



**Australian Government**  
**Department of Agriculture,  
Water and the Environment**

## **COST RECOVERY IMPLEMENTATION STATEMENT**

### **Waste Export Ban**

**2020-21**



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# 1 INTRODUCTION

## 1.1 Purpose of the cost recovery implementation statement

This cost recovery implementation statement (CRIS) provides information on how the Department of Agriculture, Water and Environment (the Department) will implement cost recovery under the *Recycling and Waste Reduction Act 2020* (the Act). The Act will reduce the human and environmental health impacts of products and waste material, including through regulating the export of waste plastic, paper, glass and tyres. Rules will impose regulatory controls on waste materials exported from Australia and will be developed as new waste types are regulated.

This CRIS also reports financial estimates for 2020-21 and three forward years. The Department will maintain the CRIS until the activity or cost recovery for the activity has been discontinued.

As part of the 2020-21 Budget handed down in October 2020, the Government announced it would defer introducing fees and charges by setting them at \$0 when the regulation starts. This is to provide relief for businesses dealing with the economic impacts of COVID-19 and gives businesses time to adjust to the new regulations.

This means that currently, exporters do not have to pay either for assessment of a waste export licence or to make an export declaration.

The Department will start recovering the costs of administering the regulation from 1 July 2023.

## 1.2 Description of the regulated activity

### 1.2.1 Decision to regulate unprocessed waste

In March 2020, the former Council of Australian Governments (COAG) agreed to ban the export of waste plastic, paper, glass and tyres while building Australia's capacity to generate high value recycled commodities. These unprocessed waste materials have the potential to cause harm to human health and the environment in the importing countries. Transforming waste material into high value materials will create jobs, build a more sophisticated industry, and provide positive outcomes for the environment and community wellbeing.

Waste plastic, paper, glass and tyres will be able to be exported if it has been processed into a value-added material, which will be reused or remanufactured overseas. A phased approach to regulate these materials will start with glass on 1 January 2021, with the other materials progressively regulated as outlined in Table 1.

The following descriptions of the regulated activities are centred on the regulation of waste glass, which commences on 1 January 2021, as the regulation of other waste types will be made in advance of those materials being phased into the waste export ban. These are expected to share some similarities with waste glass, particularly around the broad approach of a licence and declaration scheme, and the use of specifications.

**Table 1: Implementation schedule of the waste export ban**

<b>Waste type</b>	<b>Implementation date</b>
Glass	January 2021
Mixed plastics	July 2021
Tyres	December 2021
Single resin plastics	July 2022
Mixed paper	July 2024

### **1.2.2 Licensing and declaration scheme**

Exporters of processed waste must hold a licence and declare their exports under a licensing and declaration scheme. Licenced exporters will need to provide evidence that they are a fit and proper person and can meet required conditions, such as their export being processed to a nominated specification and they have a commercial arrangement in place with the importer. After being granted a licence, each export must be declared to the Department before being exported. This will provide the Department with assurance that the export meets the licence conditions and will assist with monitoring and compliance.

The scheme will be supported by a suite of assurance and enforcement measures to facilitate compliance.

### **1.2.3 Application for an export licence**

#### **New applications**

In deciding to grant an export licence, the Minister must consider the objects of the Act. These objects include:

- reducing the impact on human and environmental health of products, waste from products and waste material, including by reducing the greenhouse gas emitted, energy and resources used, and water consumed in connection with products, waste from products and waste material
- contributing to Australia meeting its international obligations concerning the human and environmental health impacts of products, waste from products and waste material;
- realising community and economic benefits from taking responsibility for products, waste from products, and waste materials
- developing a circular economy.

As part of the application process, an applicant must provide information on the waste glass specification to be used, the intended use of the export, their processing capability and any commercial relationships with the importer of the waste.

Where an applicant nominates a waste glass specification that is not listed by the Department, their application should demonstrate that it meets the objects of the Act.

In assessing an application, the Minister or the delegate of the Minister as the decision-maker must take into account:

- whether the applicant is, and is likely to continue to be, able to comply with the conditions of the licence

- whether the applicant is a fit and proper person
- the applicant's ability to process or have someone process the material to a specification/s they have nominated
- the equipment or machinery that will be used to process the material to the nominated specification/s
- the intended use of the material in the place of import
- whether the specification/s nominated is appropriate for the intended use of the material
- commercial arrangements with a buyer/s or the applicant's ability to enter into commercial arrangements
- whether all relevant Commonwealth liabilities of the applicant have been paid
- if one or more relevant Commonwealth liabilities of the applicant have not been paid—whether the non-payment is due to exceptional circumstances
- any other relevant matter prescribed by the Rules.

The Minister or delegate will make a decision on whether to grant a licence after taking into account each of these matters. The Minister or delegate may, in addition, take into account any other matters that they consider relevant.

The assessment of an application may involve the following steps:

- receiving the application and lodging the details in a database
- assessing the application against the matters to be taken into account
- reviewing the assessment by senior staff
- preparing a recommendation brief for the Minister or the delegate of the Minister
- consideration of the recommendation brief and a decision by the Minister or delegate of the Minister.

The Minister or delegate may also request further information as required to complete an assessment.

The Minister, or delegate, may impose conditions on a waste export licence, as authorised under the Rules and the Act.

### **Licence variations**

Licence holders can apply to vary details of their licence. These include:

- the conditions of the licence, including changes to specification/s
- the kinds of waste material covered by the licence
- the export operations covered
- where the waste material may be exported
- the expiry of the licence (to another date or specified event within three years of the licence taking effect)
- minor technical errors
- any other aspect of the licence.

In assessing the application, the Minister or delegate of the Minister as the decision-maker, must take into account similar considerations as the licence assessment, including whether the applicant is, and is likely to continue to be, able to comply with the conditions of the export licence.

The process for assessing variation applications aligns with the process for assessing new licence applications outlined above.

### **Licence renewals**

Successful applicants can be granted a licence for up to three years or until a specified event. To maintain a licence following this period, the licence holder will need to re-apply for a licence. This involves an assessment by the Department to determine if it is appropriate to again grant the applicant an export licence.

Our initial analysis suggests that a renewal of a licence is expected to require less effort than a new application as the scheme administrators may be familiar with the applicant's existing processes to process waste to the nominated specification, the countries the applicant exports to and the importers. The Department will also be familiar with the applicant's previous compliance behaviour with the scheme, which will inform renewal assessments. We will monitor the relative effort involved in assessment of both initial applications and renewals as the scheme develops, to confirm the relative effort involved in each function.

### **Exemption applications**

Applicants can apply to be exempt from any provisions of Chapter 2 of the Act or the Rules made under them. This may include an exemption from holding an export licence, declaring their waste exports or from a condition of an export licence.

Applicants can apply for an exemption for a specified period up to 12 months or until a specified event takes place, which must be within 12 months of the exemption start date.

In assessing an exemption application relating to the export of trade samples, the Minister as the decision-maker must take into account:

- the nominated specification and, if unlisted, whether it meets the objects of the Act
- whether the applicant is capable of complying with the nominated specification
- whether the waste glass will be processed to comply, prior to export, with the nominated specification
- whether the nominated specification is appropriate for the intended use of the waste glass in the place of import

The process for assessing exemption applications aligns with the process for assessing new licence applications outlined above.

Exemptions are expected to be granted in very limited circumstances only.

### **1.2.4 Monitoring and compliance**

The Department will conduct risk-based compliance activities to verify that participants in the scheme are meeting their obligations.

The holder of an export licence is required to notify the Minister in writing after any of the following events occurs:

- there is a change in the holder's business structure
- if the holder is an individual—the individual enters into a personal insolvency agreement under Part X of the *Bankruptcy Act 1966*
- if the holder is a corporation—the corporation enters into administration (within the meaning of section 435C of the *Corporations Act 2001*) or is to be wound up (whether by a court or voluntarily)
- there is a change in the trading name, business address or contact details of the holder
- any event set by the rules.

Holders of waste glass export licences must notify the Minister, in the form approved by the Minister, if any of the following changes occur:

- where they are not the supplier of the regulated waste glass—a change in the supplier of the regulated waste glass;
- where they use a freight forwarder or other agent to export—a change in the freight forwarder or other agent used;
- a change in the importer of the regulated waste glass.

Notification of these events may result in the Department taking action to determine if the licence holder is meeting the objects of the Act. Revocation of an export licence may be appropriate if it is found that the licence holder no longer meets the conditions of their licence.

### 1.2.5 Who are the stakeholders?

A range of stakeholders have an interest in the regulation of Australia's waste exports and the links to growing Australia's waste processing capacity. Cost recovery, however, only applies licence applicants and licence holders who export processed waste.

Stakeholders include:

- **Businesses:** Businesses are expected to be the main exporters of waste from Australia. Under the Act, they will have new requirements that they must comply with. The types of businesses most likely to export include those in waste management, resource recovery, recycling, manufacturing, re-manufacturing and waste processing industries.
- **Industry associations:** Industry associations will need to educate their members on the new requirements under the Act.
- **Waste management authorities:** The waste management industry comprises private firms and government enterprises, including local government. Regulating the export of waste material and driving domestic demand for recycled products is expected to alter the fate of waste in Australia and impact how waste is managed.
- **State and territory governments:** The waste export ban was agreed to by all Australian governments. States and territories will play a lead role on material specific interventions, to facilitate the effective operation of the regulation and collect data to help inform future

policy, as these are subject to jurisdictional challenges. Responsibility for waste management and landfill varies across the country, so affected parties include state and territory governments, local councils and private companies.

- **Importers overseas:** Licence applicants are required to provide information on commercial relationships with importers to meet their compliance obligations.
- **Environmental and other Non-Government Organisations:** These organisations are interested in ensuring the regulation is effective and delivering environmental and human health outcomes in line with the objects of the Act.
- **Community:** At the community level, there is growing concern about the impact of waste on the environment and on human health. Waste and recycling issues are consistently raised by Australians as among their top environmental concerns. Households want assurance that the material that goes in their recycling bin is reused within our economy, and not sent overseas where it may end up in landfill or in the environment.

The Department expects that waste export licence applications will predominantly be made by businesses.

## 2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER

### 2.1 Government policy approval to cost recover the regulatory activity

On 13 March 2020, the former Council of Australian Governments agreed to ban the export of waste plastic, paper, glass and tyres, in order to increase the amount of waste material that stays in Australia to be recycled and reprocessed into value added products.

The Australian Government introduced the Recycling and Waste Reduction Bill 2020 Recycling and Waste Reduction Charges (Customs) Bill 2020; Recycling and Waste Reduction Charges (Excise) Bill 2020, and the Recycling and Waste Reduction Charges (General) Bill 2020 Parliament on 27 August 2020. These Bills create a framework to improve recycling and waste management in Australia by legislating the waste export ban and incorporating existing regulation such as product stewardship.

To ensure the sustainability of the export licensing and declaration scheme, the Government intends to recover the costs for administering the scheme from participating exporters. Cost recovery will also ensure that those who create the need for and use the regulatory services bear the costs.

The Department will seek to recover costs that are reasonably incurred during the Department's administration of the scheme. Fees and charges will be developed consistent within the Australian Government Charging Framework. Fees and charges will be no more than the cost of administering and maintaining the scheme.



### **2.1.1 Deferral of cost recovery**

In the 2020-21 Budget handed down in October 2020, the Government confirmed it would provide transitional funding to administer the scheme for the first two-and-a-half years with fees and charges set at \$0 on commencement of the scheme.

This funding will provide relief for businesses dealing with the economic impacts of COVID-19, allow businesses time to adjust to the new regulation and time for the Government's recent waste investments to take effect. It will also allow time for better data to become available on scheme participation to inform the development of more accurate charges.

Cost recovery will commence from 1 July 2023. The Department will update this CRIS prior to the implementation of cost recovery to allow for meaningful and timely consultation with industry on the proposed approach to cost recovery and the amount of the charges. The intended approach is outlined in the stakeholder engagement section of this CRIS.

## **2.2 Statutory authority to charge**

The legislation that will allow the Government to impose regulatory charges are the:

- *Recycling and Waste Reduction Act 2020*
- *Recycling and Waste Reduction Charges (Customs) Act 2020*
- *Recycling and Waste Reduction Charges (Excise) Act 2020*
- *Recycling and Waste Reduction Charges (General) Act 2020*
- *Recycling and Waste Reduction (Fees) Rules 2020*

Section 155 of the Act provides the legal basis for charging a fee for a matter that relates to the administration of the scheme. The *Recycling and Waste Reduction Charges (Customs) Act 2020*; *Recycling and Waste Reduction Charges (Excise) Act 2020*, and the *Recycling and Waste Reduction Charges (General) Act 2020* (the Charges Acts) provide the framework for imposing charges.

When cost recovery commences in 2023, charges for each type of regulated waste material, including the amounts and who is liable to pay them, will be set out in regulations made under the Charges Acts.

## **3 COST RECOVERY MODEL**

Following the Government's decision to provide transitional funding to administer the scheme for the first two-and-a-half years with fees and charges set at \$0 on commencement, cost recovery will commence on 1 July 2023. The charge points, amounts of charges and which regulated entities are liable to pay them will be developed and consulted on before the commencement of cost recovery.

### **3.1 Outputs and business processes of the regulatory charging activity**

From 1 January 2021 to 30 June 2023, the administration of the scheme will be fully funded by Government appropriation.

The regulatory activities to meet the policy objective have been grouped into the following categories:

1. Program management and administration – administrative activities that support the Department to deliver and maintain the licencing and declaration scheme.
2. Assessment – activities provided directly to an individual, business or organisation to assess applications of export licences.
3. Assurance – activities to mitigate risk of non-compliance and to support the continual improvement of the design of the regulatory scheme.
4. Incident management – activities that respond to incidents concerning alleged breaches of the scheme.

Further description of the activities costed to deliver the scheme are below.

### **3.1.1 Program management and administration**

#### **Policy and instructional materials**

Development, review and updates to the legislation will be necessary from the first year of implementation. Costed activities include ongoing policy support and legislative development to align with phased implementation. This includes ongoing updates and amendments to the legislation, reviewing charging arrangements and developing new rules as new waste types are regulated.

#### **Workforce and business management**

Most administrative and staff overhead costs are included in the on-cost component for staff (which includes costs for training, superannuation and leave). This output includes administrative costs that are not covered in on-costs, or explicitly included in other outputs. This includes recruitment of new staff and training in regulatory system operations.

Establishing standard operating procedures will increase the efficiency of regulatory activities and will result in consistent decision-making. Specific activities include developing application forms and developing and maintaining standard operating procedures for internal and external stakeholders.

#### **Business system administration**

This output contains a broad range of activities needed to administer the scheme. This includes costs associated with:

- managing application workflow and tracking systems
- internal, regulatory and international reporting requirements
- IT system maintenance and building additional system capacity for plastic, tyres and paper
- legal advice for implementation enquires, drafting fees for Rules and post-implementation legislative interpretation
- creating new Australian Harmonized Export Commodity Classification (AHECC) codes to streamline export data
- engaging with the Australian Border Force (ABF) to ensure consistency of declaration information reported to the Department and the ABF

## **Stakeholder engagement**

Engaging and educating stakeholders will be crucial to supporting and encouraging compliance with the scheme. Upfront investment in industry outreach and education is important to reduce costs associated with non-compliance as the scheme grows. It also ensures the broader stakeholder community such as exporters, states and territories, and other government agencies have access to scheme information as needed.

Costed activities include hosting webinars to educate the community on their obligations, boosted social media presence, developing and maintaining educational guidance materials and the Department's website, and handling enquiries from stakeholders.

### **3.1.2 Assessment**

#### **Assessing export applications**

Assessing licence applications, including for renewals and variations, is the core regulatory activity of the scheme. Costed activities in the licence assessment process include:

- ensuring the applicant has provided all necessary documents
- assessing the application, including requesting further information, responding to enquiries and developing licence conditions
- briefing the Minister or the delegate of the Minister as the decision maker and notifying the applicant of the outcome
- internal review and appeals processes

During the first two-and-a-half years of operation, data will be collected on the time taken to assess applications. This will inform charges to assess licence applications when cost recovery commences on 1 July 2023.

The total expected costs for assessing licence applications prior to the commencement of cost recovery is outlined in Table 2.

### **3.1.3 Assurance**

#### **Risk management**

This output contains the line area efforts to manage the risk of non-compliance. Risk management activities include:

- cross referencing our data with data from other Australian border law enforcement and intelligence agencies
- auditing exporters' record keeping to ensure they are operating within their licence conditions
- intelligence collection on regulated entities to inform audits and investigations

These activities will inform targeted education campaigns, updates to operational policy and regulatory guidelines, and investigation and enforcement activities. They will support continual improvement of the regulatory scheme, compliance, and regulatory outcomes.

### **3.1.4 Incident management**

#### **Investigation support and corrective action**

Compliance and enforcement costs have been developed in line with similar regulatory programs the Department administers.

In 2020–21, compliance and enforcement activities will focus on building compliance strategies and educating stakeholders to ensure that they understand the requirements under the new regulation. We expect that there will be limited need to undertake audits because the initial uptake is likely to be small due to the limited number of regulated entities.

From 2021–22, the focus of compliance and enforcement activities are likely to shift to increasing auditing, compliance and enforcement, while maintaining education and awareness-raising activities.

### **3.2 Costs of the regulatory charging activity**

To determine the cost of regulatory activities, we used an activity based costing (ABC) system. The ABC methodology first involves determining which activities are required to administer and manage the licencing and declaration scheme. The effort at each APS classification level required for each activity and the expected frequency of each task was then determined. This was used to calculate our cost base and staffing requirements.

The ABC model uses the following two expense categories:

1. Direct expenses—these can be directly attributed to the provision of an activity, for example, application assessments and developing guidance. They comprise of staff salaries and supplier costs including direct capital expenses such as the specific IT system for the scheme.
2. Indirect expenses—these support but are not directly linked to an activity provided by the Department. Indirect expenses include corporate employee salaries and overheads such as information technology, finance, human resources costs, and indirect capital expenses, which includes expenditure on the Department’s broader supporting systems, such as maintaining the websites for the scheme and our general email infrastructure.

We include indirect expenses in the cost base to reflect the systems and processes that exist to help with efficient administration, which the cost recovered arrangements benefit from.

Actual costs will be monitored closely to update the costs of administering the scheme before cost recovery commences on 1 July 2023.

#### **3.2.1 Assumptions underpinning the cost model**

##### **Demand**

Some activities, such as developing guidance, standard operating procedures and policy development are fixed costs and do not scale with the number of businesses, consignments or weights exported. However, activities such as licence assessments and compliance activities will scale with the demand of the scheme and will drive costs. An estimate of the demand of number of businesses, consignments and weights of exports was required to calculate the expense base.

To estimate the number of businesses, consignments and weights of exports that may be captured by the licensing and declaration scheme, the Department analysed five years of export data. This data was provided by the Australia Border Force.

The 2018-19 dataset was used to estimate the number of businesses as inaccurate entries had been detected and corrected by consultants. Unique businesses for each waste type were identified and added to the demand to align with the phased implementation.

To determine the weight of exports and number of consignments, the export data from 2015-16 to 2019-20 was averaged. This data included all banned and regulated exports of glass, plastics, tyres and paper. It was assumed that not all those who previously exported banned materials will separate, process and export materials once the ban is implemented. The Department estimated the percentage of exports that would continue under the ban by extrapolating trends from the five-year ABF data and analytic reports by consultants. This percentage was then applied to the five-year average to obtain the estimated weight and consignments captured by the ban.

Based on these assumptions, the Department estimates approximately 60 businesses will be regulated once the scheme is fully implemented after July 2024. It is estimated 1.3 million tonnes of processed waste material will be exported through 8,000 consignments per year. It is noted that the recent COVID-19 events may impact on the future demand of the scheme. These estimates will be refined following scheme commencement, as real world data is captured and the Government investments in recycling and waste programs take effect and increase Australia's capacity to reuse and remanufacture processed waste domestically.

### **Change over time**

The Department assumed the number of businesses, weights and consignments of each waste type has stabilised and will not change over time. This assumption is based on the following considerations:

- Transformative policies which were expected to impact demand (e.g. China's 2018 National Sword Policy which banned China's import of solid wastes) have already taken effect
- While some businesses are expected to no longer export once the scheme is in place, investment in Australia's domestic processing capacity through the Recycling Modernisation Fund may increase the opportunity for businesses to export under the scheme

These cost estimates are sensitive to the actual demand of the scheme. Upon the commencement of the scheme, the Department will have real life data on glass, plastics and tyres to determine the actual demand of the scheme and inform the ABC model which will be revised to update this CRIS ahead of the commencement of cost recovery in 2023.

### **3.2.2 Breakdown of costs**

The Government has agreed to provide transitional funding to administer the scheme for the first two-and-a-half years. This supplements existing funding being used to establish the scheme.

A full breakdown of direct and indirect costs per activity are shown in Table 2.

**Table 2: Cost type breakdown for licensing and declaration scheme from 2020-2021 to 2022-2023**

<b>Activity group</b>	<b>Activity</b>	<b>Direct costs (\$)</b>	<b>Indirect costs (\$)</b>
Program management and administration	Policy and instructional materials	1,226,870	392,598
	Workforce and business management	176,006	56,322
	Business system administration	1,843,489	589,917
	Stakeholder engagement	848,157	271,410
	<b>Subtotal</b>	<b>4,094,523</b>	<b>1,310,247</b>
Assessment	Assessing export licence applications	458,824	146,824
Assurance	Risk management and surveillance	542,773	173,687
Incident management	Investigation support and corrective action	1,418,070	453,782
<b>Total cost base</b>		<b>6,514,190</b>	<b>2,084,541</b>

### 3.3 Design of regulatory charges

Recovering the costs of administering the scheme does not commence until 1 July 2023. Charge points, amounts of charges and who is liable to pay them will be developed prior to the commencement of cost recovery.

Examples of the distinct outputs of the regulatory activities and the key business processes to produce those outputs will be detailed in the updated CRIS and consulted on prior to the commencement of cost recovery in 2023. Table 3 shows how this information will be displayed in the updated CRIS.

**Table 3: Regulatory activity 1**

<b>Sub-activity</b>	<b>Direct costs</b>	<b>Indirect costs</b>	<b>Total</b>
-	-	-	-

Data on the cost and demand of the scheme from 2020-21 to 2022-23 and industry consultation will inform the development of charges. The Department's intended approach to consultation is outlined in the stakeholder engagement section of this CRIS.

## 4 RISK ASSESSMENT

The Department completed a Charging Risk Assessment (CRA) for the cost recovery component of the licencing and declaration scheme under the waste export ban. The CRA's overall risk rating for implementation of the model is high. The Minister of Finance must agree to a CRIS if the CRA indicates the proposal is high risk.

In addition to the CRA, the Department has also considered the risks associated with the transitional funding and how we will manage these risks (Table 4). Risk factors and their assessment will be reviewed and updated prior to cost recovery commencing in 2023.

**Table 4: Potential risks and management with cost recovery**

<b>Risk</b>	<b>Management</b>
The regulated community is not aware of, does not plan for or does not support, the future proposed implementation of cost recovery	The Department will regularly engage with the current and anticipated regulated community to ensure they are aware of implementation of full cost recovery from 1 July 2023. Outreach activities will include working groups, consultation on the updated CRIS, media releases, through the website and notices in relevant trade publications and websites.
The actual demand is different to the expected demand	The Department will regularly review the forecast demand and compare this to real life data.  Real life data will be used to inform demand prior to the commencement of cost recovery and the CRIS will be updated prior to consultation.

## 5 STAKEHOLDER ENGAGEMENT

### 5.1 Previous consultation

After all Australian Governments agreed Australia should establish a timetable to ban the export of waste plastic, paper, glass and tyres on 9 August 2019, the Department consulted extensively on the regulatory approach to implementation.

In November 2019, the Department consulted with industry and other interested stakeholders on a discussion paper to inform the implementation and development of response strategies to support the export ban. The discussion paper received 103 submissions, including:

- 55 submissions from businesses whose primary activity includes collecting, sorting, processing, manufacturing, supplying and exporting materials in scope of the ban
- 24 peak bodies and industry associations made submissions representing their members
- 17 local councils and local government bodies made submissions on behalf of their constituents
- seven submissions from individuals.

Consultation also included series of industry roundtables around the country with over 80 industry representatives and a national roundtable held by the Commonwealth and attended by 14 peak bodies and associations.

The Department consulted on the Regulation Impact Statement in December 2019. The purpose of the consultation RIS was to canvass industry and other interested stakeholders' views on the regulatory options under consideration to determine the relative costs and benefits of those options. This RIS:

- established the problem that governments are seeking to address
- identified policy options to address the problem
- examined the costs and benefits of these options in addressing the problem.

The RIS found that prohibiting or restricting waste exports would provide industry and all levels of government with certainty about the future end date for waste exports compared to importing countries imposing stricter restrictions over time and with potentially limited prior warning. This will improve the ability to plan and reduce the likelihood of costly quick adjustments.

A total of 62 submissions were received. At least one submission was received from each state and territory, except for the Australian Capital Territory.

In July 2020, the Department undertook targeted consultation on the exposure draft legislative package, including the Charges Bills, with 68 key industry stakeholders. The Department received 35 submissions and as a result, amendments were made to the Bill.

The Department held a webinar 'Overview of new stand-alone legislation for recycling and waste reduction' with around 100 interest industry and government stakeholders to support consultation on the exposure draft legislative package on 15 July 2020.

There has been general stakeholder acceptance that the government would have to charge exporters participating in the licensing and declaration scheme to ensure the sustainability of the scheme. Questions were raised regarding the need for three Charges Bills which were clarified by educating stakeholders through the webinar and explanatory memorandum. In a working group established to consult on the regulation of waste glass, stakeholders raised no concerns relating to the 2020-21 Budget decision. Stakeholders have expressed a keen interest in staying engaged as charges are developed before the commencement of cost recovery in 2023. A strategy for future engagement with stakeholders is outlined below.

## **5.2 Strategy for future engagement**

Prior to the implementation of cost recovery and charging commencing in 2023, the Department will update this CRIS to include proposed charge points, amounts of charges and who is liable to pay them. The Department will consult broadly on a draft of the updated CRIS at that time.

The Department will also regularly engage with industry on the development of charges through technical working groups established for each material type; and inform industry on the implementation of cost recovery through media releases, our website and notices in relevant trade publications and websites.



## 6 FINANCIAL ESTIMATES

**Table 5: Financial estimates - waste export ban transitional funding**

	A	B	C	D	E
	2020-21 Budget	2020-21 Actuals Update during budget year	2021-22 Update during budget year	2022-23 Update during budget year	2023-24 Update during budget year
Expenses = X	\$2,531,898	0	\$3,251,636	\$2,815,197	\$3,282,193
Revenue = Y	0	0	0	0	TBA
Balance = Y – X	-\$2,531,898	0	-\$3,251,636	-\$2,815,197	TBA
Cumulative balance	-\$2,531,898	0	-\$5,783,534	-\$8,598,731	TBA
Explain material <sup>a</sup> variance	As charges and fees will be set at \$0 until cost recovery commences, there can be no revenue until 1 July 2023. Revenue will be included in the updated CRIS and consulted on prior to the commencement of cost recovery. The expenses are funded from government appropriation.				
Explain balance management strategy	<i>No strategy required</i>				

<sup>a</sup> As defined by AASB1031 and Division 12 – Materiality and Disclosure of the Finance Minister’s Orders.

## 7A FINANCIAL PERFORMANCE

This is a new regulatory activity. There is no historic financial performance.

## 7B NON-FINANCIAL PERFORMANCE

The non-financial performance of the licensing and declaration scheme of the waste export ban is monitored through a range of key performance indicators outlined in Table 6.

The main performance indicator of the effectiveness of the scheme is that the export of unprocessed waste glass, plastics, tyres and paper cease as each material is regulated.

The non-financial performance is most likely to be affected by the demand of the scheme. The transitional funding allows time for data to be collected on the scheme to determine the actual demand and develop more accurate charges prior to the commencement of cost recovery. During the first two-and-a-half years of operation, data will be collected and analysed to develop a more accurate demand and cost model.

The Department intends to add key performance indicators, from 2020–21, in line with the recommendations of the ANAO performance audit report, *Application of cost recovery principles*.

The sub-activities that will be listed in Section 3.3 will be regularly reviewed against data collected from the scheme to ensure their accuracy.

**Table 6: Non-financial performance measures - waste export ban transitional funding**

Performance indicator	2020-21 target	2021-22 target	2022-23 target	2023-24 target
We advise regulated entities on the commencement of cost recovery. Advice notices and guidance material are up to date, accurate, accessible and in plain English.	Publish advice notices and guidance material on website.	Update demand model and begin development of revised CRIS.	Update and consult on the CRIS with charge points, the amounts of charges and who is liable to pay them.  Review and update advice notices and guidance material.	Review and update advice notices and guidance material.  Update the CRIS in line with the Australian Government Charging Guidelines.
Stakeholder enquiries are responded to in a timely manner	>95% of enquiries about cost recovery and the scheme are responded to within one week			

Prior to the commencement of cost recovery in 2023, this CRIS will be updated to include the actual demand in the initial years of the scheme. As the demand to develop the costs in Table 2 are estimates based on historical data and are expected to change, estimated demands are not included in this CRIS. Actual demand will be displayed in Table 7 with export data collected from the scheme. Table 7 shows how this information will be displayed in the updated CRIS consulted on before 2023.

**Table 7: Demand by activity**

Activity	2020-21 demand	2021-22 demand	2022-23 demand	2023-24 demand
-	-	-	-	-

## 8 KEY FORWARD DATES AND EVENTS

The Rules commence on 1 January 2021. From this date, exports of unprocessed waste glass will be banned and exports of processed waste glass will require a licence. Other materials will be regulated in line with Table 1.

Cost recovery commences on 1 July 2023. The Department will update this CRIS with proposed charge points, the amounts of charges and who is liable to pay them in the 2022-23 financial year.

The Department is scheduled to undertake a Portfolio Charging Review in 2023, with review outcomes scheduled to be brought forward in Budget context in 2024-25. This is a review of all existing and potential charging activities within the portfolio, including the waste export ban arrangement.

## 9 CRIS APPROVAL AND CHANGE REGISTER

Date of CRIS change	CRIS change	Approver	Basis for change
02/12/2020	Certification of the CRIS	Secretary, Department of Agriculture, Water and the Environment	New charging activity