

Submission to the stakeholder consultation on the draft

Waste Reduction and Recycling (Strengthening the Container Refund Scheme) Amendment Regulation 2026 (Qld)

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Who we are

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of winegrape and wine producers. We represent the interests of the more than 2,000 winemakers and over 5,000 winegrape growers working across Australia's 65 wine regions.

The Australian grape and wine sector is a major contributor to Australia's economy and to rural and regional communities.

The grape and wine sector:

- Supports 203,392 direct and indirect full- and part-time jobs.
- Generates $15 billion in income from direct and flow-on employment.
- Contributes $51.3 billion to Australia's gross output.
- Adds $25.4 billion in value-added to the Australian economy[1].

Wine production is a critical pillar of many regional communities, underpinning local manufacturing, exports, tourism, hospitality and supply-chain businesses.

Australian Grape & Wine works to create a political, social and regulatory environment - domestically and internationally - that enables profitable, innovative and sustainable grape and wine businesses. We provide leadership, strategy, advocacy and practical support across issues affecting growers and producers of all sizes. Our Board decision-making processes require an 80% support threshold, ensuring that industry positions reflect broad and genuine consensus.

Australian Grape & Wine is recognised as a representative organisation under the *Wine Australia Act 2013* and is incorporated under the *SA Associations Incorporation Act 1985*.

[1] AgEconPlus & Gillespie Economics, *Economic Contribution of the Australian Wine Sector 2025*, report prepared for Wine Australia, 7 August 2025, Executive Summary (unnumbered pages).

Executive Summary

Australian Grape & Wine (AGW) welcomes the Queensland Government's proposed reforms to strengthen transparency, accountability and governance of the Container Refund Scheme (CRS).

AGW supports several elements of the draft Regulation, particularly the proposed exemption from scheme contributions for small beverage manufacturers, increased transparency around supplier contribution methodologies, expanded public reporting requirements and greater accountability for the use of scheme funds.

These reforms are important for the Australian wine sector, which faces substantial additional costs and regulatory obligations following the inclusion of glass wine bottles in Queensland's CRS in November 2023. The sector comprises many small and medium-sized businesses, including regional and family-owned wineries, for which scheme contributions and administrative requirements can represent a disproportionate burden.

The financial impact of Queensland's scheme expansion has been significant. Survey findings reported by the South Australian Wine Industry Association indicate that respondent wine businesses faced average costs of 25 cents per bottle, rising to 55 cents for some smaller producers. The survey also found that 83 per cent of respondents were unable to pass these costs on through retailers to consumers, while 6 per cent had withdrawn from the Queensland market. These findings reinforce the importance of ensuring that the proposed reforms deliver genuine cost relief and administrative efficiencies.

While AGW welcomes the direction of the proposed reforms, several provisions require clarification or strengthening to ensure they deliver meaningful benefits to affected businesses.

Of particular importance is ensuring that the proposed exemption for the first 20,000 containers provides genuine financial relief to small producers, supported by proportionate reporting arrangements.

AGW also considers that the expanded transparency requirements must include separate reporting of wine-glass recovery and recycling. Reporting all glass containers as a single category does not allow government, industry or the community to determine whether including wine bottles has increased overall recycling or simply redirected glass already being recovered through kerbside and commercial recycling systems.

Greater transparency is also required around the calculation of supplier contribution rates, the allocation of scheme costs between packaging materials and the treatment of accumulated surpluses. Scheme performance should be assessed against measurable environmental outcomes and value for money, rather than collection volumes alone.

Finally, Queensland's regulatory and administrative arrangements must support the development of a single national supplier portal and broader harmonisation of container deposit schemes. The proliferation of different jurisdictional requirements continues to impose unnecessary costs on wine businesses operating nationally.

AGW's recommendations are intended to strengthen the proposed reforms, improve regulatory consistency and ensure the CRS delivers demonstrable environmental benefits while minimising unnecessary costs for Australian wine businesses.

Summary of Recommendations

Australian Grape & Wine recommends that the Queensland Government:

1. **Clarify the small beverage manufacturer exemption:** Ensure the proposed exemption applies to the first 20,000 eligible containers for which a Queensland scheme contribution would otherwise be payable, rather than total national production, and operates automatically wherever possible.

2. **Preserve simplified reporting arrangements for small producers**: Retain existing annual and quarterly reporting concessions for qualifying small beverage manufacturers and ensure the proposed 20,000-container exemption operates without additional reporting, reconciliation or administrative requirements.
3. **Require disaggregated wine-glass reporting:** Amend the proposed reporting requirements to require Container Exchange (COEX) to publish recovery and recycling data for wine glass separately from beer, spirits and other glass beverage containers.
4. **Measure additional environmental outcomes:** Ensure scheme performance measures assess the additional recovery and recycling attributable to the CRS, including whether wine bottles have shifted from existing kerbside and commercial recycling systems, and the cost of achieving those outcomes.
5. **Strengthen transparency of supplier contributions:** Require publication of material-specific contribution methodologies, including forecast recovery rates, cost allocations, pricing assumptions, cross-subsidisation and explanations for changes in contribution rates.
6. **Improve accountability for surplus funds:** Require clear reporting of accumulated surplus and unspent funds, including their intended use and how surpluses are taken into account when determining future supplier contributions.
7. **Support national harmonisation:** Ensure Queensland's regulatory settings and supplier systems are compatible with the proposed national supplier portal, including mutual recognition of container registrations and alignment of reporting, labelling and payment requirements.
8. **Strengthen complaints and dispute resolution:** Establish transparent supplier complaints procedures, clear resolution timeframes and access to independent escalation mechanisms.
9. **Ensure consistent protections under scheme agreements:** Consider transitioning existing scheme agreements to the revised standard terms within a reasonable period or upon renewal or variation.
10. **Provide meaningful wine industry engagement:** Establish structured and ongoing consultation with the wine sector on scheme governance, supplier contributions, regulatory requirements, performance measures and national harmonisation.

Key Issues

1. Small beverage manufacturer exemption

AGW strongly supports the proposed exemption from scheme contributions for the first 20,000 beverage products each financial year for eligible small beverage manufacturers.

The measure recognises that scheme costs can have a disproportionate impact on smaller beverage producers, including the many small and medium wine businesses operating in regional Queensland and supplying the Queensland market.

AGW does, however, seek clarification of the drafting of proposed section 35A.

The draft provision states that the amount payable by a small beverage manufacturer must not include an amount for the first 20,000 beverage products **"manufactured by the small beverage manufacturer for a financial year"**.

AGW's understanding through the earlier consultation process was that the financial relief would apply to the first 20,000 eligible containers **supplied into Queensland**.

This distinction is important. Many wineries manufacture wine for sale nationally, while only a proportion of their production may be supplied into Queensland. An exemption calculated by reference to total production rather than containers supplied into the Queensland market could operate differently from the relief originally understood by industry and may create additional administrative complexity.

AGW recommends that the Regulation or accompanying guidance make clear that the exemption applies to the first 20,000 eligible containers for which the small beverage manufacturer would otherwise be liable to pay a Queensland scheme contribution.

AGW also recommends that the Queensland Government review the adequacy of the 20,000-container threshold following implementation, informed by evidence of supplier costs, the number and size of businesses benefiting from the exemption, and the volume of eligible containers supplied into Queensland.

The exemption should also operate automatically wherever possible, without requiring a small producer to undertake a separate application process.

2. Reporting requirements for small producers

AGW's submission on the Bill emphasised that financial relief alone will not adequately address the burden placed on small producers if they remain subject to disproportionate reporting and administrative requirements.

AGW acknowledges that Queensland already provides simplified reporting and payment arrangements for smaller beverage manufacturers, including annual arrangements for qualifying wine and spirits producers supplying fewer than 100,000 eligible containers and quarterly arrangements for small beverage manufacturers supplying fewer than 300,000 eligible containers.

These existing concessions are important and should be retained. For low-volume wineries, the staff time required to access separate jurisdictional portals, prepare sales information, reconcile data and meet reporting obligations represents a material cost, even where scheme contributions are relatively modest.

While the draft Regulation establishes the proposed exemption from scheme contributions for the first 20,000

eligible containers, it does not clarify how the exemption will interact with existing reporting arrangements.

AGW recommends that the exemption be administered through existing supplier reporting processes wherever possible, without requiring additional applications, declarations or reconciliation obligations that could undermine the intended financial relief.

Where eligibility needs to be established, existing supplier data and prior-year sales information should be used wherever practicable, with reasonable estimates permitted for new suppliers and simple self-declaration arrangements where necessary.

AGW further recommends that Queensland retain its existing proportionate reporting concessions and ensure that any changes to supplier reporting systems are designed to integrate with the proposed national supplier portal, rather than creating additional jurisdiction-specific administrative requirements.

3. Disaggregated reporting of glass by beverage type

AGW strongly supports the significantly expanded reporting requirements proposed in section 46L. However, the draft Regulation does not address a significant transparency gap previously identified by AGW and other stakeholders.

Section 46L requires reporting of containers according to prescribed material, but defines glass as a single category. This means wine bottles will continue to be aggregated with all other glass beverage containers.

This is inadequate.

AGW has previously called for COEX to publicly report glass volumes by beverage type, including wine, spirits, beer and other beverages. AGW understands that the absence of this information is not because wine glass cannot be separately identified, but because COEX has not previously been required by the Queensland Government to report it separately.

The current regulatory reform provides a clear opportunity to address this gap.

Since November 2023, glass wine bottles have been eligible for refunds through Queensland's Container Refund Scheme. The wine sector is therefore making substantial financial contributions to the operation of the scheme. It is reasonable that industry, government and the community can identify how much wine glass is actually being returned through the scheme and assess the environmental outcomes attributable to its inclusion.

Reporting only aggregate "glass" data does not allow this assessment to be made.

In particular, it prevents government and industry from determining whether the inclusion of wine bottles has materially increased the overall recovery and recycling of wine glass, or whether wine bottles that would previously have been recovered through kerbside and commercial recycling systems have simply shifted into the CRS.

AGW recommends that the Regulation expressly require COEX to publicly report glass data disaggregated by beverage type, including wine, spirits, beer and other relevant beverage categories.

For wine glass specifically, reporting should include the number of eligible wine bottles supplied into Queensland, the number and weight returned through the CRS, the number and weight sent for recycling, recovery and recycling rates, and comparable historical data to allow trends to be assessed.

AGW considers that this information should be readily capable of being produced from scheme data. If COEX considers that there are technical impediments to reporting wine glass separately, AGW recommends that these impediments be clearly identified and that the Queensland Government require COEX to establish the systems

necessary to enable this reporting.

Disaggregated reporting is particularly important because the draft Regulation is intended to substantially improve the transparency and accountability of the scheme. A reporting framework that continues to aggregate all glass together would leave a significant gap in the Government's ability to assess the performance and cost-effectiveness of the scheme for different beverage categories.

4. Scheme performance should measure environmental outcomes as well as activity

AGW supports the requirement in proposed section 46F for a performance management plan.

However, AGW is concerned that some proposed measures focus principally on scheme activity and growth rather than the additional environmental benefit delivered by the scheme.

For example, increasing the number of registered containers, growing awareness or increasing the size of the scheme does not of itself demonstrate that the scheme is delivering efficient environmental outcomes.

This is particularly relevant for wine bottles. Wine bottles are predominantly consumed in homes and licensed premises, have historically had strong access to kerbside and commercial recycling systems, and account for less than 1 per cent of the litter stream. While litter reduction is a central objective of the CRS, improvements in overall litter rates do not demonstrate that the inclusion of wine bottles has delivered a measurable additional benefit. The relevant policy question is therefore not simply how many wine bottles are returned through CRS collection points, but whether their inclusion has resulted in additional recovery, recycling and litter reduction compared with the outcomes that would otherwise have occurred through existing recycling systems.

AGW recommends that scheme performance measures include, where data permits:

- recovery and recycling rates by major beverage/container category;
- changes in litter by beverage and container type, including wine glass, to assess whether the inclusion of individual container categories has delivered measurable additional litter reduction;
- changes in total glass recovery rather than simply movement between kerbside and CRS collection channels;
- the cost per additional container or tonne recovered or recycled; and
- the relationship between additional environmental outcomes and the costs imposed on suppliers and consumers.

These measures would support genuine assessment of whether scheme settings are delivering value for money and environmental benefit.

5. Transparency of supplier contribution methodology

AGW welcomes proposed section 46H, which requires the Product Responsibility Organisation to publish information about how estimated scheme costs and supplier contributions are calculated.

This is an important improvement.

Given that beverage suppliers ultimately fund the scheme, AGW considers that the requirement should provide sufficient information for suppliers to understand not only total scheme costs, but how those costs translate into the contribution rate applying to their particular packaging material.

The published methodology should therefore clearly identify:

- forecast container volumes and recovery rates by material;
- the allocation of direct and shared scheme costs between materials;
- assumptions used in calculating contribution rates;
- environmental or other cost factors applied to particular materials;
- the treatment of previous-year surpluses or deficits;
- any cross-subsidisation between materials or container categories;
- actual outcomes compared with forecasts; and
- the reasons for material changes in contribution rates from one pricing period to the next.

AGW also recommends that material changes to the contribution methodology be subject to meaningful supplier consultation before implementation.

The recent move to a revised pricing framework in Queensland demonstrates the importance of transparent methodology. AGW welcomes reforms that better recognise differences in recovery performance and costs between packaging materials. Greater transparency will allow suppliers to understand and have confidence in future pricing decisions.

6. Treatment of surplus and unspent funds

AGW welcomes the requirement in proposed section 46G for the governance and investment plan to explain how surplus and unspent funds from the preceding financial year will be used.

Given that these funds originate substantially from supplier contributions, their treatment should be transparent.

AGW recommends that the Regulation or associated guidance require disclosure of:

- the value of accumulated surplus and unspent funds;
- the reasons those funds accumulated;
- how the funds will be used;
- whether and how surplus funds will be taken into account when calculating future supplier contributions; and
- any material transfer or cross-subsidisation between different packaging materials.

AGW further recommends that COEX be required to report the financial contribution of individual beverage categories, including wine, to the scheme. For wine bottles, this should include the number of eligible containers supplied into Queensland, the total supplier contributions attributable to those containers, the number of containers returned and refunds paid, and the value of refunds associated with containers that have not been returned.

This information should be accompanied by an explanation of how unredeemed refund amounts are accounted for and used within the scheme, including whether they contribute to operating costs, accumulated surpluses or reductions in future supplier contributions.

Without this level of transparency, it is not possible for the wine industry to determine the extent to which its financial contributions are being used to fund the recovery and recycling of wine bottles, or to support broader scheme activities.

As a general principle, supplier contributions should reflect the efficient cost of operating the scheme. Where collections materially exceed actual scheme costs, consideration should first be given to reducing future contribution requirements rather than allowing unnecessary surpluses to accumulate.

7. National harmonisation and the single supplier portal

AGW strongly supports the express recognition in proposed section 46H of expenditure associated with harmonising the Queensland scheme with other Australian schemes.

This is welcome and consistent with the commitment made by Australia's Environment Ministers in March 2026 to urgently progress a national portal for beverage suppliers.

The proliferation of separate jurisdictional systems is creating an increasing regulatory burden for wine businesses that sell the same products nationally.

Businesses are currently required to navigate different registration processes, reporting requirements, supplier classifications, pricing arrangements, payment terms and packaging requirements across jurisdictions.

AGW recommends that Queensland's corporate planning and reporting requirements include information on progress towards national harmonisation, including:

- integration with the national supplier portal;
- mutual recognition and sharing of container and SKU information;
- alignment of registration and reporting requirements;
- harmonisation of labelling and barcode requirements; and
- steps being taken to avoid the introduction of new Queensland-specific requirements that would unnecessarily impede national consistency.

Queensland should seek wherever possible to build systems and processes that can be incorporated into the national architecture rather than creating additional jurisdiction-specific arrangements.

8. Complaints and independent escalation

AGW supports the requirement for a formal complaints management framework under proposed section 46K.

For the framework to provide confidence to scheme participants, it should clearly cover complaints made by beverage suppliers as well as refund point operators and consumers.

The framework should provide transparent information on how suppliers can lodge complaints, expected response and resolution timeframes, internal review arrangements, independent escalation pathways for unresolved matters, and reporting of complaint numbers, categories and resolution rates.

An effective complaints mechanism is particularly important where the PRO exercises substantial operational and financial power over suppliers participating in the scheme.

9. Existing scheme agreements

AGW notes the proposed transitional provision that the amended standard terms in Schedules 6 to 8 will apply only to scheme agreements entered into after commencement of the Regulation.

AGW understands the need to avoid retrospectively disrupting contractual arrangements. However, this approach could result in different protections applying to scheme participants depending solely on when their agreement was entered into.

AGW recommends consideration be given to requiring existing agreements to transition to the new standard terms within a reasonable period, or at the next renewal or variation of the agreement.

This would ensure that reforms intended to improve fairness, transparency and accountability ultimately apply consistently across the scheme.

10. Wine industry engagement

AGW continues to support reforms that strengthen the independence of the PRO while ensuring affected beverage sectors have meaningful input into decisions that directly affect them.

Wine has characteristics that differ materially from many traditional CRS beverage categories, including a large number of small and medium producers, multiple vintages and labels, long product life cycles and different consumption and recycling patterns.

Where wine industry representation is not provided directly through formal governance arrangements, AGW recommends that structured consultation mechanisms be established to ensure the wine sector is consulted on:

- supplier contribution methodologies;
- changes to reporting and registration requirements;
- national harmonisation;
- scheme performance measures; and
- other material regulatory or operational changes affecting wine suppliers.

Conclusion

AGW supports the Queensland Government's objective of strengthening transparency, accountability and oversight of the Container Refund Scheme. The proposed reforms represent welcome progress, but further clarification and targeted amendments are needed to ensure they deliver meaningful financial relief, proportionate regulatory requirements and transparent environmental outcomes.

AGW looks forward to continuing to work constructively with the Queensland Government and Container Exchange to ensure the scheme operates efficiently, supports national harmonisation and minimises unnecessary costs for Australian wine businesses.

Contacts

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