

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

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**Submission to the Queensland Parliament
Health, Environment and Innovation Committee (Committee)**

**Consultation on the *WASTE REDUCTION AND RECYCLING (STRENGTHENING THE
CONTAINER REFUND SCHEME) AMENDMENT BILL 2026***

April 2026

Coca-Cola Europacific Partners Australia

Coca-Cola Europacific Partners Australia (**CCEP**) welcomes the opportunity to provide input to the Committee's consideration of the *Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Bill 2026* (**Bill / proposed reforms**).

CCEP is proud of the contribution it makes to Queensland's economy, which is valued at approximately \$760 million each year and generates around 800 local jobs. Our largest production facility in the country is based in Richlands, and it plays an integral role in our business nationally.

Internationally, CCEP has a longstanding commitment to Extended Producer Responsibility (**EPR**). In leading EPR schemes around the world, the Government acts as regulator, industry provides funding, and an independent third-party not-for-profit Producer Responsibility Organisation (**PRO**) manages operations. Our active, non-partisan leadership in Container Refund Schemes (**CRS / Schemes**) across Australia, including in Queensland, is premised on this model, which is a foundation of the national circular economy.

By way of summary, our core position on the Bill is as follows:

- CCEP restates its strong support for EPR as the central policy principle which underpins the State and National circular economies.
- Queensland's CRS, operated by COEX, remains one of the country's most successful examples of this principle.
- CCEP supports strengthening scheme governance but submits that the Bill goes well beyond reasonable oversight.
- Instead, the Bill introduces a set of control measures which will:
 - make COEX less efficient; and
 - create practical difficulties for COEX's Directors seeking to discharge their duties conscientiously, including to act in the best interests of the Scheme.
- These directions are a clear departure from the independence which is a foundation of EPR and will add to Scheme administration costs without meaningfully improving recycling outcomes.
- These costs will ultimately be borne by the beverage industry and consumers in a challenging economic environment.
- CCEP therefore urges the Committee to recommend that the Bill be amended to:
 - strengthen the Scheme through targeted, risk-based oversight rather than retrofitting a statutory authority framework;
 - acknowledge COEX's status as an independent company;
 - preserve the current process for appointing COEX's Directors and ensure they can act in its best interests within the existing legislative framework, unimpeded by broad powers of approval or removal;
 - ensure that any environmental or community programs funded by COEX are directly linked to beverage container recovery, in service of the Scheme's primary objective; and
 - support COEX's environmental performance by:

- mandating participation in the Scheme for all Government facilities across the State;
- implementing policy to maximise access and convenience to return points; and
- requiring that all commercial and industrial premises take part in the Scheme.

An industry-led EPR model which has delivered strong outcomes

CCEP recognises that during the Inquiry into Improving Queensland's Container Refund Scheme (**Inquiry**), the Committee heard historical accounts of complex and, in some cases, contested matters related to COEX's governance. While we respect the Committee's processes, and the complex issues it was considering, we did not have the opportunity to meaningfully respond to these matters during the Inquiry despite their impact on CCEP's reputation.

However, we welcome that the Inquiry's final report highlighted COEX's success, with the Queensland CRS recovering over 12.5 billion containers, reducing container litter by 60% and returning more than \$1 billion to Queenslanders, including \$17.9 million to charities and community organisations.

As you are aware, last month the Government handed down its formal response (**Response**) to the Inquiry. The Bill gives effect to these recommendations, and further confirms that since its inception in 2017, the CRS has earned strong community support and delivered tangible benefits for Queenslanders, including:

- an increase in the container recovery rate from 18% prior to commencement to 67.1% for the financial year ending 30 June 2025; and
- a 60% reduction in beverage container litter.

These outcomes reflect the fundamental effectiveness of the Scheme's current design, which delivers at or above national benchmarks for recycling performance, and, underpinned by an open network, creates superior opportunities for small businesses, charities and social enterprises.

Importantly, COEX's integrated operating and governance model has supported the delivery of recycling access across regional and remote Queensland. This includes locations that would not be deemed commercially viable under CRS models used elsewhere in Australia. This has been a defining strength of Queensland's Scheme and underscores the suitability of this model for the State's unique geography.

Consistent with our submission to the Inquiry, we see opportunities to strengthen the Queensland CRS in ways that improve recycling outcomes, while maintaining investor confidence. This is particularly important at a time when EPR (via beverage industry led CRS) is being increasingly relied upon as a key pillar of the circular economy across multiple product types.

The importance of stable governance and clarity of roles

While we respect the Bill's focus on Scheme integrity – a priority we share, as a co-founder of the CRS – the proposed reforms introduce controls which go well beyond strengthening oversight. Instead, the Bill introduces a degree of Government control which runs counter to COEX's status as an independent company within the EPR model, without meaningfully demonstrating how the proposed reforms will support the Scheme's environmental performance.

For example, the Bill outlines:

- **An annual audit of the COEX Board:** An annual audit of the Board. There is no clarity on the scope or parameters of this audit, and this requirement ignores that COEX is already subject to substantial oversight, including rigorous financial audit processes and broad powers of Ministerial direction.
- **Ministerial approval of all COEX Directors:** That all Director appointments to the Board, including those nominated by the members, be approved by the Minister, and such approval may be withdrawn for any or no reason. The prospect of broad discretionary approval and removal powers could impinge on each Director's independence and their ability to act in COEX's best interests as required by the *Corporations Act 2001* (Cth). It may also undermine the ability of the members to select appropriately skilled and qualified representatives, some of whom may be dedicated to CRS Director roles. At a minimum, the power to withdraw approval should be subject to a requirement to provide reasons and an opportunity for the Director concerned to respond. It could also be limited to circumstances where the Director is no longer suitable (for example, no longer an eligible individual, or has breached their duties or engaged in misconduct).
- **Appointment of a Special Manager:** The appointment of a Special Manager with broad powers to direct the affairs of COEX, an independent company. If retained, this measure should be a last resort mechanism, only available in narrow, defined circumstances, and subject to strict time limits and clear objectives. The Bill should also require the Special Manager to have demonstrated expertise relevant to operating and governing a Scheme of this nature and clarify liability settings so COEX Directors and management are not exposed to acts or omissions by the Special Manager exercising their powers.
- **Expanded COEX functions:** Expanding COEX's functions to include supporting broader environmental or community programs, including for litter reduction, social enterprises and community groups. While COEX already delivers significant environmental and social outcomes, its primary purpose is to ensure the efficient collection and recycling of eligible beverage containers. Formalising a broader program delivery function risks diluting COEX's strategic focus, blurring accountability for these programs, and introducing competing priorities. It also raises a funding integrity issue: Scheme participant funds are collected to deliver the refund and recovery objectives and should not be redirected to broader programs unless they are governed transparently and clearly linked to container recovery.
- **Unit of Public Administration (UPA) designation:** The designation of the PRO as a UPA under the *Crime and Corruption Act 2001* (Qld), to the extent it is performing a function of the PRO. Such a designation is wholly inconsistent with other EPR schemes and could have a potential chilling effect on Directors' willingness to serve on the Board if they face Crime and Corruption Commission jurisdiction for decisions made in good faith. At a minimum, there is a need for clarity about the scope of the UPA designation, particularly whether it extends to commercial decisions (such as Scheme pricing) or is limited to public-facing functions.

Cumulative impacts on the Scheme

The net effect of the proposed reforms will be an erosion of industry confidence, Director autonomy and Scheme efficiency and focus. These impacts are outlined as follows:

- **Industry confidence:** In 2017, COEX was established by CCEP and Lion in partnership with the State, in good faith, and in accordance with high standards of governance. The changes proposed by the Bill introduce material policy and governance instability for an established, industry-funded EPR Scheme. This raises concerns about regulatory certainty for long-term participation and investment: a shift in Government settings could materially change the risk profile for industry involvement. Unconstrained Ministerial controls risk creating churn in Board appointments, uncertainty in decision making, and higher compliance and insurance costs. Cumulatively, these factors will undermine the stability required to keep delivering strong recovery and litter outcomes over the long term.
- **Director autonomy:** While Government priorities and the best interests of COEX are often complementary, this may not always be the case. If the Minister can withdraw approval of Directors at any time, they may feel compelled to prioritise actual or anticipated government preferences over acting in COEX's best interests. This creates practical governance difficulties as Directors may be uncertain about how to balance Government priorities with their general duties. It is also likely to deter suitably qualified Directors from serving, increase governance risk, and weaken, rather than strengthen, accountability.
- **Scheme efficiency and focus:** The Bill's additional compliance layers will impose recurring costs and delays (for example duplicated audit activity, expanded reporting and document production, additional legal review of directions/approvals, Director recruitment and potential insurance impacts, and disruption/transition costs if a Special Manager is appointed). Those costs must be recovered through Scheme fees and will ultimately flow through to the beverage industry and, in practice, Queensland consumers. These requirements will also divert management attention away from improving recovery outcomes and expanding access, which must remain core areas of focus for COEX.

Taken collectively, the proposed reforms will reorient COEX away from its original design as an industry-led Product Responsibility Organisation, and toward a statutory authority burdened by increased red tape, higher governance risk and less strategic autonomy. This may compromise the strong performance COEX has achieved to date and marks a departure from globally accepted EPR policy principles.

Refocusing reform on Scheme performance, not additional red tape

CCEP submits that alongside stable governance settings, the most effective way to strengthen the CRS is to focus reform effort on practical measures which lift container recovery and reduce litter. Accordingly, CCEP urges the Committee to recommend that the Government refocus on targeted, performance oriented initiatives that expand access, increase participation and improve material quality.

Examples of high impact measures include:

- **Implement mandatory separation and recycling of eligible containers in Government properties:** This policy direction should encompass Government-owned and operated facilities. By targeting these public spaces, the Queensland Government could significantly boost collection rates and send a clear signal of support for the Scheme.
- **Require collection and recycling of eligible containers in all commercial and industrial settings:** These locations are often overlooked sources of eligible containers. Mandating container collection in these settings would materially enhance recovery.

Businesses participating in the Scheme would also receive the 10 cent refund for each container returned, which would help offset the costs of participation.

- **Spearhead policy reform to maximise access and convenience:** Increasing the number and accessibility of out-of-home and on-the-go collection points is essential for improving container recovery rates. International experience demonstrates that a greater density of return points directly correlates with higher participation and return rates. However, the reforms currently proposed in the Bill fail to address this issue. Enhancing consumer convenience remains a critical priority, as it will encourage broader engagement and drive stronger recovery outcomes. Importantly, existing barriers within planning regulations - which limit the establishment of convenient return points - have not been addressed by the proposed reforms, leaving a significant opportunity unaddressed.

The path forward

CCEP urges the Committee to recommend targeted amendments to the Bill to ensure the reforms strengthen the CRS through proportionate oversight, without undermining the industry-led EPR model which has delivered strong recovery and litter outcomes for Queenslanders. Examples of such amendments include:

- strengthening the Scheme through targeted, risk-based oversight rather than retrofitting a statutory authority framework;
- acknowledging the PRO's status as an independent company and preserving the meaningful role of the PRO's Board of Directors who are appointed with experience in beverage manufacturing and other relevant skills;
- preserving the current process for appointing COEX's Directors and ensuring they can act in its best interests within the existing legislative framework, unimpeded by broad powers of approval or removal;
- including express guidance clarifying that Ministerial directions relate to Scheme administration functions and are not intended to override Director's duties in relation to the PRO's corporate affairs;
- clarifying that directions be limited to matters within the PRO's statutory functions, with a mechanism for the PRO to seek clarification or reconsideration if a direction would place Directors in an impossible position;
- clarifying the scope of the UPA designation, particularly whether it extends to commercial decisions (such as Scheme pricing) or is limited to public facing functions;
- ensuring that any environmental or community programs funded by COEX are directly linked to beverage container recovery, in support of the Scheme's primary objective;
- implementing policy to maximise access and convenience to return points;
- mandating participation in the Scheme for all Government facilities across the State; and
- mandating that all commercial and industrial premises take part in the Scheme.

As a co-founder of COEX, CCEP's reputation and sustainability performance are directly linked to the integrity of the Scheme's governance. The Bill is a direct intervention in COEX's independence and materially changes the governance parameters within which CCEP agreed to participate. Broad Ministerial powers over Director appointments and Scheme decision making as proposed in the Bill will increase governance risk and reduce industry confidence. Further, it will create real, practical challenges for CCEP's continued participation in COEX's governance and may necessitate a reassessment of our involvement. CCEP remains committed to cooperating with Government and relevant authorities to ensure the Scheme continues to deliver optimal environmental and social outcomes for Queensland.