

Response ID ANON-7B29-WJKJ-T

Submitted to Quick submission - Transforming recycling
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Your details

1 What is your name?

Name:
Kim Renshaw

2 What is your email address?

Email:
reuse@reuseaotearoa.org.nz

3 Which region are you in?

Select your region:
Not applicable – national organisation

4 What is your local council?

Select your local council:
Not applicable – national organisation

5 Are you submitting as an individual or on behalf of an organisation?

Organisation

Your organisation's details

1 Name of organisation

Name of organisation:
Reuse Aotearoa

2 Type of organisation

NGO

Other: please specify here:

Have your say

1 Do you want to answer questions about the Container return scheme?

Yes

Have your say

1 Do you want to answer questions about the separation of business food scraps?

No

Container Return Scheme (NZ CRS)

Another way to give feedback

1 Do you agree with the proposed broad scope of beverage container material types to be included in the NZ CRS?

Yes

Additional comments (optional):

2 Do you agree with the proposal to exempt fresh milk in all packaging types from the NZ CRS?

No

Additional comments (optional):

Exempting milk will delay the advancement of reusable beverage packaging for a drink (milk) that is making some of the most gains towards reuse. Internalising the costs of single-use milk bottles through inclusion in the CRS - so that the actual fiscal costs of these bottles better reflect their environmental impact - would help accelerate milk producers' uptake of reusable beverage packaging instead (reusable bottles, milk vending machines, kegs).

3 Do you support the proposed refund amount of 20 cents?

Yes

Additional comments (optional):

4 How would you like to receive your refunds for containers? Please answer all that are relevant and select your preference.

Q: How would you like to receive your refunds for containers? - Cash:

Strongly preferred

Q: How would you like to receive your refunds for containers? - Electronic funds transfer (eg, through a scheme account or mobile phone app):

Strongly preferred

Q: How would you like to receive your refunds for containers? - Vouchers (for cash or equivalent value product purchase):

Q: How would you like to receive your refunds for containers? - Donations to local community organisations/charities:

Q: How would you like to receive your refunds for containers? - Access to all options:

Q: How would you like to receive your refunds for containers? - Other:

Other: please specify here:

5 Which types of location/s would you find the easiest to return eligible beverage containers to? Please answer all that are relevant and select your preference.

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Commercial recycling facility:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Waste transfer station:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Other community centres/hubs:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Local retail outlet that sells beverages:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Supermarket:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Community recycling/resource recovery centre:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Shopping centre/mall:

Q: Which types of location/s would you find the easiest to return eligible beverage containers to? - Other:

Other: please specify here:

6 Do you support the implementation of a Container Return Scheme (CRS) for New Zealand?

Yes

Not Answered

Additional comments (optional):

Yes, see our answer to Q7.

7 Do you think refillable beverage containers should be included within a scheme in the future?

Yes

Additional comments (optional):

WHO WE ARE

Reuse Aotearoa is a national organisation dedicated to building the momentum and capability to scale reusable packaging systems in New Zealand. We focus on understanding and telling the story of reuse, and fostering collaboration to bring reusable packaging systems to life and grow their strength and presence across the motu. Within our team and wider advisory group, Reuse Aotearoa includes those with expertise in: reusable packaging, industry and business sectors, zero waste and the circular economy, law, design and lifecycle analyses, and container return schemes and product stewardship.

OUR KEY ASKS

We support the implementation of a beverage container return scheme (CRS) for New Zealand. The CRS must be designed with an express goal of increasing the market share for reusable beverage packaging, from the outset (not “the future”). Our three key asks are that:

1. Reusable beverage containers are included in the CRS, or that producers using/providing reusable beverage packaging are able to opt-in to the scheme.
2. The CRS includes binding and ambitious refillables targets that apply to the beverage sector as a whole, alongside granular and specific targets for individual beverage producers, retailers and hospitality outlets.
3. The overall CRS scheme design and the scheme fee structure include various policy measures, incentives and targeted support to drive the uptake and growth of reusable beverage packaging, while disincentivising single-use packaging.

WHAT IS REUSABLE BEVERAGE PACKAGING?

Reusable packaging systems for beverages include returnable bottle systems (e.g. Swappa Crate, glass bottle milk swaps) and refill by bulk dispenser systems where drinks are vended ‘on tap’ either in hospitality settings or retail/off-licence (e.g. kegs, milk vending machines). In this submission, when we talk about including reusables in the CRS, we are referring to returnable bottles. However, the wider measures (targets, incentives and support) would cover both models.

WHY SUPPORT REUSABLE BEVERAGE PACKAGING?

Successive Kantar Better Futures surveys have shown that the New Zealand public is highly concerned about waste, plastic pollution and overpackaging. The latest 2022 Better Futures report also showed that the public expects Governments, business and brands to lead in addressing pressing environmental issues like waste and climate change. Leveraging the CRS to support reusable packaging systems is one way the Government can support businesses to respond to these concerns simultaneously. Some parts of the beverage industry are publicly calling for Government leadership to help grow the reusable packaging sector, e.g. a joint submission led by New Zealand beverage manufacturer, Chia Sisters, for the proposed CRS to prioritise reuse.

When compared to single-use, reuse systems:

- Have a lower overall emissions and materials footprint.
- Enable a shift away from plastic packaging without an increase in carbon footprint.
- Operate higher up the waste hierarchy and are more circular because packaging can complete multiple cycles without needing reprocessing between each cycle.
- Advance the growth of new circular business models and green jobs in the reuse sector.

As such, replacing a proportion of the 2.5 billion single-use beverage packaging units that New Zealanders go through each year with reusable/refillable alternatives would also support the Government’s main stated objectives of the CRS, as well as wider outcomes discussed throughout the consultation document, including reducing beverage packaging waste going to litter and landfill, increasing the circularity of the beverage packaging system and community benefits, and reducing emissions associated with the beverage packaging system. In addition, because each reusable container replaces multiple single-use equivalents, increasing the market share for reuse will help to align New Zealand’s rates of packaging consumption with onshore processing capacity and reduce our reliance on exporting recycle.

WHAT WE ARE ASKING FOR AND WHY

Reuse Aotearoa has recently completed a study (funded by Tauranga City Council) into the state of play of reusable packaging across some key sectors of the New Zealand economy, to be published in early June 2022. The study combined a literature review, desktop research and interviews with businesses (producers/manufacturers and reusable packaging providers), to consider:

- The reusable packaging options and systems currently available in New Zealand.
- Barriers to, and opportunities for, establishing, maintaining and growing reusable packaging systems
- Recommended actions for industry and local and central government to address these barriers and harness the opportunities.

One chapter of this study was dedicated to reusable beverage packaging. What we learned is that New Zealand already has a range of reusable beverage packaging systems, including:

- Returnable bottles for beer, milk and soft drinks
- Refill by bulk dispenser systems where the bulk dispenser is returnable (e.g. milk vending machines and kegs for beer, wine, milk and soft drinks)
- Refill by bulk dispenser systems with a single-use bulk dispenser (e.g. bladders for milk).

In some cases, these reusable packaging systems are more economic than single-use packaging, particularly where they are well-established (e.g. in the beer market). For example, ABC’s Swappa Crate system enables the beers that use this format to be sold more cheaply than in single-use bottles, while kegs for beer are a highly environmentally efficient form of packaging and reduce costs for breweries when compared with canning.

However, across the beverage market as a whole several barriers exist to establishing, sustaining and scaling reusable beverage packaging. Together, these barriers have contributed to the precipitous decline in the reusable beverage packaging market share that has been seen globally, as well as in New Zealand. For example:

1. Lack of shared infrastructure, standardisation and third party logistics systems for reusables: Due to a shift away from refillables since the 1980s, much of New Zealand's reusables infrastructure (washing, returns, ability to manufacture reusable bottles) has been dismantled, creating an infrastructure and logistics gap that individual companies cannot fill on their own. Today, most beverage companies doing reusables are niche and vertically integrated (meaning they not only produce their beverages, but operate their entire reusable packaging system, from filling through to delivery/reverse logistics and washing/sanitisation). This reduces economies of scale and efficiencies and pushes up the price of their drinks vis-a-vis drinks in single-use packaging.

2. Not widely available: Mainstream retailers are reluctant to stock drinks in reusables because they do not want to act as a return point for empty bottles, or because they do not want to install 'on tap' systems. Consequently, beverages in reusable packaging are not widely available and consumers have no convenient way to return them.

3. Costs of single-use packaging are externalised: Reusable packaging has to compete with single-use packaging on a playing field that is not level due to the costs of single-use/one-way packaging being externalised onto ratepayers and the wider community. Companies operating single-use packaging systems benefit from a ratepayer-funded, door-to-door kerbside collection system to recover their packaging, which is then processed by external entities. In contrast, companies doing reusables cover the costs of their packaging system (including collecting/washing/sanitising), and in order to retrieve their bottles for reuse, often have to charge high deposits to create a sufficient incentive that overcomes the convenience of the kerbside recycling system.

4. Lack of third-party reusable packaging providers: Unlike for single-use packaging, beverage companies wanting to do reuse are largely unable to order from a reusable packaging provider who manufactures, supplies and manages the packaging through each of its cycles because the business model for reusable packaging is difficult to make viable in current economic settings. This reduces the convenience and practicality of reusable beverage packaging for all actors in the beverage supply chain (producers, retailers, distributors and consumers).

Overall, our research shows there is no single barrier to scaling reusable packaging systems. Therefore, if the CRS is to grow the market share of reusable beverage packaging, the scheme should be designed to address multiple barriers simultaneously. The present design simply does not go far enough, and even risks the CRS itself becoming a barrier to establishing reusable beverage packaging, and reinforcing the idea that it is 'too hard' to return to reuse. The remainder of this submission outlines the measures we think are needed to turn the proposed CRS into a powerhouse for advancing reuse.

OUR KEY ASKS

We support the implementation of a beverage CRS for Aotearoa; we see it as a critical stepping stone for increasing reusable beverage packaging. The proposed beverage CRS will begin to remove one major barrier to reuse by starting to internalise the fiscal, social and environmental costs of single-use packaging. The scheme fee will require producers to cover the costs of recovering their product. Furthermore, the introduction of a redeemable deposit on single-use containers (that requires the container to be physically returned to a drop-off point) also levels the playing field between single-use and reuse in terms of 'convenience' and the upfront temporary price signal of a deposit.

However, our research shows that even if the operational barriers to reuse are reduced by internalising the cost of single-use, reusable beverage packaging remains on the backfoot and well behind the starting line due to a lack of third-party reusable packaging businesses, onshore manufacturers of reusable packaging, and shared infrastructure or systems to return/collect and wash/sanitise reusable beverage packaging. Therefore, additional measures in the CRS are needed to SUPPORT, INCENTIVISE, and REQUIRE the beverage industry to adopt reuse.

SUPPORT

We do not agree with the proposal to exempt refillables from the CRS. This might suit the handful of established players in the refillables market. However, it likely won't help aspiring new entrants (including third party reusable packaging providers) because it continues to leave them with no way of overcoming the initial hurdles of upfront infrastructure costs and the practicality of reverse logistics, in the absence of national coordination/systems.

Accordingly, we support the submissions of other organisations, such as the Zero Waste Network Aotearoa, in calling for the chance for reusable beverage containers (in the 'returnable bottle' category of reusable packaging) to opt-in to the CRS. The ability to opt-in will enable beverage companies wanting to package into reusables, or third party operators wanting to offer reusables to multiple beverage companies, to overcome the current shared infrastructure/logistics gap by being able to hook into the nationwide, convenient returns network that the CRS will establish.

An additional benefit of the opt-in model for reusable returnable beverage packaging is that the deposit could be set at the same rate as for single-use beverage containers (20c). Whereas, if reusables are out of the scheme, higher deposits will likely continue to be needed to overcome the convenience gap that would remain between single-use and reuse (because consumers would need to go out of their way to return reusable beverage containers to a niche range of drop-off points).

Additional support for reusables can be provided through:

- Targeted investment in reuse washing/sanitisation infrastructure - either from wider MfE infrastructure spends or revenue from the incentives discussed below.
- Research and policy development for reusable packaging systems, including official standards for defining and designing effective reusable packaging systems.
- Making it part of the Managing Agency's statutory role to support the shift towards reusable beverage packaging, including potentially facilitating the development of standardised containers and technical specifications for labels on reusable bottles.

REQUIRE

The beverage industry and associated sectors can be required to adopt reusable packaging through binding refillables targets. Sectors could meet these targets through the provision of either the returnable bottle model or the refill by bulk dispenser model (though the latter should require the bulk dispenser to be returnable rather than single-use, e.g. a keg, not a bladder).

We support the Government's proposal to adopt refillables targets, but the proposal lacks crucial detail. Overseas experience shows that setting just one overarching refillables target for the sector as whole is insufficient because no one can be held accountable if the target is not met. Instead, targets should be applied to:

- Individual beverage producers - to package a certain percentage of their annual product volume in reusable packaging.
- Retailers of beverages - to stock a certain percentage in reusable packaging.
- Hospitality outlets who serve beverages - to ensure a certain percentage are supplied in reusable packaging formats.
- Applying multiple targets also creates the opportunity to set different levels of ambition for different sectors or types of beverages based on the current level of reuse in those sectors.

The CRS legislation could also create obligations on the scheme Managing Agency to support and/or facilitate the growth of reusable packaging, which could include the procurement of regional services for reusable packaging, e.g. collection, washing/sanitisation and redistribution.

INCENTIVISE

The CRS scheme fee should include financial incentives for businesses to increase their use of reusable packaging. This could include:

- A single-use packaging levy on all single-use containers (e.g. an ecomodulated "malus" on all single-use containers) and/or a virgin materials tax.
- A different scheme fee structure for reusables, in which reusables pay a lower scheme fee or only pay a one-off fee the first time the bottle is put on the market (the latter also incentivises higher trippage rates, thus improving environmental performance).
- Requiring the Managing Agency to put a proportion of unredeemed deposits towards promoting and financing the shift to reusable beverage packaging.

Any financial disincentives for single-use packaging should be reinvested in reusable packaging to support the transition from single-use to reuse, e.g. filling the infrastructure and logistics gap.

8 Do you want to answer questions about improving household kerbside recycling?

No

Consent to release your submission

1 Do you consent to your submission being published on this website?

Yes

2 If yes to the above, clearly state if there are parts of your submission that you do not want published.

If yes to the above, clearly state if there are parts of your submission that you do not want published.: