

Scheme Pricing Framework

FAQs

This document will be updated as new questions are received.

Cost of Not Recycling (CONR)

1. What is the Cost of Not Recycling?

The Cost of Not Recycling is an estimate of the social, environmental and economic cost to the community when a container is not recovered and recycled.

2. How did you arrive at the 29.4c number?

29.4c sits at the top of the independently validated range of 23.1c–29.4c and was chosen because it: provides the strongest product stewardship signal; includes the full 10 cent refund as a cost and is supported by independent studies — specifically, a central estimate cost-benefit ratio (CBR) of 1.4x drawn from seven government container deposit schemes cost-benefit analyses (NSW, VIC, WA, ACT, NZ, UK, Scotland). The 29.4 cents is therefore calculated based on COEX's FY24 average cost to recycle of 21.0 cents per container multiplies by the 1.4 CBR.

3. Why should I have to pay for COEX's inability to capture 100% of containers?

A: The CONR is not a charge for COEX failing to recover 100% of containers. No scheme in Australia recovers every container, and unrecovered containers still impose a real cost on the community.

Including the CONR in scheme pricing recognises these costs and aligns with product stewardship principles, so they are reflected in the cost of supplying containers. The pricing model allocates these costs across materials based on their recovery performance.

4. Why is there one CONR rate rather than a different rate for each material?

A: The published evidence behind CONR measures whole-of-scheme social harms (litter, landfill, community amenity), which can't reliably be split by material. Differentiation between materials instead happens through the pricing model itself — via each material's own recovery rate and recycling cost. A single CONR rate is also simpler, more transparent, and avoids re-litigating multiple contested estimates each year.



5. The estimated Cost of Not Recycling is 29.4c per container. If recovery rates differ between materials, why is the Cost of Not Recycling the same for all materials?

Material differences are still reflected in scheme pricing. Each material's recycling rate performance determines how much weight is given to the cost of recycling compared with the CONR. Therefore, materials with lower recycling rates have a greater proportion of their price influenced by the CONR.

6. How is the CONR calculated when costs vary so much according to how remote a location is?

The CONR is applied as a statewide average estimate, rather than a separate amount for each location. It represents the broader economic, environmental and community costs that arise when a container is not recycled, such as landfill use, litter clean-up, lost material value and the impacts of producing replacement materials.

The cost of collecting and recycling containers can be higher in regional and remote areas due to factors such as transport distances and lower collection volumes. These differences are reflected in COEX's recycling and operational costs. However, the CONR is intended to provide a consistent estimate of the cost to society of each container that is not recycled across Queensland, rather than reproduce the cost of operating the scheme at a particular location.

How the pricing framework works

7. Why are some materials increasing while others are decreasing?

Under the new pricing framework, scheme prices are based on two key factors: how much it costs to recycle a material and the material recovery performance. Materials with lower recovery rates or higher recycling costs will generally attract a higher scheme price, while materials that are recovered more frequently and cost less to recycle may see a lower price. The overall cost of operating the scheme is not changing. What is changing is how those costs are allocated across materials so that prices better reflect recycling outcomes and recovery performance.

8. If my material type has a lower recycling cost and is frequently recovered, will my fees go down?

Potentially, yes. Under the new pricing framework, materials that have higher recovery rates and lower recycling costs are expected to attract a lower share of scheme costs. However, scheme prices are determined by a combination of factors, including direct recycling costs, shared scheme costs and the Cost of Not Recycling, so the final outcome depends on the overall cost profile and recovery performance of each material. The overall cost of operating the scheme is not increasing; the framework changes how those costs are allocated across materials. We recognise that the impact will vary between businesses, and COEX is here to help you understand what the changes mean for your products and scheme contributions.



9. Does this mean COEX is discouraging the use of certain packaging materials?

No. The purpose of the new pricing framework is not to encourage or discourage the use of any particular packaging material. Rather, it is to ensure scheme prices more accurately reflect the costs and recovery outcomes associated with different materials. Under the new framework, materials that cost more to recycle or have lower recovery rates will attract a higher share of scheme costs, while materials with stronger recovery performance may attract a lower share. The framework also strengthens the product stewardship principle that beverage manufacturers should take responsibility for the end-of-life outcomes of the packaging they place on the market. By better aligning scheme prices with recycling costs and recovery performance, the framework creates a more cost-reflective and transparent pricing approach while maintaining the same overall cost of operating the scheme.

10. Aluminium has a high recovery rate and strong secondary market value. Why is its scheme price still slightly higher than HDPE?

Aluminium's scheme price is still slightly higher than HDPE because the model is driven by the full cost build, not just recovery rate or commodity value. Aluminium has a much larger share of eligible production, which increases its allocated fixed costs, and although it benefits from a strong secondary market value and relatively high recovery rate, those offsets are not enough to fully outweigh its higher operating and processing costs. In contrast, HDPE has a lower fixed-cost allocation and a slightly lower overall cost burden, so its resulting scheme price ends up marginally lower.

Material specific questions

11. What's the reason that liquid paper board (LPB) has a lower recovery rate?

LPB remains one of the most challenging beverage packaging materials to recover and recycle, not only in Queensland but across container recycling schemes in Australia. While recovery rates continue to improve, LPB has fewer recycling pathways and lower consumer awareness than materials such as aluminium and glass.

Consumer awareness remains a key challenge as only around half of scheme participants know juice boxes and similar cartons can be returned for a refund and cannot be recycled through household recycling bins. We are continuing to invest in awareness campaigns, accredited recycling pathways and initiatives to support domestic processing capacity.

12. Why is there no differentiation between clear and coloured PET?

At this stage, PET is not separated because the active pricing framework is currently built around a single aggregated PET bucket, not a two-subcategory PET model.



Scheme prices and timing

13. When will the new scheme prices take effect?

The new scheme prices will take effect from 1 February 2027. This gives beverage manufacturers time to understand the changes, assess any impacts on their product portfolio and prepare for the transition to the new pricing framework.

14. When will I know what my new scheme price will be?

COEX will communicate the final scheme price on 1 October in line with our regular pricing schedule (every six months).

15. Will my scheme fees go up overall?

It depends on the materials you use. Overall, the change is designed to be broadly revenue-neutral for COEX: it reallocates cost between materials rather than increasing total scheme revenue.

16. Will there be another scheme price adjustment in August 2027?

The move to cost-reflective pricing takes effect from 1 February 2027. Scheme prices will continue to be reviewed in accordance with COEX's established pricing governance and review processes. Any future changes would be assessed and communicated separately.

Consultation and industry input

17. Is this decision final, or can I still provide input?

The methodology and the 29.4c Cost of Not Recycling (CONR) have been approved by the Board following independent validation. While the methodology itself is not being reopened, COEX welcomes ongoing feedback from beverage manufacturers as we implement and refine the pricing framework. Scheme prices are reviewed every six months, providing regular opportunities to assess outcomes and make improvements where appropriate. This is not a set-and-forget approach, and we will continue to engage with industry as the framework evolves.

18. How did industry feedback influence the final outcome?

Industry feedback played an important role in shaping the final pricing framework. Consultation feedback helped inform the decision to pursue a more cost-reflective methodology that incorporates the Cost of Not Recycling. Feedback was also considered when determining the implementation approach and timing. COEX values ongoing industry input and will continue to engage with beverage manufacturers as the framework evolves over time.



Zero-fee threshold

19. When will more information be released about the zero-fee threshold?

We are currently awaiting confirmation of the legislative process and implementation timing for the zero-fee threshold provisions. More information will be shared with beverage manufacturers once those details have been confirmed, including how the threshold will operate and any next steps for affected participants.

Future scope of the scheme

20. Is there any indication that other states will follow a similar model in their own container deposit/refund schemes?

We can't speak on behalf of other container refund schemes or predict what approaches they may adopt in the future. As part of this process, COEX has shared its research and engaged with other jurisdictions to explain the approach being taken in Queensland. However, each scheme operates under its own legislative, operational and funding arrangements, so pricing models may differ between jurisdictions. Any decisions about adopting a similar approach would be a matter for the individual scheme operators and governments involved.

