



Australian Beverages Council  
Submission to the QLD CRS Scope Expansion  
20 February 2023

## About the Australian Beverages Council

The Australian Beverages Council Limited (ABCL) has been the leading peak body representing the non-alcoholic beverage industry for 75 years and is the only dedicated industry representative of its kind in Australia.

The ABCL represents around 95 per cent of the industry's production volume and Member companies range from some of Australia's largest drinks manufacturers to small and micro beverages companies whose drinks are enjoyed nationally and globally. Collectively, ABCL members contribute more than \$7 billion annually to the Australian economy and employ more than 46,000 full time employees (FTEs). The industry pays over \$1.2 billion in taxation per annum. For every direct employee in the beverages manufacturing industry, there are 4.9 jobs required elsewhere in the Australian economy along its value chain.

The ABCL strives to advance the industry and represent the diverse range of beverages produced by our members. These include carbonated soft drinks, energy drinks, sports and electrolyte drinks, frozen drinks, bottled and packaged waters, 100 per cent juice and fruit drinks, cordials, iced teas, ready-to-drink coffees, kombuchas, flavoured milk products and flavoured plant milks.

The ABCL offers Members a unified voice and presence to promote fairness in the standards, regulations, and policies concerning non-alcoholic beverages.

The ABCL introduced a dedicated juice division, Juice Australia (formerly Fruit Juice Australia), in 2009 then a dedicated water division, the Australasian Bottled Water Institute (ABWI), in 2011. Through these divisions and various committees, our organisation and Members continue to adapt and flourish.

## **Introduction: the beverage industry is a pioneer in producer responsibility**

The Australian Beverages Council recognises the impact of waste on our environment and acknowledges the role our industry must play in helping to meet this challenge. Through Container Refund Schemes (CRS), our members have led other sectors by taking responsibility for their packaging and investing in the circular economy.

Today, CRS plays a valuable role as a channel for materials to enter the circular economy and remain out of the natural environment at their highest reuse ("bottle to bottle"). Participation in CRS also has a positive impact on climate change and generates strong social and economic dividends for the community.

The 10 cent deposit is an important incentive, rewarding consumers for taking their drink containers to a collection point and driving a clean stream of used materials for remanufacture into recycled containers for a range of different industries.

The CRS model remains one of the most robust and transparent approaches to resource circularity and we urge other industries to leverage this model as they seek to enact producer responsibility.

Four core themes run through this submission:

- We strongly support the current proposal to expand the scope of containers collected by Containers for Change (the Scheme) and encourage Queensland to work with other states and territories on a nationally consistent approach to implementing an expanded scope.
- As momentum builds towards a national circular economy, we believe that Queensland is at a critical juncture. With the right policy settings, the state has the opportunity to foster a world-leading circular economy and generate stronger social and economic dividends for the community. As such, in the absence of consensus between the states and territories we believe that Queensland has an opportunity to take a leadership approach and implement the proposed change in scope as it will continue to drive and enhance the circular economy.
- Queensland has a further opportunity to lead circular economy policy locally and internationally by including a broader range of plastic and glass

containers for collection by CRS (for example, cooking oil, detergent, shampoo and hand wash bottles).

- Queensland has the opportunity to learn from previous experience and make the transition process less burdensome on beverage manufacturers entering the scheme.

### **The opportunity for Queensland to foster a world-leading circular economy through CRS**

When a CRS was first introduced– in South Australia in 1977 – the intent was to reduce litter. For that reason, schemes targeted products in containers that were consumed ‘out and about’ and often littered, such as smaller beverage bottles and aluminium cans. Consequently, policy makers have tended to exclude other packaging types because they were less frequently discarded in the environment and were deemed a price sensitive consumer staple.

As time moved on and new package formats were introduced which were within the target market segment, they were added to the scope of CRS containers. For example, immediate consumption beverages contained in Liquid Paper Board, HDPE Juice and PET. Recently, Australia’s environmental context has evolved and CRS are now increasingly important in supporting broader imperatives such as producer responsibility and resource recovery, towards fostering a national circular economy. The goal is no longer simply reducing litter but supporting local industry, charities and social enterprises, and keeping material (such as glass and plastic) in use for as long (and for as many rotations) as possible through circular economy initiatives. The scope expansion proposed only deepens the opportunity and outcomes for a circular economy.

To meet this challenge, the ABCL proposes that **Commonwealth, state and territory governments align to agree on action to broaden the scope of containers currently collected by CRS to encompass a wider range of packaging**. We urge this alignment to occur expeditiously to further improve environmental outcomes. If that agreement can’t occur expeditiously, we believe Queensland may play a national leadership role by expanding the scope ahead of other jurisdictions. This broadening of scope in Queensland will further support the joint investments by the Government and Visy in the new world class glass recycling plant announced for the Gold Coast (Yatala) hinterland.



In this context, we support the Queensland Government's proposal to expand the scope of CRS to include:

- wine in glass bottles 150ml and 3 litres
- pure spirits in glass bottles between 150ml and 3 litres
- wine in aseptic packs between 1 litre and 3 litres
- water in aseptic packs between 1 litre and 3 litres
- flavoured milk containers between 1 litre and 3 litres
- pure juice containers between 1 litre and 3 litres.

At the same time, there is an opportunity for Queensland to go even further. Currently, a large volume of PET and glass packaging such as cooking oil, hand wash, shampoo and detergent containers needlessly go to landfill. This is an overlooked source of high-quality material which could be collected using existing infrastructure, reused, and kept out of the natural environment, just as many beverage containers are. There is a similar opportunity to integrate glass jars and bottles from the food sector into the scheme, near eliminating the issue of glass contamination in mixed kerbside recycling without the need for a fourth bin for glass.

Adopting a more ambitious approach to the scope of PET and glass containers collected by CRS would:

- Reinforce and motivate recycling behaviour by Australian households. The broader the range of containers redeemable for a cash incentive, the more likely businesses and households will accumulate these items and claim a deposit.
- Shore up PET and glass feedstock supply to support recycling and the achievement of the National Packaging Targets.
- Fuel and encourage more investment in the local manufacturing industries which underpin Australia's circular economy. In turn, this would support more employment as the local recycling sector generates around nine jobs

per 10,000 tonnes of waste compared to only about three jobs for the same amount of waste sent to landfill<sup>1</sup>.

- Support enhanced sovereign capability. It is crucial that Australia secures its rPET supply amid disrupted supply chains and an uncertain global geopolitical environment.
- Have a positive impact on climate change (by recycling plastic, industry lessens its dependence on the manufacture and transport of emissions-intensive virgin materials). We estimate that every 1,000 containers recycled through a CRS will prevent the release of 121 kilograms of carbon dioxide emissions<sup>2</sup>. Secondly, it is well documented that glass collected through co-mingled recycling is often crushed too fine to be integrated back into new beverage or food containers. South Australia's CRS review found that 99% of CRS-recovered glass was retained as food-grade cullet, compared to 11% via kerbside<sup>3</sup>. This clearly shows the value of source separation as a strategy to keep materials at their highest value the longest.

In relation to including a broader range of glass packaging, we add that:

- Expansion in scope will further support the new glass facility being built in the Gold Coast hinterland by providing a more secure and larger stream of feedstock.
- It is essential that the Queensland Government works with COEX to develop policies and/or enhance collection channels, to encourage a wider range of sectors to play a more active role in the scheme. A substantial volume of high quality recyclate is currently being lost to 'Away from Home' sectors such as industrial, commercial, HORECA, clubs, venues, and similar. This presents a crucial opportunity for Queensland to maximise participation in the local circular economy. An expansion in container scope will further heighten the urgency for action in this area – there is a risk that existing infrastructure will be placed under further pressure, jeopardising return rates for those beverage containers already in scope.

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<sup>1</sup> Access Economics (2009). Employment in waste management and recycling. Australian Government. Canberra, Australia.

<sup>2</sup> [Regulatory Impact Statement](#) for the Victorian CDS (PWC & Victorian Government)

<sup>3</sup> Improving South Australia's Recycling Makes Cents, September 2021

- Long-term trends are expected to drive demand for glass packaging in Australia. There is an opportunity to meet this demand using recycled rather than virgin glass.
- Typically, wine bottles are easier to sort at recycling facilities due to their colour and quality. Taking glass – such as wine bottles – out of kerbside recycling bins would also lessen contamination of other material such as paper and cardboard.
- Glass collected through kerbside channels is particularly susceptible to breakage, affecting its viability for recycling and significantly reducing the yield. Some diversion of these bottles to CRS would help to preserve their recyclability.
- Additionally, the broader the range of containers which can be redeemed, the more motivated consumers, businesses and households will be to accumulate them and claim a deposit. In other words, the financial benefits of making a trip to the collection depot are magnified by the broader scope of containers.
- Stored wine and spirits should be accepted by the newly expanded scheme. We do not believe this inventory of product will be a major area of concern in the rollout of the expanded CRS scope. Upon successful implementation, stocks of stored wine will likely be relatively minor relative to the overall volume sold per annum. Further, we would not expect the stored wine to be of sufficient volume to cause operational or solvency concerns to the Scheme.

### **Transitioning new manufacturers into the scheme**

The ABCL commends the scheme for focusing on assisting all aspects of the supply chain in transitioning to a new scope of containers. From our experience, we offer a few points to consider when transitioning new beverage manufacturers into the scheme:

- As argued earlier, the ABCL believes the expanded scope should occur expeditiously. We believe implementation could occur by the end of 2023, with a 'go-live' date on the anniversary of scheme commencement on 1 November. This will quarantine the annualized impacts and ensure redemption metrics can be understood into the future.

- We propose a 24-month grace period to enable beverage manufacturers to make changes associated with a wider container scope. These may include, for example, modifying labels to include a deposit statement and, in some cases, a bar code. This is consistent with the provisions put in place during the original implementation.
- We would encourage Queensland to run an extensive education campaign to support beverage manufacturers to adapt to the broadening of scope. For example, through workshops in metropolitan and regional areas and provision of clear online and hard copy resources.
- This education campaign should also provide ongoing updates to consumers on the timelines for the expanded scope coming into effect.
- Beverage manufacturers – particularly smaller operators – may need additional support to navigate procedural matters such as providing sales data from the previous year to the scheme coordinator.

Please contact Cathy Cook, Head of Corporate Affairs, at the ABCL ([cathy@ausbev.org](mailto:cathy@ausbev.org)) if you require any further information in support of this submission.