
These notes are to assist in preparing the Annual Recycling Statement and Independent Assurance Report required under the Container Deposit Scheme Material Recovery Facility Processing Refund Protocol.

Who should read this

Material Recovery Facility (MRF) operators who are registered to receive refunds under the *Container Deposit Scheme Material recovery facility processing refund protocol* (“the Protocol”), and assurance auditors who have been engaged to conduct an Independent Assurance Report as specified by the Protocol. The table below links each assurance matter to the relevant sections of the Protocol, the *Waste and Resource Recovery Act 2001* and *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulation 2017*.

Annual Recycling Statement template

The Annual Recycling Statement for Material Recovery Facilities is available for download on the [EPA website](#). Instructions for completing the statement are included on the template. Templates must include an independent assurance report and be sent to info@exchange4change.com.au and mrf.protocol@epa.nsw.gov.au by the specified deadline.

Assurance Requirements

The assurance report must meet the requirements for limited assurance engagements and reasonable assurance engagements under Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*; and Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements*; ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The Protocol outlines four **reasonable assurance matters** and one **limited assurance matter** to be covered by the assurance report.

ASAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information defines reasonable assurance and limited assurance engagements as follows:

a. **Reasonable assurance engagement**—An assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance practitioner’s conclusion. The assurance practitioner’s conclusion is expressed in a form that conveys the assurance practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria.

b. **Limited assurance engagement**—An assurance engagement in which the assurance practitioner reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement as the basis for expressing a conclusion in a form that conveys whether, based on the procedures performed and evidence obtained, a matter(s) has come to the assurance practitioner’s attention to cause the assurance practitioner to believe the subject matter information is materially misstated. The nature, timing, and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the assurance practitioner’s professional judgement, meaningful. To be meaningful, the level of assurance obtained by the assurance practitioner is likely to enhance the intended users’ confidence about the subject matter information to a degree that is clearly more than inconsequential.

Auditor Requirements

Auditors engaged for the Independent Assurance report must be:

- registered as a Registered Company Auditor under the *Corporations Act 2001*; or
- registered as a Category 2 auditor under sub-regulation 6.25(3) of the *National Greenhouse and Energy Reporting Processing refund requirements 2008*; or

The EPA does not currently have a recommended list of registered auditors deemed appropriate for the Independent Assurance Report. The EPA recommends that you engage an independent assurance practitioner that meets the requirements listed under section 10.3 (b) (i) or (ii) as soon as possible.

Assurance type	Detail	Reference
Reasonable assurance matters		
(a) the person(s) who have made claims during the reporting period met the definition of a MRF operator in accordance with the Act and Regulations;	<p>Material recovery facility operator means:</p> <p>(a) a person who carries on a business that is or includes the processing for reuse or recycling of domestic waste designated for recycling and collected by that or any other person during the course of domestic waste management services and who:</p> <ol style="list-style-type: none"> i. holds an environment protection licence under the <i>Protection of the Environment Operations Act 1997</i> authorising the processing of the waste (otherwise than by thermal treatment) at specified premises, or ii. is approved in writing by the EPA as a material recovery facility operator for the purposes of this Part, or <p>(b) any other person of a class prescribed by the regulations.</p>	<i>Waste and Resource Recovery Act 2001</i> , Part 5, Division 1, Clause 20
(b) the Annual Recycling Statement has been prepared in accordance with Section 9.1 of the Protocol;	<p>Each MRF operator is required to prepare and submit an Annual Recycling Statement for each MRF to the Scheme Coordinator and the EPA within 60 calendar days of the end of each year ended 30 June* (the 'reporting period'). The Annual Recycling Statement must be prepared in accordance with the NSW Container Deposit Scheme - Annual Recycling Statement template available on the EPA website at the end of the reporting period, and must contain the following information:</p> <p>(a) MRF throughput reconciliation, prepared in accordance with Section 9.2</p> <p>(b) where Method 1 has been applied:</p> <ul style="list-style-type: none"> • the total weight of material processed for re-use and recycling for which a processing refund claim has been made during the reporting period by output material type; and <p>(c) where Method 2 has been applied:</p> <ul style="list-style-type: none"> • the total number of eligible containers counted by the MRF Operator during the reporting period. 	Protocol, Section 9.1.
(c) the quantities of each output material from the MRF Operator during the reporting period measured in accordance with Section 6 of the Protocol;	<p>Some of the measures specified by section 6 of the Protocol include:</p> <ul style="list-style-type: none"> • the weight of each output material type must be measured in tonnes • calibrated weighbridges and weighing equipment • recording weights to two decimal places • recording the sources of all material • verified weighbridges (yearly) • separation of Scheme material and claimable material • recording any Scheme material received and processed • recording the date of delivery and destination of outbound material. 	Protocol, Section 6 Also refer to the MRF Annual Recycling Statement template

Assurance type	Detail	Reference
(d) the throughput reconciliation for the reporting period, calculated in accordance with Section 9.2 of the Protocol	<p>Each MRF operator is required to prepare an Annual Throughput Reconciliation of all input materials received and all output materials by material type for each MRF, including:</p> <ul style="list-style-type: none"> • total quantity (in tonnes) of material other than Scheme material received at the MRF from NSW sources • total quantity (in tonnes) of material received at the MRF from outside NSW • total quantity (in tonnes or number or both) of Scheme material received at the MRF, delivered from the MRF and remaining at the MRF at the end of the year • total quantity (in tonnes) of material other than Scheme material re-used or recycled for each output material type • total opening and closing stock on hand other than Scheme material. 	<p>Protocol Section 9.2</p> <p>Also refer to the MRF Annual Recycling Statement template</p>
Limited assurance matters		
(a) the output materials from the MRF Operator included within the Annual Recycling Statement have been reused or recycled or will be reused or recycled within 12 months from the date that the processing refund claim was submitted.	<p>Recycling facility means any premises, in or outside NSW, at which the processing of waste (generated by beverage product packaging) for reuse or recycling can be lawfully carried out.</p> <p>A processing refund is not payable in respect of any container that has not been:</p> <ul style="list-style-type: none"> (a) recycled by the claimant, or (b) delivered to a recycling facility in Australia or consigned for transport to a recycling facility in a foreign country. 	<p><i>Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulation 2017</i> Division 3, Clause 17</p> <p>Division 3, Clause 19 (4)</p>

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 EPA 2019P1735
 July 2019

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