

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice

Agriculture, Water and the Environment Portfolio

Question No: 118
Hearing: Additional Estimates
Outcome: Outcome 1
Division/Agency: Environment Protection Division
Topic: Review of the Product Stewardship (Oil) Act 2000
Hansard Page: 79
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Question Type: Spoken

Senator Patrick asked:

Senator PATRICK: I'm trying to get to the reason. I understand you acknowledge it. I'm trying to understand the reason why the department failed to comply with the law. I accept if you said, 'Hey, this is a review due a year and a half ago and we got hit by something that was totally unexpected.' Three years ago when this review was required, what took place that caused you not to conduct this review?

Mr Knudson: I suspect because none of my colleagues were involved with that at the time. So I think we'd have to come back on notice. I'm very happy to explain how we got from when the review was due and what actions were taken subsequently. With your indulgence, I think it would be reasonable for us also to talk about beyond the review and give you a sense of what has been going on in that area that is responsible for that review. So we have tried to balance a number of key priorities. I would like to lay out the product stewardship for oil element as well as those other elements.

Mr Metcalfe: I hear you clearly. Why is it that three years ago someone didn't initiate a review?

Senator PATRICK: Yes. That's what I'm trying to get to. I understand that you're trying to deal with the fact now. I'm trying to understand how a department three years ago failed to comply with a legal obligation.

Mr Metcalfe: We'll need to go back and check and provide you with the best answer we can.

Answer:

- The third review of the *Product Stewardship (Oil) Act 2000* (PSO Act) was completed in 2013. As a result of the review, the rate of the Product Stewardship for Oil Scheme (PSO Scheme) levy was increased (from 5.449 to 8.5 cents per litre of oil) with the intention to restore the PSO Scheme to being budget neutral over the forward estimates period.
- The Government considered the remaining recommendations of the review and issued a response in November 2016. One of the recommendations included investigating the feasibility for used oil arrangements to be covered under the broader framework of the *Product Stewardship Act 2011* (PS Act). While a review of the PS Act commenced in 2017, the Government decided not to progress a new arrangement for used oil under this Act.
- During 2018 and 2019, there were a number of significant policy developments which resulted in the Australian Government taking a new, strategic position on waste issues. These developments included China's National Sword policy and a new Australian National Waste Policy, as well as a National Waste Policy Action Plan.

- Also during 2018-19, Caltex's case against the Commissioner of Taxation regarding the treatment of diesel for the purposes of the PSO Act had the potential to significantly impact the operation of the PSO Scheme. Following the Federal Court's ruling on 14 November 2019, the Department, with the Australian Taxation Office and Treasury, have been working to address the implications for the PSO and Excise Tariff Acts.
- In preparing for a fourth review of the PSO Act, which will commence in 2020, the Department has given consideration to these waste policy developments and has engaged closely with the the Australian Taxation Office and Treasury in developing terms of reference.