Department of Environment and Science Ref: CTS 02203/18
Environmental Policy and Planning / Strategic Environment and Waste Policy

SECURITY CLASSIFICATION: UNCLASSIFIED

DOT POINT BRIEFING NOTE – MINISTER

Subject **Advice to Container Refund Scheme Advisory Group regarding appointment of Container Exchange (CoEx) as the Product Responsibility Organisation (PRO) – Following Media Meeting 23 January 2018**

Points of relevance

- CoEx was appointed as the PRO for Queensland's Container Refund Scheme (CRS) on 29 November 2017.
- CoEx released a Request for Proposal (RfP) into the market on 24 November 2017 and making an application for appointment on 23 November 2017.
- The RfP seeks submissions from interested parties in the operation of container refund points, as well as the provision of logistics and processing services.
- There has been no official announcement of a PRO appointment and there is speculation around the status of CoEx, particularly in relation to the RfP process and contracting with successful offers.
- An Advisory Group was established in August 2016 to provide advice to the Department of Environment and Science (DES) around design and implementation issues for the CRS.
- The Advisory Group membership comprises representation from waste and recycling, local government, environment and community groups and beverage and retail sector peak bodies.
- The Advisory Group meets regularly, every four weeks.
- The last meeting was held on 28 November 2017 prior to the PRO appointment being made. Members were advised that CoEx had made application for the PRO appointment.
- There has been no subsequent communication on this issue. DES has been awaiting advice whether an official announcement is intended.
- Since the beginning of 2018 there has been speculation regarding a change in the CRS commencement date. Some Advisory Group members have stated that the date has already been changed.
- On 5 February 2018 CoEx provided advice to people who have registered for the RfP process that the closing date has been extended until 5 March 2018.
- The next Advisory Group meeting is 16 February 2018.
- DES will provide advice to Advisory Group members regarding the PRO appointment and will be seeking approval to defer the commencement date ahead of the next meeting. An update on CoEx activities will be provided at the meeting.
- It is not intended that this advice be prepared as an announcement of the PRO appointment and the Advisory Group will be requested to keep the information confidential pending advice from Minister Enoch's office regarding any official announcement.
- Draft text to be circulated to the Advisory Group is at **Attachment 1**.
- Preparation of a media release if required, will be flagged on the Media Forward Plan.

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Date Endorsed: 08/02/2018

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Attachment 1

Dear All

At a meeting on 28 November 2017 between the Department of Environment and Science and the Advisory Group, members were advised Container Exchange ((CoEx) incorporated on 31 October 2017) and was eligible to apply to become the Product Responsibility Organisation (PRO).

Following this advice, the then Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef, the Honourable Dr Steven Miles MP, invited CoEx to apply for appointment as the PRO under the *Waste Reduction and Recycling Act 2011* (the Act). An application was received by the department on 23 November 2018 and assessed. A report was provided to Minister Miles on 28 November 2017 recommending appointment.

I am pleased to inform you that on 29 November 2017 CoEx was conditionally appointed as the PRO. As I am sure you would understand a number of factors including the 2017 State Election and the Christmas period have delayed the official announcement of the appointment. The appointment is largely conditional on the CoEx Board transitioning from the current Board arrangements to the full nine member Board required under the Act. This transition relies on the Honourable Leeanne Enoch MP, Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts, approving the independent chair and community representative positions.

CoEx currently has a Request for Proposal (RfP) in the market seeking submissions regarding the operation of container refund points. Feedback as part of the RfP information sessions included comment on allowing as much time as possible for refund point operators to roll out the necessary infrastructure and refund point operations, prior to scheme commencement, to ensure there is sufficient accessibility to refund points. This was a significant issue for the successful implementation of the New South Wales container deposit scheme.

As such I can inform you that the department is looking into the implications and benefits of delaying the commencement date and is providing advice to Minister Enoch in relation to a delay. The proposed new date is 1 November 2018. I am aware that there is already some speculation about this issue. As no decision has yet been made, you are asked to treat this information as confidential and not to disseminate to your respective members until further notice. Can I also remind you that, as a member of the Advisory Group, you have each signed a Confidentiality Deed in respect of certain information.

Kind regards

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Department of Environment and Science **Ref: 03587/18**
Environmental Policy and Planning

SECURITY CLASSIFICATION: UNCLASSIFIED

DOT POINT BRIEFING NOTE – Hon. Stirling Hinchliffe MP

Subject **Meeting with** sch4p4(6) Personal **about the Container Refund Scheme (CRS)**

Points of relevance

How was it determined that Queensland needed this program?

- There are approximately 2.4 billion containers generated in Queensland each year and there is considerable room for improvement in the way the end-of-life containers are managed. Queensland's recycling rate sits at around 44%, which is one of the lowest rates of the Australian states and territories.
- Away-from-home recycling rates are considerably lower than recycling from households.
- Queensland is also the most littered of the mainland states, according to the National Litter Index Reports.
- The CRS has the objectives of reducing the amount of litter in the environment and increasing recycling.
- There are also significant community and social enterprise benefits from the introduction of the CRS and it provides the opportunity for people in areas without kerbside recycling to recycle.

How was community engagement conducted in order to provide an understanding of the costs of the CRS to the community?

- A 12 month investigation into the feasibility of introducing a state-based CRS was undertaken in 2015.
- An Advisory Group, with representation from local government, the waste and recycling industry, retail and beverage industry and environment and community organisations, was established to assist with the investigation.
- In 2016 the Government decided to implement a CRS and the role of the Advisory Group was changed to providing advice on implementation issues for the CRS.
- A discussion paper was released for public consultation in February 2017. The results of consultation indicated considerable support for the CRS.

What industry engagement was undertaken to understand whether this was a commercially viable scheme?

- The Department of Environment and Science has been consulting with the waste and resource recovery industry, the retail and beverage manufacturer sector and local governments since 2015.
- As well as the Advisory Group, four Technical Working Groups (TWGs) have been established to provide advice on operational aspects of the CRS implementation.
- The TWGs are: Resource Recovery, Local Government, Retail and Beverage Manufacturers and Community Groups.
- The CRS has been operating for a number of years in many countries around the world and for 40 years in South Australia (SA).
- The recovery rate for beverage containers in SA is close to 80%.
- The CRS has the potential to create new jobs and businesses through the establishment of container refund points that allow people to return eligible containers for the 10c refund.
- Container refund point operators receive a handling fee per container.

How will the CRS affect the cost of imported products versus locally manufactured products?

- All beverage manufacturers selling beverage products into Queensland are required to enter into a container recovery agreement with the Product Responsibility Organisation (the company appointed to run the CRS).
- These agreements establish the obligations of the beverage manufacturer, including the contributions to be made by manufacturers to cover the costs of the CRS.

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- Beverage manufacturers are also required to register the beverage containers they use for their products and beverage containers are required to be approved.
- There is no difference in the obligations between manufacturers of local and imported products.

Has the Brisbane City Council (BCC) been engaged to reduce rates as recycling bins won't need to be collected so often?

- The Local Government Association of Queensland supports the introduction of the CRS as long as:
  - there is no negative impact on council waste and recycling operations;
  - full consultation with local governments about container collection infrastructure;
  - ability for councils and council contractors to be able to access deposits; and
  - councils having the choice on whether or not they can establish and operate container collection centres.
- BCC was part of the initial investigation Advisory Group in 2015.
- While some beverage containers may be removed from the kerbside system, many other recyclable products will still need to be collected, including beverage containers that have held plain milk and wine.
- While the actual impact on the volume of material collected through kerbside system is unknown at this point it is anticipated that there is unlikely to be a change in the provision of services.

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