

# An overview of Victoria's *Circular Economy (Waste and Recycling) Act 2021*

## Underpinning waste and recycling reform

*For a sustainable and thriving circular economy*

Victoria's ***Circular Economy (Waste Reduction and Recycling) Act 2021***, passed by Parliament in December 2021, underpins Victoria's transition to a circular economy. It establishes Recycling Victoria as a new statewide regulator that will provide strategic leadership, oversight and regulation of the waste and recycling sector.

The Act also creates the legislative framework for the new container deposit scheme (CDS) and the new statewide, four-stream household waste and recycling system.

This Act is the foundation for Victoria's transition to a sustainable and thriving circular economy, to minimise waste and landfill, and significantly increase recycling and more efficient use of resources.



### What is the circular economy?

A circular economy aims to eliminate waste and pollution, and circulate products and materials at their highest value. It transforms how we manage, make and use products, and what we do with materials afterwards.

The *Circular Economy (Waste Reduction and Recycling) Act 2021* enables Victoria's transition to a sustainable and thriving circular economy.

The *Circular Economy (Waste Reduction and Recycling) Act 2021* introduces a 'circular economy hierarchy' which reflects the meaning of a circular economy. According to the hierarchy, a circular economy is prioritised by producing and designing products and materials that:

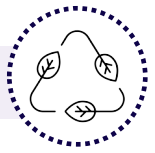
- use fewer raw materials
- are reusable, durable, repairable and sharable
- Have an extended life cycle
- eliminate waste and pollution
- reduce the environmental impacts of production and consumption.

In the circular economy hierarchy, where waste does arise, it should be managed in the following order of preference: avoid, minimise, reuse, recycle, recover energy and other resources, treat, dispose.

### Key features of the *Circular Economy (Waste Reduction and Recycling) Act 2021*



- Recycling Victoria functions
- Container deposit scheme
- Compliance and enforcement powers
- Local and regional engagement
- Transfer of Waste and Resource Recovery Groups to Recycling Victoria
- Supporting regulations



## Recycling Victoria functions

The *Circular Economy (Waste Reduction and Recycling) Act 2021* sets out the functions and powers of the Head of Recycling Victoria in providing leadership, oversight and regulation of the waste and recycling sector and in supporting the development of a circular economy. Recycling Victoria's key functions include to:

- Provide leadership, stewardship and oversight of the new CDS (see further detail below);
- Develop and implement strategies and plans to foster sustainable, resilient, and effective markets within a circular economy;
- Identify, monitor, manage and mitigate risks in the waste and recycling sector;
- Oversee and build capacity for municipal waste and recycling service delivery, including by supporting local government in the development and management of their procurement, and facilitating strategic procurement for groups of councils;
- Set and enforce service standards in relation to the quality and performance of waste or recycling services;
- Collect, analyse and report on data about the waste and recycling sector;
- Conduct inquiries into the waste and recycling sector on referral by the Minister or on the initiative of the Head of Recycling Victoria; and
- Monitor and enforce compliance with requirements under the *Circular Economy (Waste Reduction and Recycling) Act 2021* (see further detail below on Recycling Victoria's compliance and enforcement powers).

The *Circular Economy (Waste Reduction and Recycling) Act 2021* will create a legislative obligation for councils and alpine resorts to provide households in their local area with municipal solid waste and recycling services. Services will be defined as, at a minimum, four material streams—food organics and garden organics, glass, mixed recyclables and household waste. This requirement is an important prerequisite for establishing state-wide consistency and standards for these services.

The *Circular Economy (Waste Reduction and Recycling) Act 2021* provides Recycling Victoria with all the powers necessary to perform its functions. The Act ensures Recycling Victoria can carry out its regulatory oversight role while remaining flexible, adaptive and responsive to government priorities and emerging markets, innovations and risks.

## Container deposit scheme

A container deposit scheme (CDS) uses a cash reward to encourage people to return used drink containers for recycling.

The *Circular Economy (Waste Reduction and Recycling) Act 2021* establishes Victoria's CDS. The scheme will prioritise community convenience to promote high consumer participation and container return rates. Victorians will receive 10 cents per drink container returned at shops, reverse vending machines, depots and drop off points across the state. The scheme will improve recycling, significantly reduce Victoria's litter and create a clean, valuable stream of materials for recycling and use in local manufacturing.

The CDS will be run by a scheme coordinator and one or more network operators. Like all Australian CDSs, the beverage industry will fund the scheme.

Consultation on the CDS regulations will occur in 2022 prior to the introduction of the CDS in 2023.

## Compliance and enforcement powers

Recycling Victoria will require access to a range of regulatory powers and tools to effectively discharge its regulatory functions.

Accordingly, the *Circular Economy (Waste Reduction and Recycling) Act 2021* contains a suite of graduated and proportionate compliance and enforcement powers, which include:

- the power to issue notices (including improvement, information gathering and prohibition notices) to enforce compliance with the legislation
- the appointment of authorised officers to perform functions or duties or exercise powers under the Act
- the power to ask a participant to show cause (for any potential breach of the legislation, prior to taking enforcement action)
- ability to accept enforceable undertakings to achieve compliance without the use of stronger enforcement measures
- the power to bring prosecutions for criminal offences and with civil penalties
- the power to issue infringement notices for relevant offences and adverse publicity orders to publicise offending and its consequences
- related enforcement and investigatory powers including information gathering notices as well as entry, inspection, search, seizure and auditing powers.



## Local and regional engagement

Engagement across local government and regional communities will be embedded into Recycling Victoria's operations, including through the following mechanisms under the *Circular Economy (Waste Reduction and Recycling) Act 2021*:

- Charter of Engagement
- annual reports
- advisory committees.

Recycling Victoria will be required to prepare a Charter of Engagement and a community engagement strategy setting out how Recycling Victoria will consult and engage with local government, industry, regional communities and Traditional Owners. Recycling Victoria will report annually on the engagement activities that it has undertaken in accordance with the community engagement strategy.

To ensure local government and regional voices are maintained, the *Circular Economy (Waste Reduction and Recycling) Act 2021* requires that the Minister establish at least one advisory committee with members that have skills, knowledge and experience relating to local government and regional communities. This will ensure the Minister and the Head of Recycling Victoria are informed and advised about matters of concern to local government and regional communities. The Minister is also able to establish additional advisory committees that are place-based, topic-based, or sector-based, as required.

## Transfer of Waste and Resource Recovery Groups to Recycling Victoria

The *Circular Economy (Waste and Recycling) Act 2021* winds up all seven Victorian Waste and Resource Recovery Groups (WRRGs) and provides for all WRRG staff to transfer to Recycling Victoria upon its establishment. It also protects their accrued entitlements and conditions of employment. The transfer of existing staff also means that Recycling Victoria will retain their local and regional connections and knowledge.

## Supporting regulations

The *Circular Economy (Waste Reduction and Recycling) Act 2021* provides a framework for the making of more detailed subordinate instruments, including regulations and standards.

These enabling subordinate instruments will be developed in consultation with councils, alpine resort management boards, industry, peak bodies and the wider community and will provide additional detail on a range of matters under the Act, including in relation to reporting obligations, performance expectations for service delivery, the roll-out of the four-stream household waste and recycling system, and the CDS.

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