

Consultation Report

Scheme Pricing Framework Consultation

Container Exchange (COEX)

September 2025

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Executive summary

Container Exchange (COEX) undertook consultation to gather feedback from beverage manufacturers and beverage industry associations and peak bodies on the proposed changes to the Scheme Pricing Framework for Queensland's container refund scheme.

From 9 June and 1 August 2025, COEX engaged with stakeholders through:

- an online submission form
- five webinar sessions attended by 98 participants
- targeted meetings with industry organisations
- direct one-on-one sessions.

Submissions received represented the interests of more than 3,000 individual beverage manufacturers, with 33 submission forms from both individual companies and industry associations lodged during the consultation period.

To ensure independent analysis and protect respondent privacy, submission responses were de-identified before they were analysed by a third-party engagement consultancy, The Comms Team. This report aims to transparently summarise the qualitative insights and input of only those stakeholders that elected to participate. This report aims to transparently summarise the qualitative insights and input of only those stakeholders that elected to participate.

A wide range of beverage manufacturers provided input, sharing their thoughts, ideas and insights about the proposed changes to the Scheme Pricing Framework.

Broadly, beverage manufacturers that responded, supported COEX setting cost-reflective prices and the most favoured pricing option was Option 2b. Respondents who said none of the options presented should be implemented raised concerns about the pricing disproportionately impacting micro-small manufacturers more than larger manufacturers. They expressed the need for differences in material types, beverage type and business size to be considered to ensure a fairer and more transparent system for all manufacturers.

Respondents noted that a more equitable approach would also recognise and reward manufacturers using more sustainable materials, ensuring they are not disadvantaged compared to those using less environmentally friendly options

Responses consistently highlighted the importance of supporting innovation and environmentally sustainable outcomes, with many noting that the right pricing framework should incentivise producers to use highly recyclable products, not materials that are more cost-effective to the business.

Most respondents felt that COEX should continue to charge on a per container basis, citing that a simple approach is preferable. Some suggested that material recyclability should also be considered instead of weight to avoid penalising highly recyclable but heavier materials.

The majority of the submissions agreed to implementing a long-term pricing formula with a five-year periodic review. Although a third of the respondents felt that more frequent review is needed to address issues and challenges early on.

Support for smaller beverage manufacturers is strong, and respondents were eager to ensure that pricing does not put them at a disadvantage to the larger manufacturers. Almost all expressed support the implementation of a zero-fee container threshold, with more than half who reasoned that this would create a fairer system for micro-small manufacturers and removing barriers for scheme participation.

The responses showed a majority in support of revising the current payment terms, many reasons cited that this would reduce the administrative burden of smaller manufacturers and align with standard commercial practices within the industry.

Some respondents expressed a strong desire to see more detail and data behind the proposed changes, and were reluctant to provide input without it.

Overall, the feedback gathered suggests that cost-reflective pricing is supported by beverage manufacturers but demonstrates the challenges of finding equitable balance for a wide variety of beverage manufacturers and optimising the scheme pricing framework to achieve the goal of ensuring no container goes to waste.

Introduction

Container Exchange (COEX) is a not-for-profit Product Responsibility Organisation, appointed by the Queensland Government to manage and grow the Containers for Change scheme in Queensland, increase recycling rates and reduce the impact of beverage litter.

From **9 June to 1 August 2025**, COEX sought feedback from beverage manufacturers registered to the scheme and beverage industry associations and peak bodies on the key challenges and proposed changes to scheme pricing as part of a program of industry consultation.

Consultation activities undertaken included an online submission form (Appendix 1), information sessions, question and answer sessions, direct one-on-one sessions and industry association meetings. Consultation materials published by COEX included a dedicated web page, Scheme Pricing Consultation Pack, and Building a Sustainable Pricing Framework for Queensland's Container Refund Scheme Discussion Paper (Discussion Paper).

Industry stakeholders provided a breadth of insights collectively making 33 well-considered submissions.

To conduct an independent analysis of submissions and protect respondent privacy, submission responses were de-identified before they were analysed by a third-party engagement consultancy, The Comms Team. The responses were then sorted, themed and analysed to provide rich insights, segmented by the size of beverage manufacturers and production materials used.

This report provides an outline of the feedback received. While some feedback is presented in graph format, it is important to note that the data contained in this report should *not* be considered quantitative data. This report aims to transparently summarise the qualitative insights and input of only those beverage manufacturer stakeholders that elected to participate.

Background

Operating environment

The purpose of the Containers for Change scheme is to reduce container litter, increase recycling efforts and help communities benefit through paying refunds to individuals, charities and community groups. The scheme is a key provision of the *Waste Reduction and Recycling Act 2011*.

Compulsory scheme participation by beverage manufacturers is required to comply to legislated goals and the state-wide refund policy. Pricing the scheme is a delicate balancing act of ensuring that the scheme sets fees that ensure adequate liquidity and does not collect more than is needed from manufacturers. To ensure the system stays in balance, COEX reviews the pricing framework (fees charged to manufacturers) on a regular basis.

The legislated goal is for an 85% container return rate (i.e. 85% of all containers sold in Queensland are collected and recycled through the scheme), which aligns to the strategic priorities outlined in the *Queensland Waste Management and Resource Recovery Strategy* to **reduce the impact of waste on the environment, transition to a circular economy for waste and build economic opportunity**. The scheme pricing's cost base is made up of fixed and variable, and is currently calculated on a forecast recovery rate. For a variety of reasons, recycling rates have not reached this medium-term target.

In order to improve recycling and industry participation, COEX aims to address three key, current challenges:

- accounting for the true cost of recycling
- enabling transparency and long-term pathways for scheme pricing changes
- setting scheme payment requirements that align to industry needs.

Parliamentary Inquiry

On 20 February 2025, the Queensland Legislative Assembly agreed to a motion to inquire into and report on improving Queensland's container refund scheme.

Public hearings were held on 30 April 2025, and the committee is due to table its report in October. While the Inquiry is important to the context and timing of this engagement, COEX has undertaken scheme pricing consultation as a separate and unrelated engagement exercise.

Engagement purpose

As part of a regular review of fees charged to beverage manufacturers to fund the container exchange program in Queensland, a new, more equitable and transparent pricing framework is being investigated. To prompt engagement and discussion, a range of options and proposal were presented to beverage industry stakeholders for feedback via the publication of a Discussion Paper and Scheme Pricing Consultation Pack.

Engagement was required to ensure the new pricing framework is acceptable and workable for the beverage manufacturing industry and delivers a fee system that aligns to the true cost of recycling materials. The aim of the proposals is to provide equity between

beverage manufacturers and encourage further participation in the scheme, working toward COEX's overarching goal that **no container goes to waste**.

To achieve this, the beverage manufacturing industry was consulted on four key topics:

1. Transitioning to a cost-reflective pricing model
2. Setting a long-term pricing formula
3. Introducing a container threshold
4. Revised payment terms

The purpose of engagement with industry was:

To smoothly transition to cost-reflective pricing framework for Queensland's Containers for Change program to maintain the long-term financial stability of the program and maximise rates of recycling.

Methodology

During the consultation period, registered beverage manufacturers were encouraged to provide feedback on the current scheme pricing framework and the proposed opportunities to improve the framework. They were provided with a Scheme Pricing Consultation Pack and Discussion Paper to review, along with an online submission form to complete and submit.

Stakeholders were invited to attend topic-specific webinars, providing an opportunity to explore each consultation topic in detail. This provided an opportunity to ask questions and support them to be able to make informed submission responses.

Format of feedback

An online submission form prompted respondents to answer closed-answer quantitative questions as well as opportunities to provide open-ended feedback.

Email submissions were also accepted.

Sorting and analysing feedback

Submission responses were provided to third-party engagement consultancy, The Comms Team, as de-identified raw data. Email submissions were also de-identified via redaction.

COEX was supported by The Comms Team who undertook the following tasks to organise and sort feedback received.

- developed an Excel dashboard to consolidate and visualise response data
- reviewed raw data, entering and organising responses into the dashboard
- created pivot tables and charts to analyse results and extract key insights
- themed and tagged qualitative responses to identify emerging issues, trends, and concerns
- analysed feedback and identified stakeholder issues and concerns

- synthesised findings to provide key themes, priorities, recommendations and insights for improving the scheme pricing for beverage manufacturers.

Awareness and communication activities

To promote awareness and encourage participation in the submission, COEX undertook a range of communication activities to ensure the registered beverage manufacturers were aware of the proposed changes, understood how to get involved, and had access to relevant consultation materials. Channels included direct email updates, website content, trade media, social media posts, and promotional materials to drive engagement with the online information sessions and online submission form.

Direct email (EDMs)

EDMs were distributed to registered beverage manufacturers to promote participation in the scheme pricing consultation. The targeted emails provided a link to the consultation webpage, Scheme Pricing Consultation Pack, Discussion Paper, and information webinars.

Industry consultation on scheme pricing now open

Container Exchange (COEX) recognises the important role of beverage manufacturers in ensuring the ongoing success of Queensland's container refund scheme, Containers for Change.

COEX has recently reviewed the scheme's existing pricing framework and has identified several potential opportunities to enhance the scheme and improve the beverage manufacturer participation experience. We are seeking industry feedback on four key components of the scheme pricing framework:

1. Proposed options for transitioning to pricing that reflects the cost of recycling different material types.
2. Setting a long-term pricing formula to provide transparency and certainty for the beverage industry.
3. Introducing a zero-fee container threshold to support all beverage manufacturers.
4. Changing payment terms that support the operation of the scheme and better align to industry practice.

All beverage manufacturers registered with the scheme and beverage industry peak bodies are invited to participate.

To learn about the pricing options being explored in Queensland and to provide feedback, visit our website [here](#). Consultation is open until 18 July 2025.

Before completing your online submission form, we encourage you to review the [Consultation Pack](#) and options [Discussion Paper](#).

COEX will be hosting a series of webinars to support beverage manufacturers as they consider the options being presented. Invitations for these online sessions will be sent shortly.

We value the input of beverage manufacturers and look forward to your submission.

Kind regards,

Lauren Seymour
Chief Financial Officer and Executive General Manager
Corporate Services
COEX

Consultation webpage

A [Scheme Pricing Consultation page](#) was published on the COEX website with links to the Scheme Pricing Consultation Pack, Discussion Paper, and online submission form.



Scheme Pricing Consultation

Feedback on scheme pricing framework sought by 1 August 2025

Container Exchange is always looking for opportunities to improve the experience for our partners participating in Containers for Change.

Beverage manufacturers are a vital part of Containers for Change, supporting the delivery of positive environmental, social and economic benefits of the scheme across Queensland.

Container Exchange has recently reviewed the current scheme pricing framework and has identified several potential opportunities to enhance the scheme and improve the beverage manufacturer experience.

Container Exchange is seeking feedback on these opportunities and the potential changes they may drive to improve the experience of beverage manufacturers registered with the scheme.

Click on the links below to review the Scheme Pricing Consultation Pack, the in-depth Discussion Paper or submit your feedback.

All responses submitted as part of this consultation process will remain confidential and will not be published by COEX or its suppliers. Responses will be deidentified before being analysed by an independent third party and the final report will not include the business names or details of any respondents.

You can complete your submission via the 'quick response form' or 'long-form response template' on the buttons below.

Please complete your submission by 5pm (AEST) on Friday 1 August 2025.

Quick Links

Scheme pricing Consultation Pack

[Click here](#)

Discussion Paper

[Click here](#)

Quick response form

[Click here](#)

Long-form response template

[Click here](#)

Scheme Pricing Consultation Pack

A Scheme Pricing Consultation Pack was supplied to stakeholders which summarised the rationale of the proposed changes and the consultation opportunities available for beverage manufacturers. This was developed as an alternative to the more detailed Discussion Paper.



Scheme Pricing Consultation Pack

June 2025

How to use this document

- This Consultation Pack is a summary of the rationale behind the opportunities Container Exchange (COEX) is seeking input on from beverage manufacturers registered with Containers for Change in Queensland.
- The pack should be reviewed alongside the Discussion Paper for full context of the opportunities and what impact they may have on individual beverage manufacturers.
- COEX strongly recommends that manufacturers seek independent advice on the pricing models presented in this Pack.
- Questions detailed in this pack can be responded to in the submission form available on the COEX website.
- A series of webinars is being held to support beverage manufacturers as they review the Discussion Paper and the Consultation Pack.
- If you have any questions on the consultation or the changes being proposed, please email schemepricingconsultation@containerexchange.com.au

Contents

Section 1: Introduction

- Context and rationale
- Current scheme pricing approach
- Enhancing scheme pricing

Discussion Paper

COEX developed and supplied a Discussion Paper to provide the full context of the proposed changes, how these might be implemented and the potential impact on individual beverage manufacturers. The Discussion Paper provided detailed analysis of the proposed changes and subsequent options and was supported by appendices and a glossary.

Engagement activities and level of participation

COEX undertook a series of webinars and an online submission process, to gather feedback from beverage manufacturers registered to the scheme and industry associations and peak bodies on four key components of the scheme pricing framework.

Engagement activity and participation is summarised in the figure below.

Figure 1: Engagement activities and participation

		
33 submissions, including three submissions from industry associations representing more than 3,000 members	5 webinars 98 participants	4 industry association meetings

Webinars

Five webinars were held over five weeks, with each session focused on a specific topic related to the proposed changes and a dedicated session at the end for questions and answers. The webinar sessions provided an opportunity for beverage manufacturers to learn more about the proposed changes and ask questions in real time.

The sessions provided clarity on key issues and created a space for participants to ask questions to aid in their submission. Each session was facilitated by COEX subject matter experts and offered a deep dive into the relevant topic.

Table 1: Online information sessions details

Webinar topic	Date	No. of registrations	No. of attendees
Overall consultation	16 June	44	28
Cost-reflective pricing options	23 June	42	27
Long-term pricing formula	30 June	46	16
Zero-fee threshold and changes to payment terms, and submitted Q&A	7 July	42	13
Question & answer	14 July	30	14
Total no. of attendees across all webinars:			98

Online submission form

The online submission form collected feedback to help identify key themes, concerns, and opportunities for improvement.

The online submission form comprised of five sections with a total of 20 questions, which included a mix of multiple choice and open text options. It was designed to capture feedback about the respondent and their activities and about the four key components of the scheme pricing framework.

Respondents were strongly encouraged to review the Scheme Pricing Consultation Pack and a more detailed Discussion Paper prior to completing a submission, to ensure they had sufficient context to respond.

All submissions were de-identified to protect respondent privacy before being analysed by The Comms Team – as an independent third party – ensuring an objective and impartial assessment of the feedback received.

Refer to Appendix 1 for the online submission form questions.

Submission responses

Over 1,500 registered beverage manufacturers, as well as industry associations, were invited to participate in completing the online submission form, and 33 submissions were received.

Some of the submissions from industry association representing the interests of more than 3,000 individual beverage manufacturers.

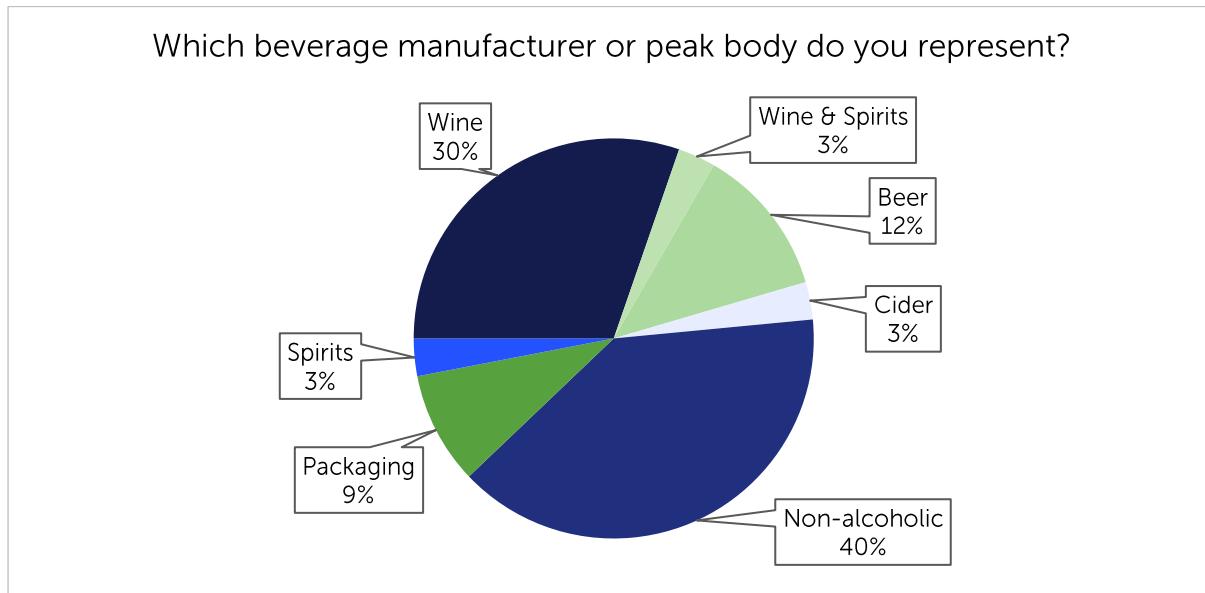
COEX intentionally designed the online submission form so that stakeholders had the freedom to provide input on all, or any, of the four consultation topics. As such, the number of respondents for each topic fluctuates. Data represented in *Section 7: Submission feedback* is based on the total number of respondents who provided feedback on each topic, not the total number of stakeholders who completed a submission during consultation. In most instances, this report provides a raw data number alongside a percentage of respondents to provide clarity.

About respondents

Most submission respondents were from the non-alcoholic beverage industry (40%, 13 of 33 respondents), followed by the wine industry (33%, 11 of 33 respondents), four from the beer industry (12%), and three from packaging (9%). See Figure 2 below for a breakdown.

The remaining respondents consisted of manufacturers or peak bodies from distilleries, sparkling water, protein shakes, food and processing, juice and/or smoothies, cider, water, and a glass and aluminium manufacturer.

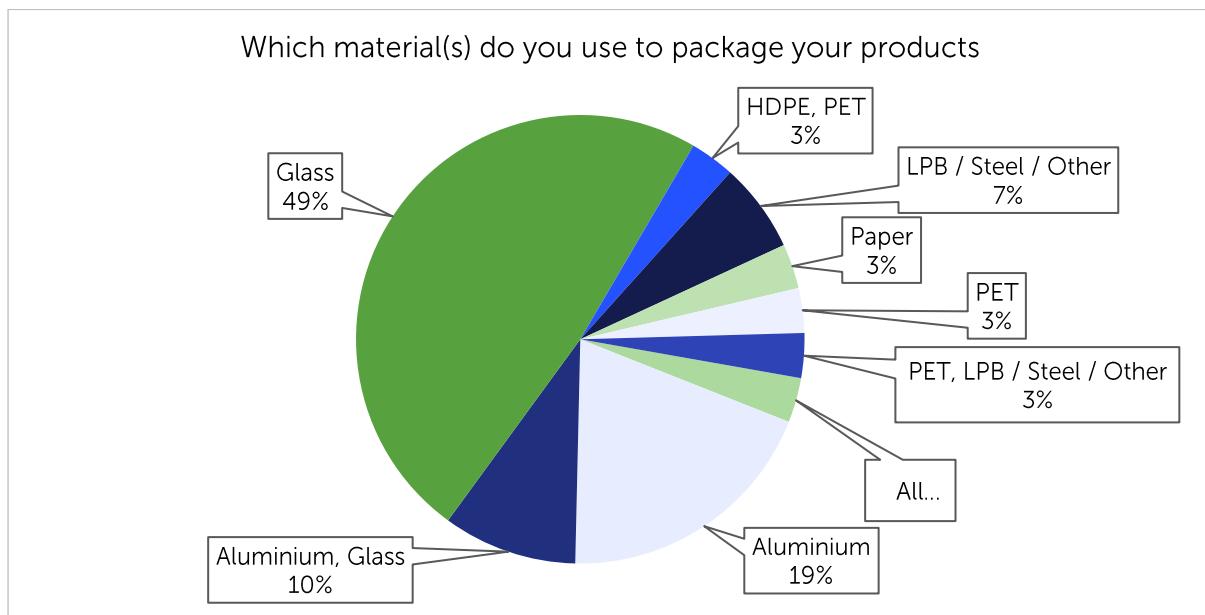
Figure 2: Beverage manufacturers and peak body representation



Nineteen respondents indicated that they use glass to package their products, ten respondents use aluminium, four use PET, and two indicated they use LPB / Steel / Other.* See Figure 3 below.

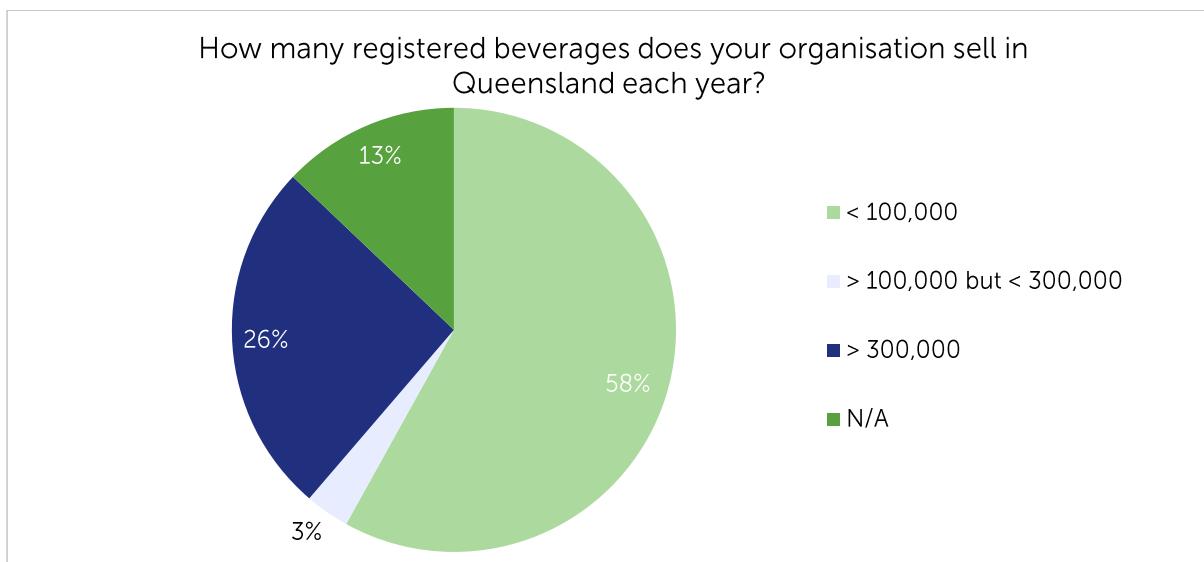
*Note: some respondents indicated they use a variety of materials in manufacturing and one respondent indicated they use all materials. These selections have been factored into the leading material types outlined above.

Figure 3 Packaging materials used by beverage manufacturers



Twenty-seven respondents disclosed their annual registered sales volume the number of registered beverages their organisation sells in Queensland each year, outlined in Figure 4 below.

Figure 4: Beverage manufacturers by annual sales in Queensland



A majority were micro-small beverage manufacturers that sell less than 100,000 registered beverages in Queensland each year (58%, 18 respondents). Large beverage manufacturers represented 26% of submissions (8 respondents), and 13% were mid-size beverage manufacturers (1 respondent). The remaining respondents either selected N/A or left a blank response and are potentially a peak body or industry association.

Industry association meetings

During the consultation period, COEX conducted meetings with industry associations to explore key issues and proposed changes. Each association was engaged individually to encourage and support them to lodge a submission.

Table 2: Industry association meetings

Industry association meeting	Date
Australian Wine & Grape Association	9 July
Queensland Distillers Association	9 July
Australian Beverage Council – co-hosted webinar with COEX	15 July

Submission feedback

Submission respondents provided answers to closed-ended/multiple choice questions, as well as providing general feedback in open text fields. This section presents an overview of feedback received in relation to the four topics of consultation:

- transitioning to a cost-reflective pricing model
- setting long-term pricing formula
- zero-fee container threshold
- reviewing payment terms.

Refer to Section 8 for additional feedback themes raised by respondents.

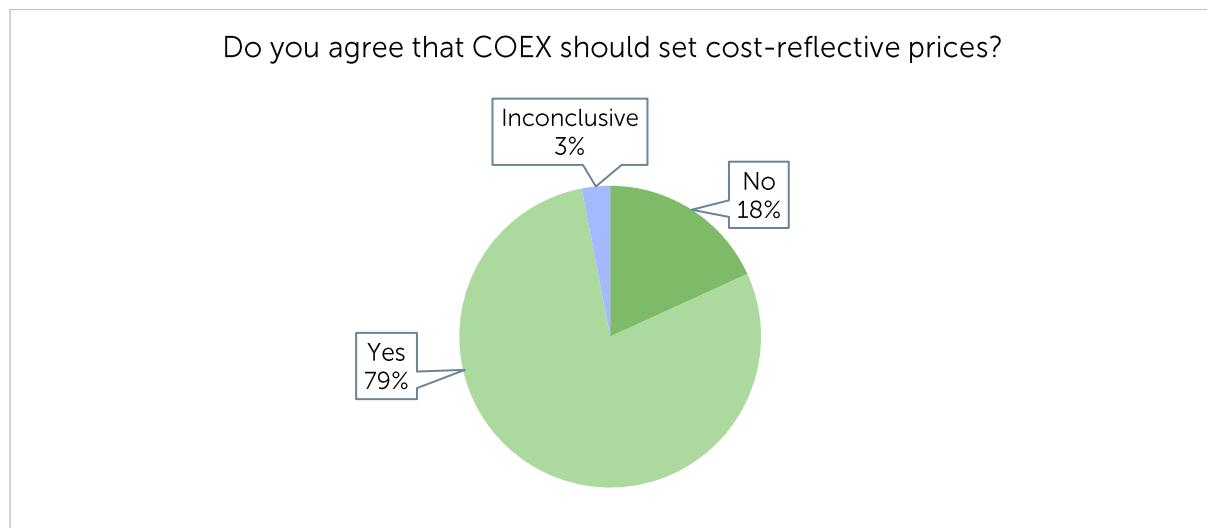
Please note that as not all questions were mandatory, some submissions contained unanswered questions.

Transitioning to a cost-reflective pricing model

Level of agreement

The majority of respondents agreed that COEX should set cost-reflective prices (79%, 26 from 33 respondents).

Figure 5: Agreement on cost-reflective pricing

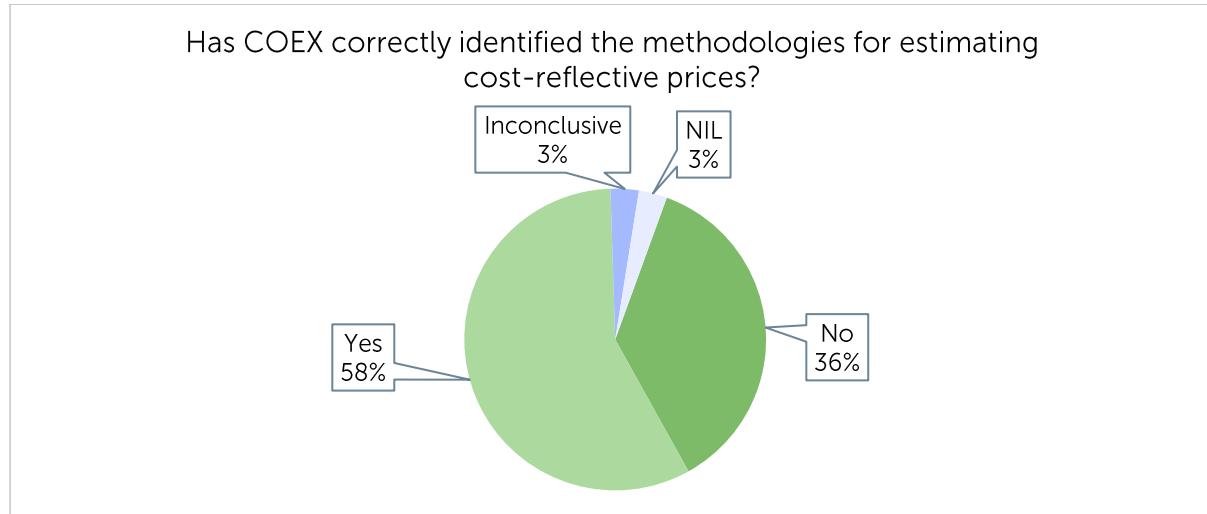


Many respondents felt this would create a fairer and more transparent system, particularly for micro-small beverage manufacturers. Concerns were raised about the current pricing scheme, with some noting that certain materials cost less to recycle than others. A couple of respondents suggested that pricing should accurately reflect the actual cost of recycling and recovering each container type. This could incentivise manufacturers to use highly recyclable materials.

Methodologies for cost-reflective pricing

The majority of respondents believed that COEX correctly identified the methodologies for estimating cost-reflective prices (58%, 19 from 33).

Figure 6: Methodologies for cost-reflective pricing



The respondents who felt that COEX did not correctly identify methodology (36%, 12 from 33) said there needs to be consideration of scheme leakage and recovery rates for each type of material, and a fairer model that does not disproportionately impact smaller manufacturers, lower-margin products, or materials with higher recyclability.

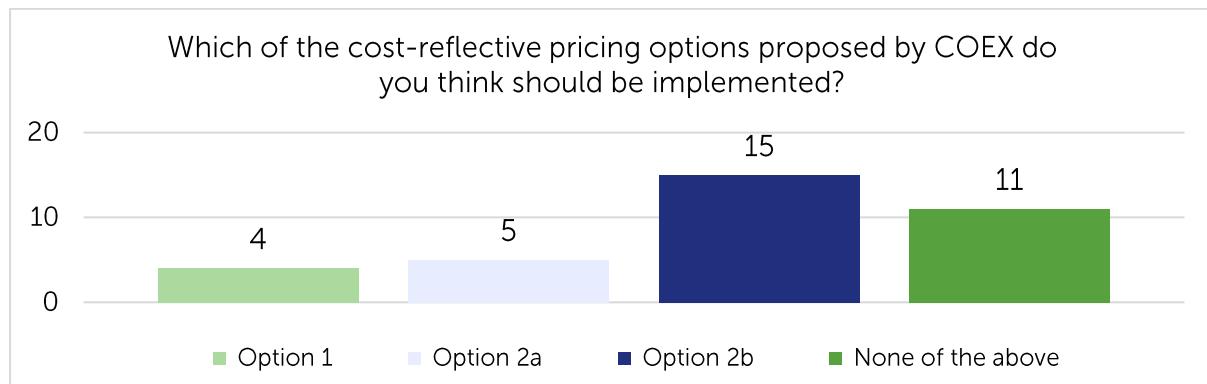
A couple of respondents suggested a tiered or exemption-based model that factors in the circumstances of manufacturers, such as the product type and annual container volumes.

Preference for pricing options

The most favoured pricing option was Option 2b (42%). This was followed by the 31% of respondents who said none of the options should be implemented.

Note: two of the responses had an even split amongst members for Option 2a and 2b, bringing the total to 35 responses for this question.

Figure 6: Preference for pricing options



Eleven of the responses felt none of the options proposed by COEX should be implemented. Most of these responses stated that the options did not sufficiently consider the nuances of the different container volumes, beverage types, materials, or

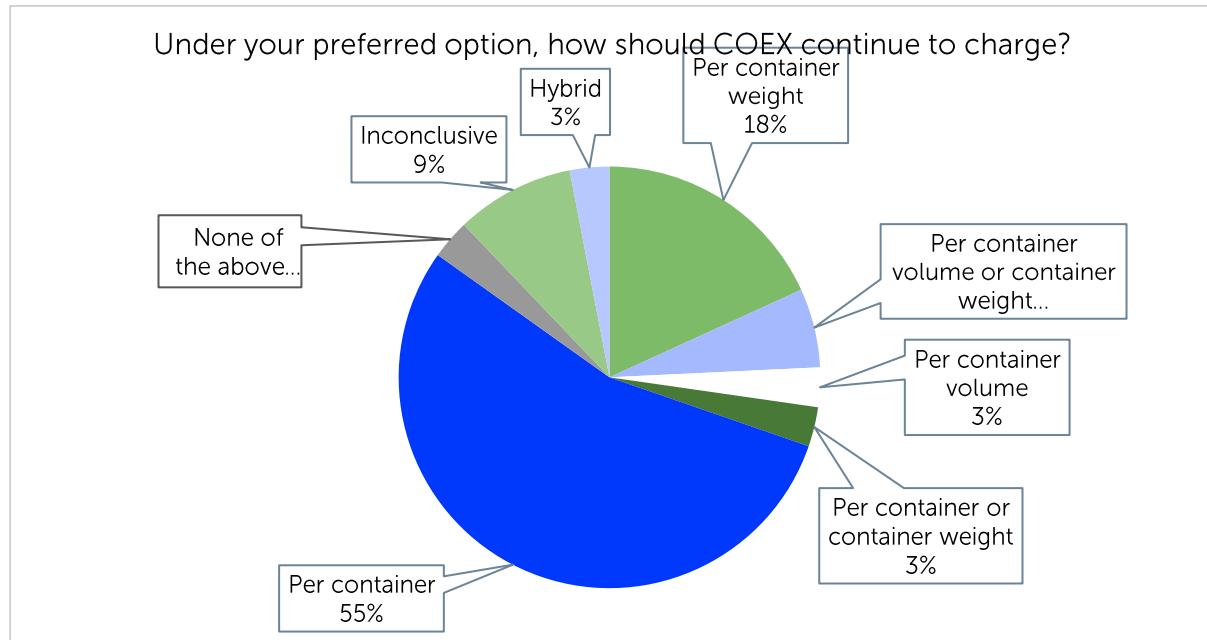
manufacturer sizes, which could lead to some manufacturers receiving an advantage over others. Two responses also cited that charging for not recycling is erroneous and unfair. Another couple of responses felt they could not decide on an option, as they felt more research and transparency in the data was required.

Five responses felt that Option 2a should be implemented, and four responses preferred Option 1.

Charging on a per container basis

A majority of respondents felt that COEX should continue to charge on a per container basis (55%, 18 out of 33).

Figure 7: Charging on a per container basis



All of the respondents who said that the system needs to be simple felt that COEX should continue to charge on a per container basis, with one commenting that charging per container is consistent with the national approach.

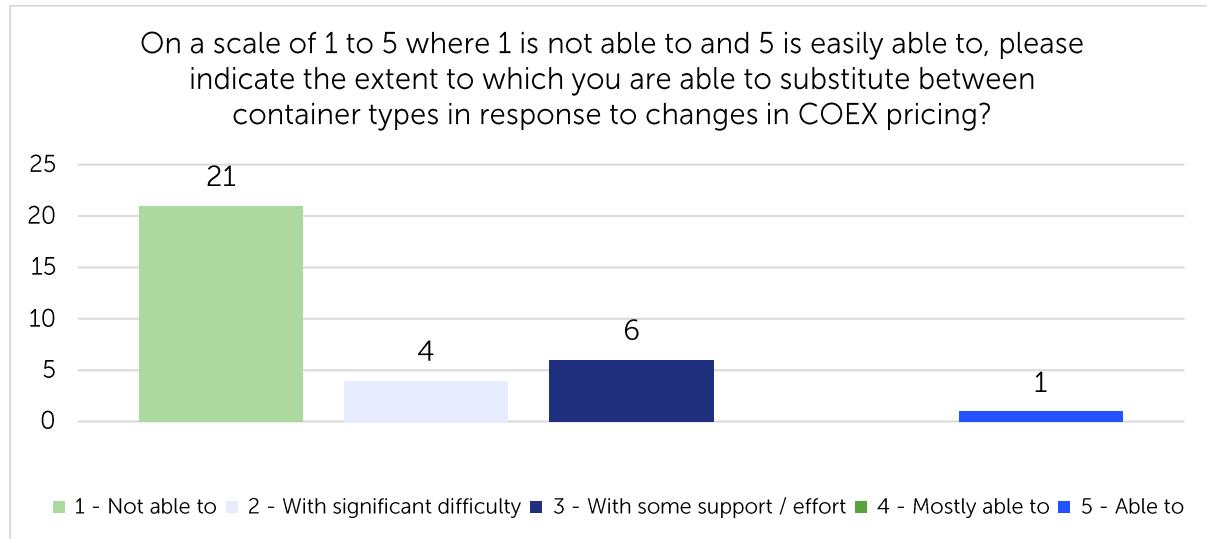
Eight respondents said the material recyclability needs to be considered, as some materials are lighter than others. Doing so avoids penalising highly recyclable but heavier materials, noting these eight respondents said they preferred either per container or per container weight.

Three respondents were concerned about disproportionate pricing. One said the current fees disproportionately impact products with small profit margins, while another said they are extremely high relative to actual recycling rates.

Substituting between container types

The majority of the respondents said they would not be able to substitute between container types in response to changes in COEX pricing (63%, 21 out of 33).

Figure 8: Substituting between container types

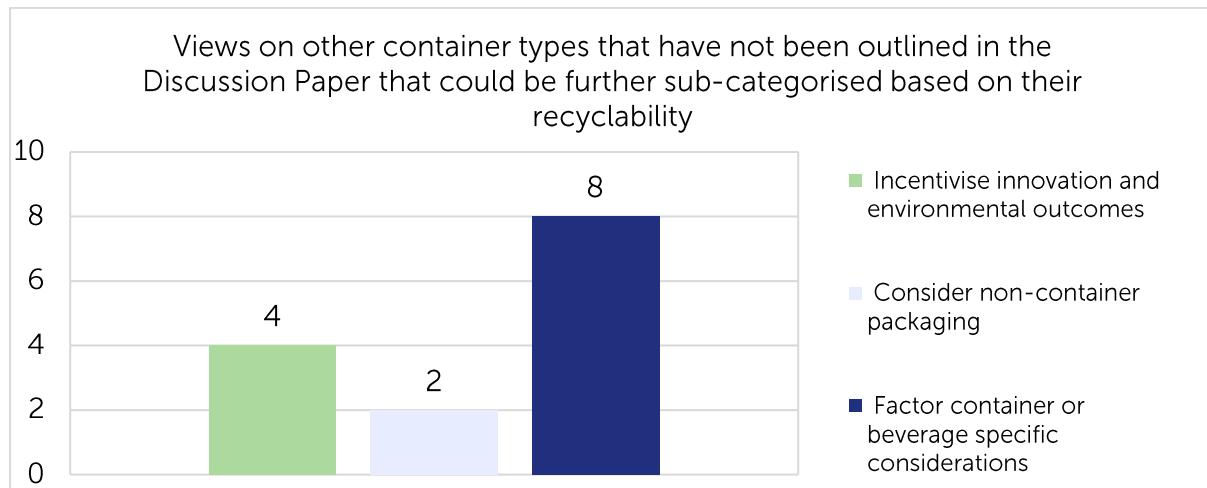


Further sub-categorisation of container types

Eleven out of the 33 respondents provided open feedback to this question.

The majority of those respondents felt that COEX should factor container or beverage specific considerations that incentivise innovation in the industry and accurately reflects the costs of recycling (8 out of 11).

Figure 9: Further sub-categorisation of container types



Some perceived that aluminium-free Liquid Paper Board (LPB) containers should eventually have their own sub-category. While they are currently sent overseas to be recycled, it will become more simple to process once local infrastructure is in place. However, one respondent felt that it is not feasible for varied pricing for LPB due to a lack of national standard of LPB recycling in Australia.

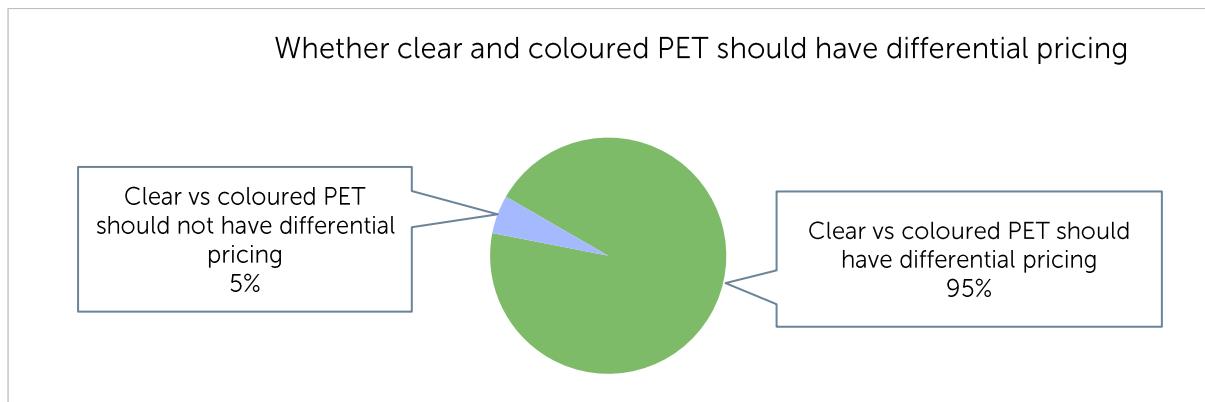
Another respondent from the wine industry said that wine has different consumption patterns and product quality measures to uphold compared to other beverages, and as such need to be factored in too. For example, wine is best packaged in glass bottles to upload the integrity of the product and stock can take years to sell before it is consumed.

Note: one respondent said the consultation documentation provided was unclear and they could not effectively answer the questions.

Differential pricing for PET containers

The majority of respondents felt there should be differential pricing between clear and coloured PET (95% or 18 out of 19 respondents who answered this question).

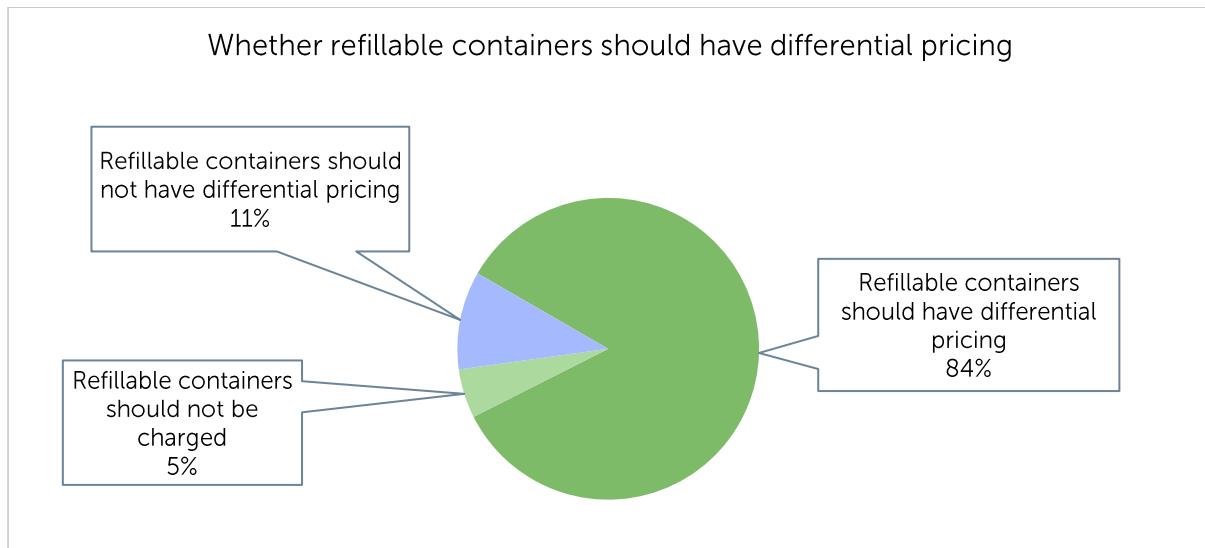
Figure 10: Differential pricing for PET and refillable containers



Differential pricing for refillable containers

The majority of respondents felt that refillable containers should have differential pricing (89%, 17 out of 19 respondents who answered this question), with one respondent specifying that refillable containers should not be charged at all.

Figure 11: Differential pricing for refillable containers



The remaining 11% (2 out of 19 respondents who answered this question) felt that refillable containers should not have differential pricing, with one response saying that

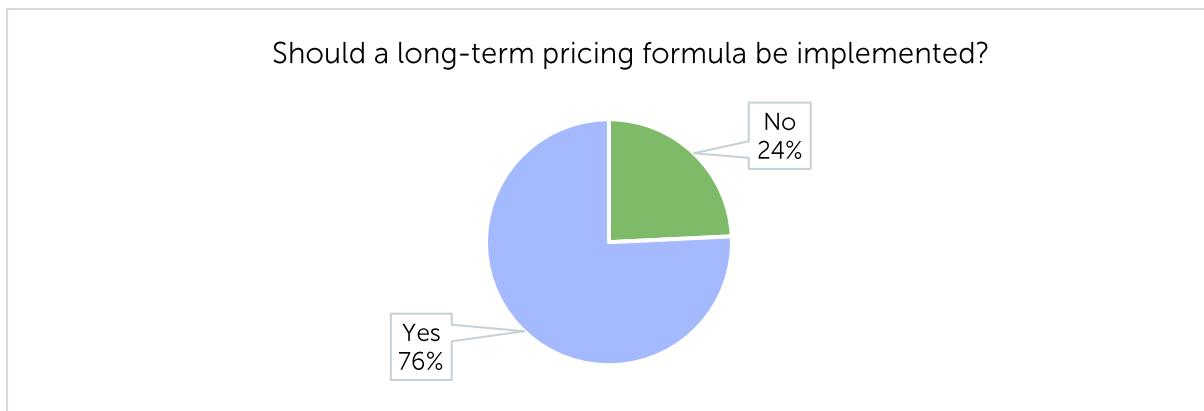
while it may be a good idea to have differential pricing, the operational cost of tracking outweighs the benefits.

Setting long-term pricing formula

Implementing a long-term pricing formula

All 33 respondents provided a response to this question, with the majority (25 respondents) agreeing to implementation of a long-term pricing formula.

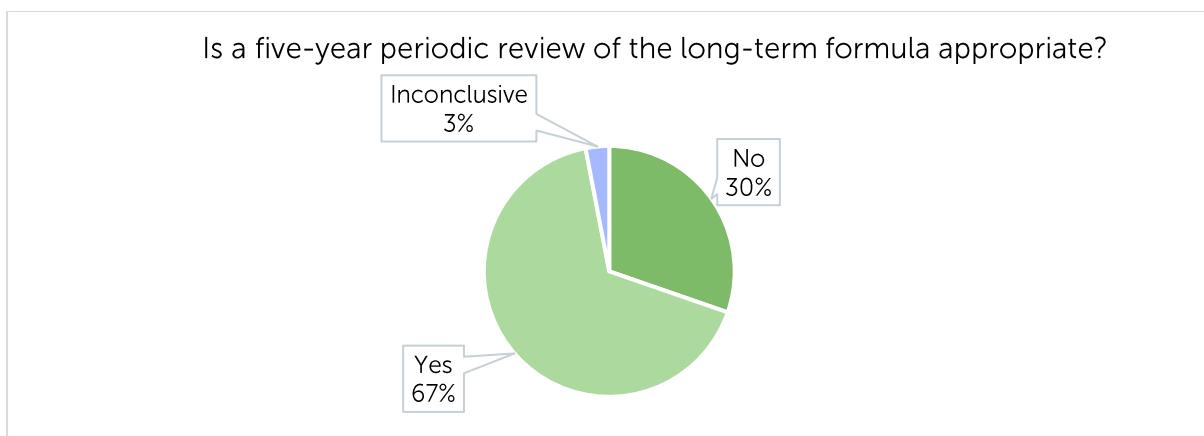
Figure 12: *Implementing a long-term pricing formula*



Appropriateness of a five-year periodic review

Two-thirds of respondents (22 of 33 respondents) agreed that a five-year periodic review of the long-term formula would be appropriate.

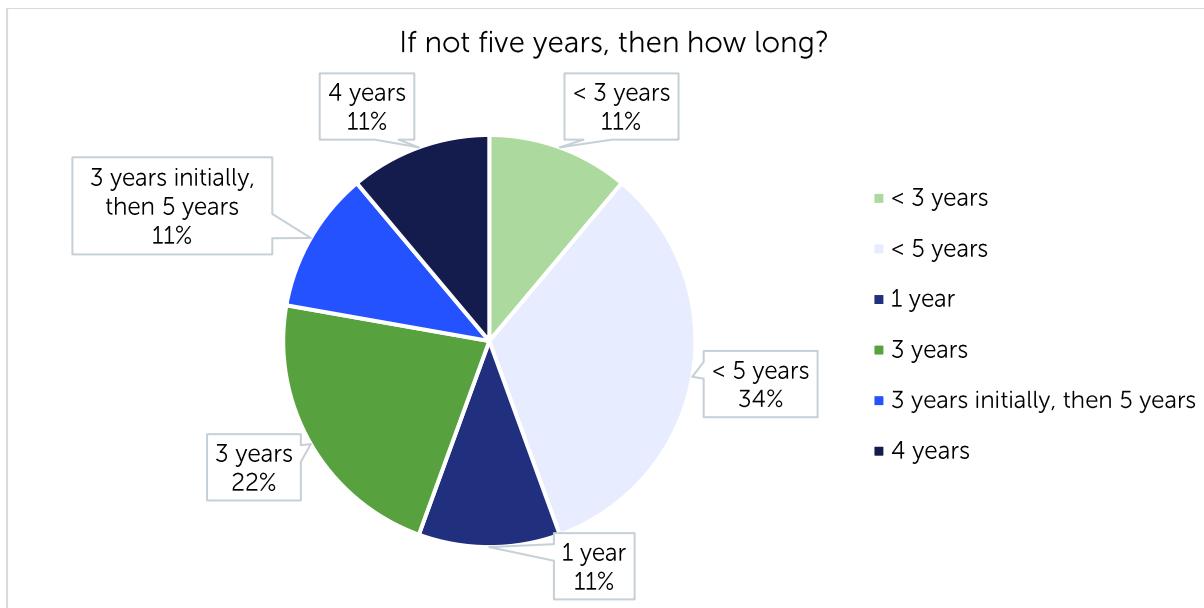
Figure 13: *Appropriateness of a five-year periodic review*



Of those who did not agree (10 respondents) most felt a shorter period would be more appropriate to ensure acknowledgment of the dynamic and evolving industry operating environment. Two respondents highlighted the need for an earlier review to address implementation or administrative challenges.

Note: one answer to this question proved inconclusive, with the respondent requesting further detailed modelling and data analysis to draw an appropriate conclusion.

Figure 14: *Alternative period review terms*



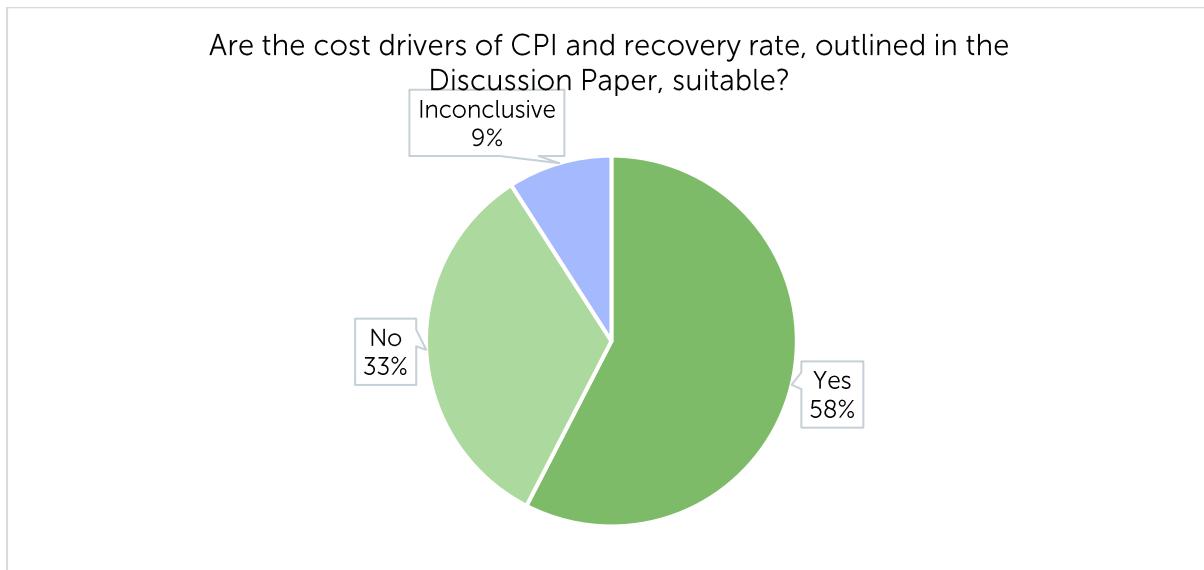
Nine respondents nominated alternative timeframes for periodic review beyond the proposed five-year window. All these responses indicated a preference for a period of time shorter than five years.

Suitability of cost drivers

More than half (58% or 19 respondents) agreed the cost drivers of CPI and recovery rate are suitable.

Thirty-three percent or 11 respondents did not agree the cost drivers were suitable, and a further three respondents (or 9%) provided inconclusive responses with one respondent requesting more supporting data to draw a conclusion.

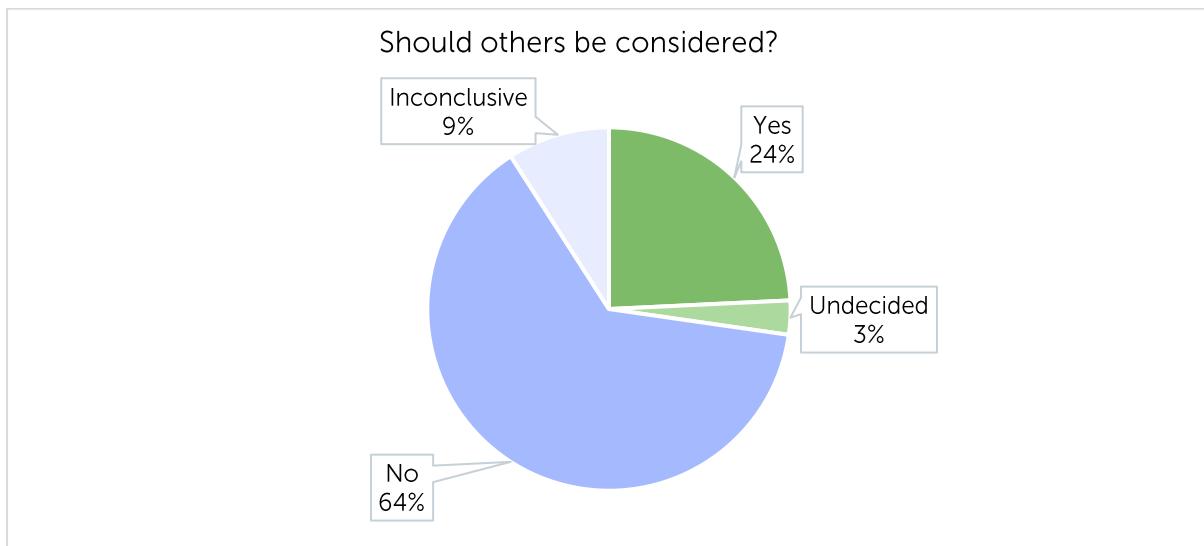
Figure 15: Suitability of cost drivers



Consideration of other cost drivers

All respondents answered the follow up question on whether other cost drivers should be considered. More than half of respondents (64%) indicated no other drivers should be considered.

Figure 16: Consideration of other cost drivers



Of those who indicated other cost drivers should be considered, four respondents indicated an interest in a fairer and more transparent system and pricing that is driven by true costs. Some ideas included long-term contracts for collection, sorting and recycling at agreed rates, a practical balance between financial adjustments and environmental performance and consideration of manufacturer size, container volumes and other environmental impacts.

Eight responses indicated that pricing suggested additional drivers to consider that cover true recovery costs, examples include:

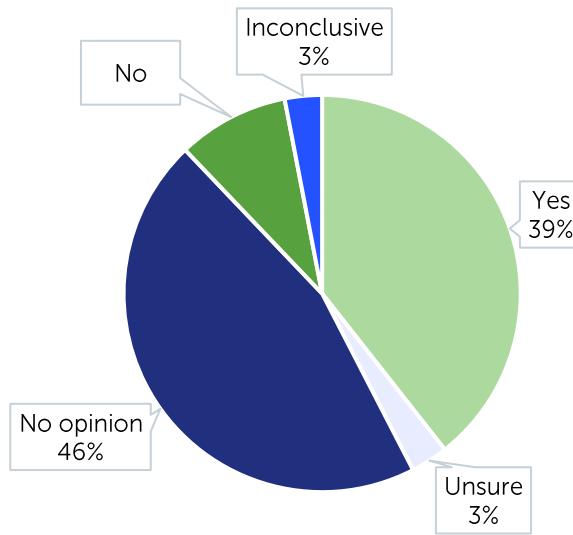
- impacts on material sale prices
- broader system-wide costs such as waste disposal fees and levies
- environmental impacts, for example, carbon footprint, landfill diversion, and lifecycle container analysis
- the influence of diverting recyclables from other systems on existing cost structures.

"Unders and overs" adjustment mechanism in the long-term formula

Nearly half (15 respondents) of the 33 total respondents indicated they had no opinion on the inclusion of an adjustment mechanism. Thirteen respondents indicated support for a mechanism and only three did not support a mechanism.

Figure 17: Unders and overs adjustment mechanism

Should and "unders and overs" adjustment mechanism be included?



Of the 13 responses received in support of a mechanism, three included open feedback. One of these responses reasoned the "unders and overs" mechanism could align fees with recycling recovery rates, another cautioned against the complexities of forecasting and the final open feedback responses reiterated it would ensure financial balance.

The remaining two responses indicated they were inconclusive or unsure/uncertain.

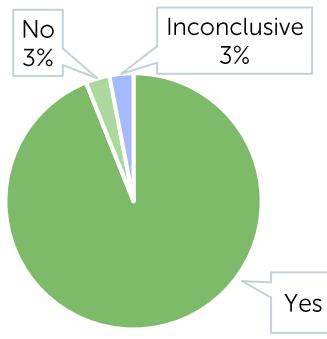
Zero-fee container threshold

Implementing a zero-fee container threshold

Of the 33 responses received, nearly all (31 respondents) support the implementation of a zero-fee container threshold.

Figure 18: Implementing a zero-fee container threshold

Should a zero-fee container threshold be implemented?



Twenty-eight respondents went on to complete the free text field. More than half of this group (17 respondents) reasoned a zero-fee threshold would create a fairer system for micro to small manufacturers by reducing the financial and administrative burdens. Three of this group of respondents agreed in principle but felt a tiered approach would be a more suitable solution than a flat threshold.

Seven respondents noted that introducing a zero-fee container threshold could help remove barriers for scheme participation, and four respondents noted the zero-fee container threshold of 20,000 as more advantageous to wine and/or spirit manufacturers who typically produce lower units of larger volume beverages.

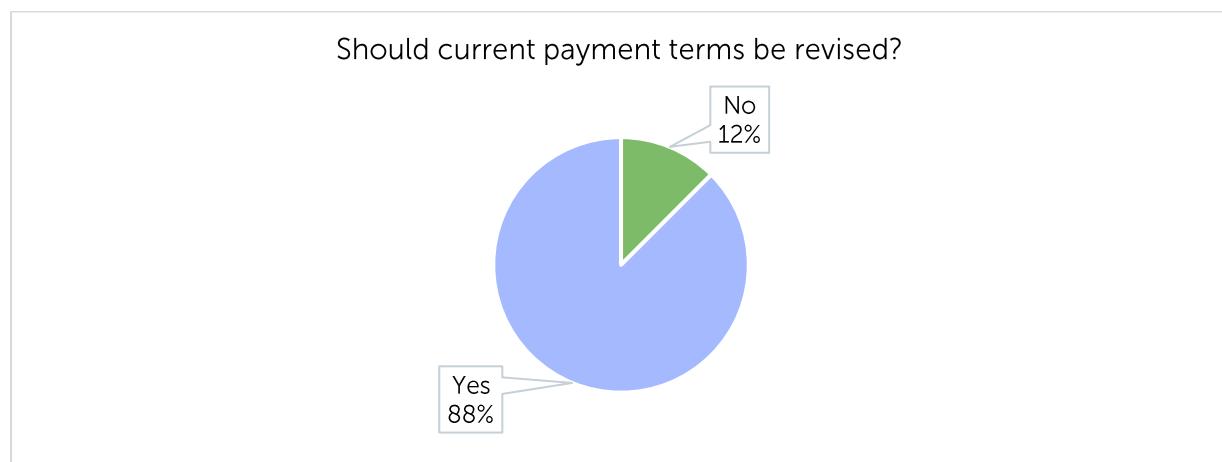
Only one respondent answered 'no' to a threshold, citing a lack of data supplied by COEX on whether the change would materially benefit small brand owners. Another respondent gave an inconclusive response, citing both the benefit of the potential relief of administrative burden for small manufacturers, but also championing a need for reporting requirements for all, to maximise the environmental benefits.

Payment terms

Revising payment terms

A significant majority of the 32 respondents (88% or 28 respondents) believe the current payment terms should be revised while only four respondents do not agree with revision.

Figure 19: Revising payment terms

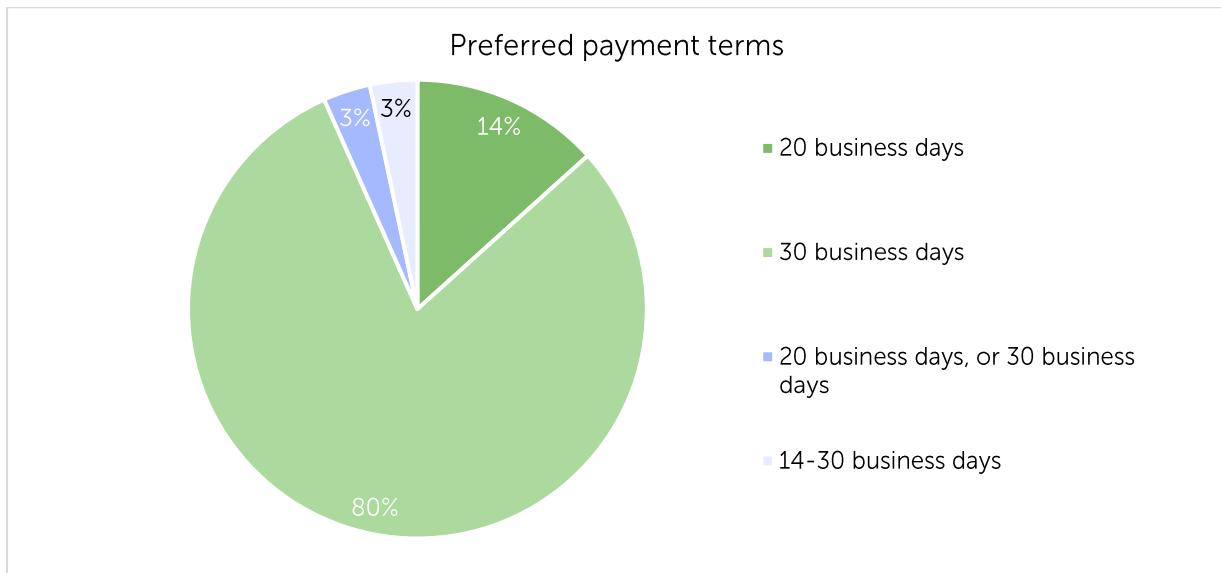


The main reasons cited in support of revision of payment terms include the need to support micro and small beverage manufacturers by reducing the administrative burden (10 respondents) and aligning with standard commercial practices within the industry (10 respondents).

Four respondents felt payment terms should not be revised and either did not provide a reason or clarified that they did not have a strong view.

Period of payment terms

Figure 20: Period of payment terms



Of the 32 respondents who answered this question, the majority (24 respondents) preferred payment terms of 30 business days. A further four preferred 20 business days, and the remaining two respondents nominated 20 or 30 business days and a window of 14-30 business days.

Emerging themes and priority concerns

Analysis of submissions across all four consultation topics revealed some overarching themes of feedback which are outlined below.

Fairer and more transparent system

Feedback indicated strong support for creating a fairer system for beverage manufacturers, particularly smaller manufacturers that may be more affected by cost changes and have a barrier for participation to the scheme. Many small and micro manufacturers face significant financial and administrative pressures with the current scheme framework and payment terms.

Respondents noted that a more equitable approach would also recognise and reward manufacturers using more sustainable materials, ensuring they are not disadvantaged compared to those using less environmentally friendly options.

Many also highlighted the importance of tailoring the system to reflect differences in beverage types, so costs are more closely aligned with the actual impact and production requirements of each category.

Some respondents expressed the need for a simple, uncomplicated system that is easy for manufacturers to follow without disproportionately impacting some manufacturers over others.

Pricing needs to reflect true cost of recycling and recovering specific materials

Respondents emphasised that pricing should accurately reflect the true cost of recycling and recovering specific materials. A system that does not account for material-level cost to recycle could lead to outcomes that undermine the scheme's purpose. Materials such as aluminium and glass are generally easier and cheaper to process, and beverage manufacturers using them should not be disproportionately charged compared to those using 'less recyclable' materials.

Respondents also noted the importance of factoring in recyclability alongside other characteristics, as glass, while highly recyclable, is heavier and can cost more to transport and process. A balanced approach that considers life cycle assessment would avoid penalising businesses that use sustainable yet heavier materials.

Additionally, differences in product consumption patterns and quality requirements mean that some manufacturers are better able to adopt sustainable materials without compromising product performance, and this should be considered when setting pricing structures.

A couple of respondents expressed concerns around the proposed charges for 'not recycling'. One stated that it is not appropriate to do so as the cost is not borne by COEX, while another felt that it would not lead to higher collection or recycling.

Some respondents supported tiered pricing or scaling to provide relief to micro, small and mid-size manufacturers. However, a couple of responses cautioned that tiered pricing within same material type could lead to manufacturers adopting heavier formats for cost

reasons, or complicate sorting and collection efforts. This could inadvertently undermine the industry's sustainability efforts.

Supports innovation and environmental outcomes

Cost-reflective pricing ensures manufacturers are incentivised to use highly recyclable materials, which will support innovation and environmentally sustainable outcomes.

Respondents stated that manufacturers using harder-to-recycle materials should not be charged the same as, or less than, those using materials that are easier and more cost-effective to recycle. A cost-reflective pricing model that reflects these differences would incentivise the development of packaging solutions designed to minimise environmental impacts.

Alignment with best practices and a dynamic industry

Respondents felt that the pricing framework should be consistent with broader, national practices and the realities of the ever-changing industry landscape.

Some respondents felt that a more frequent periodic review of the long-term pricing formula was necessary – especially in the initial implementation stage – to allow for adjustments and for significant issues to be addressed early on. The industry is dynamic and constantly evolving, with volatile commodity prices, regulations, and fluctuations in costs of recycling, logistics, and collection.

Segmented feedback

Sentiment towards proposals in the Discussion Paper varied greatly but there were trends of feedback related to the scale of manufacturer and materials used for packaging.

Feedback trends of beverage manufacturers by sales volume

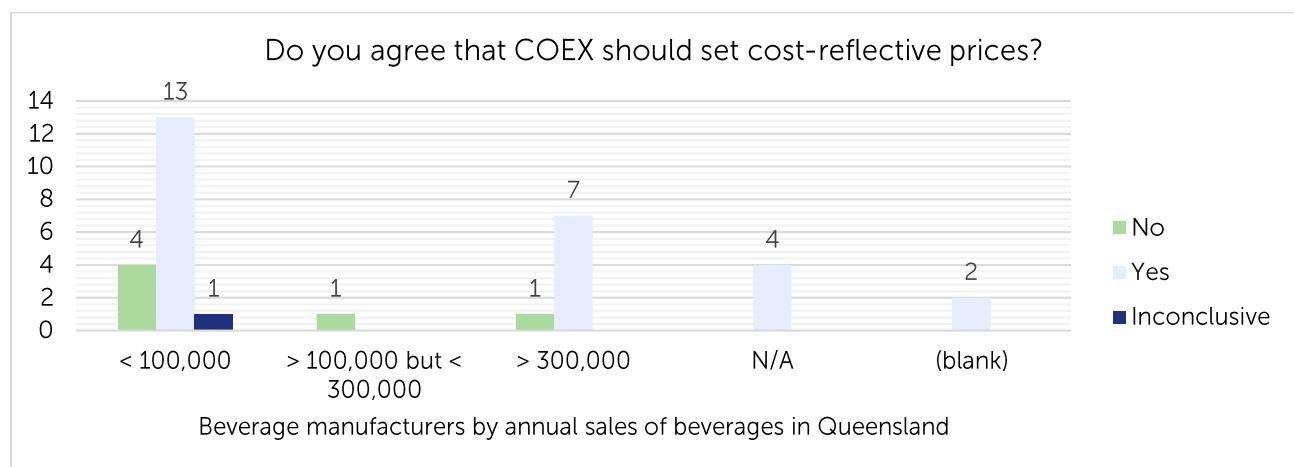
Sales data was provided by 27 of the 33 respondents as part of their feedback. Micro-small beverage manufacturers represented the highest proportion of respondents with 18 respondents self-identifying sales of less than 100,000 in Queensland annually.

The next largest group was large beverage manufacturers selling more than 300,000 beverages in Queensland annually, which made up 8 of the responses. Only one mid-size beverage manufacturer was identified, with sales between 100,000 – 300,000 and subsequently insights have not been drawn for this segment of the industry given the small sample size.

Cost-reflective pricing

Large beverage manufacturers were more likely to support cost-reflective prices than micro-small beverage manufacturers.

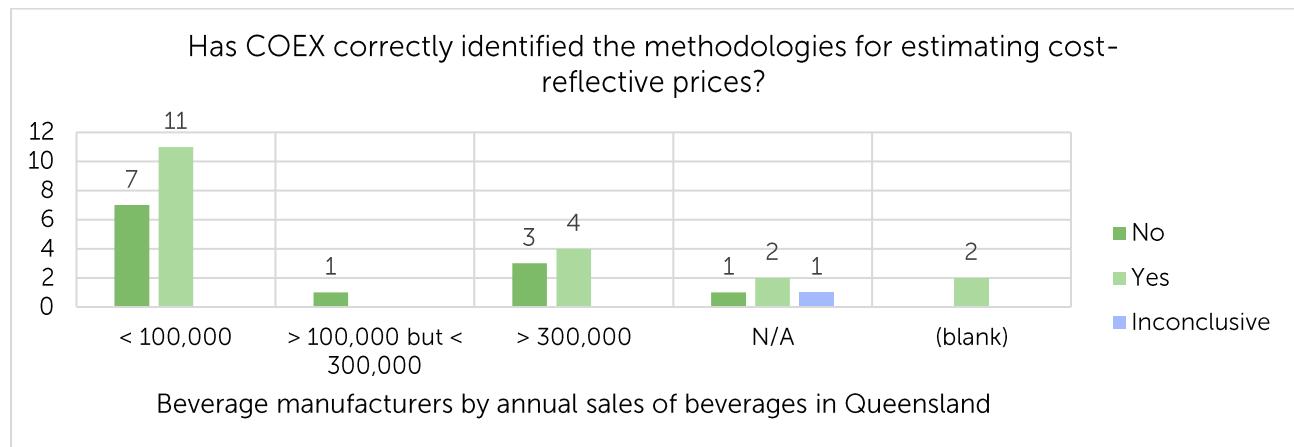
Figure 21: Cost-reflective pricing segmented by beverage manufacturer by sales volume



Methodologies for cost-reflective pricing

Large beverage manufacturers were slightly less likely to agree that COEX has correctly identified methodologies to estimate these cost-reflective prices than their smaller industry counterparts. Those who selected not applicable or left this field blank are assumed to be respondents submitting on behalf of industry associations or peak bodies.

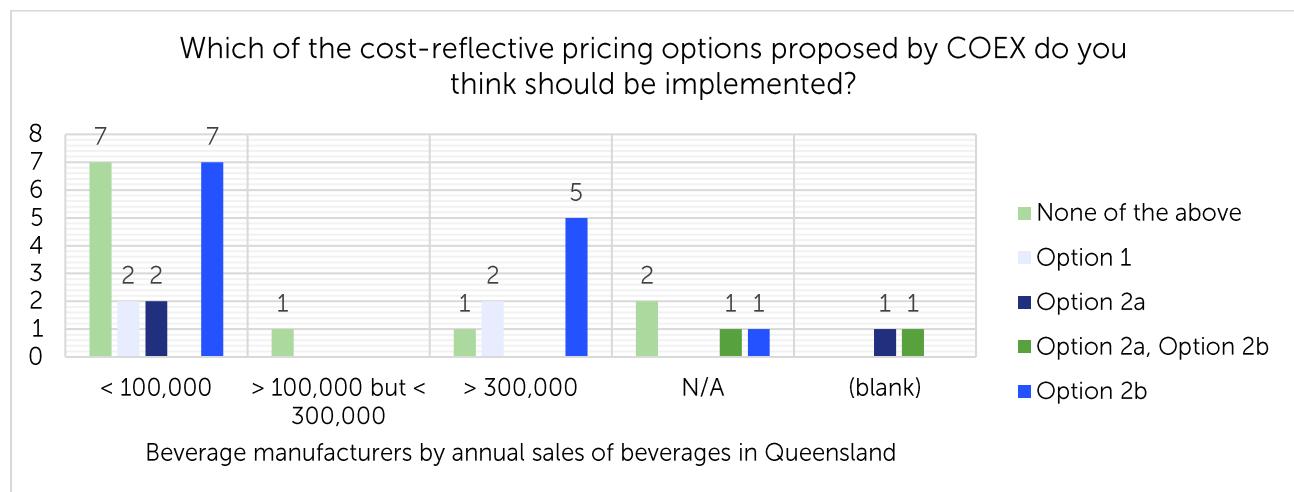
Figure 22: Methodologies for cost-reflective pricing segmented by beverage manufacturers by sales volume



Preference for pricing options

Large beverage manufacturers were most likely to support cost-reflective pricing Option 2b with more than 60% (5 from 8 respondents) selecting this as the preferred option. Less than 40% of micro-small beverage manufacturers (7 of 18 respondents) selected Option 2b. A further seven respondents from this group indicated none of the options were suitable.

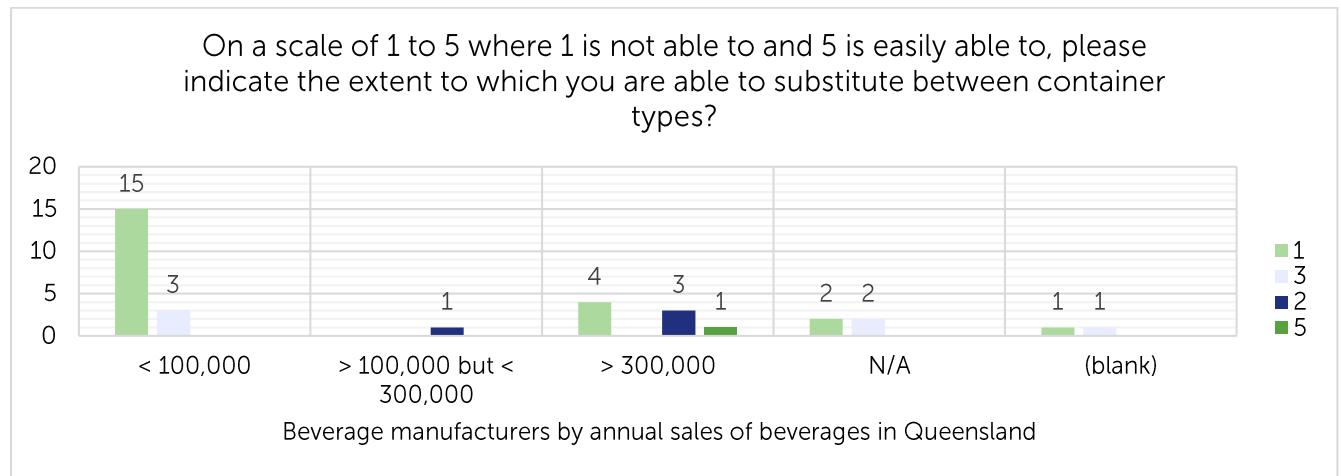
Figure 23: Preference for pricing options segmented by beverage manufacturers by sales volume



Substituting between container types

The majority (83%) of micro-small beverage manufacturers indicated they could not substitute container types in response to container types. Only 50% of large beverage manufacturer respondents indicated they could not substitute between container types.

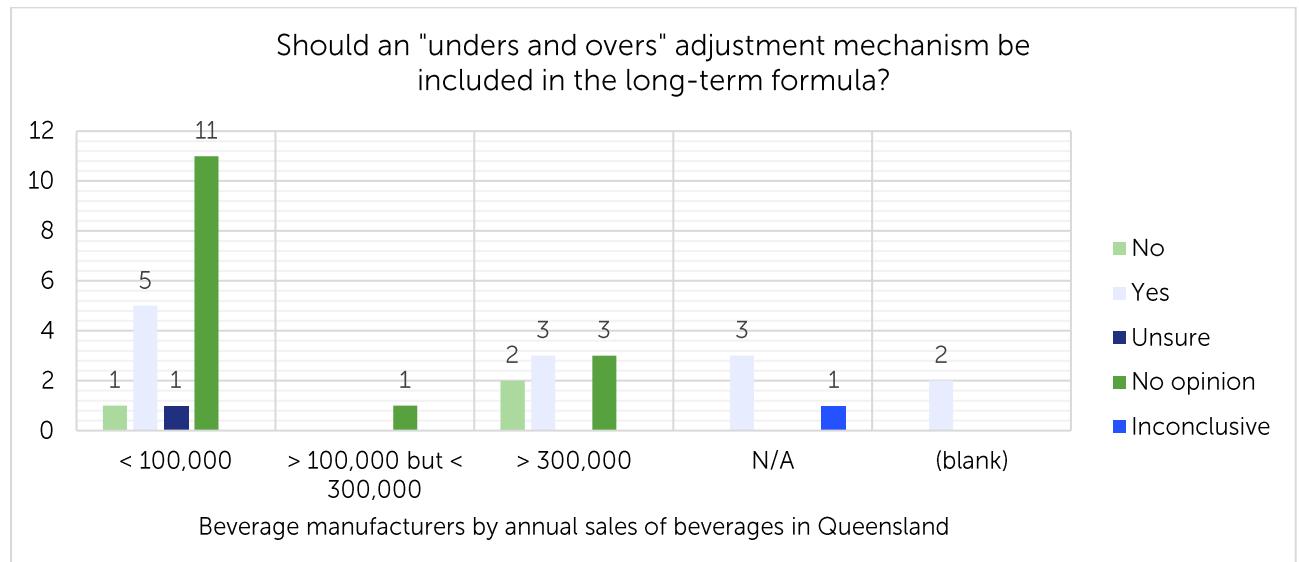
Figure 24: Substituting between container types segmented by beverage manufacturers by sales volume



“Unders and overs” adjustment in long-term pricing formulas

More than two-thirds of micro-small beverage manufacturers (11 from 18 respondents) indicated they had no opinion on the introduction of an unders and overs adjustment, compared to less than 40% of large beverage manufacturers (3 from 8 respondents).

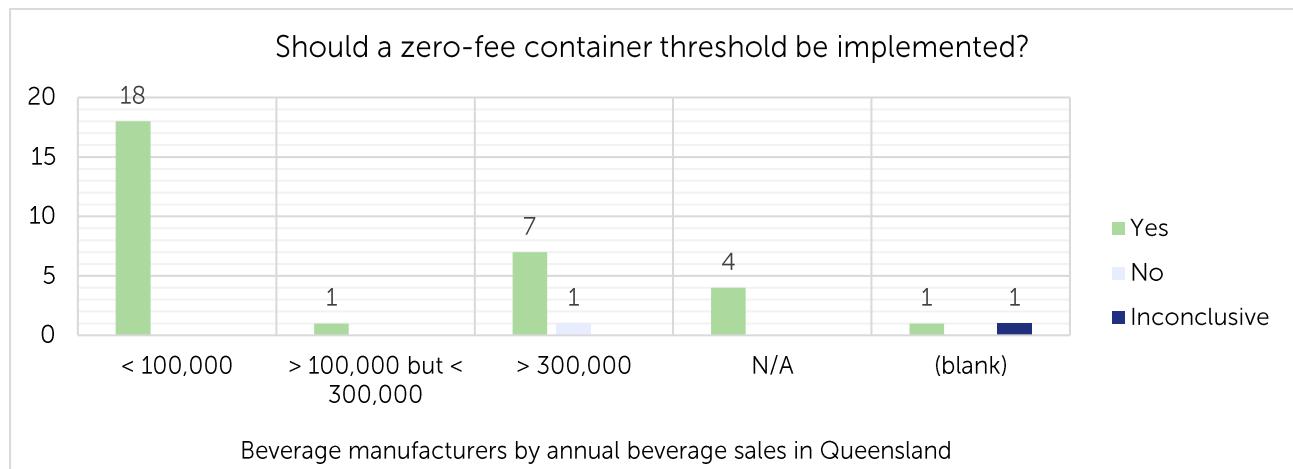
Figure 25: Unders and overs adjustment in long-term pricing formulas segmented by beverage manufacturers by sales volume



Implementing a zero-fee container threshold

Micro-small manufacturers were unanimous in support for the introduction of a zero-free threshold, making this one of the few questions where this group was completely aligned.

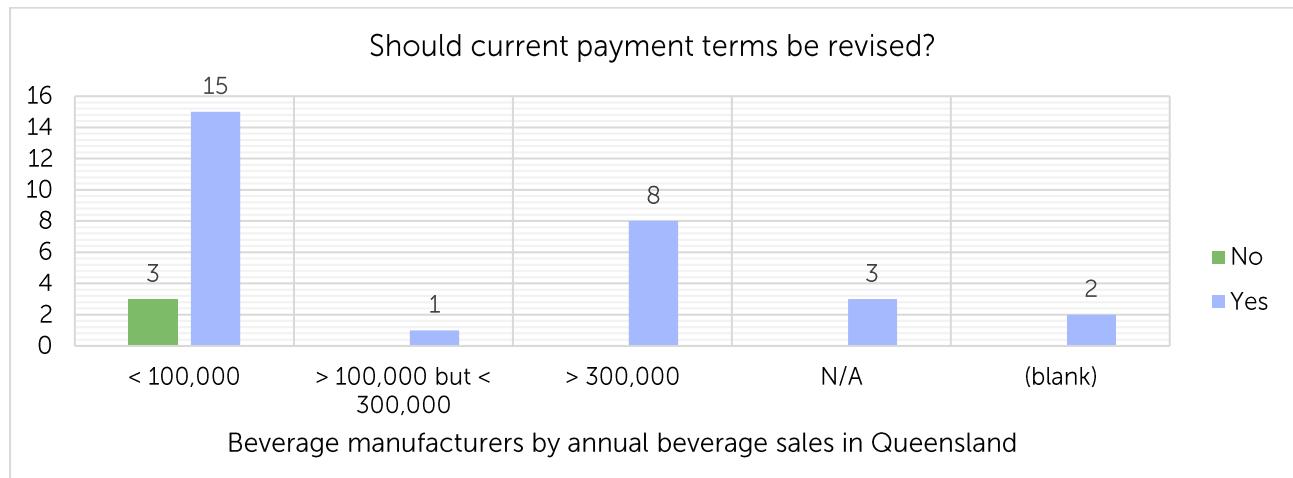
Figure 26: *Implementing a zero-fee container threshold segmented by beverage manufacturers by sales volume*



Reviewing payment terms

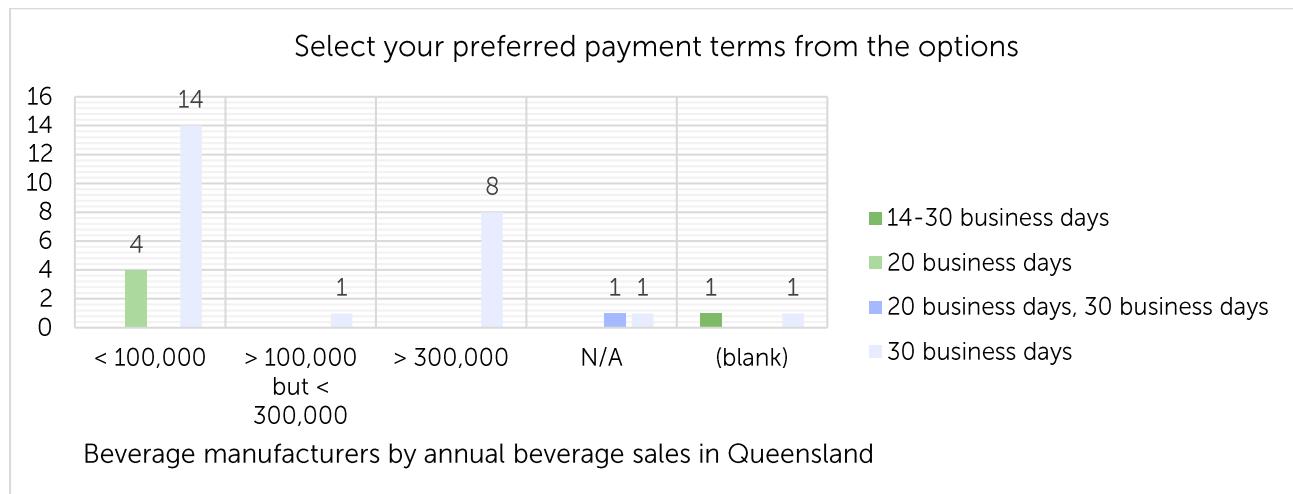
All respondents from large beverage manufacturers agreed that payment terms should be revised and on a 30-business day payment cycle. There was some division from micro-small beverage manufacturers with 3 from 18 respondents not supporting a revision to payment terms. Micro-small beverage manufacturers were also split between a preference for the payment cycle between 20 business days (4 respondents) and 30 business days (14 respondents).

Figure 27: *Reviewing payment terms segmented by beverage manufacturers by sales volume*



Period of payment terms

Figure 28: Period of payment terms segmented by beverage manufacturers by sales volume



Feedback trends of beverage manufacturers by packaging material

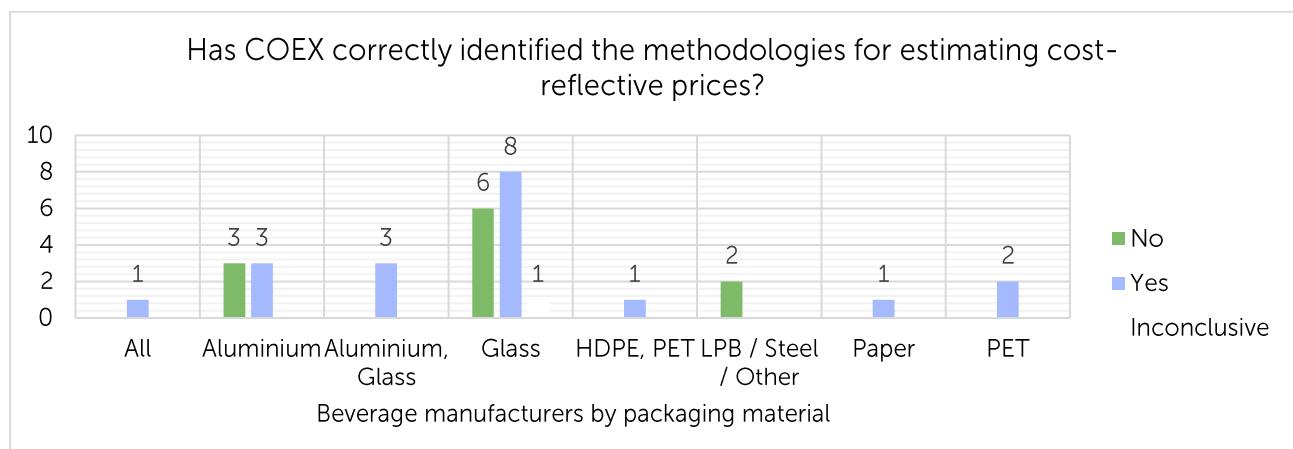
Of the 33 total responses, 31 provided data on the primary packaging material used by their business. The most popular materials selected were glass (19 respondents) aluminium (10 respondents) and polyethylene terephthalate (PET) (4 respondents).

Note: some respondents indicated they use a variety of materials in manufacturing and one respondent indicated they use all materials. These selections have been factored into the leading material types outlined above.

Methodologies for cost-reflective pricing

All PET beverage manufacturers agreed that COEX has correctly identified methodologies for estimating cost-reflective prices. Support was also strong from aluminium beverage manufacturers with 7 from 10 respondents agreeing on the identified methodologies.

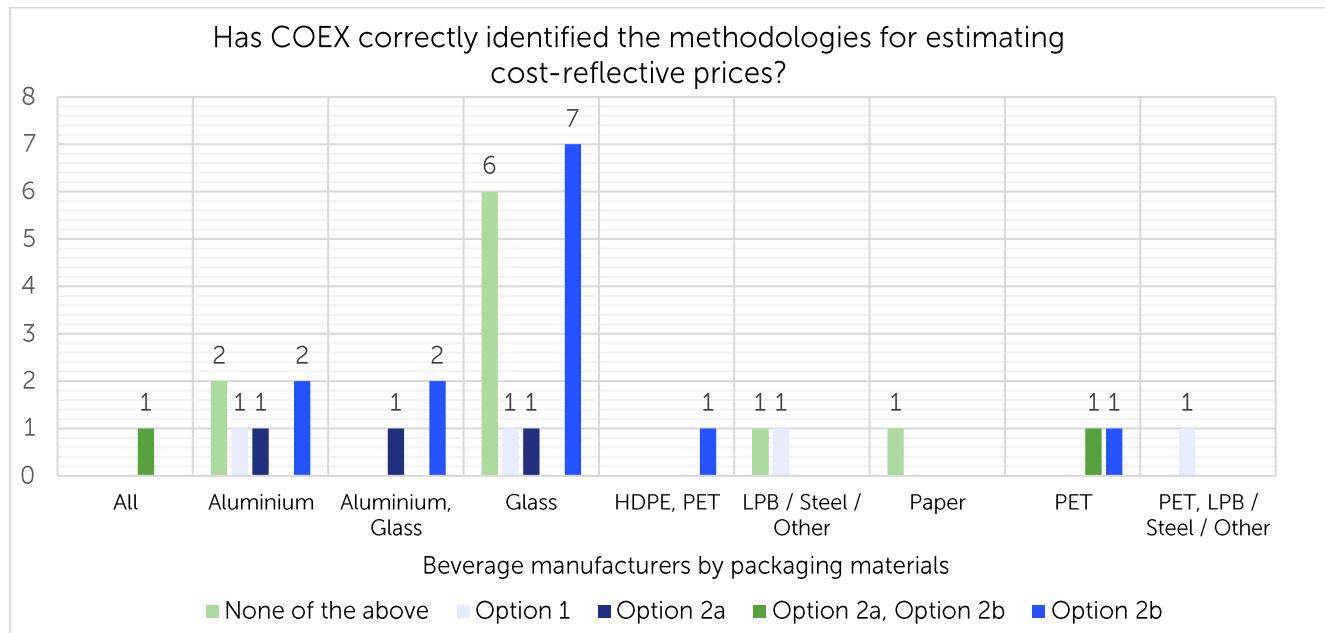
Figure 29: Methodologies of cost-reflective pricing segmented by beverage manufacturers by packaging material



Preference for pricing options

Glass beverage manufacturers were split on the most suitable pricing option. Nearly half of glass manufacturers supported Option 2b (47%), however over 30% of this group indicated none of the options provided should be implemented. Aluminium beverage manufacturers were similarly aligned with 40% of group respondents preferring Option 2b and 20% indicated none of the options proposed should be implemented. PET beverage manufacturers demonstrated a preference for Option 2b but had a much smaller sample size group.

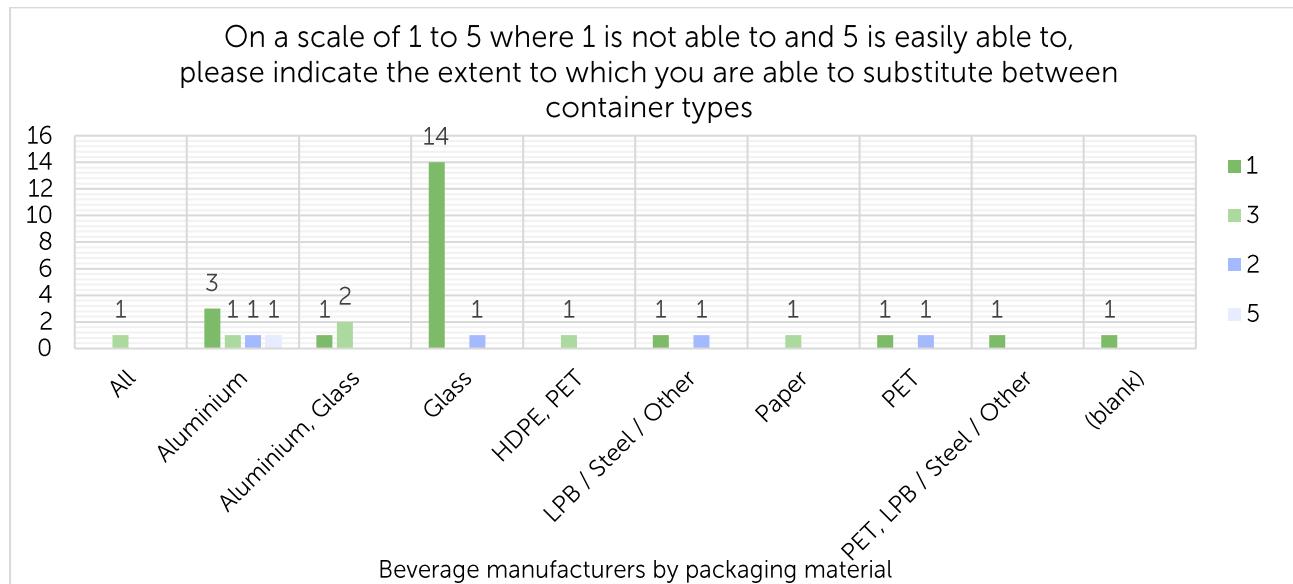
Figure 30: Preference for pricing options segmented by beverage manufacturers by packaging material



Substituting between container types

Most glass beverage manufacturers (15 from 19 respondents) indicated they could not substitute container types in response to COEX pricing.

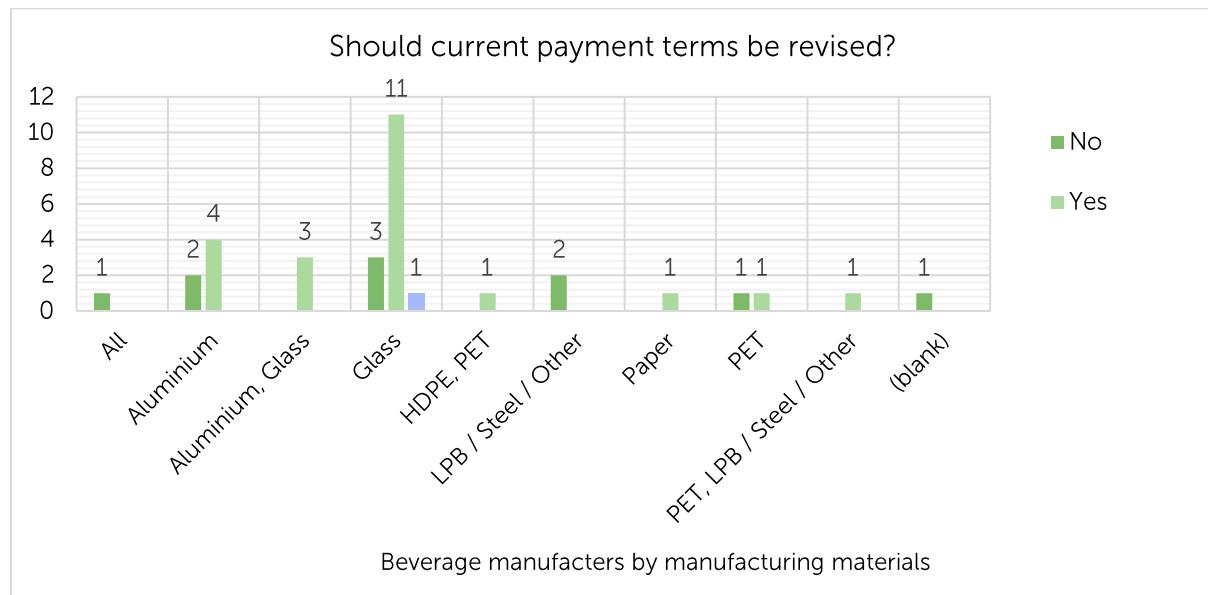
Figure 31: Substituting container types segmented by beverage manufacturers by packaging material



Revising payment terms

PET beverage manufacturers were the most likely to support revised payment terms with 3 from 4 respondents or 75% agreement on a revision. Glass beverage manufacturers closely followed with 14 from 19 respondents or 73% agreement on a revision and 70% of aluminium beverage manufacturers.

Figure 32: Revising payment terms segmented by beverage manufacturers by packaging material



Additional stakeholder suggestions

Additional suggestions were identified by some respondents for potential consideration to enhance the pricing framework and improve the experience of registered beverage manufacturers. Many of these suggestions built on the broader feedback categories and provided alternative recommendations for implementation.

- Consider a tiered or sliding-scale structure based on manufacturer size and, where appropriate, by material, beverage, and volume, to provide targeted relief for small, growing, and mid-sized manufacturers. This would also address existing disadvantages for:
 - Manufacturers using materials that are easier and cheaper to recycle – for example, manufacturers using aluminium to make cans pay disproportionately more per millilitre of product than manufacturers using glass to make large bottles.
 - Beverage types that have different consumption patterns and recovery rates – for example, glass maintains the integrity of wine better than other materials, and it could take many years for wine to sell and be consumed.
 - Products that have a lower value than others – for example, a 375ml can of beer and a 750ml bottle of wine are charged the same scheme fee, even though the beer may retail for \$4 and the wine for \$20. This means the scheme cost can be over 3% of the retail price for beer, compared to less than 1% for wine or spirits, distorting category competitiveness and pricing fairness.
- Consider setting target recovery or recycling rates for each packaging format and then charge beverage manufacturers a 'recycling rate shortfall charge'. This provides material specific funding for improving recovery rates, and or further incentive to change to lower cost packaging formats.
- Consider collecting products other than used beverage containers, such as the clean, unused containers discarded in production, shopping bags and cardboard fast-food packaging.
- Consider a review cycle of less than 5 years, at least in the initial implementation stages, to accommodate the industry's changing landscape and address challenges and issues early on.

Next steps

This Consultation Report provides valuable insights about stakeholder views toward proposed changes. Feedback demonstrates the challenges of finding equitable balance for a wide variety of beverage manufacturers and optimising the scheme pricing framework to achieve the goal of ensuring no container goes to waste.

Findings from this report will be used by COEX to inform changes to the pricing framework, scheduled to be finalised by the end of 2025.

Consultation undertaken revealed an opportunity for ongoing engagement with registered beverage manufactures to work collaboratively toward continued refinements and improvements for the container exchange scheme in Queensland.

Appendix 1 – Online Submission Form questions

Container Exchange Scheme Pricing Framework consultation submission form

All responses submitted as part of this consultation process will remain confidential and will not be published by COEX or its suppliers. Responses will be deidentified before being analysed by an independent third party and the final report will not include the business names or details of any respondents.

Section 1: About you

All questions marked with * are compulsory

Your name *

First Name

Last Name

Which beverage manufacturer or peak body do you represent *

What is your position with the beverage manufacturer or peak body? *

Which material(s) do you use to package your products *

- Aluminium
- Glass
- HDPE
- PET
- LPD/Steel
- Other

How many registered beverages does your organisation sell in Queensland each year? *

- < 100,000
- > 100,000 but < 300,000
- > 300,000

Section 2: Pricing options

All questions marked with * are compulsory

Do you agree that COEX should set cost-reflective prices? *

- Yes
- No

Why or why not?

Has COEX correctly identified the methodologies for estimating cost-reflective prices? *

- Yes
- No

If not, what alternatives other than the options presented in the Discussion Paper do you suggest?

Which of the cost-reflective pricing options proposed by COEX do you think should be implemented? *

- Option 1
- Option 2a
- Option 2b
- None of the above

Under your preferred option, should COEX continue to charge on a per container basis, or should COEX move to a mix of per container, per container volume and/or per container weight pricing basis? *

- Yes
- No

Please explain why or why not.

On a scale of 1 to 5 where 1 is not able to and 5 is easily able to, please indicate the extent to which you are able to substitute between container types (material, volume and weight) in response to changes in COEX pricing? *

- 1

- 2
 3
 4
 5

Please identify any other container types for products that have not been outlined in the Discussion Paper that could be further sub-categorised based on their recyclability. For example:
a) if designs for Liquid Paper Board (LPB) containers were available that would lower the cost of recycling those containers, COEX could consider introducing a separate lower price for that type of LPB.
b) if some forms of PET or aluminium cans carry a higher recyclable value than others then COEX could similarly differentiate between those.

Please write your answer here:

Do you think that there should be differential pricing between:
a) Clear versus coloured PET (to reflect the latter's lower resale value).
b) Refillable containers.

Please write your answer here:

Section 3: Long-term pricing formula

All questions marked with * are compulsory

Should a long-term pricing formula such as the one detailed on pages 19-22 of the Discussion Paper be implemented? *

- Yes
 No

Is a 5-year periodic review of the long-term formula appropriate? *

- Yes
 No

If not explain why not.

Are the cost drivers of CPI, recovery rate and strategic investment, outlined in the Discussion Paper, suitable? *

- Yes
 No

Should others be considered?

Should an "unders and overs" adjustment mechanism be included in the long-term formula as described in the Discussion Paper?

Section 4: Zero-fee container threshold

All questions marked with * are compulsory

Should a zero-fee container threshold be implemented? *

- Yes
 No

Please provide your reasoning as to why or why not.

Section 5: Payment Terms

All questions marked with * are compulsory

Should current payment terms be revised? *

- Yes
 No

Please provide reasons for your previous response.

Please select your preferred payment terms from the options below: *

- 10 business days
 15 business days
 20 business days
-
- 25 business days
 30 business days