

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

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Submission By: LION

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Mr Robert Molhoek MP

Chair, Health, Environment and Innovation Committee

Member for Southport

Queensland Parliament

Delivered via email: heic@parliament.qld.gov.au

Dear Mr Molhoek and all Members of the Health, Environment and Innovation Committee,

I write from LION, a leading beverages company and the proud custodian of the iconic XXXX brand and XXXX Castlemaine Brewery in Queensland. Until recently I was the Managing Director of LION Australia and am now serving on the company's Leadership Team as Strategic Adviser.

I write in relation to the Committee's detailed consideration on the *Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Bill 2026* ("the Bill") which was introduced to the Queensland Parliament on Thursday 26 March 2026.

At the outset, LION welcomes the Committee's continued interest in this important area of policy for all Queenslanders, and I would like to respectfully request to appear before the Committee at the upcoming Public Hearing on Wednesday 22 April 2026.

LION is involved in all Container Refund Schemes in Australia and in our view the Queensland Scheme is a significant policy success generating socio-economic benefits well beyond the 10 cents consumers receive for each container they return. Billions of containers have been recycled and the Producer Responsibility Organisation model – industry-led in collaboration with Government – has led to a network of charities, community organisations, sporting clubs and small businesses being established to manage the returns across the State. This community-oriented network employs more than 1500 Queenslanders and has supported the return of more than \$1.1 billion in refunds to Queenslanders, charities, community groups, schools and businesses (in addition to about \$230 million being paid to material recovery facility operators and councils).

And in less than 10 years of operating return rates are equal to or better than all of the newer schemes, while also costing less and delivering wide-ranging community benefits (noting South Australia has been operating for close to 50 years).

LION and other beverage companies entirely fund the operation of the Container Refund Scheme in Queensland at significant cost to us, and the Queenslanders who purchase our drinks. LION is proud of our role in establishing the Container Refund Scheme in Queensland. We have been involved since the beginning with clear motivations to ensure that the Scheme was set up and administered in such a way that reduced the cost impact on beverage companies (and in turn all Queenslanders who purchased our drinks), drove the highest return rates to remove as many beverage containers from the environment as possible, and ensured that other socio-economic benefits flowed from the structure of the model.

Second only to Australia's system of returnable beer kegs, Container Refund Schemes are the key contribution from LION and our industry to the circular economy of our value chain.

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LION has never profited from our involvement in the Queensland Container Refund Scheme. Indeed, our involvement in the Queensland Scheme alone comes at a cost of tens of millions of dollars annually to our business.

We welcome the Queensland Government's decision to rule out increasing the container deposit amount to 20 cents, in recognition of the fact that it will lead to higher costs for Queensland beverage manufacturers and all Queenslanders who purchase our drinks.

LION supports the majority of recommendations from the Committee's Final Report, and the Queensland Government's commitment to improve transparency, accountability and the performance of the Scheme. However, we would like to highlight several areas of concern in relation to the process undertaken to date and elements of the proposed legislation:

- While we appreciate the opportunity to contribute, consultation with the beverage industry and other affected stakeholders has been limited, and the overall process has progressed within relatively tight timeframes. Engagement with LION and the broader sector during both the Committee Inquiry and the subsequent Queensland Government policy development stages has been constrained.
- We acknowledge and appreciate the Queensland Government's stated intent to retain the COEX and Producer Responsibility Organisation (PRO) model. However, LION is concerned that some provisions in the Bill may have unintended consequences, including potential impacts on core principles of producer responsibility, increased cost pressures for beverage manufacturers, and added complexity within the Scheme. Any increase in Scheme costs is ultimately borne by beverage companies and will flow through to consumers, and we remain deeply concerned by this given the cost environment businesses and consumers are currently facing.
- Finally, we note that a number of the proposed changes may overlap with existing provisions in the current legislative framework, or with mechanisms already in place. This suggests there may be an opportunity to further consider whether all proposed amendments are necessary to achieve the Government's objectives. Our table below outlines where we consider some duplication may exist.

While the Committee Inquiry was initially established to examine how to further increase rates of return – disappointingly none of the proposed changes will address the underlying barriers preventing higher container return rates. LION and other organisations proposed a number of simple reform options focused on improving accessibility and convenience for Queenslanders to return their containers which would support higher return rates. These included:

- Streamlined planning and approvals processes to allow for return points to be introduced in convenient locations where consumers perform everyday activities.
- Expanding the number of, and access to, container return points, and providing more diversity of redemption methods.
- Ensuring large Queensland Government Departments and facilities – like schools, hospitals and prisons – all participate in the Container Refund Scheme (they currently do not).
- Measures to encourage commercial and industrial sites to sort and return eligible containers.
- Improving access for apartment buildings and other multi-unit dwellings.

We respectfully recommend that further consideration of the Bill be deferred to allow for comprehensive consultation and development of a detailed Regulatory Impact Assessment,

to ensure wide-ranging and adequate consultation can occur and that any proposed changes have regard to:

- Ensuring that the detail of the legislative changes fully support the intent of maintaining the Scheme as a producer responsibility scheme coordinated by a Producer Responsibility Organisation. This would align with the Queensland Government's Queensland Waste Strategy 2025-2030, which outlines the Government's continued commitment to collaborating and advocating for extended producer responsibility and product stewardship schemes.
- The Queensland Government's Better Regulation Policy, which outlines the Government's commitment to having fit-for-purpose regulatory frameworks to ensure regulation is necessary, effective and efficient – achieving its objectives while minimising costs to businesses and the community.

We remain very committed to working with the Queensland Government and the Committee, to improve this Scheme and ensure that it continues to grow for the benefit of all Queenslanders.

Yours faithfully



James Brindley

Strategic Adviser and former Managing Director, LION Australia

LION

Cc: Mr Joe Kelly MP, Ms Sandy Bolton MP, Ms Kerri-Anne Dooley MP, Mr David Lee MP and Dr Barbara O'Shea MP

Appendix A – Commentary on proposed Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Bill 2026

Proposed Bill amendment	Reference	LION position
<p>The Producer Responsibility Organisation structure will not be changed, and COEX will not be transitioned to a Statutory Authority.</p> <p>Unnecessary additional control and power arising from efforts to increase governance, oversight and transparency.</p>	<p>Departmental Statements at HEIC committee briefing, 9 April 2026</p> <p>102AE What is an eligible company</p>	<p>LION welcomes this clarity from the Department and supports this position. However, we believe that some of the other changes suggested below that essentially move COEX towards being a Statutory Authority and/or a Controlled Entity are challenging from an operational perspective, and go against the core principles of producer responsibility on which the legislation is based.</p>
<p>Composition of the Board – Appointment of Directors</p>	<p>s102AG</p>	<p>Composition of the Board</p> <p>These proposed changes will significantly reduce the proportional representation of the beverage industry on the Board – which directly undermines the Government’s stated intent of COEX remaining a Producer Responsibility Organisation. When the Scheme was established with regard to best practice Producer Responsibility Schemes, and reflecting the fact that the beverage industry continues to directly fund the entirety of the Scheme’s operations, the ratio was appropriately 5 beverage Board Directors to 4 non-beverage Board Directors. Under these proposed changes the ratio of beverage to non-beverage could be as low as 3:6.</p> <p>The proposed changes do not align with other Australian schemes and Producer Responsibility Schemes globally in terms of industry representation and balance of independents. Some global examples include Ireland (one of the most recently established schemes) which has 3 independent directors on a Board of 11, British Columbia in Canada has 2 independents on a Board of 9, while Norway, often held as a world leader, is entirely governed by 6 industry directors. In most cases, independent directors are neither appointed nor approved by Government. We strongly believe that at a minimum there should be an equal number of beverage and non-beverage Board Directors.</p> <p>Ministerial approval</p> <p>We continue to support the Minister having approval rights for certain Board roles, but S102AG(2) and (3) provides for Ministerial approval of all Directors.</p>

Proposed Bill amendment	Reference	LION position
		<p>There is insufficient detail as to the basis for which the Minister may give approval, and raises concerns that the Minister will in fact appoint Directors rather than approve nominations from the Board. LION does not believe the Minister should have the power to approve (let alone appoint) member or beverage industry seats. Doing so cuts across the principles of member rights in what is an entity governed by a particular legal structure (a not-for-profit company limited by guarantee and governed by its members) and the core principles of producer responsibility schemes.</p> <p>In addition, the power to essentially appoint a majority or all of the Board gives rise to Controlled Entity status, which the Queensland Government has previously sought to avoid.</p> <p>We acknowledge that COEX has a complex stakeholder environment, but it should be recognised that the Board of Directors is not an advisory Board in nature, but rather performs its functions in line with the Corporations Act and other legal and statutory frameworks.</p> <p>We consider that stakeholder interests, feedback and engagement could also be captured through the establishment of various stakeholder forums that could provide input and regularly meet with the Board.</p> <p>We suggest as an alternative approach, a mechanism whereby the Minister could raise objections or have a right to be consulted and provide feedback on particular criteria would provide adequate opportunity for appropriate governance and oversight for the roles outside of those currently approved by the Minister (being the Independent Chair, and Board Director representing the community), while the remainder of board seats should be flexible to achieve as many of the skills per an agreed skills matrix as possible, as is currently already the case under COEX’s conditions of Appointment.</p>
Composition of the Board – Appointment of member directors / member rights	102AG(5)	<p>This provision is not a recommendation of the Inquiry, is unnecessarily restrictive and goes against the principles of a member-based producer responsibility organisation.</p> <p>The original intent of the legislation and the Government was for the PRO to be an industry organisation that involved the beverage manufacturing community which funds the scheme.</p> <p>The intent was for the membership to be broadened over time to include other beverage manufacturers, both large and small within the membership, and for those members to be able to nominate board appointees for any Board roles not set out by legislation as required to be independent of the beverage industry.</p>

Proposed Bill amendment	Reference	LION position
		<p>With this proposed provision, member rights are unfairly reduced, discouraging any future broadening of the membership.</p> <p>It is also restrictive in that large beverage manufacturers make up almost the entirety of the beverage manufacturers in Queensland as the threshold for being classed as “large” is only 300,000 units supplied per annum.</p> <p>We recommend this provision be removed, and that the current members, COEX and the Queensland Government work towards agreement on member principles and a process for widening the membership of the PRO such that it is reflective of all of the beverage manufacturers participating within the scheme, as originally intended.</p>
<p>Composition of the board – Minister’s rights to withdraw approval of directors</p>	<p>102AI</p>	<p>We support the ability for the Minister to withdraw approval of directors for which they have approval rights over, noting our objection to the Minister’s ability to approve all board seats as laid out above.</p> <p>We note that the Minister currently already has this power through the ability to make Ministerial Orders, and there is precedent where Ministerial approval has been removed in the past.</p> <p>Any new powers in this regard should clearly define the basis on which such decisions could be made, rather than “at any time and for any reason or none, withdraw the Minister’s approval of a director of the board” as set out in the proposed s102AI(1). We believe this is a significant overreach without adequate explanation, and could have the unintended consequence of having Directors being concerned to make appropriate decisions in the best interests of the organisation per their Directors Duties under the Corporations Act.</p> <p>In its response to Committee questions at the public briefing on 9 April 2026, the department advised that there were provisions for “natural justice” for objections or appeals in relation to actions by the Minister in this regard, however we cannot see these provisions in the legislation.</p> <p>We therefore recommend that this provision is enhanced as per comments above.</p>
<p>Fixed-term appointment for Board Members of three years, with a maximum of 10 years</p>	<p>s102AH (term) s341 (transitional provisions)</p>	<p>LION remains supportive of mechanisms which ensure regular renewal and succession of the Board in line with best practice corporate governance principles. We would encourage continued flexibility in the renewals processes including the ability to re-appoint where appropriate / agreed and the ability to stagger terms to ensure continuity of the Board and prevent knowledge loss.</p>

Proposed Bill amendment	Reference	LION position
Term of appointment of 7 years, which can be renewed through a renewal process	S102BA (term) S102BF (renewal) S102BG (application decision)	<p>To that end, the transitional provisions set out in s341 need to be carefully considered to ensure continuity and staggering of any new appointments as board appointment provisions transition.</p> <p>We appreciate that the proposed fixed Scheme coordinator term is similar to that which is in place in the Western Australian scheme.</p> <p>However, we reiterate that this can bring unintended consequences for the Scheme and its operators / participants, and we understand it is currently providing frustration and some issues in WA where the end of the first term is approaching.</p> <p>With a fixed term, the Scheme Coordinator can only contract with operators up to the term expiry, which builds in unnecessary uncertainty, particularly as the organisation approaches the final years of any term, or, contracted parties must accept additional risk and therefore price accordingly, resulting in higher than necessary costs to the scheme. The Queensland Scheme as structured provides certainty to industry and incentivises investment in new sites by network operators who need greater certainty and tenure to justify capital investment, which may be undermined by a fixed-term appointment.</p> <p>The scheme was designed in consultation and agreement with the Queensland Government based on initial five-year contracts for most network operations. Feedback throughout the Inquiry and directly from industry suggests certainty, and cost efficiency could be achieved if COEX were able to provide longer contracts of 7-10 years, where investment in critical infrastructure by operators can be amortised over a longer contract period.</p> <p>Although a provision has been made under the proposed s102AK that the PRO may enter into scheme agreements that continue in effect after the end of the PRO's term of appointment, we do not necessarily believe that counterparts will be willing to contract on this basis, and in any event, many contracts required to operate the scheme efficiently, including long term investment in infrastructure, are not governed by "scheme contracts" as contemplated under s102AK (which are limited to those statutory contracts such as the Container Recovery Agreement and Container Collection Agreement).</p> <p>Term renewal processes can also be costly and timing consuming and deflect organisational focus away from the performance of the scheme, while any transition process would also bring significant cost, which would likely need to be met by industry. These factors should be strongly considered in any</p>

Proposed Bill amendment	Reference	LION position
		<p>decision to impose a term at all, and/or when considering term length.</p> <p>We recommend that the term be removed, as there are sufficient processes to ensure performance and/or enact organisational change if the Minister or Government is not satisfied with scheme performance.</p>
<p>Appointment of Special Manager</p>	<p>s102CL- s102CR</p>	<p>This proposed change is unnecessary and will increase the cost and administrative complexity for COEX, while undermining its efficiency and effectiveness. The Minister already has broad legislative powers to ensure effective oversight of the organisation and/or order COEX to perform particular tasks in a particular way, and the Department of the Environment, Tourism, Science and Innovation (DETSI) can already provide the Minister advice and perform many of the functions proposed to be performed by the Special Manager.</p> <p>If the Government decides to retain the Special Manager, then the provisions are broad as drafted. We recommend that the Draft Bill be enhanced to better specify the circumstances and situations that could give rise to the appointment of a Special Manager, including that any instance warranting involvement of the Special Manager is material and substantive in nature.</p>
<p>Small beverage containers threshold</p>	<p>s99R</p>	<p>We are supportive of there being a container threshold and rebate to beverage manufacturers to reduce the impacts on smaller producers. However, we understand that there has been limited engagement with the small beverage manufacturers who would benefit from this to ensure it is structured appropriately. We note that other changes in this legislation will increase the cost for all beverage producers – including those small beverage producers who would benefit from this threshold – thereby undermining its effectiveness. We do not understand the the amendments in s99R which provide for a “maximum” amount to be paid by small manufacturers, rather any support should be through the provision of a threshold or rebate process before contributions begin.</p>
<p>Cost recovery for the Department’s costs to be introduced – built into pricing methodology</p>	<p>s99ZZA</p>	<p>We note that this was not recommendation of the Committee arising from the Parliamentary Inquiry.</p> <p>It is important for the Department to recognise that any increase to the cost base of the scheme is funded by higher prices paid by beverage companies, and in turn all Queenslanders who purchase our drinks.</p> <p>Departmental cost recovery is not a feature in all other Australian schemes (as claimed by DETSI), but rather a subset of some which operate split responsibility models (and even then, it is not in all of them). This is in our view a cost-shifting exercise</p>

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		<p>which will see industry unfairly paying for Departmental costs, and this provision should be removed entirely.</p> <p>In Schemes where there is a recharge, it is typically where the Government plays a more operational/hands-on approach because of the chosen model. For example, in NSW the NSW EPA has to manage the contracts with both the network operator and the scheme coordinator, and also runs the container registry. In Queensland, management of operators and management and maintenance of the product registry is performed by COEX.</p>
<p>Costs/purpose of the scheme – supporting development of waste infrastructure</p>	<p>s102AK(2)(i); and s102AK(2)(j)</p>	<p>The addition of the obligations to “support the development of infrastructure required to transport and recycle waste or other material in Queensland” in s102AK(2)(i) and the support for general programs in s102AK(2)(j) are far too broad. The Scheme is entirely funded by beverage manufacturers based on their supply of beverage containers into Queensland and any support for infrastructure development and/or other programs should be limited to and/or linked to the collection, processing and recycling of eligible beverage containers only. Wider appropriation of funds to fund non-related programs is entirely inappropriate and unfair on beverage manufacturers and amounts to additional taxation.</p> <p>We are supportive of efforts to explore supporting other schemes and collection paths for other materials such as batteries, but only where those costs are funded by the relevant industry/producers in line with the principles of extended producer responsibility schemes globally.</p> <p>We therefore recommend that amendments be made to these 2 provisions to appropriately link and limit their application.</p>