

FACT SHEET

Container Refund Scheme Bill 2021

The *Container Refund Scheme Bill* creates the legislative foundation for the establishment of Tasmania's Container Refund Scheme.

The Bill does the following:

- Establishes a state-wide scheme to incentivise the collection of recyclable containers by refunding an amount per container, and requiring that these collected containers are appropriately recycled;
- Requires an extended producer responsibility approach where costs for the Scheme are covered by the beverage industry, including the individual container refund amount;
- Establishes an accountable governance model where scheme coordination and network operation functions are to be undertaken by separate entities, and administered through contractual arrangements;
- Sets out that eligible containers will need to be approved and carry the required refund markings, and that the first suppliers of eligible containers will need to enter into contractual arrangements with the scheme coordinator;
- Ensures container refund payments are made at point of return
- Requires that containers collected through material recovery facilities must be recycled before a refund payment may be claimed;
- Establishes penalty provisions for non-compliance or fraudulent behaviour
- Provides an administrative as well as a compliance and enforcement role for the state government in relation to the Scheme.

FACT SHEET – Attachment I

Container Refund Scheme Bill 2021

The Factsheet for the *Container Refund Scheme Bill 2021* provides information on the legislative foundation for establishing the Container Refund Scheme (the Scheme, CRS). This foundation does not go into detail on many of the key operational details of the Scheme, as these details will be found in the Regulations, contracts, and policies that support the Scheme.

Information regarding some of these operational details can be found in this attachment.

Alignment with other Schemes

National consistency on key elements of the Container Refund Scheme will make it easier and more convenient for consumers and the beverage industry, while also demonstrating a shared interjurisdictional Government commitment.

One area of alignment will be the refund amount, which is 10 cents for each eligible beverage container returned to a Refund Point. 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.

In terms of eligible containers Tasmania will keep consistent with other Schemes operating in Australia. Eligible containers in other jurisdictions are typically between 150ml and 3L in volume, and are generally cans, bottles, and cartons.

Small Beverage

Beverage producers are a critical part of the Container Refund Scheme - in accordance with the principle of product stewardship, the beverage industry will fund all aspects of the Scheme. The industry may pass on the cost to consumers as has happened in other states.

Beverage producers will have to pay a fee to the Scheme Coordinator to fund the running of the Scheme and will need to register their containers to make sure all eligible containers are approved. This creates an administrative and financial task for the beverage industry. Concerns around the impact of the Scheme upon small business were conveyed during the public consultation and through stakeholder engagement. As a result, the Department of Primary Industries, Parks, Water and Environment contracted three paid advisers from the Tasmanian small beverage sector to provide their knowledge and insight into the challenges facing this sector.

This information has supported the Department to make a number of policy recommendations that will support the local beverage industry:

The Government will:

- Not charge a fee for container approvals;
- Grant an 18-month transition period for small producers to meet new labelling requirements;
- Provide a small grants program for small beverage companies, to assist with administrative support and the cost of obtaining barcodes;
- Exempt all first suppliers from paying into the Scheme for their first 20,000 container sales each year, effectively meaning Tasmania's 40 smallest beverage suppliers don't pay

into the Scheme at all, and the remaining small producers will receive a significant discount (consumers will still receive a refund for these containers).

Location of Refund Points

It is important that all Tasmanians are able to participate in the Scheme and get a refund for their containers. The Government will implement a minimum Community Access Standard for the Refund Scheme, setting out a minimum number of Refund Points together with stipulations around distance between Refund Points and population size. This will ensure comprehensive coverage right around Tasmania, with a network of at least 40 Refund Points, including in every city, and on King Island and Flinders Island. There will be more Refund Points around the state than there are Service Tasmania outlets.

The Regulations will contain more details about the Community Access Standards.

Charities and Community Groups

The Tasmanian Government is dedicated to ensuring that all charities and community groups around Tasmania will be able to benefit from the establishment of a Container Refund Scheme.

All charities and community groups will be able to run a Donation Point, where they can receive donations of containers from the community, and take these containers to a Refund Point to collect 10c per container for their organisation. This is a great way to get everyone in a local community engaged in the Scheme, and works well for organisations that have willing volunteers.

Further to this, all charities and community groups will be able to register for a Refund Account that will enable members of the public to donate their refund to any Refund Account. This means that when you take your containers to a Refund Point you will be able to donate your Refund to a charity or community organisation of your choice. A recent research survey of 1,600 Tasmanians showed that the majority of Tasmanians expressed an intention to donate containers or refunds to community and charity groups.

Some charities and community groups will seek to partner with the Network Operator to run a Refund Point. They will need to enter into a refund point agreement with the Network Operator, and will need to meet certain criteria.

Feedback from the public consultation period and stakeholder engagement shows that there is a high level of interest from charities and community groups in becoming Refund Point Operators. Under the split responsibility model, the Network Operator provides considerable administrative and logistical support to assist refund point operators to be successful. It should be noted that Refund Point Operators will need to meet certain criteria and obligations and advice from other jurisdictions is that this is a significant undertaking, for which many charitable and community organisations are not suited. Being a Refund Point Operator requires an employed (or extremely dedicated voluntary) workforce, that can operate the Refund Point at set hours on set days to meet the Government's minimum standards, as well as having the ability to store and handle large volumes of containers. Charities and community groups that do not want to operate a Refund Point can operate as a Donation Point or receive donated refunds via their Refund Account, with very low overhead costs.

Reporting of container redemption rates

The aim for the Tasmanian Container Refund Scheme is that it will result in large numbers of containers being redeemed and recycled. The redemption rate will be one of the key reporting metrics to be made publicly available to allow Tasmanians to monitor the success of the Scheme. Factors that contribute to high redemptions rates have been considered and included throughout the Scheme design process, such as accessibility and convenience of Refund Points.

