

8 July 2021

Policy and Business Branch
Department of Primary Industries, Parks, Water and the Environment
By email: crs.enquiries@dpipwe.tas.gov.au

Dear Sir or Madam

Draft Container Refund Scheme Bill 2021

Thank you for the opportunity to provide a submission on the *Draft Container Refund Scheme Bill 2021* (the Bill). This submission has been prepared by the Local Government Association of Tasmania (LGAT) on behalf of the Local Government Sector in collaboration with our Members; all 29 of Tasmania's councils.

Local government welcomes the introduction of a Container Refund Scheme (CRS / Scheme). It is well documented that the benefits of such a Scheme include increased resource recovery, a reduction in litter and an increase in community awareness and involvement in waste management.

Local government strongly supports the split responsibility governance model to implement the Scheme. This aligns the policy objectives with the commercial drivers of the two key roles in the Scheme design - the Scheme Coordinator and Network Operator. Other jurisdictions with alternative governance models have found that the design of their CRS can be captured by the beverage industry, who unsurprisingly seek to influence the Scheme to limit the return rate of containers and their costs. While the beverage industry should be a stakeholder in the design and development of a CRS for Tasmania, it must not be the dominant driver. The resource recovery, logistics, not-for-profit and local government sectors are critical stakeholders, whose participation in the Scheme is paramount.

It is noted that the Bill is largely the framework for setting up the Scheme, with its key function being to set up the split responsibility framework between the Scheme Coordinator and Network Operator. However, there are a number of concerns and questions emerging from the local government sector on important, but unresolved operational details that are likely to be in the regulations or contracts. Local government

seeks clarity on these important issues prior to the Bill being put to Parliament. These are outlined below.

How will the Scheme impact kerbside recycling?

The reduction in kerbside recycling collection of containers is modelled at over 50 per cent by 2032. Councils have put significant resources and funding in providing kerbside collection to residents throughout the state. There is a concern that the CRS will divert significant volumes of recycling away from the system, affecting the viability of the kerbside collection, including increasing the costs and reducing efficiencies with transport/collection. Further details on how the profit-sharing between material recovery facilities (MRFs) and councils is expected to work, needs to be provided to the sector so that we can prepare to manage any of the changes.

What is the impact on regional and remote communities?

The impact and reach of the Scheme in regional and remote locations has been raised as a concern for a number of councils. This stems from two key points:

1. Ensuring all Tasmanian's have reasonable access to a refund point.
2. Not impacting on existing, financially-viable enterprises already performing an important resource recovery function.

It is acknowledged that the minimum number of refund points will be set out in regulations "to ensure convenience of access for all". However, councils are eager to understand the metrics in establishing collection points. Will this be number of residents per refund point, or a maximum distance residents should have to travel to a refund point or something else? Tasmanian councils have been actively advocating for a CRS in Tasmania for many years and now they are keen to enable reasonable access to refund points for their residents.

There are examples, notably King Island and Flinders Councils, where local community groups are already collecting and recycling beverage containers. In each case this activity performs an important resource recovery function in these isolated communities, as well as providing an important revenue stream for these groups to support their local community. It is very important for each of these councils, and the community they represent, that the introduction of a CRS does not impact on these existing enterprises. Future Network operators need to be aware that for both island communities the Freight Equalisation Scheme does not apply to waste to mainland Tasmania. This combined with the relatively small populations (and low container returns) will impact on the viability of a commercially run enterprise on the islands. We request that further clarity is provided in how these unique situations will be addressed through the Bill or subsequent processes.

Is there a compliance role for councils?

Under section 41 of the Bill there is mention of council officers potentially performing the role of authorised officer. Further information is requested on what the intended role for council officers will be in regulating the Scheme. Is this regulatory role going to be supported and resourced by the Scheme?

Other initiatives

While the CRS is welcomed, a number of councils have asked for further details on what other litter reduction initiatives the State Government is considering and what council involvement is expected.

The release of this Bill is a welcomed first step, and the local government sector now looks forward to working with the State Government on the important further details of the Scheme.

If you have any questions or would like further information, please do not hesitate to contact Dion Lester at dion.lester@lgat.tas.gov.au or via phone on (03) 6146 3740.

Yours sincerely



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