

Inquiry - Improving Queensland's Container Refund Scheme

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3 April 2025

Health, Environment and Innovation Committee
Parliament House
George Street
BRISBANE QLD 4000

Re: Submission on Parliamentary Inquiry into Queensland's Container Refund Scheme

Dear Mr Molhoek MP, Mr Kelly MP, Ms Bolton MP, Ms Dooley MP, Mr Lee MP and Dr O'Shea MP,

The Waste Recycling Industry Association Queensland (WRIQ) represents almost a hundred businesses responsible for 97% of Queensland's waste recycling collections and \$2.5 billion of investment in Queensland's essential waste recycling infrastructure. Our members range from multinationals through to small family owned and operated businesses. WRIQ engages on a broad range of state-specific issues of strategic importance to the sustainability and development of the waste management and resource recovery sector.

WRIQ welcomes the opportunity to provide a submission to the *Parliamentary Inquiry into Improving Queensland's Container Refund Scheme*, but does so without prejudice to additional submissions from our members or other individual waste management and materials recovery operators.

Firstly, WRIQ wishes to acknowledge Coex's efforts, particularly since the appointment of CEO Natalie Roach in February 2023, to improve their organisational culture. The instances of bullying and poor behaviour which were originally reported to WRIQ have almost ceased under Natalie's leadership. Coex has also successfully crowd-sourced everyday Queenslanders to become 'garbos for a cause' and positively impacted numerous Queensland charities and community fundraising groups.

It's also important to acknowledge that this scheme is Queensland's first foray into Extended Producer Responsibility legislation and that this legislation may form the basis for other Extended Producer Responsibility schemes as we work towards better waste management and recycling services for Queensland. As with any compulsory scheme, there are multiple competing commercial drivers and the way in which a scheme is set up can make or break the effectiveness of that scheme. Manufacturers and retailers often lobby to control a scheme, to manage information and to drive down costs. The Australian waste recycling industry regularly finds themselves sidelined in the lobbying process for stewardship schemes, resulting in schemes that advertise themselves as being more comprehensive than they are in practice, are regularly set up in contravention of the way our industry currently works, circumvent existing commercial arrangements where items may already be being recycled, are inefficient, often suffer freeloaders and rarely pay enough to cover the full cost of collection,

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transport and recycling particularly in a place like Queensland where recycling is hampered by the tyrannies of distance. The Australian Council of Recyclers (ACOR) has done some excellent work on the essential elements of Product Stewardship scheme design and WRIQ would encourage the Committee to review this scheme and any future guidelines for product stewardship schemes in Queensland against these criteria.

When considering the efficiency and effectiveness of Queensland's container refund scheme, WRIQ makes the following points:

1. Queensland's container refund scheme has failed to meet its recycling targets. In the opinion of the waste recycling industry, these targets were overpromised by people with no understanding of waste and recycling, and set with a complete lack of strategic consultation. Other scheme proponents who were not advocating for impossible targets were not appointed to run Queensland's scheme, and there must be an accounting for organisations that overpromised in order to win business they could never deliver on.
2. Big beverage companies now control Queensland's largest community facing recycling network. When approached about collecting lithium batteries, Coex first stated they couldn't due to insurance reasons but then when an insurance solution was offered we were told they didn't want their operators to be distracted from their targets. The average Queensland householder is not going to go to one place to recycle bottles and cans, a different place for batteries, a different place for oils etc. Queensland must own and control its community facing recycling network for the benefit of all Queenslanders.
3. Australian consumer behaviour when it comes to waste and recycling is poor. Many Australians want better environmental outcomes but the levels of contamination found in our yellow lid and green waste bin collections suggest that Australians believe that once it's in the bin it's someone else's responsibility. The Container Refund scheme has done an outstanding job of starting to change consumer behaviour but there is still a significant amount of government leadership needed to ensure that the waste created by Queenslanders is the social responsibility of all not just those of us at the end of the pipeline receiving the materials in whatever format the community chooses to provide them. Without this behaviour change, most of our recycled products will never compete with raw materials and our recycling targets will not be met. It's unlikely that big beverage companies would ever want to create advertising that talks about damage to our environment from litter as a result of beverage containers, so perhaps some of the advertising funds of Coex are best directed elsewhere to achieve these outcomes.
4. There has been extensive discussion about higher refunds in particular the idea of doubling the refund to 20 cents per container. There is certainly evidence to point to the amount of the refund not keeping pace with inflation, and being far less attractive now than when the scheme was introduced. A higher refund will definitely change consumer behaviour and help improve recycling rates. Equally, we note that it will be Queensland consumers who will foot the bill for any increased refund amount. One of the things we will be asking the Queensland Government to consider when revising the waste strategy this year is the cost benefit of recycling. Sometimes the last 5 or 10% required to meet a target may cost just as much to

achieve as the first 60%. That's not to say that audacious targets aren't good to have, but Queensland is in an enviable position compared to most of the rest of the world. Landfill is still cheap and readily available, however recycling costs are higher due our smaller population spread out over a large area. Queensland needs guidance from our leaders to determine whether we want to keep costs low and take advantage of our cheaper landfill prices or act now to invest in more expensive recycling technologies because the cost of not doing so is far higher. Queensland's waste recycling industry can do either, but strong and consistent government leadership on this question is urgently needed.

5. Other states have schemes with separate network operators, refund points and marketing services. In Queensland our politicians gave control of the entire scheme to a not-for-profit set up by Coca-Cola and Asahi. This vertical integration was supposed to achieve efficiencies and economies of scale, which have not been demonstrated in comparison to other jurisdictions such as New South Wales and Victoria, probably due to a lack of understanding of the waste and recycling industry. If one operator is to retain control over the entire scheme in perpetuity this should come with far greater expectations.
6. The current scheme continues to lack Board level representation from any experienced member of Queensland's waste and recycling sector. There is also limited waste and recycling industry sector experience in the scheme's senior management team. Beverage companies have an innate common interest in keeping the cost of the scheme as low as possible rather than increasing the number of returns, because containers not returned allows that money already paid by consumers to be used to discount the cost of the scheme. The scheme's board and senior leadership need a more balanced approach to remove that conflict of interest and drive efficiencies.
7. This lack of understanding of the logistical and processing side of the waste recycling industry has resulted in numerous inefficiencies and a lack of seizing opportunities. It's particularly baffling that in a state the size of Queensland our container refund scheme is insisting on consumers and operators transporting large quantities of air around our state by not allowing bottles and cans to be crushed and compacted. This and many other innovative business practices driven by the businesses operating the network have been squashed by the scheme resulting in inefficiencies and frustration.
8. Refund points need to be contractually obligated and better empowered to drive return rates and efficiencies in their area, while at the same time protected from a monopoly scheme setting another operator up around the corner from them when they have made substantial investment into their businesses. There have been concerns raised around the number of refund points in Queensland being lower than other states which may be contributing to our lower return rates. There is evidence that some locations would benefit from more accessible community recycling options including after hours options. The challenge with adding more locations is that we have a more spread out population and the Mum and Dad businesses who have invested in setting up collection points on the basis of an expectation of revenue will need to be compensated appropriately to avoid bankruptcies and heartache coming out of a scheme that has done so much good. The data probably exists now to create a formula for returns based on area, region remoteness and population density to provide a target, with bonuses for refund point operators for

growth in returns. Whatever changes occur with the scheme, they need to be done in a way that creates the confidence to invest in Queensland's waste recycling industry which will in turn continue to drive innovation and improvements.

9. A number of operators continue to report poor commercial practices and behaviours despite the significant cultural change that has occurred. One regional small business operator reported a financial loss of \$40,000 after their company was instructed repeatedly by multiple Coex staff to purchase bins despite a contract not being in place. Three weeks later, that contract was awarded to a different business who did not charge for transport despite undertaking a journey of more than six hours. In another case a contractor was awarded a contract to provide bins and collect a product that the collector was not collecting. While there are commercial advantages to having one operator in charge of a scheme of this nature, it has resulted in multiple instances of corporate bullying, poor behaviour and practices over the years. There needs to be some kind of independent appeal process or ethical standards that the scheme is required to adhere to where it has been issued with a government mandated monopoly.
10. Visy are currently constructing a new government funded facility to beneficiate glass. There are currently no other recyclers of glass in Queensland. Prices for glass have dropped from \$80/ton to \$30/ton here in Queensland, yet there are other people buying glass elsewhere in Australia for up to \$150/ton. Sadly, it's cheaper to buy new glass from China than it is to recycle it unless you only pay \$30/ton for the feedstock. If we are going to collect more glass in the form of wine bottles, there needs to be work put into creating a downstream market for recycled glass particularly in regional areas. There are some beneficial reuse options based on Council definitions but no statewide mandated definitions.
11. The scheme probably needs a more transparent investment strategy. Money needs to be reinvested in the network and improvements to the scheme rather than simply held in bank accounts.
12. Consideration should be given to legislating a return-to-retail option. Return-to-retail legislation in container deposit schemes requires stores selling beverage containers to also collect them for recycling after use. Stores gain an opportunity to help recycle a retail product.

Your Committee now has the unenviable task of wading through all this information and making considered decisions in a situation where there is no right or wrong answer. I would welcome an opportunity to discuss any of these matters or other topics further with you as a witness at the Parliamentary Inquiry. Queensland's waste recycling industry looks forward to seeing some positive outcomes from this timely review process.

Yours sincerely,



Alison Price
Chief Executive Officer