Inquiry - Improving Queensland's Container Refund Scheme

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RESPONSE TO THE QUEENSLAND CONTAINER DEPOSIT SCHEME INQUIRY

Introduction

Tetra Pak supports the Queensland Government's efforts to improve the existing container deposit scheme and increase beverage container recycling across the state. There is increasing global recognition and actions associated with the need to continue moving towards a circular economy in which materials are reused and recycled as an alternative to the linear economy that is based on 'take, make, use and dispose'.

Tetra Pak strongly supports CDS expansion to incorporate a wider selection of containers.

All beverage containers to be included in the Scheme

We believe that all beverage containers, regardless of contents and the type or size of the container, should be included to maximise consumer participation, increase the recovery of clean and source-separated materials, and ensure a level economic playing field. We discuss below why we encourage the additional inclusion of plain unflavoured milk.

It is our view that low-carbon circular economy projects are best supported by maximising recovery of all recyclable materials and that allowing all beverage containers regardless of size or material to be eligible under a container deposit scheme (CDS) best supports this outcome.

We have been very pleased to see the Northern Territory Government recently add plain milk packaging to their CDS. They acknowledged in their *Improving the Container Deposit Scheme* discussion paper that "the policy rationale behind current permitted and excluded containers is not consistent."

In our experience with recycling in many jurisdictions, globally, allowing all beverage cartons to be eligible under the CDS will improve the outcomes, because it simplifies the message to consumers, boosts total collections and provides a secure supply of clean, sorted beverage cartons, which is key to the commercial success of local recycling solutions.

Beverage cartons are designed for recycling in accordance with voluntary industry best practice guidelines and third-party standards, including the European ACE Design for Recyclability Guidelines and the 4evergreen Circularity by Design Guidelines. Several independent third parties such as the *German Minimum Standard for Determining the Recyclability of Packaging, Vienna University Design for Recycling criteria*, and *CITEO/CEREC* all **recognise that beverage cartons are recyclable and should be collected.**

Tetra Pak has invested in domestic recycling capacity for beverage cartons. saveBOARD[1], our recycling partner, processes beverage cartons into ready-to-use construction material for internal and external use in buildings. saveBOARD's first plant in Te Rapa, New Zealand, commenced operations in November 2021.

[1] Home | saveBOARD – Sustainable Building Materials | New Zealand

In Australia, saveBOARD launched their first local recycling facility in New South Wales with the support of state and federal government funding. The saveBOARD remanufacturing process has “full carton” capability. That means the entire used beverage carton, including any on-pack straw, neck and cap can be recycled together.

This solution provides a great alterative to plywood and Oriented Strand Board for the construction industry. Switching to saveBOARD for construction materials would reduce upfront embodied carbon of new homes and buildings and lifetime in-use operational emissions. Australia's construction industry is aiming for net-zero operational emissions by 2030 and a 60% reduction in embodied carbon by 2030, with a broader goal of achieving net-zero emissions for all buildings by 2050.

In 2022, Australia imported more than $600 million of plywood alone. We can now satisfy some of that demand with locally produced, upcycled material, providing both jobs and environmental benefits for Australia.

In order for recycling solutions such as saveBOARD to succeed, they require high quality, reliable feedstock. CDS is an ideal source of this feedstock alongside kerbside collections.

Additionally, it is our view that circular economy projects such as a CDS are best supported by maximising recovery of recyclable materials, and that ***allowing all beverage containers, regardless of size, material or contents, to be eligible under a CDS, best supports this outcome. We therefore recommend a comprehensive expansion of the CDS including plain unflavoured milk.***

We believe the expansion of the scheme, with the inclusion of plain unflavoured milk, will better achieve Queensland’s strategy to move towards a more circular, low-waste economy. It is a joint industry and community responsibility to reduce and deal with waste, which should not be limited by package size or contents. All packaging should be eligible.

Material Recovery Facilities require upgrades

One of the challenges that we see in the recycling system is the limited capability of some Material Recovery Facilities (MRFs).

A circular economy for packaging relies on a well-working ecosystem. If we are to improve recycling and recovery of waste in Queensland, we need to look at the whole circular ecosystem and drive innovation across the whole packaging lifecycle. The current proposed packaging reforms by the Federal Government focus extensively on packaging manufacturers, missing reform related to infrastructure upgrades by MRFs. There need to be incentives or responsibilities for MRFs to improve processes and invest in technology that delivers better outcomes, handling more recyclable materials available on the market. This technology is already widely used overseas.

The value of beverage cartons to the food system
Beverage cartons are designed to respond to the requirements of perishable liquid food for protection - against light, air, moisture and bacteria - and preservation, helping extend products' shelf life up to 12 months without a cold chain or additives. This design minimises food and beverage loss and reduces the food supply chain carbon footprint.

The functional benefits of cartons also enable more product to safely reach regional and remote areas or export markets. Aseptic cartons are able to keep nutritious products such as milk safe, even without access to refrigeration or ideal storage conditions. Cartons are also not susceptible to breakage during transport in the manner of glass.

Additionally, emissions associated with food production outweigh the emissions associated with packaging. For example, packaging typically only accounts for about 3% of total greenhouse gas (GHG) emissions per kg of milk (0.10 kg CO_2eq of 3.15kg CO_2eq). Encouraging the use of packaging which will reduce climate impact should be a core goal of packaging reforms. A 2019 Lifecycle Analysis of Beverage and Food Packaging in Australia and New Zealand conducted by thinkstep anz showed cartons – including aseptic cartons – have the lowest or equal lowest carbon footprint of all packaging options examined. These alternatives included PET, glass, recycled PET, pouches, and carton formats.

The Lifecycle Analysis also revealed cartons had the lowest plastic-per-litre ratio of the packaging options with lower carbon footprints. A typical 1-litre beverage carton contains about 5-12 grams of plastic—significantly less than the 31-38 grams of plastic found in a 1-litre PET bottle, offering a reduction of roughly 26 grams per unit.

Conclusion

The views and recommendations outlined above reflect Tetra Pak's own adoption of circular economy principles in our business and along the entire lifecycle of our products to take sustainability much further. We believe further expansion of CDS to more containers as well as improvements in MRF capability would improve collection and recycling of more waste in Queensland.

We thank the Queensland Government for providing us with the opportunity to participate in this valuable process and welcome further engagement.

Sincerely,

[redacted]
Tetra Pak Oceania

4 April 2025

Tetra Pak in Australia
Tetra Pak is one of the world's leading food processing and packaging solutions companies. Sustainability is a key priority to us and our business is designed to minimise waste and optimise use of resources. We believe the packaging industry must help to reduce its impact on the environment and the consumption of natural resources through responsible design, sourcing and recycling of packaging.

In Australia, Tetra Pak has supported the development of the Australian dairy and beverage industry for the last 60 years – by providing fit-for-purpose processing and packaging solutions. These include creating value from Australia's milk resources and facilitating export growth through our milk processing business and pioneering shelf-stable packaging solutions for the Australian and export markets. Today, Australian domestic and export dairy products in Tetra Pak packages make up 50% of our Oceania business.