

Inquiry - Improving Queensland's Container Refund Scheme

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Every Queensland
community deserves
to be a liveable one

4 April 2025

Committee Secretary
Health, Environment and Innovation Committee
Cnr George and Alice Street
BRISBANE QLD 4000

By email: heic@parliament.qld.gov.au

Dear Committee Secretary,

RE: Inquiry into Improving Queensland's Container Refund Scheme

The LGAQ welcomes the opportunity to provide feedback to the Health, Environment and Innovation Committee (the Committee), as part of its inquiry into improving Queensland's container refund scheme, *Containers for Change*, that was announced on 20 February 2025.

As the peak body for local government in Queensland, the LGAQ has been advising, supporting and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities.

The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

Local governments are instrumental in the delivery of waste management services for their communities and are therefore, at the forefront of recognising the opportunities and navigating the challenges that arise through behaviour change initiatives aimed at shifting Australia towards a circular economy.

As articulated within the LGAQ Policy Statement detailed in **Attachment 1**, Queensland councils continue to be supportive of a container refund scheme provided that State and Federal governments continue to partner with local governments to ensure implementation of such schemes are effective and avoid negative financial impacts on councils' waste management operations.

Overall, the LGAQ supports the objectives of the inquiry as outlined within the Terms of Reference that seek to improve the *Containers for Change* refund scheme (the Scheme) by reviewing:

1. The current state and operation and its efficiency and effectiveness in meeting the scheme's objects as outlined in section 99H of the *Waste Reduction and Recycling Act 2011*.
2. The efficiency and effectiveness of the scheme's administration by Container Exchange (Qld) Limited (COEX) as the appointed Product Responsibility Organisation under the *Waste Reduction and Recycling Act 2011*, including:
 - a. its progress towards achieving the container recovery rate of at least 85 percent for each financial year;
 - b. the availability of refund points across Queensland to provide the community with access to a place to return empty beverage containers in exchange for a refund; and
 - c. the final processing and utilisation of recycled products, ensuring transparency and public oversight.
3. Whether the scope and objectives of the scheme remain fit for purpose and meet the needs of all Queenslanders, noting the State Government's ongoing support for the scheme.
4. Ensuring the appropriateness of governance arrangements, structures and expenditure (including sponsorship).
5. Any other relevant matters.

Importantly, local governments want to be seen as equal partners with State Government, which has been reinforced through the signing of the *Equal Partners in Government Agreement*¹ earlier this month.

Local government is the level of government that is funded the least – earning around three cents in every dollar of taxation revenue compared to 80 cents for the Federal Government and almost 17 cents for the State. With limited own-sourced revenue opportunities, councils cannot continue to shoulder further cost and responsibility burdens.

As the level of government most closely associated with traditional waste management, councils support leadership from the State and Federal governments, with the following key areas critical to a review of the Scheme including:

- ensuring no negative financial impacts of the Scheme on council operations,
- ongoing and increased accessibility of refund locations and collection options, in consultation with councils,
- improved community education and marketing campaigns,
- further strengthening of partnership programs, and
- maximising the opportunity to expand on the principles of a circular economy to explore options for product stewardship schemes for problem waste streams.

Local government also eagerly awaits the commencement of the proposed 2025 review of the waste levy framework and *Waste Management and Resource Recovery Strategy* (the Strategy) by the State Government.

As the Strategy forms the overarching plan for managing waste in Queensland, local governments are urgently seeking clear direction from the State Government on a proposed way forward, and certainty on future shared waste management goals.

Hinging on the anticipated review of the waste levy framework, is the financial security of Queensland councils, where the current transition plan will see a reduction in advance annual payments to 19 impacted councils within the waste levy zone.

These advance payments to Queensland councils were introduced to ensure households were not unfairly penalised by the introduction of the waste levy. Without intervention, these payments will drop to 70 per cent on July 1, leaving councils and their ratepayers to shoulder the gap.

To provide reassurance to local government that the waste levy will not have a financial impact on households, the State Government must maintain advance annual payments to councils at 100 percent until a review is completed and ensure the review considers and responds to the challenges faced by councils, particularly in regional, rural and remote areas.

Regional Waste Management Plans (RWMPs) have highlighted some of these challenges centred on a lack of recycling and processing infrastructure within regional, rural and remote areas - a sentiment that also resonates as a limiting factor to the success of a container refund scheme.

It is vital that the State Government continues to reinvest revenue generated through the waste levy into various initiatives to support the waste sector and provides new funding to expand investment in waste infrastructure more broadly.

There are several LGAQ Annual Conference resolutions of relevance (**Attachment 2**) to the Terms of Reference for the inquiry.

In addition, the LGAQ makes the following recommendations to the Committee for its consideration. These recommendations reflect the supporting information outlined in **Attachment 3** of this submission:

- **Recommendation 1:** The LGAQ recommends the State Government reviews the objectives and scope and operation of the Scheme, in consultation with Queensland councils and the LGAQ, as

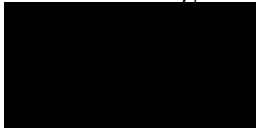
¹ [Equal partners in government](#)

part of the broader review of the Queensland Waste Strategy and waste levy committed to be undertaken in 2025.

- **Recommendation 2:** The LGAQ recommends the State Government:
 - Considers the outcomes and findings of RWMPs in undertaking the review of the Queensland Waste Strategy,
 - provides adequate funding support for the implementation of actions contained in RWMPs, and
 - increases investment in critical waste infrastructure throughout Queensland.
- **Recommendation 3:** The LGAQ recommends the State Government ensures ongoing and increased accessibility of refund locations and collection options under the Scheme, but only where undertaken in consultation and agreement with Queensland councils and ensuring there are no negative financial impacts on any individual council waste and recycling operations.
- **Recommendation 4:** The LGAQ recommends the State Government implements statewide recycling education and marketing campaigns that provide clear messaging about container eligibility and promote positive community outcomes that have been incentivised through the Scheme.
- **Recommendation 5:** The LGAQ recommends the State Government reviews key deliverables of the Scheme and engages further with local government to work collaboratively in boosting data sharing, and future planning and implementation of the Scheme.
- **Recommendation 6:** The LGAQ recommends the State and Federal governments assess options and implement mandated product stewardship schemes for other problem waste streams.

Should you have any questions regarding this submission, please contact Tamarah Moore, Lead – Public Health and Waste Management via [REDACTED] or by phoning [REDACTED]

Yours sincerely,

A large black rectangular box redacting the signature of Alison Smith.

Alison Smith
CHIEF EXECUTIVE OFFICER

Attachment 1: LGAQ Policy Statement Positions

The LGAQ Policy Statement² (2023) is a definitive statement of collective voices from our councils in Queensland. The following statements represent the agreed policy positions of local government as outlined in the LGAQ Policy Statement, and as relevant to the provision of waste management services and transitioning to a circular economy:

5.4 Waste Management

5.4.1 Waste Management Strategy and regional waste plans

- 5.4.1.2 Local government supports the development and implementation of a comprehensive strategy for the development of the waste and secondary resource industry that is complementary and integrated with the Waste Management and Resource Recovery Strategy for Queensland.
- 5.4.1.5 Goals and targets should be jointly developed between the State and local government to provide direction and enable outcomes to be measured. Improved measurement against goals and targets will enable better monitoring of policy and strategy to ensure continuous improvement.
- 5.4.1.6 Local government supports community behaviour change driven through education and awareness campaigns being developed to focus on 'selling' waste minimisation and recycling to the community and small to medium-sized enterprises.

5.4.5 Extended Producer Responsibility

- 5.4.5.1 Local government strongly supports the principle and introduction of Extended Producer Responsibility.
- 5.4.5.2 The State and Federal governments should establish the necessary policy and legislative frameworks for the effective implementation of Extended Producer Responsibility.

5.4.6 Costs of Waste Management

- 5.4.6.1 The principles of 'user pays' and 'polluter pays' should be applied where possible in addressing the issue of charging for waste management services.

5.4.7 Recycling

- 5.4.7.1 Local government is strongly committed to a circular economy for waste management supported through the introduction of economically, environmentally and socially sustainable recycling schemes.
- 5.4.7.2 Local government supports the removal of regulatory barriers that unnecessarily restrict the wide implementation of economically, environmentally and socially sustainable recycling schemes.
- 5.4.7.3 Local government strongly supports the principle of the integration of waste management from 'cradle to grave' with a move away from a linear approach to waste management especially with a focus on those waste minimisation options at the top of the waste management hierarchy: waste avoidance and reduction, and materials re-use and recycling.

5.4.9 Landfill Management

- 5.4.9.1 Local government supports improved actions to divert materials from landfill to conserve valuable landfill airspace.

5.4.12 Container Refund Scheme

- 5.4.12.1 Local government support the Container Refund Scheme (CRS) subject to:
 - The continuation of there being no negative financial impact on individual council waste and recycling operations and/or current contractual arrangements;
 - The continuation of there being full consultation and agreement with local governments in relation to the location and installation of container collection infrastructure;
 - Councils and council contractors not being excluded from claiming the container deposit refund on eligible containers collected through kerbside or other recycling collection arrangements; and
 - Councils not being directed by the State Government but retaining the right to determine whether or not they establish and operate container collection centres.

² [LGAQ Policy Statement \(2023\)](#)

Attachment 2: LGAQ Annual Conference Resolutions

The following resolutions have been passed by Queensland councils at previous LGAQ Annual Conferences and are relevant to the inquiry into improving Queensland's container refund scheme:

- **Resolution 46 (2024) – Establishing long-term sustainable recovery and recycling processing solutions within regional Queensland**
 - The LGAQ calls on the State Government to:
 - Undertake an urgent investigation into the current state of play of kerbside commingled recycling within Regional Queensland including an Options Assessment and a Funded Regional Commingled Recycling Infrastructure Plan based on the preferred option; and
 - Invest in long-term, sustainable recovery and recycling solutions to service regional areas.
 - **Resolution 124 (2023) – Implement a statewide community education and behaviour change program to promote waste minimisation and resource recovery**
 - The LGAQ calls on the State Government to take immediate steps to introduce and publicise a consistent and ongoing statewide recycling and waste minimisation education program that, in addition to supporting community education undertaken by local government:
 - Is deployed within a maximum of 12 months of the date of the LGAQ Annual Conference;
 - Aims for a reduction in contamination of kerbside recycling; and
 - Supports initiatives under adopted Regional Waste Management Plans and circular economy principles.
 - **Resolution 10 (2023) – Enabling the Circular Economy**
 - The LGAQ calls on the State Government to provide urgent investment certainty for local governments and industry that will develop a circular economy across Queensland, by fast-tracking the delivery of new resource recovery infrastructure and associated services, with front-ended funding under a long-term infrastructure plan.
 - **Resolution 21 (2023) – Waste levy and advance payment review**
 - The LGAQ calls on the State Government to:
 - Bring forward the review of waste levy rates, levy zone and advance payments to local government in line with outcomes identified by Regional Waste Management Plans.
 - Maintain the waste levy annual payments for all levy councils at 100% until such time as the state waste targets and corresponding advance payments can be reviewed and better aligned with the data compiled in Regional Waste Management Plans.
 - **Resolution 22 (2023) – Dedicated regional waste infrastructure funding**
 - The LGAQ calls on the State Government to provide:
 - Dedicated funding to reduce the impacts of distance for regional, rural and remote councils from existing advanced waste recycling or repurposing facilities; and
 - Additional funding for appropriate and compliant waste management services.
 - **Resolution 84 (2023) – Unlawful dumping of end-of-life tyres (EOLT)**
 - The LGAQ calls on the State and Federal governments to implement a mandatory product stewardship scheme to:
 - Prohibit the return of end-of-life (EOLT) to customers following changeover of tyres; or
 - Alternatively, mandate the requirement for record keeping relating to the trade of tyres.
 - **Resolution 85 (2023) – Disposal of solar panels**
 - The LGAQ calls on the State and Federal governments to develop solutions for the disposal of solar panels, possibly including:
 - Reclamation, recycling, and implementation of a levy mechanism for solar panels to ensure better waste disposal;
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- *Exploring manufacturers' liability for the photovoltaic (PV) panels to encourage sustainable management; and*
 - *Working with State Government to legislate industry wide solutions.*
 - ***Resolution 119 (2022) – Roadmap and non-competitive funding to implement actions from Regional Waste Plans***
 - *The LGAQ calls on the State Government to commit to a roadmap and non-competitive funding program for local governments to implement actions from Regional Waste Plans. Introduction of non-competitive funding programs for local governments to implement actions from the Regional Waste Plans.*
 - ***Resolution 28 (2020) – Recycling Legislation***
 - *The LGAQ calls on the Federal Government to legislate on recycling product stewardship with greater consideration given as to how products are recycled.*
 - ***Resolution 27 (2020) – Product Stewardship for Various Waste Streams***
 - *The LGAQ lobby the State Government to fast track the implementation of product stewardship programs which support the principles of a circular economy and reduce the cost to local government of managing waste.*
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Attachment 3: Specific Feedback and Supporting Information

The overarching objectives of the Scheme seek to reduce the amount of littered drink containers and increase Queensland's recycling rate. Within Australia, community sentiment towards recycling and reuse of materials is growing through the implementation of incentivised schemes. However, more investment is needed to support local communities across Queensland's diverse regions with access to key infrastructure and community education programs.

Key matters for consideration of the Committee are provided below:

Financial implications for Material Recovery Facilities (MRFs)

Throughout Queensland, there are different models and revenue sharing arrangements with processors for the Scheme roll out. In certain areas the Scheme provides a valuable revenue stream for councils.

However, for councils that don't have a revenue sharing arrangement with processors, the loss of material from yellow bins recovered under the Scheme means that the cost of processing recycled content from these bins increases due to the loss of volume, and loss of desirable/valuable material.

In feedback provided to the LGAQ, there are councils that remain concerned that the previous expansion of the Scheme in 2023 to include wine and spirit bottles, negatively impacts on the financial sustainability of MRFs in some areas. As wine and spirit bottles contribute significantly to weight, the variable differences noted in the absence of these now recoverable through the Scheme is having an impact where the operational costs of MRFs remain unchanged.

There must be an appropriate balance between the current scope of the Scheme and any future changes, considering the unique impacts in both metropolitan and regional, rural and remote areas. It is important that any changes to the Scheme do not have any negative financial impacts on Queensland councils.

Refund locations and accessibility

In a decentralised state such as Queensland, the accessibility of recyclable processing facilities continues to present challenges for remote and regional communities. High transport costs are likely to be contributing to the ability of expanding container collection points into these areas resulting in regional, rural and remote Queensland not reaping the full benefits of the Scheme.

Investment in key recyclable processing infrastructure remains a key ask for Queensland councils. The attraction and establishment of waste processing and recycling facilities and solutions state-wide is a key step in shifting toward a circular economy.

The costs of logistics and transport of containers from remote areas should also be reviewed to determine whether it is equitable, especially for island communities where the rate paid to collectors/transporters of the Scheme may not adequately reflect the costs imposed.

In the absence of kerbside recycling in some areas, opportunity to engage with the Scheme provides these community members with a way of contributing to waste diversion outcomes which are also incentivising local community initiatives and activities.

Engagement with the Scheme in some of these regions is showing positive benefits with highly motivated community members and a decrease in litter, however, key initiatives addressing the broader challenges for regional and remote areas are still lacking within the scope of the Scheme.

Regional, rural and remote Queensland councils have valuable insights to be shared in working collaboratively in the planning and implementation of the Scheme that will contribute to increasing a greater recovery rate. The shortfall in recovery rates is likely due to missed opportunities to boost uptake of the Scheme by limited container recovery points at key 'high traffic' locations.

Through consultation by the LGAQ with member councils, concerns have been raised regarding the location and accessibility (i.e., operating hours) of container collection points in some regions.

Suggestions to improve the administration of the Scheme include consideration of forward planning and engagement for more refund points within the retail sector (e.g., shopping centres, food courts, bottle shops, service stations, hardware stores), within major event precincts and venues, at locations frequented by transient populations (e.g., caravan parks and campgrounds, rest stops, refuse dumping locations) and exploring other possible options such as mobile collection services or drive-through drop off locations. It is also important the State Government continues to lead the change by increasing container collection points at key state-owned facilities.

Education and marketing

With the expansion of the scheme in 2023, its scope and objectives have extended beyond its initial metrics of reducing litter and increasing recycling, into exploring more sustainable resource recovery options that maximise the life span of these resources within the waste stream. Local governments demonstrate a strong support for community behaviour change initiatives that raise awareness about recycling that in turn complement their efforts in diverting resources from landfill.

Key drivers effecting positive behaviour change initiatives is the combination of an effective education campaign and successful marketing. Local governments working within their communities acknowledge the importance of maintaining not only consistent messaging but also persistent messaging, particularly for waste management initiatives.

The current education and marketing campaigns of the Scheme are lacking. Work needs to be done in shaping messaging and harnessing the appropriate delivery of that messaging. Key messages should promote the options available to recover containers, including home collection options, and provide clarity on eligible containers, including the reasons why certain containers are ineligible. Difficulty in easily deciphering these requirements may be contributing to possible barriers for why some are choosing not to engage with the Scheme.

Education and marketing to promote the Scheme should harness the power of positive community initiatives that are being ignited by the Scheme to encourage further engagement within the community and with industry. Actively promoting the end result of containers recovered through the Scheme is also likely to have a positive impact and increase community sentiment towards the Scheme. The *Containers for Change* website³ provides this insight, however, more could be done to provide transparency for end markets.

Partnerships and engagement with local government

Queensland councils want to be consulted in relation to the location and installation of container collection infrastructure, and it is through increasing the engagement with local governments that may assist in maximising community engagement with the Scheme. The *Pay It Forward* initiative through the Scheme shows potential in increasing these partnership arrangements with local government, however more is needed to engage with councils to understand where additional opportunities can be harnessed that aim to capture the remaining eligible containers from the waste stream.

Audits conducted by contractors of the Scheme are capturing valuable data which is rarely reported back to local government. Where councils are providing logistical support to facilitate these audits, councils would in return benefit greatly from receiving this data which provides valuable insight into additional opportunities to boost engagement with the Scheme and reduce lost revenue from the disposal of eligible containers to landfill.

Product stewardship

In Australia's journey toward a circular economy, highlighting the value of product stewardship schemes positively contributes to the objectives of the State Government where waste avoidance and reuse are most desirable.

³ [Containers for Change - Tracking recovery and recycling outcomes](#)

Such schemes will only be effective where they are mandated, placing the responsibility on the producer, rather than burdening local government with the costs of managing these wastes.

The Scheme has established a foundation for stewardship schemes that addresses a particular waste stream, however, harnessing this and continuing the conversation about product stewardship schemes for other problem waste streams is important to Queensland councils. That is why, councils are urging the State and Federal governments consider options of expanding beyond the Scheme to address problem waste streams such as batteries, tyres, and solar panels, and establishing recycling and resource recovery hubs. A lack of awareness within the community about how to dispose of these items is resulting in councils bearing the costs and dangers of items such as batteries being disposed of in the general waste stream.

Councils as the closest level of government to communities, need to be important stakeholders in the planning and implementation of these objectives to ensure the effectiveness of behaviour change incentive schemes complement waste management activities and initiatives implemented within these communities.