

## Executive Summary

This report documents the evidence received by the Health, Environment and Innovation Committee (the committee) during its inquiry into Improving Queensland's container refund scheme (inquiry), and sets out its findings.

The committee received a very substantial body of evidence during its inquiry. This evidence came from community groups, industry stakeholders, small businesses, members of the public, the Department of the Environment, Tourism, Science and Innovation (the department) and Container Exchange (Qld) Limited (COEX), the not-for-profit company that exclusively administers the scheme as the appointed Product Responsibility Organisation (PRO). COEX is composed of a majority of beverage manufacturer representatives, and has two Member companies, Coke and Lion.

The committee received a significant volume of evidence on a private or confidential basis, some of which it has chosen to publish in this report. This is an unusual step, and not one the committee has taken lightly. Where it has chosen to publish such evidence, the committee has consulted with relevant witnesses and submitters before doing so.

Evidence before the committee demonstrates that the scheme has generated tangible benefits for Queenslanders since it commenced on 1 November 2018. Queensland's beverage container recovery rate has increased from 18 percent prior to introduction of the scheme to 67.1 per cent this year. Littering has reduced, with a 60 per cent decrease in beverage container litter since the scheme was launched. This has only been achieved due to strong community support for the scheme, with many community groups and individuals calling for even wider and more convenient access to collection points.

However, evidence and submissions received by the committee also indicate serious concerns about many important aspects of the scheme. This includes the governance framework embedded in the scheme, the governance practices that prevail within COEX, and that company's relationship with the operators of container return points (CRPs), who form the 'backbone' of Queensland's scheme, under contractual arrangements with COEX. The committee has also observed concerns about a lack of accountability and transparency both around the scheme, and within COEX.

Some submissions have made allegations against COEX. The committee has considered the potential operational impacts of those. However, the committee is not the appropriate body to determine the veracity of those allegations. It has therefore referred certain matters to other bodies for their consideration.

Evidence before the committee suggests that there is room to improve the performance of Queensland's scheme, both in terms of how many containers it recovers and the recycling outcomes it delivers. While COEX has exceeded the target for 307 container refund points, it has never achieved the legislated target of recovering 85 per cent of eligible beverage containers sold within Queensland. While the committee appreciates that the proportion of beverage containers recovered in Queensland is broadly similar to that recovered in states and territories with comparable schemes, the committee believes

that there are practical improvements that can be made to the scheme to improve this rate. In addition, while the government may consider changing or removing the target recovery rate, doing so may adversely affect public confidence in the scheme.

Many people told the committee that they would like to see the scheme expanded to include more beverage containers, other types of containers, and even items such as batteries and soft plastics. However, views here were mixed. Some stakeholders expressed concern about the potential cost of scheme expansion, both for businesses and consumers. Others identified technical issues that would make collecting and recycling certain items, such batteries, more difficult.

Ultimately, the committee has made 21 recommendations, all of which are designed to improve Queensland's container refund scheme and its ability to achieve its statutory objectives. Several of these recommendations would, if accepted and implemented by the government, lead to significant changes in how the scheme is governed. Others focus on improving the accessibility, operation and performance of the scheme to ensure its potential benefits are fully realised.