



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
Mr DJL Lee MP
Dr BF O'Shea MP

Staff present:

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

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

TRANSCRIPT OF PROCEEDINGS

Wednesday, 2 April 2025

Brisbane

WEDNESDAY, 2 APRIL 2025

The committee met at 9.31 am.

CHAIR: Good morning. I declare open this public briefing for the committee's inquiry into improving Queensland's container refund scheme. My name is Rob Molhoek MP, member for Southport and chair of the committee. I acknowledge the Aboriginal people and Torres Strait Islander people of this state and their elders 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 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 today are Mr Joe Kelly MP, member for Greenslopes and deputy chair; Ms Sandy Bolton MP, member for Noosa; Mr David Lee MP, member for Hervey Bay; Dr Barbara O'Shea MP, member for South Brisbane; and Ms Kerri-Anne Dooley MP, member for Redcliffe. This briefing 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 briefing at the discretion of the committee. I remind committee members that officers are here to provide factual or technical information. Any questions seeking an opinion about policy should be directed to the minister or left to debate on the floor of the House.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's discretion 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. Please turn your mobiles off or to silent mode.

ANDERSEN, Ms Claire, Executive Director, Office of Circular Economy, Environment and Heritage Policy and Programs, Department of the Environment, Tourism, Science and Innovation

LLOYD, Mr Kahil, Acting Deputy Director-General, Environment and Heritage Policy and Programs, Department of the Environment, Tourism, Science and Innovation

McNICOL, Ms Cara, Director, Office of Circular Economy, Environment and Heritage Policy and Programs, Department of the Environment, Tourism, Science and Innovation

CHAIR: I welcome representatives from the Department of the Environment, Tourism, Science and Innovation who have been invited to brief the committee on the inquiry's terms of reference. I invite you to brief us, after which we will have some questions for you.

Ms Andersen: Thank you. Thanks for the opportunity to appear before the committee today. I would like to make a brief opening statement. We are pleased to assist the committee with its inquiry into improving Queensland's container refund scheme. The scheme gives people an incentive to collect and return containers for recycling in exchange for a 10-cent refund payment. For Queenslanders who prefer to donate their drink containers to a community group, sports club or another organisation, container refund points can direct the 10-cent refund payment to a registered group. Queensland's container refund scheme is a product stewardship arrangement, with the costs of operating the scheme and recovering the containers for recycling paid for by the beverage manufacturers. This means that beverage manufacturers take responsibility for ensuring that the environmental impacts from the empty drink containers are reduced.

The scheme was established under the Waste Reduction and Recycling Act 2011 and commenced in late 2018. The scheme is administered by a product responsibility organisation, or PRO as it is commonly termed, which is appointed under the Waste Reduction and Recycling Act. The act sets out the objectives of the scheme and the functions of the PRO. It also sets out the process for appointing a PRO. Under the provisions of the act, the responsible minister at the time

appointed COEX, the eligible company established by Coca-Cola Amatil and Lion as the PRO, to run the scheme. COEX is an industry-based not-for-profit organisation and is established and operates under the Commonwealth Corporations Act 2001. COEX, as the PRO, has its functions prescribed under the Waste Reduction and Recycling Act. These functions include, amongst other things, requirements for ongoing effective and efficient arrangements for the scheme, that there is a network of container refund points across Queensland and, as far as practicable, to provide communities with access to a place to return beverage containers for payment of refund amounts.

The Waste Reduction and Recycling Act also requires that the PRO uses its best endeavours to achieve prescribed outcomes in a regulation to be achieved during a specified period. The Waste Reduction and Recycling Regulation 2023 sets out two outcomes to be achieved. Firstly, a container recovery rate of at least 85 per cent for each financial year, which COEX has not met to date and, secondly, to ensure at least 307 container refund points are operating each financial year, which COEX has met in all years except for 2018-19—the beginning of the scheme.

The Waste Reduction and Recycling Act does not provide a power for the minister or department to specify how COEX is to meet these targets, only that the outcomes are to be achieved. The Waste Reduction and Recycling Act outlines that if the outcomes are not met it may be grounds to suspend or cancel the appointment of the PRO. The act also requires COEX to submit its strategic plan, operational plan and budget to the minister before 31 March each year and the minister is responsible for approving that strategic plan, but not the operational plan or the budget. This means that, broadly speaking, under the legislation the minister is responsible for ensuring the right strategic direction while day-to-day operations remain the responsibility of COEX.

The act also prescribes how the board is to be constituted. The responsible minister approves two of the nine member board: the chair, who must be independent of the beverage industry, and another member of the board, whose responsibility is to represent the interests of the community and must also be independent of the beverage industry. The remainder of the board is not approved by the minister; however, the act specifies that the board must also include representatives of both the small and large beverage manufacturers and at least two other independent directors with legal or financial qualifications and experience. In effect, the current regulatory framework results in a governance model where the minister and, by extension, the Queensland government has the ability to influence the strategic direction of COEX while day-to-day operations of the scheme are managed by COEX based upon its involvement with relevant stakeholders, experience with the industry and the guidance of their board.

In terms of achievements to date, Queensland's container refund scheme has marked a number of milestones. As at the end of December last year, this includes more than 11 billion containers collected through container refund points and material recovery facilities since the scheme began in 2018; 376 container refund points established; more than \$910 million returned to individuals and more than \$15 million returned to charities; and more than 1,500 jobs created, along with a number of social enterprise businesses. While there has been an increase in the recovery and recycling of empty beverage containers since the scheme commenced, the target for the container recovery rate has not been met. Compared to pre-commencement baseline data, the scheme has increased recycling of empty beverage containers from 18 per cent before the scheme to 67.4 per cent currently. It also has reduced littering of beverage containers by 60 per cent since the scheme commenced. While there have been some positive achievements, there are still opportunities for improvement. There is still some way to go to achieve the 85 per cent recovery rate set in the legislation and it is important to acknowledge this and ensure that there is a plan to achieve it. Queensland is also a diverse state and it is important the scheme considers the different needs of Queenslanders, including access to collection points in remote and regional Queensland as well as South-East Queensland.

The scheme is a great opportunity to put money back in the pockets of Queenslanders whilst boosting recycling and reducing litter. Given the scheme has been in place for more than six years, it is timely to ensure it is operating efficiently and delivering the best outcomes for Queenslanders. I would like to thank the committee for the opportunity to appear today. We look forward to helping support you in your inquiry.

CHAIR: We will go to questions. Deputy Chair, do you have a question?

Mr J KELLY: Thank you for your presentation. Effectively what you are saying is that if COEX does not get to 85 per cent there are grounds for terminating the contract with them?

Ms Andersen: The legislation provides that that is a ground for suspending or cancelling the PRO appointment, yes.

Mr J KELLY: Has the department done any analysis on why COEX has not been achieving those results?

Ms Andersen: The role the department has is to review the strategic plan each year, for example. It is a requirement for COEX to provide that to the minister for approval. That often sets out the kind of strategic direction around expansion of the network, opportunities to improve recovery rates, some of the challenges that are experienced and the strategic direction to try to get closer to that container recovery rate. Our role is to assist COEX in setting that strategic direction to ensure that they are moving towards that 85 per cent recovery rate.

Mr J KELLY: Could you advise if any other states or territories have hit a target of 85 per cent?

Ms Andersen: Not to date. At the inception of the scheme, the 85 per cent was based on looking across other jurisdictions and internationally and benchmarking against other recovery rates both in Australia and overseas. At that time, South Australia had had the longest standing container refund scheme in place and they were around a 76 or 77 per cent recovery rate. There was also a stakeholder advisory group, I understand, established at the time and the percentage rate was discussed with that group and it was determined that a stretch target a little bit above where South Australia was would be an appropriate kind of point to ensure that it was still ambitious but achievable.

Mr J KELLY: It was always considered a stretch target?

Ms Andersen: But also achievable at the same time. I think if you look at some of the monthly recovery rates that COEX has provided through its quarterly reports and annual reports, in some months they are achieving an 85 per cent recovery rate.

Mr J KELLY: Even though no other state is achieving it, we consider it to be achievable here in Queensland?

Ms Andersen: It will certainly require further action to get to that point.

Mr J KELLY: Looking specifically at New South Wales and the ACT, they introduced their schemes at around the same time as we did in Queensland. How does our recovery rate in Queensland compare to that of those two jurisdictions?

Ms Andersen: New South Wales had a 68 per cent recovery rate outlined in their 2023-24 annual report. The ACT was 48 per cent in 2023-24 and Queensland was 67.4 per cent in 2023-24.

Mr J KELLY: What was the ACT again?

Ms Andersen: It was 48 per cent. Obviously, it is a much smaller jurisdiction.

CHAIR: And what was New South Wales?

Ms Andersen: It was 68 per cent. South Australia is 76 per cent.

Mr J KELLY: Putting the targets aside for one moment, you have a jurisdiction that I could drive across in less than an hour and a half in either direction where there is a smaller population, if you forget about the Snowy Mountains part of it, and they are achieving considerably less than Queensland. That is interesting. The scheme was put in place obviously to encourage recycling and reduce waste to landfill, but it was also put in place to reduce littering. Can you comment on what kind of reduction we have seen in littering since the scheme was implemented?

Ms Andersen: I think there were some baseline litter audits done prior to the scheme and, based on that, the estimate is that there has been at least a 60 per cent reduction in the littering of beverage containers, and they are no longer one of the top types of litter.

Mr J KELLY: That has certainly been my experience. I do Clean Up Australia Day every year with the local groups. We do not find bottles anymore and we see kids going home disappointed because they do not have any bottles to recycle.

Mr LEE: Following on from the question around targets, referring to appendix 2, there is an international benchmark of 90 per cent referred to as best practice. Is there a nationally consistent target? Does each state have its own target? We have a target of 85 per cent.

Ms Andersen: Queensland was the first state to introduce a legislated target recovery rate of 85 per cent. WA has since then introduced their own target; it is also 85 per cent. We are the only two states currently that have a legislated target in place.

Mr LEE: Given the fact that we are struggling to reach that 85 per cent target—and I take the point it is a stretch target—is there a process to revise that target?

Ms Andersen: There has not been up to this point, no.

Mr LEE: I want to go to appendix 1 to understand the performance data provided by COEX. I am interested in the relationship between the total volume of material collected in tonnage related to the total number of container refund points. There seems to be an inverse relationship between the two.

Ms Andersen: I think it is in our written submission.

Mr LEE: It is the second-last page of appendix 1 to your submission, page 17 of 18. There is a decline in the total volume of material collected between 2021 and 2023 and an increase in the number of collection refund points. I am just trying to understand the relationship between the two. I would have thought that, if there is an increase in collection points, there might be a causal relationship in terms of increasing the collection in tonnage. I am trying to understand that relationship a bit better.

Ms Andersen: If you look at the last few years since 2021-22, the collection points have stayed relatively steady at around the 350 to 360 mark. I think currently there are around 370. In 2023-24, we did see a big increase in the volume. That was on the back of the expansion of the scheme that introduced wine and spirit bottles, so people could bring additional types of containers in and get a refund for those. We saw a significant jump in terms of the volume of materials going through, which is why you see it jump from 100,000 tonnes to 184,000 in particular there.

Mr LEE: I spent a number of years on the council's waste management committee so I have an interest in the area. I am particularly interested in whether or not collected materials are shipped intrastate or overseas.

Ms Andersen: The annual reports that COEX provide did contain some information around where different container types and material types are processed. It will depend on the type of material; for example, glass is 100 per cent recycled in Queensland. The majority of that is recycled at the Visy Glass factory here in Brisbane. In three days they turn the glass around into another container, which is an amazing example of what we want to see through the scheme. A lot of the PET, the plastic containers, are recycled within Queensland or domestically within Australia. There are some materials that are exported overseas for processing—aluminium, in particular. The cans primarily go to Korea for processing because there is no domestic processing capacity here in Australia. Liquid paperboard, so your popper containers that have layers of cardboard and plastic and whatnot, there is some limited capacity in New South Wales to process those, but the majority of that is currently exported to Spain for processing. There has been some funding provided by the government to support the establishment of processing capacity within Queensland, but it is not yet built and operational at this stage so it is still being exported overseas.

Mr LEE: COEX is identified as a 'product responsibility organisation' in the legislation. The act requires them to immediately inform the minister about any matter relevant to its performance, including the legislated targets of 85 per cent. Are you aware of any notification or communication to the department from COEX that has fulfilled this requirement?

Ms Andersen: I might defer to my colleague for that question.

Ms McNicol: The department does engage regularly with COEX through monthly meetings and through their quarterly reports, the provision of their strategic plan, operational plan and budget in March each year, and then their annual report. There has been information through the annual reports and through those other channels to advise that meeting that 85 per cent was challenging, particularly after the COVID years, where there were impacts felt with the closures and some of the restrictions. They have put forward some approaches to try and address how they might increase that recovery rate towards 85 per cent.

Mr LEE: That is basically an 'if not, why not' achievement process, yes. Thank you.

Ms BOLTON: I want to go back to appendix 2. There was no mention of the NT at 82 per cent and I am curious, given that the distance from populated areas has been suggested as a barrier to why we have not achieved 85 per cent. The NT is very vast and sparsely populated but they have managed to achieve that. Has there been anything identified as to the reason why and what the difference is?

Ms Andersen: That is a good question. Through a number of jurisdictional working groups that we participate in with other states we have been engaging around issues, challenges and successes in the various container refund schemes. The Northern Territory is interesting because they jumped up very quickly from one year to the next. They are investigating some of the information that sits behind that to validate and confirm those numbers. Obviously, they also have quite a centralised location with Darwin, where a lot of the material will be processed. It is something we are still exploring

a little bit more with them in order to unpack the details around that. It is a lot smaller volume we are talking about as well. Their scheme redeemed around 100 million containers last year compared to almost two billion for ours in the same period.

Ms BOLTON: And obviously include some investigations in the comparisons. Could it be something similar to when we were trying to have milk bottles included in the scheme? Often you see garbage bins full of them. Could there be that type of element that is different?

Ms Andersen: I think they mostly have the same eligible containers as us. I do not think they have a significantly different scheme.

Ms BOLTON: When the department kicked up originally, what analysis was done to establish the 10-cent mark? For example, in Germany they have 40-cent refunds. Why was 10 cents established? Was it based on SA?

Ms Andersen: It was put out as part of the discussion paper process at the commencement of the scheme, but it was also set based on the fact that every other state has 10 cents as a refund amount, so it was for consistency across jurisdictions. There is a need to ensure that we all do not have slightly different amounts. That would also potentially lead to containers coming across borders and challenges between schemes.

Ms BOLTON: You said that you feed into COEX's strategic plan. Does that include recommendations on anything that the department finds in order for them to achieve that 85 per cent? Out of the funds that COEX holds, their cash reserves—I think \$75 million is what is being held—what portion is directly funded from the department?

Ms Andersen: We do not provide any direct funding to COEX. It is all through the beverage manufacturers and the scheme price that is set by COEX. I am sure they can probably elaborate on that more at the public hearing around budget processes from their perspective. We do not directly provide any funding. There had been some small grants provided by the state very early on in the scheme in terms of supporting some of the regional and First Nations councils and areas to establish some of those collection points, but we do not have any current funding that is provided to support the scheme. In terms of a strategic plan, we generally meet monthly with COEX. We work through their vision, objectives, what they are trying to achieve, some of the opportunities to increase collection points and fill in particular locations where we could make it more convenient for Queenslanders to return containers. We certainly make some suggestions to them. Ultimately, it is up to COEX to prepare that strategic plan and provide it to the minister for approval. Historically, the minister has provided a number of comments or directions on the back of that at various times.

Ms BOLTON: Have those monthly meetings occurred all the way through 2024?

Ms Andersen: Yes.

Ms BOLTON: Will they continue with the change of government?

Ms Andersen: Yes.

Ms DOOLEY: Thank you for your presentation and for being here. My questions will be directed toward accessibility to the scheme. The briefing suggests that rural and remote mobile collection is not fit for purpose and that it is often weather dependent and inconsistently resourced. Do the recovery rates in rural and remote communities reflect this lack of access, or are the recovery rates relative to the population in those areas?

Ms Andersen: Interestingly, regional Queenslanders are our best recyclers. That is across the board not just with the container refund scheme but also when we look at behavioural insights for people putting things in their yellow-top bin and organics and things like that. Our regional Queenslanders are very committed recyclers, which is fantastic. We do see quite high recovery rates in the regions. If anything, it is the South-East Queensland areas that have lower recovery rates for the refund scheme. Brisbane and the Gold Coast in particular have quite a long way to go compared to some of the regions. Some of the regions are in the 80s per cent recovery rate already, whereas Brisbane and Gold Coast are in the 50s to 60s per cent, so we have quite a bit of work to do in the metro areas to make sure we are providing convenient access for those refund points.

I note some of the discussions we have been having with COEX around opportunities to fill in some of that. I think you understand there is a range of different refund points. Depots are the backbone for where people can go and return things. They do tend to be in light industrial areas. When you have high-density areas it can be quite difficult to find locations for depots. COEX has been

doing quite a bit of work around reverse vending machines, bag drops and shopfronts to try and provide alternative options for people within those higher density areas to make sure it is more convenient for people to drop off. I think we have a big opportunity to improve the recovery rate by filling in some of those gaps that we have in South-East Queensland in particular.

CHAIR: Do we have any tables in terms of recovery rates by regions compared to South-East Queensland?

Ms Andersen: I do not think we did in our written submission, but we would be happy to work with COEX and get those figures for you. We might provide that through the secretariat, if you are happy with that.

CHAIR: Yes, thank you.

Ms DOOLEY: Interestingly, we have received two letters from regional MPs already—I will not disclose them—both of whom have said they would like more collection centres in their electorates. Is there a proposal to do that moving forward?

Ms Andersen: That is probably a better question to ask COEX in terms of their network expansion opportunities. There are a number of existing refund points within those regions. They do tend to be a bit further away compared to within a metro area, which is interesting because you are still getting good recovery rates within those regions. We certainly need to think about making sure we have a scheme that caters for the different needs of Queenslanders and also logistics and transport costs. If you think about places like the Torres Strait, there are some significant costs in terms of getting the containers out of the Torres Strait onto the mainland. There are biosecurity issues they have to deal with as well, so that increases the cost of the processing, handling, logistics and transport that goes with that. When COEX is setting the scheme price, we need to make sure they are considering how we ensure that you are providing those services to everybody across the state.

Ms DOOLEY: I have a question around kerbside collection. I live in a block of units and notice that a lot of people still put their cans in the recycling bin. Is there an opportunity to have a separate bin at people's properties? I know that would be a council-led initiative.

Ms Andersen: What goes in your yellow-top bin does actually go through the container refund scheme. It gets picked up by councils. It goes to a material recovery facility. That facility separates out the eligible containers. It is still processed by COEX. They take the glass to Visy and deal with all of the processing.

CHAIR: Are they paid?

Ms Andersen: COEX pays through the material recovery facility for that. That money goes back to councils. Instead of it going back to an individual, it goes back to the council.

Ms McNicol: It is a shared arrangement.

Ms Andersen: Yes, the cost is shared. That equates to—it varies over the years. Between 15 per cent and 20 per cent of the total volume is through the yellow-top bin.

Dr O'SHEA: Thank you for your presentation. I think it is a wonderful scheme. Obviously we do have to get the urban areas on board. They are bringing down the figures, aren't they? I was looking in the COEX report that the cost per container returned is 20.3 cents. I was trying to understand the funding model that they operate under because they seem to get 13.3 cents back from the beverage manufacturer. I imagine that, out of that 20.3 cents, 10 cents is going back to the consumer. Would the gap be from them on-selling the materials for recycling—aluminium and glass?

Ms Andersen: That would be a good question to ask COEX to clarify. I think that was in their submission. The current scheme pricing is set by COEX. At the moment 13.3 cents is charged on every beverage container. That creates revenue. Obviously we are not achieving a 100 per cent recovery rate, so there is a gap. If they are only achieving a 70 per cent recovery rate, they are still charging beverage manufacturers for the other 30 per cent. That is where the other revenue comes from as well because we are not giving a refund on every one of the containers that is charged the 13.3 cents, if that makes sense.

Dr O'SHEA: That is at point of sale, not after recovery.

Ms Andersen: Yes. There are a range of other costs that go into it from a COEX perspective. There are handling and processing fees that go to the operators—if you have a depot, there is someone operating it. There are transport and logistics costs. Then they will get revenue from recycling aluminium and plastic.

Dr O'SHEA: They mentioned that Queensland was the only state that does not have a planning exemption for container refund points. Is that something that could be looked at?

Ms Andersen: That is something that we have been having a discussion with COEX around, particularly if they want to focus more on rolling out reverse vending machines and other types of collection points. At the moment, the number of RVMs is still quite low compared to depots. We only have 27 reverse vending machines as of last financial year, but I think there is a desire to move to a higher number of those and for shopfronts to be able to fill in those metro areas in particular.

Every state's planning legislation is different, as you can appreciate. Some other states do have built in exemptions for RVMs in particular. Victoria has expanded very quickly and rolled out multiple hundreds of RVMs in a short period of time. They look like a shipping container. You go and put the cans in one at a time and you get the money back. It is like a vending machine. We are looking into what the opportunities are around that. It will be a bit dependent on individual councils because that is where the approvals are sought through. Some of them will be faster than others. Some councils are interpreting their planning laws slightly differently to others.

I think that does require some further investigation around what the barriers are and what the opportunities may be. We really need a clear idea of how many RVMs we are talking about. I am not sure you are going to change legislation or put in an accepted development code if we are only looking at up to 100 RVMs. If we are looking at hundreds and thousands of RVMs then it might be a different story. We really need a clear sense of direction around where we are going with that.

Dr O'SHEA: Loose beverage container lids are still a problem with littering. Is there any strategy for looking at how that could be addressed?

Ms Andersen: That has been a query we have had over a number of years. At the moment, when you return your containers the lids are not accepted with that. That means a lot of people are leaving the lid somewhere else and returning the container. There have been some suggestions over time that potentially we include in the legislation lids as part of the eligible container. We are keen to understand what comes out of this process—if that might be one of the recommendations.

Dr O'SHEA: I see that most hospitals and stadia are all involved with recycling. Maybe more government owned buildings could join up but also to have more outdoor bins that are purely for beverage container recycling rather than general recycling.

Ms Andersen: There has been some really good uptake across a number of agencies with the container refund scheme. Stadiums have been great. If you go to Suncorp, you can see all the containers are picked up there. Stadiums Queensland has been a really important partner for COEX. Schools have been a really great example as well. A lot of that money is going to P&Cs to put back into school activities. Some other agencies have more challenges, particularly when you look at hospitals, corrections facilities et cetera. Some of those have some operational challenges around waste management that have probably limited uptake a little bit more.

Under the Waste Reduction and Recycling Act, each agency has to have a waste management plan, so it is up to them to identify how they are going to reduce their waste and improve recycling over time. Certainly we have encouraged agencies to participate in the scheme. It is a really good opportunity for them to return some funds and boost their recycling rates. We will continue to do that as part of the requirement for waste management plans.

Dr O'SHEA: Are there any plans for aluminium recycling in Queensland because that does seem to be a profitable exercise, if we could get that going?

Ms Andersen: We do have a number of existing grants programs to support waste infrastructure development within Queensland—through the Recycling and Jobs Fund; through previous funds like the Recycling Modernisation Fund, which was co-funded between the state and the Commonwealth; and looking at how do we build infrastructure and capacity within Queensland to support onshore local processing of materials. I think we would like to see that across a number of different materials, not just aluminium. We have issues with batteries and all sorts of things. We really want to see more recycling infrastructure. We know that that provides jobs. For every three landfill jobs there are nine jobs in recycling. They are the kinds of programs that we are trying to support to build some of that recycling infrastructure in Queensland.

CHAIR: We touched on planning issues before. When the scheme was first rolled out there was a real sense of urgency around finding locations. I am aware of a couple of circumstances where council planning schemes were overridden through some sort of legislative instrument which meant

that communities had a recycling centre imposed on them where there were lots of noise issues. There were shift workers who could not get to sleep. They completely overrode the need for a proper impact assessment. What is the current situation with planning approval for new locations and future sites, both for the reverse vending machines and for the larger scale operations?

Ms Andersen: The depots remain the most important aspect of the container collection refund points. I think that makes about 95 per cent of where containers are returned currently. They do tend to be in light industrial areas. They do require a development approval from councils. That is the point at which council considers things like amenity, noise and distance to sensitive receptors. I know that over the years we have had a few complaints from local communities around noise associated with depots, so there are often conditions put in place on the council DAs around managing some of those nuisance issues.

CHAIR: Hours of operation.

Ms Andersen: Exactly, yes. RVMs are probably a little bit different. Under the current regulations—it depends how councils are interpreting their own planning schemes and the planning laws—generally they require a development approval as well.

CHAIR: You said that you do not want to set a higher price in Queensland because then everyone will start bringing their containers here. Has there been any discussion around looking at the price nationally? As a kid, I used to collect drink bottles back in the seventies. I was getting five cents a bottle for the little ones, 10 cents for bigger ones and three cents for milk bottles. That was a lot of money back in the day. I feel that 10 cents is a bit stingy, to be honest. If we were serious about trying to get the targets up, you would want to place a higher value on a returnable container.

Ms Andersen: There has been through the environment ministers meeting some discussion around harmonising container refund schemes across Australia. That means looking at making sure all the eligible containers are the same; that the price is the same; are other states going to pick up the wine and spirit bottles like Queensland has; and looking at sharing portals for registering containers—making sure that we are getting some consistency across states. I think there has been some public commentary around the 10-cent level. From my understanding, there has not been a proposal at any point around lifting all of the states' rates above 10 cents.

CHAIR: Are you aware of any reports or studies that have been done looking at container schemes in other countries where perhaps they have set a higher premium on the value of a bottle?

Ms Andersen: The European schemes are probably what you would consider one of the higher benchmarks. They have quite different taxes and levy schemes associated with that though as well. We have some information on that which we may be able to provide the secretary, if you are interested in some of the examples in the European scheme.

CHAIR: It is probably relevant because you have the union of states, so to speak. They would be dealing with some of the same conflicts, I would imagine, that you have potentially flagged. I wanted to go back to the target. The member for Greenslopes touched on this. How was the target of 85 per cent originally devised? Was it highly researched? Was there some science to it or was it just a figure that we picked out as a great benchmark to aim for?

Ms Andersen: At the time there was a stakeholder advisory group established which included the beverage industry, the recycling sector, community groups and environmental NGOs. They provided advice in terms of setting up the original scheme. There was also a public consultation process and a discussion paper around that. The 85 per cent was arrived at by looking at national and international benchmarks. That included looking at South Australia at the time which was at 76 per cent or 77 per cent but also looking at some of those European standards which were reaching into the 90s in terms of percentage recovery rate. It was determined that 85 per cent would be a bit above the South Australia level which had been operating for some time but would also give a little stretch target to go beyond that and achieve better outcomes.

CHAIR: South Australia has had their container scheme for decades. They were well ahead of all the other states. How did they manage the issue of bottles coming across the border? Did they accept them? Is it possible that they just accepted everyone's bottles and put that down as part of the cost of business, which is why they had such a high recovery rate in comparative terms? Has anyone looked into that as an issue?

Mr J KELLY: It is a long way to South Australia.

Ms Andersen: There is a requirement that, if you are going to produce or sell a beverage container in a relevant state, it has to have an appropriate mark on it, so a barcode. South Australia would only be providing returns on those containers that have the appropriate barcode on them. If something was sold in New South Wales or Victoria and taken across the border, it would be ineligible for a refund.

CHAIR: How does that apply when you have major retailers with massive distribution centres all around the country? Would that mean that Woolworths is only putting Coca-Cola cans on the shelf in New South Wales stores that have the New South Wales barcode? Do they have a different barcode on the coke that you buy in Queensland?

Ms Andersen: They usually have the same barcode but they will be registered in the state. For example, if somebody wants to sell product in Queensland then they have to register that barcode and that product with us and with COEX, so COEX gets the registration and we approve it from a department perspective as well. That means that you can potentially have products that have eight registrations across different states.

CHAIR: So you can get a refund in Queensland because they are registered in multiple states.

Ms Andersen: Yes. We see that a bit probably at Tweed Heads. I think we have seen a bit of New South Wales product at Tweed Heads.

CHAIR: Does the department have a view around the process of potentially revising the target? Has there been any discussion around whether it is too high or too low?

Ms Andersen: The department does not necessarily have a view on it. It is probably a policy question more for the government around setting that target. I think the legislation is clear that it is for the PRO to use best endeavours to achieve that target as well. As a department, we want to see that there is continued effort and continued progress towards that target over time.

Mr JKELLY: You mentioned that different councils approach this differently. Does the way that councils approach this have impacts on the capacity of COEX to effectively recycle or achieve their outcomes in terms of the targets?

Ms Andersen: Different councils approach their DAs slightly differently and interpret them differently and the timeframes that they deliver their DAs in are probably slightly different. No, the conversations we have had with COEX have been around some councils being faster at providing DAs for things like the reverse vending machines and others taking longer. The impact is that there is probably a lag in rolling out RVMs in certain areas depending on the support from the council.

Mr JKELLY: Does the department factor that into the consideration of the target, the fact that if you cannot get your sites built you cannot achieve your targets?

Ms Andersen: Yes. You have to think about the two targets together. The number of refund points is really important in terms of achieving the target. We are achieving those current targets but they probably still need to be higher in terms of the number of refund points, particularly in the metro areas, to be able to see the continued progress towards the 85 per cent target.

Mr JKELLY: Was any analysis done on the impact of the waste levy in relation to this? Clearly, when the waste levy came in it became an incentive to recycle rather than dump, particularly in relation to containers. Has any analysis been done on that? Has it had an impact?

Ms Andersen: We have not had a specific piece of work look at that. As you say, the general focus has been on seeing diversion away from landfill as a result of the waste levy. That said, the councils are getting annual payments back for the waste levy to offset the cost to householders. That means that we have not seen a really strong response in terms of household waste yet as a result of the waste levy. We do see that continued trend around 15 to 20 per cent through the yellow-top bin.

Mr JKELLY: I believe that the former minister had relatively regular meetings with the board and CEO. I think it was quarterly if not more frequently. The purpose of that was to drive the improvement in the scheme. I assume that has continued. I believe one of the focuses of the CEO of COEX was on improving participation by Queensland schools. Have we seen an increase in participation by Queensland schools?

Ms Andersen: Yes, that was certainly a focus of the strategic plan last year and the year before, around expanding the partner arrangements that COEX has with a number of organisations. With schools, we have seen a big increase in that. As of 2023-24, 788 schools are registered with Containers for Change, which is a great increase from the early days. We certainly see the benefits of that going back to P&Cs and other organisations.

Mr J KELLY: Is COEX able to track individual participation in the program rather than numbers of containers?

Ms Andersen: What do you mean by 'individual participation'?

Mr J KELLY: The number of people who are actually participating rather than the number of containers that are collected; have we seen an increase in that, if we can track it?

Ms Andersen: I think we do have access to those figures, but I will have to find out for you.

Mr J KELLY: You can take that on notice.

Ms Andersen: That would be great.

Mr J KELLY: Finally, what was the rate of recycling before we introduced the Containers for Change scheme?

Ms Andersen: It was around an 18 per cent recovery rate prior to the scheme and as of the last financial year it is at 67 per cent.

Mr J KELLY: So about a 50 per cent increase.

Ms Andersen: We have certainly seen a boost to recycling as a result.

CHAIR: It is a 300 per cent increase.

Mr J KELLY: Out of interest, what was it in New South Wales and the ACT? I am looking for any opportunity to promote how great this state is.

Ms Andersen: We would have to go back to New South Wales. Their scheme started in 2017. We would have to look at their recycle rate.

Mr J KELLY: Can we take that on notice, as well—the same question for New South Wales and ACT?

Ms Andersen: Yes.

Ms BOLTON: At the beginning there were some difficulties in getting depots opened because of limitations on the number of licences. Is that still an issue and does that impact the refund point?

Ms Andersen: Do you mean the agreement between COEX and an operator?

Ms BOLTON: Yes. For regions, there would only be a certain number and that slowed things down. Even in my community it was a problem. We had to get extra licences issued, which was a long process. Has that in any way become another barrier? I am happy for you to take that on notice.

Ms Andersen: I think that is a really good question that might be better directed to COEX when they appear at the public hearing. Under the legislation there has to be a container collection agreement between COEX and an operator, so think about TOMRA and the other operators that are in place to collect those containers. Those are contractual arrangements between COEX and them.

Ms BOLTON: That was not a matter for the department?

Ms Andersen: Those licensing requirements are not a matter for the department.

Ms BOLTON: Does the department provide support for people making a public interest disclosure in regards to the container refund scheme?

Ms Andersen: The Public Interest Disclosure Act would apply and if somebody came to the department we would certainly put it through that process.

Mr LEE: This may be a COEX related question. Earlier in your briefing you mentioned that Queenslanders are really good recyclers. In my experience, in the yellow-top bins there is about a 20 per cent contamination rate. In our local council area it was improving, but there was about a 20 per cent contamination rate. My question relates to diversion from landfill. You mentioned earlier that 11 billion tonnes of collection—

Ms Andersen: Containers, yes.

Mr LEE: Is data on contamination rates collected and monitored?

Ms Andersen: Most of the councils will collect information on the contamination rates within their yellow-top bins or if they have an organics bin through the green-top bin as well. The department has provided funding recently to all of the councils to support them with some behaviour change programs and education awareness activities at the council level. It is called the Let's Get It Sorted Partnership Program where we provide funding for them to roll out behaviour change activities. That can include things such as bin audits, looking at council-wide education materials, reminding people what goes in and what does not, making sure that you put it in loose and you do not put it in a plastic

bag. We have actually been rolling out quite a bit of work around that. The state also did a statewide social media campaign and communications campaign around that to encourage people to put the right thing in the right bin. We certainly saw some really positive outcomes in terms of people's uptake of that.

It continues to be a challenge not just for the container refund scheme but across the board. We do have some amazing material recovery facilities, if you have ever visited one. We have a couple of new ones in South-East Queensland. It is like unscrambling an egg. They are really amazing at pulling apart all the different waste streams and making sure that we can utilise as much as we can. Certainly it costs more having to deal with contamination.

Ms DOOLEY: Hopefully you can answer this question: the saveBOARD facility was announced in March 2023 through joint state and federal funding. It was aimed at expanding onshore capacity for liquid paperboard recycling. The COEX annual report notes that 100 per cent of liquid paperboard is still currently recycled overseas. Can you advise on the progress of the saveBOARD facility to be built at the Gold Coast—for example, has land been acquired, have tenders gone out et cetera?

Ms Andersen: As you said, through the Department of State Development, Infrastructure and Planning, the state government has provided funding through the Recycling Modernisation Fund, which is co-funded with the Commonwealth. There is \$1.7 million provided for that saveBOARD facility on the Gold Coast. We have recently touched base with State Development to identify where that is at. It still has not commenced building or operating and a date for its commencement has still not been confirmed. That funding is available, but it is up to the company to determine at what point they commence building and operations.

Ms DOOLEY: So it is a question for COEX?

Ms Andersen: No, it would be a question for saveBOARD in terms of their plans. Until there is a facility, there are not a lot of other options for COEX to provide that to. As I said, there is a saveBOARD facility in New South Wales, but they take very small amounts of volume.

CHAIR: I have one final question and then we need to wrap up. Earlier, you mentioned that 100 per cent of glass was being recycled in Queensland and you went through the different rates. In the past, we have seen pretty horrific images of things being shipped offshore and dumped into landfill or stored in some curious locations in places such as Indonesia and other parts of the world and then becoming hazards for those communities. Are we satisfied that that is no longer happening and that we are dealing with our waste responsibly and that the waste that we are exporting is also being dealt with responsibly? Are there any reports on that? Have we looked into those matters?

Ms Andersen: The annual reports that COEX provide do outline where the material goes to be recycled. The legislation does require, where possible, that it be sold to onshore entities but some of those onshore entities are then onselling to international markets where there is no processing capacity in Australia. I think one of the things that we need to keep focusing on is how we enable and support the infrastructure development that we need to be able to do that. I think you are referring to things such as the REDcycle soft plastic scheme which stockpiled a heap of soft plastic and then there were export bans that impacted the ability to do anything with it. We really need to think about building sovereign capability around processing recycled materials in Australia. We want to ensure that we are supporting that as much as possible.

In the meantime, though, we do have some of those challenges for this scheme where there is no capacity and then there is not really a choice but to send it overseas. I know that COEX does track through where that material goes. Some of that aluminium, for example, I think is purchased back in Australia and converted into new cans and things like that. It is trying to make sure that there is a chain of custody, if you like, and understanding where that material goes after it has been exported.

CHAIR: Do we look at whether that is being ethically managed offshore?

Ms Andersen: Under the legislation, there is a panel of recyclers that has to be approved and that provides us an opportunity to look at making sure that they are appropriate businesses, that they are appropriately registered and licensed, and that the material is going to the right locations. I think there are audits associated with that as well.

CHAIR: That concludes this briefing. Thanks, everyone, for your participation today. Thank you to our Hansard reporters. The transcript of the proceedings will be available on the committee's webpage in due course. Four questions were taken on notice. The response to those questions will be required by 10 am on Tuesday, 8th April. I declare this public briefing closed.

The committee adjourned at 10.31 am.