

TAKING ACTION

3.3

Recommended  
actions  
for central  
government  
to support  
the growth  
of reusable  
packaging

# 3.3 Recommended actions for central government to support the growth of reusable packaging

This report was partly funded by a Resource Wise Community Grant, managed by Tauranga City Council. The scope of the grant included consideration of the role council and industry can play in supporting the growth of reusable packaging in Tauranga. However, both the literature and the interviews we held with key stakeholders highlighted the absence of key enabling conditions to make reuse viable, affordable and accessible in New Zealand. These enabling conditions rely on economic and infrastructural settings that are established through central government regulation and strategic investment.

Accordingly, to supplement our recommendations to council and industry, we have compiled a preliminary list of recommended central government actions that would increase the uptake of reusable packaging. However, the topic deserves further research and attention. We note that this chapter goes beyond the scope of the original grant, and has therefore been self-funded by Reuse Aotearoa.

For more information about the appropriateness and necessity of central government action to support reusable packaging and create the enabling conditions for it to scale, see our *Setting the Scene* chapter on the current barriers to reusable packaging and the case for supportive action from government and industry.

## CENTRAL GOVERNMENT'S ROLE IN SUPPORTING THE GROWTH OF REUSABLE PACKAGING

“A successful transition into reusable/refillable products is highly unlikely without government intervention.”<sup>1</sup>—Kunamaneni et al (2019)



As discussed in our *Setting the Scene* chapters, to date, the primary response to ballooning single-use packaging waste has been to substantially invest in waste disposal and recycling services and infrastructure. These systems now act in competition to fledging reusable packaging systems. Given the growing recognition that we cannot recycle our way out of the current waste crisis, Government has a leadership role in signalling, implementing and managing the transition to a more circular economy that focuses at the top of the waste hierarchy.

We recommend that central government uses its powers of policy, regulation and investment to ‘demarket’ single-use, emphasise and promote reuse over recycling, and facilitate innovation around products and business models based on reuse.<sup>2</sup> We acknowledge the Government is currently implementing a range of reforms across waste legislation, investment funds, and its strategic approach to waste. There is far greater political willingness to use regulations to phase-out certain products, and introduce product stewardship schemes to internalise the costs of single-use packaging, including a beverage container return scheme. The Government has established new funds to build New Zealand’s capacity to reduce waste, such as the Plastics Innovation Fund, and has proposed waste-related Action and Investment Plans to give greater strategic focus to policy and investment aimed at supporting New Zealand’s move towards a circular economy.

Throughout this reform process, more attention must be given to the waste hierarchy to ensure that

all proposals and investment allocations are geared towards producing source reduction outcomes. This necessarily requires a marked shift towards prioritising reusable packaging systems over recycling. Decades of investment in disposal and recycling has helped to entrench the unequal playing field upon which single-use and reusable packaging now compete. Therefore, public prioritisation of reuse has to involve extra, targeted measures to benefit reusables and support the reusable packaging industry to catch-up after historical neglect.

## RECOMMENDED CENTRAL GOVERNMENT POLICY AND REGULATORY ACTIONS

“Reset the regulatory environment... If government pushes up costs on one-way packaging with levies and so on, then you put a spotlight or priority that hasn’t been put on it before. Product stewardship is another one – saying to manufacturers they need to be responsible for the lifecycle of their product. This might lead them to rethink one-way packaging.”—Reusable packaging provider interviewee



This list of targeted central government policy and regulatory actions reflect the recommendations and observations of interviewees, as well as the growing international literature on reusable packaging policy.

### 1 **Implement legally binding consumption reduction and reuse targets**

Ensure new waste legislation sets binding target reductions for packaging waste generation and overpackaging (based on units, not only weight), combined with binding reusable packaging targets, and penalties for failure to meet the targets.<sup>3</sup> Reuse targets should be applied to different sectors, with separate targets for product manufacturers, retailers

and hospitality.<sup>4</sup> This would help to accelerate alignment, collaboration and shared responsibility across supply chains, and also enable more ambition for sectors that are in a better position to implement reuse (e.g. transit packaging).<sup>5</sup> Reuse targets should be combined with a sinking cap on single-use packaging put on the market.<sup>6</sup>

### 2 **Mandatory reporting requirements, data and metrics**

Introduce mandatory reporting requirements for all sectors to report publically on the packaging, including reusable packaging, which they put on the market, by unit as well as by tonnage.<sup>7</sup> These requirements are essential to measure progress against reduction and reuse targets and to build knowledge and data of New Zealand’s activity at the reuse layer of the waste hierarchy. Government must also lead in developing better data on reuse and tools for measuring the impact of reuse and the circularity of different packaging types, to enable these factors to inform policy-makers when they assess the various options for packaging policy.<sup>8</sup> Note that the absence of data now, must not delay the adoption of ambitious targets to transition to reusable packaging.<sup>9</sup>

### 3 **Deposit return schemes**

Adopt greater use of deposit return schemes for packaging items that include and go beyond beverage containers.<sup>10</sup> Ensure these schemes are designed to stimulate greater uptake of reusables, not only more recycling.<sup>11</sup>

### 4 **Disincentivise single-use and incentivise reuse**

Implement a single-use packaging levy or fee (visible to the consumer) for each single-use packaging unit, and consider reinvesting levy funds in businesses doing reusable packaging.<sup>12</sup> Products in reusables should be more accessible and cheaper than equivalent products in single-use packaging.<sup>13</sup> In addition, offer economic and tax incentives or subsidies for businesses using or

offering reusable packaging options to customers or other businesses (for example, to relieve pressure on freight costs<sup>14</sup>), and support to develop standardised and interoperable reusable packaging formats, infrastructure and logistics to enable faster scalability, cooperation and reduced costs.<sup>15</sup>

“We need to explore tax incentives because reuse is a green way of doing things, plus material recovery facilities would not need to be collecting single-use packaging and trucks wouldn’t need to be carrying things to recycling and landfills.”—Reusable packaging business interviewee



## 5 **Phase-out single-use and mandate reuse**

Ban single-use serviceware, and any packaging containing toxic chemicals of concern or problematic materials.<sup>16</sup> Set an overall sinking lid on the amount of single-use packaging put on the market.<sup>17</sup> Furthermore, create regulations that require reusable packaging in certain instances, such as: an obligation to sell certain products “loose” via refill by bulk dispensing systems (e.g. fruit and vegetables);<sup>18</sup> a requirement that all hospitality outlets and institutions serving food and drink have a reusable serviceware option that is not more expensive than the disposable option; and a stipulation that reusables become mandatory for on-site dining (e.g. Chile, Germany, Berkeley, California).<sup>19</sup> Furthermore, outlets and institutions dispensing serviceware should be required to takeback used serviceware.<sup>20</sup>

## 6 **Product stewardship designed to increase reuse**

Implement regulated product stewardship of all single-use packaging that fully internalises the lifecycle cost (in order to level the playing field between single-use and reuse) and that includes specific measures and levers to achieve waste prevention outcomes beyond recycling,

including eco-modulating fees.<sup>21</sup> Schemes could be required to cross-subsidise the development of reusable packaging systems.<sup>22</sup>

“If packaging had to deal with its end-of-life issues, financially, then we’d be in an even playing field.”—Nada Piatek, AgainAgain (2022).<sup>23</sup>



## 7 **Material agnostic regulation of single-use packaging**

Regulate single-use packaging, not just single-use plastics. Regulating only one material type will likely lead to companies simply switching to disposable packaging of another material,<sup>24</sup> when “all single-use products create waste and cause unnecessary harm to the environment and public health.”<sup>25</sup> Similarly, the ban-only approach to single-use plastics is not sufficiently flexible to create a systemic shift within the packaging system from disposables to reusables – more nuanced and creative policymaking is required.<sup>26</sup>

## 8 **Public procurement**

Specify reusable packaging/unpackaged goods as an important part of public procurement, e.g. all-of-government contracts.<sup>27</sup> Require public agencies, associations and institutions, including hospitals and universities, to increase the proportion of reusable packaging/unpackaged goods versus single-use packaging, and to report against this.

## 9 **Invest up the waste hierarchy**

Follow the waste hierarchy when allocating funding and investment towards packaging waste minimisation, and ring-fence increased financing for source reduction and reuse initiatives and associated infrastructural needs.<sup>28</sup> This approach should be built into any reform of the Waste Minimisation Fund and Plastics Innovation Fund, and as the waste disposal levy increases. Prioritising investment and infrastructure for source reduction

should also be central to any proposed Action and Investment Plans, and in any activity to fill waste and resource recovery infrastructure gaps.<sup>29</sup>

#### 10 **Act as a broker to pilot and develop reuse capacity**

Bring different supply chain actors and industry leaders to the table to collaborate to increase reusable packaging in supply chains. Facilitate the development of standardised containers, harmonised systems and shared infrastructure to enable environmental and cost efficiencies. Where needed, offer public investment in reusable packaging systems and trials, and accompanying research to develop best practice approaches,<sup>30</sup> and ensure resource recovery networks (such as the container return scheme returns network) cater to reusable packaging as well as single-use.<sup>31</sup>

#### 11 **Leadership in ensuring the transition to reusables is best-practice**

Provide guidance, as well as setting minimum standard requirements, for reusable packaging systems. This should include official definitions of reusable packaging in law, as well as basic design features of both containers and the system (as discussed in our *Setting the Scene* chapter report *What is Reusable Packaging and Why is it Important?*)

These minimum standards will help to harmonise reusable packaging systems around best practice and maximise potential environmental and economic benefits from the outset.<sup>32</sup>

#### 12 **Widen enabling conditions and connect the dots across Government**

Ensure that policy, regulation and investment across government agencies takes into account the need to increase uptake of reusable packaging, and support with this transition. For example, the Ministry for Business, Innovation and Employment should work to understand the jobs in reuse and support business model innovation

up the waste hierarchy, and Ministry for Primary Industries should also support industries to transition to adopting reusable packaging for their products. Cross-agency work would also include efforts to remove unjustified regulatory barriers to reusable packaging in areas beyond waste policy, such as food safety law and infection prevention control, where appropriate.<sup>33</sup>

#### 13 **Increase the costs of disposal**

Increase the landfill levy to much higher levels to incentivise waste minimisation in large waste producers, such as the construction sector. Note that landfill levy increases alone are likely to have minimal impact on incentivising a shift to reuse for household packaging.<sup>34</sup>

### MORE RECOMMENDED ACTIONS TO INCREASE REUSE.

Other groups have a role to play in increasing the uptake of reusable packaging too. Find recommendations for local government and industry groups in the other *Taking Action* chapters of this report.

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