles of Product Stewardship, whereby whoever makes a product takes responsibility for minimising waste from that product, the beverage industry will fund the Tasmanian Container Refund Scheme. In this way, the beverage industry will be taking responsibility for ensuring that their products do not end up as litter or in landfill.

The aim of the Container Refund Scheme is to collect and recycle as many used drink containers as possible. It works by providing a 10 cent refund for eligible drink containers as an incentive for consumers to return them. Consumers return their eligible containers to a Refund Point and receive the 10 cent refund for each container. Containers placed in kerbside recycling bins will continue to be recycled but consumers will not receive the refund for these containers.

The CRS will provide economic and fundraising opportunities for Tasmanian businesses, charities, community and sporting groups, and individuals. There will be a number of ways to get involved in the Scheme, from operating a refund point to donating refunds to charity.

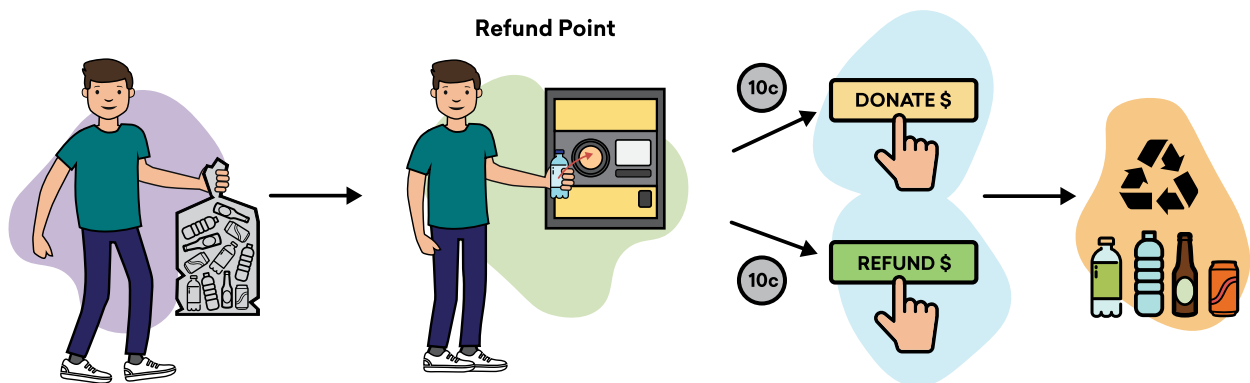


Figure 1 How the Container Refund Scheme works

# Objectives of the Bill

There are two clear objectives of the *Container Refund Scheme Bill 2021*:

## REDUCE LITTER

The first objective of the Bill is to reduce litter. The Scheme targets beverage containers that are most commonly littered. By providing a 10 cent refund for eligible containers, there will be an incentive for consumers to return containers that may otherwise have become litter. The Scheme has been designed to be as convenient and accessible as possible to ensure that it is easy to return containers to a Refund Point.

## INCREASE RECYCLING RATES

The second objective of the Bill is to increase resource recovery and recycling. By creating a system that enables the collection of sorted streams of recyclable materials, these can then be sold for reprocessing and recycling purposes. It will also encourage markets for recyclable material. The Bill provides that eligible containers collected through the Scheme must be recycled, which also helps to ensure that recyclable material stays out of landfill. The CRS has been designed in a way that will achieve a high redemption rate, so that as many containers as possible are collected for recycling.



# Scheme Governance

There are several key participants involved in the management of the Scheme. It will be regulated by the Tasmanian Government, which contracts both a Scheme Coordinator and a Network Operator to run the separate components of the Scheme. This creates an alignment of incentives. The Scheme Coordinator who will run the administration and finance for the Scheme, has an incentive to keep costs low, making for an efficient and cost effective Scheme. A separate Network Operator will run the network of Refund Points, and will be paid per container collected, so is incentivised to collect as many containers as possible.

The Scheme Coordinator and Network Operator roles will be appointed through a competitive public tender process. The legislation requires that these roles are performed by separate organisations to maintain clear incentives.

Other key participants include consumers, beverage suppliers, container refund point operators, material recovery facilities (MRFs) and the businesses that recycle beverage containers.

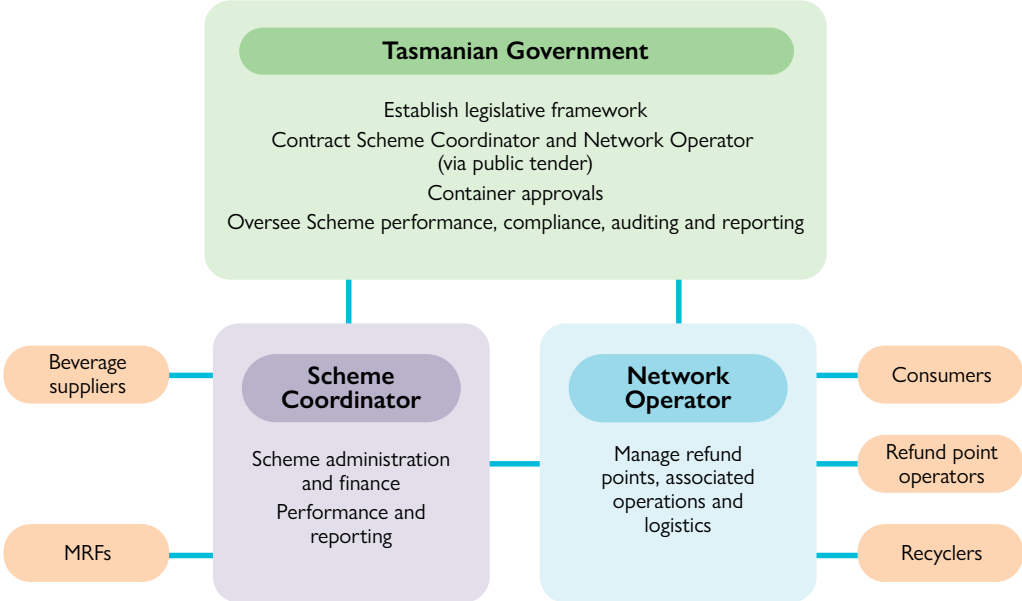


Figure 2 Governance model for the Container Refund Scheme

## SCHEME REGULATOR

The Tasmanian Government will provide regulatory oversight and ongoing evaluation of the Scheme. By having direct oversight of the Scheme Coordinator and Network Operator, the Tasmanian Government can ensure that performance requirements are achieved. The role of the Government as the Scheme regulator includes but is not limited to:

- Regulating the Scheme and monitoring compliance with the legislative framework;
- Selecting and contracting the Scheme Coordinator and Network Operator via public tender;
- Approving eligible beverage containers within the Scheme;
- Conducting reviews of Scheme operation and performance; and
- Reporting on Scheme performance.

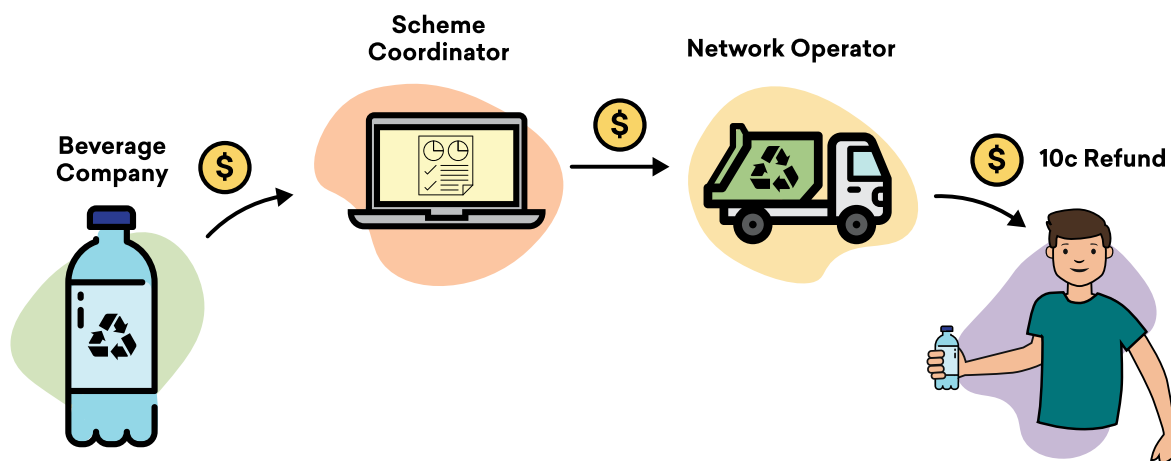


Figure 3 Demonstrating the flow of money through a split responsibility Container Refund Scheme

## SCHEME COORDINATOR

A Scheme Coordinator is appointed by the Tasmania Government through a tender process. The Scheme Coordinator manages administration and finance, for which they receive a fee for service. The role of the Scheme Coordinator includes:

- Operating the Scheme in an efficient and cost-effective manner;
- Managing the Scheme's finances, including contracting with beverage suppliers, allocating Scheme costs to beverage suppliers and collecting contributions from beverage suppliers;
- Paying the refund amounts and, where relevant, associated handling costs for returned containers to the Network Operator and Material Recovery Facilities;
- Monitoring and reporting against the Scheme requirements and performance targets set by the Tasmanian Government; and
- Minimising fraud, including managing verification mechanisms to prevent inflated container return claims.

## NETWORK OPERATOR

A Network Operator is appointed through a tender process by the Tasmanian Government to manage a network of Refund Points for which the Network Operator receives a fee from the Scheme Coordinator per container collected. The role of the Network Operator includes:

- Establishing and maintaining a network of accessible refund points throughout Tasmania for consumers to return beverage containers for a refund;
- Obtaining all necessary permits and approvals relating to the development, operation and maintenance of refund points;
- Meeting the performance requirements of the Tasmanian Government to enable high participation by Tasmanians and deliver high redemption rates; and
- Providing employment opportunities for Tasmanians and enabling charitable and community organisations to participate in the Scheme.

# Key Participants

Key Participants	Role of Participant
Beverage Suppliers	Pay a fee to the Scheme Coordinator to fund the running of the Scheme and ensure eligible containers are approved.
Community Groups and Charities	Can be involved in the Scheme in a number of ways, including: <ul style="list-style-type: none"> <li>• Collecting or receiving eligible beverage containers that can be returned to a refund point for a refund.</li> <li>• Electing to be an eligible charity to receive donations from consumers at refund points.</li> <li>• Being a refund point operator</li> </ul>
Consumers	Buy or collect eligible beverage containers and return them to a refund point to receive a refund
Local Councils	Continue with kerbside collection of recyclable materials, which may include eligible beverage containers
Material Recovery Facilities (MRF)	Receives kerbside recycling from Councils and ensures eligible containers are recycled. Will likely have a profit share arrangement with Council for the refund received.
Network Operator	Management of the network of refund points and associated operations and logistics
Recyclers	Receive beverage containers from the Network Operator and Material Recovery Facilities
Refund Point Operators	Provide refunds to consumers when eligible beverage containers are returned. Refund points might be, for example, a retail shop, an automated kiosk, or a larger depot to enable bulk container returns.
Retailers	Sell only approved eligible beverage containers. Some retailers may also be refund point operators.
Scheme Coordinator	Administrative and financial management
Tasmanian Government	Provide regulatory oversight of the Scheme

# Regulatory Scheme Design Elements

These matters will be addressed under regulations and/or within the contracts with the Scheme Coordinator and Network Operator.

## REFUND AMOUNT

It is proposed that a 10 cent refund will be available for eligible beverage containers returned to refund points. This is consistent with the refund amount in all other states and territories, and the scheme soon to commence in Victoria. National consistency on this will make it easier and more convenient for consumers and the beverage industry, while also demonstrating a shared Government commitment.

Whilst the details of the refund payment method will be finalised in regulations, there are several ways a refund can be provided. Schemes in other states and territories use:

- Cash refunds;
- Refunds directly to credit card, debit card, bank deposit or PayPal account;
- Vouchers for participating retailers; and
- Donations directly to a charity of choice.

## REFUND POINT TYPES

There are different types of container refund points used throughout Australian jurisdictions. It is expected that a mix of refund points will provide the most convenient and effective network and maximise the amount of returned beverage containers. Work is underway to determine the number and type of refund points that will be required to adequately service the needs of the Scheme. It is expected that the Scheme will utilise a mix of refund point types including over-the-counter refund points, automated kiosks, and large depots for the convenient return of bulk numbers of containers.

## REFUND MARK

The Scheme will require eligible containers to display an approved refund mark to advise consumers that the container can be exchanged for a refund. It is important that this refund marking is legible and obvious to the consumer, retailer and refund point operator. A common refund mark across all participating states and territories will reduce costs for beverage suppliers, increase Scheme recognition for the public, and enable shared marketing campaigns.

## ELIGIBILITY OF CONTAINERS

The Tasmanian Container Refund Scheme will focus on the beverage containers that most commonly contribute to litter. Millions of drink containers will be recycled each year instead of ending up in our landfills, parks, rivers and beaches.

While the exact details of the containers eligible in Tasmania's Scheme are still under development, they will likely be in alignment with those already eligible in other Australian jurisdictions. Eligible containers in other jurisdictions are typically between 150ml and 3L in volume. These are generally cans, bottles, cartons, and juice boxes/poppers.

Ineligible containers are likely to be those consumed at home or at food service venues and thus less likely to be littered. These will continue to be processed through household kerbside recycling collection.

## What's Next?

Public consultation will run from **Saturday 5 June 2021 to 5pm Friday 9 July 2021**.

Information on how you can have your say can be found on page 5 in the 'Public Consultation' section of this paper. Submissions will be accepted by email or mail, and Tasmanians are encouraged to also fill out the short online survey and attend the public webinar.

Submissions made during the public consultation period will be published on the Department of Primary Industries, Parks, Water and Environment website unless confidentiality has been requested, as per the Tasmanian Government Public Submissions Policy.

A summary report of the issues raised during the public consultation period will also be made available.



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