

**Department of State Development,
Manufacturing, Infrastructure and Planning**

Date: 10 June 2019
To: Queensland Productivity Commission
From: Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP)
Issues Paper: Container Refund Scheme price monitoring review

Question	Response
Approach to monitoring and reporting – impact on price of beverages	
1. Is the Commission's approach to reviewing prices appropriate? Are there alternative approaches that should be considered?	DSDMIP believes the approach is appropriate. DSDMIP notes the Independent Competition and Regulatory Commission (ICRC) of the Australian Capital Territory (ACT) is undertaking a similar review into their container deposit scheme, with the final report due in July 2019. DSDMIP believes it may be useful to review relevant key findings from the ACT review.
2. Is there evidence of price increases attributed to the scheme that are more than the scheme's cost per eligible container and refundable amount?	DSDMIP supports the review and notes that the pricing structures of markets (such as beer) impacted by the CRS are complex. The impact of the CRS on those markets may not always be clear and whether any fluctuation in price can be attributed to the CRS. DSDMIP provided the publicly available review information for the container refund scheme to the Independent Brewer's Association (IBA), who indicated they will prepare a submission. 'Action 8' of DSDMIP's Queensland Craft Brewing Strategy (page 29), provides that DSDMIP in partnership with the IBA and government agencies will "assist brewers to meet the requirements of the container refund scheme, 'Containers for Change'".
3. Is there evidence of price increases, attributed to the scheme, for beverages sold in ineligible containers?	Nil response.
4. Are there differences in price impacts as a result of the scheme on different beverage types, organisation sizes/types, or geographical region?	See response to Question 2.
5. Given there are neighbouring schemes, are there any cross-border impacts?	See response to Question 2.
6. How might the scheme influence beverage manufacturers' choice of beverage container?	See response to Question 2.

Department of State Development, Manufacturing, Infrastructure and Planning

7. Are differences in scheme prices between jurisdictions having an impact on production and availability of beverage products?	See response to Question 2.
8. How have captive market prices been impacted by the scheme?	Nil response.
9. Are there other factors the Commission should consider regarding scheme-related price changes?	Nil response.
10. The terms of reference to this price monitoring review require that the Commission examine other matters that would be relevant to the consumer interest. Are there other matters relevant to the consumer interest that the Commission should review?	Nil response.
11. Which markets should be included when the Commission is reviewing captive markets? What sorts of relevant data are available for captive markets?	Nil response.

Approach to monitoring and reporting - Competition

1. Has the introduction of the scheme had any unintended impacts on the market (for example, impacts on market efficiency, barriers, consumer and producer behaviour)?	The Resource Recovery Industries 10-Year Roadmap and Action Plan (currently in public consultation) notes that the WRIQ and the Local Government Association of Queensland have identified that due to the success of the CRS, glass collected through kerbside recycling bins has a reduced market value, with this resource becoming uneconomical to recycle. This is because glass collected through kerbside recycling bins has a higher level of contamination compared to glass collected through the CRS.
2. Has the scheme had different impacts on competition in different markets within the beverage industry?	See response Question 1.

Department of State Development, Manufacturing, Infrastructure and Planning

3. Are any cross-border issues affecting competition?	See response Question 1.
4. Have the governance and operation of the scheme changed competitive dynamics within the beverage market?	See response Question 1.
5. Have competition dynamics changed among eligible and non-eligible container beverages?	See response Question 1.
Approach to monitoring and reporting - Performance and Conduct	
1. Is the Commission's proposed approach to reviewing and reporting on unfair or unjust behaviour appropriate, or should the Commission adopt an alternative approach?	DSDMIP believes this approach is appropriate.
2. Are there instances of unfair or unjust behaviour and market outcomes as a result of the scheme? If so, what are they, who do they impact, and how extensive are they?	Nil response.
3. Are there elements of the scheme that result in systematic unfair or unjust behaviour and market outcomes? Do these elements relate to specific segments of the beverage industry, business type or beverage type?	Nil response.