

Te Hui o Te Kaunihera ā-Rohe o Heretaunga Hastings District Council Council Meeting

### Kaupapataka

# Separate Attachments – Vol 1

Te Rā Hui:

Meeting date: Thursday, 31 March 2022

Te Wā:

Time: **1.00pm** 

**Council Chamber** 

Te Wāhi: Ground Floor

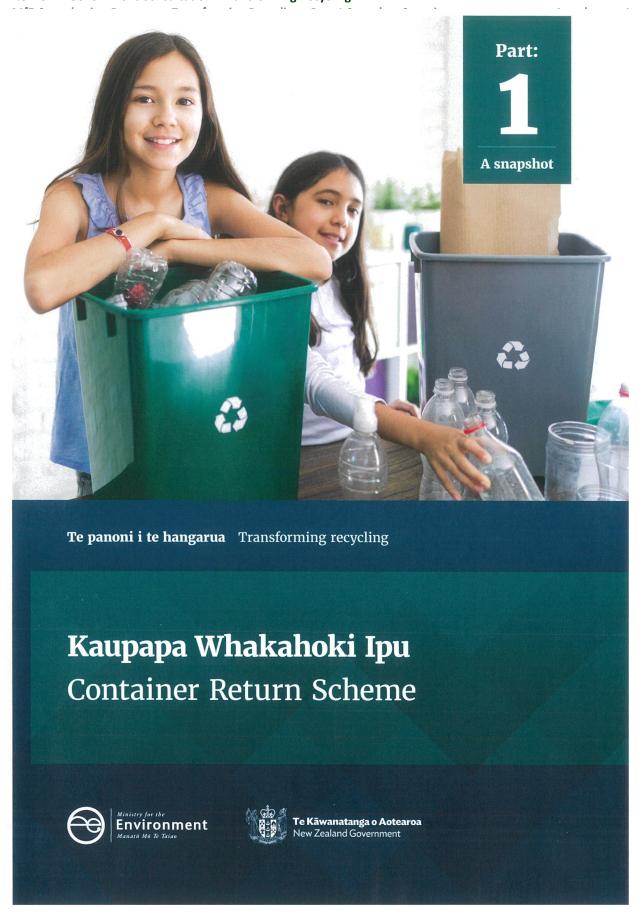
Venue: Civic Administration Building

**Lyndon Road East** 

**Hastings** 



ITEM	SUBJECT		PAGE		
5.	GOVERNMENT CONSULTATION - TRANSFORMING RECYCLING				
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### We all want to do the right thing

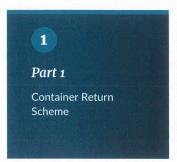
Recycling rates in Aotearoa New Zealand are low compared to other countries with better systems, and we have too much litter in our environment.

- Large amounts of recyclable materials are lost to landfill. This results in lost resources and business opportunities.
- We want to reduce waste, litter, and emissions and increase resource recovery and the recycling of materials into new products.
   Importantly, it needs to be easy for people and businesses to do the right thing.
- We need to transform our systems to build a more circular future where everyone reduces waste, reuses products, and recycles the resources they use.

Many countries have already gone on this journey, and so we have great examples to learn from. That's why we're proposing to put the right foundations in place to bring our recycling systems up to global standards, lift the performance of Aotearoa New Zealand's recycling, and build a low-emissions, low-waste economy.

# Have your say on our proposals to make recycling easier and better

We are consulting on three proposals related to transforming recycling in New Zealand:







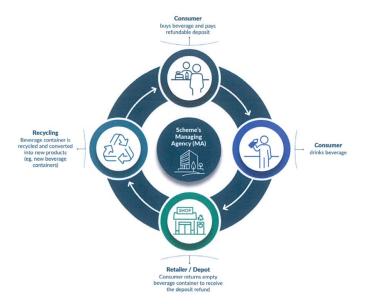
These three proposals are part of a longer-term shift toward a circular economy, where packaging is made of materials that maintain their value, are easy to recycle sustainably and have a low impact on the environment.

The consultation will run from 13 March to 8 May 2022.

This snapshot gives an overview of Part 1: Container Return Scheme. For more detail, please refer to the <u>full consultation document</u>.

#### What is a container return scheme?

A container return scheme (CRS) incentivises people to return their empty beverage containers for recycling and/or refilling in exchange for a small refundable deposit.



Overseas, container return schemes have successfully reduced beverage container litter and increased recovery and recycling rates. Some schemes, such as South Australia's,

have been operating since the 1970s and continue today. New Zealand also had similar schemes operating until the 1980s, which many people may remember.

### Why do we need a container return scheme?

Our existing systems don't incentivise people to recycle beverage containers, particularly away from home (such as, at a park or beach, while at work, traveling or eating out).

New Zealand's recovery rates of beverage containers are relatively low, particularly when compared to countries overseas that have container return schemes in place.

Each year around 1.7 billion beverage containers are stockpiled, littered<sup>1</sup> or landfilled in New Zealand.

A CRS is complementary to kerbside recycling systems, as it improves recycling outcomes both at and away from home.

The main aim of a CRS is to collect as many beverage containers as possible, so that more containers can be recycled and fewer containers are littered, stockpiled or landfilled.

A NZ CRS could increase beverage container recovery to 85 per cent or higher, which means that the scheme could receive over 2 billion beverage containers annually for recycling. This would see an increase of over 1 billion containers recycled annually.

<sup>1</sup> National litter data shows that beverage containers make up 66 per cent of recognisable branded litter and 24 per cent of all litter in New Zealand (Keep New Zealand Beautiful National Litter Audit, 2019).

### Proposals for a container return scheme

In considering whether to implement a scheme, we are seeking feedback on what a scheme for New Zealand could look like. Key proposals are summarised below.

#### Refundable deposit amount

Globally, container return schemes 'add' a refundable deposit to the normal price of eligible drinks to incentivise consumers to return their empty drink containers for a refund. The consumer gets their deposit back when they return the empty drink container to a collection point for recycling.

We are proposing that the NZ CRS would apply a 20-cent refundable deposit to all eligible beverage containers within the scheme. The refundable deposit would also attract GST.

### Benefits of a 20-cent deposit

- stronger incentive to return the container for the refund, meaning a higher return rate
- reducing beverage container litter, because in addition to recycling their own containers, people are also incentivised and more likely to pick up littered containers for their deposit value
- aligns closely with deposit levels of higher-performing schemes overseas
- enables groups like sports clubs and schools to run litter clean ups and charity drives for containers that deliver greater benefits to their organisation.

#### Scheme fees

The core costs of a CRS (aside from the refundable deposit) are covered by a non-refundable scheme fee, which is likely to add another 3–5 cents per container to the refundable deposit.

Scheme fees are a core financial elements of CRS globally. The scheme fees cover the operational costs of a CRS, such as, handling fees (payment for container return point operators per container), transportation costs of the recovered materials, consolidation facility operations, and scheme administration.

While this proposal necessarily assumes 100 per cent pass through of scheme costs to consumers, overseas evidence shows the actual costs passed onto consumers can vary from product to product. Further, upon scheme commencement, many consumers may simply buy slightly fewer beverage containers rather than simply pay more for the same product.

While important, the deposit amount is one factor in the success of a CRS. If the NZ CRS also has a return-to-retail take-back requirement as proposed, we expect a recovery target of 85 per cent by year three and 90 per cent by year five is achievable with a 20-cent deposit amount.

We are also seeking feedback on your preferences for the deposit refund when you recycle. For example, is the refund provided in cash, an electronic funds transfer, vouchers, the option to donate to local community organisations/charities, some or all of these options, etc).

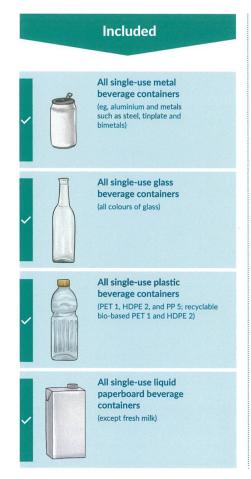
### Which beverage containers would be included?

We are proposing to include a broad scope of beverage containers in a NZ CRS, to make it easy and convenient for people to understand and use the scheme.

The size of eligible beverage containers is proposed to be 3 litres and smaller.

Fresh white milk is exempted in all packaging types. This includes cream but not beverages that are long-life or partially dairy/milk-based, (eg, flavoured milk, smoothies, drinkable yoghurt and plant-based milk alternatives.

This will increase recovery, reduce litter, and ensure a level-playing field for beverage producers.





#### Refillable containers

Refillable containers could play an important part in transitioning New Zealand to a low-carbon circular economy, but at this stage refillables are proposed to be exempt from the scheme. We are interested to hear whether you think refillables should be included in a NZ CRS in the future.

### Where to return your containers

It's essential that it is easy for consumers to return their containers for the deposit refund.

The proposed network would have a mixture of retailer take-back requirements and depot-drop-off options, giving consumers and businesses options for easy recycling. Retailers that sell beverages (such as supermarkets and potentially retailers such as bottle stores, dairies and services stations) could be required to take back empty containers for recycling and provide deposit refunds to consumers. Overseas this is commonly done with reverse vending machines (RVMs).

Retail drop-off locations would provide accessible and convenient container return/refund points at places where people visit already (eg, supermarkets).

The proposed mixed-return model also includes depots for consumers to drop off their containers, as well as for larger commercial volumes of containers, such as from the hospitality sector.

This would provide opportunities for hapū/iwi, recyclers, community organisations, charities, and any entrepreneurial businesses to participate in the network, while also ensuring a high level of convenience via centrally located retail locations.

We are seeking feedback on the level of retail participation in a NZ CRS – in particular, what size and type of retailer should be required to take back eligible beverage containers.

Supermarkets sell the majority of single-use beverage containers in New Zealand, and 95 per cent of New Zealanders live within a 20-minute drive of a supermarket. Retailers, including supermarkets, could take greater responsibility for the products that they sell, by providing convenient drop-off points for consumers across New Zealand.<sup>1</sup>



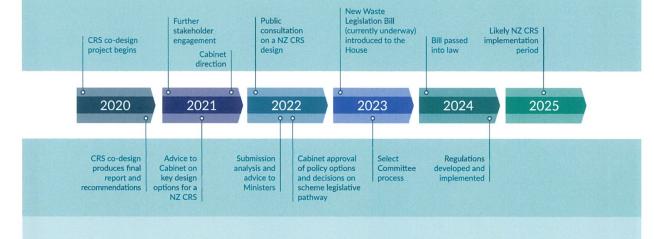


#### Other considerations

The <u>full consultation document</u> gives more detail on considerations such as scheme fees, the deposit financial model, the proposed model for managing and governing the scheme, the network and retail take-back, and recovery targets.

GS1 and PWC estimates for national beverage container sales suggest supermarkets are the primary channel for sales in New Zealand.

# Timeline for implementing a container return scheme if a scheme is to proceed (subject to change)





E whāia ana e mātou kia piki ake ai te hangarua i ngā ipu inu, kia whakamimiti i te parahanga me te whakamimiti tukunga hoki.

We're aiming to increase the recycling of drink containers, reduce litter and reduce emissions.

### Make your voice count

This consultation sets out issues and options for your feedback on a Container Return Scheme and we invite you to share your ideas. Your feedback will help shape our final proposals.

We are also consulting on improvements to household recycling and the separation of business food waste.

For full details on these proposals, the problems we are trying to solve and the options we have considered, please read the full consultation document.

# Help shape the way we recycle

Fill out the short consultation survey.

You can fill out the long consultation survey through <u>Citizen Space</u>, our consultation hub. PDF files should also be uploaded into Citizen Space. However, scanned documents cannot be submitted.

We request that you don't mail submissions as this makes analysis more difficult. However, if you need to, please send written submissions to *Transforming recycling*, Ministry for the Environment, PO Box 10362, Wellington 6143.

If you are emailing your feedback, send it to <a href="mailto:transformingrecycling@mfe.govt.nz">transformingrecycling@mfe.govt.nz</a>. The question-and-answer format is still required for all long-form submissions, such as PDFs and essay-styled submissions. This makes it clearer which question is being answered.

Submissions close at 11.59pm, 8 May 2022.

### What happens next

The Ministry will analyse and summarise the feedback received and present this to Ministers and Cabinet, to inform decisions on next steps. A summary of submissions will be published on the Ministry's website. The Government will still need to make a final decision on whether to implement a NZ CRS.

Should the Government decide to proceed with a NZ CRS, there will likely be further consultation at the legislation/regulation development phase. We anticipate a NZ CRS could be operational in New Zealand by 2025.

Kōrero mai ō whakaaro kia whakatikaina tā tātou mahi hangarua, whakamimiti para hoki i Aotearoa!

Have your say to improve the way we recycle and reduce rubbish and litter in Aotearoa New Zealand!

### Join the korero and have your say

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Published by the Ministry for the Environment March 2022

INFO 1041



Te panoni i te hangarua Transforming recycling

### Te whakapiki i te hangarua paeara ā-kāinga

Improvements to household kerbside recycling





### We all want to do the right thing

Recycling rates in Aotearoa New Zealand are low compared to other countries with better systems, and we have too much litter in our environment.

- Large amounts of recyclable materials are lost to landfill. This results in lost resources and business opportunities.
- We want to reduce waste, litter, and emissions and increase resource recovery and the recycling of materials into new products.
   Importantly, it needs to be easy for people and businesses to do the right thing.
- We need to transform our systems to build a more circular future where everyone reduces waste, reuses products, and recycles the resources they use.

Many countries have already gone on this journey, and so we have great examples to learn from. That's why we're proposing to put the right foundations in place to bring our recycling systems up to global standards, lift the performance of Aotearoa New Zealand's recycling, and build a low-emissions, low-waste economy.

# Have your say on our proposals to make recycling easier and better

We are consulting on three proposals related to transforming recycling in New Zealand:





These three proposals are part of a longer-term shift toward a circular economy, where packaging is made of materials that maintain their value, are easy to recycle sustainably and have a low impact on the environment.

The consultation will run from 13 March to 8 May 2022.

This snapshot gives an overview of Part 2: Proposal to improve household kerbside recycling. For more detail, please refer to the full consultation document.

# New Zealand's kerbside recycling and food scraps collections are underperforming

Kerbside recycling and food scraps collections are the main way households divert waste from landfill, returning resources to the economy and reducing climate emissions from our waste.

Our recycling collections could perform better. Only a third of household materials placed at kerbside are collected for recycling, with the rest placed in the rubbish.

What is accepted in recycling collections varies across the country, causing confusion.

Food scraps in landfills are changing our climate More than 300,000 tonnes of food scraps are sent to New Zealand landfills every year, rotting and producing methane, a potent greenhouse gas. Food scraps are estimated to contribute 22 per cent of New Zealand's emissions from landfills.

The proposals below aim to increase the quality and quantity of materials collected for recycling, reducing climate emissions, recycling resources through our economy and returning nutrients to our soil.

# Have your say on transforming recycling in Aotearoa New Zealand

We are consulting on two core proposals, supported by four additional proposals, to make it easier for people to recycle at home. We are seeking feedback on the proposals and what they would mean for your household.

#### Core proposals:

- Collect a standard set of materials in household kerbside recycling across New Zealand. To reduce confusion and improve the quality and quantity of collected recycling.
- Provide urban households with food scraps collections. To reduce climate emissions and recycle nutrients back to the soil.

#### **Supporting proposals:**

- Require reporting for both council and private-sector household kerbside collections
- Set councils a minimum baseline performance and a high achieving target for household kerbside diversion.
- 5. Consider requiring the separation of glass or cardboard and paper.
- Require all councils to provide a kerbside dry recycling collection to urban households.

The consultation document <u>Transforming recycling</u> provides more details about the supporting proposals.

#### What materials will be collected at kerbside?

We are interested in whether you think these materials are the right ones to collect in household kerbside recycling across the country.

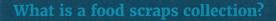


When selecting these materials we considered:

- whether the material has sustainable end markets
- ► how many councils already collect the material (to minimise disruption)
- whether efficient sorting technology is available
- whether both manual and automated recycling sorting facilities can process the material.

Ka whakamāmā ake mātou i te ara mā te tangata ki te mahi hangarau tika.

We are going to make it simpler and easier for people to recycle right.



All households produce food scraps of some kind, such as rotten fruit, leftovers, onion skins and old bread. Some households compost food scraps but many cannot or choose not to.

A kerbside food scraps collection works much like a recycling collection: households set aside their scraps and each day empty them into a 23-litre bin stored outside.

Once a week the bin is placed at kerbside for collection, usually at the same time as your recycling and rubbish collections.

The collected food scraps are processed into compost or anaerobically digested. These processes return the nutrients back to the soil to grow more food, closing the loop on our food system. Keeping food scraps out of landfill also reduces our emissions.



Photo credit: Auckland Council

### Why are we proposing these changes?

A transformed recycling system in New Zealand will increase the quality and quantity of materials collected for recycling, reduce emissions, and recycle more resources through our economy and nutrients back into our soil.

	Proposal	Why?
1	Collect only a standard set of materials in kerbside recycling and food scrap collections	To ensure the same items can be recycled right around the country.  This will reduce confusion and allow consistent national messages about recycling. The aim is to increase the amount recycled and decrease the number of incorrect items placed in recycling.  It will also allow businesses to design packaging that can be recycled right around the country and provide quality resources and scale to the local recycling sector.
2	All councils provide a kerbside food scraps collection to urban households*	The more households that have access to food scraps collections, the easier it is to divert food scraps from landfill, reducing emissions and recycling nutrients back to the soil.
3	Require reporting for both council and private kerbside collections	Reporting how much is collected allows us to track our progress towards increased recycling, lower emissions and a circular economy.
4	Set councils a minimum baseline performance and a high achieving target for kerbside diversion	To encourage more effective kerbside collections and ensure we are all playing our part to reduce emissions and wasted resources.
5	Consider collecting glass or cardboard and paper separately	Broken glass lowers the value, and can prevent the recycling of other materials, particularly paper and cardboard.
6	All councils provide a kerbside recycling collection to urban households*	To make it easier for all New Zealanders to help reduce emissions and wasted resources.

<sup>\*</sup>households in towns with more than 1,000 residents.

### Make your voice count

This consultation sets out issues and options for your feedback on how we tackle household recycling and food scraps and we invite you to share your ideas. Your feedback will help shape our final proposals.

We are also consulting on a container return scheme and the separation of business food waste.

For full details on these proposals, the problems we are trying to solve and the options we have considered, please read the full consultation document.

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Submissions close at 11.59pm, 8 May 2022.

### What happens next

The Ministry will consider the proposals for transforming recycling in light of the comments we receive and engage with affected parties.

We aim to present final proposals to Cabinet for policy decisions in 2022. The proposals (container return scheme, improving household recycling and the separation of business food waste) have different implementation periods. You can find out more information and provide feedback on the implementation timeframes in the <u>full consultation submission form</u>.

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**INFO 1039** 



Te panoni i te hangarua Transforming recycling

### Te whakawehe i ngā para kai ā-pakihi

Separation of business food waste





### We all want to do the right thing

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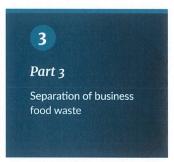
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The consultation will run from 13 March to 8 May 2022.

This snapshot gives an overview of Part 3: Separation of business food waste. For more detail, please refer to the <u>full consultation document</u>.

### Food waste in landfills is changing our climate

More than 300,000 tonnes of food waste are sent to New Zealand landfills every year. Like other materials that rot, food waste in landfill produces methane, a potent greenhouse gas.



Food waste is estimated to contribute 22 per cent of New Zealand's emissions from landfills that accept general household and business waste. To meet our national emissions targets, the Climate Change Commission has recommended we aim to reduce emissions from all landfills by at least 40 per cent by 2035.

In some parts of New Zealand, businesses have access to food waste collections, but in other areas they do not. An estimated 25 per cent or more of all food waste sent to landfill comes from businesses – approximately 75,000 tonnes today, rising to an estimated 100,000 tonnes by 2030.

To reduce food waste sent to landfill, the Government is proposing that all businesses should separate food waste from general waste and that households should be provided with a kerbside food scraps collection.

As well as reducing our climate emissions, the food waste diverted from landfills can be used to feed animals, improve soil quality, and generate energy.

We are seeking your feedback on this proposal and what this would mean for your business.

We expect that all businesses would need to provide space for one or more separate food waste bins and train staff to use them.

Businesses could choose what they do with their food scraps once separated. Scraps could be used as stock food or turned into compost or digestate. Businesses would also be encouraged to reduce their food waste, look for opportunities to donate edible food or explore opportunities for upcycled food products.



# Proposal to separate business food waste:

Require all businesses to collect food waste separately from other waste materials.

To reduce climate emissions and recycle nutrients back into our soil.

### Food waste separation could be phased in

Parts of New Zealand with existing food-waste-processing facilities could begin separating their food waste sooner.



The phase-in could also align with the introduction of household food scrap collections, providing economies of scale and reducing the costs for both households and businesses.



A requirement to separate food waste could be applied first to businesses more likely to produce larger amounts of food waste, for example, businesses registered under the Food Act 2014.



We are seeking your feedback on the different ways a requirement to separate food waste could be introduced and how it would affect your business.

Hei te 2030, ka hiahia mātou kia kopana ake ngā pakihi me ngā kāinga i ngā toenga kai o ā rātou ipupara.

By 2030, we want all businesses and households to separate food scraps from their rubbish.

Ітем 5

#### Make your voice count

This consultation sets out issues and options for your feedback on how we tackle business food waste, and we invite you to share your ideas. Your feedback will help shape our final proposals.

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