

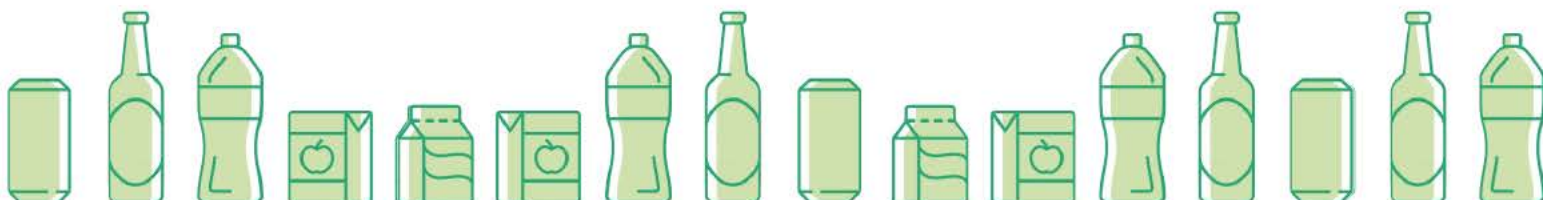
Inquiry - Improving Queensland's Container Refund Scheme

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Submission to the Queensland Parliamentary Inquiry into Improving Queensland's Container Refund Scheme.

April 2025



Who is Substation33?

Substation33 is a social enterprise of YFS Ltd, that creates employment pathways for vulnerable jobseekers experiencing disadvantage, through recycling e-waste and Containers for Change. We foster wellbeing and social capital in our volunteers and employees via a bespoke engagement approach that supports each person to embark on their own journey to employment.

Since 2012, Substation33 has collected, decommissioned, processed and recycled more than 2 million kilograms of e-waste. Only 4% of what we process goes back into landfill, 96% is repurposed.

In May 2022 we started processing containers in partnership with Containers for Change. Since then have processed over 130 million containers while being able to employ 170 marginalised and disadvantaged, long-term unemployed people in our container sorting facility, affectionately named "Canstation33". We currently have 70 staff across all arms of our enterprise, all of them paid under the modern award.

Substation33 has provided tens of thousands of hours of volunteer and work experience in a supportive work environment. A diverse range of people develop independence via participation in meaningful activity. Our largest cohort is young people who have either slipped through the cracks of mainstream education and training opportunities or are about to.

Substation33 creates confidence, skills, training and employment pathways for jobseekers experiencing disadvantage via our platform of recycling electrical and container processing.

Substation33 has also developed an Innovation Hub where commercial products are designed, built, tested and produced using mainly recycled components. This process provides our staff and volunteers with opportunities to gain education and skills, ensuring broader training and employment options.

In 2020 - 25 our transition to work project supported over 100 people each year to secure employment beyond time at Substation33. Overall, well-being in our volunteers is fostered via three strands of impact:

1. *Environmental*: Collection, processing, reuse and recycling of electronics and containers that would otherwise go to landfill.
2. *Social*: Support for diverse groups including training, transitional employment, and employment pathways for people experiencing complex barriers to participation.
3. *Enterprise*: Design, development and production of innovative engineered commercial products that solve real problems for customers and partners.

Substation 33's model of nurturing social capital within a circular economy framework aligns with 11 of the 17 Sustainable Development Goals defined by the United Nations (UN).

Why we are making this submission

Substation33 believes that social enterprises can become the cornerstone of container recycling and processing in Queensland. We seek to advocate for the use of social enterprises to improve the efficiency and effectiveness of Queensland's container refund scheme by sharing our model of engagement and future plans in the scheme to demonstrate the social and environmental benefits to Queensland.

We want to champion social enterprise and its alignment with part 3B, 99H (d) of the Waste Reduction and Recycling Act 2011, which specifies that part of the main objectives are to *"provide opportunities for social enterprise, and benefits for community organisations, by (ii) creating opportunities for employment in activities related to collecting, sorting and processing containers for recycling"*.

We make this submission with the hope that we can improve the scheme by encouraging more engagement with Queensland social enterprises which can employ more people through an increasing number of refund points and by stimulating innovative ways for the community to return empty beverage containers. We believe the scheme has much more to offer in benefits to the environment and the creation of more employment for Queenslanders.

Substation33's current engagement with the container refund scheme

Substation33 is one of the largest jobs-focused social enterprises in Queensland. Our work within the container refund scheme in Queensland has been pivotal to our success over the past three years. Our partnership with COEX has created significant growth and allowed us to support many more people to create a better version of themselves and move from poverty into paid employment.

Substation33 operates the Uptown Container Refund Point (CRP), a one-of-a-kind, full retail operation in one of the largest shopping complexes in Queensland. It is staffed by six young people who act as concierges who support people to process their containers through our reverse vending machines (RVM's). Substation33 also collects containers from large residential and commercial towers within the Brisbane CBD. These containers are then processed at our CRP in Logan by a number of older people who are returning to the workforce for the first time in many years.

Substation33 also operates *Canstation33*, our facility where we process over 1 million containers per month. Through this facility we offer both permanent and transitional employment to over 35 people who have been marginalised in the area of employment, have never been employed or were long-term unemployed. We provide intense wrap around supports so that in time these people can confidently move into mainstream employment.

Substation33's current engagement with the container refund scheme cont.

This space is challenging, with many actors and components, especially considering that the scheme is still in its infancy. We have found the management team at COEX to be in-tune with our vision to create employment within the scheme to offer great entry level jobs for people marginalised from employment.

Observations

After working in this scheme for the past three years, Substation33 offer the following observations for consideration:

1. The scheme is only 5 years old and therefore still in its infancy compared to the more successful and longer standing scheme in South Australia. While South Australia leads the nation in the recovery, recycling and litter reduction of beverage containers with a current overall return rate of 76% in 2022–23, it has not grown beyond a return rate of 76% despite it being 50 years old.
2. The maturity of the Australian community when it comes to recycling is still developing. Working in the electronic waste recycling space for the past 12 years, we have noted that there appears to be a direct link to waste and the level of consumerism which is running rife in our society. We believe that more education to impress upon younger generations the environmental imperative to recycle can help future generations see the value in taking the time and effort to recycle. If we make recycling more accessible with innovative and intuitive avenues for engagement in the process, and if they understand both the environmental and social value to our community, then we will see the recycling landscape change in the future.
3. During a six-week study tour of container schemes in various European countries, (which included spending time with an international RVM manufacturer), we observed that almost every retail outlet contained small form RVM's about the size of an average fridge. The most significant points of difference between the European countries and our Queensland scheme are:
 - a) The ease of consumer access to refund points in retail settings and
 - b) the significant amount that is returned to the consumer (between \$0.30 and \$0.43 AUD) per container.

We believe both of these factors contribute to their superior recovery rates (compared to Queensland).

Observations cont.

The following graph provides insight into various recovery rates for container refund schemes across a few European countries as compared to Queensland and South Australia.

Region/Country	Establishment date	Return rate % 2023-24	Refund amount AUD (approx)
Queensland	2018	67.40	\$0.10
Sth. Australia	1975	74.70	\$0.10
Norway	1999	92.30	\$0.30
Sweden	1984	87.60	\$0.32
Denmark	2002	93.00	\$0.32
Germany	2003	98.00	\$0.43

4. Although there seems to be a consensus that most people prefer cash returns, in our experience, the people we engage with are just as happy with money directly deposited into their bank.
5. We don't communicate well, or enough, that people can donate their container refund to charity and pay it forward in that way. When we communicate this to people, many are happy to donate their refund to causes they want to support. Conversely, it appears that many charities don't take advantage of this potential form of revenue, and/or don't have the knowledge or perceived people hours to make it happen.
6. There is limited uptake of the scheme within schools as well as towers in the CBD and surrounding high residential city fringe areas. There are unique challenges faced by operators in this space as container only receptacles have a high general rubbish content. This is likely due to a lack of education encouraging the appropriate disposal of containers combined with incentivisation to do so.

Substation33's plans for future engagement with the container recycling scheme.

Substation33's dream is to be a dynamic part of a positive change in the uptake in use of the container recycling scheme. We believe that increased access enabling the general population to deposit their containers is vital to the future success of the scheme.

To create this positive change Substation33 intends to expand our service offering to the scheme by:

- increasing our secondary sort capacity (processing more containers at Canstation33)
- establishing more retail shopfronts similar to the Uptown model
- building and installing solar powered RVM's into easy-to-access spaces
- building small form factor solar powered RVM's such as mobile trailer mounted RVM's for community events.

These initiatives will create opportunities for employment across all activities related to the manufacture of RVM's and the collecting, sorting and processing of containers for recycling.

Case Studies

Nick first attended Substation33 back in November 2021 after completing a stint in rehab and getting clean. He had a difficult upbringing, being adopted at a very young age and then losing his adopted mother in his teenage years. Nick got 'lost' growing up and ultimately found himself as a young father with a failed relationship and a severe drug problem. He also ended up in prison.

Nick knew he needed to change and get his life together for his two young children. So, he got himself clean and then came to Substation33 to pay off a \$16,000 SPER debt and get his driver's licence back. He struggled with authority, had a very strained relationship with his kids' mother and was not capable of talking to a government agency without exploding. Despite these challenges, it was still very apparent the potential he had.

When Canstation33 started Nick helped with the set-up of the site (he is a very skilled welder), and then he was given a supervisory role to help things run smoothly. This didn't always work out as planned with his commitment to the role being inconsistent. He initially struggled with seniority and responsibility and struggled to draw appropriate boundaries with some of the staff.

After some serious realisations and support from our staff, Nick began therapy. This has led to a complete transformation. He has become consistently responsible, is driven, and is extremely reliable.

Case Studies cont.

Nick has also stepped up as a mentor to our young people, convincing others to begin their own therapy journey as many can see the positive impact it has had on him. He also now refers to his ex-partner by her actual name and is constantly improving his relationship with his family. We believe that this is only the beginning of Nick's journey, with his charisma and relatability Nick will have a big impact as a role model for young people that have had similar challenges growing up.

We entered Nick into the Containers for Change "Employee of the Year" award and were thrilled when he was recognised by winning that award. Nick impressed the judges to the point that they also awarded him with the Containers for Change "Change Maker of the Year" award.

The prize money Nick won would have previously been spent unwisely, but Nick has saved it to take his children and his father on a special family holiday. To say we are all proud of Nick is an understatement, but more than anything, to see Nick proud of himself is the most wonderful thing of all.



Matty came to Substation33 three years ago not knowing his given name and surname because his carers changed it as a child. With no valid ID, it was impossible to obtain above-board employment, and Matty turned to other ways to exist, including crime. He was imprisoned for a time in a system that punished and released him back into the same circumstances without correcting the ID issue. Matty simply did not have the skills and resources to engage in life as a fully participating member of society. He kept trying and failing to engage as he saw others doing but couldn't figure out what he was doing "wrong".

When Substation33 employed Matty at Canstation33, we found that he had no birth certificate, Medicare card, tax file number, bank account, superannuation, drivers licence or any experience with employment. He was a ghost. It has taken all those three years to uncover Matty's identity and help him obtain documentation to validate his existence. He would never have been able to do this work on his own due to potential intellectual challenges and a lack of understanding or education around how these systems operate.

Along the way we have supported Matty to learn other basic life skills so he can navigate in society and be less likely to be taken advantage of. We have worked to help Matty understand his strengths and his desires for life, and supported him through many ups and downs.

Case Studies cont.

One of the most celebrated moments for us all was when we helped him uncover his true identity and obtain a birth certificate. From that point we were able to support him to complete all of the above-mentioned documentation, and to get his learners licence in his actual name. Someone had scammed Matty and had accumulated a SPER debt due to traffic offences on his old identity, so a few months were devoted to detaching his invalid name from his old learner's licence from another state. Then, he needed to apply for an exemption for waiting a year before being able to go for his licence. We are so happy for him and celebrated with him as he passed his driver's test in December '24. He now holds a valid licence in his actual name! Yet another celebration occurred when, for the first time in his 29 years of life, Matty was able to do his taxes and get a return!

Watching this friendly, sweet human grow in understanding, confidence, and hope for a future lived as a contributing member of the community has been one of the most rewarding experiences of our Substation33 existence. Matty has moved in from the extreme margins of society and faces a much brighter and sustainable future, able to experience the societal benefits of belonging. In early 2025 Matty transitioned to a mainstream job, bought his own car, and is loving his life!



Both Nick and Matty, along with many others, have benefited in a large part from the partnership Substation33 has with COEX and the Containers for Change scheme.

An invitation

If the committee would like to understand any part of our operations at a deeper level, an open invitation is extended for a visit to any or all of our sites where we operate container refund scheme activities.

Please contact **Tony Sharp** on: [REDACTED] or [REDACTED]

We thank the committee for the opportunity to present this submission.

Tony Sharp,
[REDACTED]

Founder, Substation33