

## **Inquiry - Improving Queensland's Container Refund Scheme**

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<b>Submitted by:</b>	Retail Drinks Australia
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04 April 2025

Health, Environment and Innovation Committee  
Queensland Parliament  
2A George St  
Brisbane City QLD 4000

By email: [heic@parliament.qld.gov.au](mailto:heic@parliament.qld.gov.au)

Dear Sir/Madam,

## Re. Inquiry into Improving Queensland's Container Refund Scheme

On behalf of Retail Drinks Australia (**Retail Drinks**), we appreciate the opportunity to provide feedback on behalf of liquor retailers in response to the Queensland Government's Parliamentary Inquiry into Improving Queensland's Container Refund Scheme (**CRS**).

### About Retail Drinks:

By way of background, Retail Drinks is the national industry association representing the interests of Australia's retail (packaged) liquor industry. Our membership represents the majority of all packaged liquor (retail) licences and comprises some of the most recognised and trusted companies and brands in the industry, including:

- Independently owned and operated *Liquor Stores* operating under a known retail banner, or their own.
- *Chain Stores*, including Coles Liquor and Endeavour Group.
- *Digital & Online* liquor retailers, marketplaces, and delivery partners.
- *Retail Banner Groups*, including Independent Brands Australia (Cellarbrations, The Bottle-O, IGA Liquor, Porter's Liquor), Independent Liquor Retailers (Local Liquor, Countrywide Liquor, Liquor & Co), Liquor Legends (Liquor Legends & Urban Cellars), Liquor Marketing Group (Bottlemart), Independent Liquor Group, and Liquor Stax; and
- Small and large beverage producers, suppliers, and service providers to the retail liquor industry.

As part of our role as a national industry association, Retail Drinks has previously contributed to a number of government-led reviews of various Container Refund Schemes (also known as Container Deposit Schemes) in a number of other Australian states and territories including New South Wales, Victoria, the Australian Capital Territory, South Australia, Western Australia, Tasmania and the Northern Territory.

### Response to Inquiry:

Retail Drinks supports the QLD Government's policy objective in enhancing the effectiveness of the CRS in order to drive increased rates of container recovery. We believe that the QLD CRS' effectiveness is dependent on several different factors including the ease of container return through a sufficient quantum of return points in regional areas, interjurisdictional consistency, and offering a diversity of payment options to drive further consumer participation in the Scheme.

As well as structural improvements, we also highlight the importance of amplifying communications regarding the QLD CRS to ensure awareness of the Scheme amongst both consumers and industry stakeholders.

The CRS has been working effectively when compared to other jurisdictions when taking into consideration the size, dispersed population, and geographic diversity of the state. While an 85% container recovery rate target is ambitious, and at 67.4% there is still room to improve, we note that significant progress has been made from 18% prior to the introduction of the scheme. This is particularly notable for aluminium cans (currently 88% recovery) and glass bottles (69.1%)<sup>1</sup>.

We do remain conscious of the impact of the cost of the scheme on retailers and the wider industry. The cost has already risen 18% (11.3 – 13.3c) per container in the past five (5) years. As economies of scale are achieved, the cost of the scheme should plateau or reduce, but it is clear there is a way to go before this is attained. We contend that the inquiry should look closely at impediments to achieving wider take-up. For instance, some members have indicated that more separation of recycling and CRS-eligible products in public spaces and increasing collection at commercial and industrial settings would decrease operational costs and significantly increase container recovery.

Additionally, according to the CoEX 2023-2024 Annual Report, the organisation has considerable equity (\$190 million) and continues to achieve year on year budget surpluses.<sup>2</sup> While sustainability of the organisation is paramount, as a non-for-profit, we suggest a portion of this funding could be allocated to additional programs outlined below to enhance the effectiveness of the scheme.

#### **Ease of Container Return:**

To enhance the QLD CRS' effectiveness, we emphasise the importance of ensuring a sufficient number of return points are made available to QLD consumers to facilitate the ease of returning containers. It is essential to maximise the opportunity for all Queenslanders to participate in the Scheme.

While the channels for collection have expanded since inception of the CRS and the total number of collection points has increased from 292 to 380 (above the 307 target) we contend the targets need to be reviewed. This increase has still left the overall container recovery rate short of the 85% target. Notwithstanding the introduction of Reverse Vending Machines (RVMs), home collection, and mobile refund points, the ease of return remains an impediment for many. We contend this is more prominent in regional areas.

The importance of ensuring a significant quantum and diversity of locations for collection points is magnified in QLD given its size and dispersed population. As well as having a sufficient quantum of collection points, there is also a need to implement a variety of collection points and models. Globally, analysis by KPMG indicates that the most successful CRS have collection points at a rate far higher than Australia.<sup>3</sup>

It is critical that all QLD consumers, regardless of whether they live in metropolitan or regional areas, are able to access return points without significant difficulty. To achieve this, retail liquor outlets should be able to act as refund collection points if they so choose, and this is already the case in other Australian states and territories such as in NSW. To this end, local government approvals should be streamlined to facilitate this. We however would seek to ensure that the involvement of liquor retailers is not mandated either by regulation or legislation and the decision to become a collection point should be at the individual retailer's discretion.

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<sup>1</sup> CoEx [2023-2024 Annual Report](#), p11

<sup>2</sup> CoEx [2023-2024 Annual Report](#), pp50-53

<sup>3</sup> KPMG, Making cents: Economic Analysis of Container Deposit/ Refund Schemes, Page 40, November 2020. Available at: <https://www.australianbeverages.org/wp-content/uploads/2020/11/Making-Cents-An-Economic-Analysis-of-Container-Deposit-Schemes.pdf>



In our view, ensuring the ability of retail liquor outlets to operate as refund points should they wish to, is highly advisable in the interest of interjurisdictional consistency and providing convenience and simplification for QLD consumers, including liquor store customers.

#### **Interjurisdictional Consistency:**

In Retail Drinks' view, the effective functioning of the QLD CRS, and its accompanying benefits, will be enhanced if it operates in a harmonised way with schemes in other Australian states and territories. Given that CDS currently operate in every Australian state and territory (except for Tasmania which is currently in the process of implementing its CRS), there is an imperative for the QLD Government to ensure that its CRS is structured in such a way so that it is closely aligned with other Australian states and territories.

In doing so, Retail Drinks recommends that the quantum of refund remains set at 10 cents to ensure consistency with other CRS schemes. Any increase in the refund amount of 10 cents may necessitate additional costs being passed onto the consumer who are already price sensitive in the current economic climate.

We further recommend that no additional container types be added to the scope of the QLD CRS as this would place QLD further out of step with other equivalent Schemes and may lead to consumer confusion. Retail Drinks opposed the former QLD Government's decision to encompass wine bottles and spirit bottles as part of the CRS.<sup>4</sup>

#### **Payment of Refund Method:**

In addition to a diversity of return points in a variety of locations, there is a need to offer a diverse range of payment methods to consumers when processing container refunds. There may be a range of preferences amongst different consumers as to how the refund is received and it is important to ensure that each of these preferences are accommodated. We believe that having a range of payment options in place will maximise community participation in the Scheme, thereby enhancing the benefits to all stakeholders involved.

#### **Enhancing Community Awareness:**

Lastly, we recommend that any changes to the QLD CRS be complemented by a comprehensive industry and community communications plan to ensure that stakeholders are well-informed. Retail Drinks would be pleased to collaborate with the QLD Government to ensure that its communications are amplified amongst the state's liquor retailers, including distributing relevant information through our various communications channels.

We would also be pleased to assist in this process through point-of-sale materials within stores to ensure that customers and the broader community are made aware of any relevant changes. Retail Drinks has previously produced similar materials in other states and territories where CRS schemes have been recently implemented, such as in VIC where its CRS was launched in late-2023.

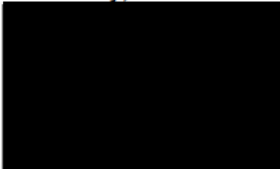
Once again, we appreciate the opportunity to provide a submission in response to this Parliamentary Inquiry into improving the effectiveness of Queensland's CRS. Should there be any matters raised in this submission which you wish to discuss directly, I may be contacted via (P) 02 8335 3200 or (E) [info@retaildrinks.org.au](mailto:info@retaildrinks.org.au).

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<sup>4</sup> Queensland Government, 2024, *Expanding the container refund scheme*, 25 July, <https://www.qld.gov.au/environment/circular-economy-waste-reduction/reduction/container-refund/proposed-expansion>



Sincerely,



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