# Material recovery facilities

## Draft Environment Protection (Beverage Container Deposit Scheme) Amendment Bill 2024

*The South Australian Government is seeking feedback on the draft Environment Protection (Beverage Container Deposit Scheme) Amendment Bill 2024 (the draft Amendment Bill). This information sheet provides a summary of what the key changes in the draft Amendment Bill mean for material recovery facilities.*

## What the changes mean for material recovery facilities

Currently, beverage containers that are placed into kerbside or commercial collection systems are sent to material recovery facilities (MRFs) where some container deposit scheme (CDS) containers are recovered and presented to collection depots for an agreed amount.

The draft Amendment Bill proposes to formally recognise eligible MRF operators within the CDS (new s.68A(2)(h)). A MRF operator would be defined as a person who operates an Environment Protection Authority (EPA) licensed MRF, or a class of persons prescribed by the regulations, such as a regional waste transfer station or bottle crushing service operators.

To ensure the integrity of the CDS, eligible MRF operators would have similar obligations to the scheme coordinator to ensure circular economy outcomes for recovered containers (new s.68A(2)(i)(iii)).

Proposed roles and responsibilities for the EPA, scheme coordinator and MRF operators are set out below:

### EPA roles:

- Review and approve material recovery agreement (MRA) template(s) received from the scheme coordinator
- Develop and maintain recovery amount protocol(s) to be applied in determining recovery amounts payable to eligible MRF operators under a MRA
- Assess applications for approval of eligible MRF operator including the ability to place conditions on any approval. Applications to the EPA to be an eligible MRF operator would require as a minimum:
  - Evidence of a valid EPA Licence, or if under the EPA licence threshold evidence of a valid Development Approval
  - Evidence of an executed MRA with the scheme coordinator
  - Specification of the class(es) of beverage containers to which the application relates (e.g. PET, aluminium)

  - Evidence that arrangements are in place to verify that all recovered containers are reused and recycled in a way to support a strong market for recovered resources within a circular economy.
- Enforcement in relation to any contravention of EPA approval conditions.

**Scheme coordinator roles:**

- Prepare MRA template(s) for EPA approval
- Enter into, and manage, MRAs with EPA-approved eligible MRF operators
- Pay recovery amounts to eligible MRF operators in line with the recovery amount protocol and MRA
- Report on container and financial flows arising from MRAs with eligible MRF operators
- Deal with complaints and disputes arising from MRAs

**MRF operator roles:**

- Enter MRA with the Scheme Coordinator
- Seek EPA approval to be an eligible MRF operator
- Comply with obligations in MRA and EPA approval conditions

***Key benefits:***

- Eligible MRFs can be formally recognised in the CDS subject to EPA approval and meeting circular economy outcomes for eligible containers
- Eligible MRFs can apply for direct payment of recovery amounts from the scheme coordinator subject to meeting eligibility criteria providing efficiencies in handling of CDS materials.

## Disclaimer

This publication is a guide only and does not necessarily provide adequate information in relation to every situation. This publication seeks to explain your possible obligations in a helpful and accessible way. In doing so, however, some detail may not be captured. It is important, therefore, that you seek information from the EPA itself regarding your possible obligations and, where appropriate, that you seek your own legal advice.

# Further information

## Legislation

Online legislation is freely available.

## General information

Environment Protection Authority

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