



**Asset leasing program webinar**  
**October 2024**

**We acknowledge the  
Traditional Owners of  
country throughout  
Australia.**

**We recognise their  
continuing connection to  
land, waters and culture  
and pay respects to their  
Elders past, present and  
emerging.**



# Today's agenda

- Meet the team
- Program outcomes
- What assets are included?
- Operating model
- Key commercial terms
- Eligibility criteria
- Operator benefits
- Launching and next steps
- Questions?



**Stuart Brown**  
Network Expansion  
Manager



**Krzysztof Wijacha**  
Network Expansion  
Manager

# The Network Expansion Team



**Helen Neal**  
Project Support



**Edwina Solares**  
Contracts Administrator



**Hannah Willcock**  
Implementation Lead



**Bailey Gately**  
Marketing & Comms  
Support

# Asset Leasing Program

Removing financial barriers  
to network entry and  
expansion



# Why: Strategic alignment

**Our Vision**  
 No container goes to waste

**Our Purpose**  
 To create a better world through our environmental, social and economic impact

**Our Values**

- Be proactive
- Value others
- Work together
- Contribute positively
- Be transparent

	Connect with the Community	Educate and Inspire	Enable and Innovate	Partner for Growth	Increase Circularity
<b>Our Priorities</b>	Drive the flow of scheme benefits to First Nations, social enterprise, charities and community group stakeholders	Educate and influence current and future generations of Change Makers	Invest in solutions that increase scheme access, convenience, and efficiency	Deliver on a partnership strategy that drives scheme participation	Broaden the scheme's circularity impact across the value chain
<b>Our Initiatives</b>	<ul style="list-style-type: none"> <li>Collaborate and partner to co-create and expand access and participation for First Nation LGAs.</li> <li>Partner to develop and implement a First Nations engagement strategy to drive community impact.</li> <li>Grow the social impact of the scheme, including encouraging the flow of benefits to charities, community groups and social enterprises through donations or supply chain opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Design and implement strategies that drive behaviour change in our priority customer segments.</li> <li>Increase scheme participation &amp; foster behavioural change in Queensland education facilities.</li> <li>Launch circular economy education across key stakeholder groups.</li> <li>Collaborate with government on policy initiatives which support container recycling.</li> <li>Invest to optimise data insights that enable decision-making and drive delivery of scheme objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Provide customers their channel of choice by continually adapting to trends and preferences.</li> <li>Develop and launch products and solutions that improve scheme participation, access, and experience.</li> <li>Rapidly mobilise new sites to enhance accessibility and convenience.</li> <li>Increase the efficiency of existing sites and operators to drive growth.</li> <li>Identify and execute strategic investments that boost scheme outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Partner with local and state government for integrated recycling solutions.</li> <li>Advance strategies to increase residential recycling (In Home).</li> <li>Advance strategies to increase commercial recycling (Out of Home).</li> <li>Partner with operational stakeholders to optimise the value chain.</li> <li>Define and progress the scheme's role in Brisbane's 2032 Olympics.</li> <li>Collaborate with Container Deposit Schemes across Australia to progress harmonisation.</li> </ul>	<ul style="list-style-type: none"> <li>Assess and collaborate with stakeholders on future pricing strategies to support circularity.</li> <li>Partner with the resource recovery industry to minimise landfill contribution.</li> <li>Influence and/or incentivise Queensland recycling/circularity capability/circularity outcomes.</li> </ul>
<b>Our Desired Outcomes</b>	<ul style="list-style-type: none"> <li>↑ access to the scheme in First Nations communities</li> <li>↑ funds distributed to social enterprises, charities and community groups</li> <li>↑ scheme refund donations</li> </ul>	<ul style="list-style-type: none"> <li>↑ participation of priority customer segments</li> <li>↑ volume collection from schools (cumulative YOY)</li> <li>↑ awareness rate</li> <li>↑ participation rate</li> </ul>	<ul style="list-style-type: none"> <li>↑ number of collection points in Queensland</li> <li>↑ YOY growth in volume through existing sites</li> <li>↑ volume from new sites</li> <li>↑ demonstrated scheme improvements through new products</li> </ul>	<ul style="list-style-type: none"> <li>↑ volume collected from Out of Home (Events + all OOH Partners)</li> <li>↑ volume from Multi-Unit Dwellings</li> <li>↑ Logistics efficiencies</li> <li>↑ strategic partnerships with councils</li> </ul>	<ul style="list-style-type: none"> <li>Designed and implemented long term pricing strategy</li> <li>↓ containers going to landfill</li> <li>Invest in Queensland recycling capability</li> </ul>

Develop and launch products and solutions that improve scheme participation, access and experience

Rapidly mobilise new sites to enhance accessibility and convenience

● Priority initiatives, with significant financial and/or personnel investment for FY25.

## Program outcomes

**\$5.1m\***

↑  
**Scheme  
Growth**

↑  
**Social  
Impact**

The asset investment program aims to empower operators, charities, and community groups by reducing financial barriers to entry and expansion within the scheme. COEX provides assets to enhance scheme growth, drive innovation, improve accessibility, and increase social impact for Queenslanders.

\*Initial pilot investment.

Pilot to establish operational model before next phase of investment.

# Program design



# Spirit of the leasing program

This program aims to empower small to medium-sized operators, both existing and new, including non-profit organisations. These groups often encounter barriers in accessing the capital required to establish or expand their operational sites.

The program specifically facilitates the implementation of customer-facing collection infrastructure, such as Reverse Vending Machines and Bag Drops, which are vital for driving scheme growth. COEX is also eager to work with operators to integrate new technologies and equipment that can increase scheme participation.

By reducing the financial burdens associated with upfront capital investment, COEX is dedicated to significantly accelerating the scheme's expansion and impact. The leasing program's key objectives include:

- › Supporting network expansion: COEX strives to enhance scheme accessibility and convenience, through expanding the network.
- › Driving innovation and technology adoption: Encourage the adoption of new technologies and/or solutions that attract new customers and enriches the customer experience.
- › Enhancing social impact: Lower the barriers for Queensland's small and medium enterprises as well as non-profits, enabling them to grow within and contribute meaningfully to the scheme.

Through this program, COEX hopes to not only make traditional collection solutions more accessible but also encourage the exploration and adoption of innovative collection methods and technologies.



# The program seeks to support...

New and Existing!



Charities, Community  
Groups and Social  
Enterprises



Eligible Operators

# Launching to the market



## Mobilisation

The Asset Investment working group representing this functional areas to ensure organisation and program readiness



## Launch

Officially launching at Operator forums during September followed by a webinar and then a deep dive workshop at Changemakers



## Deployment

Supporting site applications with asset investment and enabling deployment of assets through Network Expansion

# What assets are included?



**Small and Large – Format  
Reverse Vending Machines**



**Bag Drops and Donation  
Stations**

# The operating model



## Asset application

**Asset investment support is a 'bolt-on' to the existing EOI and CROP process.**

**Operators interested in the lease program must apply alongside these existing processes.**

# The operating model



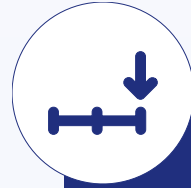
## Approved assets

**Operators are required to nominate their preferred collection asset within the application process.**

**Assets must be network accredited.**

**COEX must be able to secure commercially appropriate terms with the supplier.**

# The operating model



## Asset deployment

**The Operator is responsible for ensure the site is appropriately prepared and rated for the chosen asset.**

**The Operator is responsible for the costs associated with site preparation, asset logistics and the installation.**

# The operating model



## Asset maintenance

**Operator is responsible for machine servicing, maintenance and defect rectification.**

**Asset must be maintained in accordance with the manufacturer's standards.**

**Operator is responsible for holding a service agreement and all relevant insurances.**



# The operating model

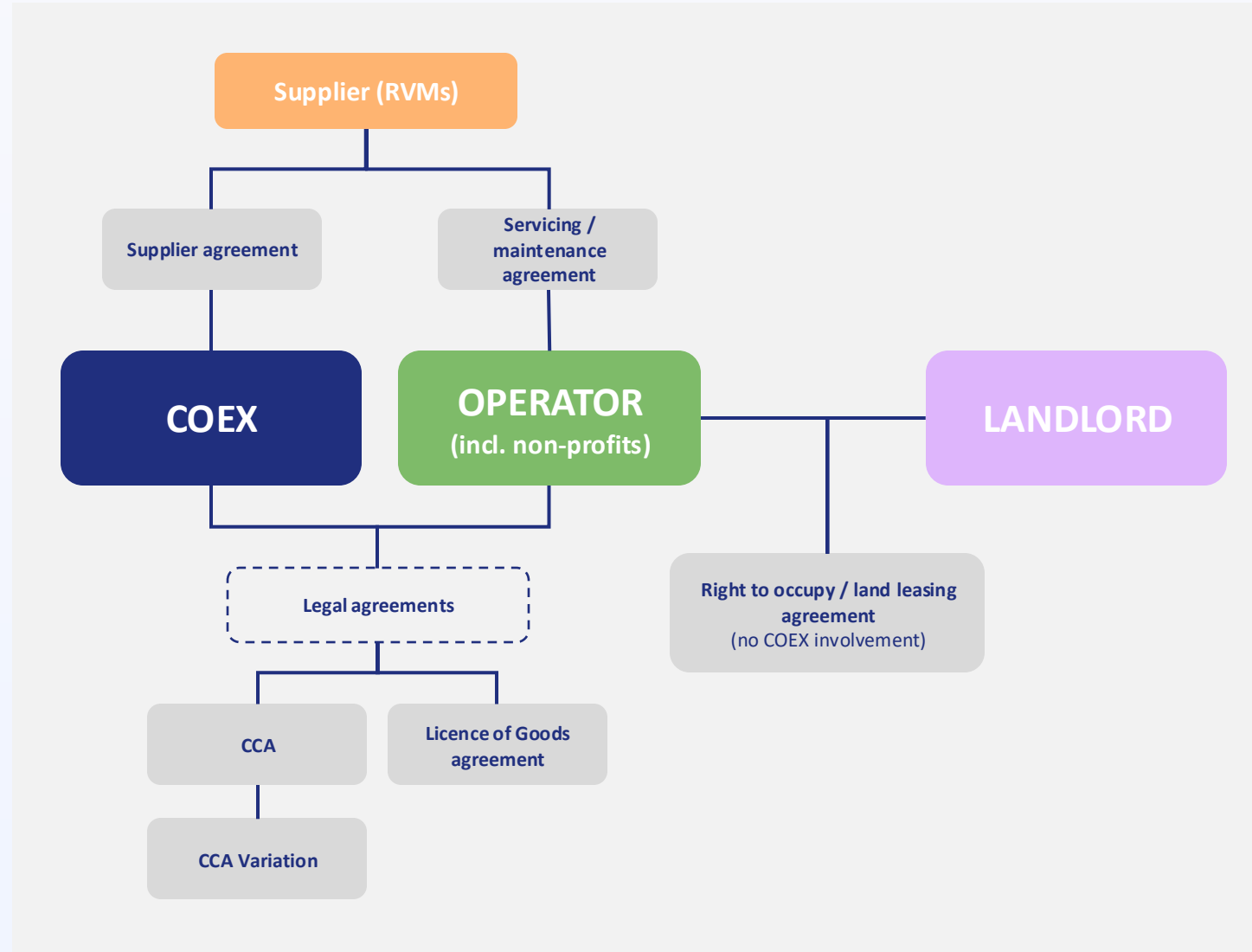


## Asset compliance

**COEX will manage the asset through an asset register and will assess performance and maintenance through standard site and compliance reviews.**

# Key commercial terms

- › **Legal Framework:** Refer to image for framework
- › **Term:** 2-4 year terms in-line with eligibility criteria with early payout mechanisms
- › **Fees:**
  - › A once-off administration fee of \$495 (low value assets) or \$995^ (high value assets)
  - › Associated logistics costs with placing assets
  - › Monthly payments spread over the lease duration
  - › Any additional fees associated with Operator obligations to be negotiated and managed by the Operator
- › **Installation:** Installation responsibility rests with the operator to ensure compliance with operational and safety standards
- › **Asset Title:** Title in the asset remains with COEX until lease conditions are met and title transferred



# What is the eligibility criteria?

Criteria		Eligibility Requirements
Strategic Alignment		<ul style="list-style-type: none"> <li>› Demonstrate alignment with the scheme’s vision, objectives and values</li> <li>› Present details demonstrating the intended use of the leased asset to drive scheme impact</li> </ul>
Business Structure and Trading History		<ul style="list-style-type: none"> <li>› Possession of a valid Australian Business Number (ABN)</li> <li>› All owners / directors must be solvent and not subject to any form of bankruptcy</li> </ul>
Size and Scale	Small organisations <i>(longer lease terms)</i>	<ul style="list-style-type: none"> <li>› Existing operator: At the time of submission operator <b>meets at a minimum 2 of the below requirements:</b> <ul style="list-style-type: none"> <li>› operates 2 or less depot sites - excludes bag drops, unmanned reverse vending machines, mobile points and donation points. OR</li> <li>› has no more than 20 employees by headcount. OR</li> <li>› received no more than \$1m in handling fees from the scheme over the last 12 mths</li> </ul> </li> <li>› New operators: Reports an annual turnover of no more than \$1m in the previous financial year</li> </ul>
	Medium organisations <i>(shorter lease terms)</i>	<ul style="list-style-type: none"> <li>› Existing operator: At the time of submission operator <b>meets at a minimum 2 of the below requirements:</b> <ul style="list-style-type: none"> <li>› operates 5 or less depot sites - excludes bag drops, reverse vending machines, mobile points and donation points. OR</li> <li>› has no more than 50 employees by headcount. OR</li> <li>› received no more than \$2.5m in handling fees from the scheme over the last 12 mths</li> </ul> </li> <li>› If not currently a participant in the scheme, reports an annual turnover of \$1m- \$2.5m in the previous financial year</li> </ul>
Financial Capacity		<ul style="list-style-type: none"> <li>› Clear evidence of an ability to meet lease payment obligations, demonstrated in the application form and subject to a creditcheck</li> </ul>
Operational Capability		<ul style="list-style-type: none"> <li>› Demonstrated capability and capacity for maintenance and servicing of equipment</li> <li>› Demonstrated capability to meet Scheme compliance requirements (incl. safety, annual statutory declarations etc.)</li> <li>› Demonstrated capability to operate the equipment in line with the business form</li> <li>› Demonstrated capability where relevant to sort containers into the required material type</li> </ul>
Customer and Community		<ul style="list-style-type: none"> <li>› Active engagement in community initiatives and evidence of strong community or industry partnerships</li> <li>› Demonstrated ability to drive an optimal customer experiences</li> </ul>
Non-Profit Exemptions		<ul style="list-style-type: none"> <li>› <b>Size and scale:</b> COEX is open to partnering with non-profits which would typically fall in the large organisation category</li> <li>› <b>Lease term:</b> COEX may flex the lease term for non-profits (e.g. a medium sized non-profit receiving a 4-year lease term)</li> </ul>

# Operator benefits of the lease program



## Improved Cash Flow

Operators can spread the cost of the asset across the lease term instead of paying for the asset in a single lump sum. This approach helps operators protect their business cash flows, enabling them to invest surplus cash into other areas of the business, thereby promoting growth and financial stability.



## No Interest Payments

COEX operates as a non-profit organisation and will not charge interest on the cost of the asset. Instead, the original purchase price of the asset will be distributed evenly over the lease term. This results in a higher Net Present Value for the asset under the lease program compared to upfront payments or traditional equipment financing methods.



## Early-Payout Option

Should operators wish to pay out the lease early, COEX can, at its discretion, trigger the option for early buyout. This flexibility allows operators to adapt to changing financial conditions or take advantage of unexpected opportunities without being locked into a long-term lease commitment.



## Asset ownership

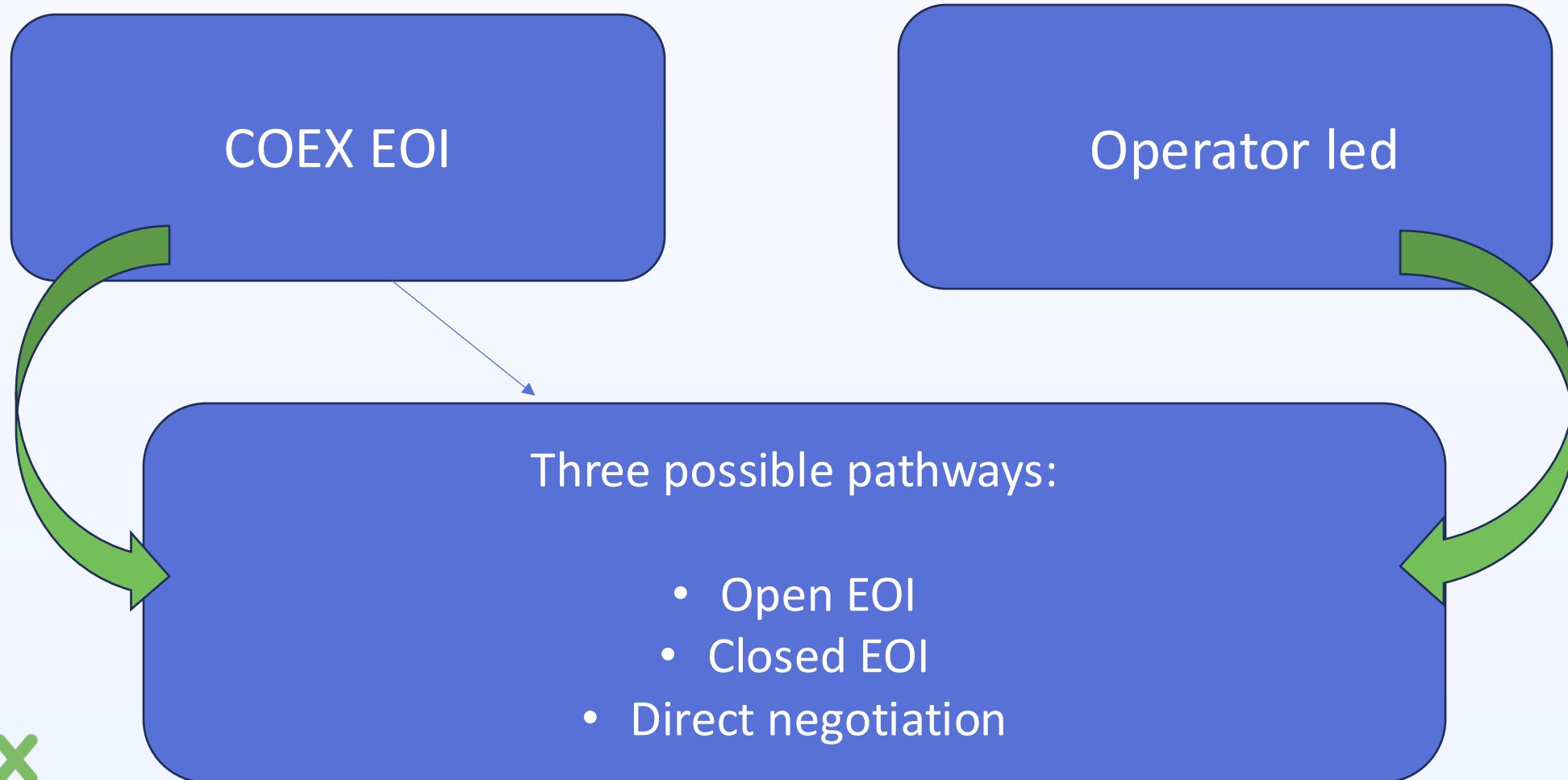
For Reverse Vending Machines (RVMs) with a lifespan of 7 to 10 years, operators will wholly own the asset 3 to 8 years before the end of its lifespan. This provides operators with a valuable, fully-owned asset, with which the equity can be leveraged to expand operations or sold if needed, offering long-term operational and financial benefits.

# Frequently Asked Questions

# What about maintenance and support?

- Maintenance and support for the assets is the responsibility of the operator
- Operators must enter into a service agreement with the manufacturer of the asset
- Manufacturer will have their own guidelines
- Operators should do their own due diligence and review manufacturer guidelines carefully
- Assets would be included in regular compliance checks
- Contact Details for current Suppliers:
  - Ecoboxtec – Julian Craye 0431 033 980
  - RVM Systems – Jason Cran 0418 132 841

# How do I apply?



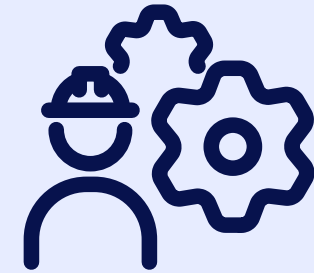
# Launching and next steps



**Operator Program and  
FAQ assets on operator  
hub**



**Change Maker  
Conference November 7**



**Mobilisation,  
deployment and  
feedback**



# Questions