

CONTAINER REFUND SCHEME

Price monitoring review

The Queensland Productivity Commission has been asked to monitor and analyse the price impacts of the Container Refund Scheme over the first 12 months of its operation. The underlying policy aim of this review is to ensure that consumer interests are protected from unjustified pricing behaviour and that any price increase is what would be expected or reasonable.

The interim report outlines the Commission's preliminary analysis and findings for the first seven months of the scheme (November 2018–May 2019).

Preliminary findings



Non-alcoholic beverages

Average price increase due to the scheme **9.5 cents**

Alcoholic beverages

Average price increase due to the scheme **8.7 cents**



- **Prices have increased, on average**, by just under 10 cents compared to the scheme price of 11.2 cents (inc. GST) per container.
- Pricing changes are consistent with what would be expected in a workably competitive market.
- Price impacts are consistent with those in other states that have similar schemes.
- Initial price impacts are similar in regional Queensland and Brisbane, as well as between small and large retailers.



- **Consumers have changed consumption behaviour** as a result of the scheme—consumption of non-alcoholic drinks has reduced by approximately 6.3 per cent, or 1.01 litres per household per month.
- Expenditure on non-alcoholic drinks is estimated to have increased by around 4.5 per cent per household per month.



- **Direct costs of administering the scheme** averaged 4.9 cents per container.
- Suppliers face other indirect costs of complying with the scheme.
- There is no evidence that the scheme has had a material impact on market competition to date.
- There is no evidence of poor performance and conduct of beverage manufacturers and retailers in relation to the scheme.



Have your say. Download the interim report here:

qpc.qld.gov.au/reviews/pricing-review-of-container-refund-scheme.

Written submissions on the interim report are due by 15 October 2019.