

Inquiry - Improving Queensland's Container Refund Scheme

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28 March 2025

Rob Molhoek MP
Chair
Health, Environment and Innovation Committee
Queensland Parliament

via email: HEIC@parliament.qld.gov.au

Dear Mr Molhoek

It is our pleasure to submit this Container Exchange (QLD) Ltd (COEX) submission to the Parliamentary Inquiry into improving Queensland's container refund scheme.

As the administrator and operator of the scheme, COEX is keen to assist the Committee in its deliberations and recommendations to government and will support the Inquiry throughout the process.

The submission focuses on four key themes while addressing the Inquiry's Terms of Reference and providing appropriate recommendations. The themes are:

- **COEX and the Container Refund Scheme:** detailing the scheme's journey from launch, its strong growth and positive impact on Queenslanders.
- **Operating model and approach:** highlighting the advantages of the scheme's not-for-profit model and the benefits of scheme coordination and network operations being managed under a single organisational structure.
- **Performance and efficiency:** outlining performance relative to comparable schemes and identifying growth opportunities.
- **Challenges to achieving the 85% target:** analysing the barriers and opportunities to increase the recovery rate and close the gap to the legislated target.

We welcome the opportunity to work closely with the Committee to further grow the scheme and deliver even more environmental, social and economic benefits for our state, including more jobs and more money back into the pockets of the Queenslanders.

Yours sincerely



Natalie Roach
Chief Executive Officer
Container Exchange (QLD) Limited



COEX Submission

Parliamentary Inquiry into improving
Queensland's container refund scheme

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Key achievements

More than **11.5 billion** containers returned for recycling through the scheme*



Of these, more than **9.8 billion** returned for refunds through the container refund point network



>\$980 million

in refunds paid to
Queenslanders, charities,
community groups, schools
and businesses



60%

decrease in
container litter since
scheme launch



67.7%

currently more than two
thirds of eligible
containers returned for
recycling



>\$660 million

paid to refund point
operators in handling
fees



1,580

local jobs across
the state



85

independent
businesses operating
in the scheme



2,590

charities registered
to receive donations



\$16.6 million

in donations to
charities



13

social enterprise
businesses operating
in the scheme

Figures as at 28th February 2025

*Container Refund Point network and Material Recovery Facilities

Executive summary

COEX and the Container Refund Scheme

Queensland's Container Refund Scheme, operating as Containers for Change under the management of Container Exchange (COEX), has established itself as one of Australia's most effective and fastest-growing container recycling programs.

Since its launch in November 2018, the scheme has grown to more than 2.1 billion containers returned annually at more than 380 locations across Queensland.

Operating model and approach

COEX's not-for-profit, producer responsibility operating model provides distinct advantages over alternative approaches used in other jurisdictions. As both scheme coordinator and network operator¹. This model reduces structural inefficiencies, allows for data integration and provides a consistent customer experience. In addition, and importantly given Queensland's geographic spread, allows for investment in areas that may not be commercially viable under for-profit models.

The scheme offers multiple container return options for consumers and businesses, including full-service depots, self-service machines in retail environments, 24-hour bag drops, mobile collections, and home and business pickup services. These options make the scheme more accessible and provide participants with their return channel of choice.

The Queensland scheme is also the first and only scheme in Australia to include wine and spirit bottles as eligible containers.

A challenge faced by all Australian refund schemes is the lack of onshore recycling capacity for certain materials, particularly aluminium and liquid paperboard. A strategic, collaborative approach from all stakeholders is key to addressing this issue.

Performance and efficiency

The Queensland scheme has two legislated targets to be achieved each financial year:

- Operating with at least 307 container refund points.
- A container recovery rate of at least 85%.

Container Exchange reached the legislated target of 307 container refund points within nine months of the scheme's inception. As of February 2025, the network has grown to 383 container return points across all Queensland's regions.

COEX continues to focus on network expansion, particularly in densely populated urban areas despite significant planning challenges and restrictions across many of Queensland's Local Government Areas.

¹ COEX is appointed by the Queensland Government to administer Containers for Change. COEX contracts network operations to more than 80 businesses across the state.

Queensland is the only state that does not have a planning exemption for container refund points. This creates unnecessary red tape, delaying higher recovery rates.

Despite these challenges to network expansion, the recovery rate has grown consistently year-on-year, outpacing comparable schemes in New South Wales and Western Australia over the past 18 months.

COEX operates one of the most cost-effective container refund schemes in Australia, at a competitive cost of 20.3 cents per container returned. This is particularly notable, given the unique geographical challenges faced in Queensland for businesses. For COEX, this increases the cost of delivering recycling infrastructure and transporting returned containers, particularly in remote areas.

Challenges to achieving the 85% target

There are key barriers at state and local government level that prevent the scheme from reaching the legislated 85% recovery target:

- regulatory and planning challenges preventing the expansion of the network, particularly in urban areas with low recovery rates.
- the opt-in nature of the scheme for businesses and other commercial environments that prevent the capture of high volumes of containers consumed out of home.
- the lack of waste management practices at government-owned and operated sites to establish a standard for sustainable waste separation.
- an absence of a consistent outdoor recycling plan to collect containers consumed in public spaces that are often disposed of in bins destined for landfill.

Return rates by region show that urban areas, particularly Brisbane and the Gold Coast, have the lowest recovery rates despite accounting for approximately 56% of total container volume, representing the most significant opportunity for growth in the statewide recovery rate.

Notably, no Australian container refund scheme has yet reached 85%, even South Australia's 48-year-old scheme sits at 74.7%, highlighting the ambitious nature of Queensland's target.

Key recommendations to the Committee

COEX proposes the following recommendations to the Committee to enhance recovery rates and strengthen the scheme.

Scheme Administration:

1. Reaffirm commitment to the existing not-for-profit model that ensures clear accountability, with one organisation accountable for the scheme and service delivery to all Queenslanders. (page 16)
2. Continue to support the integration of scheme coordination and network operating model. (page 16)

Driving Growth:

3. Implement a statewide policy framework to ensure local governments align with planning exemptions for container return points in other states.
4. Encourage scheme-eligible container collection in waste management practices at government-owned and operated sites (e.g. Departments, statutory authorities, health and correctional facilities) to establish a standard for sustainable waste separation.
5. Implement policies that encourage medium and large workplaces to add container collection into their existing waste management plans.
6. Establish container collection in licensing requirements for the hospitality industry and permit requirements for events.
7. Encourage local governments to partner with COEX and prioritise approval of Container Exchange Points in key public spaces.
8. Review Queensland Waste Levy structure to ensure it is maximising incentives to reduce containers from landfill. (page 23)

Driving Circular Economy Outcomes

10. Explore strategic options and innovation funding to expand Queensland's domestic processing capability, particularly for aluminium and liquid paperboard. (page 16)
11. Review the legislative requirement for COEX to only sell scheme materials to onshore entities, especially where no onshore recycling and remanufacturing solution exists, to improve efficiency. (page 16)
12. Create incentives for international recycling operators to establish onshore facilities in Queensland for materials otherwise only recyclable offshore. (page 16)

COEX and Containers for Change

Key insights

- **Strong growth and impact:** Containers for Change has grown year on year since scheme inception and is approaching a milestone of 10 billion containers collected through container refund points and \$1 billion paid in refunds since launch in 2018.
- **Significant employment and economic contributions:** With more than 380 refund points and operations across Queensland, the scheme has created more than 1580 local jobs and supports individuals, charities, community groups, social enterprises and businesses.
- **Strong circular economy impact:** The scheme ensures 100% of all containers collected are recycled. Glass has an 88% recovery rate, with 100% of this material recycled in Queensland.
- **Less litter:** 60% less beverage container litter since launch in 2018.

Background and governance

About Container Exchange (COEX)

COEX is the Product Responsibility Organisation appointed by the Queensland Government to manage and grow the Containers for Change scheme. The organisation's governing purpose is to reduce beverage container litter, increase recycling efforts, and help the community benefit through the participation of charities, community groups, and not-for-profit organisations in the scheme.

Launched on 1 November 2018, with 252 refund points, COEX has grown the network to more than 380 sites spanning the length and breadth of Queensland.

COEX's not-for-profit status enables investment in areas that may not be commercially viable in a for-profit model, ensuring all Queenslanders can access the scheme's benefits.

COEX's vision is that "no container goes to waste," reflecting the role it plays in the circular economy and supporting the goal to remove eligible, recyclable containers from landfills.

COEX Governance

Container Exchange is a not-for-profit, member-based company limited by guarantee. The two founding members are beverage manufacturers Coca-Cola Europacific Partners Australia Pty Ltd and Lion Pty Ltd.

The COEX Board is comprised of nine non-executive directors with a mix of independent and beverage manufacturer representatives, with broad and extensive experience across a range of sectors and skills relevant to governing an organisation such as COEX. The Queensland Government approves the appointments of the Chair and Community Director.

COEX provides monthly and quarterly performance reports to both the Minister for the Environment and Tourism, Science and Innovation, and the Department, reflecting the strategic plan, operations, performance against targets and achievements.

The Story So Far

In its formative stage, COEX focused on establishing the operational framework necessary to deliver the scheme across Queensland's diverse geography. This included developing the initial network of container refund points, implementing the financial settlement system, and creating the governance structures required for effective scheme management.

This early phase was characterised by rapid deployment of infrastructure and systems, with COEX working closely with the Queensland Government to ensure the scheme's legislative objectives were met. This also required COEX to overcome a range of challenges, whilst navigating the complexities of implementing a statewide container refund scheme.

After its formative phase, COEX worked on growing and improving the scheme by:

- Adding more refund points to serve more communities across Queensland.
- Upgrading systems and training to improve organisational knowledge and responsiveness.

Strong operator and community feedback on COEX's approach in the initial years of the scheme prompted a range of strategic organisational and operational changes. These changes significantly improved relationships with key stakeholders, which contributed to substantial network growth.

COEX remains focused on strategic innovation to drive scheme improvements. Key initiatives include:

- Enhancing customer experience through mobile apps and digital payments.
- Partnering with local councils, businesses, and community groups to drive engagement.
- Testing new refund point models based on community needs.
- Exploring new end use opportunities for scheme materials.
- Leveraging data to improve efficiency, coverage, and environmental outcomes.
- Maturing awareness and participation rates for wine and spirit containers.

These initiatives, coupled with a focus on continuous improvement, contribute to COEX's Net Promoter Score of 49 and customer satisfaction of 89%, as of January 2025.

Financial management and funding

COEX operates as a Product Responsibility Organisation, which is funded by beverage manufacturers who sell drinks in eligible containers under the Containers for Change scheme. These manufacturers currently pay an average fee of 13.3 cents per container sold into Queensland, which covers the cost of recovering and processing each returned container. COEX does not receive government funding, making it entirely industry-funded and self-sustaining.

The refund amount for all container refund schemes in Australia is set by each state and territory government, with all current and upcoming schemes offering a 10-cent refund per eligible container.

To ensure financial stability, COEX maintains sufficient cash reserves to cover current and projected operational costs. As Containers for Change grows, so does the volume of returned containers and the associated costs of running the scheme. These costs include handling fees paid to refund point operators, logistics, and processing expenses.

The scheme's forecasted average monthly operating costs over the next year are expected to be \$48 million per month, increasing to \$59 million per month over a three-year period as the forecasted recovery rate and volume of containers recycled increases. To safeguard against business disruptions, an appropriate liquidity threshold needs to be maintained to ensure that the scheme can continue to operate sustainably with no service disruption. This threshold is reviewed to align to current and forecasted operating conditions as required with these goals in mind.

Cash reserves are also utilised to offset increases in operating costs as collection volumes increase to mitigate against high price variability and deliver a steadier increase in the scheme price. This rate stabilisation method ensures large jumps in the scheme price are not required which would have flow on effects right through the beverage industry value chain and ultimately impact prices charged to Queenslanders.

COEX also invests in initiatives that support local governments, state-owned facilities, charities, community groups, schools, and businesses. These initiatives help improve container recovery rates and Queenslanders benefit from the 10-cent refund system.

Plans for future growth

Continuous progression towards recovery rate growth remains a constant focus for Container Exchange. Each year COEX presents its forward-looking strategic plan, operational plan and budget to government for approval.

The FY26-28 Strategic Plan focuses on three key strategic priorities that will deliver continued year-on-year growth in the recovery rate.

Strategic Priority #1: Partner for Growth - Expanding the network and growing the recovery rate remains the critical priority.

With government support, COEX will continue to rapidly expand the network of container return points and strategic partnerships. The strategy of introducing smaller-format return channels in targeted underperforming regions across South East Queensland, together with organic growth in existing site operations, will accelerate the growth of the recovery rate. This, coupled with widening partnerships with the waste sector, will be critical to injecting Containers for Change into the waste management process and ensuring no container goes to waste.

Strategic Priority #2: Network of the Future – Transformation of the network to maximise impact and improve operational efficiency.

COEX will continue to support the current network and will focus on maximising organic growth opportunities across Queensland. In addition, COEX will invest in transforming the network to drive efficiency and enable future-state growth.

Strategic Priority #3: Core Foundations – Enhancing the core foundations that underpin the schemes operations.

With one eye on the future, COEX will enhance its core foundations to ensure that as the scheme grows, it has the right systems and processes in place to ensure continued efficient and effective delivery of strategic and operational goals.

Operating model and approach

Key insights

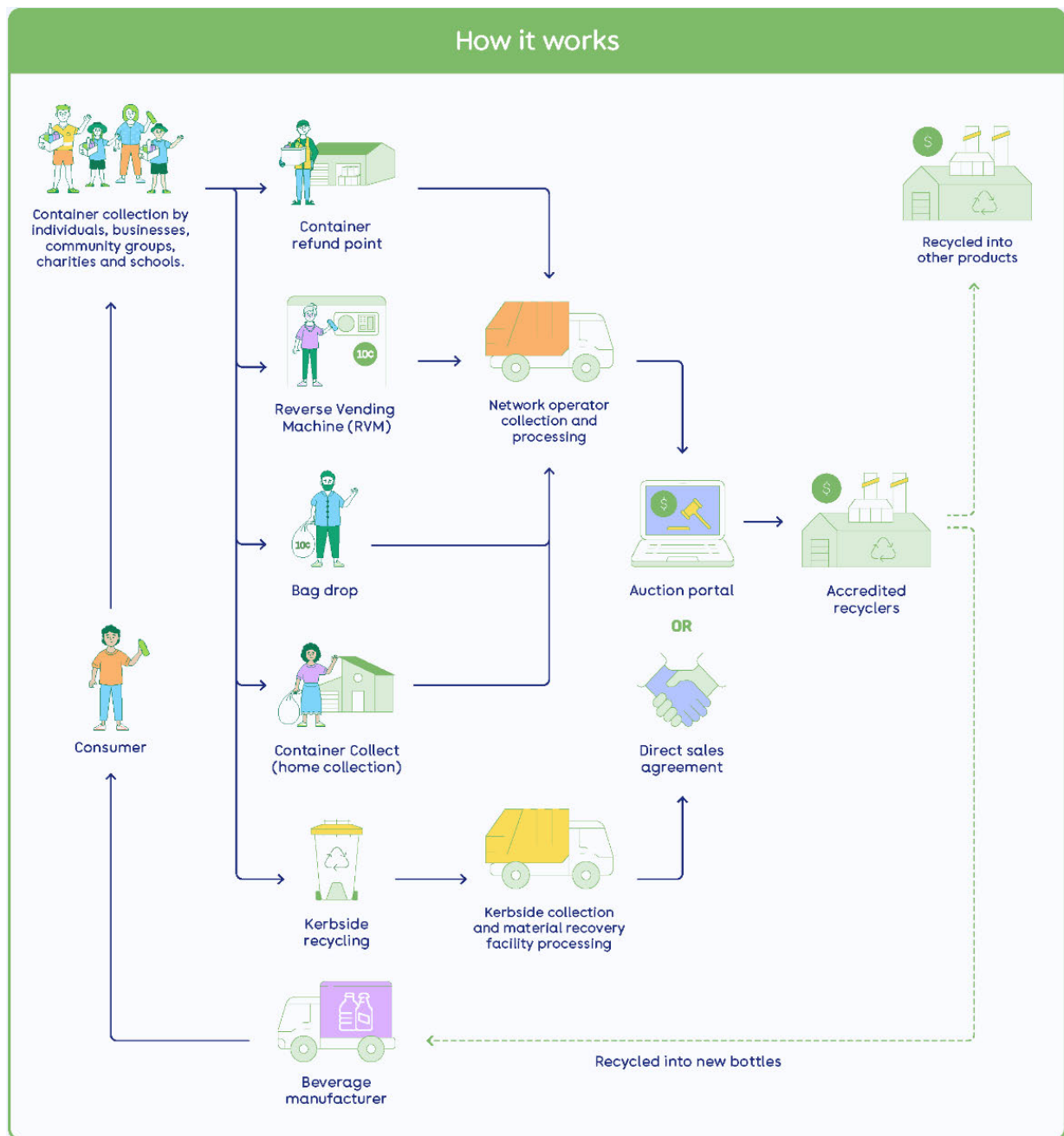
- **Not-for-profit model drives benefits for all Queenslanders:** the scheme invests in network expansion, community initiatives and increased accessibility, benefiting Queenslanders rather than shareholders.
- **Remote and regional service provision:** Service delivery to low-population, remote communities not commercially viable under profit-driven models.
- **Social enterprise integration:** Partnerships with social enterprises prioritise social outcomes alongside operational effectiveness.
- **Sole accountability:** Scheme administration and network operations share a direct line of accountability, eliminating the inefficiencies in split models.

Containers for Change: How it works

Containers for Change is designed so that all Queenslanders can share in its environmental, social and economic benefits. Consumers receive 10-cent refunds for each eligible container returned and can choose to keep their refund or donate it to a charity, school or community group.

The scheme is funded by beverage manufacturers, who cover the cost of container refunds and scheme operations.

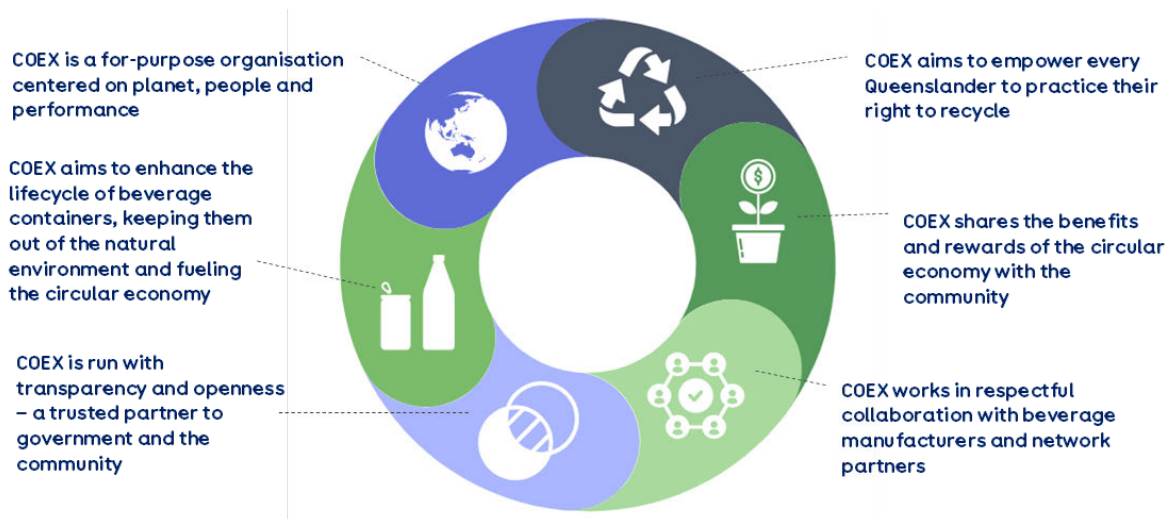
Figure 1: How it Works



Scheme principles

Queensland's scheme has been designed based on core principles that position Containers for Change as best in class, while fulfilling the legislative requirements of the Waste Reduction and Recycling Act 2011. These principles have driven the scheme's success and differentiate it from other container refund schemes across Australia.

Figure 2: Container Exchange scheme principles



Not-for-profit model delivers greater value

Containers for Change operates under a model where both scheme coordination and network operations are managed under a single organisational structure. Unlike split models used in other states, where separate entities manage administration and network operations, this integrated approach ensures a more efficient, accountable, and sustainable system.

By streamlining administration, integrating operations, and operating as a not-for-profit, COEX delivers greater environmental, social and economic benefits while ensuring long-term scheme effectiveness. This model maximises value for Queenslanders and is better suited for future growth.

Figure 3: Benefits of an integrated model

Feature	Benefit
Elimination of structural inefficiencies	<ul style="list-style-type: none"> • No administrative duplication across multiple entities • Elimination of contractual complexity between scheme coordinator and network operator • Streamlined decision-making without competing commercial interests
Enhanced data integration and transparency	<ul style="list-style-type: none"> • Complete visibility of container flows from collection through to recycling • Unified reporting system with consistent data collection methodologies • Ability to rapidly identify and address performance issues
Operational responsiveness	<ul style="list-style-type: none"> • Direct capacity to implement operational changes without cross-entity negotiation • Unified approach to problem-solving and innovation
Customer-centric design:	<ul style="list-style-type: none"> • Single customer interface for all scheme interactions • Consistent branding and messaging across all touchpoints • Unified customer service experience • Ability to implement customer feedback across the entire value chain

Legislative alignment

COEX's scheme principles directly support the objectives of the Waste Reduction and Recycling Act 2011 as follows:

- **Promoting Waste Avoidance and Resource Recovery (Object A):** The scheme has successfully diverted more than 600,000 tonnes of container waste from landfill, with a 67.4% FY24 recovery rate that continues to grow year-on-year.
- **Facilitating Queensland's Transition to a Circular Economy (Object B):** COEX's commitment to ensuring 100% of collected containers are recycled and establishing direct sales agreements with local recyclers supports the development of circular economy practices.
- **Extending product life cycles (Object C):** By ensuring clean, uncontaminated material streams, recycling value is maximised and the life cycle of container materials extended. For example, the closed-loop glass recycling system allows bottles to be remanufactured in as little as three days.
- **Minimising waste (Object D):** The scheme has returned more than \$980 million in refunds to Queenslanders while diverting billions of containers from landfill, demonstrating the dual benefit of resource recovery and economic return.
- **Ensuring shared responsibility (Object F):** The product responsibility model ensures beverage manufacturers fund the scheme through a product stewardship

approach while engaging consumers, businesses, and community groups in container recycling.

Ensuring effective processing and recycling

Containers for Change provides a clean and reliable source of materials, supporting the circular economy and remanufacturing sector. COEX is legally required to ensure that every eligible container returned through the scheme is recycled and does so through a network of accredited recyclers.







All COEX-accredited recyclers are required by legislation to be onshore entities however, under Australian export laws, recyclers can sell materials to offshore buyers if necessary. This is particularly relevant for materials such as aluminium and liquid paperboard, where Australia lacks sufficient onshore capacity. This means these materials must substantively be processed overseas, a challenge faced by all Australian container refund schemes.

To improve efficiency where there is onshore recycling capability, COEX has established Direct Sales Agreements with recyclers and remanufacturers for specific materials. These agreements ensure that recycled materials remain in Australia, accelerating the time it takes for containers to be reprocessed and reused.

One example is COEX's glass recycling agreement in South East Queensland, where all glass bottles returned between Bundaberg and Coolangatta are sent directly to a local recycling facility. This allows scheme glass to be turned into a new bottle in as little as three days.

An additional benefit of COEX's not-for-profit operating model is that revenue from material sales is used to partially offset operational costs, with \$33m generated in FY24.

Figure 4: What happens to containers collected

Container type	FY24 volume	Recovery rate	YoY variance	Can be recycled into
 ALUMINIUM Aluminium beverage cans	1 billion	69.1%	▲ 2.3%	<ul style="list-style-type: none"> Recycled beverage cans Electronics Car parts Building products Kitchen foil Takeaway packaging
 GLASS Glass beverage bottles including juice, beer and soft drink	5378 million	88.0%	▲ 76%	Furnace-ready glass cullet for use in: <ul style="list-style-type: none"> Recycled beverage bottles Other glass bottles Road base Pipe base underlay Home insulation
 PET Plastic beverage bottles	510 million	57.1%	▲ 3.6%	<ul style="list-style-type: none"> Recycled PET beverage bottles (clear bottles only) Coloured PET bottles
 HDPE Flavoured milk bottles (<1 litre), pure fruit juice (<1 litre), up to 90% pure juice (<3 litres)	43.2 million	78.7%	▲ 14.7%	<ul style="list-style-type: none"> Other bottles (e.g. soap containers) Furniture Kitchen bins Construction material Manufacturing equipment
 LIQUID PAPERBOARD Juice boxes, flavoured milk, coconut water (<1 litre)	39.6 million	25.7%	▲ 2.5%	<ul style="list-style-type: none"> Craft paper Plastic resin Building products
 STEEL Steel beverage cans	1.3 million	34.1%	▲ 4.4%	<ul style="list-style-type: none"> Steel cans Utensils Construction materials

Network development and accessibility

The launch of Containers for Change in November 2018 introduced container recycling to many regional and remote communities for the first time. Since then, COEX has made substantial investments to ensure that Queensland's vast geography does not limit access to the scheme.

By February 2025, the network had grown to 383 container return points, exceeding the legislated target of 307 by 76 sites (a 25% increase). Containers for Change is represented in all regions stretching from the Torres Strait Islands in the north to the NSW border in the south and as far west as Normanton and Birdsville, ensuring access across urban, regional, and remote communities.

The container return points are owned and operated by 85 different operators, including small and medium enterprises, social enterprises, charities and community groups. COEX's operational model has helped create more than 1,580 local jobs as of FY24. This includes employment opportunities across 13 social enterprises, such as Substation 33

and IMPACT Community Services (outlined in Appendix 1), which earned more than \$7.6 million in handling fees last financial year.

To cater to different consumer preferences and enhance customer convenience, COEX offers multiple return options, for example:

- Full-service drive-in depots with machine or manual counting.
- Self-service Reverse Vending Machines in depots, shopping centre car parks, retail shopfronts, and stand-alone locations.
- 24-hour bag drop facilities allow customers to return containers anytime.
- Mobile refund points servicing regional and remote areas on scheduled days.
- Home collection services are now available in 1,111 of Queensland's 1,117 suburbs.

For commercial collections, COEX partners with not-for-profit, social enterprise, government and corporate sectors. From 2023 to 2024, commercial partner return volumes more than doubled to 136% volume growth year on year. As of end of February 2025, more than 2,000 commercial partners participate in the Containers for Change partners program, including 966 education facilities, 392 multi-unit dwellings, and 120 hospitality venues as well as all major theme parks and stadiums across Queensland.

In a recent survey, active partners reported a 90% satisfaction rating with the Containers for Change partners program. Beyond the partners program, the current network of operators is active in partnering with local businesses, community groups and sports clubs to drive local commercial participation.

COEX has also expanded access for First Nations Local Government Areas, with return points operating in 15 out of 17 LGAs, including remote locations in the Torres Strait. In FY24 container volume collected from these communities rose by 34.9%.

By expanding recycling access in regional and remote areas, COEX ensures that all Queenslanders can participate in the circular economy, reducing waste and keeping valuable materials in use, whilst benefitting from the 10-cent refund.

State by state comparison of Australia's container refund schemes

Queensland's model provides wider reaching environmental, social and economic outcomes compared to alternative models used in most other Australian states.

Unlike all other states and territories that have implemented or are soon to implement container refund schemes, only Queensland and Western Australia have adopted not-for-profit administration and operational models for scheme management and governance, prioritising community benefit over commercial gain.

For-profit schemes are driven by shareholder returns and often focus on high-density areas where commercial viability is strongest. In contrast, COEX's not-for-profit status ensures equitable access, balancing financial sustainability with strong social and environmental outcomes for all Queenslanders, regardless of location or economic status.

This model allows COEX to invest in service expansion across regional and remote areas, ensuring comprehensive recycling access even in low-density communities where a for-profit model may not be considered commercially viable. Appendix 2 highlights an example of COEX's investment into remote and rural communities.

This approach has been particularly impactful in Queensland's far west and north, where many communities now have access to recycling infrastructure and economic opportunities. Under a purely commercial model, these remote communities would likely be overlooked due to lower or even negative financial returns.

Figure 5: Container refund schemes across Australia

State	Commencement Date	Scheme Name	Co-ordinator/ Administrator	Operator
South Australia	1977	N/A	SA Government	Marine Stores (for profit – super collector) Statewide Recycling (for profit)
Northern Territory	January 2012	N/A	NT Government	Envirobank (for profit – super collector)
New South Wales	December 2017	Return & Earn	Exchange for Change (for profit)	TOMRA Cleanaway (for profit)
ACT	June 2018	Return & Earn	Exchange for Change (for profit)	Return-It (for profit)
Queensland*	November 2018	Containers for Change	Container Exchange (not for profit)	Container Exchange** (not for profit)
Western Australia	October 2020	Containers for Change	WARRRL (not for profit)	WARRRL** (not for profit)
Victoria	November 2023	CDS VIC	VicReturn (not-for-profit)	VISY (for profit) Return-It (for profit)

				TOMRA Cleanaway (for profit)
Tasmania	May 2025	Recycle Rewards	TASRecycle (not-for-profit)	TOMRA Cleanaway (for profit)

*Queensland is the only scheme to include wine and spirits in its range of eligible containers

**Queensland and Western Australia are the only schemes which feature a not-for-profit scheme administrator and network operator model

Recommendations

COEX recommends the following policy and regulatory actions to enhance scheme performance:

Preserve and promote the proven operating model

Queensland's integrated approach to scheme management has delivered strong results and should be maintained. COEX recommends the government:

- Reaffirm commitment to the existing not-for-profit model that ensures clear accountability, with one organisation accountable for the scheme and service delivery to all Queenslanders.
- Continue to support the integration of scheme coordination and network operating model.

Support expanded onshore processing capacity

While the closed-loop glass recycling demonstrates excellent circular economy outcomes, limitations exist in Australia's capacity to process other materials. COEX recommends the government:

- Explore strategic options and innovation funding to expand Queensland's domestic processing capability, particularly for aluminium and liquid paperboard.
- Review the legislative requirement for COEX to only sell scheme materials to onshore entities, especially where no onshore recycling and remanufacturing solution exists.
- Create incentives for international recycling operators to establish onshore facilities in Queensland for materials otherwise only recyclable offshore.

Performance and efficiency

Key insights

- **Year on year growth for Queensland:** Queensland's scheme has delivered strong year-on-year growth, recording a recovery rate of 67.4% in FY24.
- **Significant expansion of refund points:** COEX has exceeded its legislated target of 307 sites, growing the network to 383 container refund points across urban, regional, and remote Queensland.
- **Challenges in urban areas:** Brisbane North (54%), Brisbane South (62.6%), and the Gold Coast (67.5%) have the lowest recovery rates, presenting the biggest opportunity for growth in the statewide recovery rate.
- **Strong regional performance:** Central Queensland has achieved the 85% recovery target, while Far North and North Queensland are close behind.
- **Higher per capita container collection than NSW and WA:** Despite being introduced later, Queensland's scheme now collects more containers per person than comparable programs in New South Wales and Western Australia.

Australia's fastest growing scheme

Queensland's recovery rate has grown consistently year-on-year, reaching 67.4% in FY24, representing one of the steepest growth trajectories of any Australian container refund scheme.

In FY24, 2.1 billion containers were returned through the scheme, an increase of more than 200 million units, representing a substantial 10.5% increase from FY23, partially supported by the inclusion of wine and spirits into the scheme.

This growth is notable given the geographic challenges unique to Queensland. The scheme's continued volume growth reflects both effective management and growing community engagement.

Queensland performs strongly compared to other states

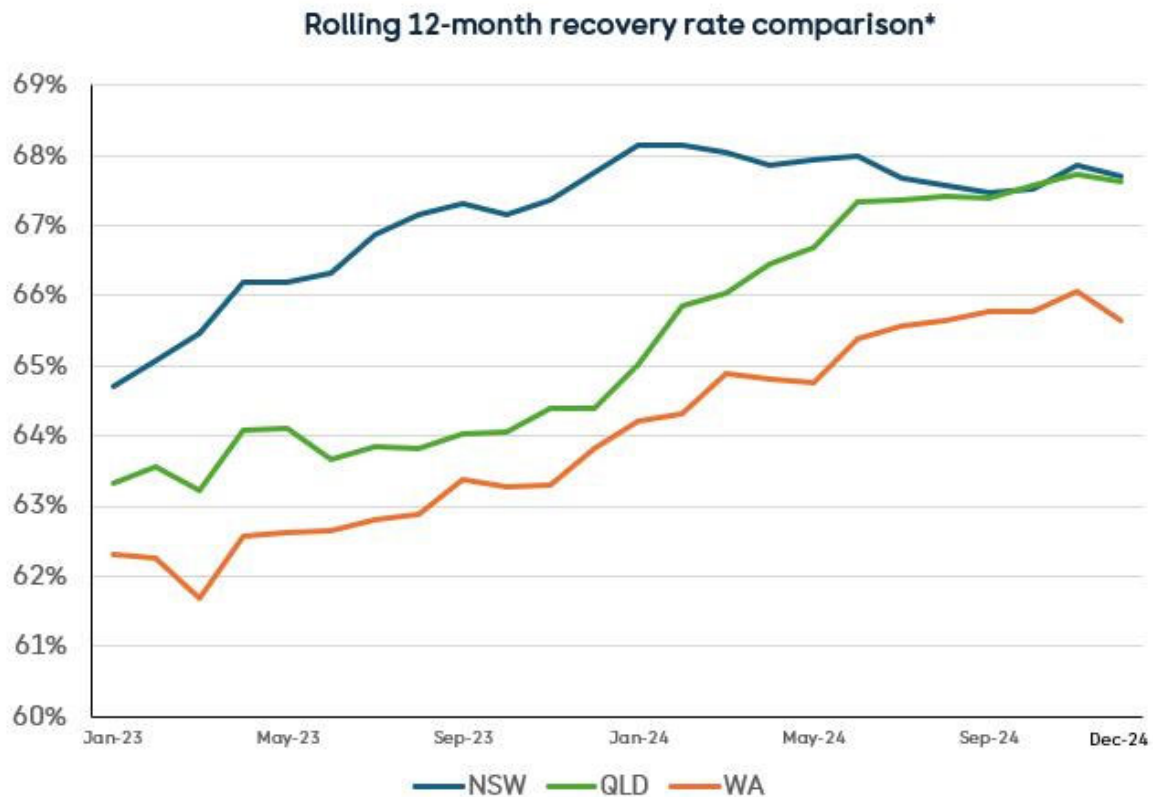
When benchmarked against comparable container refund schemes in Australia, Queensland continues to demonstrate strong growth and leadership in recovery rates.

Despite operating in a more geographically dispersed state and including wine and spirit bottles in its eligible container range, Queensland has maintained year on year recovery rate growth while outperforming New South Wales and Western Australia in several key metrics.

- **Queensland's recovery rate has grown year-on-year**, growing from 64.3% in December 2023 to **67.6% in December 2024**, a percentage point increase of **3.2 from the previous year**.
- **NSW's** recovery rates declined from **68% in December 2023 to 67.2% in December 2024**.

- **WA has shown more modest growth**, increasing from **64% in December 2023** to **65.7% in December 2024**.

Figure 6: Rolling recovery rate comparison with comparable Australian Container Refund Schemes (%) ^{1,2}



**Note: (1) NSW and WA are the two most comparable Australian Container Refund Schemes to Queensland. NSW has a comparable population density, WA has an identical scheme model, and both scheme jurisdictions have similar times in the market. (2) Recovery rates are displayed from January 2023.*

Regional performance and analysis

Recovery rates vary significantly across Queensland regions, which impacts the ability to achieve the legislated statewide target of 85%.

Regional areas including Far North, Central and North Queensland achieve higher recovery due to their integrated container return infrastructure and strong community engagement with the scheme.

South East Queensland (Brisbane North, Brisbane South and Gold Coast) accounts for approximately 56% of container sales but has the lowest recovery rates, making it the best opportunity to deliver growth in the statewide recovery rate. This region has significant barriers to growth including regulatory and planning challenges, and a lack of participation across commercial and government-owned and operated sites.

Addressing low recovery rates in South East Queensland is also required to futureproof the scheme as predicted population increases would compound the existing challenges to container collection in high-density urban areas.

Figure 7: Container recovery by region

Region	Volume (Jan- Dec 2024)	Percentage of total collection volumes	Recovery rate (Jan-Dec 2024)
Far North Queensland	150 million	6.8%	81.1%
North Queensland	246 million	11.1%	87.4%
Central Queensland	292 million	13.2%	84.0%
South-West Queensland	287 million	12.9%	73.2%
Brisbane North	497 million	22.4%	54.0%
Brisbane South	332 million	14.9%	62.6%
Gold Coast	417 million	18.8%	67.5%

Network growth challenges

South East Queensland presents a significant opportunity to lift recovery rates.

To meet consumers expectations of ease and convenience, areas with higher urban populations require more dense return networks.

While the overall recovery rate in South East Queensland is low, it varies significantly by area. In densely populated urban areas, there is a direct correlation between recovery rates and access to convenient container return points.

COEX continues to focus on network expansion in these areas but experiences planning challenges and restrictions in the approval and deployment of new container return points.

Working with local governments to remove planning barriers and challenges to target underperforming regions across South East Queensland will create greater return channel density and in turn increase the recovery rate.

Recommendations

COEX recommends the government:

- Implement a statewide policy framework to ensure local governments align with planning exemptions for container return points in other states.

Challenges of achieving the 85% target

Key insights

- **Achieving 85% recovery is a challenge:** No Australian container refund scheme has yet reached 85%.
- **Nature of participation limits progress:** Participation in the scheme from businesses, consumers, and public sectors is based on goodwill and not guaranteed, creating inherent barriers to reaching 85%.
- **Key barriers to success** include gaps in participation from government sites, workplaces, and hospitality venues, which generate large volumes of unreturned containers, along with regulatory and planning restrictions which can delay refund point expansion.
- **Partnerships between COEX and government are critical:** Removing legislative barriers, expanding return infrastructure, and improving incentives will be essential to closing the gap to 85% recovery.

Understanding the 85% challenge in context

No Australian container refund scheme has yet reached 85%, even South Australia's 48-year-old scheme sits at 74.7%, highlighting the ambitious nature of Queensland's target.

Globally, schemes with high recovery rates employ measures across a multitude of collection drivers, including legislative and regulatory measures such as landfill bans and mandatory participation.

Notably, Queensland and Western Australia are the only two jurisdictions in Australia with a legislated target recovery rate (as true product responsibility schemes).

Figure 8: Refund Scheme recovery rates and targets by Australian jurisdiction

Container Refund Scheme	Recovery Rate as at June 2024	Legislated Recovery Rate Target (Y/N)
ACT	65.0%	N
NSW	67.2%	N
NT	82.0%	N
QLD	67.4%	Yes: 85%
SA	74.7%	N
TAS	N/A	N
VIC	Not published	N
WA	65.3%	Yes: 85%

Environmental and behavioural factors that influence the performance

There are multiple environmental and behavioural factors that influence the performance of container refund schemes. Understanding the key levers that both encourage and discourage participation are critical to sustained growth in the recovery rate.

Environmental:

- Age of scheme: there is a direct correlation between the age of container refund schemes and their recovery rates.
- Economic climate: current economic climate and conditions.
- Weather: extreme weather conditions (temperature and rain).

Behavioural:

- Environmental attitudes: recycling practices and cultural/social norms towards recycling and the environment continue to increase.
- Ease and convenience: the process of engaging and participating within an opt-in scheme must be easy and convenient.
- Scheme awareness and trust: consumer awareness, education and understanding of the scheme is critical to initiating and deepening participation.
- Value for effort: the effort to reward ratio must be perceived as worth it, providing the right financial, social or environmental reward to encourage sustained participation.
- Positive experiences: the scheme and network experience are satisfying and minimise the potential for participation lapse.

There is no 'silver bullet'

While the Queensland recovery rate has seen year-on-year growth, bridging the remaining gap to reach 85% recovery will require strategic interventions and coordinated effort from all parties involved.

Addressing barriers and achieving sustainable growth requires a strategic partnership approach between COEX, the Queensland Government, and industry. While COEX continues to grow recovery rates within areas of its direct control, collaboration is required to close the gap to the 85% target.

A range of initiatives that can be sponsored by the Queensland Government are needed to increase and sustain container recovery rates. Successful programs worldwide demonstrate that multiple strategies must be used to achieve long-term improvements. Queensland's approach must continuously evolve to adapt to regulatory changes, population shifts, and consumer behaviours.

The 10-cent refund amount is set by the Queensland Government. Any consideration of a refund rate increase must factor the economic impact on beverage manufacturers who fund the scheme, along with the subsequent flow-on effect to the consumer via an increase in the retail price of beverages.

Economic modelling and global analysis demonstrates that refund increases alone are not effective in generating a sustained uplift in recovery rates. While a refund rate increase would help drive participation rates in the short term, a multifaceted approach is required for sustainable growth.

Rather than applying broad, one-size-fits-all initiatives, efforts should address specific barriers preventing the return of containers. Different consumer groups, consumption habits, and locations require targeted solutions to ensure effective behaviour change and increased participation.

A sustained improvement in recovery rates will depend on choosing the right combination of initiatives that drive long-term behavioural change. The timing and interaction of these initiatives must be carefully planned to maximise their impact, while avoiding duplication or competition between different strategies. Queensland can create a well-balanced and practical approach to meeting its recovery targets by ensuring that initiatives complement rather than undermine each other.

Recommendations

COEX recommends five initiatives as the most effective and practical way to support efforts to increase recovery rates and close the gap to the 85% target.

Figure 9: Recommendations to increase recovery rates

Initiative and Projected Benefits	Increased container collection and recycling	Increased awareness influencing behavioural change	Increased convenience encouraging scheme participation	Cost of living benefits for participants
Encourage scheme-eligible container collection in waste management practices at government-owned and operated sites (e.g. Departments, statutory authorities, health and correctional facilities) to establish a standard for sustainable waste separation	✓	✓	✓	
Implement policies that encourage medium and large workplaces to add container collection into their existing waste management plans	✓	✓	✓	
Establish container collection in licensing requirements for the hospitality industry and	✓	✓	✓	

permit requirements for events.				
Encourage local governments to partner with COEX and prioritise approval of Container Exchange Points in key public spaces	✓	✓	✓	✓
Review Queensland Waste Levy structure to ensure it is maximising incentives to reduce containers from landfill	✓	✓		

Conclusion

The Containers for Change scheme, under the stewardship of COEX, has driven positive environmental, social and economic change in Queensland since its inception.

Building on the scheme's continued growth in participation and recovery rate requires a strategic partnership approach between COEX, the Queensland Government, and industry stakeholders.

Working together to address barriers and implement targeted initiatives represents the best pathway to closing the gap to the 85% recovery rate target.

COEX welcomes the opportunity to further grow the scheme and deliver even more benefits for our state, including more jobs and more money back into the pockets of Queenslanders.

APPENDIX



Appendix 1 | Case Study, Social enterprise support

COEX partners with social enterprises across the state to further support employment opportunities in the scheme, including Logan-based Substation33 and Bundaberg-based IMPACT Community Services.

In 2021, Substation33 partnered with COEX to establish a container refund point (CRP) to further its mission of keeping waste out of landfill and providing employment opportunities for local young people. The CRP has since expanded to collect commercial sized loads. Through its depot and servicing of the Uptown Reverse Vending Machine in the Brisbane CBD, Substation33 have processed over 4.6 million eligible beverage containers.

IMPACT Community Services employs people of diverse abilities through their Material Recovery Facility and CRPs. The CRP roles have proven to be a wonderful opportunity for supported workers to develop skills while engaging with the broader community. IMPACT Community Services also provides employment opportunities for individuals from vulnerable backgrounds, such as those experiencing mental health challenges or domestic violence.



Container sorting at Substation33 in Logan

Appendix 2 | Case Study, Remote and rural support

COEX has invested to expand the scheme's container refund point network to ensure Queensland's vast geography does not limit remote and rural communities' access to the scheme. Two examples of these communities with unique logistical challenges are Badu Island in the Torres Strait and Barcaldine in outback Central West Queensland.

The Badu Island depot opened in December 2022, the first in the Torres Strait. Prior to this, returning drink containers for recycling involved an 800km journey to Cairns. The Badu Island depot has processed more than 910,800 eligible beverage containers, resulting in more than \$91,080 in 10-cent refunds to the local community – an extraordinary achievement for a community of around 1,200 residents. Badu Island operator Edmund Tamwoy noted beverage container litter disappeared almost overnight after the depot opened.

In 2019, Barcaldine businessman Garry Bettiens expanded his independent store True Value Hardware to include a depot that raises funds for Barcaldine Aged Care. The refund point has processed more than 9.1 million eligible beverage containers. The refunds from which have been used to help build independent living units that allow elderly residents to remain in their community rather than moving to facilities in larger towns. Every week the depot diverts at least 25 cubic metres of eligible containers from landfill.



Container sorting at the True Value container refund point in Barcaldine.

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