

SECURITY CLASSIFICATION: UNCLASSIFIED

DOT POINT BRIEFING NOTE – MINISTER

Subject **Container Refund Scheme: Minister's Visit to the Sunshine Coast**

Points of relevance

- Since 1 November 2018, approximately 185 million eligible containers have been counted through the Container Refund Scheme (CRS).
- Approximately 6.5 million had been counted through container refund points on the Sunshine Coast over the same period.
- The container count started slowly on the Sunshine Coast as the majority of Container Refund Points (CRPs) are bag drop operations where the containers are dropped at a location and collected for counting at a depot facility.
- Rates for the Sunshine Coast have increased steadily over the two months of the scheme's operation.
- Statewide, more than 123,500 scheme IDs have been set up.
- Almost 121,000 individuals have established their scheme IDs; with around 1700 charities and community organisations and around 800 businesses (including clubs and hotels) establishing scheme IDs.

Sunshine Coast specific issues

CRS Network

- Some criticism has been made about the lack of CRPs throughout the Sunshine Coast.
- Container Exchange is currently looking at gaps in the network with a view to filling the identified gaps as a priority.
- The CRS originally included the use of surf lifesaving clubs on the Sunshine Coast as container refund points however, to-date, CRPs in conjunction with Surf Lifesaving Clubs have not eventuated.
- The Containers for Change online map continued to display a number of these locations as well as other inaccuracies which generated several enquiries and complaints after the CRS commenced.
- To address the lack of CRPs in Noosa a new Envirobank pod has recently been located at the Waves of Kindness Op Shop.
- The Tewantin Bloomfield charity partner shop pulled out of the scheme after participating at the start due to staff concerns, which caused some confusion in the community.

Plastic Bags

- Plastic bags continue to be an issue for the scheme and some operators.
- One of the issues that has arisen is that the Envirobank SmartPod bag drops provide free bags for people.
- Since scheme commencement, people have been taking large quantities of bags from the Envirobank Pods, quickly depleting the supply of bags and leaving none for other people.
- This is a matter that Envirobank is currently working to resolve and are implementing a range of options.
- As an interim measure Envirobank have stationed staff at the busier pods to hand out bags to individual people as they arrive to drop off their containers. At other locations nearby retailers have been provided with bags to hand out to people using the bag drop.
- One of the issues is that CRS donation point schools who are working with Envirobank have been charged for the orange container return bags, where as they are freely available at community Envirobank CRP pods.
- The Re.Turn-it CRPs have received criticism about their use of plastic bags for the collection of containers most of which are single use plastic bags.
- Re.Turn-it have also asked for these bags to be 'slightly see-through' and also placed limits on the number of containers being dropped at their small volume drop offs (principally Lifeline and Salvos).

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- Re-Turn-it have been working to resolve the high rates of single use plastic bags as well as a number of technical issues by providing further information on their website and providing additional support to their CRP partners.

Small Scale Infrastructure Grants Program

- The Container Refund Scheme – Small-Scale Infrastructure Grants Program can provide financial assistance for:
 - Aboriginal and Torres Strait Islander Councils (up to \$50,000) to establish container refund points and provide associated container collection and storage infrastructure. The provision of this infrastructure must help to fill a currently un-serviced requirement in the area.
 - Community groups and not-for-profit organisations (up to \$10,000) to provide container collection infrastructure and secure storage infrastructure and equipment at donation points.
- Applications for the program closed on 25 January 2019 and are currently being assessed by the Department of Environment and Science.
- 120 applications were received from community groups and not for profit organisations across the state, and 7 applications have been received from Aboriginal and Torres Strait Islander Councils.

Consultation

- COEX

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MEETING BRIEFING NOTE – MINISTER

Subject Requested meeting with CoEx CEO Ken Noye

Date: 21 February 2019

Time: 4.00pm

Attendees: Ken Noye, CEO, CoEx
Jamie Merrick, Director-General, Department of Environment and Science (DES)
Adrian Jeffreys, Executive Director, Environmental Policy and Programs, DES

Purpose of meeting: to discuss some specific issues that have been raised recently including: IT interface issues for operators; work to fill gaps in services; and the current status of bag provision by operators.

Summary of the issues

- CoEx will be providing a presentation to the Minister on several issues (summarised below) along with updated figures.
- In relation to filling the network gaps, the department has some concerns regarding the speed with which in-filling of gaps in identified priority areas is taking place.
- CoEx could be requested to provide an update on the process and criteria being used to identify priority sites.
- Regarding the proposed bag trial, the Minister should note that CoEx is proposing to charge for the bags.
- While this is a trial and, if implemented will be an option for people, there may be some complaint in relation to the charge if it goes ahead.
- Departmental officers have expressed concern with this position.
- CoEx has stated that the provision of free bags hasn't worked as a business model to-date as people don't value the bag.
- CoEx continues to place safety as one of the top priorities and work closely with refund point operators to ensure public safety at all sites.

Points of relevance

Overview of scheme performance

- The scheme commenced a little over three and a half months ago.
- More than 222 million containers have been returned and counted through the scheme at over 260 container refund points.
- Two new sites recently opened in and near Miles and several new sites in Southwest Queensland (Charleville, Cunnamulla and Mitchell) will start operation shortly.
- A new location is currently under negotiation in Weipa.

CRP network gap analysis

- A network gap analysis workshop was held in late January 2019 to start to identify the key timeframes and priority gaps in the network.
- KPMG are assisting CoEx with mapping overlays to help understand the population densities and current CRP services.
- CoEx has three critical timeframes that impact on expanding the network:
 - In October 2018, a Ministerial direction was issued requiring CoEx to fill 75% network gaps by 1 March 2019 in the three regions that didn't reach the target number.
 - On 1 May 2019, the general exemption provided under the Planning Regulation expires. This exemption allowed CRPs, under certain criteria and conditions, to establish without requiring a development approval. Once this expires, all new CRPs will be required to undertake a planning assessment. The department has suggested

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- that CoEx undertake a triage of current expressions of interest to determine which of those would be able to take advantage of the general exemption while it is in place.
- By 1 November 2019, CoEx must establish at least 307 container refund points. CoEx is currently working to identify operators and is developing an operator's pack, which streamlines the information for potential CRP operators.
 - A number of areas such as the Sunshine Coast, the Bay islands and Redlands area, northern Gold Coast, western Brisbane and Bribie Island have all been identified as underserved by the current network and these areas could be prioritised for operation prior to the expiry of the general exemption.
 - Due to the volume of containers being returned in some areas, the type of CRP provided is also being looked at and there are some opportunities to consolidate small bag drop sites into a depot to handle the number of containers from that area.
 - CoEx has met the required number of refund points in the Far North Queensland region, which includes Cape York and the Torres region.
 - New sites will shortly commence operation in the southwest; however, the Central Queensland region of Julia Creek, Flinders, McKinley and Mt Isa has been significantly impacted by flooding and sites are unlikely to be operational for some time.
 - CoEx may request an extension of time in order to comply with the Ministerial direction in this region.
 - CoEx is currently working on an operating model to engage more directly with Aboriginal and Torres Strait Islander communities.
 - DES and CoEx have agreed to pilot container collection infrastructure in three council areas – Mapoon, Thursday Island and Bamaga – to determine the suitability of the infrastructure for roll-out to other communities.
 - This will be funded through the Aboriginal and Torres Strait Island small-scale infrastructure grants.
 - Departmental officers and CoEx intend to visit some of the areas in mid-to-late March (to coincide with the anticipated opening of the Weipa depot and processing facility).

IT interface

- Many of the issues associated with the IT roll-out have been addressed.
- There are still some issues around training, particularly involving volunteers at some of the charity partner sites.
- Remote bag drops are presenting a problem as there is no point of sale available at these sites and people are unable to register the number of bags deposited remotely.
- This has led to the issues around late or incomplete payments as there is no system record of the containers being returned until the person makes a complaint.

Bag trial project

- CoEx is close to finalising a plastic bag strategy and departmental officers attended a workshop on this issue on 14 February.
- CoEx is proposing to trial the use of thick recyclable plastic bags through a number of different CRPs across the state, focusing on addressing bag issues for the scheme.
- The trial bags are manufactured locally (on the Sunshine Coast) from recycled-content plastic.
- Significant messaging will be undertaken prior to the trial starting.
- Following focused scheme customer surveys, CoEx is proposing to charge for the bags used during the trial. The department has advised CoEx that it does not favour charging.
- This trial may provide a solution for the manned bag drop sites; however, unmanned sites still present an issue.
- Envirobank is also working on a solution for the SmartPod bags by working with stockists in locations around the Pods to ensure that bags are available.

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Sch 4 - Business Affairs

Consultation

- Nil

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Subject Container Refund Scheme operation on the Sunshine Coast

Points of relevance

- *Claims about double payments:*

Sch 4 - Business Affairs

- *Bag shortages.*

- CoEx propose to ~~shortly~~ commence a trial through several different bag drop CRPs around the State. As well as mesh bags they also intend to trial recycled and recyclable clear thick plastic bags manufactured locally on the Sunshine Coast.
- CoEx intends to hold a CRP operator workshop to discuss the sites and distribution options.
- CoEx has provided information that they intend to charge for the plastic bags during the trial.
- The use and purchase of the 'container refund scheme bags' is proposed to be optional.
- The department has previously indicated to CoEx that charging for bags – particularly during the trial - is unlikely to be supported and continues to discuss the bag strategy with CoEx.
- The operator of the unmanned Drop'n'Go bag drop sites, Envirobank, has also provided local businesses and electorate offices with extra supplies of bags.
- These bags are also available at the Buderim depot and Envirobank replenishes the supply of bags at the Pods and the stockists every day.
- Information on bag stockists is available on the Envirobank website.

- *Refunds to charity groups on the Sunshine Coast (not individuals)?*

- Close to 12 million containers have been returned and counted through CRPs on the Sunshine Coast up to the 24 February 2019.
- CoEx figures indicate that approximately \$11 000 has so far been refunded to community organisations to-date.

- *How many jobs have been created on the Sunshine Coast from the scheme?*

- Approximately 40 jobs have been created on the Sunshine Coast.
- CoEx is unable to provide further detail on the breakdown of jobs.

Consultation

- Nil

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- New sites – a run-down of new sites and where there may be more in future.
 - A new depot is expected to open in Cooroy in early March.
 - A new site in Noosa is currently awaiting Council approvals.
 - CoEx is working to identify other suitable sites.

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RTI Act 2009

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Subject **Container Refund Scheme update**

Community forums

- Since late July 2018, 18 community forums have been held throughout Queensland: north Queensland, central Queensland, Wide Bay region, Sunshine Coast and the Darling Downs.
- Additional events are still to be held during September and early October in Brisbane and its surrounds, the Gold Coast and Western Queensland.
- Around 1,800 people have registered to attend the events.
- Presentations about the scheme are provided by Boomerang Alliance and CoEx, the scheme Product Responsibility Organisation (PRO).

Container Refund Point locations

- On 4 September 2018, a list of suburbs where Container Refund Points (CRP) will be established across Queensland were published on the Containers for Change website.
- Contact details of the CRP operators were also published so that members of the public and community groups can contact them for information about how they can return containers and get involved with the scheme.
- Closer to commencement on 1 November 2018, the physical locations will be published on the Containers for Change website and updated regularly.
- When they visit the website, people will be able to enter their postcode and container refund point locations near them will be provided, including Google map details, opening hours, type of refund point (depot or bag drop etc.) and whether cash refund payments are provided at the site.

Virtual donation process

- Any charity, community group, school, not-for-profit organisation or sporting group can register with the scheme to receive donated refund payments.
- At the end of September/early October, groups will be able to register online at the Containers for Change website to receive their Unique Identifier scheme account number.
- Groups can then share their Unique Identifier with their customer, supporter and network base.
- When people take containers to a refund point they will be able to use the group's Unique Identifier to DONATE the 10c refund from their returned containers to their nominated group at any Container Refund Point.
- Container Refund Points will count the containers and then transfer the refund into the group's EFT account using the Unique identifier.
- People also have a choice of splitting the refund amount between a number of different organisations or keeping some of the refund themselves and donating the rest.
- This arrangement provides considerable flexibility and allows a significant number of charities and community groups to easily benefit from the scheme.

Bag drop CRP

- A range of CRP types will be established across Queensland including traditional depot style, mobile and pop-up, bag drop-off, and reverse vending machines.
- The bag drop-off process allows people to return a bag of containers quickly and easily and works as follows:
 - The CRP operator will provide a container bag/s to members of the public (Customers).
 - Customers will return filled bags to the CRP operator with the Customer's unique identifier number, or the unique identifier of their registered charity/community group of choice, affixed on or placed in the bag.

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- The CRP operator will count the eligible containers off-site and transfer the refund payment through an EFT process into the Customer's account or the account of the registered charity/community group.

Charity and community group participation in the scheme

- Charities, community groups, sporting groups and other service organisations can register direct with Containers for Change to become a CRP or Donation Refund Point (DRP).
- Members of the public can donate their refund payment to their chosen group when they return eligible containers to a CRP.
- As a donation point this enable members of the public to donate their containers to the organisation by returning them to a collection cage or bin located at the community group or an event run by the community group.

Community sign-up process

- Not all CRPs will provide the refund payment in cash.
- People returning their containers will be encouraged to check the Containers for Change website to identify which type of refund facilities are offered by CRPs, along with their hours of operation, in the areas they wish to travel to.
- If a CRP does not offer a cash refund facility, people returning their containers must register with Containers for Change to set up their own scheme account and receive a Unique Identifier Number.
- The Unique Identifier Number allows a CRP operator to transfer the refund payment via EFT direct to the Customer.
- At the end of September/early October community members will be able to register online at the Containers for Change website to receive their Unique Identifier number.
- A number of CRP operators may also provide other forms of receiving the refund amount, including in the form of digital retailer vouchers or other rewards.

Consultation

- Container Exchange (CoEx)
- Environmental Policy and Planning (EPP)

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Subject Container Refund Scheme – Mark Furner MP

Points of relevance

- Queensland's Container Refund Scheme starts on 1 November 2018.
- Container Exchange (CoEx), a not-for-profit company, has been appointed to run the scheme.
- Queensland's Container Refund Scheme, Containers for Change, is established as a product stewardship scheme and beverage manufacturers are responsible for paying for the costs of running the scheme.
- Costs include the 10c refund provided to people when they return eligible containers to a container refund point, along with costs for handling, logistics and processing fees.
- The scheme is designed to reduce litter and increase recycling.
- One of the objectives of the scheme is to provide social enterprise and community outcomes and the scheme provides for strong participation from charities, schools and community groups.
- CoEx is required to establish 232 container refund points by 1 November 2018 and 307 by 1 November 2019.
- A number of these refund points will be located with or run in partnership with charities such as Lifeline and St Vincent de Paul and not-for-profit organisations such as Surf Lifesaving Queensland.
- There is also opportunity for other charities and community groups to participate in the scheme as a donation point.
- Donation points differ from refund points as follows:
 - a refund point is contracted, under a Container Collection Agreement, to the Product Responsibility Organisation, CoEx, to receive all empty eligible containers from people in exchange for the 10c refund
 - in return the refund point operator receives a handling fee of around 6c per container
 - a refund point must be open certain hours and there are contractual obligations that they must meet to ensure the site is operated appropriately
 - because a donation point is not required to pay the 10c refund, an organisation operating a donation point has no obligation to collect all eligible containers or to be open at specified time. A donation point may choose, for example to only collect aluminium cans and plastic bottles and not glass bottles
 - the operator of the donation point (for example, a Lions Club or local catchment group) is the recipient of the 10c refund when the collected containers are taken to a refund point.
- Community groups are being encouraged to contact their local container refund point operators about the provision and availability of container collection infrastructure and how they organise pick-up of the collected containers.
- Refund point operators who collect more than five million containers annually are contractually obliged to make container collection infrastructure such as mobile cages or bins available for to community organisations free of charge.
- The Department of Environment and Science will shortly be releasing some small-scale infrastructure grant funding for remote and indigenous councils and for community groups.
- This will help community groups with funding for CCTV, hard stand concrete pad or sheds, as well as collection infrastructure where a refund point operator is not obliged to provide it, to help facilitate the collection and security of containers at donation points.
- CoEx, in conjunction with Boomerang Alliance, are currently holding a series of community group forums around the state to provide information about the scheme and how community groups and charities can participate.

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- Information about how a community organisation can register their interest, as well as the locations and contact details for refund points are available on the Containers for Change website at <https://www.containersforchange.com.au/>.

Consultation

- N/A.

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DOT POINT BRIEFING NOTE – MINISTER

Subject **Container refund scheme – beverage pricing change**

Points of relevance

- The Queensland container refund scheme (scheme) commences 1 November 2018.
- Under the scheme, eligible beverage containers will attract a 10c refund when returned to a container refund point.
- Container Exchange (CoEx), a not-for-profit company, has been appointed as the Product Responsibility Organisation (PRO) responsible for the administration of the scheme.
- Under the *Waste Reduction and Recycling Act 2011*, beverage manufacturers that sell eligible containers into Queensland are obligated to fund the scheme and are required to enter into a Container Recovery Agreement with CoEx in order to fulfil this obligation.
- Beverage manufacturer contributions are based on their Queensland market share for the previous month.
- The scheme price has been determined by CoEx and is based on the estimated redemption rate of containers, container collection, transport and processing fees and the type of material the container is made from.
- Scheme price ranges from 9.92c per container for aluminium cans to 10.6c for HDPE (high density polyethylene) plastic bottles and liquid paperboard cartons.
- The estimated weighted average cost for the start of the scheme is 10.2c per container.
- While it is not a requirement of the scheme, it is anticipated that beverage manufacturers will choose to pass these costs through to their customers to cover the costs of the scheme.
- If a distributor sells products they have bought from beverage manufacturers to retailers in, for example, Queensland and New South Wales, the distributor is eligible to claim an export refund on the products that have been sold outside Queensland.
- The distributor is encouraged to visit the CoEx website (www.containerexchange.com.au) to find out more about who is required to enter into a Container Recovery Agreement and how the export refund claim arrangements work.

Consultation

- Nil.