

## Agriculture and Environment Committee briefing:

### Waste Reduction and Recycling Amendment Bill 2017

#### Background

The Waste Reduction and Recycling Amending Bill 2017 (the Bill) was introduced to Parliament on 14 June 2017 to amend the *Waste Reduction and Recycling Act 2011*.

The Bill provides a head of power and framework for the introduction of the following initiatives on 1 July 2018:

- the Container Refund Scheme (CRS), and
- the lightweight plastic shopping bag ban.

The CRS will deliver environmental and community benefits such as reducing litter; increasing recycling rates and creating new opportunities for employment, communities and social enterprise across the state.

The Bill also amends existing End of Waste Code provisions to enable greater control on the use of end-of-waste resources and streamlines administrative arrangements for end-of-waste approvals.

#### Container Refund Scheme

The administration and governance of the CRS in Queensland is modelled on a product stewardship approach whereby beverage manufacturers are responsible for ensuring that empty beverage containers are collected for recycling, and the costs of the scheme are borne by the beverage industry. This approach recognises that manufacturers of beverage products have a responsibility to manage and reduce the impact of their products on the natural environment. The Bill provides the head of power and legislative framework to deliver the necessary transparency and accountability for the scheme by requiring auditing, verification processes and reporting throughout all parts of the scheme.

The Bill provides for the Minister to invite an eligible company to make an application to be appointed as the Product Responsibility Organisation (PRO) for the scheme. The PRO is responsible for entering into agreements with beverage manufacturers regarding funding of the scheme and with container refund point and material recovery facility operators regarding the collection of containers.

The Bill provides that the eligible company that is appointed as the PRO must be a company that is registered under the Corporations Act and is a not-for-profit that has a constitution requiring the company to maintain a board of nine directors.

The board make up must consist of an independent chair (approved by the Minister), at least two directors with financial and legal qualifications, and at least one director with community interests (approved by the Minister). The remaining director positions are to be filled by the beverage industry, with at least one director representing small beverage manufacturers. While the PRO will determine the fees associated with the scheme, including the handling and transport fees payable to container refund point operators, and the amounts contributed by beverage manufacturers, the Bill provides that the schedule of fees and the draft terms of agreements be provided with the application to establish the PRO, along with the applicant's constitution.

The Bill requires the PRO to submit detailed strategic and operational plans for operating and administering the scheme including proposed timeframes as part of the application process for appointment. These provisions ensure transparency and accountability before the scheme commences.

The Bill provides for strong legislated reporting and auditing requirements with escalating penalties for non-performance. Penalties include amendment to the appointment, suspension and cancellation of the appointment and appointment of an administrator to take on the functions of the PRO. The department may also issue show cause and compliance notices. Failure to comply with a compliance notice is a 300 penalty unit offence.

The PRO will be required to meet performance targets that will be set in regulation. These include targets for container recovery, state-wide access to container refund points and social enterprise and innovation and technology (continuous improvement) outcomes.

The model in the Bill provides flexibility within the market to ensure the PRO delivers a network of container refund points across the state without restricting contracting arrangements to a particular region or with a particular operator. To ensure that the PRO can deliver on its statewide access targets, the PRO is required to operate a container refund point as a last resort in the absence of another operator. This will ensure reasonable accessibility and convenience for consumers.

The scheme has been designed to complement existing kerbside household recycling services with material recovery facility operators being able to access the refund amount for eligible containers that are received from kerbside collections. The scheme will also provide opportunities for communities who do not currently have access to kerbside services to be baled to recycle.

The PRO model is expected to provide a more consistent approach across the state in terms of access, customer experience and scheme participants such as sporting and community groups, waste industry providers and reverse vending machine operators.

#### *Transitional arrangements*

The Bill provides a transition period for beverage manufacturers by allowing manufacturers a period of time by which to display the approved refund marking on their eligible containers. This period is at least one year following commencement of the regulation that prescribes the refund marking.

The Bill also provides a transition period of six months following the date by which the refund marking must be displayed during which operators of a container refund point may continue to receive a container that does not display the refund marking.

#### *Jurisdictional comparison*

The public-facing elements of the CRS are generally consistent with the schemes in South Australia, the Northern Territory and the soon to commence New South Wales scheme. For example, the 10 cent value of the refund, and the type of containers included in the scheme are consistent. The Queensland scheme will use the same refund mark as the NSW scheme to avoid additional costs for the beverage industry in having to display different marks for different states.

The Queensland scheme differs from the New South Wales model in that the Bill does not mandate in legislation the establishment of container collection zones nor does it mandate monopoly network operators for each zone. This approach will provide the PRO with the flexibility

to meet targets set by the government to address challenges posed by Queensland's geography, distances and population distribution to establish container refund and collection points that is market-driven.

### *Summary of submissions*

The *Implementing Queensland's Container Refund Scheme* discussion paper was publicly released on 17 February 2017 with the consultation period closing on 20 March 2017. More than 2,600 submissions were received. There is overwhelming community support for the scheme.

The beverage industry raised issues around the potential cost to beverage manufacturers in having to change labels and pay for the operation of the scheme broadly.

The issues raised included the need for consistency of schemes across jurisdictions in the form of refund amount, refund marking and container identification.

Other issues included the ability of the scheme to deliver reasonable access for the community to redeem refund amounts, legitimate recycling of containers, recovery and access targets, auditing and compliance, adequate implementation timing and timely reviews of scheme.

### **Lightweight plastic shopping bag ban**

Under the proposed ban on lightweight single-use plastic shopping bags retailers will no longer be able to supply banned bags. It will be an offence for a retailer to supply a banned bag and penalties will apply for failure to comply.

The Bill provides a transitional arrangement where, on a date before 1 July 2018 retailers will still be able to provide a banned bag but must also supply an alternative shopping bag, if requested by a customer. The commencement of the phase out period will be prescribed in regulation to provide consumers and retailers opportunity to adjust their usage of plastic shopping bags ahead of the ban taking effect.

### *Jurisdictional comparison*

Unlike the lightweight plastic shopping bag bans in South Australia, Australian Capital Territory, Tasmania and Northern Territory, the Queensland ban will also apply to biodegradable bags. Biodegradable bags behave in a similar manner to traditional plastic bags which do not break down in the environment and can still impact wildlife negatively through entanglement and ingestion.

### *Summary of submissions*

Public consultation on the *Implementing a lightweight plastic shopping bag ban in Queensland* discussion paper began on 25 November 2016, closing on 20 February 2017.

More than 26,000 submissions were received in response to discussion paper with just over 96% of responses supporting the implementation of the ban by 1 July 2018.

The reasons for supporting the ban included the reduction of plastic litter, protection of the environment and wildlife, the success of ban in other states and nations and the current use of reusable bags by consumers.

Submissions were received from individuals, environment groups and local government supporting the inclusion of biodegradable bags in the ban, with 63% in favour of including these bags in the ban.

### **End of Waste**

The end of waste framework entered into force on 8 November 2016 and will replace the beneficial use approval (BUA) framework. Existing BUAs remain in place until they expire – the first of which occurs in the second half of 2018. During stakeholder consultations on potential regulatory provisions to clarify and support the administration of the end of waste framework, several concerns with the framework under the *Waste Reduction and Recycling Act 2011* were highlighted. The main issue concerned the inability to control the use of end-of-waste resources.

The intention of the end-of-waste framework is for a waste to be approved for use as a resource, provided it meets very strict quality criteria that minimise the potential for environmental harm when it was used as designated.

The need for controls on the end-user of the resource would therefore be unnecessary as the resource would be considered to be no different to another virgin material or non-waste resource. However, in certain cases (e.g. using biosolids from sewage treatment plants as a soil fertiliser), stipulating strict quality criteria could increase the treatment costs in order to meet the quality criteria, which could be detrimental to the overall use of the resource.

This may lead to unintended outcomes, including the increased disposal of the waste to landfill. The amendments introduced by the Bill seek to enable better control of the end use of resources when necessary, to reduce the potential for environmental harm, whilst encouraging appropriate and acceptable uses of waste materials