

Consultation Summary

Container Deposit Scheme Draft Regulations and Regulatory Impact Statement



Purpose

The Consultation Summary provides an overview of the feedback during the public consultation on the Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Regulations ('the Regulations') and the Victorian Government's response.

Victoria's Container Deposit Scheme

Victoria's CDS is a new and easy way for Victorians to recycle drink containers, earn money and keep Victoria clean from litter. Victorians will be rewarded with a 10 cent refund for every eligible drink container, can and bottle they return to a refund collection point. They can choose to pocket the refund or donate it to a participating charity, sports group, community group, environmental group or educational organisation.

Drink containers collected through the scheme will be recycled into new products.

The legal framework for the scheme is established in the *Circular Economy (Waste Reduction and Recycling) Act 2021* ('the Act').

About the consultation

From 28 May to 26 June 2022 the Victorian Government sought feedback on the exposure draft of the Regulations and the accompanying Regulatory Impact Statement (RIS).

Victorians were invited to have their say by completing an online survey on Engage Victoria and/or providing a written submission through Engage Victoria or emailed to container.deposit@delwp.vic.gov.au.

A series of three online information sessions, for businesses, local government and the community were held during the consultation period.

1,917 surveys were completed and 53 written responses were received.

Figure 1 shows the breakdown of written submissions by stakeholder group.

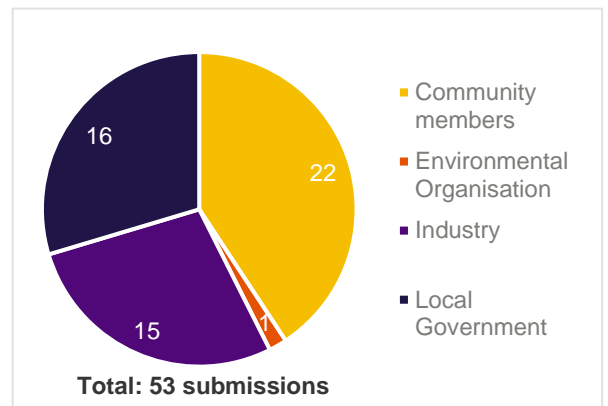


Figure 1: Number of written submissions by stakeholder group

Changes to the Regulations

As a result of the consultation, we have made the following changes to the Regulations. They are listed in Table 1.

Table 1: Changes to the draft Regulations in response to feedback

Regulation	Draft Regulation	Final Regulation	Reason for the change
Eligible containers – Regulation 6(2)(b)	Eligible container described as: <i>'is designed to hold 1 litre or less of milk'</i>	Addition of flavoured milk <i>'is designed to hold less than 1 litre of flavoured milk'</i>	This aligns with other jurisdictions (NSW and WA) It resolves a contradiction with Regulation 5(a) which lists milk as an exempt beverage
Eligible containers – Regulation 6(2)	N/A	Inserted eligible containers for wine or wine-based beverages to include aluminium cans, plastic containers and sachets	These container types can be recycled through the container deposit scheme (CDS). The inclusion aligns with the <i>Circular Economy (Waste and Recycling) Act 2021</i> (the Act).

Other changes have been made to the final Regulations to more closely reflect when the relevant enabling provisions in the Act will commence. The scope of the final Regulations is now limited to aspects that are needed to support the establishment of the CDS, such as setting the refund amount and defining eligible containers. The incoming government may consider further Regulations to support the provisions of the Act for which commencement dates are yet to be set. Feedback received as part of this public consultation may be considered as part of that process.

Table 2 below outlines the regulatory areas included in these Regulations and those now excluded.

Table 2: Description of aspects included in the final Regulations

	Included	Not included
Part 1: Preliminary	Objectives Authorising provision Commencement Definitions	
Part 2: Exempt beverages, eligible containers, refund amounts and refund markings	Exempt beverages Eligible containers Refund amount	Payment of refund amount Refund marking
Part 3: Scheme Coordinator	Condition of appointment of Scheme Coordinator	Content of annual assessment report
Part 4: Network operators	Prescribed content of network operator agreement Conditions of appointment of network operators	Definitions Prescribed operation and performance requirements for network operators
Part 5: First suppliers	Criteria for eligible containers Methodology requirements for determining first supplier payments under supply arrangements Prescribed fee for approval as suitable eligible container Application for approval of a class of containers as suitable eligible containers	

Part 6: Enforcement and offences

- Prescribed form for applications for landfill disposal exemption
- Prescribed information for application for landfill disposal exemption
- Prescribed circumstances for refusal of delivery or refund for container
- Identification requirements for redemption of suitable eligible containers in bulk

What Victorians think about the CDS

Many survey respondents agree the CDS will benefit the environment and support a more circular economy. They also indicated that they wanted to return containers that have been consumed both at home and away from home, with a large proportion indicating they would also return littered containers.

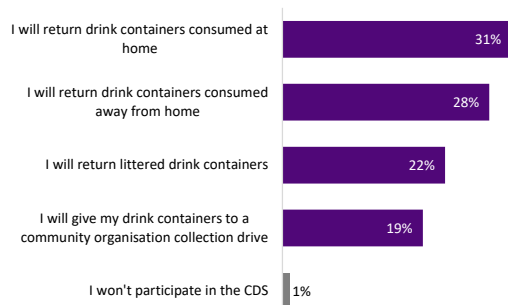


Figure 2: Victorians' preferred way to participate in Victoria's CDS

Figure 3: Benefits of the scheme

Feedback – Areas included in the Regulations

The following feedback relates to the draft Regulations that will be included in the final Regulations.

Refund amount

98% of survey respondents said they were either *likely* or *very likely* to return used containers for a 10 cent refund.

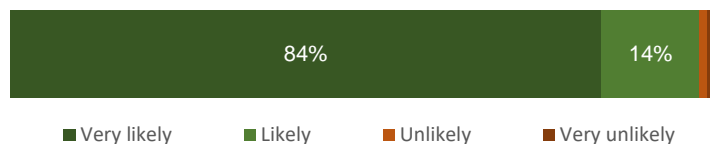


Figure 4: Likelihood of returning a drink container for 10 cents

What we heard	Our response
Increase the refund to 20 cents	The 10 cent refund amount is consistent with schemes in all other Australian states and territories. National consistency will help to reduce the risk of interstate transference of containers, reduce confusion for consumers and limit administrative and operational burdens for industry.
Ensure flexibility to increase the refund amount in the future	
Support for the proposed 10 cent refund amount	

Any move to a higher refund amount will occur as part of a national review of CDS refund amounts.

Eligible containers

33% of survey respondents supported the Victorian list of eligible containers being consistent with that of other Australian jurisdictions. The drinks reported as being the most commonly consumed away from home are soft drinks, beer and fruit and vegetable juice. These are all eligible containers in Victoria's CDS.

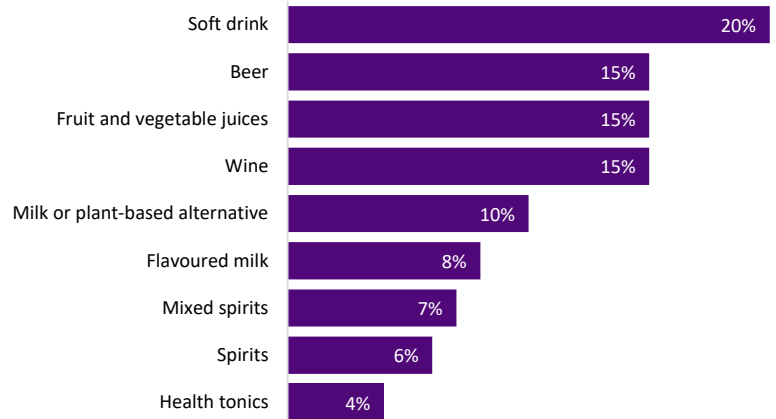


Figure 5: Beverage containers most commonly consumed away from home

What we heard	Our response
Eligible containers should be consistent with other Australian states and territories	Current draft Regulations are consistent with schemes in other Australian states and territories.
The scope should be expanded to include other containers, such as glass wine and spirit bottles	<p>Victoria's CDS is designed to target beverage containers that most commonly contribute to litter.</p> <p>The kerbside reforms, which include the introduction of a separate household collection of glass, will complement the scheme by making recycling at home better. Separating glass will improve the quality and value of materials collected at households.</p> <p>The phase-out of single use plastics like plastic straws, cutlery, plates, expanded polystyrene food and drink containers and cotton bud sticks will target other commonly littered items.</p>
Refillable drink containers, such as growlers, should be listed as exempt containers	The definition of eligible containers in the Act requires a beverage container to be sealed at the point of sale. Under this definition, growlers, squealers, and bombers that are empty / unsealed when sold to consumers are not eligible containers.
There should be flexibility to increase the scope of eligible containers in the future	<p>Changes to key aspects of the scheme will require a national conversation.</p> <p>The Victorian government is part of the National CDS Working Group, which involves keeping up to date on the development and evolution of Australian schemes.</p> <p>We will evaluate the impacts of changes to other schemes on Victoria's CDS as they arise.</p>
Lids should be kept on	Victoria's CDS will accept eligible containers with or without a closure, lid or cap attached.
Crushed containers should be accepted	<p>Regulations will not stipulate whether containers should be crushed or not.</p> <p>It is recommended that containers returned to refund collection points, meet the following criteria:</p> <ul style="list-style-type: none"> The container is not damaged to the extent that it is unsuitable for recycling,

- the barcode can be scanned, and
- the label can be read.

Container approvals

What we heard	Our response
Approved containers should be recyclable	Eligible containers are made of materials that can be recycled, like aluminium and plastic. This aligns with the Act's key objectives of circularity and product stewardship.
Registrations of containers should be simplified and combined with other jurisdictions	Beverage suppliers will be required to cover the costs of the scheme in its entirety. The container registration fee is based on the costs associated with the resources required to establish a container registration process and container approvals. Discussions with other jurisdictions regarding their processes helped to inform this.
The container approval fee is too high.	Container approval fees are also a once-off fee – meaning containers will not need to be re-registered once approved.

Feedback – Areas not included in the Regulations

The following section summarises feedback received on parts of the draft Regulations that are not included in the final Regulations. This feedback will be considered should the incoming government put in place further regulations.

Area	What we heard
Refund marking	<p>97% of survey respondents supported having the same refund marking of '10c refund at collection depots/points in participating State / Territory of purchase', as all other Australian states and territories.</p> <p>Barcodes will create a barrier to participating in the scheme.</p> <p>The Australasian Recycling Label (ARL) should be included as an acceptable refund mark.</p> <p>Support for having a refund mark that is consistent with all other Australian schemes.</p>
Content of annual assessment report	<p>There should be an increase in the frequency of reporting.</p> <p>More data, such as participation in the scheme and litter reduction, should be included in the Scheme Coordinator's annual assessment report.</p> <p>Reporting requirements should not be included in the Regulations.</p> <p>It is important to enforce the reporting requirements.</p>

Prescribed operation and performance requirements for network operators (i.e access standards for refund collection points).

The reference of '*estimated resident population for the area on or after 30 March 2021, as specified in Regional population 2019/20*' should be changed so that either the estimated population or regional population are within the same timeframe.

The population standard should be increased.

The population standard needs to include the peak season population numbers for areas with a high proportion of seasonal visitors.

The population standards are not clear.

Population standards should be communicated in a format of an actual number of collection points per location.

The population standards should include facilities that are near border communities, in NSW or SA.

Survey responses indicated a considerable variation in how far people are willing to travel to return their containers. Many Victorians placed value on a scheme that has refund collection points located at convenient areas, like shopping centres or near public transport.

The Regulations should include the distance between refund collection points.

Survey responses indicated there is considerable variation in the days and times respondents are most likely to visit collection points.

Support for setting minimum operating hours.

Setting minimum operating hours for both days of the weekend.

There should be a limit on the number of containers that can be returned to a collection point.

Mobile collection points should be included in network operator(s) meeting access standard requirements.

Support for only fixed infrastructure meeting access standard requirements.

Regulatory Impact Statement

This section summarises the feedback provided on the options assessed in the RIS.

What we heard	Reasons provided	Our response
<p>Support for option 1, which involves the following scheme elements:</p> <ul style="list-style-type: none"> - 10 cent refund for eligible containers - National harmonisation of eligible containers, and - Generic refund mark of '10c refund at collection / depot points in participating state/territories.' 	<p>Consistent with schemes in other Australian jurisdictions. In particular, harmonisation of eligible containers, labelling and refund amounts.</p>	<p>While other options assessed indicate certain advantages, Option 1 offers many advantages, including:</p> <ul style="list-style-type: none"> • A Benefit-Cost Ratio significantly greater than one. This means that for every dollar spent under Option 1, there would be \$1.33 of benefits generated for the community. • National consistency regarding eligible containers, refund amount and refund marking requirements. This reduces confusion and leads to lower costs for consumers and businesses. In comparison, option 5, which is the least harmonised option, will significantly increase scheme operating, administrative and compliance costs. • Harmonising the refund amount will also remove the incentive for containers purchased in other jurisdictions to be
<p>Support for option 2, which is the same as option 1 except the scope of eligible containers is</p>	<p>Creates a cleaner stream of glass than option 1.</p>	<ul style="list-style-type: none"> • Harmonising the refund amount will also remove the incentive for containers purchased in other jurisdictions to be

extended to include wine and spirit bottles.

Support for option 5, a maximum regulation approach that includes:

- increasing the scope of containers
- a 20 cent refund, and
- a higher access standard (average of 1 refund collection point per 9,932 people)

Higher benefit cost ratio (BCR) than option 1.

Highest net profit value (NPV), redemption and recycling rates and reduced litter rates than other options.

Highest community standards than other options.

returned to a refund collection point in Victoria to claim a higher refund.

- High community access standards than those legislated in any other Australian jurisdiction. This ensures all Victorians can return their drink containers for a refund and will lead to a reduction in litter from drink containers, and
- This option complements kerbside reforms, including the introduction of a separate glass recycling service.

Thank You

Thank you to the community members, peak organisations, environmental organisations, businesses and local councils who provided a written submission or completed the online survey. Your contribution will help us to deliver a CDS that meets the needs of Victoria.