Inquiry - Improving Queensland's Container Refund Scheme

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Submitted by: Cleanaway

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Submitter Comments:



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To: HEIC@parliament.qld.gov.au

Cleanaway Submission - Inquiry into improving Queensland's Container Deposit Scheme

Thank you for the opportunity to respond to the Parliamentary Inquiry into improving Queensland's Container Deposit Scheme.

Please find attached Cleanaway's submission.

Your sincerely,

Mark Biddulph

Head of Corporate Affairs

Cleanaway

Cleanaway Waste Management Limited ('Cleanaway') is Australia's leading total waste management, industrial and environmental services company. Our team of more than 8,000 highly trained staff are supported by a fleet of approximately 6,000 specialist vehicles working from 335 locations across Australia. With the largest waste, recycling and liquids collections fleets on the road and supported by a network of recycling facilities, transfer stations, engineered landfills, liquids treatment plants and refineries, we are working hard to deliver on our mission of "Making a sustainable future possible, together".

Cleanaway has set separate 2030 and 2050 reduction targets for methane and carbon dioxide. Our emissions reduction targets are grounded in leading climate science and consistent with a 1.5°C trajectory when expressed on a carbon dioxide equivalent basis. Our 2030 targets are also consistent with Australia's 2030 emission goals.

Cleanaway's participation in container deposit schemes across Australia

Cleanaway is Australia's largest collector of polyethylene terephthalate (PET), high-density polyethylene (HDPE) and polypropylene (PP) plastics through our involvement in container deposit schemes in Queensland, New South Wales, Victoria, Western Australia and soon Tasmania.

New South Wales, Victoria and soon Tasmania, have split responsibility schemes where the Network Operator is independent from the Scheme Coordinator. TOMRA Cleanaway is the Network Operator TOMRA Cleanaway is a 50/50 joint venture between Cleanaway and TOMRA that brings together Cleanaway's logistics and processing capability and TOMRA's reverse vending machine technology to deliver a comprehensive CRS network.

Deposit value

Cleanaway recommends that deposit value of eligible containers be increased to 20 cents or more to keep up with inflation to increase returns.

There is strong evidence that suggesting that the amount of the deposit value is one of the biggest drivers to generate higher return rates. The deposit value of 10 cents per container has not kept up with inflation and offers little incentive for the consumer to use the container deposit scheme. Indeed Australia has one of the lowest deposit values in the world.

In Alberta Canada, in just three years of the provincial government increasing the deposit on all drinks containers to 10-cents (up from 5-cents) for containers 1L and under, and 25-cents (up from 20-cents) for containers larger than 1L, the overall return rate increased by approximately 12%.

In the U.S., Oregon's return rate was stagnant at 64% in 2016 until the state doubled its deposit value for all drinks containers from 5- to 10-cents. This deposit increase, along with enhanced return options such as drop-and-go bags, resulted in an overall return rate of 86% in 2019.

Return to retail model

Cleanaway recommends that the Queensland Government explore return to retail legislation.

that use a return to retail approach, where retailers selling beverages are legally responsible for easy to return the container as it was to purchase it. The highest return rates can be seen in systems redeeming empty containers from consumers and refunding their deposit. Convenience is a key factor for consumers - the most successful schemes in the world make it as

a redemption centre model or hybrid system. See figure 1. that utilise a return to retail redemption model is 89%, compared to just 70% in jurisdictions that use Research by Reeloop Platform¹ in 2022 reveals that the median return rate achieved in jurisdictions

90% 8 609 70% 80% Iceland Alberta, CA Newfoundland and Labrador, CA New Brunswick, CA Northwest Territories, CA Nova Scotia, CA Prince Edward Island, CA Saskatchewan, CA Yukon, CA Northern Territory, AUS Australian Capital Territory, AUS Return-to-Depot and Hybrid Median return rate: 70% South Australia, AUS Queensland, AUS Western Australia, AUS Pohnpei (FSM) Tuvalu Hawaii, US New South Wales, AUS British Columbia, CA California, US Connecticut, US Iowa, US Maine, US Massachusetts, US New York, US Vermont, US Oregon, US Denmark Croatia Estonia Finland. Median return rate: 89% Germany Return-to-Retail Lithuania The Netherlands Norway

Figure 1

Reloon Platform

Sweden

Michigan, US Ontario, CA

Quebec, CA

RELOOP Factsheet Performance 12I2022.pdf

Conclusion

In conclusion Cleanaway submits that:

The deposit value of eligible containers be increased to 20 cents or more to keep up with inflation to increase returns, and

The Queensland Government explore return to retail legislation.