



Victoria Government Gazette

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Subordinate Legislation Act 1994

NOTICE OF DECISION

Circular Economy (Waste Reduction and Recycling) Act 2021

As the Minister responsible for the **Circular Economy (Waste Reduction and Recycling) Act 2021**, I give notice under section 12 of the **Subordinate Legislation Act 1994** (the Act) that, further to public consultation on a regulatory impact statement (RIS), I have decided to recommend the making of the Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Amendment Regulations 2024 (proposed Regulations).

The proposed Regulations aim to support regulatory efficiency in the operation of Victoria's Container Deposit Scheme, called CDS Vic, which commenced operation on 1 November 2023.

The RIS and an Exposure Draft of the Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Regulations were advertised for public comment between 26 May and 28 June 2022. Victorians could provide written feedback or complete an online survey on Engage Victoria. A total of 53 written submissions and 1,097 survey responses were received.

To support a further regulation (Regulation 8) to prescribe additional material recovery facilities, there was further targeted consultation with scheme participants, an advisory group comprising (among others) the Municipal Association of Victoria, community associations, and peak bodies representing the recycling, beverage, hospitality, and retail sectors, between 14 December 2023 and 7 February 2024.

The Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Regulations 2022 (Principal Regulations) and subsequent amendments have made most, but not all the provisions outlined in the Exposure Draft and RIS. The proposed Regulations (apart from Regulation 8) are substantively based on those consulted on in the Exposure Draft. The Department of Energy, Environment and Climate Action has prepared a Compliance Certificate under section 10(4) of the Act in relation to the proposed Regulations (apart from Regulation 8). To the extent that the proposed Regulations differ from the Exposure Draft, this is to facilitate the existing policy assessed in the RIS and does not result in materially different impacts to those assessed in the RIS. For this reason, the statements in the section 10(4) certificate are appropriate.

In relation to proposed Regulation 8, a certificate under section 8 of the Act has been prepared following an assessment that the regulation does not impose a significant economic or social burden on any sector of the public. Regulation 8 of the proposed Regulations is the only regulation that was not considered in the Regulatory Impact Statement in 2022. This regulation is included in the proposed Regulations following stakeholder feedback once the Container Deposit Scheme commenced on 1 November 2023. During targeted consultation on Regulation 8, there was broad support from stakeholders to prescribe bottle crushing facilities as a material recovery facility (MRF). Between 14 December 2023 and 7 February 2024, the Scheme Coordinator, each network operator, and an advisory group comprising (among others) the Municipal Association of Victoria, community associations and peak bodies representing the recycling, beverage, hospitality, and retail sectors were further consulted on the proposed prescription of additional MRFs in the proposed Regulations. While this regulatory amendment will increase the amount of refunds claimed, and thus increase costs to beverage suppliers (although not above the threshold of \$2 million), these costs will largely impact non-Victorian suppliers and will likely only have a small marginal impact on the prices of beverages in Victoria, if any.

I hereby give notice of the decision to make the proposed Circular Economy (Waste Reduction and Recycling) (Container Deposit Scheme) Amendment Regulations 2024.

SPECIAL

After consideration of feedback, in accordance with section 11(3) of the Act, I have decided that the proposed Regulations should be made. The proposed Regulations make amendments to the Principal Regulations as follows:

- a) **Regulation 5 of the proposed Regulations** will insert new definitions in Regulation 4 of the Principal Regulations. These definitions, including ‘major urban area’, ‘regional area’ and ‘remoteness structure’ will enable the functioning of the community access and operating standards for Victoria’s network of Container Deposit Scheme refund collection points.
- b) **Regulation 6 of the proposed Regulations** will insert into the Principal Regulations:
 - i. new Regulation 10A, which prescribes any duty, obligation or responsibility contained in the **Circular Economy (Waste Reduction and Recycling) Act 2021**, regulations made under the Act, or a network operator agreement entered into by the network operator to be an operation and performance requirement of a network operator. This clarifies the functions of a network operator under section 88 of the Act;
 - ii. new Regulation 10B prescribes the community operating standard as a prescribed operation and performance requirement of a network operator. The community operating standard provides for refund collection points to be open for at least the minimum required hours, set out in the community operating standard. The minimum operating hours vary based on the remoteness of the collection point.
- c) **Regulation 7 of the proposed Regulations** will insert new Regulation 10C in the Principal Regulations to prescribe the community access standard as a prescribed operation and performance requirement of a network operator. The number of refund collection points is calculated by formulas set out in new Regulation 10C. The formula is based on remoteness and population, with reference to Australian Bureau of Statistics data incorporated by the proposed Regulations. Refund collection points in regional or remote areas must be located within 5 km of a regional or remote town. This regulation ensures adequate accessibility of refund collection points based on population density, maintaining fairness and efficiency across the state.
- d) **Regulation 8 of the proposed Regulations** introduces a new Part 8 to the Principal Regulations. Part 8 will insert new Regulation 20 to the Principal Regulations to prescribe a facility that provides a service to crush and collect glass for recycling purposes (a bottle crushing service) as a material recovery facility. This will allow bottle crushers to collect a refund from the Container Deposit Scheme for processing containers. This proposed regulation was added due to feedback from industry after scheme commencement to improve circular outcomes and not disrupt the existing recycling markets.

More details on how submissions have been considered and responded to are set out in the *Consultation Summary* document published on engage.vic.gov.au/container-deposit-scheme and a hard copy can be made available at the Department of Energy, Environment, and Climate Action, 8 Nicholson Street, Melbourne, Victoria, by emailing container.deposit@deeca.vic.gov.au

After the proposed Regulations are made, they will become available for download from www.legislation.vic.gov.au The proposed Regulations will commence on 1 July 2024, except the community access standard, which will commence from 1 August 2024. The community access standard will commence on 1 August, to allow network operators enough time to roll out the network of refund collection points. The remainder of the provisions, including the community operating standard, will commence on 1 July 2024 to improve community access to refund collection points ahead of the full network roll out.

STEVE DIMOPOULOS
Minister for Environment
Department of Energy, Environment, and Climate Action

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