



HEALTH, ENVIRONMENT AND INNOVATION COMMITTEE

Members present:

Mr R Molhoek MP—Chair
Ms SL Bolton MP
Ms K-A Dooley MP
Mr JP Kelly MP (via teleconference)
Mr DJL Lee MP
Dr BF O'Shea MP

Staff present:

Dr J Rutherford—Committee Secretary
Miss A Bonenfant—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO IMPROVING QUEENSLAND'S CONTAINER REFUND SCHEME

TRANSCRIPT OF PROCEEDINGS

Wednesday, 21 May 2025

Brisbane

WEDNESDAY, 21 MAY 2025

The committee met at 9.09 am.

CHAIR: Good morning. I declare open this public hearing for the committee's inquiry into improving Queensland's container refund scheme. My name is Rob Molhoek, member for Southport and chair of this committee. I acknowledge the Aboriginal and Torres Strait Islander people of this state and their elder's past, present and emerging. I also acknowledge the former members of this parliament who have participated in and nourished the democratic institutions of this state. Finally, I acknowledge the people of this state, whether they have been born here or have chosen to make this state their home and whom we represent to make laws and conduct other business for the peace, welfare and good government of this state.

With me here and online today are: the deputy chair and member for Greenslopes, Joe Kelly; Dr Barbara O'Shea MP, member for South Brisbane; Ms Sandy Bolton MP, member for Noosa; Mr David Lee MP, member for Hervey Bay; and Ms Kerri-Anne Dooley MP, member for Redcliffe. This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages.

FITZGERALD, Mr Joe, Executive General Manager Strategic Communications and Stakeholder Relations, Container Exchange

ROACH, Ms Natalie, Chief Executive Officer, Container Exchange

CHAIR: Welcome. Would you like to make an opening statement before we start our questions?

Ms Roach: Thank you, Chair, and thank you also to the committee for the opportunity to appear here today. I am Natalie Roach, the CEO of Coex, and this is my colleague Joe, one of our executive general managers. Containers for Change was established six years ago and as the scheme administrator appointed by the Queensland government, Coex is proud of the significant environmental, social and economic benefits it has delivered for all Queenslanders. We welcome this important inquiry. Given the age of the scheme, it is timely to review its performance and operation. We also welcome the opportunity the inquiry brings to alleviate the constraints on the scheme that have prevented it from reaching its full potential.

Containers for Change was designed to empower every Queenslander to practise their right to recycle. It is 100 per cent funded by beverage manufacturers that take responsibility for the waste generated by their products in the form of empty containers. These empty containers, which otherwise would largely end up as litter or landfill, are instead returned in exchange for the 10-cent refund and are recycled into new products. Before Containers for Change, just 18 per cent of eligible containers sold in Queensland were recycled. Now over 67 per cent of containers are recycled through the scheme—a more than 270 per cent increase. There has also been a 60 per cent decrease in container litter since the scheme's launch in 2018.

It is not, however, just our environment that the scheme benefits. The 10-cent refund has provided charities, community groups, schools, businesses and individuals with substantial financial support. Last month Queensland celebrated the significant milestone of 10 billion containers returned, which put \$1 billion back into the pockets of Queenslanders. The impact on the state's economy is far greater than the 10-cent refund. As a not-for-profit scheme administrator, Coex ensures that Containers for Change operates in remote and rural areas that for-profit organisations simply would not. There are more than 380 container return points across Queensland and Containers for Change is represented in all regions, from the Torres Strait Islands in the north to the New South Wales border in the south and as far west as places like Normanton and Birdsville. These container return points

are owned and operated by 85 different operators. Many of them are small- to medium-sized locally operated and owned businesses. This has created more than 1,580 jobs across Queensland, including jobs for 90 First Nations Queenslanders.

It is a privilege to lead the organisation that delivers a scheme loved and used by Queenslanders of all ages and backgrounds from right across the state. Since I joined Coex as CEO in January 2023 I have heard incredible stories about the real difference that Containers for Change has made. I meet regularly with the operators that are the public face of the scheme at their sites right across the state. Over the past 2½ years we have listened to their feedback and have made significant changes to our processes and procedures in response to it.

I am really encouraged that the improvements to our culture and outcomes for operators and consumers have been recognised in some of the submissions received. I also acknowledge that we have more work to do and welcome the opportunity this inquiry presents to enhance our nation-leading container refund scheme. No state or territory has reached a recovery rate of 85 per cent. Even South Australia's 48-year-old scheme sits only at 75 per cent. There are two major challenges preventing Queensland from reaching the legislated recovery target: planning regulations and capturing those containers that are consumed out of home. Despite Coex's continued focus on network expansion, we are constrained from rolling out accessible reverse vending machines in densely populated urban areas which have some of the lowest recovery rates in the state. For example, here in Brisbane's north where we are today, the area has a recovery rate of just 54 per cent. The only container return point in Brisbane CBD is one small reverse vending machine at Uptown. The next closest option is a depot in either Windsor or Albion, both of which are around five kilometres away.

Unlike other states, Queensland does not have a planning exemption for container refund infrastructure. This requires us to seek development approval from councils for every single new container refund point, including RVMs, creating unnecessary red tape and limiting Queenslanders' access to recycling. Coex recommends the committee implement a statewide policy framework to ensure Queensland local governments align with the planning exemptions for container return points in other states.

The second significant challenge that I have mentioned is capturing containers consumed out of home in places like offices, businesses, hospitals, events and public spaces. The voluntary nature of the scheme means businesses and commercial environments are not required to return their containers through the scheme. Coex partners with businesses, schools and charities to provide free solutions to achieve their sustainability and fundraising goals through Containers for Change, but as long as it is easier to send your waste to landfill then nothing will change. Without policies that drive scheme participation in medium and large workplaces, including government owned and operated sites, hundreds of millions of containers will continue to end up in landfill each year. Coex recommends the committee implement policies to encourage the collection of containers consumed out of home, including at event spaces and in licensed hospitality areas.

Finally, I would like to address a topic repeatedly referred to in the recent parliamentary hearing session and that is the myth that recycling outcomes are no different if containers are put into a yellow-top bin. One hundred per cent of containers returned through Containers for Change are recycled, and one of our state's greatest recycling achievements is that 100 per cent of glass returned through the scheme is recycled right here in Queensland, with three quarters of that glass turned back into new bottles, some in as little as three days. When the Queensland government expanded the scheme to include glass wine and spirit bottles in November 2023, the recovery rate for glass skyrocketed and is now at 88 per cent, the highest of any material type. Glass put in the yellow-top bin and processed at material recovery facilities, also known as MRFs, cannot as easily be remade into another glass container. The MuRF glass often becomes lower grade material, such as road base or sand, leading to a less circular outcome. Glass also breaks into small pieces during the MuRF process, contaminating other recycled materials and that leads to both containers and other products being lost again to landfill.

Containers for Change has had a remarkable environmental, social and economic impact in Queensland and I am proud of the work that has been achieved by Coex and everyone who works there. We have grown the recovery rate consistently year on year, outpacing comparable schemes in New South Wales and Western Australia over the past 18 months. Across our submissions we have made the case for a raft of recommendations that we believe will significantly grow the recovery rate and I look forward to the opportunity to discuss them with you today. Thank you.

CHAIR: Did you say 10 billion containers nationally or in Queensland?

Ms Roach: In Queensland.

CHAIR: And \$1 billion in refunds?

Ms Roach: That's correct. We recently celebrated the milestone of 10 billion containers returned just through our container refund point network and that has put over \$1 billion back into the pockets of Queenslanders.

CHAIR: That is over the six years?

Ms Roach: That's correct.

Mr J KELLY: In terms of large workplaces that you are referring to, the government offices and presumably other offices—and I will put in there large residential buildings that we see more and more of certainly across Brisbane and the Gold Coast which generate a lot of containers—is it simply the fact that it is cheaper for people to put those into a yellow-top recycling bin or even just into a regular bin and send them to the dump rather than to build the systems to recycle those?

Ms Roach: Yes. I might take that question in two parts, if I may. I might separate out the workplace and then the multiunit dwellings, the apartment block type solutions. I think one of the key asks that we have of this committee is to consider the implementation of policies that drive participation in workplaces, and one of those workplaces would be the government itself. We know there are around 250,000 government employees in Queensland. Imagine if every one of those employees was able to return their containers, what that would do for the uplift, and then if you multiply that by government facilities the uplift continues to grow. We are very happy and keen to work with government to support that process and to provide all of the infrastructure and the logistics and operational activity, and we do so free of charge for government or for businesses.

Part of the challenge that we have at the moment is exactly the point that it is actually easier in many ways for individuals or businesses just to stick with their individual waste contracts. What we rely on at the moment is the opportunity for us to find a champion in those businesses, and that requires Coex to engage at individual business-by-business level. We do that as part of our day in, day out operations. What we are asking for now is really a step change. We are really calling on the government to role model what great recycling looks like by embracing Containers for Change right across all of the sites.

If I use a hospital as an example, patients in hospital on average consume three containers a day. They largely go either to the yellow-top bin but in a lot of cases because of the complexity of waste management in hospitals they end up in the red bin and go to landfill, which is a real shame because those patients really have no choice. We are keen to work with the government to enable the government to role model what can be done in business right across the state. If we look at multiunit dwellings, we have been working—

Mr J KELLY: I was going to ask a supplementary question. Does the existing waste levy provide any incentive for particularly businesses to reduce their landfill and to instead move to a recycling model?

Ms Roach: Not really at the moment. At the moment it is just really simple and cost effective for people to do what they have always done. The landfill levy does not prevent or does not drive that behaviour change we need to see to get people participating. One of the recommendations in our submission is that the landfill levy is considered so that we actually start to drive behaviour change and hold people accountable for their behaviours when it comes to recycling solutions.

Mr J KELLY: Can I ask a question about the reverse vending machines. Presumably, these go into shopping centres and places of that nature where there is a lot of foot traffic, a lot of people consuming drinks and that sort of thing. Who owns the reverse vending machine? Who gets the money from those?

Ms Roach: From the reverse vending machine the 10-cent refund goes back to the consumer and that is given back to the consumer of the beverage either by a voucher which they are able to take from the majority of the reverse vending machines that we have or, alternatively, they are able to take payment into their bank account and that happens pretty much instantaneously with in-the-moment payments. We have a range of different models that we have in terms of how we deploy reverse vending machines and one of the things we have been really focused on is creating access to opportunities like that for some of those small businesses that we partner with—so creating opportunities for them. For example, we will do some lease-to-own programs. Some of the operators might buy them outright. In other cases, we might gift them on a peppercorn basis to charities and community groups. There is a range of options for reverse vending machines and they really can appear pretty much anywhere. We have some that are as small as a vending machine size, a

standard kind of drinks vending machine, and we have others that are much more significant and will take up three or four car parking spaces. It is a really good solution for us, particularly where we have challenges in getting depot sites. It is a very popular solution for customers as well because it is easy. We can deploy RVMs in areas where people spend their time—that is, the likes of shopping centres or retail environments.

Mr J KELLY: In relation to the establishment of a new collection point around the state, from what I can see from many of the submissions, many of them are owned by private businesses or private operators and they are commercial entities. What methodology does Containers for Change use to assess the impacts on existing operators when establishing a new site, either a for-profit or a non-profit site?

Ms Roach: We have a robust process that is a multistage process that starts with assessing the opportunity. Part of the process is an assessment of the validity of sites and the opportunities within a particular area where there might be a gap in the offering that we have. We then partner with our existing operators and with others to say, 'This site is available. Put your best foot forward in terms of providing a proposition that you might be able to offer us.' That is then assessed. We generally, and have in the past, offered first right of refusal for want of a better phrase to our existing operators that may operate in the local area. Some of them may choose to take that up, some of them may not. If it is an area where there is not a significant local operator then we will go to an open-market tender process. It is a multistage process that is conducted by various levels of team member within Coex, including independent panels and depersonalised assessments so that all we see is operator A, operator B, operator C. The names are withdrawn so that any potential perceived bias can be removed. It is a transparent process and there is a right of reply that the operator has if they wish to appeal a decision that is made.

CHAIR: Continuing on that same theme, I am interested to understand how the original operational catchments were determined when awarding the original contracts to CRPs and then how that subsequently has been managed across the state. How were the catchments originally determined?

Ms Roach: That is a question that I cannot answer for you as I have only been in my role since January 2023 so I was not actually involved in the start-up of the organisation. What I can say is that we have really focused on working very much with our operators right across the state and building our engagement and collaboration with them. They are the front face of our organisation. They are the ones Queenslanders engage with on a day-to-day basis. So focusing on that relationship to make sure that we are talking to them openly and honestly and engaging in two-way dialogue. As I said before, we talk to them about our processes and any process changes. Last week, for example, I was in Rockhampton for one of our operator forums. We hold operator forums every quarter in generally four or five destinations around the state. One of the things that we talked about there in terms of the agenda was continued improvement to that process, how we are going to make it even clearer and even more accessible for operators to understand how we intend to grow and what we ask of them is in that process.

CHAIR: I am still a bit curious about how catchments are determined. If you look at my electorate, for example, I have two major depots or centres. I am not sure who the operators are—I think they are two completely different operators—and I have a reverse vending machine at a shopping centre, a very big one. What is the decision-making process behind that? Would someone have originally gone in and said I would like to be the depot for the Southport electorate or for Gold Coast north? How did Coex determine who had what territory and what rights or future rights were assigned to that through contract arrangements or verbal agreements?

Ms Roach: What I can say is that we do not actually operate with set areas. Operators do not have a particular area of operation. We have done that particularly because, as I said before, not all of our operators necessarily want to grow. We have a number of our operators who are very keen to grow their business and extend. We have other operators within our network who say to us, 'Actually we have reached a position that is sufficient for us and actually for our own business and commercial interests we do not want to keep growing,' so that is why we have not issued set areas and said 'this is your patch of land', 'this is your patch of land'. What we know is that people want more CRPs and we support that. We want to see more refund points as well. To determine that we look at the density of population, the volume of containers that are being consumed, the demographics—so is it a young age group, is it multiunit dwellings, is it residential, is it business—and from there we determine the type of solution or opportunities that may arise and they are issued, as I said previously, by a commercial tender process.

The operators are able to expand their business if they so wish. If local operators do not wish to participate that is entirely up to them, but we will put it out to an open-market process because we have gaps that we need to fill. A great example would be Brisbane north, which I used in my opening statement. There is a pocket within Brisbane north where we have tried repeatedly to get refund point solutions. The recovery rate in a particular segment of Brisbane north would sit somewhere around the 10 to 20 per cent mark because we are unable to either find the locations or find operators who want to operate in those zones. It is a whole of process, but it is very much based on the data around demographics, size of return pool, what the facilities currently are, what we need, what is the type of environment et cetera.

CHAIR: I would like to see a copy of, say, a standard agreement that Coex has with the CRPs.

Ms Roach: Certainly, we can provide that. Our agreements with our container refund point operators are based on usual commercial terms. There is nothing out of the ordinary within them. We ask all of our operators to comply with relevant legislation and laws that apply to them, which is standard. To be clear with the committee, there are no penalty clauses in our contracts currently, so there are no performance rated clauses and no penalty clauses. The contracts themselves are actually pretty generous in terms of the ask of the operators within our network.

CHAIR: Do the contracts go into discussing things like specific locations?

Ms Roach: Yes, absolutely they do. We have a standard form container collection agreement and we are happy to provide a copy of that. It is also worth me pointing out that that contract is also approved by the government. When those contracts were first introduced at the start of the scheme, they went through a consultation and approval process. Then when we did our contracts at the end of their original tenure, which was in 2023, those contracts went back to government again for approval. There is that process; that is the standard form contract. Then accompanying each contract, as you would see in different business circumstances, is a schedule which highlights the locations, their opening hours, mobilisation dates—that kind of information. If an operator starts with, say, five sites and then they take on another one, that is amended; there is a variation introduced to that contract which includes that additional site and site location.

CHAIR: Are there any exclusivity clauses in those contracts? You mentioned, for example, you went to Rockhampton recently. Would there be a circumstance where a CRP is given some sort of undertaking that they have Rockhampton, for example, as a territory?

Ms Roach: No, that has not been how we have operated and it is not how we intend to operate. Part of the reason for that is we want consumers to have a choice. We want consumers to choose the return solution and the return location that is right for them. By putting on exclusivity, you are setting limitations and restrictions on the experience that the customer will get. We like to give the customers the choice. In Rockhampton we work with a number of different operators. They work well together collectively in terms of covering their area. They will raise questions and challenges to Coex as a group at the operator forums, but we do not get into exclusivity because we want our customers to have a choice. If they have a choice, it enables us to partner with our operators to deliver the best customer experience possible.

CHAIR: Would that apply universally, say, to smaller regions like Charleville or Longreach?

Ms Roach: In some of the small regional locations by size and scale there may only be one local operator, but that does not necessarily mean they have exclusivity. Exclusivity is not within the clause of the contract.

CHAIR: That would be clear?

Ms Roach: Yes.

Ms BOLTON: Very briefly, I wish to ask about the reverse vending machines, which obviously can be big. If there are existing depots, would the existing operator, first of all, be given the option to take into their model the reverse vending machine or anything else in that choice?

Ms Roach: All of our operators have that option right now, today. If I were an operator I could come to Coex and say, 'Hey I've identified an opportunity here. I would like to put in an RVM,' and we would engage in conversation and assess that opportunity.

Ms BOLTON: In the reverse when you have analysed that you need choice or an uptake, that operator is approached first of all?

Ms Roach: We have been approaching the three nearest operators as a general rule of thumb depending on the area. If there is only one operator, then it would make logical sense that we would only approach them. We have been talking to the operators in that particular location as the first priority.

Ms BOLTON: Regarding the board, in your submission you have outlined the board's structure. Is there a view to amend the structure, for example, to include representatives from community organisations, a representative from waste management and environmental—different aspects? Is that being looked at?

Ms Roach: The composition of the board is actually set by the legislation. That sets out the composition of the board as it is today. Within that we have two independent members who are endorsed by the minister. One of those is a community representative whose role is to represent and advocate for those types of organisations. Any changes to the board would really be a matter for the government as it is set out in the legislation currently.

Mr LEE: I want to go through the standard form contract because I have some questions on that. Firstly, you were talking before about the process you have for putting out a tender. What factors do you take into account when you are assessing the validity of a location?

Ms Roach: There is a range of factors: the demographics, the location, the operations that are currently in that area, the suitability of the site, the site availability, what that is best suited for in terms of whether it is an RVM, a depot or a bag drop. There is a range of considerations in that process that would determine whether an area is suitable or not.

Mr LEE: Presumably you would not set up an operation across the road from another operator?

Ms Roach: That is correct. It would make no sense.

Mr LEE: It would make no commercial sense at all because it is obviously in the best interests of Coex that the operators are financially viable.

CHAIR: Mind you, I had two operators less than a kilometre apart and they are both very substantial.

Mr LEE: Just confirming—and this goes to an earlier question from the chair around exclusivity—the standard form agreements do not have a restraint-of-trade provision included?

Ms Roach: I would need to take on notice the exact wording. We do not cover exclusivity. There is not an exclusivity right within the contracts.

Mr LEE: I was particularly interested in a restraint-of-trade provision. In terms of the process for contracts, how are changes to the contract during the contractual term negotiated and then implemented? What is the process for that?

Ms Roach: They are a standard form contract and that is approved by the government. We will begin to renegotiate any standard terms within that contract as part of the next round of negotiations. They are a standard term of duration of five years—2018 to 2023 and 2023 for a five-year term to 2028. The standard term is really the basic condition that we ask of our operators.

Mr LEE: There would be no variations to contract?

Ms Roach: No, the only variations are on the site and site specifics.

Mr LEE: In relation to dispute resolution, presumably there is a dispute resolution clause within—

Ms Roach: Yes, there is.

Mr LEE:—the standard contract agreement.

Ms Roach: Yes.

Mr LEE: How do you resolve those? What is the process for resolution of contractual disputes?

Ms Roach: Normally if anybody has a dispute we would really encourage them to come and talk to us first. One of the things I have been very focused on with my team is building that relationship, getting to that partnership status because it is important that they deliver for us and we deliver for them; we are in it together. My preference obviously first of all would be that they pick up the phone and ring one of my team or ring me to chat about any concerns they have. Should that not be resolved, there is a formalised process—and I am very happy to provide a copy of that process to the committee—which ultimately would end up potentially in a QCAT type environment if the situation escalated.

Mr LEE: And mediation and the like?

Ms Roach: Yes, absolutely.

Mr LEE: I wish to ask you some questions in relation to bullying and harassment. Some submissions have commented on a culture of bullying and intimidation and harassment. When was the speak-up policy implemented within your organisation, and can you please provide a copy of that policy to the committee for consideration?

Ms Roach: Sure. We can certainly provide a copy of the policy for consideration. In terms of the date of its implementation, I would need to take that on notice and come back to the committee. It was in place when I joined the business in January 2023, so it would predate that.

Mr LEE: What is your policy regarding dealing with and addressing allegations of bullying and harassment in the workplace?

Ms Roach: We take them very seriously. One of the key areas of focus for the team both internally and externally with our key operational partners is building trust and making sure that we work as partners because it is essential that we have that open, two-way trusting relationship. Any allegations of bullying and harassment have been taken incredibly seriously and we will continue to take them seriously because we do not condone that type of behaviour. It is not how we do business, it does not align with Coex's values and it is not something that I am willing to tolerate or condone either in house within our team or in the way we engage with others.

Mr LEE: Can you elaborate on the contractor compliance process?

Ms Roach: Certainly. One of the provisions within the container collection agreement is that our operators are required to meet all relevant legislation, safety laws and employment relations type laws. We have a process in place at the moment where we are following up on the provision of items such as statutory declarations or evidence of their compliance as that is something where there are some gaps or there have been gaps historically, so we are closing the gap on that; we are working with our operators to bridge that gap. The contract compliance is an administrative process and it is seeking the provision of documents such as public liability insurance and statutory declarations that the correct employment awards have been adhered to et cetera. It is not a time-consuming process or a burden; it is an administrative process that is actually good business practice for any business to have.

Mr LEE: Presumably you do an audit process for that?

Ms Roach: That is correct. We have been running audit processes to make sure that we have contract compliance. We also have a really robust safety auditing process because we need to make sure that the people who visit our sites, our team and our operators are all safe in their working environment. It is really important.

Dr O'SHEA: Thank you for your summary. I want to say how impressive that bottle-to-bottle turnaround time of three days is. That is amazing. I want to understand from a very broad view the financial way this is run. It costs 20.3 cents to recycle the containers. Just looking at money in and money out, you are not for profit, you have no government funding, you are getting the 13.3 cents from the manufacturers per container and there is roughly \$100 million in cash reserve sitting in the business. That 13.3 cents per container comes in and it is costing 20.3 to process. Would that include the 10 cent refund as well?

Ms Roach: It does.

Dr O'SHEA: Because we have not got the 100 per cent recovery rate, there is money sitting from that 13.3 cents of those ones that have not been recycled. What other money comes into the system in terms of maybe selling on the materials for recycling?

Ms Roach: That is the only other source of revenue that we have as an organisation. It is a very small percentage when you consider it in light of the number of containers that are sold. That is the vast majority of our revenue—well over 90 per cent of our revenue.

Dr O'SHEA: How are the payments to the operators worked out? What income do they get? How does that work?

Ms Roach: A useful stat that might interest the committee is that operational expenses for the scheme every month equate to about \$50 million; that is what we pay out every month. It is a sizeable operation. The operators receive a handling fee of around 7.6 cents for every container that is returned through their facilities. They essentially track that; they have to count them obviously because they have to count the number of containers they are paying the refund for. They input that into our point-of-sale system and that is firmed up and they are paid pretty much on a weekly basis.

Dr O'SHEA: Are they then free to sell on the materials that—

Ms Roach: No, Coex maintains ownership of the materials. The way the model works is that the operator will receive, through its RVM, through its depot or through bag drop, the containers. They sort the containers. Those containers are then collected by a logistics provider who takes them to a location to be what we call processed—when I say 'processed' it really refers to baling—and from there they are sold. We work through an auction portal where we sell the majority of our materials.

We do have some direct sales arrangements in place. For example, with glass to enable the three-day turnaround, we partner with Visy here in South-East Queensland. We have a direct sale agreement with them for the glass that is returned through the south-east. Otherwise, aluminium and other products are listed on the auction portal where accredited recyclers can bid for and buy those materials.

Dr O'SHEA: A number of submitters have suggested an increase in the refund rate from 10 cents to, say, 20 cents. How does Coex view that? Would that mean that the beverage manufacturers would maybe have to go to a 23.3 cent contribution?

Ms Roach: It is a very interesting topic and we note it was one that was very popular within a raft of submissions—if not the most popular theme. It is important to call out that that was held by a number of submissions as the key consideration for increasing the refund rate; however, there is no silver bullet. What we have seen in other locations is that increases to refund rates show a slight uptick in performance but it is not sustainable. Our view is firmly that there is a range of other solutions that would actually give a bigger return in terms of the recovery rate such as changes to the planning laws. Granting a planning exemption would enable us to grow at pace. For example, when the Victorian scheme was being created, they were able to install 220 RVMs at the time, whereas because of the planning impost that we have here we were only able to install three. Two hundred and twenty versus three is a significant difference. We would ask the committee to give strong consideration to the recommendations within our submission for that very reason. Because there is no silver bullet, we need to look at a wide array of solutions, including container recycling as waste stream for events that are pursuing licences. Similarly for hospitality events and workplaces—as we talked about right at the start of the hearing—it is important for us that we are able to access those containers that are consumed out of the home.

At the moment, around 70 per cent of containers are consumed by people in the residential environment and we are doing really well at collecting those. Where we struggle is the 30 per cent of containers consumed out of home because we need to make it easier for people. People are inherently lazy. They take the easy option—we all do—so if there is no easy access to solutions in the workplace or at cinemas or at stadia then people will do whatever is nearest for them and pop it in the red bin or the yellow bin perhaps. We are seeking for the committee to give strong consideration to implementing some of the recommendations because that is where we see the biggest benefit coming in terms of an uplift of the recovery rate.

Dr O'SHEA: How would Coex feel about having a representative from one of the operators on the board?

Ms Roach: I think board composition, as we spoke about, is really a matter for the government. The board chair would be open to a discussion should that be a topic the minister wished to pursue with him.

Ms DOOLEY: My question is around industry relations. We have heard from some of our other submitters that waste and recycling industry stakeholders feel that there is insufficient representation. I note your comments about the board's structure, but how does Coex engage with the industry?

Ms Roach: It is a great question and, to be honest, I was a little surprised by the statements that were made in that regard. Coex is an active member of a number of waste industry associations—WMRR, WRIQ and ACOR to name three off the top of my head. We also have very experienced team members who have extensive backgrounds in the waste industry outside of recycling. It was a bit of a surprise to me that the waste industry felt that either we did not have that skill set or that we did not engage because we are an active participant in those conversations. I welcome further engagement from the sector, as sometimes that engagement is not forthcoming.

Ms DOOLEY: Your response to the submissions notes that Coex is reviewing the Western Australian framework and how they report on material types and volumes; can you update us on that?

Ms Roach: Sure, absolutely my pleasure. One of the items that we took from the submissions is that there were a couple of comments made around the transparency of data and information. Coex meets and fulfils its legislative requirements, but having had a look at what WA do and publish on their site, I think there are some opportunities for us to mirror what they do. They share, for example, the number of containers sold by material type each month and the number of containers returned by material type each month. We are really happy to do that. It is a quick win, and it is some really great feedback that came from the submissions. I am very happy to share more information.

It may be worth calling out that we do get asked quite a lot why we do not specify the volume difference between glass—we report glass as one and not 'glass wine', 'glass beer' and 'glass soft drinks'. The reason for that is the way that glass was categorised when the scheme expansion came

into being in November 2023. The decision was made by the department that we only needed to report glass as a whole. If we were to report glass by product, it would have meant significant logistical system and operational changes and huge expense which, again, would have flowed back through to the beverage manufacturers and ultimately onto the consumer so there was a decision from the government just to report glass collectively as one whole product.

Ms DOOLEY: You have mentioned a couple of times the constraints of local council planning and development approval processes. Have you actively engaged with LGAQ or particular councils around the state?

Ms Roach: Yes, we have. We work extensively with councils around the state. It is an interesting dynamic in that we are quite often perceived as a competitor to councils because councils receive revenue from the containers that are returned through the MuRF system so they see that as a source of revenue and they see Containers for Change as potentially taking that revenue away from them. We have been doing a lot of work to partner with councils right across the state. One of the ways we have done that is through our container exchange points—the baskets, for example, up in Scarborough that are attached to the public waste bins. We are trying to use different ways of engaging councils to show the benefit and how we can drive better circular outcomes together.

We do work with the LGAQ. We are one of the sponsors of their conference because that is a great opportunity for us to tell our story and to demonstrate how we are adding value to councils. The planning piece is really an important one for us because of the time it takes. We have had situations where reverse vending machines have been declined for a variety of different reasons. Hence, our call on the committee is to consider an exemption in that regard—as exists in New South Wales, WA and also Victoria—because it will level the playing field and it will enable us to drive increases to the recovery rate which ultimately is better for Queensland and for Queenslanders.

CHAIR: In respect of that exemption, is there a clear table of development or a set of clear guidelines in terms of boxes that you have to tick to put a reverse vending machine in a certain location? I can understand how that works, but I would assume there would need to be a very clear set of rules around where and when and the noise levels.

Ms Roach: Absolutely. Each of the current exemptions that exist in the other states are slightly different and, obviously, are reliant on their own legislative frameworks. We are seeking the ability to be able to roll this out. Obviously it is important to consider such things such as community impacts, noise and the like. We are not saying that we would want to forego that type of consideration, but it is the step-by-step laborious process for each reverse vending machine; having to find an operator that will operate it, then we have to coach them and work with them through the process, which can be multistage and may actually end up with them investing money and not getting any return for it because that DA is not approved. Currently, that is part of the challenge for us in the same way that it is for workplaces—we have to tick off location by location by location. Hence, the request to take a consistent and holistic view to reverse vending machines and the solution that they pose. If we had the DA exemption, that would enable us to partner even more with social enterprises, charities and community groups because they are a great source of partnerships with our existing operators. They help empty them, clean them, maintain them and ensure they are a fit-for-purpose solution for our customers.

CHAIR: Would you be able to provide the committee with some examples of what the other states have?

Ms Roach: Certainly. We have been talking to the department about this for quite some time and we engaged an external expert who provided us with some recommendations on the best way forward. I am happy to also provide a copy of that if that is of interest to the committee.

CHAIR: You mentioned your operator forums earlier, and I think you said you do four or five a year. I am wondering if there is one happening soon and whether it would be appropriate for a member, or members, of the committee to join you at one of those.

Ms Roach: Yes, there is. There are a couple happening soon. We have one up in Townsville in a couple of weeks. There will be a forum here in Brisbane, as well, that would welcome the committee.

CHAIR: If you could provide us with that information.

Ms Roach: Sure.

Mr LEE: I am very keen to get a copy of your provider organisation contract with the government; is that possible? Presumably, if you are a registered provider there would be a funding agreement and contractual arrangements with the government. Is it possible to get a copy of that?

Ms Roach: We have conditions of appointment that were issued by the government when Coex was founded in 2017-18 so we could certainly provide a copy of those.

Mr LEE: That would be fantastic. Last but not least, having a look at your balance sheet, congratulations. I think you have a liquidity ratio that people would absolutely die for—a very high liquidity ratio, high operating cash flow and profitability. I cannot see anything in the financial notes that explains it. Can you outline to the committee the reason for the fact that you have \$100 million worth of cash reserves?

Ms Roach: Sure. There are a couple of key call-outs here. Firstly, like any business, we need to maintain a certain level of cash reserves to ensure we can operate the business in the event of any disruption so we always aim to hold around \$75 million as a minimum in cash reserves. As I said before, operating costs each month are \$50 million so if there is a disruption with one of the major beverage manufacturers—let's say Coca-Cola stopped business and they were not able to pay what they owed us—that would cause a significant impost on the scheme so maintaining those cash reserves over \$75 million is really important to us to make sure we can fulfil our obligations, pay our people and the like.

The reason for the surplus has been driven by the variance in calculations. Every beverage sold into Queensland is funded by the beverage manufacturer, so the legislation states that they must pay for every beverage they sell. At the moment the recovery rate is sitting just below 70 per cent. It means that 30 per cent are funded but not recovered so that is what generates the surplus and has generated the surplus historically. So that surplus is used to reinvest back into the scheme over and above the maintenance of cash reserves. It enables us to support, for example, our activities in 15 out of 17 First Nations communities. We have opened depots over the past couple of years in places like Yarrabah, Palm Island, the Torres Strait and New Mapoon. Those are areas where, as I am sure you would appreciate, the operating costs are vastly more significant than they would be to open a depot here. In addition to the cash reserves, we are able to use that money to reinvest back into the community and the scheme.

Mr LEE: That cash reserve is a board-set policy?

Ms Roach: That is correct, yes.

CHAIR: Thank you. We are out of time. Thank you for your contribution to the committee's inquiry and for your time today. Thank you to Hansard. A transcript of these proceedings will be available on the committee's webpage in due course. There were seven questions in notice that have been taken; we will provide them to you in writing. There may be a few other questions we wanted to ask but did not have time so we might put them to you through the secretariat if that is okay.

Ms Roach: Sure, that is fine. I am happy to come back at that point if you need further information.

CHAIR: Thank you. If we could have your responses to today's questions by 10 am on Wednesday, 4 June so we can include them in our ongoing deliberations. I declare this public hearing closed.

The committee adjourned at 9.58 am.