

Inquiry - Improving Queensland's Container Refund Scheme

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To Whom It May Concern

Inquiry Submission: Containers for Change Scheme, Queensland
Introduction

Thank you for the opportunity to provide this submission. As a contracted operator within the Containers for Change scheme in Queensland, I manage seven depots and oversee nine bag drop locations across Southeast Queensland. Our team takes immense pride in contributing to this world-class initiative, which has significantly reduced litter, provided employment opportunities—currently supporting 89 jobs within our operations—and empowered a diverse range of individuals, including charities, social enterprises, underprivileged and homeless individuals, as well as entrepreneurial adults and children who generate income from recycling.

The timing of this Parliamentary Inquiry is critical. While the Containers for Change scheme is progressing in the right direction, its long-term sustainability requires a clearer focus on strategic improvements. Enhancing the scheme’s financial viability, ensuring existing operators have long-term security, and strengthening customer engagement will be essential to its continued success.

Strengths of the Containers for Change Scheme

1. A Proven and Effective System

- The Containers for Change scheme in Queensland has demonstrated ongoing growth, particularly with the expansion to include wine and spirit bottles. Data from State Container Scheme Annual Reports highlights that:
- Queensland and Western Australia have continued to expand under similar models.
 - New South Wales has stagnated over the past four years, partly due to an over-reliance on Reverse Vending Machines (RVMs) and shopfront returns.
 - South Australia has experienced a steady decline in redemption rates since 2012, illustrating the limitations of a fixed 10-cent refund over time.

Year	QLD	NSW	WA	SA
FY 2021	61.6%	67%	53%	76%
FY 2022	62.9%	65%	61%	77.5%
FY 2023	63.5%	66%	63%	76%
FY 2024	67.4%	68%	65%	74.7%

2. Diverse and Accessible Return Options

The scheme offers multiple collection models to suit customer needs:

- **Depots:** Ideal for large volume returns, personalized customer service, and cash payments. These locations employ significant numbers of staff.
- **Reverse Vending Machines (RVMs):** Suited for smaller returns, with immediate fund transfers or voucher redemptions. While convenient, they employ minimal staff.
- **Bag Drops:** A convenient alternative where containers are counted at a depot and refunds are electronically deposited.
- **Container Collect:** A highly convenient at-home collection service, though costly for operators due to the service fee model.
- **Commercial Service:** Tailored for businesses, stadiums, schools, hotels, and cafes, providing a direct revenue stream for operators. This is a growing network and is helping to drive the return rates forward. A positive waste initiative for customers but expensive for operators.
- **Charities and Social Enterprises:** Many organizations benefit from the scheme as a funding source, reducing their reliance on traditional donations.

3. The Role of Container Exchange (CoEx)

CoEx plays a vital role in managing the scheme, with positive initiatives such as Partners for Change, school programs, branding consistency, customer engagement, and safety standards. However, greater collaboration between CoEx and operators is needed to leverage industry expertise and operational insights effectively.

Challenges and Areas for Improvement

1. Contracting and Business Security

Current five-year contracts lack long-term security, making it difficult for operators to plan and invest confidently. A **5+5-year model**, with performance benchmarks, would provide stability and investment confidence while ensuring accountability. Termination should only occur due to clear, measurable performance failures.

2. Lack of Operator Consultation in Expansion Plans

While operators continuously invest heavily in infrastructure and services, there is growing concern over CoEx's unilateral expansion of refund points without consultation with existing operators or provision of supporting evidence. This risks undermining existing businesses and creating unsustainable competition. Operators should be given the **first right of refusal** in their established areas before new refund points are introduced.

3. Suitable Properties for Refund Points

Securing suitable properties when a new refund point is justified is often problematic due to lack of convenient and cost effective space. To reduce this barrier State Governments could collaborate with local councils to permit small-scale refund points on public land (e.g., Men's Sheds, PCYC, schools),

increasing accessibility to customers without requiring high risk industrial investments to operators.

4. **Unrealistic 85% Return Target**

The 85% redemption target is impractical under the current system. Other nations that have achieved this level of return offer **higher deposit values or financial deterrents for improper disposal**. Rapid expansion efforts in pursuit of this target have merely redistributed existing volumes rather than increasing overall participation.

5. **The Diminishing Value of a 10c Refund**

Inflation and rising costs of living have significantly reduced the incentive for consumers to participate in the scheme. Increasing the refund to **20c per container** would:

- Attract new customers who previously found participation unprofitable.
- Retain existing participants by enhancing the value proposition.
- Incentivise more businesses to participate as costs of in house sorting become more viable
- Strengthen financial viability for charities reliant on container collections.
- Improve cost-recovery models for residential and commercial pickup services.
- Driving a 20c refund would position Queensland as a national leader in recycling initiatives and make the 85% target a realistic goal.

6. **Container Collect Program Reform**

Container Collect is a promising initiative but requires fundamental adjustments for sustainability:

- Introduce **user-paid fees** to offset collection costs.
- Standardize **bag types** for improved safety and efficiency.
- Implement **minimum volume thresholds** or a pickup fee to ensure economic viability.
- Restrict collections to **front-of-property** to ensure WHS standards are met meeting the obligations of both operator and Containers for Change.

These changes will ensure the service remains viable while continuing to offer a world-class convenience model.

Conclusion

The Containers for Change scheme has the potential to be an enduring success story for Queensland. Operators remain committed to its growth, employment creation, and environmental impact. However, a more collaborative approach between CoEx and operators is essential to ensure:

- Long-term **business security** for operators through fair contracting.
- **Strategic expansion** that does not undermine existing businesses.
- A **realistic and achievable return rate**, rather than an unfeasible 85% target.
- An **improved refund value** to maintain consumer participation and engagement.

- **Sustainable operational models** for services like Container Collect.

A well-supported and financially stable network of operators, customers, and government stakeholders will ensure the Containers for Change scheme remains a benchmark recycling initiative for years to come. With the right adjustments, Queensland can lead the nation in recycling innovation and community impact.