

18-D-02054

s 9(2)(a)

Auckland University of Technology

s 9(2)(a) @aut.ac.nz

Tēnā koe s 9(2)(a)

Thank you for your email of 27 September 2018 requesting the following:

- *I would like to request all information concerning the proposal of a container deposit scheme in New Zealand.*
- *I would like to request all correspondence from the New Zealand Packaging Forum with the Ministry for the Environment on the proposed Container Deposit Scheme.*

On 5 October we emailed you seeking clarification about your request and suggesting refinements. On 9 October you confirmed you were happy to accept our refinements, noting that for all correspondence from the New Zealand Packaging Forum you would like the scope to include correspondence relating to Forum member companies and funded initiatives.

Your request was therefore finalised as follows:

- *I would like to request all official advice (such as policy papers) relating to a container deposit scheme in New Zealand, that have been prepared or received by Ministry for the Environment between 23 September 2017 and 27 September 2018.*
- *I would like to request all correspondence about container deposit schemes from the New Zealand Packaging Forum, including its member companies and funded initiatives, with the Ministry for the Environment, between 23 September 2017 and 27 September 2018.*

Please find in the table below a list of the documents in scope of your OIA request.

Document numbers 1 to 7 are policy papers (briefings and memoranda) prepared by Ministry for the Environment. Documents 8 to 11 are email correspondence between the Ministry and the Packaging Forum (or Forum member companies). The majority of information within these documents is being released to you. A limited amount of information has been withheld for the following reasons:

- Where it has been provided to the Ministry confidentially;
- To protect Ministry officials' personal information (namely, mobile phone numbers); and
- Where the information is already publically accessible.



Links to the two publically available documents are as follows:

- Attachment to briefing note entitled: "Evaluating the costs and benefits of introducing a container deposit scheme in New Zealand": https://www.recycling.kiwi.nz/files/3014/6101/9990/CDS_report_2016.pdf.
- Attachment to briefing note entitled: "ACT CDS Consultation Regulatory Impact Statement": <https://www.tccs.act.gov.au/recycling-and-waste/drop-off/recycling/container-deposit-scheme/documents>.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

The Ministry for the Environment will release responses to some selected requests for official information on our [Official Information Act requests page](#) soon after the requester has received their response.

If you have any queries about this response please feel free to contact us.

Nāku iti noa, nā



Shaun Lewis
Director, Investments and Partnerships

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the Official Information Act 1982

List of documents

Document no.	Document date	Content	Decisions	OIA sections applied
1	6 December 2017	Memorandum: "Request for talking points and background information in preparation for media responses (Container Deposit Scheme)"	Release in part	S9(2)(g)(ii)
2	20 December 2017	Briefing note: "Container Deposit Schemes – Resource Pack"	Release in part	S9(2)(g)(ii)
3	20 December 2017	Attachment to above briefing note entitled: "Evaluating the costs and benefits of introducing a container deposit scheme in New Zealand"	Refuse	S18(d)
4	20 December 2017	Attachment to above briefing note entitled: "ACT CDS Consultation Regulatory Impact Statement"	Refuse	S18(d)
5	20 December 2017	Attachment to above briefing note entitled: "Responses to the Packaging Forum's Arguments Against a CDS (Container Deposit Scheme) for New Zealand"	Release in full.	N/A
6	2 May 2018	Briefing: "Managing beverage containers in New Zealand"	Release in part	S9(2)(g)(ii)
7	10 May 2018	Briefing: "Talking Points on Container Deposit Schemes – May 2018"	Release in part	S9(2)(g)(ii)
8	14 May 2018	Email: "RE: Appointment with Minister Sage".	Release in part	S9(2)(g)(ii)
9	22 May 2018	Email: "Wellington visit"	Release in full	N/A
10	23 July 2018	Email: "Visit to Auckland Tuesday 31 st July"	Release in part	S9(2)(g)(ii)
11	13 September 2018	Email: "Confidential – Rigid plastic food and beverage packaging".	With-hold in full.	S9(2)(ba)(i)



To Hon Minister Sage			MEMORANDUM
Date Submitted:	6/12/17	Response needed by:	None
MfE Priority:	Non-Urgent	Action Sought:	None
			Noting

Ministry for the Environment contacts

Position	Name	Cell phone	1 st contact
Principal author	Nigel Clarke	s 9(2)(g)(ii)	
Responsible Manager	Nigel Clarke (acting)		
Director	Hinemoa Awatere (acting)		x

Request for talking points and background information in preparation for media responses.

Container Deposit Scheme

Purpose

1. The purpose of this memorandum is to provide you with talking points following the release of Auckland Council's Cost-Benefit Analysis of a Container Deposit Scheme (CDS) and background information on container deposit schemes.

Talking Points

2. I would like to acknowledge Auckland Council's work on preparing a report on container deposit schemes.
3. Internationally container deposit schemes have operated successfully as a means of encouraging greater recycling of beverage containers and reducing litter.
4. We need to make it as easy as possible for people to stop littering and recycle.
5. I understand that in 2016 a Local Government New Zealand (LGNZ) remit was passed with 90 percent of councils in support of a national-mandated beverage container deposit system and the report does show that container deposit schemes could be useful.
6. New Zealand has a reasonably effective kerbside recycling collection system in place which both local government and business have invested heavily in.
7. It is important to have good information on how our recycling systems are working and to explore how we can make these better.
8. We now have an opportunity to work with interested parties across local government, recycling collectors, the container recycling industry, beverage container suppliers and retailers to potentially come to a mutually satisfactory solution on how to improve collections and recycling in New Zealand.

Background Information

Key messages

9. CDS is a different way of collecting containers for recycling. There is provision in the Waste Minimisation Act to put a national CDS into effect.
10. There has been a long and contentious history around whether CDS should be put in place in New Zealand, with different parties having significantly opposing views.
11. CDS puts the onus on container suppliers and retailers to collect and recycle their containers – which they do not currently as councils and rate payers bear that cost.
12. Internationally container deposit schemes have operated successfully as a means of encouraging greater recycling of beverage containers, reducing litter and providing community benefits such as job creation and support for charitable organisations.
13. In 2016 a Local Government New Zealand (LGNZ) remit was passed with 90 percent of councils in support of a national-mandated beverage container deposit system.
14. New Zealand has a reasonably effective kerbside recycling collection system in place which both local government and the private sector have invested heavily in.
15. Putting in place a CDS system may well cause kerbside recycling collections to become uneconomic but reducing kerbside systems would enable cost savings to local government.
16. Regardless of the collection systems we have in place, containers have to be processed into a new, saleable product. We need to improve our onshore processing capability in New Zealand.
17. There could be opportunities to work with interested parties across local government, the recycling industry and CDS proponents to potentially come to a mutually satisfactory solution which benefits all parties.

Information

Container Deposit Schemes and Legislation

What is CDS?

18. Consumers are provided with a financial incentive for returning containers, cans and bottles to designated recycling points. Scheme operators often provide a 10 cent refund per eligible container.
19. Beverage suppliers, which includes manufacturers, importers, wholesalers and retailers who supply eligible containers are responsible for funding a collection scheme and its associated costs.
20. Legislation would be required to put a CDS in place. Implementing a CDS system will require a substantial increase in resources from the Ministry.

CDS in New Zealand

21. CDS has been an ongoing discussion point in New Zealand for over ten years. There have been many workshops and conferences devoted to the subject.
22. There are different perceived problems for different sectors.

- a) CDS proponents see containers as waste and the total responsibility of the manufacturer
- b) Packaging companies see the issues in terms of waste, litter and brand management
- c) Local government see the issues in terms of the cost of kerbside recycling collection and processing and litter management costs
- d) The community tends to view containers as litter and its visual pollution and ease of collection for recycling.

Understanding CDS

23. There have been three major reports on CDS in recent times:
- i. Covec: Proposed Container Deposit System for New Zealand – February 2016
 - ii. Envision: The Incentive to Recycle – The Case for a Container Deposit Levy System in New Zealand 2015
 - iii. Auckland Council: Cost-benefit analysis of a container deposit scheme December 2017 (summary analysis below).

Key Points

24. CDS and kerbside recycling are two different forms of collecting recyclable materials.

Kerbside collections

25. Local government and the private sector have invested substantial sums in kerbside collection recycling systems and materials recycling facilities.
26. Costs of running kerbside systems are not insubstantial (recycling is a billion dollar industry) and beneficiaries of kerbside recycling (e.g. packaging companies) do not pay any of the costs of running the system.
27. Councils are looking to opt out of providing waste and kerbside recycling service to reduce operational costs in recycling collections. There are large opportunity costs in changing kerbside infrastructure and charging regimes if CDS is to be established. The Auckland Council Cost Benefit Analysis reports that CDS would operate alongside existing kerbside collections.

CDS collections

29. Different forms of CDS could be an opportunity to ensure costs are recovered from suppliers and retailers who as owners, share responsibility for the end-of-life cost of their products (product stewardship).
30. CDS has the opportunity to increase recycling rates for beverage containers and reduce materials entering landfills and contribute to litter reduction objectives.
31. CDS aligns with priorities related to circular economy. It provides the incentives for beverage containers to be returned in closed loops which will improve feedstock security for onshore processing as well as reduce material leakage to landfills or worse out into the environment (marine).
32. Australian experience shows that identifying appropriate managers of any future container deposit scheme is vital. The Auckland Council report suggests a managing agency comprised of representatives from industry, government (both local and central) and others would be responsible for monitoring and reporting on system performance as well as administering the system.

The issues we have regardless of the type of collection system

33. End commodity values still determine the cost effectiveness of any recycling system. Commodities need to have a value for it to be sensible to collect and process.
34. Quality of collections (e.g. colour sorted glass) and processed materials is a vital component of how well a recycling system performs and its ongoing viability (China's Green Sword programme stopping some recycled materials being sent to China is a clear example of the importance of quality).
35. Processing, new product development and sale of any commodity is an essential part of our recycling system. Without a viable end use and saleable commodity the system relies on ongoing subsidies to succeed. Subsidies are usually derived from taxpayers and ratepayers or government funds such as the waste levy.
36. Improving regional infrastructure and services and developing onshore processing is a part of our forward work programme and will be necessary regardless of whether we have CDS or kerbside collection systems.

Future considerations

37. The analysis of whether to introduce a CDS would need to consider:
 - a) The research methodology and findings of Auckland Council's Cost Benefit Analysis Report
 - b) The investment and impacts of a transition to CDS on our current infrastructure and services
 - c) Employment and environmental opportunities and impacts

Auckland Council Report: Cost-benefit analysis of a container deposit scheme

Summary analysis from the Ministry for the Environment

Background

38. Auckland Council (AC) as part of their statutory responsibilities under the Waste Minimisation Act (the Act) is committed to exploring waste minimisation options to achieve their vision of zero waste.
39. For this reason, AC recently commissioned an independent cost-benefit analysis (CBA) to assess the impacts of a mandatory, national container deposit scheme: *Cost-benefit analysis of a container deposit scheme* report.
40. Historically there have been opposing views on the benefits of CDS for New Zealand between those who support CDS and the beverage sector.
41. Two key reports have polarised this debate over the past few years. One report from Covec (commissioned by the beverage sector) and another undertaken by Envision (a waste minimisation and sustainability consultancy).
42. The report is intended to provide an independent analysis of the methodologies used in both these reports as well as data from nine territorial authorities who provided operational data for the report.

Key points from the report

43. Analysis shows that the national benefits of a container deposit scheme would be three to six times greater than the costs of implementing the scheme.
44. Detailed modelling showed that nationally councils could save between \$12.5 million - \$20.9 million per annum on recycling collection costs.
45. Additional savings of up to \$8.1 million per annum could be realised through reduced cost of waste to landfill and costs of litter collection and public space maintenance.
46. Recycling rates of beverage containers would increase from an estimated 45 per up to 82 percent.
47. The report anticipates that the CDS would operate alongside existing kerbside recycling activities.
48. Additional benefits such as job creation, greenhouse gas emission reductions, increased engagement with community recycling sector and other councils are expected but were not included in the quantified analysis in the report.


49. The authors of the report propose that legislative oversight and regulatory control is the responsibility of central government.

Signature



Hinemoa Awatere (Acting Director):
Hono Tātaki Resource Efficiency and Innovation

Date: 7/12/17



Hon Eugenie Sage
Association Minister for the Environment

Date

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To Hon Eugenie Sage, Associate Minister for the Environment			Tracking #: 2017-B-04123
<u>Security Level</u>	Un-classified	Number of Attachments	Three
Date Submitted:	20/12/2017	Response needed by:	None
MfE Priority:	Non-Urgent	Action Sought:	Noting

Container Deposit Schemes – Resource Pack

Key Messages

1. You have asked for a resource information pack on Container Deposit Schemes (CDS).
2. CDS have existed in many parts of the world for many years and contribute to significant waste minimisation in target material. CDS require full stakeholder engagement and can be closely linked to the circular economy model as well as product stewardship.
3. This year New South Wales initiated a CDS based on evidence from successful schemes in South Australia (in place since 1977) and examples from Europe including Germany (in place since 2002).
4. Attached to this briefing note are links to reports, websites and videos providing information on CDS including case studies in South Australia and Germany.

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Recommendations

- 5. We recommend that you note the information provided.

Signature

Shaun Lewis
 Director
 Mana Honohono – Investments and Partnerships Date

Hon Eugenie Sage
 Associate Minister for the Environment Date

Ministry for the Environment contacts

Position	Name	Cell phone	1 st contact
Principal author	Charlie Hanna		
Responsible Manager	Hinemoa Awatere	s 9(2)(g)(ii)	
Director	Shaun Lewis	s 9(2)(g)(ii)	x

Section 1:

This section provides an overview of three case studies from South Australia, New South Wales, Germany and the EU, where Container Deposit Schemes are well established.

Videos	<p>South Australia Container Deposit Scheme (2 minutes)</p> <p>This brief clip provides a basic overview of the successful nature of the container deposit scheme and how it operates and the way it benefits the environment, community and simultaneously.</p> <p>https://www.bing.com/videos/search?q=container+deposit+scheme+&&view=detail&mid=F6F0FC23CA7D997D5B7FF6F0FC23CA7D997D5B7F&FORM=VRD GAR</p>
Website	<p>EPA South Australia</p> <p>This website provides further information to the above video of South Australia's container deposit scheme with further links to the industry, collection depots and FAQ's.</p> <p>http://www.epa.sa.gov.au/environmental_info/container_deposit</p> <p>Beverage, packaging and Zero Waste</p> <p>This website gives a short insight into the three different ways to recycle containers. It identifies Container Deposit Schemes to be the most effective and gives a small case study of Germany and Sweden</p> <p>https://zerowasteurope.eu/2010/09/beverage-packaging-and-zero-waste/</p>
Report	<p>European Refunding Scheme for Drinks containers</p> <p>This report gives an overview as to existing and current initiatives on European policy for promoting the reuse and recycling of beverage packaging through container deposit schemes.</p> <p>http://www.efta.int/sites/default/files/documents/advisory-bodies/parliamentary-committee/jpc-reports/report-2011-10-26.pdf</p>

Section 2:

This section provides material that represents perspectives of the Beverage and Packaging industry

Website	<p>Glass Packaging Forum</p> <p>This website provides brief information of why, in the Glass Packaging Forum's opinion, a CDS is not necessary in New Zealand.</p> <p>http://www.glassforum.org.nz/container-deposit-system-analysis/</p>
Report	<p>Evaluating Costs and Benefits of Introducing a Container Deposit System for New Zealand</p> <p>This report produced by Covec and funded by the Packaging Forum's Public Place Recycling Scheme, gives an overview to some of the industry stakeholder's opinions and perspectives as to why they may or may not support a Container Deposit scheme in New Zealand.</p> <p>http://www.glassforum.org.nz/wp-content/uploads/CDS-report-2016.pdf</p> <p>Briefing Note – Meeting with the Packaging Recycling Group Scotland (PRGS) (2015)</p> <p>This briefing note from Scotland is an international example of the government engaging with the beverage and packaging industry. It brings together a number stakeholder opinions from the Packaging Recycling Group Scotland (PRGS) and provides alternative ideas to the implementation of a CDS</p> <p>https://www.documentcloud.org/documents/3409810-Jan-2015-PGRS-and-CC-With-Lochhead.html</p>

Section 3:

This section provides an overview of some New Zealand organisations who advocate for the implementation of a nation-wide Containers Deposit Scheme.

Section 3: Overview of New Zealand Organisations	
Videos	<p>Envision New Zealand; How Container Deposit Schemes work</p> <p><i>(4 mins 26 secs)</i></p> <p>This brief video goes into detail as to how a container deposit scheme would look and operate in New Zealand. It illustrates the life cycle of a container going through a deposit scheme and how it is a great example of product stewardship.</p> <p>https://youtu.be/vKhzcq_bSq4</p>
Website	<p>The Kiwi Bottle Drive</p> <p>This website provides an informative link to how the littering of containers adversely affects our coastal marine environment and how this can be mitigated through the adoption of a container deposit scheme</p> <p>https://kiwibottledrive.nz/</p> <p>New Zealand Product Stewardship council</p> <p>This website gives an outline of product stewardship and how a container deposit scheme can supports such stewardship. The New Zealand Product Stewardship council also provides links to articles from around the world where container deposit schemes have seen successful and effective waste minimisation.</p> <p>http://www.nzpsc.nz/</p>
Report	<p>Envision New Zealand; Incentive to recycle report</p> <p>This report gives an overview as to existing and current initiatives on European policy for promoting the reuse and recycling of beverage packaging through container deposit schemes.</p> <p>http://www.envision-nz.com/projects/incentive-to-recycle</p>

Section 4:

This section provides reports relevant to container deposit schemes both in New Zealand and overseas.

Reports	
Reports	<p>Envision New Zealand; The InCENTive to Recycle report</p> <p>This link will take you to the Envision New Zealand website, which will allow you to access the full Envision, 'The InCENTive to Recycle' report.</p> <p>http://www.envision-nz.com/projects/incentive-to-recycle</p> <p>Report for Auckland Council; Cost Benefit Analysis of a Container Deposit Scheme</p> <p>This link will allow you access to the Cost Benefit Analysis provided to the Auckland Council via the same Envision New Zealand site.</p> <p>http://www.envision-nz.com/projects/incentive-to-recycle</p> <p>New South Wales (NWS), Regulatory Impact Statement (RIS) for the container deposit scheme</p> <p>This link will take you to the New South Wales, Environmental Protection Authority where you will be able to access the RIS for their container deposit scheme.</p> <p>http://www.epa.nsw.gov.au/publications/recyclereuse/container-deposit-scheme-consultation-regulation-impact-statement-170224</p> <p>Container Deposit Legislation - Financial impacts; Policy background paper (Victoria)</p> <p>This link provides you with a report of analysis on the financial impacts of implementing a container deposits scheme and the process undertaken in the State of Victoria, Australia.</p> <p>http://www.epa.vic.gov.au/~media/Publications/883.pdf</p>

Appendix One

Figure 1

Container deposit Systems – How they work



Source: The InCENTive to Recycle report - <http://www.envision-nz.com/projects/incentive-to-recycle> (Page 14).

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Appendix Two

Please see attached hard copies of

- s 18(d) [Redacted]
- Envision New Zealand; Responses to the Packaging Forum's Arguments Against A CDS (Container Deposits Scheme) For New Zealand
- s 18(d) [Redacted]

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Decision-Maker Briefing:

RESPONSES TO THE PACKAGING FORUM'S ARGUMENTS AGAINST A CDS (CONTAINER DEPOSIT SCHEME) FOR NEW ZEALAND

envision | *new zealand*

OCTOBER 2017

This briefing document has been prepared by Warren Snow on behalf of Envision New Zealand Limited and with support of The Entrust Foundation.

External review has been provided by Marty Hoffart from Waste Watchers Limited.

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Disclaimer: Envision New Zealand Limited is an independent social purpose consultancy, based in Auckland, New Zealand. We have nothing to gain from the introduction, or otherwise, of a container deposit scheme in New Zealand.

envision | *new zealand*

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Cover photo provided by Algalita



INTRODUCTION

In 2015 Envision developed a model for a CDS (Container Deposit Scheme) for New Zealand. The report, 'The InCENTive to Recycle', demonstrated how a CDS could increase recycling of beverage containers by over 45,000 tonnes, create over 2,000 new jobs, and save local authorities millions of dollars in avoided litter and landfill costs.

Since then, support for introducing a CDS in New Zealand and overseas continues to gain momentum with:

1. 90% of local authorities in New Zealand calling for a mandatory CDS for New Zealand
2. After extensive research, the NSW, Western Australian, Queensland and ACT governments have elected to join Northern Territories and South Australia in introducing CDS to their regions
3. Scotland and Malta^v announcing they will introduce CDS's
4. England^v announcing it will set up a working group to investigate how a CDS could be introduced there

Despite these developments, and continued evidence of CDS working well overseas, The Packaging Forum, an industry body representing large packaging and beverage companies in New Zealand, have continued to assert that a CDS is not required in this country. This briefing document addresses their most common arguments in relation to this claim.

WHY CONTAINER DEPOSITS ARE A SOLUTION TO A PROBLEM NEW ZEALAND DOESN'T HAVE!

- 73%** of glass containers & 69% of all beverage containers are already recycled
- 96+%** of Kiwis have access to kerbside or community recycling
- Drink containers make up only **11%** of litter & less than a third of kerbside recycling
- Kiwis don't want to pay **13.5c** extra on every container – they want kerbside recycling
- Not all containers (like wine bottles) are covered under a CDS, but they are under a voluntary programme

read our report
visit glassforum.org.nz

Logos for Glass Forum, Environment NZ, and The Packaging Forum are visible at the bottom right.

Figure 1: Slide from a presentation to Local Government NZ by The Packaging Forum

"73% OF GLASS BEVERAGE CONTAINERS ARE ALREADY RECYCLED"

Based on the Packaging Forum's own figures, and production data provided by Owens Illinois, less than 50% of glass bottles are recycled in New Zealand.

The Packaging Forum, state that 214,156 tonnes of glass bottles are either produced in, or imported into, New Zealand annually^v. Owens Illinois^v state that 112,449 tonnes of cullet from glass bottles was recycled in 2014/15 and 107,818 tonnes in 2015/16.

Assuming an average of 110,133 tonnes of glass bottles are recycled by O-I back into glass bottles, that is just over 50% of the glass bottles produced or imported into New Zealand.

However, New Zealand's glass bottle production/importation figures may be higher than those supplied by the Packaging Forum^v, in which case the true recycling rate would be lower than 50%. Regardless, around 50% of all glass bottles produced in or imported into New Zealand are being dumped into large stockpiles or landfilled or littered. Some are put into roading applications. None of these endings for glass bottles can be described as recycling.

"63% OF ALL BEVERAGE CONTAINERS ARE ALREADY RECYCLED"

There are no jurisdictions in the world achieving this level of recovery without a CDS in place, and we can find no evidence to verify this claim in New Zealand.

'Bottled Up'^x, a recent report by the Container Recycling Institute in California, found that overall recycling rate for beverage containers in non-deposit states was 30%. This contrasts with the 66-96% recycled in the 11 U.S. states with active container deposit laws.

We can find no reason to suggest New Zealand current recovery rates are higher than that of non-deposit states in the USA.

"96 % OF KIWIS HAVE ACCESS TO KERBSIDE OR COMMUNITY RECYCLING"

This statement is as meaningless as saying '100% of homes have kitchens so why would you need restaurants?'. Most discarded beverage containers are from drinks consumed when away from the home. Kerbside recycling doesn't address these containers.

"DRINK CONTAINERS MAKE UP ONLY 11% OF LITTER"

The litter survey commissioned by the Packaging Forum, from which this statement has been drawn, was based on count rather than weight.

By weight, beverage containers are the largest single contributor to litter – especially in the marine environment. But even by count, if all beverage related waste is included, (bottles, bottle tops and straws) beverage container related waste comes out on top.

A 2014 Clean Up Australia report found that beverage containers and their associated rubbish made up

36% of all rubbish counted and were the highest percentage category of litter²⁵.

Data from the Ocean Conservancy^x, which organises the world's biggest annual marine clean-up event, puts beverage container related litter items (including cans, glass and plastic bottles, bottle tops and straws) found globally on the top of the list.

"KIWIS DON'T WANT TO PAY 13.5 CENTS EXTRA ON EVERY CONTAINER THEY WANT KERBSIDE RECYCLING"

The public only pay a \$0.10 deposit when they purchase their beverage. There is no additional cost. If they take it back for a refund, they get all their money back. If they throw it away, someone else can pick it up and get the refund. There is a small cost to the beverage industry of less than one cent per container to fund the system^x.

Overseas studies have shown no increase in the cost of beverages in deposit states compared to non-deposit states. One study^x showed that drinks were cheaper in American states with deposits. In 2006, research by the Tennessee campaign for a deposit system found that a 12-pack of Pepsi cans cost an average of \$4.22 in states which used deposits, (excluding the deposit), and an average of \$4.34 in states which did not yet use deposits.

"NOT ALL CONTAINERS (LIKE WINE BOTTLES) ARE COVERED UNDER A CDS, BUT THEY ARE UNDER A VOLUNTARY PROGRAMME"

Wine bottles are part of almost every CDS around the globe. The model developed by Envision includes wine and milk bottles. It also includes other container such as pouches and LPB (Liquid Paper Board), that the Packaging Forum's public space recycling scheme does not collect. Canadian CDS schemes also cover the foil bag in boxed wine and there is no reason why a NZ CDS couldn't also.

"5689 TONNES OF PACKAGING MATERIAL (WAS) COLLECTED FOR RECYCLING IN 2016 IN PUBLIC PLACE RECYCLING BINS"

Envision carried out a survey of Local Authorities in late 2015 to see how they thought public place recycling bins were performing. 16 Councils responded representing 48% of New Zealand's population. The survey found:

1. Contamination rates ranging from 2.5%^x up to 85%
2. An average contamination rate of 37%^{xv}
3. 'Collected' does not necessarily mean recycled, with some authorities admitting high contamination means much of the material is landfilled.

"SEPARATE COLLECTION SYSTEM WILL IMPACT THE ECONOMIC VIABILITY OF THE RECYCLING INDUSTRY"

CDS has been shown to reduce the costs of kerbside collections to councils, private companies and ratepayers. A report on the South Australian CDS system, commissioned by the South Australian EPA,

pointed out, “Councils benefit from ratepayers foregoing redemption of their container deposits.”^{xv} A recent report from the UK^{xv} showed that Councils in England would save 35 million pounds (\$65,254,000 NZD) per year if they introduced a DRS (Deposit Return System).

If, on average, New Zealand householders put out only four beverage containers in the kerbside collections each week, the contract payment by Councils to the contractor would reduce by around \$7.10 per household per annum. In a city like Auckland this equates to a saving of approximately \$6.4 million per annum.

This saving is further increased with CDS due to less return trips for unloading due to lower volumes. A halving in volume collected would improve efficiency by a factor of 1.5 because it increases the number of houses that can be visited by 50%.

"THE PACKAGING FORUM'S MEMBERS HAVE COLLECTIVELY INVESTED \$940,000 IN COMMUNITY/COUNCIL RECYCLING INITIATIVES IN 2016"

When the size of some the members such as Coca Cola and Lion Nathan are considered, an average contribution of \$4,700 per member, membership of the Packaging Forum seems a cheap way to ensure that mandatory product stewardship schemes for packaging are not introduced in New Zealand. Additionally, the Packaging Forum has received significant amounts of public funding for all of its programmes.

SOFT PLASTIC RECYCLING SCHEME

The Packaging Forum claims that 100 tonnes of soft plastics were recycled in 2016 representing 1.7% of the 5964 tonnes of plastic bags consumed annually (1.5 billion bags).

This is misleading because it refers to plastic bags, but their programme collects other types of soft plastic in which case the actual quantity of plastic bags collected is probably considerably lower than 100 tonnes. The Packaging Forum should adjust its figures to allow for these materials.

Compare that anaemic performance with the results of England's 5p plastic bag levy which resulted in an 85% drop in usage within six months of its introduction. Translated to New Zealand that would be a reduction of 5069 tonnes of plastic bags in one year.

The Packaging Forum is aiming for a pathetic 11% recovery of plastic bags by 2020, but this will likely require another Government hand-out to fund expansion of the scheme. On the other hand, plastic bag levies cost government nothing, produce remarkable results and create significant funds for community and environmental projects.

RECOMMENDATIONS FOR CENTRAL GOVERNMENT

Envision stands by the findings of our 2015 report, 'InCENTive to Recycle', and recommends:

Government declare beverage containers a priority product under the Waste Minimisation Act 2008 and set a national recovery target of 85%.

To achieve the 85% target, Government would require establishment of a national Container Deposit Scheme (CDS), in which producers would put a minimum refundable deposit on all beverage containers.

That Government introduce a plastic bag ban or levy to achieve the reduction rates of 85 - 90% typical of countries that have done so.

That Government investigate the cost-effectiveness of recycling programmes promoted by the Packaging Forum and related industry groups that have received large amounts of public funding with little public or stakeholder input or scrutiny.

REFERENCED REPORTS

The Incentive to Recycle

The case for a Container Deposit System in New Zealand, Envision New Zealand Ltd., November 2015 <http://www.envision-nz.com/projects/incentive-to-recycle>

Proposed Container Deposit System for New Zealand

Cost Benefit Analysis, Covec (2016). A report commissioned by the Packaging Forum to challenge the findings of Envision's Incentive to recycle report. <https://www.recycling.kiwi.nz/blog/container-deposit-system/>

Costs and benefits of a Container Deposit Scheme for New Zealand

Review of the Packaging Forum's 2016 Cost Benefit Analysis (CBA) of a Container Deposit Scheme (CDS) for New Zealand, 2016.

<http://www.cashforcontainers.co.nz/review-of-the-packaging-forums-2016-cost-benefit-analysis-cba-of-a-container-deposit-scheme-cds-for-new-zealand/>

APPENDIX: DATA ON PLASTIC BOTTLE USAGE

- 60 million plastic bottles are consumed per hour worldwide, equivalent to:
- 1.44 billion per day
- 43.8 billion per month
- 525.6 billion per year (just over half a trillion)
- The UK consumes 38.5 million plastic bottles per day (almost 2 per day per person)
- Coca Cola produces 100 billion plastic bottles per year or 3,400 per second

The British Plastics Federation admitted in evidence to the House of Commons that “making bottles out of 100% recycled plastic uses 75% less energy”, and that, “recycled content can be up to 100%”, but that “brands should not be forced to increase the recycled content of bottles”.

Research by Ellen McArthur Foundation, suggests between 5m and 13m tonnes of plastic enters the ocean every year, where it can be ingested by seabirds, fish and other organisms. The lower level of 5 million tonnes is equivalent of all New Zealand’s waste production being tipped into the ocean each year.

By 2050 the ocean will contain more plastic by weight than fish, according to research by the Ellen McArthur Foundation.

Scientists at Ghent University in Belgium recently calculated people who eat seafood ingest up to 11,000 tiny pieces of plastic every year

Less than half of all plastic bottles are recycled. In New Zealand, we estimate between 30 and 40% are recycled.

Countries with bottle deposit/refund systems recycle between 79 and 98%. In the USA, non-deposit states recycle on average 30% and deposit states between 66% to 96% depending on the design of the deposit scheme.

Much of the above information was taken from a referenced article in the Guardian newspaper. For the full article go to:

<https://www.theguardian.com/environment/2017/jun/28/a-million-a-minute-worlds-plastic-bottle-binge-as-dangerous-as-climate-change>

ENDNOTES

- Env s on (2015) The Incentive to Recycle, The case for a Container Deposit System for New Zealand
<http://www.gnz.co.nz/news-and-media/2016-media-releases/important-issues-debated-at-local-government-new-zealand-agm/>
- <http://www.zerowastescotland.org.uk/news-article/deposit-return-scheme-scotland>
- ^v <https://ovnma.ta.com/news/news-post/cs/13-major-panels-prime-minister-unveiled-today>
- ^v https://www.theguardian.com/environment/2017/oct/02/michael-gove-calls-for-vevs-on-setting-up-past-c-bottle-deposit-return-scheme?CMP=share_btn_fb
- ^v This may be understated as some glass bottle importers may not disclose the quantities—especially non-members.
- ^v Data provided by Penny Garland, Regional Cullet Manager, O-I As a Pacific in an email dated 22nd September 2017
- ^v The Packaging Forum on glass represents 80% of producers.
- ^x http://www.containerrecycling.org/index.php/publications/2013_bottled_up_report
- ^x <https://oceanconservancy.org/>
- ^x See page 39 of 'The Incentive to Recycle' report, www.envs-on-nz.com
- ^x <http://www.containerrecycling.org/index.php/publications/2013-bottled-up-report>
- ^x The council that provided the 2.5% figure has since explained that the contamination rates are much higher
- ^{xiv} The council recording 2.5% contamination has since revised the rest material upward considerably
- ^{xv} Container Deposit Legislation: Economic and Environmental Impacts Prepared for the South Australian EPA by Philip Consulting Pty, Ltd, March 2000 (Referred to as the Hudson report).
- ^{xv} See Table 8., Page 41, 'The Incentive to Recycle' report www.envs-on-nz.com



To: Hon Eugenie Sage, Associate Minister for the Environment			Tracking #: 2018-B-04334
<u>Security Level</u>	Unclassified	Number of Attachments	None
Date Submitted:	2 May 2018	Response needed by:	16 May 2018
MfE Priority:	Non-urgent	Action Sought:	Decision

Managing beverage containers in New Zealand

Purpose

1. You requested advice on container deposit schemes (CDS). This briefing note provides an initial analysis of information currently available and seeks agreement to commission further research to provide a robust basis for further policy work.

Key Messages

2. There is limited and variable data about the litter and environmental harm from beverage containers.
3. Of the available information, we understand that only half of the beverage containers used in New Zealand are recycled; and beverage containers make up about a fifth of the litter in New Zealand.
4. Public interest in plastic waste is currently high including concerns of plastic escaping into the marine environment.
5. A container deposit scheme is one method to address beverage container litter and waste. Three separate reports, using different methodologies, have been commissioned by New Zealand entities with varying conclusions about the benefits of implementing a container deposit scheme in New Zealand. Each highlights the lack of official information about recycling rates in New Zealand.
6. We consider that further work is necessary to gather evidence about the environmental harms and extent of the problem of beverage containers compared with other waste streams. By understanding the problem better, we will be able to develop targeted options and interventions. This would be required as part of any future policy development work to progress future options including the development of a container deposit scheme for New Zealand.
7. Pre-emptive action, without adequate information, risks existing investments, kerbside recycling programmes and misalignment with our work programme of accelerating the transition to a circular economy. Acting with a complete system view will allow you to take the most efficient and effective policy intervention to reduce the harm of plastics and other beverage containers.
8. We recommend that a discrete piece of independent research is commissioned to gather the evidence on the problem of beverage containers to inform the development of suitable options and interventions. We propose to fund this through the waste disposal levy and we will come back to you with a recommended provider and full costs for your approval via the weekly update. We estimate that we would be able to report back to you with our initial advice in three to four months.

Recommendations

9. We recommend that you:

a. **Agree** to the Ministry commissioning a discrete piece of research to gather evidence about the problem and identify suitable options for intervention.

Yes No

b. **Note** we will recommend a provider to undertake the research and full costs for your approval and funding through the waste disposal levy via the weekly status update.

Yes No

c. **Note** Once the results of this work are completed, we will advise you of the findings and provide next steps to address the issue.

Yes No

Signatures

p.p. Hinemoa Awatere

Shaun Lewis
Director, Mana Honohono, Investments & Partnerships

Date 2/5/18

E M Sage

Hon Eugenie Sage
Associate Minister for the Environment

20/5/18
Date

Ministry for the Environment contacts

Position	Name	Cell phone	1 st contact
Principal author	Emily Watson	s 9(2)(g)(ii)	
Responsible Manager	Hinemoa Awatere		
Director	Shaun Lewis		Y

Context

Current situation

1. New Zealand generates more than two billion beverage containers each year.¹ Most of these are made from recyclable materials, including glass, aluminium, HDPE plastic and PET plastic.
2. Although comprehensive data on these containers is not collected, current estimates indicate that between one third and one half of these containers end up in landfill or in the environment as litter².
3. Public interest in plastic waste is currently high, as evidenced by the many New Zealanders engaged in the plastic bag debate. There is also interest in single-use plastics and their harmful impacts on the marine environment. Plastic beverage containers contribute to the overall waste and plastics problem.

Beverage container recycling

4. Beverage containers can be recycled in New Zealand through residential kerbside recycling, commercial recycling services, public place recycling schemes (PPRS), and council-funded community recycling stations or transfer stations.
5. No official statistics are available about the number of containers recycled. As a result, CDS reports rely on unofficial estimates in their analyses. Sapere Research Group (2017) estimated that between 45% and 58% of glass, plastic and aluminium beverage containers (by number of containers) are currently recycled in New Zealand.²
6. In the absence of official data, we take this to be a reasonable estimate, indicating that about half of all beverage containers are not recycled.

Beverage container litter

7. In the absence of a cohesive system to gather national data, information about beverage container litter is inconsistent and isolated.
8. One source of information is the Packaging Forum's 2014-2015 National Litter Survey which found that drink packaging (comprising mostly beverage containers, but also disposable cups) made up 19.4% of all litter identified.
9. A current Ministry-funded survey by Keep New Zealand Beautiful seeks to address the lack of information about litter and to gain an understanding of the origin, volumes and composition of our litter. Results are expected in late 2018.

¹ Covec, 2016, *Proposed Container Deposit System for New Zealand: Cost-Benefit Analysis*, p.11 (2.1 billion); Envision, 2015, *The InCENTive to Recycle: The Case for a Container Deposit System in New Zealand*, p.34 (2.23 billion).

² Sapere Research Group, 2017, *Cost-benefit analysis of a Container Deposit Scheme*, p. 17. The range of 45%-58% reflects the estimates of recycling rates made by Covec (2016) and Envision (2015).

Defining the problem and potential options

The problem with beverage containers

10. There is currently limited and variable data about the litter and environmental harm from beverage containers.
11. Additional evidence is required to support defining the problem definition with beverage containers in order to inform suitable options for intervention.
12. This evidence will be required as part of any proposed regulatory intervention, including introducing a container deposit scheme. Acting with a complete system view will allow you to take the most efficient and effective policy intervention to reduce the harm of plastics and other beverage containers.

Container Deposit Schemes: An option for managing beverage containers

International experience of CDS

13. Container deposit schemes³ have been used internationally to address litter issues by providing consumers with economic incentives to return used beverage containers for recycling. Further details about container deposit scheme design are outlined in *Appendix One*.
14. Container Deposit Schemes have been implemented in various jurisdictions in Europe, North America, and Australia. Schemes have generally achieved positive results in decreasing beverage container litter and increasing the recycling of containers.
15. For example, the Ellen MacArthur foundation notes that the average recycling rate for the ten US states with schemes is 70%, compared with the overall US recycling rate of 34%. Two years following the introduction of container deposits in Hawaii, beach clean-up statistics noted a 50% reduction in beverage container litter.⁴
16. However, some jurisdictions have chosen not to establish a CDS. For example, in 2014 the Tasmanian government accepted the findings of a commissioned report that the costs of a scheme to industry and consumers would outweigh the benefits.⁵
17. Further investigation of overseas CDS schemes would be needed to more comprehensively inform the New Zealand context – this could involve gathering information such as any implementation issues experienced, or scheme management and governance arrangements. Some further information about international CDS schemes is provided in *Appendix Two*.

New Zealand reports on CDS

18. Three independent entities have commissioned work to explore options to reduce beverage container waste in New Zealand through a container deposit scheme. Each report arrives at a different conclusion.
19. The New Zealand reports are:

³ Schemes may be referred to as bottle deposit schemes, container refund schemes, or deposit return systems.

⁴ Reloop EU Platform, *Deposit Return: How it Works*, <http://reloopplatform.eu/videos-how-deposits-work-in-an-easy-to-understand-way/>.

⁵ The Age, 27 July 2017: *Victoria Open to "Going it Alone" on Plastic Bag Ban if National Deal Not Reached*.

- i. Envision (2015), *The InCENTive to recycle: the case for a container deposit system in New Zealand*. This report found that a container deposit scheme would create the highest recovery rates of beverage containers for the lowest costs and bring about positive impacts for local communities, the environment and the social sector.
- ii. Covec (2016), *Evaluating the Costs and Benefits of Introducing a Container Deposit Scheme for New Zealand*. This report, funded by The Packaging Forum's Public Place Recycling Scheme, found that, although a container deposit scheme might be expected to increase beverage container recycling rates, it would place a net cost of \$75m per annum on New Zealand society, equivalent to approximately \$2,200 per additional tonne recycled. Overall, this study concludes that the costs of a CDS would outweigh the benefits.
- iii. Sapere (2017), *Cost-Benefit Analysis of a Container Deposit Scheme*. This report, commissioned by the Auckland Council, set out to test Envision's methodology and found that, over a ten year period, New Zealand society would be \$184-\$645 million better off were a container deposit scheme to be implemented. Benefits were estimated to be at least three times the cost.

Preliminary analysis of New Zealand CDS reports

20. We have conducted a preliminary high level analysis of the three reports and identified a number of significant differences in the findings.
21. In the absence of official data, the reports used varying estimates for collection and recovery rates of beverage containers. Covec notes that about 58% of containers are currently recycled on a per container basis, and about 69% are recycled on a per tonne basis.⁶ Envision estimates that container recycling rates fall below 40%.⁷ Sapere creates a range of recycling rates between 45% and 58%.
22. Covec includes the costs for establishing reverse vending machines in its model, stating that this is the most cost-effective method of container collection. Sapere assumes that 80% of containers would be manually collected using existing infrastructure and believes this would be more cost-effective. Sapere notes that adaptation to infrastructure would be required, but may downplay the new pressures a scheme would place on existing material recovery facilities.⁸
23. The reports put forward different perspectives on the costs of households' participation in the scheme. Covec lists consumer participation as a key cost and factors non-work travel time into its calculations, whereas Sapere notes the difficulties in placing a financial value on an activity that consumers may be willing to pay for and engage in due to non-financial motivations.
24. The varying findings of the reports highlight the different methodologies used to assess the costs, benefits and impacts of a potential scheme; the lack of official information about recycling rates in New Zealand; and differing perspectives on the success of international container deposit schemes and the applicability of such schemes to the New Zealand context.

⁶ Covec, 2016, p.11. The difference accounts for the high return rate and weight of glass containers.

⁷ Envision, 2015, p.9.

⁸ Sapere, 2017, p.21.

Other considerations relevant to CDS

25. Developments in the waste and recycling industry, possible regulatory change, and aspects of New Zealand's recycling infrastructure may have an impact on the suitability of CDS here. Any future work should consider the following matters:

i. Lack of end markets and onshore processing capacity under a CDS

26. Even though a CDS should increase the proportion of beverage containers that are collected for recycling, the actual process of recycling is market-driven, and is subject to economic uncertainties.

27. For example, China has stopped accepting other countries' recycling material. Until now, much of New Zealand's recyclable material has been sold to China. As a result of this, New Zealand may experience difficulty selling recyclables to other countries.⁹ Although some types of beverage containers may still find markets offshore, consideration should be factored in to New Zealand's capacity to process increased volume of material expected under a CDS.

ii. CDS infrastructure – utilising existing versus creating new

28. Existing levels of recycling infrastructure (such as resource recovery centres and community recycling stations) differ around New Zealand. A CDS scheme may utilise existing infrastructure to some extent – for example, existing recycling stations may be used as container collection points.

29. Therefore, there may need to be more exploration of which regions could support CDS with existing infrastructure and which (if any) areas may need to consider additional investment. Estimated costs of any infrastructure investment would be important inputs into future analysis.

iii. Proposed changes to the Litter Act infringement regime

30. Proposed changes to the Litter Act infringement regime may result in higher penalties being applied to littering offences. This change (if it goes ahead) may reduce volumes of litter in New Zealand.

Next steps

31. If you wish to progress work to address beverage container litter and waste, we recommend the following next steps:

- i. Commission a discreet piece of work to gather evidence about the problem and identify suitable options for intervention. This will be required to inform any future policy development options, including a container deposit schemes.
- ii. We will recommend a provider to undertake the research and full costs for your approval and funding through the waste disposal levy via the weekly status update.
- iii. Once the results of this work are completed, we will advise you of the findings and provide next steps to address the issue.

⁹ Anecdotal evidence suggests that New Zealand recycling exporters are currently diverting recyclables to countries such as Thailand and Indonesia. Higher supplies of materials to these countries results in lower prices being received for some goods, in turn resulting in the stockpiling of some products in New Zealand.

Appendix One: Overview of a container deposit scheme

32. Container deposit schemes impose a refundable deposit on the sale of beverage containers. A fee is imposed at different points along the supply chain (usually it is charged to the beverage wholesaler) and passed on to the consumer. The extra charge is refunded to the consumer when the bottle is returned to a collection depot.
33. Collection depots can be manual or automated. They may be staffed depots at resource recovery centres where containers are sorted by hand (return-to-depot systems), or they could be automated reverse-vending machines installed in public places such as supermarkets (return-to-retail systems).
34. Containers collected at depots are sorted and transported to facilities where containers can be prepared for recycling onshore or offshore. Additional glass and paper containers may be recycled in New Zealand, but other containers will likely be exported for recycling.
35. The administration of the scheme, including the collection of deposits and the payment of handling fees, is usually organised by third-party managing agency. The managing agency would also gather performance data and report back to Government on the scheme. Any further analysis conducted in New Zealand could help to shed light on which groups might be best placed to act as a managing agency.
36. A nominal administration fee is usually charged to beverage producers for the management of post-consumer beverage containers. The rationale is that producers should pay these costs to take responsibility for the life-cycle of their products (polluter pays), in the same way that consumers who litter containers will effectively pay more.
37. Depending on how the scheme is designed, any unredeemed money not claimed back by consumers may go to the retailer or be put towards the scheme's administration.
38. A simplified diagram showing the workings of a scheme is included at Figure 1 below.

Figure 1: Container deposit scheme flow diagram (Envision, 2015)



Impact of a possible container deposit scheme

39. Placing a refundable fee on the sale of a beverage container would provide a small incentive, described as a 'nudge,' for people to hold onto the container and return it to receive the refund. The container would suddenly have a perceptible economic value.
40. Even where a consumer did not keep a container and claim the refund, an incentive would exist for a third person to redeem any littered containers. Charitable organisations may organise fundraising drives to clean up public spaces and cash in on the returns.

Appendix Two: Overseas examples of a container deposit scheme

International examples

- ✓ 41. Container deposit schemes operate in a number of jurisdictions worldwide. Well-designed schemes have achieved positive results in decreasing beverage container litter and increasing the recycling of beverage containers.

Australia

42. South Australia was the first Australian state to adopt a scheme, in 1977. Beverage containers currently make up 2.9% of litter in South Australia, compared to 13% in Western Australia and 8.7% in New South Wales, states which do not yet have container deposit schemes.¹⁰ The scheme is supported by 98% of members of the public, who perceive benefits in litter reduction across beaches, parks, streets and highways.
43. In 2011, the Northern Territory introduced a scheme based on the South Australian model. The Federal Court of Australia found in favour of Coca Cola Amatil that the scheme had breached the Commonwealth Mutual Recognition Act by unlawfully placing extra requirements on the sale of containers in other states. The Federal Executive Council then ratified an exemption from federal law for the state government.
44. New South Wales introduced a scheme in December 2017, also based on the South Australian scheme. It is the largest litter reduction initiative ever undertaken in the state and was opposed by industry throughout the consultation process.¹¹
45. Queensland has committed to introducing a scheme in November 2018. Western Australia has signalled a start date for a scheme of mid-2019.
46. The states of Victoria and Tasmania do not currently have schemes. In 2015, the Victorian state government has stated that a scheme's costs would outweigh its environmental benefits and that it could jeopardise the thriving kerbside recycling industry. It had previously rescinded a scheme which had been introduced in the state. In 2014, the Tasmanian government accepted the findings of a commissioned report that the costs of a scheme to industry and consumers would outweigh the benefits.¹²

¹⁰ Website of the South Australia Environmental Protection Agency, http://www.epa.sa.gov.au/environmental_info/container_deposit/faqs

¹¹ Industry groups proposed a solution of installing more recycling bins in public places.

¹² The Age, 27 July 2017: *Victoria Open to "Going it Alone" on Plastic Bag Ban if National Deal Not Reached.*

Europe

47. In January 2018, the European Commission announced a policy that all plastic packaging on the European market should be recyclable or reusable by 2030.¹³ Annex II of the policy listed within the list of measures recommended to national authorities and industries the development of “well-designed extended producer responsibility schemes and/or deposit systems, in consultation with the relevant sectors”.
48. The German *Einwegpfand* scheme was introduced in 2003 and modified in 2006. It charges different deposits on containers depending on the size of container and the material from which it was manufactured. The scheme has reduced littering but has not achieved its aim of incentivising the uptake of refillable bottles.¹⁴
49. In March this year, the United Kingdom government confirmed that it will introduce a scheme, subject to consultation which will be undertaken later in 2018.¹⁵
50. A number of Scandinavian Peninsula nations have implemented schemes. Sweden implemented a scheme in 1984, Iceland in 1989, Finland in 1996 and Denmark in 2002.

United States and Canada

51. Ten US states currently have some form of container deposit scheme. The Ellen MacArthur foundation notes that the average recycling rate for US states with schemes is 70%, compared with the overall recycling rate of 34%.
52. The recycling rate in Michigan, the state with the highest deposit, was 95% in 2013.¹⁶ Two years following the introduction of a 5 US cent deposit on beverage containers in Hawaii, beach clean-up statistics noted a 50% reduction in beverage container litter.¹⁷
53. Nearly all Canadian provinces and territories have introduced schemes. Jurisdictions with schemes have higher container collection rates than those which do not.¹⁸ For instance, the total return rate for containers in Quebec was 71.8% in 2014.¹⁹ A number of provinces and territories are investigating expanding their schemes.

Scotland

54. Last year, Scotland commissioned research into a scheme. The work programme has been criticised by the packaging, convenience stores and wholesale industries.²⁰ Zero Waste Scotland has been involved in gathering evidence and designing a scheme.

¹³ European Commission press release, 16 January 2018, http://europa.eu/rapid/press-release_IP-18-5_en.htm

¹⁴ Public Policy and Governance Review, *Cashing Bottles: The German Deposit Program*.

¹⁵ United Kingdom Government, *Deposit Return Scheme in Fight Against Plastic*, <https://www.gov.uk/government/news/deposit-return-scheme-in-fight-against-plastic>.

¹⁶ Ellen MacArthur Foundation, *The New Plastics Economy: Rethinking the Future of Plastics*, January 2016, p.37.

¹⁷ ReLoop EU Platform, *Deposit Return: How it Works*, <http://reloopplatform.eu/videos-how-deposits-work-in-an-easy-to-understand-way/>.

¹⁸ CM Consulting, 2010, *Who Pays What: An Analysis of Beverage Container Recovery and Costs in Canada*.

¹⁹ Bottle Bill, Quebec, <http://www.bottlebill.org/legislation/canada/quebec.htm>.

²⁰ *Scotland to Press Ahead with Bottle Deposit Scheme*, <https://www.packagingnews.co.uk/news/materials/rigid-plastics/scotland-press-ahead-bottle-deposit-scheme-06-09-2017>.

Released under Official Information Act

To: Hon Eugenie Sage, Associate Minister for the Environment			Tracking #: 2018-B-04568
<u>Security Level</u>	Unclassified	Number of Attachments	Nil
Date Submitted:		Response needed by:	N/A
MfE Priority:	Non-Urgent	Action Sought:	Noting

Talking Points on Container Deposit Schemes – May 2018

Purpose and Background

1. You are attending the Auckland launch event of an open letter asking the Government to introduce a container deposit scheme (CDS).
2. The open letter has been developed by a partnership comprising the “Kiwi Bottle Drive” campaign, community recycling group the Zero Waste Network, marae-based zero-waste programme Para Kore, and marine conservation charitable trust Our Seas Our Future. The partnership is particularly focussed on the issue of ocean plastics.
3. The Kiwi Bottle Drive campaign has run a petition via the online platform ActionStation to gather support to introduce a CDS in New Zealand. As at May 2018, the petition has received approximately 8,000 signatures.
4. On 2 May 2018, you received a briefing note (2018-B-04334, *Managing Beverage Containers in New Zealand*). Your decision about commissioning further research on CDSs in response to that briefing note will inform whether you wish to speak to the final paragraph of these talking points.

Ministry for the Environment Contacts

Position	Name	Cell phone	1 st contact
Principal author	Charlie Hanna	s 9(2)(g)(ii)	-
Responsible Manager	Hinemoa Awatere		-
Director	Shaun Lewis		Y

Event Details

Event Name	"Dear Beehive, it's time we talked about plastic"
Event purpose	Launch of an open letter asking the government to introduce a container deposit scheme (CDS)
Hosted by	The Kiwi Bottle Drive, Zero Waste Network, Para Kore & Our Seas Our Future.
Date	Tuesday 15 May 2018
Time	6.00pm – 7.30pm
Location	Auckland Central Library, 44-46 Lorne St, Auckland 1010.
Event details	Described as including guest speakers, zero waste experts sharing their knowledge, a short film viewing and general networking. Food and drinks provided.
Expected number of guests	Unknown
Key attendees	Unknown

Released under Official Information Act

Talking Points

1. I acknowledge the work of the Kiwi Bottle Drive campaign and its partners, in raising awareness about plastic pollution and marine litter in New Zealand.
2. Plastic packaging and associated pollution is of growing concern worldwide. Tackling waste, including plastic waste, is one of my priorities as Associate Environment Minister.
3. Container deposit schemes overseas have been shown to contribute to higher beverage container recycling rates and reduced litter. These schemes provide a financial incentive for consumers to return beverage containers for recycling.
4. However, three recent reports examining the potential costs and benefits of introducing a container deposit scheme in New Zealand have reached different conclusions, due to different methodologies, base data and assumptions.
5. The findings of these reports are limited by the fact that we do not yet have detailed national data on litter, nor recycling rates. Upcoming work by Sustainable Coastlines and Keep New Zealand Beautiful should help to build this data.
6. Further investigation about the viability of a CDS in New Zealand will need to take into account the recent 'National Sword' announcement by the Chinese Government, in which it imposed import restrictions on many recyclables. This has impacted New Zealand, as we previously exported some recyclables to China. Whether containers are collected via a CDS or other means, they still need to be recycled for their collection to be worthwhile.
7. Ultimately we need to design waste out of the system, by accelerating the transition to a circular economy, whereby products and nutrients are kept in use for longer periods.
8. **Optional:** *I have asked officials to commission research into possible interventions, including CDS, to address the problems of littering and sub-optimal recycling rates.*

From: [Nigel Clarke](#)
To: [Charlie Hanna](#)
Subject: FW: Appointment with Minister Sage
Date: Tuesday, 16 October 2018 1:29:12 PM
Attachments: [image001.jpg](#)
[image002.jpg](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.jpg](#)

Nigel Clarke
SeniorAnalyst
Hono Tataki
Resource Efficiency and Innovation
Investment and Partnerships Directorate

Ministry for the Environment – Manatu Mo Te Taiao
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23 Kate Sheppard Place, PO Box 10362, Wellington 6143

cid:image003.jpg@01D26A65.99010DF0



From: Neil Waka <neil.waka@ccamatil.com>
Sent: Monday, 14 May 2018 3:44 PM
To: Hinemoa Awatere <Hinemoa.Awatere@mfe.govt.nz>; James Walker <James.Walker@mfe.govt.nz>
Cc: Emily Watson <Emily.Watson@mfe.govt.nz>; Nigel Clarke <Nigel.Clarke@mfe.govt.nz>
Subject: RE: Appointment with Minister Sage

Kia ora Hinemoa

Thank you for letting me know, I know Nigel and happy to engage with him and will also catch up with him at the OI event on Friday.

Thanks again

Nga Mihi

Neil

From: Hinemoa Awatere [<mailto:Hinemoa.Awatere@mfe.govt.nz>]
Sent: Monday, 14 May 2018 3:35 PM
To: Neil Waka <neil.waka@ccamatil.com>; James Walker <James.Walker@mfe.govt.nz>

Cc: Emily Watson <Emily.Watson@mfe.govt.nz>; Nigel Clarke <Nigel.Clarke@mfe.govt.nz>

Subject: RE: Appointment with Minister Sage

Kia ora Neil,

Nga mihi o te wa ki a koe,

Nigel Clarke, senior analyst is the appropriate person to speak with, as he is our technical expert. I understand that you are attending the OI Glass event on Friday, and Nigel will touch base with you there. In the meantime, please make contact with Nigel via email to start a conversation,

Naku iti nei, na

Hinemoa Awatere
Manager, Hono Tataki, Resource Efficiency & Innovation
Mob: s 9(2)(g)(ii) [REDACTED]
Ministry for the Environment – Manatu Mo Te Taiao

From: Neil Waka [<mailto:neil.waka@ccamatil.com>]

Sent: Monday, 14 May 2018 3:26 p.m.

To: James Walker

Cc: Emily Watson; Hinemoa Awatere

Subject: RE: Appointment with Minister Sage

Beautiful, thank you kindly James and I really appreciate the recommendations.

Kia ora Emily and Hinemoa, I'd be very keen to meet with you to discuss CDS, especially as work is in the early stages.

We've just come back from NSW and SA touring various CDS associated facilities and I'd be happy to share some learnings with you.

How are you placed to catch up Thursday afternoon 24th May? Let me know what works.

Regards

Neil

From: James Walker [<mailto:James.Walker@mfe.govt.nz>]

Sent: Monday, 14 May 2018 3:08 PM

To: Neil Waka <neil.waka@ccamatil.com>

Cc: Emily Watson <Emily.Watson@mfe.govt.nz>; Hinemoa Awatere <Hinemoa.Awatere@mfe.govt.nz>

Subject: RE: Appointment with Minister Sage

Hi Neil,

The best thing to do would be to write to Teall in Minister Sage's office, who is cc'd, and make the request. It may be tricky to get an appointment that quickly, but it's worth a shot!

Teall.Crossen@parliament.govt.nz

RE CDS, there's probably not a lot to say from the Government side at the moment. We are doing some research into this topic over the coming months. This work is very early stages, and we do not have a set policy direction in mind. If you would like to share your thoughts, Hinemoa and Emily, cc'd are the right people to do so.

Cheers
James

From: Neil Waka [<mailto:neil.waka@ccamatil.com>]
Sent: Monday, 14 May 2018 2:58 p.m.
To: James Walker
Subject: Appointment with Minister Sage

Hey James

I hope you had a good weekend.

Just wondering if you think there might be a chance I could meet with Minister Eugenie Sage and if so, your recommendation on how I might be able to organise this?

I'm available in Wellington next Thursday afternoon 24th May or Friday morning 25th May.

I would like to be able to engage with her not only over the Plastics Declaration which is a great initiative but also discuss with her Government's thinking around CDS as we are investigating the possibility.

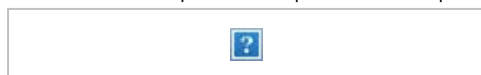
Happy for your thoughts.

Cheers

Neil

Neil Waka
Corporate Affairs Manager

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Charlie Hanna

From: Neil Waka <neil.waka@ccamatil.com>
Sent: Tuesday, 22 May 2018 9:04 PM
To: Nigel Clarke
Cc: Jay Hadfield
Subject: Re: Wellington Visit

Hey Nigel

That sounds good.

There is also another topic I would like to discuss that the Minister might be very interested in knowing about to do with closing the loop on recycling, but happy to talk to that when I'm in Wellington.

I look forward to staying in touch.

Cheers

Neil

Sent from my iPhone

On 22/05/2018, at 6:39 PM, Nigel Clarke <Nigel.Clarke@mfe.govt.nz> wrote:

Hi Neil

It was good to meet with you both as well. I talked briefly with James Walker and Jay about our meeting. Jay is going to see if he can find diary time for you to meet with either James Walker our Deputy Secretary or our Director Shaun Lewis.

I understand that James is also coming to your board meeting.

We should also stay in touch
Nigel

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: Neil Waka <neil.waka@ccamatil.com>
Date: 21/05/18 08:51 (GMT+12:00)
To: Nigel Clarke <Nigel.Clarke@mfe.govt.nz>
Subject: Wellington Visit

Hey Nigel

Thanks for taking the time to come over to the office it was good to talk CDS and other things.

As I mentioned, I'm in the capital this Thursday for the launch of the new Smart bins (I'll probably land just in time) is there anyone you suggest I meet with while there? Happy for your recommendations.

Anyway, just wanted to thank you again and I look forward to catching up again soon.

Have a good week.

Cheers

Neil

Neil Waka
Corporate Affairs Manager

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Charlie Hanna

From: Nigel Clarke
Sent: Tuesday, 16 October 2018 1:23 PM
To: Charlie Hanna
Subject: FW: Visit to Auckland Tuesday 31st July

CDS

Nigel Clarke
Senior Analyst
Hono Tātaki
Resource Efficiency and Innovation
Investment and Partnerships Directorate

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23 Kate Sheppard Place, PO Box 10362, Wellington 6143



Making Aotearoa New Zealand
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Aotearoa - he whenua mana kura mō te tangata

From: Neil Waka <neil.waka@ccamatil.com>
Sent: Monday, 23 July 2018 1:52 PM
To: Nigel Clarke <Nigel.Clarke@mfe.govt.nz>
Subject: Visit to Auckland Tuesday 31st July

Hey Nigel

I hope your weekend went well.

Next week, our CDS expert, Jeff McGuire, will be in town from Australia and I thought it might be a great time to introduce you to him and for you to be able to pick his brain on all things CDS and what they're doing in Aus if that's of interest to you?

Hoping of course the timing works for you.

He doesn't come across here that often but I wanted to see what your morning was like on Tuesday 31st July and if you might be able to be in Auckland? If not we could try to rearrange the afternoon if that suited better?

Let me know what you think.

Hear from you soon.

Cheers

Neil

Neil Waka

Corporate Affairs Manager

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