



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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Container Return Scheme for Aotearoa New Zealand: Public Consultation

Portfolio **Environment**

On 17 February 2022, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that investigating a container return scheme for New Zealand (NZ CRS) is a Labour Party Manifesto commitment, was recommended to be implemented by the Prime Minister's Chief Science Advisor in 2019, and aligns with the New Zealand Labour Party and Green Party of Aotearoa's Cooperation Agreement;
- 2 **noted** that the aim of a CRS is to increase the recovery and recycling of eligible beverage containers, reduce litter, and contribute to New Zealand's transition to a low emissions, circular economy;
- 3 **noted** that in October 2021, Cabinet provided in-principle direction on proposed design considerations for a NZ CRS and invited the Minister for the Environment to prepare a draft consultation document on the option of a NZ CRS for New Zealand [CAB-21-MIN-0402];
- 4 **noted** that in line with Cabinet's in-principle direction, the draft consultation document proposes the following key design parameters for a NZ CRS:
 - 4.1 a broad scope of eligible beverage containers to be included in a scheme, including all single-use metal, plastic (PET, HDPE, PP and recyclable bio-based PET and HDPE), glass and liquid paperboard containers, but exempting fresh milk in all packaging types;
 - 4.2 a refundable deposit level of NZD 20 cents per container;
 - 4.3 a 'mixed model' return network using mandatory return-to-retail to ensure convenience and accessibility for consumers, while allowing voluntary participation to establish depots and other return points (for commercial volumes, or access in rural communities);
 - 4.4 a 'deposit financial model' that requires beverage producers to pay the deposit and scheme fees on all beverages sold to market (regardless of whether the beverage container is returned);

- 4.5 a scheme that is industry-led, recognising the robust regulatory framework, but providing opportunity for the industry to operate the scheme as efficiently as possible;
- 5 **noted** that a 'scheme fee' would be used to cover the costs of managing a scheme (modelled at a net cost of NZD 3-5 cents (+GST) per container);
- 6 **agreed** to public consultation on the above proposed options for a NZ CRS;
- 7 **noted** that the paper under ENV-22-SUB-0002 accompanies a separate Cabinet paper titled *Public consultation on proposals for improving household kerbside recycling and managing business food waste* [ENV-22-SUB-0003] which provides advice on part 2 of the draft consultation document concerning proposals to improve kerbside recycling and the separation of commercial food waste;
- 8 **approved** the release of the consultation document titled '*Transforming recycling*' attached under ENV-22-SUB-0002;
- 9 **authorised** the Minister for the Environment to make editorial and minor technical changes to the draft consultation document and prior to its release, in line with decisions agreed by Cabinet;
- 10 **invited** the Minister for the Environment to report back to Cabinet on the development of options for a NZ CRS before the end of 2022.

Vivien Meek
Committee Secretary

Present:

Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Damien O'Connor
Hon Willie Jackson
Hon Michael Wood
Hon Phil Twyford
Rino Tirikatene, MP

Officials present from:

Office of the Prime Minister
Officials Committee for ENV
Ministry for the Environment