Inquiry - Improving Queensland's Container Refund Scheme

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SUBMISSION

To: Health, Environment and Innovation Committee

Queensland Parliamentary Inquiry – Container Refund Scheme

March 2025

Preamble

Reloop welcomes the opportunity to make the following submission and would be pleased to make a short presentation to the Committee at the public hearing in Brisbane on 30th April.

Reloop is engaged in public policy development associated with packaging recovery, reuse and recycling. Reloop has amongst other matters, been strongly engaged in the development of new packaging recovery regulations in the European Union. Our work in Australia has included, advocacy in favor of CRS across all states over the past 20+years, including representation through the Qld advisory group processes in the design and establishment phase of this policy.

Introduction

Queensland's container refund scheme (CRS) has produced significant community and environmental benefits including a likely doubling of the recycling rate of drink containers[1], significant reductions in littering of this material, charity sector fundraising and commercial opportunities and assisting with household living expenses for members of the community.

The QLD scheme was however poorly designed (despite the best efforts of many of us) from the outset and the 10c refund value is quickly becoming meaningless to many consumers. However, the scheme can be improved and reach its 85% recovery target and community expectations for high levels of performance.

The QLD Government decision to initiate a parliamentary inquiry into the states CRS is welcome and an opportunity for reform that no other state has yet unfortunately sought to pursue.

This submission will highlight that for the QLD CRS to achieve its 85% target a two-step policy combination must be adopted, namely an increase in the refund value and an improvement to collection network accessibility. One without the other will be insufficient to address community demands for an improved scheme.

Along with the lowest refund values globally QLD's CRS is also amongst the least convenient in the world, both quantitatively (the number of return points) and qualitatively (the citing of return points in less-accesible areas) and both these issues must be fixed.

It's this combination of, increasing the states refund value from 10c➔20c+ and improving the collection network that will provide QLD with both a leadership position nationally at the same time as ensuring the states scheme reaches the 85% target and is truly of value to Qld consumers.

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[1] Only NSW and WA undertook pre-CRS bin audits, to determine the actual % of drink containers being recycled. Both studies found around 32% of drink containers were being returned through the yellow bin. QLD had a less comprehensive pre-CRS kerbside network than NSW, at least, so return rates may actually have been lower than those two states. Either way, with recycling rates now around 67% it's evidence the QLD CRS has at least doubled the recycling rate of eligible drink containers.

Community Expectations

In order to inform the Qld Inquiry Reloop commissioned Redbridge to undertake social research of community attitudes toward the scheme and reform options available.

In summary, the community remains highly supportive of the scheme overall and this is manifest across all political persuasions, with 90% of Queenslanders having a favorable view of the scheme[2].

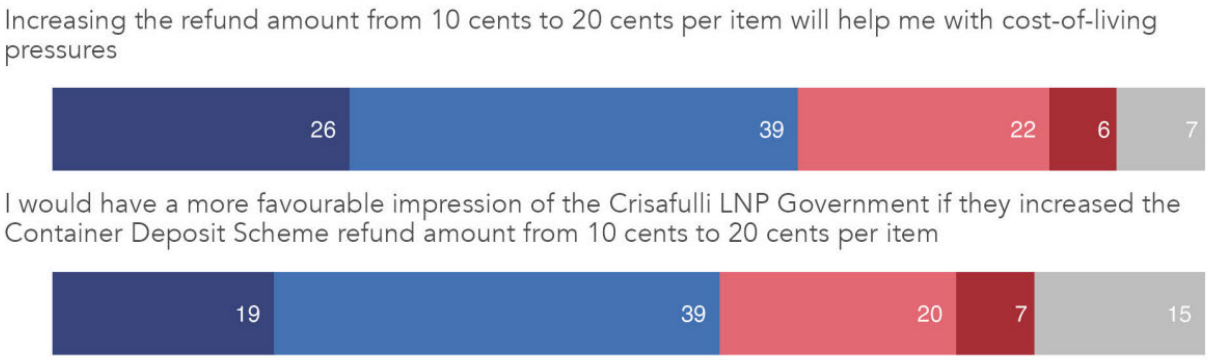
Particular highlights of this survey and for the committee include the following.

1. The share of voters that **support an increase in the refund value is 86%** (strongly or support) with just 12% opposing

2. Support for an increase in the refund value, its impact on costs of living pressures and electoral support for this action.

65% of consumers agree that an increase to the refund value will help cost of living pressures; 35% say it wont assist them; and 58% of the electorate say a refund increase would make them more favorable to the incumbent government.

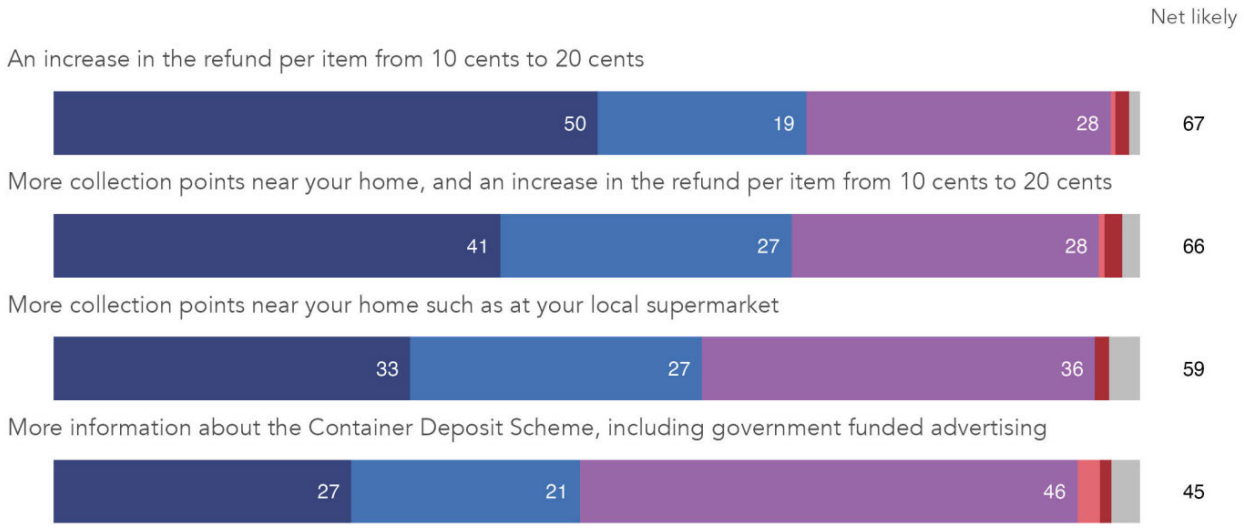
In addition the survey found support for a refund increase was highest amongst consumers under high levels of financial stress and as. Mechanism to improve their cost of living challenges.



In terms of cost of living the survey found

3. The following graph shows the degree of increased participation in the scheme from the two central reforms available to the government, i.e. a refund increase and additional and more convenient collection points.
    a. 69% say a refund increase will encourage higher levels of scheme participation
    b. 68% support the combination of increased convenience and a refund increase
    c. 60% say they'd participate more with just more collection points
    d. And only 48% felt they need more marketing of the scheme to get them to engage

[2] Public Opinion on the QLD Container Deposit Scheme, a Redbridge Group Report, 31 March 2025. Available on request.



As the authors point out in the following excerpts from the report the most effective tool for increased scheme participation and therefore success (higher recycling rates, more funds to community groups, more funds for households, less litter etc) is a refund increase. Though the combination of this increased refund value and improved collection point convenience is also high.

- An increase in the refund per item from 10 cents to 20 cents was the most effective change, with 69 per cent of Queenslanders saying this made them more likely or much more likely to participate in the scheme, compared with less than two per cent who said it made them less likely to do so.
- The price increase on its own was more effective than the combination of a price increase and more collection points near homes. Sixty-eight per cent of Queenslanders said the latter made them more likely to participate, while two per cent say it makes this less likely. It should be noted that the differences between these first two changes are not statistically significant.
- On its own, however, a greater number of collection points located near peoples' homes is less effective, with 60 per cent saying this would make them more likely to participate, and around one per cent less likely.

Reloop would suggest and articulates below the need for a combination of collection network improvements and a refund increase to best serve the community and achieve the 85% target.

Summary

While the QLD scheme has been successful increasing the recycling rate for containers, reducing littering of these items, returning funds to community groups, charities etc and helping consumers make additional income, the scheme couod be a lot better, more effective in its tasks and with higher levels of consumer participation.

The Qld scheme design determined by the department unfortunately handed far too much responsibility for its operation to beverage producers who have a conflicting agenda to that of the government and community. This governance regime is world's-worst-practice and we see the results in the low levels of scheme convenience, collection rates and failure to achieve collection rate targets; though the current executive have sought to get-around these challenges and improve the scheme.

Critical Features of High Performing CRS Globally

Reloop's analysis of over 50 deposit schemes worldwide highlights three critical factors that significantly impact return rates and can help explain Queenslands lagging performance. These are:

- The deposit/ refund level
- Degree of return point convenience

- A wide scope of containers

1. Refund Value: Qld's refund value is amongst the lowest globally

Reloop's Global Deposit Book 2024, released in December 2024, highlights significant room for improvement in Queensland's CRS. In 2024, the QLD return rate for CRS-eligible beverage containers– including those collected via kerbside recycling and material recovery facilities (MRFs) – stood at just 67% (see Figure 1). When MRF collections are excluded, aligning with the reporting standards of most container refund schemes worldwide, the return rate drops further to 55%.

These figures fall well short of global benchmarks and of course the legislated 85% target that was supposed to be achieved by 2021/22. High performing CRS like those in Europe have median return rates (only of containers returned through CRS collection points) of 89%, while Canada's median stands at 76%.

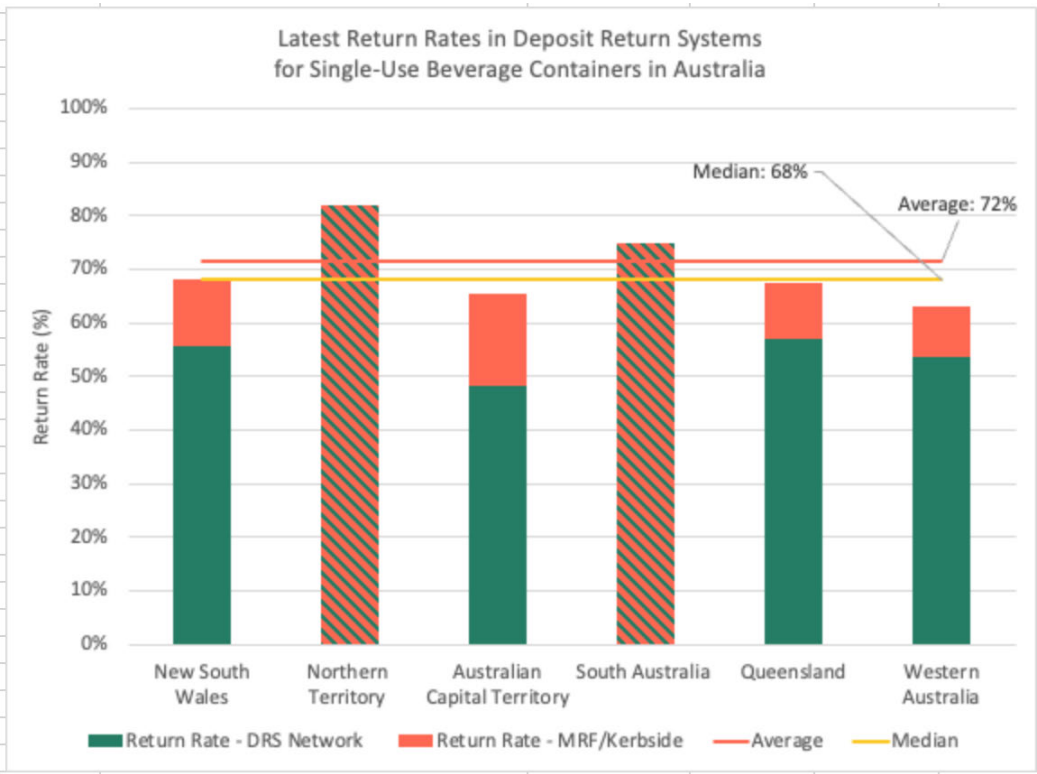


Figure 1. Latest return rates in container refund schemes (CRS) for single-use beverage containers in Australia

Boosting beverage container recovery in QLD's CRS programs is well within reach. Numerous international CRS have already achieved return rates exceeding 90%, including Germany (98%), Finland (96%), and Denmark (93%). With the right improvements, there is no reason QLD's scheme cannot reach similar levels of success in container recovery and achieve its 85% target.

Research across multiple jurisdictions highlights a clear and consistent link between higher deposit/refund rates and increased return rates. Figure 2 illustrates this strong positive correlation. The data shows that systems with a minimum refund value of AUD$0.20 achieve the highest return rates, underscoring the importance of adequate financial incentives in driving consumer participation.

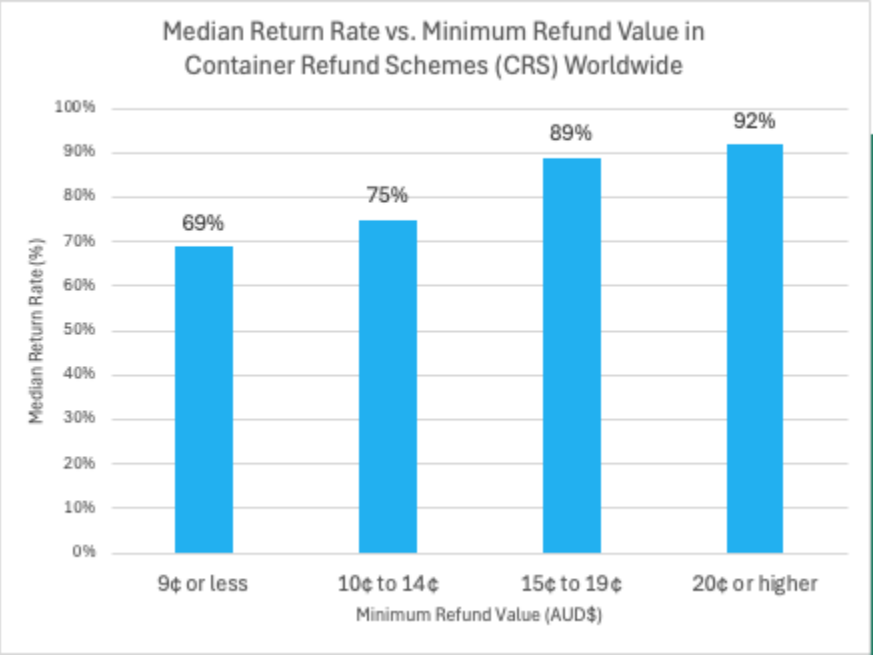


Figure 2. International CRS Return Rates Compared to Minimum Refund Values, in Australian dollars (includes material collected from kerbside recycling programs/MRFs in Northern Territory and South Australia).

Currently, all Australian deposit schemes offer a $0.10 refund per eligible container. This is much lower than deposit rates in most leading international CRS programs where return rates exceed 90%, such as Germany (AUD$0.42), Norway (AUD$0.28-$0.42), Finland (AUD$0.17-$0.66) and Denmark (USD$0.22-$0.67) (see Figure 3). This disparity is particularly notable given Australia's economic standing relative to these countries (see Figure 4). When adjusted for purchasing power parity (PPP), which accounts for differences in relative purchasing power across jurisdictions, Australia's GDP per capita is higher than three of the leading international container refund schemes. In 2023, Australia's GDP per capita (PPP) was 55% higher than Slovakia's, 30% higher than Lithuania's, and 8% higher than Finland's.[3]

[3]World Bank Group. "GDP per capita, PPP (current international $). Accessed 7 February 2025 from https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD

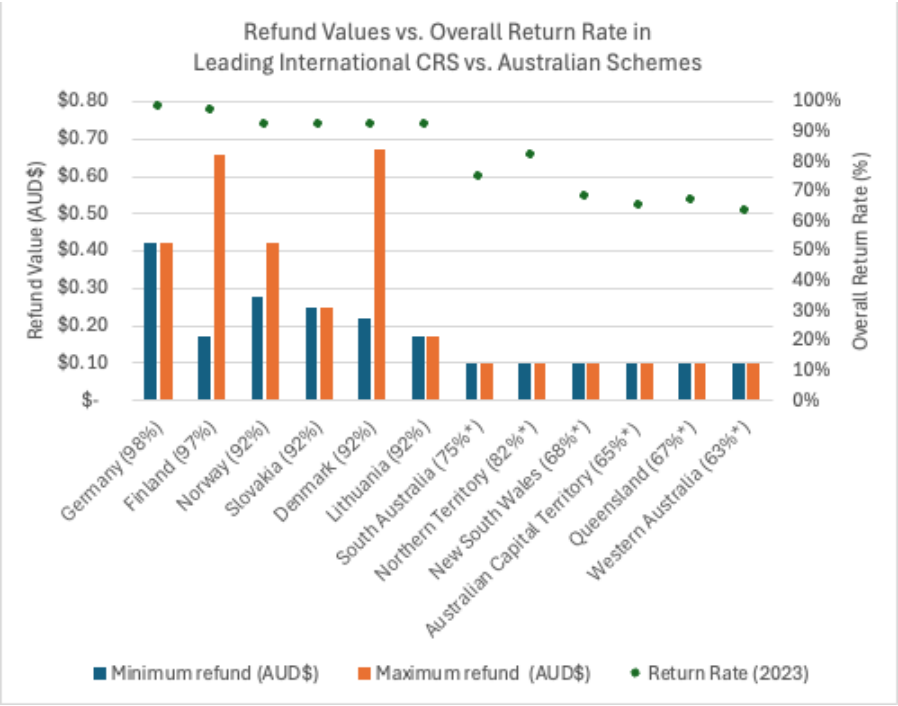


Figure 1 Refund Values vs. Overall Return Rates in Leading International CRS vs. Australian Schemes

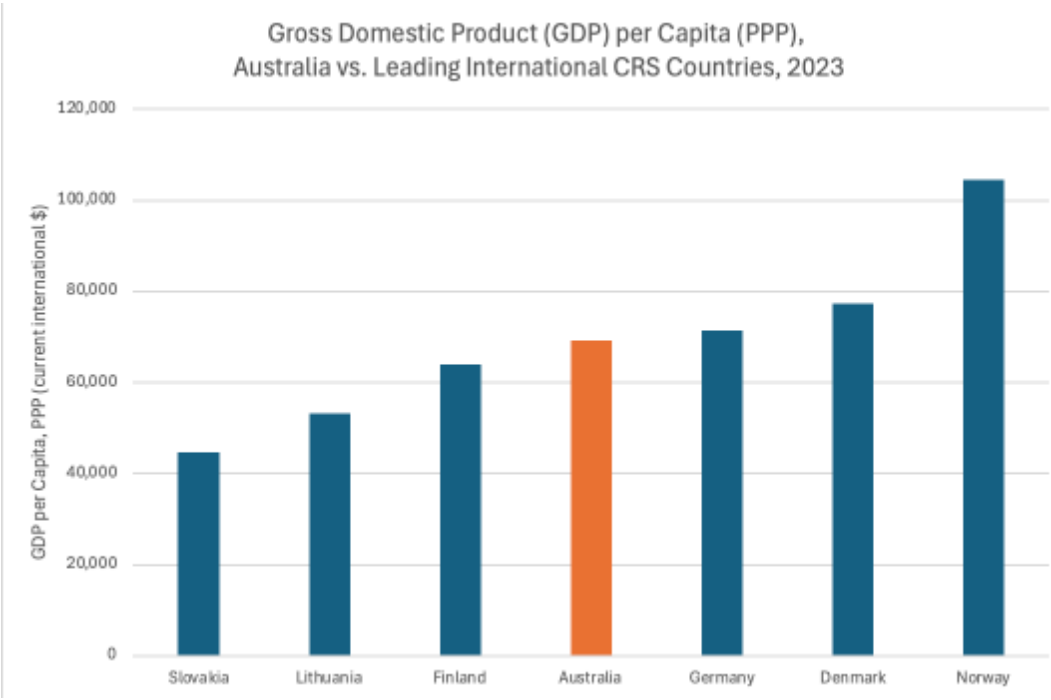


Figure 2 GDP per Capita (PPP) (Current International $), Australia vs. Leading International CRS Countries, 2023

Aside from being well below comparable European deposit rates, there's also the fact that refund amounts in Australian CRS programs are not being adjusted for inflation, eroding their value over time. This reduces the incentive for consumers to participate and contributes to return fatigue, where the effort of returning containers outweighs the perceived reward.

Consumers are highly supportive of a refund increase. As a 2024 survey outlined, across all political persuasions 83% of the electorate supports a refund increase and just 7% opposed[4]; and our most recent Redbridge survey, cited earlier, showed this figure remains consistent in 2025 at 86%.

Is there a cost of living impact from a higher refund value?

Beverage industry interests may claim a refund increase will have a 'cost of living' impact. If this were the case we'd see evidence of consumer impacts in lower sales. To examine this proposition Reloop underook an extensive analysis of global sales data over a 20year period where deposit/ refund schemes had been implemented and where deposit values had been increased[5].

The following table gives a snapshot of schemes globally where a scheme was either introduced, expanded or where the deposit was increased (to stay ahead of inflation / increase the return rate). In no case was an impact on sales evidenced that could be attributed to any of these reforms.

Summary of DRS impact on sales, 2000-2021

Jurisdiction	DRS event				Impact
	Introduction	Deposit increase	Program expansion	Other reform	
Alberta (Canada)		2008	2009	2002	No impact on sales
Australia Capital Territory	2018				No impact on sales
Croatia	2006				No impact on sales
Denmark	2002		2005, 2008		No impact on sales
Estonia	2005	2010, 2011, 2015			No impact on sales
Finland			2012		No impact on sales
Germany	2003			2006	No impact on sales
Lithuania	2016				No impact on sales
Netherlands	2007				No impact on sales
New South Wales (Australia)	2017				No impact on sales
Norway		2018			No impact on sales
Queensland (Australia)	2018				No impact on sales
South Australia		2008	2003		No impact on sales
Western Australia	2020				No impact on sales

2. Convenient return processes

Next to refund values, the accessibility of return options also plays a critical role in system performance. Jurisdictions that utilize a return-to-retail (R2R) model — where retailers are legally required to accept container returns and provide refunds — achieve a median return rate of 84% (Figure 4). This is significantly higher than the 69% median return rate in jurisdictions that rely on depots or hybrid models.

[4] Redbridge Group report for Boomerang Alliance, August 2024 (available on request)
[5] https://www.reloopplatform.org/wp-content/uploads/2023/08/Reloop-Impact-of-DRS-Report.pdf

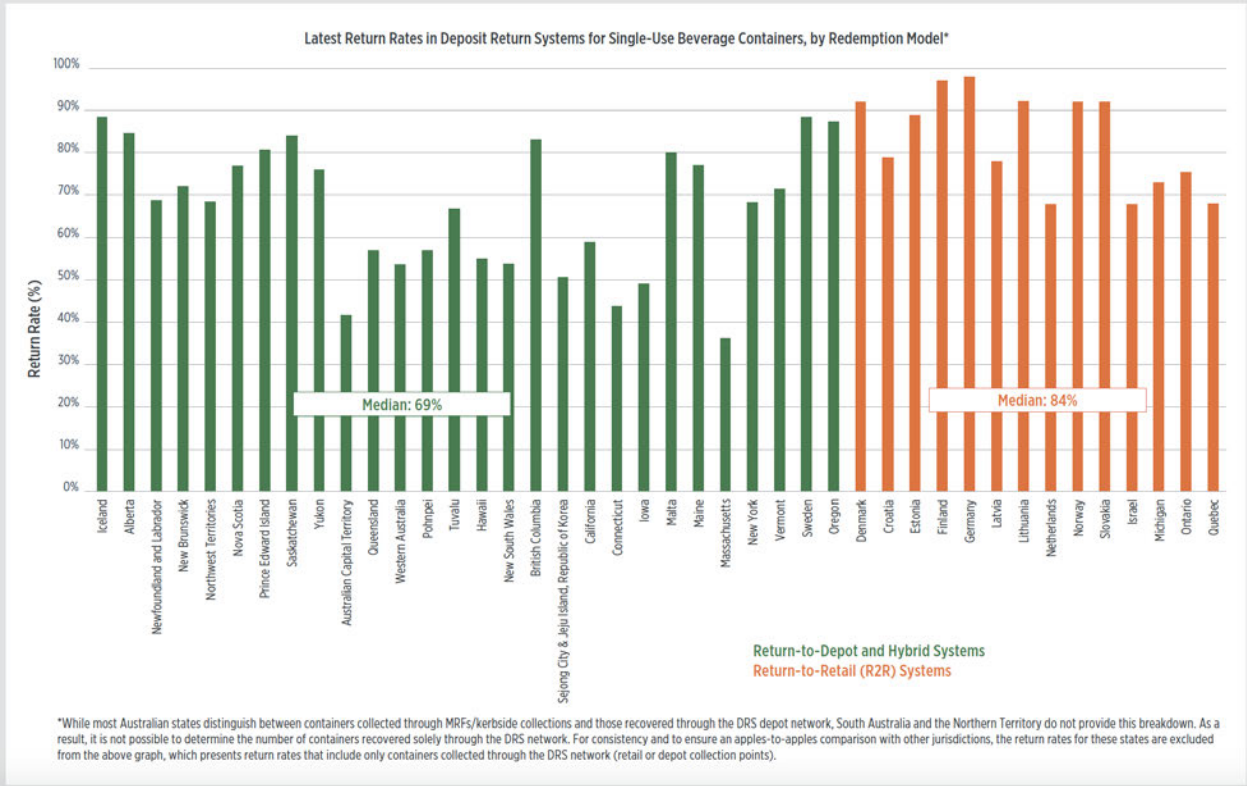


Figure 4 Latest Return Rates in Container Refund Schemes for Single-use Beverage Containers, by Redemption Model (excludes material collected from kerbside recycling programs or material recovery facilities [MRFs])

In Australia, some CRS programs (primarily Queensland, South Australia, and Western Australia) follow a largely return-to-depot model, requiring consumers to return containers to stand-alone depots (often located in industrial precincts rather than convenient locations for consumers) to receive their deposit refunds. New South Wales (NSW), Victoria, and soon Tasmania operate a hybrid model that includes depots alongside voluntary retail return points (unlike leading international CRS, where return-to-retail (R2R) is mandated by law, Australia's retail collection points are entirely voluntary). This means retailers are not legally required to accept container returns, and where retail-based reverse vending machines (RVMs) do exist, they are limited in number, often located outside rather than in-store, and not universally available. As a result, hybrid and return-to-depot models in Australia are generally less convenient than legislated R2R systems, which provide consumers with a guaranteed option to return containers at the same locations where they shop.

Compounding this issue, the number of return points per capita in Australia is low compared to leading international schemes (see Table 1) and Qld is the least accessible of all Australian states. This limited accessibility reduces convenience and hampers the overall effectiveness of Qld's and Australia's CRS programs.

Table 1. Accessibility Metrics in Australian CRS vs. Leading International Schemes, 2023

	Redemption Model	Number of Collection Points	Population per Collection Point
Norway	Return-to-retail	15,000	370
Denmark	Return-to-retail	13,292	448
Germany	Return-to-retail	130,000	642
Lithuania	Return-to-retail	2,600	1,110
Finland	Return-to-retail	4,000	1,401
Slovakia	Return-to-retail	3,300	1,644
Western Australia	Return-to-depot	255	11,482
Victoria	Hybrid	600	11,510
New South Wales	Hybrid	650	12,977
Northern Territory	Return-to-depot	18	14,091
South Australia	Return-to-depot	129	14,468
Queensland	Return-to-depot	354	15,617

While the current COEX executive have recognised the inconvenient nature of their collection network and have endeavoured to amend this challenge, they are starting from a low base. Both the number of sites and the quality (accessibility for consumers) of QLD's sites is amongst the lowest in the world.

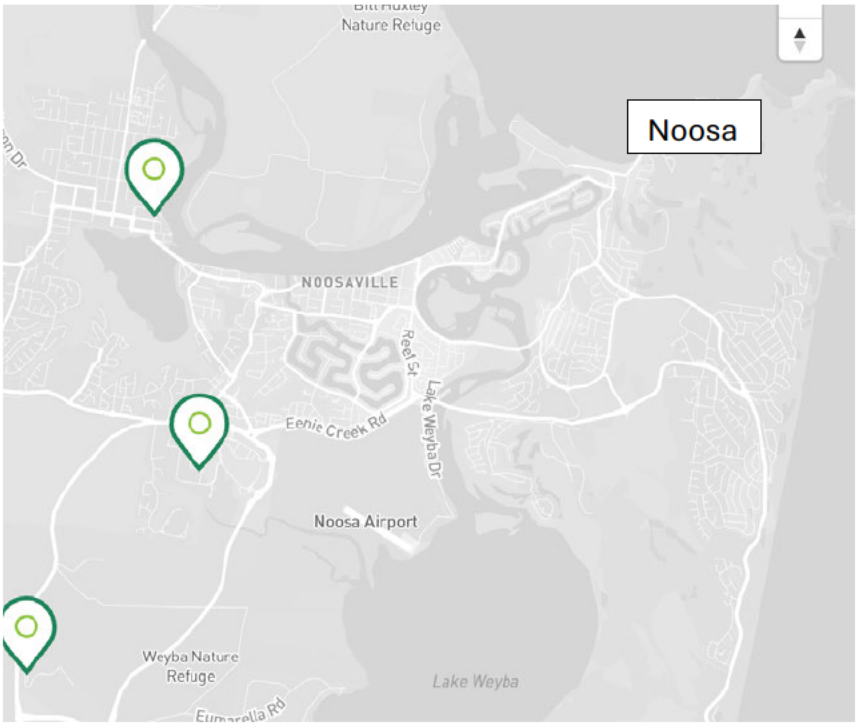
Personal anecdote: On a holiday to Noosa in 2022 I was struck by the lack of collection services within the area; the closest collection point to Sunshine Beach being in the industrial precinct behind Noosaville shopping centre.

While I was fortunate to have a rental car to go the eight kilometres to the site, a significant enough effort for the $2 I was to be rewarded, there is a real equity argument here.

For poorer, disabled, older or otherwise disadvantaged consumers what are they supposed to do to access these kinds of sites? i.e. catch a bus with a bag of bottles? Ride a bike with a bag containing glass?

This means people with the least to afford and potentially the most to gain (financially) large areas of the QLD container refund network are simply inaccessible.

Beyond that does the beverage industry, that manage and set-up the QLD scheme in the first instance, expect that busy parents and others are going to spend valuable family time on a weekend to drive out of their way to a depot to get their $2-$3 back?



The map from the COEX website shows the collection points around Noosa (the closest being more than five kilomtres away, and the site in northern most site in Tewantin is a discredited 'bag drop' service (that requires collection of a unique bag, registration for a sticker to put on the bag and a wait for the refund of some days via EFT.)

QLD's collection network must be improved and there are likely a handful of mechanisms to try and achieve this – though its unclear how effective these options might be.

1. There are few penalties available to the Minister in QLD aside from the so called 'nuclear option' of sacking COEX and contracting an alternate scheme coordinator.

In any case, the Minister could simply insist that COEX add an additional number of sites and dictate these should be convenient.

2. Regulate for a network operator to overlay the existing collection network.

This would allow the QLD government to dictate terms for a tender that would likely include a certain number of sites, where these should be positioned etc

3. Regulate for a limited return-to-retail obligation to require large retailers of beverages (bottle shops/ supermarkets) to establish collection facilities

This mandate could prescribe that retailers over for example 800sqm would be liable and based on an assessment of the existing network and the number of additional collection points the government might want.

3. Comprehensive scope

The third feature of successful schemes is a broad coverage of all drink packaging. Queensland has already decided to expand the scope of eligible containers in its CRS to include glass wine and spirits. This is a welcome development and goes a considerable way to achieve the 3rd plank of effective schemes.

Schemes with broad scopes that include a wide variety of beverages and container types consistently achieve higher return rates. For example, New York's experience demonstrates the impact of expanding program coverage. When water bottles were added to its system in 2009, the number of PET plastic

containers returned for recycling doubled, according to a 2021 report.[6] Similarly, Denmark offers a compelling case: despite already achieving a world-leading beverage packaging recycling rate of 90% in 2018, the Danish government expanded its scheme in 2020 to include single-use juice and concentrate bottles. This expansion was projected to result in an additional 52 million bottles being recycled annually, increasing the schemes' recyclable packaging volume by 4-5%.[7]

In contrast, many of Australia's CRS programs exclude key categories such as wine and spirit bottles, as well as non-carbonated beverages like milk and juice. These exclusions not only limit the volume of recyclable materials captured but also contribute to consumer confusion over which containers are eligible for a refund, potentially discouraging participation. Expanding the scope to include these containers would reduce uncertainty, encourage greater engagement, and unlock untapped potential—boosting recovery rates and ensuring more packaging waste is diverted from disposal.

Consumers are generally also more likely to participate in CDS schemes if they cover a more complete range of beverage products. The following paper from WA's Curtin University outlined this consumer preference in 2022[8].

*Greater container eligibility was a recurring theme throughout the survey and a key barrier to CDS uptake, with many participants taking the opportunity to express their frustration at the lack of eligible containers. Overall, 87% of survey participants would participate more in the 10-c refund scheme if wine bottles, milk cartons, cordial/syrup containers and alcoholic spirits were eligible for a 10-c refund (**Figure 9**). This response was split evenly across the respondents, regardless of their past, current, or non-existent use of the CDS. This reflects the demand and the need for including more items to motivate individuals to participate in CDS.*

QLD CRS design – A failure of governance

There are three principal CRS governance models globally. These are:

- A scheme coordinator with strong legislative guard rails (Europe, the US etc)
- A scheme coordinator with few legislative demands (QLD and WA)
- A scheme coordinator and network operator working in tandem (NSW, TAS, VIC, ACT)

1. **European scheme design:** A Scheme Coordinator (SC) made up of beverage and retail industry interests, a handful of independent board members and perhaps community sector representatives. The Board then employ the CEO and other staff.

Importantly, this governance model is steered by clear legislative requirements related to the value of the refund (Australian schemes also have legislated and regulated refund levels – so the government can change this value periodically); and a legislated **requirement that all retailers of drinks (retailers over a certain size) are required to take back these empty containers** and provide consumers with the refund.

Unfortunately, neither Qld nor any other Australian CRS contains this legislated retail obligation.

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[6]TOMRA. 2021. "Rewarding Recycling: Learnings from the World's Highest Performing Deposit Return Systems." Accessed 7 February 2025 from https://8151194.fs1.hubspotusercontent-na1.net/hubfs/8151194/TOMRA_Rewarding_Recycling%20-%20English.pdf?utm_campaign=DRS%20-%202023&utm_medium=email&_hsenc=p2ANqtz--s99aMaKRFGo1kpltNuDzXK8rYge0SqLCMbFaKG-H1xDvF9pCrpuUObPdl9JwWQbLuywrMg1gM_Q3wI901eDvlyAiJ66a0d8uMnxF3JPkFPkPWayk&_hsmi=326414365&utm_content=326414365&utm_source=hs_automation

[7]State of Green. 10 July 2018. "Denmark expands its deposit and return system to increase recycling." Accessed 7 February 2025 from https://stateofgreen.com/en/news/denmark-expands-its-deposit-and-return-system-to-increase-recycling/#:~:text=The%20expansion%20is%20expected%20to,collected%20by%20the%20deposit%20system.

[8] Https://www.mdpi.com/2071-1050/14/19/11863/htm

The SC takes on the administrative responsibility for the scheme such as data collection, financial management, invoicing, etc

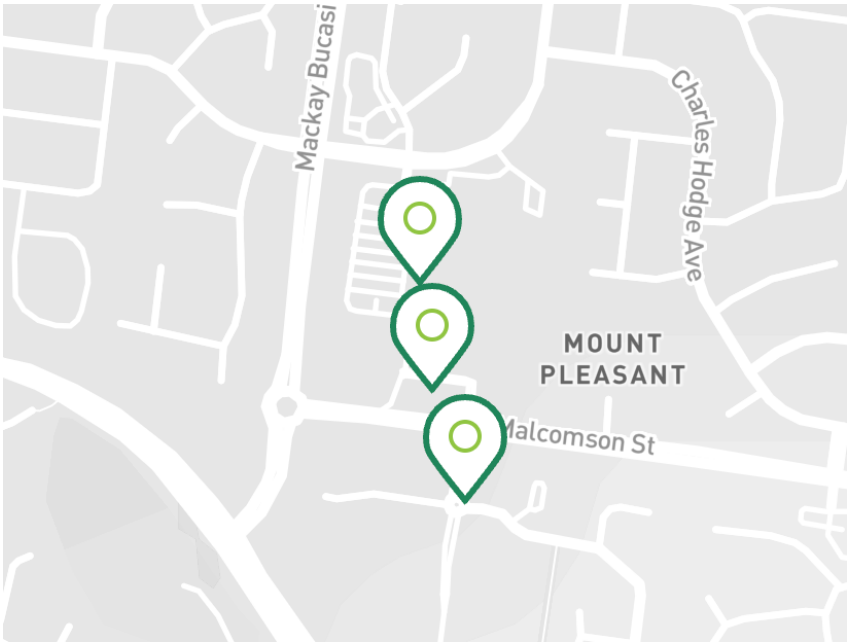
But the determination of where collection points will be cited is out of their hands and the legislated retail-obligation guarantees to the community, consumers and government that the scheme will be convenient. Large retailers throughout the jurisdiction establish return points in store, which creates maximum convenience for consumers and removes the ability for the SC to control this important feature of successful schemes.

2. **QLD and WA scheme:** A Scheme Coordinator (SC) made up of beverage and retail industry interests, a handful of independent board members and perhaps community sector representatives.

Though in this case there is no legislated retail-obligation to take containers back. This means in the case of Qld (as this is the scheme adopted in the state) that the SC decides which collection point operators will be contracted and which wont.

The QLD SC especially in the early days opted largely to contract less convenient depots located in light industrial areas, or even bunched together rather than spread out, which would go some way to increasing consumer accessibility.

The following COEX image of refund points in Mackay is an example of this 'bunching', which serves neither the community or the collection point operators (who compete in proximity of each other), though it does help to 'make-up-the-numbers' in COEX reporting.



In this case the Qld SC (i.e. Container Exchange COEX) was able to meet its 'minimum number' of collection sites (307 within 12months) as it was never concerned with making these sites convenient.

Reloop is not aware of a single jurisdiction (outside of Western Australia which has the same governance model) anywhere else in the world that has adopted such a poor governance framework.

3. **ACT, NSW, TAS and VIC model:** A Network Operator (NO) Model. The model implemented in NSW, Vic, ACT and Tas is a globally unique governance framework, and while far from ideal is better than the single SC model the QLD Departmental officials were convinced by beverage

industry interests to adopt. This approach was adopted as a get-around the fact the NSW Government had failed to legislate (as all high-performing schemes do) a return to retail mandate.

A SC (as in QLD) manages the data, invoicing and other administrative functions; and the collection network across the state is contracted directly by the government to a Network Operator(s) (NO).

This model recognised that beverage industry, if given the power (as they were in QLD), would seek to create an inconvenient scheme network. To avoid this the Departmental officials designed a scheme with a SC (that administers the CRS, with data gathering, invoicing, some marketing etc) and a separately contracted NO that met the Governments tender requirements for convenience, accessibility etc.

Why do COEX and the beverage industry want to minimise the refund value and the convenience of the collection network?

The beverage industry will be opposed to any reforms that the inquiry may find in favor of that will improve recycling rates. Why?

Beverage industry interests that dominate the COEX Board[9] want to avoid paying refunds back to consumers and avoid paying out handling fees to recyclers. The obvious way to do this is to keep return rates low and this is achieved by dis-incentivising consumer participation via a low refund value and an inconvenient collection network.

CRS Reform – What the policy makers say

In 2022 Australia's State *Heads of Environment Protection Agency*'s [(EPA's) (HEPA)] released consumer studies[10] that demonstrated a combination of collection point inconvenience and the low 10c refund value were the key obstacles to consumer participation in Australia's schemes and the resultant low and stagnating return rates.

The excerpt below, surveying why consumers did not engage in a CRS, outlines key state data for this conclusion.

	Jurisdiction			
	NSW	ACT	QLD	WA
Inconvenient to drive to the return points	38%	38%	18%	20%
Refund amount is too low	23%	31%	25%	35%

The data demonstrates that the low refund value was in fact the primary cause for low levels of engagement in the QLD scheme and in fact the low refund value was the primary reason for a lack of scheme engagement given by Qld consumers.

HEPA in November 2023 also committed to 'assessing the regulatory impacts of increasing the refund value'[11], as part of a suite of measures to rebuild consumer participation. There has been no regulatory work done that Reloop is aware of and this is another reason the QLD Government leading on a reform agenda via this inquiry is welcome.

Why this Committee should reform the states CRS and achieve the 85% target.

Beverage containers — aluminium cans, plastic bottles and glass — are among the most recyclable materials in Australia, yet billions still end up as waste each year. According to Reloop's What We Waste Dashboard, Australia wasted an estimated 3.9 billion recyclable beverage containers in 2024 alone—enough to fill the Sydney Opera House twice; and almost 1Billion containers in Qld alone.

[9] Of the nine current Directors, four are from the beverage industry
[10] EPA October 2022
[11] https://www.epa.sa.gov.au/files/15790_hepa_cds_national_research_report_nov2023.pdf

On a per capita basis, we waste around 146 containers per Australian, including 58 glass bottles, 46 metal cans and 42 PET bottles. Over the past decade (2015-2024), the total waste amounts to an estimated 54.3 billion containers, including 15.2 billion PET bottles, 17.3 billion metal cans and 21.7 billion glass bottles—equivalent to 8.7 million tonnes of material lost to disposal or the environment. This waste represents a market value of $657.7 million AUD.
If current collection for recycling rates remain unchanged, Reloop projects that Qld will see another 4billion glass, metal, and PET beverage containers between 2025 and 2029 litered or landfilled.

Reloop estimates that if a best-in-class CRS was adopted in Qld —designed to achieve the 85% return rate target—an additional almost 3 billion units of beverage containers could be recovered in the state from 2025 to 2029 instead of being lost to landfill and the environment. This would equate to an additional 300k tonnes of glass, metal, and PET containers recycled over this five year period, which, at 2024 prices, would hold a market value of approximately $35 million AUD.

The Loss of a Valuable Commodity: Every beverage container is a valuable commodity, and each container not returned through the DRS signifies an economic loss, as producers must import food-grade resin from other sources to manufacture new bottles. These unreturned containers also burden costly municipal waste management systems and contribute to the growing problem of plastic pollution.

Beyond the economic and environmental value of improving the scheme there are additional social outcomes to support from an improved CRS in QLD. These include:

- Many consumers utilise the scheme to generate additional income and an improvement in the value (refund amount) of that effort will improve their cost of living challenges
- Equally, a higher refund value will support the hundreds of social, sporting and community groups that fundraise from the scheme with additional funds
- Improved convenience represents an equity outcome as the scheme's existing design is inaccessible for many of the poorest and least advantaged in our community

Why Increasing Refund Values is the Most Effective Strategy to Boost Recovery Rates

The Qld government must improve the states CRS collection point convenience, this is only fare and equitable for consumers[12]. But more, and more convenient sites are unlikely to substantially improve the recycling rate. More convenience must be coupled with a higher refund if we are to get close to the 85% target.

The absence of a legislated return to retail mandate means all states in Australia are below par in terms of collection point convenience. So while NSW has both many more collection sites and sites located in more convenient retail precincts, the recovery rate in that state is similar to Qld's.

To unlock Qld's potential for higher recovery rates, and in the absence of a revised legislative mechanism to require retail take-back, raising refund values stands out as the most effective strategy. Evidence from schemes worldwide demonstrates that higher refunds directly correlate with increased return rates, offering a proven solution to address current gaps in performance.

South Australia provides a compelling case study. In September 2008, the state government doubled the refund on beverage containers from AUD$0.05 to AUD$0.10, leading to a sharp rise in return rates. Within a year, the return rate climbed from 69.9% to 76%, reaching 80% by 2009-10 and eventually peaking at 81.4% (Figure 5)--a total increase of 16% following the refund hike. This data highlights the

[12] Options for scheme reform to increase collection point numbers and convenience are attached in appendices

effectiveness of financial incentives: when the value of the refund increases, consumer participation rises accordingly.

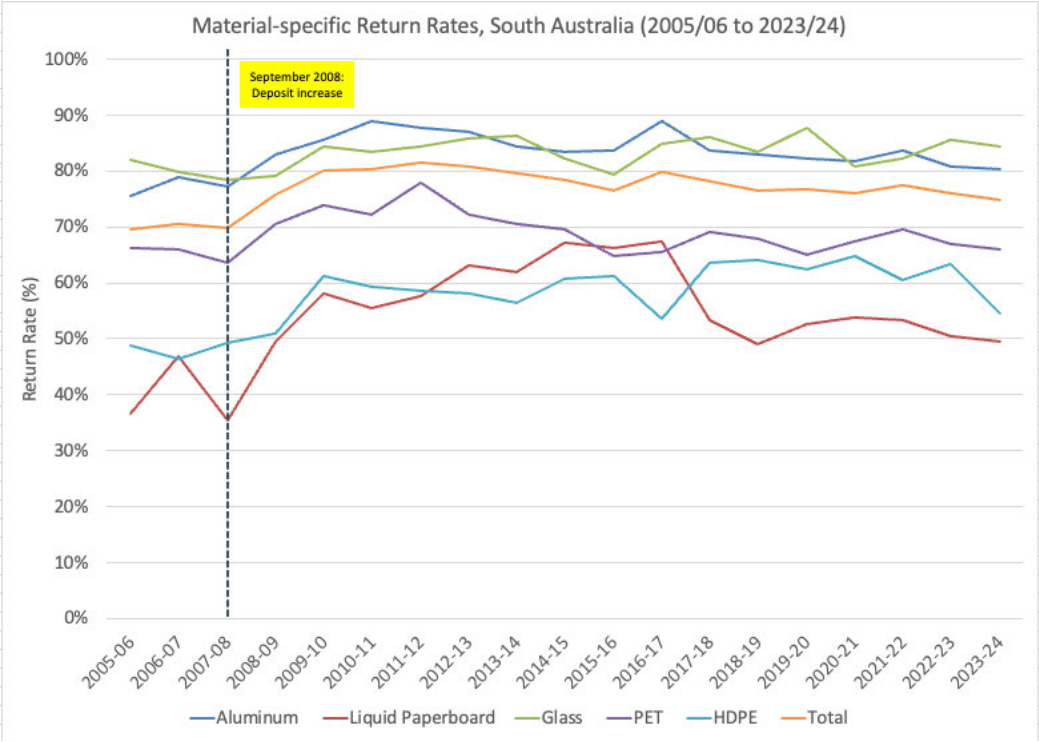


Figure 3 Impact of Refund Increase on South Australia's Return Rates

Both Oregon (United States) and Alberta (Canada) provide additional compelling evidence of how increasing refund values can drive significant improvements in beverage container recovery. In Oregon, return rates had stagnated at around 60% between 2014 and 2016. However, in 2017, the state doubled its deposit from USD$0.05 (AUD$0.08) to USD$0.10 (AUD$0.16), resulting in a remarkable turnaround. By the end of that year, the return rate had surged to 73%, eventually reaching 86% by 2019 (Figure 6).[13] Similarly, the province of Alberta increased its deposit at the end of 2008 which led to a 10 percentage-point increase in the overall return rate by the end of 2009 (Figure 7).

[13]Reloop. May 2024. "Fact sheet: Deposit return systems – How they perform." Accessed 4 November 2024 from https://www.reloopplatform.org/resources/deposit-return-systems-how-they-perform/

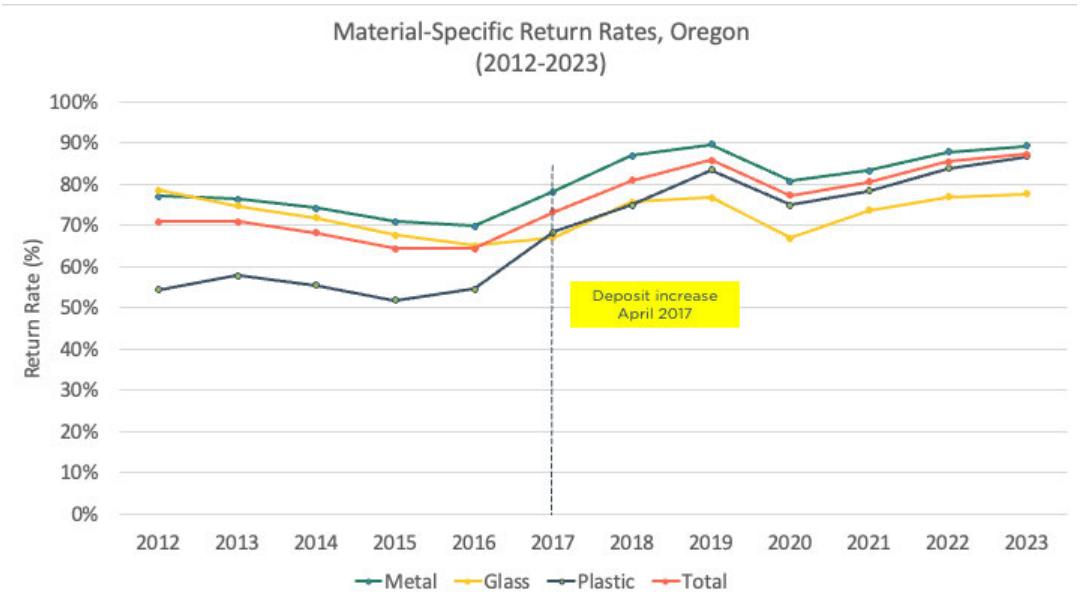


Figure 4 Impact of Deposit Increase on Beverage Container Return Rates in Oregon's CRS, 2012-2023

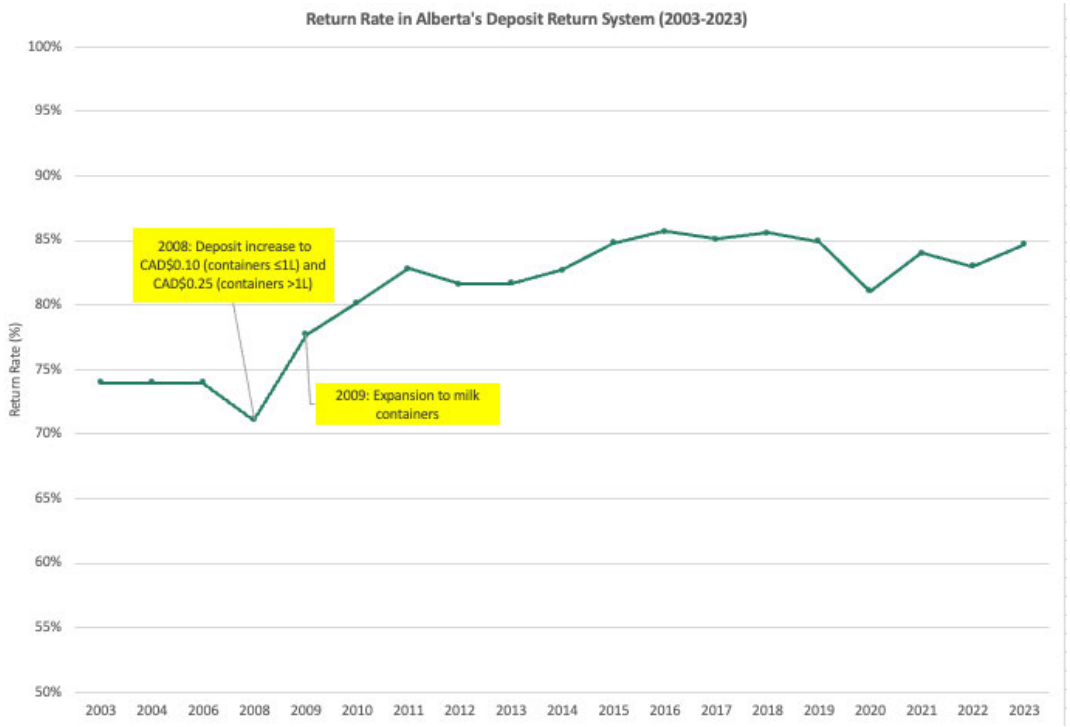


Figure 5 Impact of Deposit Increase on Beverage Container Return Rates in Alberta's CRS, 2004-2023

In Europe, in September 2018, Norway implemented a doubling of its deposit rates, raising the fee for containers under 500ml from 1 NOK (AUD$0.14) to 2 NOK (AUD$0.28) and for containers over 500ml from 2 NOK (AUD$0.28) to 3 NOK (AUD$0.42). This adjustment had an immediate and significant impact: within two years, return rates surged across all material types. The return rate for cans increased from 84% in 2017 to 93% by 2020, while plastic bottles rose from 88% to 92%. Overall, the system's return rate climbed to 92% in 2020, up from 87% in 2017 (Figure 8).[14]

[14]Reloop. May 2024. "Fact sheet: Deposit return systems – How they perform." Accessed 4 November 2024 from https://www.reloopplatform.org/resources/deposit-return-systems-how-they-perform/

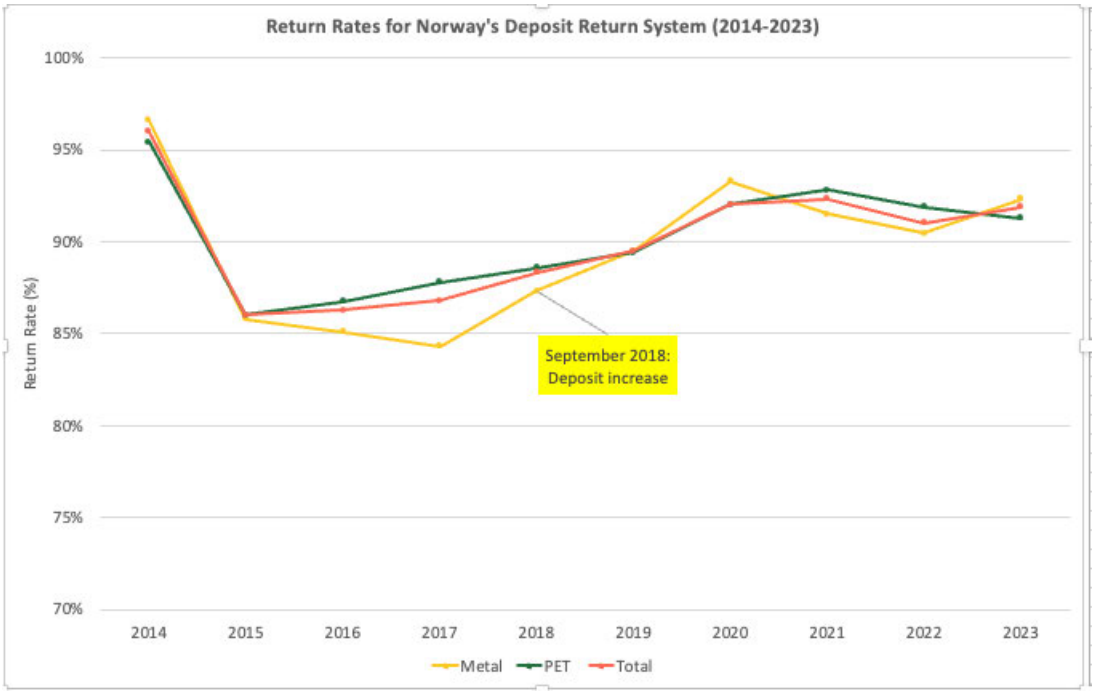


Figure 6 Impact of Deposit Increase on Material Return Rates in Norway's CRS, 2015-2023

Despite achieving a high return rate of 88.5%, the Swedish DRS operator announced in January this year that it will be increasing deposit values to ensure compliance with its mandated 90% return rate target. As of September 2025, deposits on aluminium cans and small PET bottles will be increased from SEK 1 (AUD$0.14) to SEK 2 (AUD$0.29), and for large PET bottles, from SEK 2 (AUD$0.29) to SEK 3 (AUD$0.43). This decision was driven by the goal of not just meeting but exceeding the 90% threshold, as Sweden's 2023 return rate stood at 88.5% and 2024 figures are expected to be even higher. This is not Sweden's first deposit increase; since the system's establishment in 1984, the deposit on metal cans has been raised twice—once in 1987 and again in 2010. Additionally, Sweden has expanded its program's scope over time. Initially limited to metal cans, the system began covering plastic PET bottles in 1994 and, as of January 2023, includes all fruit syrup and juice containers.[15]

Why Aren't Australia's Refund Values High Enough?

At 10-cents, Queensland's and Australia's refunds values were already too low, and inflation has further eroded their real value, weakening their effectiveness as a financial incentive. Figure 9 shows how South Australia's AUD$0.10 refund value, set in 2008, would compare today if adjusted for inflation. To maintain its original purchasing power, the refund would need to be raised to AUD$0.15 in 2024. In other words, the AUD$0.10 refund now holds the equivalent purchasing power of just AUD$0.05—a 46.5% reduction in value due to inflation.

These figures are based on calculations using the Reserve Bank of Australia's inflation calculator, which adjusts historical amounts to current values using the Consumer Price Index (CPI). The CPI measures average price changes over time for a basket of goods and services. Without inflation adjustments, refund values steadily lose their impact, diminishing the financial incentive to return containers and contributing to "return fatigue." Consumers question whether the effort of returning containers is worth a reward that feels increasingly insignificant.

Restoring the deposit value to *at least* AUD$0.15 would help revive its financial appeal and reinstate the effectiveness seen when South Australia increased its refund to AUD$0.10 in 2008. At that time, the higher refund helped boost return rates from 70% to 80% within just two years (2009-10). Without such

[15]"Increased deposit on beverage packaging in Sweden 2025." *Recycling Magazine*. Accessed 21 January 2025 from https://www.recycling-magazine.com/2025/01/15/increased-deposit-on-beverage-packaging-in-sweden-2025/

adjustments, the incentive to participate in container refund schemes will likely continue to wane, further challenging efforts to improve recovery rates.

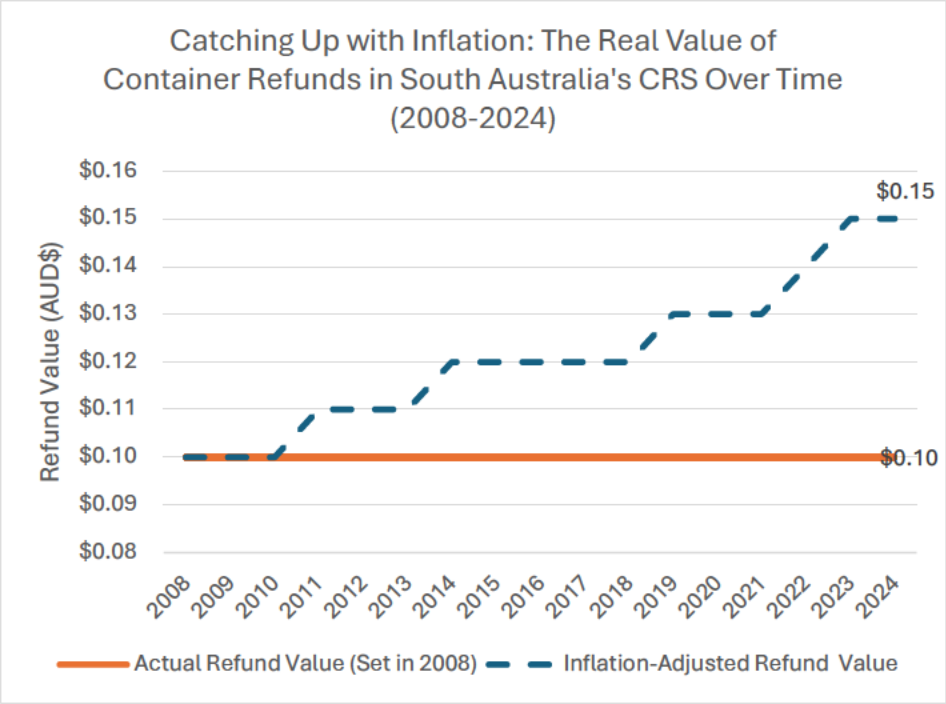


Figure 7 What South Australia's Refund Value per Container Would be in 2024 if it Had Kept up with Inflation

But if we want to get to global best practice of 90%+ (or even just achieve the Qld 85% target) we have to start looking to a refund value of 20-30c and ensure a mechanism is in place to maintain parity with CPI over the coming decades.

Why QLD can and should lead on reform of its CRS

While an increased refund across the country would be ideal there should be nothing to prevent individual jurisdictions such as QLD acting unilaterally. Such an approach was evident throughout the years of South Australia being the only state with a CRS and is now also apparent as wine and spirit glass containers are incorporated unilaterally into Qld's scheme. Equally, while QLD's scheme started in 2018 Victoria's only commenced in 2023 and Tasmania's is yet to commence at all; across Europe all state schemes and countries bordering each other have different refund values, labels etc

Refund harmonisation is not essential.

A refund increase coupled with an improved collection network is an essential combined reform to improve QLD's CRS and meet the 85% target.

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[redacted] *or* [redacted]

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