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

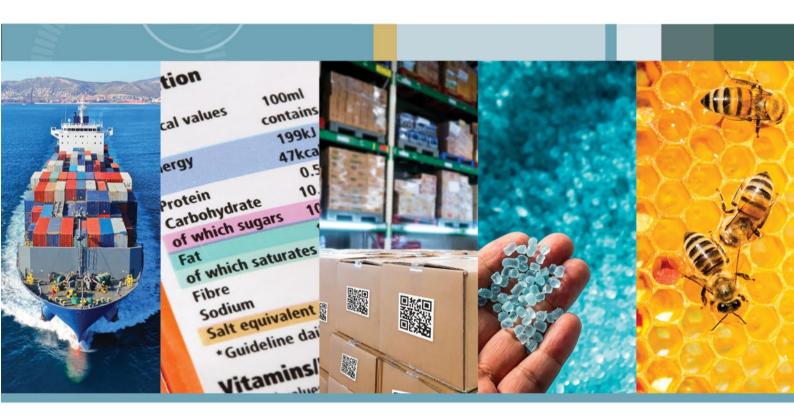
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**AFGC SUBMISSION** 

# Inquiry into Improving Queensland's Container Refund Scheme

4 April 2025

#### **PREFACE**

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, beverage and grocery manufacturing sector.

With an annual turnover in the 2022-23 financial year of \$162 billion, Australia's food and grocery manufacturing sector makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity. Each business in the sector has contributed towards an industry-wide \$4.2 billion capital investment in 2022-23.

Food, beverage and grocery manufacturing together form Australia's largest manufacturing sector, representing over 32 per cent of total manufacturing turnover in Australia. The industry makes a large contribution to rural and regional Australian economies, with almost 40 per cent of its 281,000 employees being in rural and regional Australia.

It is essential to the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

The industry has a clear view, outlined in *Sustaining Australia: Food and Grocery Manufacturing 2030*, of its role in the expansion of domestic manufacturing, jobs growth, higher exports and enhancing the sovereign capability of the entire sector.

This submission has been prepared by the AFGC and reflects the collective views of the membership.

#### **OVERVIEW**

The AFGC welcomes the opportunity to provide feedback on the operation and future direction of Queensland's Container Refund Scheme (CRS). As the national voice of Australia's food and grocery manufacturing sector, AFGC recognises the critical role that effective product stewardship schemes play in advancing the circular economy, resource recovery, and sovereign capability.

We acknowledge the contribution that Container Exchange (COEX) has made in operating the CRS, and support continued efforts to improve scheme efficiency, expand community access, and increase material circularity. Our recommendations focus on strengthening governance, improving accessibility, and future-proofing the scheme to deliver long-term environmental and economic value.

#### STRENGTHENING GOVERNANCE AND NATIONAL HARMONISATION

To optimise the performance and integrity of the CRS, a nationally coordinated approach is essential across governance, operations, and stakeholder engagement.

Ensuring that businesses funding the scheme have priority access to recovered materials is essential to support continued investment in packaging circularity and the long-term sustainability of the CRS. Consideration should be given to ring-fencing collected materials for reuse within the beverage packaging market rather than allowing material to be diverted into non-circular markets.

AFGC supports national harmonisation of container eligibility, Australasian Recycling Label (ARL) - aligned labelling, and digital administrative platforms to reduce compliance complexity, especially for manufacturers operating across multiple jurisdictions. Establishing a national CRS portal will streamline operations while transitioning to consistent "caps on" messaging in line with ARL standards will support more effective consumer participation.

#### **ENHANCING EFFICIENCY AND ACCESSIBILITY**

Improved access to refund points is crucial for increasing recovery rates. Accelerating the rollout of Reverse Vending Machines (RVMs) by removing unnecessary local government planning barriers will enable faster, more efficient expansion—an approach that has proven effective in other jurisdictions.

Mandating CRS collection infrastructure in government buildings and encouraging broader participation across the hospitality, retail, and catering sectors will significantly expand the scheme's reach—particularly for the large volume of beverages consumed outside the home. In high-density urban areas, targeted incentives should support effective container separation in multi-unit dwellings and apartment complexes, where collection can be more challenging.

To maximise the efficiency of remote collection depots, consideration should be given to co-collecting other material streams—such as soft plastics—where there is clear community benefit and operational efficiency for COEX. The recent <u>announcement</u> by the Queensland government of funding support for Soft Plastic Stewardship Australia trial hubs is an example of where co-material collection work is being undertaken.

The AFGC recommends that materials already effectively captured through existing, economical recycling systems should not be duplicated within the CRS.

Ongoing collaboration with First Nations communities is essential to improving container collection rates in regional and remote areas. Partnering with local leaders and organisations can support tailored solutions that reflect community needs, build local capacity, and ensure equitable access to the benefits of the CRS.

Continued investment in public education is also necessary to boost understanding of the scheme and promote consistent consumer behaviours. At the same time, targeted workforce development initiatives will ensure that the sector is equipped to meet the growing demand for recycling and circular economy skills.

#### **FUTURE-PROOFING THE SCHEME**

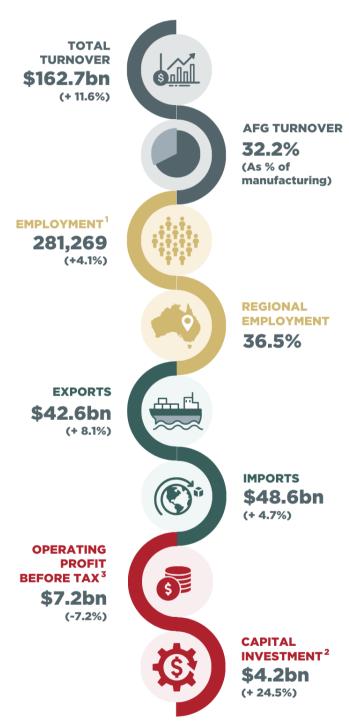
Government support is crucial in driving investment in infrastructure that expands local recycling and remanufacturing capacity. This will strengthen Australia's circular economy, create local jobs, and reduce reliance on offshore processing.

A future-ready CRS must be underpinned by national alignment, clear governance, and investment in both system infrastructure and skills. These foundations will ensure the scheme remains fit-for-purpose as packaging systems evolve and circular economy expectations grow.

#### CONCLUSION

We appreciate the committee's consideration of this submission and welcome the opportunity to provide further feedback and engage on behalf of our members as the process progresses.

## **State of Industry** 2022-23



The figures on this page exclude the fresh food sector and are based on 2022-23 ABS data.

■ AUSTRALIAN FOOD & GROCERY COUNCIL

<sup>1.</sup> This is total number of employees, head count basis and does not include seasonal employees.

2: Gross fixed capital formation for food, beverage and tobacco manufacturing subsector is taken as indicator of capital investme.

3: For food, beverage and tobacco product manufacturing subsecting.