



Beverage Industry Guide - First Sale

August 29, 2023

Container Exchange (**COEX**) is the not-for-profit organisation appointed by the Queensland Government to manage and provide governance for the State's container refund scheme Containers for Change. COEX establishes Container Recovery Agreements (**CRA**) with beverage manufacturers helping them to register eligible products, report monthly sales and provide funds to administer the scheme.

This document is intended to be a guide for the beverage industry to help participants better understand their responsibilities in relation to the inclusion of wine and pure spirits in glass bottles in Queensland's container refund scheme (**Scheme**). The information in this guide should be read in conjunction with the *Waste Reduction and Recycling Act 2011 (Act)* and the *associated regulations*. Industry participants should seek independent professional advice specific to their circumstances.

Who is a Beverage Manufacturer?

The Queensland Scheme is run using a product stewardship model where the makers, importers, retailers and/or distributors take responsibility for beverage products sold in Queensland. The Act refers to these industry Scheme participants as **Manufacturers**.

In the context of the Act, a **Manufacturer** is not limited to the maker of the beverage product. Similarly, the place where beverage products are made can be irrelevant. The relevant point in the supply chain is the first movement within or into Queensland to the point where the product is intended to be used or consumed or on sold to a consumer.

For the purpose of this guide, this point is referred to as the **First Sale** and the **Manufacturer** is referred to as the person or entity who first sells a beverage product into Queensland to a consumer or to a distributor or retailer for on-selling to a consumer.

Selling includes supplying free of charge for a commercial or promotional purpose.

Container Recovery Agreement

COEX will enter into a **Container Recovery Agreement (CRA)** with each person or entity deemed to have made the First Sale. Under this Agreement the entity that makes the first sale has several responsibilities including:

- reporting on the volume of beverage products sold in or into Queensland by material type, for each financial year; and
- payment of contributions to fund the costs of the Scheme, based on the volume of the Beverage Manufacturer's sales into or within Queensland.

If you have any questions in relation to this document please email COEX at qldb@containerexchange.com.au

Information about the current cost of scheme contributions can be found here:
[Beverage Manufacturers - Container Exchange](#)

What is the First Sale?

The point at which First Sale occurs will depend on the arrangements in place between suppliers and recipients, and their location within or outside of Queensland. Some examples of possible First Sale could include:

- beverage manufacturers (the maker of the product)
- distributors
- importers
- retailers

See the table below for some examples of First Sale points.

Are logistics or transport companies manufacturers?

Logistics and transport companies that simply move a beverage product into or within Queensland on behalf of a manufacturer or importer are **not** considered to have made the First Sale of the beverage product.

Logistics or transport companies that own the beverage product, then deliver those beverage products into Queensland **are** considered to have made the First Sale and the company will be the 'manufacturer' in the context of the Queensland Scheme.

How are corporate groups treated?

The Act does not treat corporate groups as a single entity which means each separate company within a corporate group may potentially be considered to have made the First Sale of a beverage product.

For example: Company A and Company B are in the same corporate group. If Company A makes beverage products outside of Queensland then supplies those products to Company B located in Queensland to sell locally, the supply from Company A to Company B could be considered a "sale" for the purposes of the Act, and Company A will have made the First Sale. However, internal deliveries within a company (for example a delivery from the manufacturing division to the distribution division) will not be classified as a First Sale unless it is delivered into or within Queensland for use or consumption, or for further sale for use and consumption in Queensland.

Examples of First Sale

The following scenarios are a guide to illustrate the First Sale approach. The scenarios provided are a guide only and are not exhaustive. Consideration should be given to individual circumstances and business arrangements to determine the First Sale point for the purposes of the Queensland Scheme.

If you have any questions in relation to this document please email COEX at qldb@containerexchange.com.au

Category	Scenario	First sale point	Entity liable to contribute to the Qld Scheme.
Manufactured in QLD	Manufactured in QLD and supplied to a Distributor/ Retailer/ Importer in QLD	Supply from Manufacturer to Distributor/ Retailer/ Importer	Manufacturer
	Manufactured in QLD, supplied by delivery to a Distributor/ Retailer/ Importer outside QLD	None (as no supply in QLD)	None (as no supply in QLD). Refer to the obligation of the Exporter below.
	Manufactured in QLD, supplied to an airline or cruise ship catering in QLD	Supply from Manufacturer to Distributor/ Retailer/ Importer	Manufacturer
Manufactured outside QLD	Manufactured outside QLD, supplied by delivery to a customer in QLD	Supply from manufacturer to customer	Manufacturer
	Manufactured outside QLD, supplied to a distributor outside QLD, Distributor/ Retailer/ Importer supplies by delivery to customer in QLD	Supply from Distributor/ Retailer/ Importer to customer	Distributor/ Retailer/ Importer
	Manufactured outside QLD, supplied to a Distributor/ Retailer/ Importer outside QLD who then transports containers to QLD and sells them in QLD	Supply from Distributor/ Retailer/ Importer to customer	Distributor/ Retailer/ Importer
	Manufactured outside QLD, sold to Distributor/ Retailer/ Importer outside QLD who then sells to consumer in QLD (online).	Supply from Distributor/ Retailer/ Importer to consumer	Distributor/ Retailer/ Importer

If you have any questions in relation to this document please email COEX at qldb@containerexchange.com.au

Obligations of the Exporter

Some manufacturers may buy eligible beverage products in Queensland and subsequently sell some or all those beverage products to another business outside of Queensland to be used or consumed outside of Queensland.

To the extent of those arrangements, these entities may be treated as “exporters” (rather than manufacturers) and must enter into an export deed poll. Exporters can claim a rebate for these containers in accordance with the terms of its export sale deed poll.