

Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Bill 2026

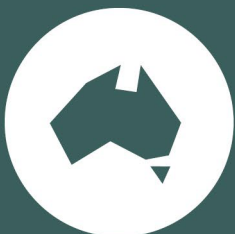
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**Waste Reduction and Recycling
(Strengthening the Container Refund
Scheme) Amendment Bill 2026**

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AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

PREFACE

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

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

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

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

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

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

OVERVIEW

This submission responds to the *Waste Reduction and Recycling and Other Legislation Amendment Bill 2026 (Qld) (the Bill)*, which proposes a range of reforms to Queensland's Container Refund Scheme (CRS).

Queensland's CRS has been a high-performing industry-led Extended Producer Responsibility (EPR) initiative, delivering high recycling rates at a cost-effective price for government and consumers. The scheme is funded by beverage suppliers under a regulated product stewardship model, rather than by government. It has supported job creation and the development of collection and recycling infrastructure across Queensland.

AFGC acknowledges the Inquiry's intent to strengthen the CRS and supports measures to improve transparency and scheme performance. We note that the Government's response supports 20 of 21 Inquiry recommendations, ruling out one on the basis that it risked additional costs for Queenslanders.

Our concern is that the cumulative impact of the proposed reforms may reduce scheme efficiency and increase costs. While each recommendation may appear reasonable in isolation, taken together, they risk shifting the scheme from a balanced model of producer responsibility toward a more expansive form of producer liability, resulting in a more expensive scheme with higher costs passed on to consumers at a time when they can least afford it, without delivering clear additional environmental benefit proportionate to the additional cost.

CONSIDERATIONS

NATIONAL CONSISTENCY, SCOPE, AND COST CONTROL

AFGC supports reforms that improve transparency and accountability in the CRS. These reforms should be implemented to maintain national consistency and avoid increasing costs and complexity for businesses operating across multiple jurisdictions.

Alignment on container eligibility, labelling and administration remains essential. Fragmentation between state schemes increases compliance burden and consumer confusion without improving environmental outcomes. Queensland settings should continue to align with national approaches, including Australasian Recycling Label guidance and consistent treatment of container components such as lids and caps.

Clear guardrails are also needed around the scheme's scope. Products already effectively and economically recycled through kerbside systems, where evidence demonstrates they are recovered efficiently, should not be duplicated within the CRS. Expanding the scheme to capture materials already well managed through existing collection systems would increase costs for industry and consumers, with limited additional benefit.

Recommendation: Any future decisions on scheme expansion should be guided by clear evidence of net environmental gain, system efficiency and cost impacts. Maintaining a disciplined, nationally consistent

scope supports confidence in industry-led product stewardship and helps contain costs that ultimately flow through to grocery prices.

ACCESS TO CONTAINER REFUND POINTS AND NETWORK EXPANSION

If reform is intended to lift scheme performance, improved access to return points should remain a priority. The continued rollout of reverse vending machines is one of the most effective mechanisms to increase return rates, particularly in urban and high-density areas. Avoiding unnecessary planning and approval barriers would enable faster deployment and deliver clearer environmental outcomes than additional layers of administrative control.

INTEGRITY OF INDUSTRY-LED EPR AND NATIONAL IMPLICATIONS

The proposed reforms would materially change the nature of Queensland's CRS and may reduce the degree to which it operates as an industry-led model, at a time when federal reforms are seeking to strengthen and expand industry-led extended producer responsibility across other materials. How Queensland treats an existing, industry-funded scheme with demonstrated outcomes will be closely observed by producers involved in, or considering, stewardship arrangements in sectors such as soft plastics, batteries and textiles.

If early adopters of producer responsibility are subject to increasingly prescriptive regulatory intervention despite delivering established outcomes, this may create regulatory uncertainty and influence future industry participation in stewardship schemes nationally.

A well-functioning EPR model relies on producers retaining responsibility and decision-making authority proportionate to the funding, risk and investment they carry. Eroding that balance may weaken confidence in industry-led stewardship at a time when governments are seeking broader industry participation.

GOVERNANCE INDEPENDENCE AND THE ROLE OF THE PRODUCT RESPONSIBILITY BOARD

The CRS Board comprises representatives from the beverage industry and independent directors with relevant expertise. AFGC supports strengthening governance and addressing the Inquiry's concerns regarding perceived conflicts of interest associated with the Product Responsibility Organisation (PRO). However, the Bill is likely to materially reduce the role of the scheme's Board, despite the Board's responsibility for funding oversight and long-term investment in the CRS.

Beverage manufacturers fund the scheme and carry the financial risk and key scheme responsibilities. Diminishing their role in governance risks weakening the core principle of producer responsibility. Scheme funds should be directed toward improving material recovery and system performance, guided by a Board with appropriate expertise and independent representation, within a transparent and accountable framework.

Rather than reducing the Board's authority, governance concerns can be addressed through enhanced transparency and accountability measures. These include public reporting of strategic and operational plans, strengthened conflict-of-interest frameworks, independent audits, and, where appropriate, additional

independent directors. These measures would improve confidence and visibility without displacing industry stewardship or centralising operational and investment decision-making.

Recommendation: Retain the Board's core governance and decision-making role within the CRS, while strengthening transparency, accountability and conflict management requirements to address identified concerns without undermining industry-led stewardship

MINISTERIAL POWERS AND SPECIAL MANAGER PROVISIONS

The Bill introduces provisions that may affect the operational independence of the PRO by granting the Minister powers to intervene in the PRO's functions and to appoint a special manager with authority to act under the Minister's direction. This is a significant concern within the reform package.

The appointment of a government-appointed special manager would introduce a parallel chain of command, reducing the role of the expert Board and potentially increasing administrative complexity and costs. These costs are likely to be borne by beverage producers and ultimately passed on to consumers, which runs counter to broader policy objectives to reduce regulatory burdens and cost pressures. Stakeholders have had limited opportunity to engage in detail on this provision, and AFGC would welcome further consultation.

Recommendation: Special manager powers should be reserved for clearly defined, exceptional circumstances, such as demonstrated governance failure, rather than embedded as a standing oversight mechanism. Accountability can be achieved by requiring the PRO to publish annual performance results subject to Ministerial review, and by enabling the regulator to issue directions where agreed performance targets are not met. These measures would enhance transparency and accountability without compromising operational independence.

INVESTMENT CERTAINTY, COST IMPACTS, AND RECYCLING OUTCOMES

The CRS operates on a cost recovery basis. Any increase in administrative, compliance or intervention costs is likely to be reflected in beverage prices over time. Provisions in the Bill that allow Ministerial direction over investment plans and subject funding allocations to Ministerial approval and legislative constraint are likely to increase uncertainty and costs and may affect investor confidence and willingness to co-invest in recycling and remanufacturing infrastructure in Queensland.

The scheme has been expanding investment in downstream recycling systems. Introducing Ministerial approval into routine investment decisions may create delays and uncertainty that can undermine long-term planning and discourage co-investment in the circular economy. These impacts are primarily carried by beverage producers and ultimately consumers, which may be at odds with broader policy objectives to reduce regulatory burden and cost pressures.

Board-led investment decisions, supported by strong transparency and reporting, provide greater certainty for infrastructure development and better align responsibility, risk and funding. The focus of reform should remain on increasing return rates, improving community outcomes and maintaining cost efficiency, rather than adding additional compliance and approval layers.

AFGC recommendation: Retain a Board-led investment model, with PRO investment plans notified to the Minister and made public to ensure transparency, rather than requiring formal approval. If Ministerial approval is retained, it should apply only in clearly defined exceptional circumstances, not to routine scheme improvements or infrastructure investment.

CONCLUSION

AFGC and its members share the Queensland Government's objective of a high-performing, trusted and transparent CRS. We support reforms that build on the CRS's strong foundations, including improved reporting, performance benchmarking and stakeholder engagement. However, despite the Inquiry's wide-ranging scope, few of the measures proposed in the Bill focus on direct, on-the-ground improvements, such as higher container return rates, better community access, or stronger recycling outcomes. Instead, the cumulative effect of the reforms places disproportionate emphasis on control and structural intervention, risking the erosion of what has been a demonstrably successful industry-led scheme.

AFGC urges Parliament to recalibrate the Bill to strengthen accountability and transparency without undermining the core features that make the CRS work: producer responsibility, independent governance and the reinvestment of scheme funds into recycling. This approach would support innovation, protect consumers from unnecessary cost increases, encourage continued private investment, and set a positive precedent for the future development of industry-led stewardship schemes nationally. AFGC and its members remain committed to working constructively with the Queensland Government to achieve these outcomes.

We appreciate the committee's consideration of this submission and welcome the opportunity to provide further input as the legislative process progresses.

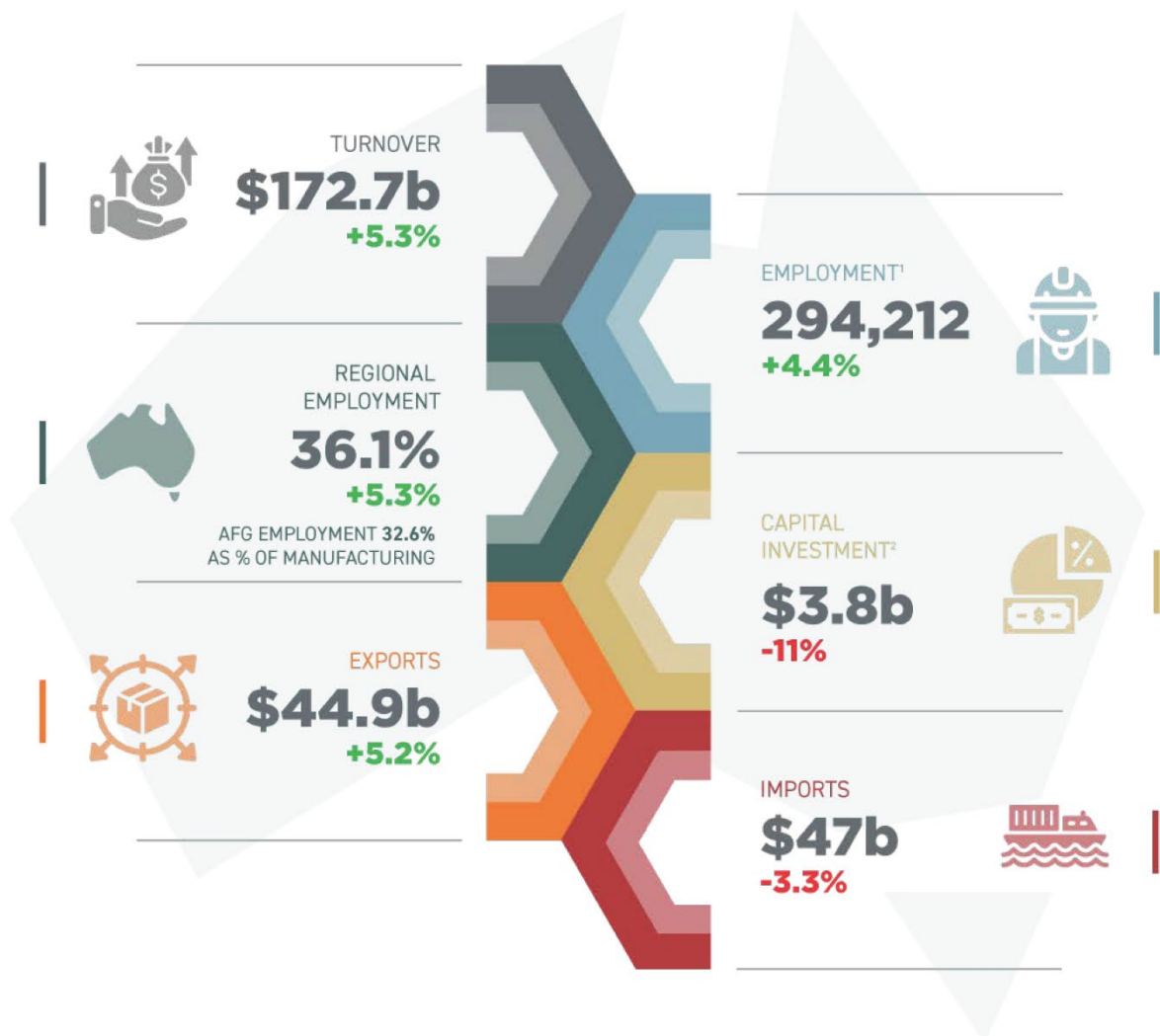


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CELEBRATING
30
YEARS
1995-2025

STATE OF THE INDUSTRY

2023-24



The figures on this page exclude the fresh food sector and are based on 2023-24 ABS data.

1: This is total number of employees, head count basis and does not include seasonal employees.

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