HEALTH, ENVIRONMENT AND INNOVATION COMMITTEE

Members present:
Mr R Molhoek MP—Chair
Ms K-A Dooley MP (via videoconference)
Ms R Young MP (via videoconference)
Mr JP Kelly MP
Mr DJL Lee MP (via videoconference)
Dr BF O'Shea MP

Staff present:
Ms E Lewis—Committee Secretary
Mr Z Dadic—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE WASTE REDUCTION AND RECYCLING (STRENGTHENING THE CONTAINER REFUND SCHEME) AMENDMENT BILL 2026

TRANSCRIPT OF PROCEEDINGS

Tuesday, 28 April 2026

Brisbane

TUESDAY, 28 APRIL 2026

The committee met at 9.00 am.

CHAIR: Good morning. I declare open this public hearing for the committee's inquiry into the Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Bill 2026. My name is Robert Molhoek; I am the member for Southport and chair of the committee. I acknowledge the Aboriginal people and Torres Strait Islander people of this state and their elders past, present and emerging. I also acknowledge the former members of this parliament who have participated in and nourished the democratic institutions of this state. Finally, I acknowledge the people of this state, whether they have been born here or have chosen to make this state their home, whom we represent to make laws and conduct other business for the peace, welfare and good governance of the state.

With me here today are: Mr Joe Kelly MP, the member for Greenslopes and deputy chair; Ms Kerri-Anne Dooley MP, the member for Redcliffe, who is attending today via videoconference; Dr Barbara O'Shea MP, the member for South Brisbane; and Mr David Lee, the member for Hervey Bay, who is also attending via videoconference. I note that Ms Sandy Bolton MP, the member for Noosa, is unavailable for today's proceedings.

This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. Members and witnesses, please remember to press your microphones on before you start speaking and off when you are finished. Please turn your mobile phones off or to silent mode.

CHAPMAN, Mrs Vanessa, President, Queensland Distillers Association (via videoconference)

CROFT, Mr Gavin, Member, Independent Brewers Association

McGARRY, Mr Christen, Member, Independent Brewers Association

CHAIR: Good morning. Would each of you like to make a brief two-minute opening statement before we start our questions.

Mrs Chapman: Thank you, Chair and committee members, for the opportunity to appear today. I appear as president of the Queensland Distillers Association, the peak body representing Queensland's independent distilling sector. I am here today on behalf of our members across Queensland.

The QDA supports the intent of this bill and welcomes the government's efforts to strengthen the governance, transparency and accountability of Queensland's container refund scheme. We recognise that this bill is aimed at improving oversight and governance of the scheme and we support that direction. Stronger governance, greater transparency and better accountability are all positive reforms. Our concern, however, is that the practical operation of the scheme still does not fully reflect the realities facing our members as small beverage manufacturers, particularly independent distilleries.

Unlike many other beverage categories, the products made by our members are not always immediate-consumption items. A bottle of gin, whiskey, rum, vodka or liqueur may be opened and then consumed gradually over many months or in some cases over several years, depending on the product and the consumer. Many spirit bottles are also retained, reused, displayed or repurposed, particularly where they are premium glass bottles. That means the return pattern for spirits can be very different from beverages that are purchased, consumed and returned quickly.

The issue for our members is that compliance costs and the administrative burden do not reduce in line with the production scale. What may be manageable for a large producer can place real pressure on a small regional distillery. A practical issue raised by our members is that small producers do not always have clear visibility into how many of their own bottles are actually being redeemed through the scheme. Contributions are based on eligible containers supplied into the market, but small independent producers have limited practical ability to reconcile that against the actual return behaviour of their own products. That makes it harder to assess whether the costs being borne by small producers properly reflect real return outcomes.

A further challenge is that container refund obligations are administered on a state-by-state basis. For members selling across borders and through channels, where the final destination of the bottle is not always predictable, that can create multiple registration and compliance obligations across different jurisdictions. That is why a meaningful minimum threshold is so important. If small beverage producers are to remain viable the relief framework must provide genuine operational benefits in practice, not just in principle. We therefore welcome that the bill enables relief for small beverage manufacturers, but we do not believe the proposed 20,000-container threshold will be sufficient for many independent producers. QDA's view is that the threshold should be at least 50,000 containers. Alternatively, a tiered model should be adopted so that the relief is proportionate and workable for small producers.

We also believe the Coex board would be strengthened by direct representation from both the distilling and brewing sectors, with those representatives drawn from the current executive of their respective associations. That is important because those executive members do not speak only for themselves or their own businesses; they hold and represent the voice of their membership, remain accountable to their committees and are best placed to communicate the real and current issues facing beverage manufacturers across their sector.

While independent brewers and independent distillers are both small beverage manufacturers, they are not identical in how they operate or how their products move through the market. Beer is generally a faster turnover product that is consumed and returned over a much shorter timeframe, whereas spirits are often consumed gradually over many months and sometimes years, with bottles more likely to be retained, reused, displayed or repurposed. Both sectors face small business compliance pressures but they bring different practical insights into consumption patterns, packaging and behaviour return outcomes, which is why both perspectives should be reflected at the board level.

This bill is a positive step. With stronger small-producer representation and a meaningful relief threshold it can deliver better governance while remaining practical, fair and proportionate for our members and Queensland independent producers more broadly.

Mr Croft: Good morning, Chair and committee members. Thank you for the opportunity to speak with you today. I am the head brewer at Slipstream Brewing Company in Yeerongpilly and I am here with Christen from Your Mates Brewing Company representing the Independent Brewers Association.

The IBA is the national association representing Australian owned breweries, of which around 94 are in Queensland. Importantly, many of our members who undertake manufacturing are in regional and rural areas, providing meaningful employment and tourism destinations. If our concerns are not heard, the cost of the CDS scheme will be a reason that jobs are lost from the regions as breweries close because Queenslanders cannot afford our beer.

It is important to point out that, despite having much in common with Queensland's artisan distillers, in the context of the CDS we are nothing alike. Queensland independent brewers have been paying into the scheme since its inception; distillers joined in 2023. In addition, 13.9 cents added to the cost of a 500-mililitre bottle of spirits has a limited impact on the cost of goods, but for brewers the CDS contribution to the cost of goods is much higher. For our pale ale it is about eight per cent of our cost of goods. Once wholesale and retail margins are added on plus GST, CDS's cost to the consumer is roughly $5 to $6 per 24-pack carton. At best they can get $2.40 refunded if they collect and return the cans.

Under any metric we are small producers. The ATO defines a small business as having an aggregated turnover of less than $10 million. Almost all of the independent brewers in Queensland would fall below that threshold; however, because of this proposed bill—many of our members sell over 300,000 containers in a year—we would be considered large businesses.

Mr McGarry: I am the founding brewer of Your Mates Brewing Company on the Sunshine Coast. Our business represents the ambition of two young Queenslanders. We are proud to be one of the most successful independent breweries in the country and represent Queensland beer across the country, being voted the third most popular beer in Australia. We have slogged it out to be ranged across 1,500 bottle shops and venues all over the state. I want to be clear: even at that level it is a daily struggle to operate in this industry with margins as slight as they are. In 2013 our original business plan did not cater for a container deposit scheme that now eats up the little margin we have left. Since then, when you add in excise, our compliance cost burden has increased by around 70 per cent. That is roughly an extra $7 per carton, or an extra 25 per cent, on the cost to make beer that is not going into quality, innovation or jobs—it is just going into compliance. This results in everyday Queensland consumers, who are already doing it tough, paying more.

We have supported the container deposit scheme from the beginning. We believe in sustainability and we believe in community responsibility. At our brewery we operate a container collection point. The proceeds are shared between our not-for-profit, The Mateship Foundation, and our staff as part of a team culture fund—something we are genuinely proud of—but the reality is that the cost side of the scheme is now putting pressure on Queensland businesses like ours. At one end you have huge foreign owned corporations that can absorb costs and effectively set pricing. At the other you have very small operators who are forced to stay small to avoid the compliance burden. We might be considered big for an independent brewer, but we are still 100 times smaller than those big brewers, and with the cost of making beer at this level we would honestly be better off giving up and being 1,000 times smaller. That is not a healthy outcome for Queensland. It reduces our ability to compete and to innovate and ultimately takes choice away from Queensland consumers.

Mr J KELLY: Given the increase in recycling rates in Queensland at the time of the inquiry from 16 per cent to 68 per cent, which gave Queensland the second highest recycling rate in Australia except for South Australia, which has been running for 50 years, would you describe the scheme as being effective and successful?

Mr Croft: The first meeting we had with the manager of the manufacturing strategy was in 2017. The figure that he gave us for the recycling return rate of small containers was 75 per cent. When Coex was introduced seemingly that reduced to 18 per cent. These numbers do not really seem to reflect the reality of the way people recycle. People were already putting their containers into the yellow bin at home; that is, 75 per cent of containers were going into the yellow bin at home and being recycled effectively and efficiently. This scheme was brought in, we were told, to collect the remaining 25 per cent and that was it. It was a litter reduction scheme. There was no emphasis on recycling—no emphasis on anything other than increasing that 75 per cent to 100 per cent, or as best we could. We are told today that we are only getting 67 per cent and that has increased from 16. I do not believe that number.

Mrs Chapman: I would have to agree. When this scheme was originally brought in it was to help reduce the litter that you see on the streets. I do not see how any of this has increased, especially since we do have the yellow bins in our own residences. That is where a lot of people do their recycling. Yes, they do go to the container depots to redeem money straight-up and people use that to help bring extra money back into the family.

Mr J KELLY: Can you see any practical ways that this legislation would actually increase the uptake of the scheme and recycling rates?

Mr Croft: I do not believe that the bill that is being proposed addresses increasing recycling rates; it is more addressing compliance and oversight from the government. I do not see how that would change the way people recycle their containers currently.

Mr J KELLY: Does anybody else want to add anything to that?

Mr McGarry: We have an issue within the independent brewer industry in that we do a lot of innovating—we have a lot of new products coming out almost weekly, which adds a lot of compliance and registrations, as the representative for distillers brought up before. Quite often they can get rejected at the collection points as well. If people are going there but the bottles are not accepted, that could have a negative impact on collection rates.

Mr J KELLY: I note that recommendation 12 in the report has not been covered by this legislation. It outlines many approaches that submitters identified would increase recycling rates. Would you like to have seen this recommendation or other recommendations to increase recycling rates covered by this legislation?

Mr Croft: One obvious one would be the Queensland government's involvement in the scheme. You operate the prisons, the hospitals and the schools. There is a huge opportunity for the Queensland government to be involved to increase collection rates, and that has been neglected to date.

Mr J KELLY: As a nurse, I did not see too much craft beer in hospitals in my time!

Mr Croft: Water bottles—many other items.

Mr J KELLY: I know.

Mr LEE: What was your level of representation on the board under the previous governance arrangement?

Mrs Chapman: There was one distiller on the board at the time. I do not know where that is sitting at the present time.

Mr LEE: I will move on. How did you determine the threshold of 50,000 containers?

Mrs Chapman: It was communicated that 20,000 containers were put forward as a proposal. I have spoken to our committee and we believe that 50,000 would be a good starting point. It would bring it in line with the current excise redemption rebate we have, which is up to $400,000 per year. It would give our distillers an opportunity to make some good headway into their business without having this added burden on their business. A lot of our distillers already have a return policy where if their bottles are returned by the consumer they receive a discount.

Mr LEE: So that 50,000-container figure was determined on the basis of the rebate, as I understand it?

Mrs Chapman: Yes.

Mr LEE: Would anyone else like to make a comment?

Mr Croft: Yes, thank you. A threshold of 50,000 units would do very little for brewers. We make a lot more units in a much smaller format. For us, it would be a couple of months; for Christen, it is probably a couple of weeks worth of rebate. We are not really interested in a completely free component anyway because that creates a cliff where if you exist under it you are profitable and if you exist over it you are not profitable until you get to a really large scale. We would much rather see a tiered pricing structure for small producers up to a certain level.

Mr LEE: How would you determine that tier model? What would that look like?

Mr McGarry: I will give you an example of what a small independent brewer would be doing volume-wise. According to the ATO's description, it is a business doing $10 million of revenue, which is approximately what my business is doing. Approximately 30 per cent of that revenue is done in our taproom. Of that, around 70 per cent is packaged product. If you do the sums on that, it is around a million units a year. It sounds like a lot, but we are still a really small business in the scheme of things. I would be hoping that we could get the threshold as close to that million units as possible to really create some meaningful change for small brewers.

CHAIR: I think you said there are 94 brewers in Queensland. How many of them would be below the threshold and how many of them would be above the threshold?

Mr McGarry: Which threshold would you be referring to?

CHAIR: The one that is proposed in the legislation.

Mr McGarry: Is that the 300,000 that was proposed?

CHAIR: It is 20,000.

Mr McGarry: I would say that over 70 per cent of the brewers would be above 20,000.

Mr Croft: That is at a guess. We would have to take a survey of the members to find out.

Mr McGarry: Twenty thousand units is 1,500 cartons. That is a normal batch size for us.

Mr Croft: Any brewers who are under that 20,000 units in a year are essentially running a brew pub only—taproom only. They might have some takeaway internally, but they are not operating a manufacturing business.

Mr McGarry: They would not be selling into bottle shops. It would just be onsite, and they would not be paying any excise, either.

CHAIR: Mrs Chapman, you mentioned that bottles are retained, displayed or repurposed and that the return patterns can be quite different. I am struggling to understand how that impacts on the cost to small brewers in terms of the scheme pricing.

Mrs Chapman: With regard to the scheme, we would be paying on how many bottles are sold, but we do not know how many bottles are being returned. Yes, there is a barcode scanner on the machines. All that does is indicate whether it is glass, aluminium or plastic. It does not actually indicate what product is being returned. We have to supply all of our SKU numbers and barcodes to Coex, but we cannot get a report that says, 'Twenty bottles from Panezski Artisan Distillery have been returned this month.'

CHAIR: It might be a question for Coex a bit later on, but I understand the scheme price each year is set based on the return rates and collection rates.

Mrs Chapman: No, it is done on the sales rate—on the number of bottles sold. We do not know where our bottles end up.

CHAIR: So you report your volumes to Coex?

Mrs Chapman: Yes, we do.

CHAIR: Thank you. I did not understand that. Member for South Brisbane?

Dr O'SHEA: I just wanted to say thank you very much for coming and for your submissions. I know it takes a lot of time. Are the independent distillers concerned that the bill does not include provision for an independent dispute resolution body?

Mr McGarry: I will address that and say it is probably above my level of expertise. I am just here to represent the everyday brewers.

Dr O'SHEA: Mrs Chapman?

Mrs Chapman: Can you repeat the question, please?

Dr O'SHEA: Do you have any concerns that the bill does not include provision for an independent dispute resolution body? If somebody has an issue with the scheme coordinator, there is no provision for an independent body to review those complaints.

Mrs Chapman: If there was one available, yes, it would be amazing to have an independent person. At this time, I cannot answer that question effectively.

Dr O'SHEA: That is okay. Thank you very much. To the Independent Brewers Association: in your submission you commented that the proposed reforms to the governance would amount to double taxation. Could you elaborate on that?

Mr Croft: That one is a bit easier, thank you, member. We consider the CDS to be a tax of sorts. It looks like a tax and it smells like a tax. For our purposes it is another tax that we pay. Queenslanders are paying this. Queenslanders are paying $2 for every $1 that the scheme receives, based on the margins and GST being applied to it as well.

If the Queensland government were to take money from Coex to run oversight, regulation and whatever, Queenslanders would be paying $2 for every $1 you are taking out. Queenslanders are already funding the Queensland government to do their oversight and regulatory job $1 for $1. That would be a better use of the money, but we are still paying for the Queensland government and for the CDS. There are essentially two lots of taxes for litter reduction.

Mrs Chapman: Distillers are already running a fine line in their margins anyway. For a 700-milililtre bottle of spirit we have to pay $34 to the Australian Taxation Office for our excise. Then you have labelling, which can cost anywhere from $1 to $6 per label, plus the bottle on top of it. We are already running on thin margins in an exceptionally competitive environment. We are competing against international spirits that are coming into the country that are selling well below what we can sell for retail. It is making it exceptionally hard to maintain and be profitable in our current climate. Having this extra burden would put a lot of our distilleries on the brink of closure.

Dr O'SHEA: I will come back to the Independent Brewers Association. Did you feel there was adequate consultation before this bill was introduced?

Mr Croft: No, and thank you very much for that question. We have received no consultation whatsoever. The only time the Queensland government sent anybody to speak to our industry about Coex was in 2017. That was Bill Walker, the director of manufacturing strategy. He came to tell us that Coex was happening, that it was being supported by Coca-Cola and Lion and that we were going to be forced to pay into it. That was the only time we were ever spoken to. It was not for questions or for feedback; it was just to tell us that this was happening. We have received nothing from the Queensland government regarding Coex since.

Mr McGarry: Can I add that, again, we were really rushed to get our response through to you guys. It was an incredibly short period of time that we had to digest it and come up with something to get back to you guys.

Dr O'SHEA: Thank you. Mrs Chapman?

Mrs Chapman: I would have to agree. There has not been enough time to really fully prepare for this.

CHAIR: There being no further questions, we might conclude this section and move on to the next group. Thanks for joining us today and for your comments, your submissions and your frankness in answering the questions today.

Mr Croft: Could I make one final quick comment?

CHAIR: You may, absolutely.

Mr Croft: This is not addressed by your bill specifically, but it is something that is really important for you to think about as you are reviewing Coex and the CDS generally. We estimate that the cost of this existing scheme to Queenslanders is around $1 billion a year. That is what Queenslanders are paying for this scheme. Roughly half of that goes to Coex, 10 per cent goes to GST and the rest is margin. The consumer does not know that they are paying $1 billion a year, which is why they are quite happy with Coex. If they knew they were paying $1 billion a year, they would be very upset that the only thing they are getting out of it is litter reduction. That is the only objective of Coex. I am not suggesting that Coex should be funding recycling. I think that would be a terrible way to do it because with every dollar Queenslanders are paying, it costs two. The worst possible outcome is if Coex is doing anything other than collections, but we are paying a lot of money for not very much.

CHAIR: Thank you for that comment. The reason we are here is that there was a six-month inquiry into the scheme and genuine concerns about the administration and management of Queenslanders' funds. Hopefully the revised structure will go some way to addressing those concerns.

Mr Croft: I know there has been comment about putting more regulation on the PRO. I do not really have a strong opinion on that except that in other states where they have moved to a single operator, such as in Tasmania, it is up to 22 cents now that the producers have to pay. Producers have no say in those states and I think that is a terrible outcome for Tasmanians. It will be a terrible outcome for Queenslanders if that price also goes up.

CHAIR: I think part of the proposal is to have that broader representation on the board.

SLOAN, Ms Gayle, Chief Executive Officer, Waste Management and Resource Recovery Association of Australia

CHAIR: Good morning. Would you like to make a brief opening statement?

Ms Sloan: Good morning, Chair and committee members. Thank you for the opportunity to appear again today. Thank you also for the work that went into preparing the report. It was a very detailed and comprehensive report that, as an industry, we absolutely appreciate as it demonstrated that the committee listened to the issues that we raised.

I want to note that there is clear alignment across the supply chain that there is a need for reform of the scheme, in particular strong and consistent support for genuine governance change, including an independent chair and a board that reflects the full supply chain, not just one part of it. I think this point is critical because without real board independence and capability this scheme will continue to struggle to balance the competing interests across the value chain. We at WMRRAA do not consider that the incremental change proposed alone will resolve that.

We also support stronger scrutiny of network planning expansion. Access and convenience are fundamental to performance, but expansion must be transparent, evidence-based and fair to the existing operators who have already made significant investment. Industry has raised consistent concerns about how decisions have been made to date, and this is an area where confidence needs to be rebuilt.

We believe there are areas where the bill could be strengthened. Firstly, the introduction of additional reporting and planning requirements risks adding cost and complexity to the bill without necessarily improving outcomes. I think Mr Kelly called it 'the vibe' when it came to how we are going to increase recovery. These obligations must be disciplined and targeted; otherwise, we are simply adding cost without benefit. Secondly, governance reform does not go far enough, in our view. Without genuine independence and capability at board level, which was commented on at length in the report—the lack thereof—there is a real risk that existing tensions simply persist under a different framework. Finally, we do not support reliance on informal or voluntary dispute mechanisms. A scheme of this scale requires formal, independent and enforced complaint mechanisms with clear operator protections that must also be included in the bill to ensure fair conduct.

In closing, we at WMRRAA support the direction of the reform, but we emphasise the targeted amendments must be critical to ensure the bill delivers its intent in practice. In particular, strengthening provisions around board independence—that is, a direct ministerial appointment of an independent chair like we see in Western Australia—network decision-making transparency and an enforceable complaints mechanism would significantly improve confidence and outcomes across the system. Thank you, and I look forward to questions.

Mr J KELLY: I have similar questions to what I asked the first group. Given the increase in recycling rates from 16 per cent to 68 per cent in Queensland, would you describe the scheme as so far being effective and successful?

Ms Sloan: As far as recovering beverage containers, absolutely it has been successful. Could it be more successful? Absolutely. We could have far more investment in the system as far as recovering and remanufacturing those containers in Queensland. We could have far greater opportunities to work with local government to make sure those MRFs in regional areas are operating. We have not seen anything in the response to the objects of the act in relation to working with existing waste and resource recovery. Absolutely it has been successful—it has got a lot of support—but it could be far more successful.

Mr J KELLY: Does this legislation cover any of those matters that you have just raised?

Ms Sloan: Not sufficiently. As you pointed out, in relation to part 12 it has not been addressed: how we actually improve, on the ground, the recycling recovery rates; how we address commercial and industrial; how we make sure the regions operate. I read the 9 April transcript and your point was absolutely valid, Mr Kelly: it cannot be left to the vibe to increase recycling and recovery rates. At this stage that is what we have been asked to do.

Mr J KELLY: I am glad you remember what I said.

Ms Sloan: It was good. I liked it.

Mr J KELLY: You just touched on recommendation 12. Are there other recommendations in the report that you think should have been included in this legislation or you would like to have seen covered by this legislation?

Ms Sloan: Obviously we would have preferred as an industry that recommendation 1, an independent network operator, progress. I understand the reluctance for such wholesale change, but part of the rationale for that is to improve the on-the-ground experience of recovery rates and greater investment in Queensland. We are not seeing that. We do not have remanufacturing of plastic like we have in other jurisdictions. We are still seeing materials going offshore. We think that a network operator would have been a good outcome.

We recognise with the board changes—and the department also noticed—that we are still having a bit of a bet each way. It is still a Corporations Act board, which causes real challenges for the directors in the sense that the directors' duties are to the board and the company as opposed to the scheme. I do not think the governance reforms in relation to an independent committee go far enough. It still requires, as I understand it, the company to do the recruitment, and the minister has the right to approve or reject, but it does not enable the minister to directly appoint their own representatives.

Mr J KELLY: We have just heard pretty clear evidence around the cost impacts on small and medium operators in the distilling and craft brewery sectors. Given the volume of cash that Coex has been sitting on, are there ways the scheme could be restructured so that there is less of an impact on those small operators?

Ms Sloan: I think there is an opportunity to improve the current state rather than add additional costs, which is a lot of what this bill is doing. Additional reporting to the department that had carriage of this for the last 18 years is not, in my mind, going to improve the system. I think looking at a genuinely independent board working with industry through understanding and developing agreed network delivery—some of those targets that we started working on in 2017-18 in relation to distance of travel for network layout and also the planning approvals that we were also supposed to do for fast-tracking could be done. I think additional reporting that is going to get paid for by the scheme and additional officers is probably not going to get the outcome on the ground that we need. I definitely think there are other actions that could have been taken without adding to cost. I am very strongly of the view that, in relation to commercial and industrial, using the existing waste and resource recovery network for yellow bin collections in commercial premises and using the existing MRF network could have brought those redemptions back in a trackable way, the same way we do households. I think there are quite a lot of things that we could do practically on the ground without adding these costs and increasing recovery rates.

Mr LEE: What do you think an effective and impartial complaints management scheme would look like?

Ms Sloan: I think it is one that has to be separate from Coex and industry and is written into the bill and provides protections. I realise that there are already existing whistleblower and other mechanisms, but I think there needs to be a dedicated process. I think it came through in the committee's report that since 2017-18 there have been complaints received by the department about the scheme and operators did not believe they had a pathway they could go to to effect real change. At present they would have to go to a number of different locations: NFP appeals, the company directors, whistleblowers. We are not talking about crime, but we know that there is a lack of safeguards and certainty to raise issues in relation to contracts and disputes that could be captured in the bill and be enforceable and transparent.

Mr LEE: I have a couple of questions in relation to transparency and accountability. In your submission you talk about the importance of tabling the annual report in parliament. I am keen to better understand what advantage you think tabling an annual report in parliament would have over a publicly available annual report on the PRO's website.

Ms Sloan: One is that it would actually happen. In theory, we used to get those reports online and then they did not continue, so the rigour and requirement to actually table it in parliament ensures it meets the statutory timeframe. I think that guarantees we have some information and it also enables public scrutiny of that in a very formal context.

Mr LEE: The other matter you raised is the accountability around a balanced scorecard as a performance monitoring tool. What would that look like? Are you recommending that that be incorporated into one of the corporate documents?

Ms Sloan: Corporate documents or it could be in the annual report, to actually demonstrate compliance and have a transparent, consistent dataset that we all talk to. We heard earlier the different numbers that are bouncing around. If we had an agreed set of KPIs—for example, the number of depots that open, the number that close, metrics around distance of travel for individuals, the amount of containers redeemed—it would just bring a lot more transparency into the scheme and have the same set of numbers we are talking to.

Dr O'SHEA: Do you have any concerns about the term limit for the PRO moving to three years instead of five years in terms of scheme stability and investment?

Ms Sloan: Arguably not, as I do not believe there is a willingness to change the PRO. The opportunity to change would have been now. I think the term indicates a level of rigour that will happen at that renewal period, potentially. Five years would arguably give some longer capital certainty. Maybe three years enables greater scrutiny. I do not have a particular view. I think the opportunity to change the PRO network operator is now and there is not a willingness to do that.

Dr O'SHEA: You mentioned the importance of industry and operator feedback. One of the things you mentioned was structured operator surveys. How would you suggest that those would work and how would they feed back into the system?

Ms Sloan: I think they could be done quite simply, but they would need to be confidential. I think there would also need to be a mechanism for them to be viewed outside of just the board. I think we are acutely aware that the culture of the Coex board has not been very supportive in the past of operators and the waste and resource recovery industry. I think it is really important that we can get ongoing feedback as to change or anything that is occurring. I appreciate we have had this significant inquiry; however, I continue to get a lot of feedback that on the ground things have not changed much, so I think we need to be able to have those contemporaneous temper checks in a safe way so that we can all work together to reform and improve. I think of anonymous surveys without consequences. It is still a concern that as an individual operator there is the ability for that unequal balance of power to receive some not-supportive future sites et cetera. There is not sufficient here, in my view, to have addressed that imbalance of power.

Ms DOOLEY: In your submission you did mention the possibility of the insertion of a public interest test. Do you want to explain to the committee why you think that is important and how that might work?

Ms Sloan: With the public interest test it is talking about, again, coming back to the fundamentals of the scheme. I understand there is a lot of commercial interest in this scheme, but the point is that we are trying to deliver on the ground a scheme for all Queenslanders that is supported by the community. Bringing us back to first principles about the point of this scheme with respect to the environmental as well as the economic goals would be a positive.

Ms DOOLEY: With regard to the board structure, do you have any other comments about potential inclusions that you see would be beneficial?

Ms Sloan: The independent chair is the overriding piece, and then the entire supply chain must be at the table. I appreciate that we are taking beverage containers of different types and I understand the commercial challenges; however, what we have set up here is a producer responsibility organisation for the benefit of Queenslanders. The reality of a board is that it is a governance board that needs to put its personal day job, in many ways, aside to look at the governance of the scheme. We need that balance with respect to making sure it is representative, but we also need appropriately qualified independent directors who understand their obligations to the governance of the scheme.

Ms DOOLEY: Can you explain to the committee your recommendations for further reforms related to the standardised operator contracts? We did get a lot of feedback during the inquiry about variances in contracts, and it is interesting that you have said we need to go even further.

Ms Sloan: I think that comes back to transparency and certainty as to what is happening with the terms. I appreciate that we have historically had departmental oversight on some of those contracts, but I think we need a standard set going forward that have very clear and fair terms for all operators. I still hear there are distinctions being made being large and small and different approaches taken. We should be setting up a scheme that creates a level playing field and access to all fairly. I think having standard contract terms that have a level of transparency of key terms is really important to build confidence and trust in the scheme going forward.

CHAIR: I think it would be fair to say that the inquiry did highlight some concerns about the contracts. I know from my business background that I probably would not have signed some of those contracts; they were a bit one-sided.

Ms Sloan: If I may respond to that, if you have already made a significant sunk cost and investment, walking away is very difficult. We want to keep operators whole because they are part of the scheme. We have to work together to solve this. To try to chase your losses is not in anyone's interest, for a strong scheme that is supported by the community.

Mr J KELLY: I was listening to your commentary about the accountability mechanisms that have been overlaid on top of this and thinking back on your submission. You pointed to a need for more deep structural reform and, instead, what you have is an overlaying of stronger obligations and ministerial oversight. Do you think there is still more to do in terms of fundamental structural reform that this legislation might have tried to tackle?

Ms Sloan: I guess there are two parts to that, potentially. The structure is the structure and any structure could work, but part of that is also understanding the roles, the responsibilities and the skill set, and none of that has been really touched in this. We still have real challenges with contracts rolling out a scheme that works from a logistics and operators point of view. It has not had investment through the supply chain. In terms of the role of Coex, I am not sure writing reports to a government department will improve the efficiency or the delivery of those things.

CHAIR: I think we are about out of time so we might finish on that note. Thank you, Ms Sloan, for joining us today.

BRINDLEY, Mr James, Strategic Adviser, Lion

CHAIR: Welcome. I invite you to make a brief opening statement before we go to questions.

Mr Brindley: Thank you. My name is James Brindley. I am a strategic adviser at Lion. I was formerly the managing director of Lion and, in fact, I was managing director in 2017 when we decided to enter into Queensland and Coex.

Thank you for the opportunity to appear today before the committee and for the committee's continued interest in Queensland's container refund scheme. Lion is the proud custodian of XXXX and we are proud of our role in Queensland's container refund scheme. In Queensland, Lion contributed close to 400 million containers in 2025 and tens of millions of dollars in direct funding to the operations of Container Exchange.

We are focused on three things (1) increasing return rates to recycle as many containers as possible; (2) ensuring the schemes deliver wider socio-economic benefits; and (3) keeping the schemes as efficient, effective and as economic as they can be, not only for Queenslanders who buy the supply of beverages but also for the beverage manufacturers.

We have worked with successive Queensland governments on the establishment and ongoing administration of the Queensland scheme which, in our view, has been a significant success. Billions of containers have been recycled at rates comparable to other recent schemes around the country, and the producer responsibility organisation model has led to a network of charities, community organisations, sporting clubs and small businesses being established to manage the returns across the state.

We welcome the Queensland government's move to not increase the deposit from 10 to 20 cents. While we understand the desire to do this, the reality is that it would provide a short-term hit in terms of higher return rates, but we have not addressed the underlying structural issues and behaviour change required to increase the return rates, which is about awareness of the scheme, access to points and convenience of return points. It would come at a huge cost to the beverage industry in Queensland who directly fund the scheme and it would be borne, at least in part, by Queenslanders who buy our drinks.

Consultation with Lion and the beverage industry throughout the committee's initial inquiry, and then the subsequent policy development process from government, has been limited and this overall process has progressed within relatively tight timeframes. There are a number of claims made in the final report which we were, unfortunately, not afforded the opportunity to consider and respond to. This included suggestions that Lion has in some way financially benefited from our involvement in the Queensland scheme and, in particular, through our establishment of Circular Economy Systems. We cannot—and we have never—taken the dividend from our involvement in the Queensland scheme and indeed, as I said earlier, our involvement costs tens of millions of dollars annually.

As part of engaging with the Queensland government to establish the scheme in 2018, Lion and CCEP identified a gap in systems. Through extensive research and study tours in consultation with global scheme coordinators, it became clear that there was no suitable end-to-end IT system to manage the scheme in a way that met the government's objectives. This includes the technology and systems to enable the seamless processing of transactions for consumers. It simply did not exist. To address this gap, in good faith we invested in and developed a bespoke system via a standalone joint venture with CCEP called Circular Economy Systems. We have never taken a dividend from our ownership of CES. Our objective is to have this organisation provide the services required to enable the schemes we are involved in to operate as efficiently as possible.

On the legislation itself, we acknowledge and appreciate the Queensland government's stated intent to retain the Coex and PRO model. We support the intent of ensuring Coex's appropriate governance oversight; however, as we noted in our submission, we are concerned that some provisions in the bill may have unintended consequences including: potential impacts on the core principles of producer responsibility, which is global best practice; increased cost pressures for beverage manufacturers; and added complexity within the scheme.

Lastly, while the committee inquiry was initially established to examine how to further increase rates of return, disappointingly, none of the proposed changes in this legislation will actually support that objective and, indeed, in our view, will add additional cost and complexity to the operation of the scheme. We and other organisations proposed a number of simple reform options which would increase accessibility and convenience and support higher return rates, including increasing the number of container return points and streamlining planning and approvals processes. I again thank the committee for the opportunity to appear and I am happy to take any questions.

Mr J KELLY: To your last point, you mentioned that your submission put forward a number of suggestions around how to increase container recycling rates. These do not seem to have been addressed in this legislation. Are there recommendations from our report that were not covered that you would like to see covered, or are there other things that you think could have been done?

Mr Brindley: I think, in particular, streamlined planning processes to allow the placement of vending machines and/or sites for recycling. That helps us get more points and more diverse points. I note your point about hospitals and large Queensland government sites being able to lead the way on reverse vending machines or other areas. In fact, we are going to put a large reverse vending machine on the outside of the XXXX brewery. Others are how we can get pre-sorting done at commercial sites and also have access to apartment buildings. I am speaking on behalf of Lion and not Coex, and I think perhaps Coex would have more intricate and detailed concepts and ideas to share.

Mr LEE: I have a couple of questions in relation to the composition of the board. You say the scheme was established pursuant to best practice producer responsibility schemes. Can you define what that means?

Mr Brindley: If you look globally—we all look to European countries such as Norway, Denmark, Ireland—in the schemes there, particularly in Denmark, the whole PRO board I believe are only producers. The PRO seems to be the best model in countries that we aspire to be and get recovery rates like those countries do. Keeping the PRO model—although governance, transparency and accountability we are all for—and perhaps not having a quasi-government or fully government organisation, we strongly believe in. That is what I mean by best practice.

Mr LEE: Can you say what other Australian schemes the proposed changes do not align with?

Mr Brindley: I think WA. From our point of view, the Queensland model, which followed New South Wales, is the ideal model in this country. I think WA has modelled itself on Queensland, and I think WA was mentioned positively in the report. Things can be fine-tuned and enhanced, but the concept of the PRO to keep the producers of the containers accountable and involved I think is the right way to go forward.

Dr O'SHEA: In your submission you mention that the bill could add complexity and cost pressures without tackling the barriers to higher returns and that those costs could ultimately flow on to the beverage companies and consumers. Which proposed changes in the bill concern you most?

Mr Brindley: I think there is the mention of a special manager, which has a cost, and there is a mention of the department charging costs to the PRO, so there are two cost increases. It is not just the cost increase; it is the negotiation, it is the regulation and it is the time and effort required to do that. We feel there are a lot of costs involved in this industry already and these would add more—and it is a financial cost, a regulation cost and a time cost. They would be two that spring to mind.

Dr O'SHEA: Do you feel there was adequate consultation before the bill was introduced?

Mr Brindley: We stand here today to continue to collaborate and work with the government and other industry partners. 'Constrained' is the word we would use. There were short timeframes and we understand that; sometimes things cannot take a long time. There was limited consultation and only verbal. I think there is a guideline of five weeks for any new bill to be reviewed and I do not think that was followed. 'Constrained' is the word we would use, but sometimes you do not have the time.

Dr O'SHEA: Can you see a need for an independent dispute resolution body for the PRO?

Mr Brindley: We heavily believe in governance, transparency and accountability. That has been mentioned several times so we would support that. I guess the balance is the complexity and the cost—and I cannot answer that—but, yes, we are fine with that.

Dr O'SHEA: Do you have any concern with the ability of the minister to be able to withdraw approval for a director's appointment at any time for any reason or none?

Mr Brindley: Yes. I believe Coex submits budget strategic plans and operational plans for the minister's approval every year and the department is consulted and the minister has broad-ranging orders. We need to be careful about accountability. If the PRO is to be retained as it is, certainly some appointments; but if all appointments and dismissals are in the hands of one person or one organisation, is that the best governance and is that going to encourage the right type of outlook and decision-making for a long-term outcome?

CHAIR: I note the arrival of Rebecca Young, the member for Redlands, who is subbing in for the member for Redcliffe for the next hour. Mr Brindley, you made a comment about the fact that you had not received any dividends from the scheme, and I understand that to be true. Can you explain to me how the scheme pricing has worked? As I understand it, while you may not have received dividends, you would have received some benefit through reduced scheme pricing over time because of the retained earnings and the way those calculations are made.

Mr Brindley: I will try to give a full answer to that but also keep it simple, remembering I represent Lion not Coex. It is hard to know how many units are going to be returned and it has to average out over time. You have the 10 cents deposit and then you have the fees paid to the operators, logistics fees et cetera. I think that comes out at about 19 cents or 20 cents per container. However, because not all containers are returned, you then have an estimated percentage return which is applied to that 20 cents, which may go up or down in a year, and that comes out at the current 13.3 cents. We pay that on every container. We cannot take it back so the cost on 400 million containers is about $52 million. We put that in our price increase we charge consumers. Without getting into too much detail, we increase our price to retailers who then change their price to consumers.

Over time and looking at scan data, the product price generally comes back to where it was, so all of that cost—if not all then most of it—is borne by small suppliers who are here and large suppliers who are here. We do not get anything back. I note that the cost went from 10.2 cents to 12.8 cents from scheme inception to 2021, which is a 25 per cent increase which we paid more in. It came down, as I understand it, because the returns dropped off with COVID and people not being able to go out, and then rightfully so it went back up to 13.3. So we derive no benefit at all from the scheme other than paying 13.3 cents on every single container we sell.

CHAIR: I would appreciate it if you could explain the costs involved. We heard from some of the independent brewers earlier who quoted figures of around $5.40 to $7 per carton just for the cost of the scheme, so refund, admin and everything else. I am just trying to get some context around that. How much does it actually cost to produce a carton of beer for the cans, the actual liquid and the box?

Mr Brindley: I will give you some rough figures, but it might be better if we send you some accurate information. The liquid is by far the cheapest thing to produce. Cans, bottles and cardboard are expensive and then the excise tax is obviously a big hit as well. It is mainly the packaging and the excise tax. On a 30 carton of XXXX Gold, we pay 30 times 13.3 cents; that is what we add on for the container deposit system. For example, for the 400 million containers that we sold in 2025, $52 million is the direct hit to our profitability. We are one of the larger ones. It is a reasonable expense but we believe it is the right thing to do for the economy and the environment of Queensland.

CHAIR: If you are okay, we might make that a question on notice and you could explain to us the make-up of a carton of beer, with the excise et cetera.

Mr Brindley: Yes. I will give some generic things and I think that would be worthwhile. Our costs might be different to someone else's so we might put in a range of each item so you can get a better feel. We can email that through.

CHAIR: Thank you.

Mr J KELLY: In your submission, you make a point of an increased difficulty for directors to conscientiously carry out their duties, including acting in the scheme's best interests. Can you elaborate on what the nature of these difficulties might be?

Mr Brindley: From a Lion point of view, as an organisation which takes its societal requirements very seriously, good governance, transparency and accountability trump everything. I think you have to have due process to appoint people with the right attributes, skills and experience to a board. Then there are rules and regulations on what entails appropriate behaviour in the organisation's interests and towards each stakeholder. I will give my general point on having a legislated or detailed regulation on empowering one person to appoint and then terminate a director. We think it might limit the free-flowing exercise of goodwill and good intentions to have a really positively engaged and effective organisation, if that makes sense.

Mr J KELLY: Do you think that process could erode the faith in the directors from other industry players? Do you think it could lead to politicisation of the board?

Mr Brindley: The intent is good. The unintended consequences might be that it is overly bureaucratic and we end up with a less effective board and something that is focused on admin versus driving great outcomes for the people of Queensland.

Mr J KELLY: Finally, in relation to the retained earnings that Coex has, does Lion have concerns around that and would you like to see those deployed in different ways?

Mr Brindley: There are a lot of funds there and a certain amount of it is due. It is a volatile business, so you need a good base to ensure it is always going to be liquid and can fulfil its obligations. I think there is a great opportunity to build access and convenience by expending some of those funds, but to allow that we have to remove the barriers of planning and how we can go and put all those sites out and put them in the right place and get the right density and the right coverage between regional and cities. I feel like we have an excellent scheme in Queensland and there is great opportunity to build on those 68 per cent return rates by expending some of those funds in a thoughtful and measured way.

CHAIR: If there are no further questions, I thank you for your appearance today.

Mr Brindley: I will prepare that document. Do I send it to the central email?

CHAIR: The committee secretariat will email you. We will need that response by Friday, 1 May.

Mr Brindley: No problem.

PRICE, Ms Alison, Chief Executive Officer, Waste Recycling Industry Association of Queensland

CHAIR: Welcome. Would you like to make a brief opening statement?

Ms Price: Thank you. Since last year's inquiry, WRIQ and Coex have done a great deal of work to repair our fractured relationship and navigate a path forward on how to implement your recommendations. While some industry complaints have been resolved under Coex's new leadership—and I can feel a significant shift in how they are engaging with the waste recycling industry—the structural power imbalance you observed at the parliamentary inquiry can only be permanently fixed by legislative guardrails that you see in this bill.

As has been mentioned already, the speed of these reforms has been probably some of the fastest I have ever seen done by a government. While I understand the government's current reluctance to increase the refund, it is clear that without it that 85 per cent target is never going to be met. Successful international schemes offer a refund which is worth up to 25 per cent of the retail price of the product; ours is just four per cent. This makes the current target unachievable. I would like to see this bill include broader performance indicators that reflect this reality and also help operators and Coex work together to improve scheme outcomes.

To ensure some long-term stability with these changes for waste and recycling contractors, I am requesting four specific refinements. Firstly, we absolutely must put dispute resolution into this bill. We want these changes to outlast good relationships between current CEOs. I understand there probably will not be the second tranche of reforms that were originally being discussed, so we need that independent complaints handling body written into this bill before it is debated in parliament to provide a permanent neutral shield for small operators. Secondly, we need to enable shared infrastructure and logistics. This bill should explicitly allow the scheme coordinator to co-fund shared logistics with other stewardship schemes, making it legal and easy for operators to accept multiple streams, like e-waste or batteries, in future.

Thirdly, we have to futureproof the framework. By adjusting the title or the principles of this bill, you can actually make this the default framework for all product stewardship in Queensland to stop us from reinventing the wheel for every new waste stream. Finally, it is really important to hold the line on these governance reforms. In every scheme—from tyres to beverages—manufacturers lobby for control to drive their own costs down, but when producers dictate the rules the contractors doing the work get the raw end of the deal. This bill is a vital intervention.

Before I conclude today, I would like to mention the submission made by Coca-Cola Europacific Partners and comments made in the media regarding their threats to withdraw from the scheme in response to more government oversight. While the rest of Coex appear to be getting on with the job of acknowledging past mistakes and working out how to move forward, to see one of the scheme's original supporters having the equivalent of a corporate tantrum is really disappointing. If one big company can throw their toys out of the pram and financially disrupt a scheme because they are no longer contributing to it, that is not a scheme; it is actually a hostage situation. We are very fortunate that Queensland has a compulsory scheme for beverage manufacturers. It means that even if Coca-Cola decides it no longer wants to participate in Coex's board or as a shareholder of the organisation it must still continue to contribute financially to the cost of collecting and recycling the products that it makes.

Finally, let this bill serve as a blueprint for future accountability. Currently, our industry is forced to provide a free hazardous waste service for battery manufacturers. We are dealing with 12,000 fires a year because there is no mandatory scheme for them. These costs inevitably get passed on to Queensland communities. If emerging nations like Vietnam, Indonesia and Nigeria can mandate that billion dollar brands pay for the waste they create, Queensland must do the same, especially in the absence of federal regulation. I urge you: please do not let the explosive allegations of this parliamentary inquiry deter you from making the changes that need to be made. Instead, let them embolden you to ensure that the polluter-pays principle is applied to every problem waste stream in this state. I welcome your questions.

CHAIR: Thank you, Ms Price.

Mr J KELLY: I am just trying to understand: what is the difference between you and the previous waste industry association that came before us?

Ms Price: WRIQ, Waste Recycling Industry Queensland, represents businesses; Gayle's organisation represents individuals. Her membership includes a lot of council and consultant type people; my membership is the businesses that are the contractors doing the doing in the waste and recycling industry.

Mr J KELLY: Thank you. Your evidence seems to be quite at odds with the evidence of the other waste recycling association peak body.

Ms Price: Yes. My evidence in the original parliamentary inquiry was similar and I am not at odds in that I still think that Coex is an organisation that has done terrible things to a lot of waste and recycling industry operators. I am, however, a pragmatist. I see this parliamentary inquiry and the recommendations made as an opportunity to work together with an organisation that is now looking to work with us for the first time ever and implement some change, so that has been my approach managed very carefully on behalf of my industry—that is, to use these recommendations and work out how to implement them in partnership with an organisation that is obviously here to stay for now.

Mr J KELLY: I cannot help but think the statements that you made about one of the submitters that were made publicly in the media sound very much like a government response to me.

Ms Price: No, it is an industry that is really frustrated by how poorly they have been treated for a long time. You have a parliamentary inquiry that has uncovered many of these things and referred things to the Crime and Misconduct Commission for investigation. To have Coex in general coming to us and looking to work with us is a first for our industry, but it is disappointing for our industry that there are still views obviously within Coex with those beverage manufacturers. I have not discussed these comments with government at all. It is industry's disappointment that makes me raise that because it is what we see in a lot of extended producer responsibility schemes where the impulse from manufacturers and the creators of these products that make waste is that they want to keep the costs of the scheme as low as possible rather than look for good recycling outcomes. Our industry is looking for good recycling outcomes and for all of the little mum-and-dad businesses that participate in the industry to be treated fairly.

Mr J KELLY: You mentioned four things that you felt needed to happen going forward. Have any of those been addressed by this legislation?

Ms Price: Yes, many of them have and also many of them have begun to be addressed in the background. For example, your recommendations talk about improvements in collections in commercial areas of the business. WRIQ and Coex are looking to run an innovation challenge across industry where we are seeking solutions to improve the recycling rate in the commercial space. It is not a perfect bill; it is a bill that fixes many of the governance issues that were urgent. Once those things have been fixed, I think the other things will be able to continue to be fixed.

Mr J KELLY: You mentioned issues around a complaints scheme. Can you point to me in the bill where that matter you have raised has been addressed?

Ms Price: Yes. In the original draft bill that I was consulted on there was talk of an independent complaints handling body. I understand that was removed because of some questions that got asked, and there is a bit more work that needs to be done before you could create an independent complaints handling body.

Mr J KELLY: So that has not been addressed in this bill?

Ms Price: That has not been addressed in this bill.

Mr J KELLY: In relation to shared infrastructure and logistics, can you just point out to me in the bill where that has been dealt with?

Ms Price: It is not being dealt with. That is a change I am asking for. Those four changes that I asked for are things I would like to see in this bill.

Mr J KELLY: You just gave evidence to a parliamentary inquiry that the four matters you had outlined had been covered by this bill or were being dealt with in the background, and so far out of the two that I have gone through you have said they are not in the bill.

Ms Price: No, I said many of the things that have been raised by us have been covered in this bill and I have asked for four changes. I am happy to go back to the transcript—

Mr J KELLY: I was asking specifically in relation to those four matters that you put on the table.

Ms Price: Yes, so those four matters I put on the table are things I am asking for—changes I am asking for. I apologise if I was not clear.

Mr J KELLY: I am trying to clarify it: are they actually covered in the bill?

Ms Price: No, they are not. I would like to see them covered, yes.

Mr J KELLY: Thank you. Just out of interest, I think there is certainly a lot of merit in what you say around futureproofing and creating general principles for all waste streams, and I did listen with interest to your statements around Nigeria and Vietnam. It is one thing to pass legislation; it is quite another thing to be able to enforce it. How are they going with the enforcement around those issues?

Ms Price: I might take that question on notice, if I can, and I will give you a more detailed response.

Mr J KELLY: Thank you.

CHAIR: In terms of the independent complaint handling, are there other mechanisms that are available for that? I am assuming that if people have a genuine complaint that was not addressed by the body they could go to the Queensland Ombudsman.

Ms Price: There are some mechanisms. The tricky situation with operators in particular is it is a very technical area, so having an independent complaints handling body to handle the kinds of issues that we saw raised in the parliamentary inquiry I think will prevent those things from ever occurring again in future. There was talk of government running it. When it was removed from the bill that was tabled in parliament, I went back to Coex and we discussed perhaps WRIQ, our industry body, might run that on behalf of Coex. We are already informally attempting to manage complaints between us, but that is a challenging thing when some of those things have already progressed to be legal matters. It would be better to have a fast, free, independent body that understands how the waste and recycling industry operates to deal with these complaints before they get into the courts.

CHAIR: In terms of complaints—and you have said that you are already helping support the operators with some of those—are we talking 30 complaints a year, two, a hundred? What sort of volume of complaints are you typically dealing with?

Ms Price: Our estimates are that there might be around eight complaints per month made through any independent process. That is the way we have run our numbers.

CHAIR: Are they from operators or from the general public about other issues to do with the scheme?

Ms Price: Depending on how the complaints body is set up, I think the bulk of the complaints that the parliamentary inquiry heard about were very much operator related complaints, and that has been my focus. I want these operators to have a mechanism to deal with things quickly. If we were running this body on behalf of Coex, I do not think we would be addressing community complaints; I think it would be about industry complaints. We do not mind what format the complaints handling body takes, so long as there is one in this legislation.

CHAIR: Have you had any thoughts around what such a complaints body might cost to operate? Everyone says, ‘The government should do this,’ but I always remind people that that is usually code for, ‘Please tax me more,’ because someone has to pay as well.

Ms Price: Absolutely, and that was why I looked at whether we could run that complaints handling body. I understand it was perhaps removed from the draft legislation because there were concerns about the cost of it. I think it is such an important thing for operators that I really want to see it in some form, even if it is an inexpensive, industry-run format that is legislated so it cannot ever disappear.

Mr LEE: Given the number of horrendous stories and allegations that were made during the inquiry in relation to operators, do you propose any reforms to standard forms of contract? Do you have any comments in relation to that?

Ms Price: Yes. We have discussed and I have written promises from Coex about some announcements we are going to make soon regarding contracts. There is an element of the contracts that did not allow these operators to meet previously and talk amongst themselves. That will now be fixed and there will be operator forums that exist without Coex’s involvement within industry bodies that assist those operators. While I have come to this committee hearing with quite a different outlook to perhaps what I had at the parliamentary committee, a lot of that reflects the work I have done in the background with Coex to change the things that I think are important for industry moving forward.

Mr LEE: Given you represent operators, I am interested to unpack the proposed MOU that you are talking about. Given that you would be dealing with Coex as a representative body, how would you propose that that be an independent dispute resolution body given your bias towards obviously representing your members?

Ms Price: Most definitely. Whatever form of independent complaints handling body we have, I think it needs to be part of this legislation so that it exists forevermore. With regard to us informally running complaints handling through Coex, I worry that that might disappear in years to come when it is not two CEOs who can sit down in those chairs and have a conversation. I want the changes to outlast me as an individual and be here on an ongoing basis for our industry.

Mr LEE: With regard to the MOU that you are proposing, does that include an independent dispute resolution body?

Ms Price: It does discuss the independent dispute resolution body. Up until a few weeks ago I thought that would form part of this bill, so this has been quite a rushed process to ensure there is something back on the table for the committee to consider. Our boards are currently running through the details with a plan to approve them in late May at our next board meeting, so there is a lot to be done if that was going to be the pathway, and obviously you as a committee would need to approve that as the pathway. It does not matter what the pathway is, so long as the pathway exists.

Mr LEE: Finally, as a matter of interest, there was some confusion during the inquiry as to whether or not a dispute resolution process was incorporated into the terms of the standard contracts.

Ms Price: Yes. I am not intimately familiar with standard contracts, so perhaps I may let Coex discuss that, but my understanding is that they are completely overhauling their complaints management process and we are going to need to determine an off-ramp for a fast, free, independent option for operators to get some of those operator issues dealt with before they become much larger.

Dr O'SHEA: Thank you for coming today and for your submission. Before we leave the external complaints framework, my understanding is that you said that this was originally going to be in the bill and then it was withdrawn. What reason was given for it to be withdrawn?

Ms Price: There were some concerns about cost. I have been told that it may be able to be added back in before the bill is debated, that there is work being done in the background on the design of what might be possible. When we saw it disappear out of the bill we wanted to make sure there was some option on the table that was a low-cost, free dispute resolution mechanism for industry operators.

Dr O'SHEA: In your submission you mentioned introducing KPIs for the PRO in terms of over 95 per cent public scheme awareness. Do you see that public awareness is a major barrier to lifting return rates and do you think the bill does enough to address increasing the return rates?

Ms Price: Originally we were told that there would be two tranches of reforms—one in relation to governance and then more in relation to scheme performance later on. Given the evidence provided by the department a couple of weeks ago, I am concerned that perhaps this may be the only tranche of reforms, so we are pushing forward on things that have not yet been properly discussed and agreed upon amongst industry. I think individuals being aware of the scheme is very important. The other thing that is very important is the investment that this scheme makes into waste and recycling infrastructure in Queensland. I would like to see that as a KPI for the scheme because that is something that operators and Coex can get on board with, rather than it being a fight to achieve 85 per cent and the number of refund points. Having some KPIs that are agreed to and form a shared goal for industry and colleagues would be very helpful

Mr J KELLY: It seems to me, Ms Price, that your organisation has been consulted about this legislation where others have not, and it seems to me you have been given quite a bit of information about what may or may not happen beyond this legislation. Why do you think that is the case? Why has your organisation been singled out for special attention and, given the concerns that you raised about the special attention that was supposedly being given to some of the big producers, how are we fixing that problem by simply favouring another section?

Ms Price: My organisation has been very heavily outspoken against the Coex scheme and the way it was originally set up and the way it operated from the beginning. My predecessor was well known in industry circles for being very against it, and the fight between the beverage and the waste recycling industry was led by my industry association. I am, however, a pragmatist. Our industry feels very relieved by the recommendations made by your parliamentary inquiry, so now I am looking for the best ways to implement them. Yes, I have been consulted, but I have also been proactively asking questions.

Mr J KELLY: It does not concern you that only one player seems to have been consulted around this legislation?

CHAIR: Deputy Chair, we do not know that that is the case.

Ms Price: I am happy to answer that.

Mr J KELLY: Based on the evidence we have heard today, I think it is reasonably clear, but anyway.

Ms Price: I would be happy to address that and say that this is one of the most important advocacy issues for my industry association and, as such, we have proactively reached out to government and been requesting things and suggesting things. I have also proactively worked with Coex in a way that we have never done before. Yes, I have spent a lot of my job this year attempting to make sure these recommendations—

Mr J KELLY: That is not unique to you, based on the evidence we have heard today. Many other people have made the same statements.

Ms Price: I understand.

CHAIR: The time for this section has expired. Thank you very much, Ms Price, for your appearance today.

EVANS, Mr Trevor, Interim Chief Executive Officer, Container Exchange Queensland Ltd

FITZGERALD, Mr Joe, EGM Stakeholder, Communications, Container Exchange Queensland Ltd

CHAIR: I now welcome representatives from Container Exchange Queensland. Please remember to turn your microphones on and off when you speak. I invite you to make an opening statement.

Mr Evans: Thank you, Chair and committee, for the opportunity to appear here today. At the outset, I want to reiterate Coex's position that it is supportive of the recommendations in the committee's report. As the department noted in their comments to you a few weeks ago, what matters now is the detail in terms of how some of your recommendations are proposed to be implemented.

News at hand: last week—Tuesday, in fact it was—we celebrated the moment when the 12 billionth container was returned and recycled through Containers for Change since its inception. That was the fastest billion yet, achieved in just 175 days. We are now close to the point where every minute of every day 4,000 containers are being returned and recycled. That is 4,000 that might otherwise have gone to landfill or, even worse, out into the environment and into the marine environment. That is $400 of refunds that are going back into the pockets of Queenslanders or, indeed, to support charitable and social enterprise outcomes, and significant funding to the side of that going directly to the waste and recycling sector to encourage and ensure those good recycling outcomes and the jobs in that sector.

I know it has been top of mind for the committee and many of the other parties here in front of you today and previously how there is not a successful scheme like Containers for Change in existence but should be for many of the other products in the packaging that we all use daily.

Whilst Containers for Change is indeed one of Australia's most successful recycling schemes by any measure, there is always room to improve and to grow. Wherever possible, Coex has been taking action to try to give immediate effect to the spirit and the intent of many of the recommendations of this committee, even before these draft laws were put on the table. For example, further to your recommendations about improved transparency, Coex now publishes monthly material reports in terms of downstream recycling, and we are preparing our next tranche of corporate documents, like our strategic plan, our operational plan and our budget for FY27, with the intention of publishing them even before the laws are changed to require us to do so.

To increase industry representation, recruitment efforts are currently underway to add waste and recycling sector experience to the board. This will replace a beverage position and have the effect of flipping the balance between beverage and non-beverage board representatives to a five-four majority of non-beverage board members. Earlier this month we launched a new asset hire program to provide more opportunities for charities, non-profits, community groups, social enterprises and small businesses to benefit from hosting and operating reverse vending machines on their premises.

The ways that Coex works with our stakeholders are also very important. Coex has been working very hard to engage more and to align more with our stakeholders, and that includes government, our operator partners, beverage manufacturers, the supply chain, the waste sector and local government. As the interim CEO, I have been working very hard to address some of the historical disputes and matters raised during the course of the inquiry last year. Committee members may be pleased to hear that significant progress has been made in addressing all of those outstanding disputes and matters.

Coex thanks the committee for your work in conducting the inquiry and now reviewing the proposed legislative changes to strengthen the container refund scheme. Our submission goes into detail in some of the areas where additional details may be necessary to give effect to your recommendations or to avoid unintended consequences. These details do matter and they can make or break the scheme. I look forward to your questions.

Mr J KELLY: Thank you for your presentation. When did Coex receive the governance review, finalised in November 2024?

Mr Evans: I would have to take that question on notice. I was not around at the time, so I cannot speak to precise dates. My understanding is that a draft report was provided, but I am not sure that report was ever finalised, but I will get back to you on notice with those details.

Mr J KELLY: Do you believe Coex would have had the capacity to move faster on many of the issues raised in this inquiry if Coex had been provided with that report and tasked with implementing aspects of it?

Mr Evans: I do not think I can speak to the details of that report, I am sorry, member, because I—

Mr J KELLY: Have you read the report?

Mr Evans: Coex does not have a copy of that report. My understanding is that it was instructed by the department to destroy its draft copy.

Mr J KELLY: So you got a draft copy but you did not get the actual report?

Mr Evans: I believe that is the case, yes.

Mr J KELLY: You just talked about flipping the representation on the board five-four in favour of non-beverage manufacturers. We just heard from one industry association that clearly has been given early access to this bill which others have not. Does that suggest there may be some sort of political interference in this process now where simply another group is being picked to be favoured in terms of the management of Coex?

Mr Evans: I cannot speak to who was consulted in terms of the department's process. The consultation that Coex was provided was confidential in nature, and I assume the same was true for the other parties. In terms of potential government involvement or interference or political interference with the scheme, I note Coex, of course, is not a government agency; it is a non-profit. Nonetheless, it operates a government scheme. The current laws allow for the minister to have approval or veto powers over two of the nine board positions, and my understanding is that it is one of your committee's recommendations that those powers be extended over all nine of nine of the board positions.

Mr J KELLY: The witness that I am referring to did talk about the fact that Coex has been working with them quite closely. Have you been working with other sectors in this industry as well?

Mr Evans: Yes. Coex has a significant focus on stakeholder engagement and building alignment and relationships right across the board. That includes industry associations, representatives of local government, beverage manufacturers, industry associations in our supply chain—you name it.

Mr J KELLY: In your submission you say that many of the recommendations are aimed at long-term scheme performance improvement and removing barriers to growth. You note that many of them have not been covered by this bill. Which of those unimplemented recommendations would you say make the biggest difference to increasing participation and uptake?

Mr Evans: I would reiterate that Coex supports all of the committee's recommendations. We think they are all quite valuable and insightful. I would characterise about half of the committee's recommendations as going to improving governance and oversight and about half of those recommendations going towards improving the long-term performance of the scheme. I do not think it is Coex's opinion. I think it is the department's own position that this bill mostly leans into the 10 recommendations relating to governance. In relation to the other recommendations, as I say, we support them as well, and we would welcome any commitments from the government or recommendations from this committee that there be timelines against or work undertaken to progress those other recommendations, noting, I understand, that the government does support them in principle.

Mr LEE: Can you outline to the committee your concerns regarding the requirement for ministerial approval of the PRO's governance and investment plan?

Mr Evans: Yes, I can. As I mentioned, Coex supports all of the recommendations of this inquiry. In terms of implementing those recommendations, balances have had to be struck by the drafters in terms of the extent to which the solution for increased oversight is one of many things. Broadly speaking, the committee and the department have recognised that you have two levers at your disposal: one is transparency and one is increased government involvement, and that might be by virtue of a minister or a government having an approval or a veto power or, indeed, having something more than that which is the power to direct. When it comes to a lot of the issues and challenges that the committee has identified in its work, I think the draft bill probably sometimes blurs the lines between whether the lever being pulled is to increase transparency or to increase the scope for government involvement or, indeed, ministerial direction. When it comes to something like investing the funds of the scheme, we would certainly welcome increased transparency along those lines.

We certainly welcome the recommendation that there be a dedicated investment plan, and I guess that would spell these matters out in more detail in a way that is not quite covered but is partially covered in the operational plans that we currently submit annually for approval by the minister. It is one of those balances where the committee should be mindful about whether you are indeed empowering a producer responsibility organisation to take on these functions or whether you are actually requiring the government itself, the department or the minister to make these decisions.

Mr LEE: In relation to governance, you also outline some concerns in relation to the annual audit of board skills and composition and feel that that may be inappropriate. Can you elaborate on why that is the case?

Mr Evans: I would make the point that there is already a skills matrix and an independent audit type process undertaken currently. It is not set out in the legislation but it is conducted by the department under a ministerial condition, so it is not a published condition but in effect there is already a like process. What we have learned from that process being undertaken year on year is that many years there is not actually a change in the composition of the board, so the idea of having an annual independent audit of something that has not changed since the year before just seems to introduce an unnecessary element of administrative burden and cost.

Mr LEE: I will not elaborate on that. Have you received any feedback from the small beverage manufacturers about the relief threshold?

Mr Evans: Yes, and I think it is worth me setting out a little bit of the history here, because the 20,000 threshold that is currently proposed in the draft bill is a number that came out of some Coex work, but it was not actually necessarily intended to be applied in this way. Well before the committee had done its work and explored avenues for small business relief, Coex was already working with and consulting the beverage industry around mechanisms and powers that we had to give administrative and cost relief to small businesses. We had conducted previously some quite extensive consultation with small beverage manufacturers about the power that we already have under the existing year to apply rebates. A rebate does not allow the cost not to be paid in the first place, but it would involve a refund, essentially. There is only one other jurisdiction that currently has a rebate operating like that, and that is Tasmania. They use a 20,000 threshold for their rebate. In the interests of harmonisation, that is why we picked up the 20,000 figure in our consultation and ran with it.

What is proposed in these law reforms is not a rebate, though; it is an exemption. None of those same questions around harmonisation with other schemes apply. For that reason, we would suggest that the 20,000 figure is worth revisiting. I note the feedback that has been given by some of the small business industry associations here today about how that number applies differently to somebody, say, who produces wine or spirits, which have relatively high values against small volumes, versus someone like beer or soft drinks, which is high volumes but low values. Thinking through those issues will require some further consultation, and Coex would be very happy to work with the government or the department in finalising that number if that opportunity exists.

Dr O'SHEA: Recommendation 12 recommended more reverse vending machines and reducing barriers in corporate settings, public space and multiunit dwellings. Which of those mechanisms do you think, if they were addressed, would give the quickest uptake in recovery rates?

Mr Evans: We support all of them being included, and we support the committee's recommendation to pursue and progress those matters. What I might do, if possible, is take that matter on notice and provide you with an extract of some advice that we received from a consulting advisory house that did quite extensive work on the extent to which many of those elements would increase recovery. Speaking off the top of my head, I want to say that those matters, taken together, were expected to potentially increase the overall recovery or recycling rate by as much as eight to 15 per cent statewide.

Dr O'SHEA: Can you see any reason that they would not be being implemented now through this bill?

CHAIR: Can I add a supplementary to that?

Mr J KELLY: Chair, can we get the question first and then the supplementary?

CHAIR: Repeat the question.

Dr O'SHEA: In anticipation of increasing the recovery rate, is there any reason you can see that they would not be implemented through this bill now?

Mr Evans: I cannot give any information other than the department has to you earlier in terms of what the focus is of this particular draft bill. As I say, I would welcome any commitments from the government or recommendations from this committee to continue to progress the outstanding recommendations.

CHAIR: With regard to the same issue, does increased investment in reverse vending machines and other measures require legislative change, or is simply a matter for Coex to look at its current investment policy?

Mr Evans: That is a great question. It would assist, but it is not a total barrier. To give you some further context around that, Coex has been working very hard with our partners to increase the number of reverse vending machines operating, particularly in South-East Queensland. We have dozens of them currently. I mentioned to you before the new asset hire program where we are hoping to work with charities and social enterprises to increase the uptake of those and the new offers we have as well for small businesses and, indeed, large businesses in our operator class to incentivise more of them. The reason, though, that we have dozens whereas interstate counterparts like New South Wales and Victoria have hundreds, and have had hundreds since the days that their schemes commenced, is that in those equivalent jurisdictions planning law reforms were progressed to exclude RVMs from the full council planning approval process.

Dr O'SHEA: You mentioned that there is a lack of detail about the proposed special manager being appointed. What safeguards and thresholds would you like to see in the bill that are missing about the special manager?

Mr Evans: I think anything additional that the committee or the government could provide to ensure there is a necessary or preconditional threshold for appointing a special manager and the circumstances through which the appointment of a special manager might continue before it needs to cease. My understanding is that the intention is that a government could have a mechanism for intervening without necessarily having to suspend or end the scheme. I welcome the principle behind that suggestion. Having said that, I am a little bit unclear, from the details that are in the bill and the regulations currently, whether a special manager could be appointed today and under what circumstances—any additional guidance, I think. This is not a reflection on the current or any past ministers or government or department officials. The policymaking principle would be that we have to make laws to consider all of the folks who may occupy such roles in the future, and so, to the extent that we are providing special powers or capacity to intervene in what are quite significant matters, guardrails to ensure that thresholds must be met and things can be checked, balanced or reviewed would be very welcome.

Mr LEE: As you are aware, there have been 10 recommendations referred to the CCC. In your submission you talk about some ambiguity around the jurisdiction—

CHAIR: Member, I am wondering where you are going with this.

Mr LEE: It is a question in relation to the submission. The submission talks about some ambiguity in relation to the jurisdiction of the CCC. It is quite relevant.

Mr Evans: I think, if I am hearing the question correctly, it relates to the proposed reform that would put beyond doubt that container exchanges are a unit of public administration for the purposes of the act.

Mr LEE: Correct, yes.

Mr Evans: Our submission simply points out that there are many functions of the PRO at this point which I think do not necessarily feel like the sorts of functions and activities that would ordinarily be within the jurisdiction of a body like that. For instance, a significant part of our PRO budget relates to marketing and awareness. These are not the normal sorts of functions which would be considered within the purview. The point or the principle that we are raising is that there is a question as to whether the jurisdiction here is a blanket one across all areas of our operations or whether it is a more targeted one towards the sorts of areas that would more normally fall within the jurisdiction of an entity like that, noting, of course, that the entity itself wrote a letter to your committee, Chair, calling out a situation as being a novel and unexplored one.

Mr J KELLY: What do you propose will occur with the retained earnings currently held and future earnings to be obtained, and in what timeframe will that occur?

Mr Evans: The bill talks about introducing a new corporate document which would involve an investment plan being submitted to the minister each year for approval. In that plan, presumably we would speak to the capacity we have to make further investments in downstream recycling and to utilise the balance.

I would push back slightly against maybe an implication in that question. The size of the retained earnings or the accumulated surplus in Coex is a significant number on its face. I would point out that it is a significant operation that we are running. I mentioned that, with regard to our 12 billionth container, our last billion came in the space of 175 days. That is $100 million worth of 10-cent refunds that we handed out over those 177 days, and the committee will be aware that for each 10-cent refund there is also about 13 cents that we pay out on the other side to the recycling and waste sector to do the processing, sortation and so on of those materials. In the last 177 days we passed through, in both of those directions, an amount that is well over our accumulated surplus. I certainly would not propose that that number ever be zero. I think it is always a question for organisations as to what sort of balance they need to hold and whether you think that should be one month's worth of outgoings, which would be about $50 million, or two, which would be about $100 million, or three, which would be about the size of the current surplus. It is the sort of question not expected to be dealt with in an investment plan.

Mr J KELLY: I will point out that I made no commentary around the size of the earnings. I just asked what was the intention with them, and obviously that is something you are concerned about.

Mr Evans: Noting some of the previous comments of the committee and questions. Apologies, Deputy Chair.

CHAIR: One of the surprises that came out of the inquiry was how small an amount of money actually found its way back to community organisations as opposed to individuals. Have you had time to consider how we might actually increase the level of refunds that would flow to community service organisations?

Mr Evans: I have, Chair. I mentioned the new offering that we have as of this month to try to assist more charities, social enterprises, community groups and small businesses to be able to benefit from hosting and operating reverse vending machines in our network. We are very excited about the potential of that new offering and, indeed, the uptake of applications so far has been very encouraging.

I feel like I do have to somewhat correct the record on a number that gets quoted sometimes in the commentary around these matters. There has been a previous claim made that two per cent of scheme funds go back into charities. That number is factually incorrect. The two per cent that is being quoted widely only looks at one minority portion of scheme funds, and that is the small proportion—it is about 25 per cent—of the 10-cent refunds that are paid out to the people in the public using their scheme ID—in other words, their membership numbers. When they do that, we can get a sense of whether they are taking the money themselves to their own bank account or directing it towards a charity. What we do not have any visibility of, and what we would not propose to have visibility of, is the vast bulk of the transactions where people receive it by way of cash, and we have no visibility of whether that is going to charities or not. Even if we could get perfect visibility of where the 10-cent refunds are going, you would be aware that that is still well under half the picture, because for every 10-cent refund there are indeed those 13-odd cents approximately that go to waste and recycling entities, and in that space there are significant charities and non-profits involved.

I have done a little bit of research in my time as the interim CEO here to investigate these. While I will not reveal any individual charities in confidence numbers, if I accumulate together the top 10 well-known charities and non-profit players who benefit from the scheme—that would include Substation33, who you heard from earlier in your inquiries, Help Enterprises, who make some of our assets, the Scouts and Impact Community Services up in Bundaberg, groups like that—taken together, the top 10 non-profits and charities received close to $10 million last year from us. Just by adding those top 10 organisations, straightaway I can say that the number is in excess of about eight per cent of scheme funds, and that is before I have visibility of the vast bulk of the 10-cent refunds. On that basis, if we are going to be quoting a figure at all, it should be at least eight per cent, but I suspect it would be a double-digit figure if we knew where the majority of refunds went.

CHAIR: I am heartened to hear that, because I was given to believe it was only about $20 million a year across the whole scheme. I am pleased to hear it is a bit higher than that.

Mr J KELLY: There were a number of serious allegations made by various people when we conducted the inquiry, and a number of people indicated that they had initiated legal action against Coex. Have there been any settlements reached with any of those organisations or businesses as a result of the legal actions that have been taken?

Mr Evans: Yes.

Mr J KELLY: Are you able to indicate whether or not the settlements reached have led to changes in practice in Coex's operations?

Mr Evans: Yes, they have.

Mr J KELLY: Are they things that have been covered by this legislation, or are they things we further need to investigate or implement to ensure they do not happen again?

Mr Evans: I think a little bit of both, to be fair, Deputy Chair. Certainly, the committee process has helped to highlight some of the historical cases and disputes that existed and helped to put a spotlight on them that helped them to be resolved in the instances that they have been. I think it is also fair to say, as I said before, that, as the committee and the government have worked up reforms or draft laws that look at structure oversights, one of the policy levers that is clearly being pulled quite heavily is around increased transparency, and I think that increased transparency will have a positive impact going forward.

CHAIR: That is a great note to finish on. Thank you very much for your appearance today and for your comprehensive submission to the inquiry. We look forward to future and further improvements to the scheme. I note that there were a couple of questions taken on notice. Responses to those questions will be required by 5 pm on Friday, 1 May. Thank you, everyone. I declare the hearing closed.

The committee adjourned at 10.59 am.