



Department of Environment and Heritage Protection

Waste Policy Unit,

GPO Box 2454,

Brisbane, QLD 4001

20 March 2017

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## RE: Implementing Queensland's Container Refund Scheme

Dear Sir/Madam,

Thank you for the opportunity to provide our views on the State Government Discussion Paper: *Implementing Queensland's Container Refund Scheme*

Boomerang Alliance is a membership-based community organisation dedicated to addressing Australia's waste issues, particularly plastic wastes. Our allies include major national, state and regional organisations concerned with litter, waste and plastic pollution. Many of our allied organisations have also provided their views on the Discussion Paper. The Cairns and Far North Environment Centre have added their name to this submission.

To date we have been instrumental in successful campaigns for a Container Deposit Scheme. With NSW set to introduce a scheme in December 2017, we welcome the opportunity to provide our views on a proposed Container Refund Scheme (CRS) for Queensland in July 2018.

Boomerang Alliance and our allies welcome the introduction of a Container Refund Scheme (CRS) in Queensland in July 2018. As the over 40 container deposit systems operating around the world show, these schemes consistently reduce beverage container litter, significantly increase recycling, create jobs and new business opportunities and provide vital funding for charities and community organisations interested in collecting cans and bottles.



To assist your consideration of our views we have divided our comments into two parts. Part 1 provides our view of the principal design elements of the scheme in Queensland to ensure that it meets World's Best Practice standards and performance. Part 2 is dedicated to addressing your specific questions posed in the Discussion Paper.

## **Discussion Paper**

We note that in the published Discussion Paper, that the Department of Environment and Heritage Protection (EHP) has outlined two primary goals of the CRS. However, in CRS Advisory Group meetings there had been agreement on three primary goals.

In the Discussion Paper introduction by the Minister, he references the need to reduce container litter, to increase recycling AND the need to stimulate jobs and community benefits through social enterprise. It is this last item that has been omitted from the Discussion Paper. Boomerang Alliance urges the inclusion of this third goal. Giving regional communities, charity and community organisations fair access to participation in the CRS is vital to both its success and its acceptance in the community. We believe that this should be reflected in the primary goals of the CRS.

The primary objectives of a Container Deposit Scheme should be to:

- Significantly reduce litter from beverage containers
- Increase recycling of containers
- Grow community benefits by providing income to charities and other community organisations; encouraging social enterprises and new jobs and regional business opportunities

## **1. Key Elements of a Worlds Best Practice Container Refund Scheme for Queensland**

A Container Refund Scheme involves the payment of a refund for the return of eligible beverage containers to a recognised redemption point.

Based upon the proposed model for Queensland, the Boomerang Alliance key elements of a world's best practice scheme should include:



- **Maximum impact** on the volume of littered drink containers through the inclusion of all glass, aluminium/metal, plastic and liquid paperboard beverage containers up to 3 litres in volume by being subject to a refund payment (some exemptions could apply eg. health tonics). This also reduces the problems of glass containers collected at kerbside

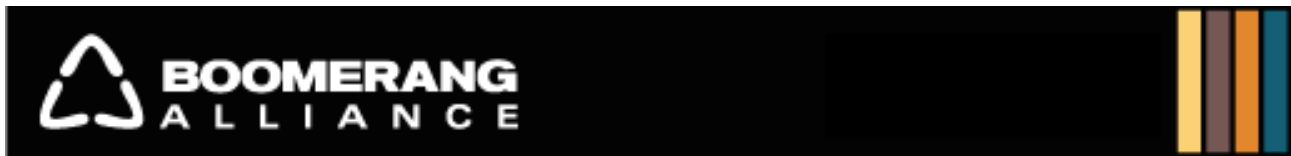
(We note that the German system also allows for the collection of refillable glass containers, an innovation that could further reduce the problems associated with the collection and recycling of glass)

- **Convenience for consumers** through the provision of a network of redemption points at retail centres (utilising reverse vending machines), as well as private, council and community/charity owned collection/redemption depots throughout the state
- **A sustainable business model** that is cost effective and cost neutral to government and consumers. Any associated costs are the responsibility of the scheme coordinator and the suppliers of beverage containers (this applies the polluter pays principle)
- **Efficient cash flow and refund return** through the adoption of a modern system to transfer data, and ensure timely payments to operators and immediate refunds to consumers
- **Complementary to kerbside recycling** and other services to maximise container re-use and recycling
- **Clear targets and penalties** that ensure scheme performance and compliance, with periodic performance review
- **Coordinated through a not-for profit entity** to run and manage and ensure accountability of the whole system
- **Accessible for all** citizens, communities and regions in the state

## **2. Comments on Discussion Paper Questions**

### **Refund Payments**

We believe that a 10 cent refund will provide the right incentive to encourage container return. If this proves insufficient we urge that the deposit amount should be increased. A refund should be paid according to the preference of the depositor. This could be cash,



voucher or direct credit.

A voucher (redeemable at a local shop) is our preferred option to encourage the establishment of convenient collection points (Reverse Vending Machines) at shopping centres and other retail outlets. This is important as it provides an incentive for retailers to attract consumers to their establishments to redeem vouchers.

We believe eligible containers should include all glass, plastic, aluminium and liquid paperboard beverage containers between 150ml and 3 litres (with the exception of health tonics). Wine bottles, currently exempted, should be included.

The rationale to exempt milk and fruit juice seems to be more about consistency with other States, rather than meeting a primary goal of reducing litter.

We would argue that it would be better to include milk and fruit juice containers into the scope.

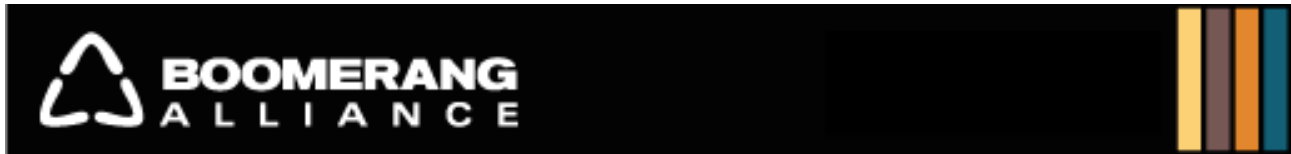
It would ensure simpler consumer understanding and, given that these items are part of the litter stream, meet a primary goal. There is no reason why other States could not simply increase their scope to reflect the Queensland scheme. However, we make the point that slight variations in scope between States will not cause unacceptable confusion, in the vast majority of cases, containers returned in Queensland will have been bought in Queensland.

## **Refund Markings**

In addition to any CRS logo or marking, for ease of operation and efficient refund return we believe that a barcode marking system should be mandatory on each eligible container and used to identify and verify a refund. This would prevent fraud and support remote and community-run collectors to fully and equitably participate in the scheme.

The use of barcodes to identify and verify eligible containers is important to ensure remote and community organisations fair participation in the scheme. If redeemed containers, once verified, cannot be crushed and compacted at or near collection or redemption points, transport costs back for recycling facilities will be excessive and uneconomic. Barcode readings are the best way to ensure this happens.

For instance, the South Australian scheme requires collected containers to be transported



whole. The result of this is that a prime mover may carry an average 6000 containers when returning to a collection hub for container verification. When crushed, the payload increase to 24,000 containers and reduces the costs by 75%.

Boomerang Alliance does not have a strong view on what other markings should be included, beyond the need and use of a barcode. A picture or logo would seem to be a better marking to text. The fact is that consumers in Queensland are aware of the South Australian CDS refund markings, despite these not being prominent.

It would make sense to have an additional marking to identify an eligible container in the event that the barcode had been destroyed.

It makes little sense to restrict access to refunds to the 'state of purchase.' It creates an unacceptable level of confusion and annoyance for consumers. Beverage suppliers, transporters and recyclers operate nationally and across borders, it adds an unnecessary logistic hurdle.

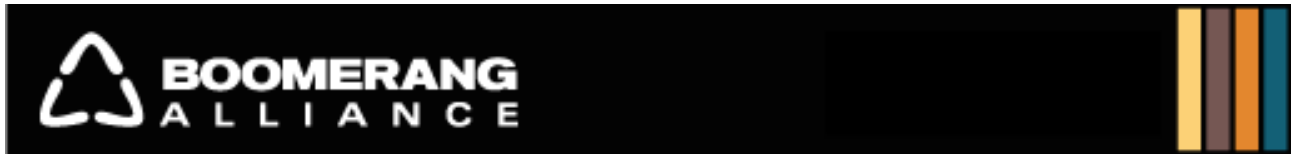
With NSW and QLD sharing a border limiting refunds to 'state of purchase' will exacerbate those problems. Eligibility should be based upon 'participating jurisdictions.'

## **Accessibility and Infrastructure**

The inclusion of a Primary Goal: *Grow community benefits by providing income to charities and other community organisations; encouraging social enterprises and new jobs and regional business opportunities* will clarify the importance of charity and community organisation involvement.

It is essential that the scheme, its transactional arrangements, planning and convenience requirements, factor in the fair and equitable participation of remote locations and charity/community organisations in collection services, and those sectors access to both refunds and/or handling fees. This must be a scheme for all Queenslanders.

We believe in convenient and accessible collection infrastructure. That means the public (and all communities) should have reasonable opportunity to return containers at convenient locations such as shopping centres, other retail places as well as private, council or community-run collection depots.



Boomerang Alliance supports a CDS collection network that is convenient to consumers by providing redemption points that are a reasonable distance and time from consumers' residences and located in places where consumer choose to go on a regular basis.

The most obvious options being shopping centres, supermarkets and petrol stations. These are the places where Reverse Vending Machines (RVMs) will be located, and offer a convenient collection and redemption point. Studies in three European countries with a CDS (Norway, Finland and the Netherlands) show that an average of 47% of consumers choose to return containers more than once/once a week. The convenience of returning to retail makes this more possible for them. (Tomra Shopper Study)

We believe that retailers should have an obligation to provide collection points, as they are required to do at most successful schemes in other parts of the world.

Boomerang Alliance has assessed the performance of deposit systems around the world and found an absolute correlation between schemes that require an obligation by the retailer to provide collection points (either in-store or in an adjacent shopping centre) and container collection rates.

The graph (next page) illustrates this point. 10 of the 13 jurisdictions that have adopted a deposit system since 1997 require retailers to provide redemption points. These 10 average an 86.75% return rate compared to the 3 that don't, which average 62.5%.



<i>Jurisdiction (Population)<sup>2</sup> Commencement Yr</i>	<i>Recovery rate</i>	<i>Retailer Obligation to provide space?</i>	<i>Retailer Obligation to provide refund / consumer education?</i>
<i>Newfoundland (0.5mill population) Commenced: 1997</i>	65%	No – 56 Depots	Yes
<i>Norway (5mill population) Commenced: 1999</i>	95%	Yes – 25,000 locations	Yes
<i>Israel (7.9mill population) Commenced: 2000</i>	77%	Yes – Return to retail; unknown no. of locations	Yes
<i>Denmark (5.6mill population) Commenced: 2002</i>	89%	Yes – 6,500 locations	Yes
<i>Germany (81.9mill population) Commenced: 2003</i>	96-98.5%	Yes – 135,000 locations	Yes
<i>Estonia (1.3mill population) Commenced: 2004</i>	79%	Yes – 570 locations	Yes
<i>Hawaii, USA (1.3mill population) Commenced: 2005</i>	68.4%	No – 72 Depots	No
<i>Netherlands (16.8mill population) Commenced: 2005</i>	> 95%	Yes – 4,300 locations	Yes
<i>Croatia (4.3mill population) Commenced: 2006</i>	Not Available	Yes – no details unavailable	Yes
<i>Ontario (12.9mill population) Commenced: 2007</i>	82%	Yes – 825 locations	Yes
<i>Manitoba (1.2mill population) Commenced: 2008</i>	81%	Yes – Return to retail; no detail available	Yes
<i>Northern Territory, Australia – 2013</i>	54.2%	No – 9 Depots	No
<i>Lithuania (3mill population 2016</i>	(first Yr of Operation)	Yes – 1,000 locations	Yes

Source: Dave West 2016

Boomerang Alliance is very concerned that, without an obligation on retailers to provide return to retail redemption points, that consumers will not have a convenient network of collection facilities. Such a situation would undermine both the performance and public confidence in the scheme, and fail to meet the high return rates illustrated above.

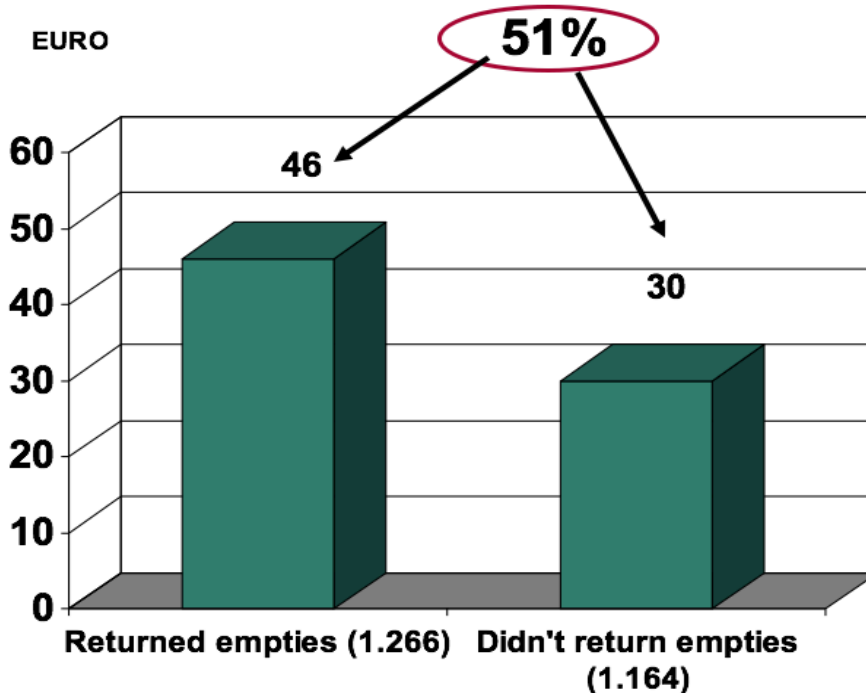
We note that to meet these obligations, RVMs can be located in, near or adjacent to retail outlets. This could include inside or adjacent to shopping malls and other convenient places for consumers.

There are also a range of options for retailers interested in installing collection points that include buying equipment outright and claiming a handling fee, to leasing equipment and outsourcing management, to outsourcing the whole operation and simply benefitting from consumers returns to their store to redeem vouchers.



The location of RVMs and other collection points at retail outlets represents a significant business opportunity. Evidence from overseas suggests that consumers returning containers and seeking to redeem vouchers will often spend more in those retail premises. European studies consistently show this to be the case.

## Average spending in the store - Holland



**The shoppers who returned empties spent on the average 51% or 16 Euros more in the store than the shoppers who did not return empties.**

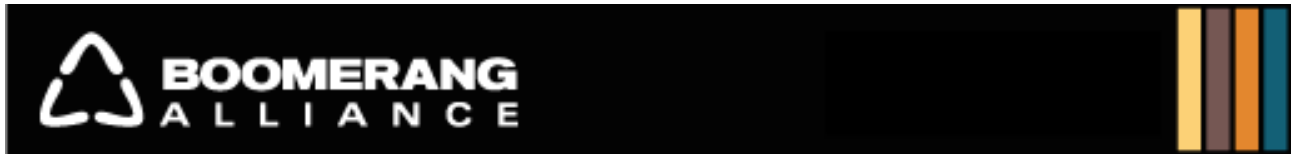
## Commercial, Council and Community Collection Points

In addition to retailer collection points, commercial, council and community run depots are required to complete that convenient collection network. The vast majority of these have yet to be developed.

These commercial, council and community collection points and facilities will emerge once the Scheme Coordinator has been appointed and the business case for collection infrastructure established.

It is likely that this network of commercial, council and community collections will include operators interested in providing refund points as well as, in the case of community





organisations, collection points principally for donated containers.

A recent community forum convened by Scouts QLD and the Boomerang Alliance, for charities and community groups, showed considerable interest in both options by the sector. Existing charity collectors were considering expanding their current operations, whilst those not currently involved in collection, such as schools and churches, were more interested in providing facilities for donated containers. Both options provide considerable potential benefit for the community sector and job creation.

That forum (15 March 2017) also unanimously supported a resolution:

*‘The attendees of this meeting support in principle the Queensland Governments intent to implement a Container Refund Scheme in QLD and strongly urge the Government to ensure maximum opportunity for the NFP sector to participate.’*

Whilst this collection network is required, the experience from overseas systems, show that the vast majority of collected materials are still likely to come through RVM’s at existing retailer outlets.

In Brisbane, a city of about 750,000 residents, there are only 4 Council Resource Recovery centres (formerly transfer stations) that could be adapted to become CRS collection depots.

These are at Nudgee and Ferny Grove on the northside, and Chandler and Willawong on the southside. These facilities, plus the existing private and community-based collection centres, will play a valuable role in collection infrastructure but are not sufficient to provide a convenient network, by themselves.

In Queensland it makes absolute sense to co-locate CRS collection with existing waste/resource recovery infrastructure. However, the Scheme Coordinator and Network Operators will have to be mindful that these existing facilities are often inconveniently located, dirty and, often industrial sites.

CRS collection facilities should be safe, clean, efficient and conveniently located. It may be that many existing facilities may be better utilised as hubs for consolidated collections and reprocessing rather than public interface facilities.

## Convenience

In terms of establishing what would represent convenience for consumers, we would suggest that convenience is the time and distance an average consumer currently takes to do their weekly shopping. CRS collection points should be within that range.

The retail sector has a formulaic approach to calculating where major retail outlets should be located to meet the needs of a community.

This takes into account time and distance behaviour and competition. We would suggest a similar approach. The best performing schemes in Europe operate on a ratio of less than 2,500 homes per redemption point. Boomerang Alliance modelling for Sydney, and based upon a 3000-3500 homes per redemption point, estimated that Greater Sydney would require 340-570 redemption points.

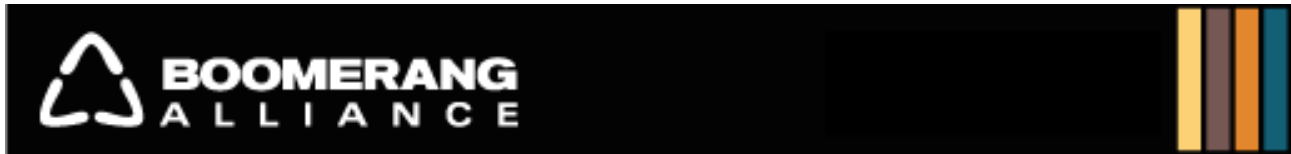
Once a formula has been determined it should, with a retailer obligation, be able to meet the convenience test. Should an area or region not meet that test the government should have the means to require the Scheme Coordinator to increase collection point coverage to a satisfactory level.

The scheme, as proposed, is complementary to current Council kerbside collection services, we support local councils having fair access to container refunds and/or handling fees from containers they have collected. In relation to containers collected at kerbside, we believe that equitable income sharing arrangements between Councils and MRF Operators should be negotiated by those two parties.

## Scheme Administration

We believe that an independent, not-for-profit organisation should coordinate the scheme to ensure an equitable approach for all, accountability and public disclosure on the performance of the scheme. We believe that the Scheme Coordinator should not be involved or commercially associated with agencies involved in collection of beverage containers.

It is essential that the Coordinator remains separate, and the scheme remains accountable and transparent to the Government and the community. It is essential that performance targets are set and that the State is provided with full and accurate public data to show that performance requirements are being met.



The Scheme Coordinator must have a process for handling confidential supplier information without giving advantage to or disadvantaging any particular supplier or suppliers.

Beverage suppliers selling beverages in eligible containers in Queensland must be responsible for providing the refund and covering any associated costs of the scheme.

It would make sense to have a single Scheme Coordinator in Queensland and if appropriate, the same entity in other states.

We are concerned that the Scheme Coordinator will bear the financial risks if a bottler does not provide the refund in a timely manner. It is the bottlers' funds that cover scheme costs, and the bottler is the original polluter by introducing disposable containers. The potential for dispute and litigation should be eliminated. This could be achieved by legislation allowing for advance invoicing and 'pay now, dispute later' clauses in the bottler contract – a similar system operates in SA with a 'true-up' process every six months for actual outlays. Thus the Coordinator always has funds to cover refunds and handling fees.

The legislation should include a provision that 'supply agreements will contain arrangements to ensure the Coordinator has sufficient funds to always meet the cost of the scheme'.

The CRS must be a self-financing system able to run without government and public subsidy. As such, any commercial arrangements such as the setting of fees and handling charges should be a matter for the Scheme Coordinator, Network Operators and Collectors. The Government role should be to oversee and review performance.

## **Implementation and Review**

We believe that the scheme should be regularly reviewed to ensure it is meeting performance targets. Targets for collection and for numbers of containers recycled should be set so that the scheme achieves collection and recycling goals, consistent with the world's best schemes, within 5 years.

The scheme should therefore meet a 95%+ collection and recycling target by 2023. This may mean the introduction of soft targets to begin with, with these being ramped up over a period and achieving best practice results within that five-year timeframe.

A five-year review timeframe will give the scheme sufficient time to achieve outcomes and

would represent reasonable period to consider improvements.

Penalties for breaching conditions and contracts and the governments right and ability to impose these needs to be established in the legislation and regulations.

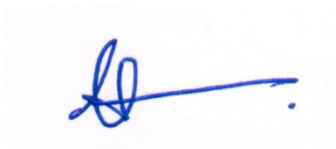
We hope that the advice and perspectives outlined above assist you in developing a World's Best Practice Scheme, and introduced in July 2018. Boomerang Alliance remains committed to participating in the CRS Advisory group and assisting the State Government on the design and introduction of a scheme in Queensland.



Jeff Angel

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Boomerang Alliance



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Boomerang Alliance



## OUR ALLIES

### AFROCAB

Australian Conservation Foundation

Australian Marine Conservation Society

Arid Lands Environment Centre

Beach Patrol

Boomerang Bags

Cairns and Far North Coast Environment  
Centre

Clean Up Australia

Conservation Council ACT Region

Conservation Council of South Australia

Conservation Council of Western Australia

Cooks River Alliance

Cooks River Valley Association

Environment Centre NT

Environment Tasmania

Environment Victoria

Friends of the Earth

Gold Coast and Hinterland Environment  
Council (GECKO)

Green Music Australia

Greenpeace Australia Pacific

Householders' Options to Protect the  
Environment (HOPE)

IDEP Foundation

Lake Macquarie Sustainable Neighbourhood  
Alliance

Lane Cove Sustainability Action Group

LEAD Group

Living Ocean

Local Government NSW

Mineral Policy Institute

Nature Conservation Council of NSW

North Queensland Conservation Council  
(NQCC)

Plastic Bag Free Victoria

Plastic Free July

Positive Change for Marine Life

Project AWARE Foundation

Queensland Conservation Council

Responsible Runners

SEA LIFE Conservation Fund

Sea Shepherd Australia

Sunshine Coast Environment Council (SCEC)

Surfrider Foundation Australia

Take 3

Tangaroa Blue Foundation

Tasmanian Conservation Trust

Total Environment Centre

Two Hands Project

Wildlife Preservation Society of Queensland

