

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

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14 March 2025

The Honourable Andrew Powell MP  
Minister for Environment and Tourism and  
Minister for Science and Innovation

Email: [REDACTED]

Dear Minister Powell,

### **QHA Submission in response to the Parliamentary Inquiry into Queensland's Container Refund Scheme**

The Queensland Hotels Association (QHA) is the authoritative voice for the hospitality and accommodation industry in Queensland. Since 1885, we have protected and developed the interests of our members through strong representation and the pursuit of industry excellence.

Our mission is to ensure the tourism and hospitality industry remains a vital part of the Queensland way of life and to amplify the voices of those we represent. Currently, our membership is comprised of over 1200 hotel and accommodation members, covering the State from beyond the tip of Cape York, to the Western country pubs, and throughout the coastal strip down to Coolangatta. These employers provide a livelihood for over 200,000 Queenslanders.

Our members provide liquor products and other beverages for both on-site and off-site consumption and are therefore directly impacted by any process that affects the use, recycling and/or disposal of the containers those products are supplied in.

The QHA is pleased to provide this submission outlining the experience of its members since implementation of Queensland's container refund scheme (the scheme) and the QHA's view on possible steps forward to improve outcomes for the industry.

#### **Effect of the Container Refund Scheme on Hospitality Operators**

In announcing the Parliamentary Inquiry into Queensland's Container Refund Scheme, it is acknowledged by the QHA that a priority of the scheme and the inquiry is the improvement of recycling rates and uptake. Environmental benefits should not, however, exclude consideration of the economic effects.

Queensland already had a mature environment for the recycling of glass bottles before 2018, particularly for the hospitality industry. Upon enactment of the container refund scheme, existing waste management entities that dealt with the industry's containers merely pivoted to incorporate the new scheme into their existing business structures. Furthermore, new entrants such as Scouts Queensland entered the market and remain a significant presence in that industry.

Hotels experienced no genuine change in business practices other than seeing additional costs placed onto beverage suppliers and potentially onto recycling bin services. Those costs are directly passed on to our members and continue to be passed on to our members. This is done at each step of the supply chain.

The original purpose of the scheme to increase recycling and gain environmental, social and economic outcomes, has not been realised in so far as it has created an economic burden with no economic benefit. Furthermore there has been minimal change in recycling behaviour.

The previous Government, in the 2022 discussion paper and during the subsequent expansion of the scheme, stated that glass recycling has expanded enormously. Whilst there is an obvious environmental benefit to be noted, it is also noted that the scheme has not met the legislated recycling target return rate. From an economic point of view there should also have been a noticeable reduction in the price of container supply driven by the increased stockpile of recycled glass and aluminium. This has not occurred. Without clear evidence of the increase of recycled glass and aluminium in the manufacturing and supply of containers, the environmental outcome is also questionable.

Ultimately the scheme has had an effect of convincing consumers, upon their return of containers, that they were gaining funds when in fact they had already paid for the scheme as part of their retail purchase price and due to the impact on each step of the supply chain, this cost is arguably higher than the refund. Whilst also forcing consumers to transport the containers to an exchange point rather than putting containers into the recycling bins at their own homes. Simply put, the scheme is inefficient at best. It has increased costs to suppliers, to hospitality businesses and retailers and ultimately to consumers without a commensurate benefit.

It was pointed out in the QHA's submission to the relevant committee prior to introduction of the scheme that small to medium operators would be financially disadvantaged by beverage suppliers passing on costs. This has been the experience of those operators since. Those operators, by virtue of their size limiting their competitive position, have had to absorb that cost in an environment where all of their other operating costs have skyrocketed.

### **Recommendation**

It is our submission that the scheme has not realised any substantial economic benefit and has in fact created an economic burden particularly for small and medium operators. For the hotel industry, the scheme is not required at all.

At a minimum, the Queensland Productivity Commission should be tasked with analysing the return on investment involved in the container refund scheme and with the detailing of what, if any, economic outcomes have been derived from the increased supply of recycled glass and aluminium. There should be visible evidence of an increase of recycled glass and aluminium into the container manufacturing industry. This should not only be evident but transparent as to how and where it is put into that system and at what cost.

The QHA also submits that should any body be instituted to review or oversee the scheme, that there needs to be representation from the retail liquor industry as they are the only sellers of retail liquor products for off-premise consumption across the state.

### Conclusion

Thank you for the opportunity to provide this submission. I would be happy to discuss these ideas further or provide additional information to support this important initiative. I am also more than happy to appear at any inquiry process.

Yours sincerely,



**Bernie Hogan**  
**Chief Executive**  
**Queensland Hotels Association**