

Circular Details	Circular No 18-34 / 24 October 2018 / A621859
Previous Circular	Circular No. 18-09
Who should read this	General Managers / Waste Management Coordinators / Directors Corporate
Contact	Policy Team / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Information / Council to Implement

Reminder of 1 December 2018 deadline for councils to finalise a refund sharing agreement to share in Container Deposit Scheme (CDS) kerbside revenue

What's new or changing

- Councils must notify the NSW Environment Protection Authority (EPA) that they have reached a refund sharing agreement with their Material Recovery Facility (MRF) operator **before 1 December 2018** to enable the MRF to continue to claim refunds for eligible containers and to enable councils to receive a share of CDS revenue from their kerbside recycling stream.
- The EPA has made available a notification form for this purpose.

What this will mean for your council

- If an agreement is not reached by 1 December 2018, councils will not be able to access a potentially significant revenue stream until such an agreement is in place.
- Over \$50 million has already been paid to MRFs, a share of which could be used to fund improved waste services or environmental initiatives to benefit local communities.

OLG Support for Councils

- An independent report commissioned by OLG found that refund sharing is likely to be a significant long-term revenue stream for councils.
- Negotiating tools were also developed to assist councils in negotiations with MRFs. The scenario tool can be used to assess various refund sharing arrangements using different assumptions, in order to guide the development of a negotiating position with their MRF. The reconciliation tool allows councils to predict their refund amount either quarterly or annually.
- The report and tools, along with a video presentation explaining them, are located on the OLG website at: www.olg.nsw.gov.au/container-deposit-scheme.

Key points

- Clause 18 of the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulation 2017* sets out the various circumstances in which a MRF operator is eligible to claim processing refunds.

- Refund Sharing Agreements can be considered as a short-term or transitional arrangement until councils tender or renew their kerbside recycling service contracts.
- MRFs cannot retrospectively claim a share of refunds from 1 December 2018 if an agreement takes effect after that date; MRF operators will only be eligible to begin claiming processing refunds again from the date that agreement takes effect and the EPA is notified.
- A council that owns and/or operates a MRF should also complete the notification form.
- Councils are encouraged to seek their own independent specialist advice before finalising any agreement with their MRF operator.

Where to go for further information

- For further detail and a copy of the notification form, visit the EPA's website at: <https://www.epa.nsw.gov.au/your-environment/recycling-and-reuse/return-and-earn/material-recovery-facility-operator/refund-sharing-agreement-notification>
- For further information and advice on refund sharing agreement notifications, please contact Monica Morona, Principal Policy Officer, NSW EPA on (02) 9995 6483 or monica.morona@epa.nsw.gov.au.



Tim Hurst
Chief Executive