



Better recycling

A winning container deposit return scheme for New Zealand

A container deposit return scheme is a practical, cost effective way to help New Zealanders reduce litter, waste less and recycle more. Schemes are already being used in 57 states and countries to collect drink containers and cover the real cost of recycling. Surveys show 80% of New Zealanders want a container deposit return scheme here. Many fondly remember returning bottles to claim deposits in the 1970s and 1980s.

"I get my deposit back when I drop off my empty drink container and I know it will get recycled properly. It just makes sense."



What is a container deposit return scheme?

A container deposit return scheme would set up the systems New Zealand needs to achieve high recycling rates and cut waste. It is a practical way to fix inherited problems with recycling and reduce litter.

1. Consumers pay a deposit (like 20c) when they buy a drink in a bottle, can or carton, which they get back when they return their empty container. Anyone can claim the deposit if they find littered bottles and cans which reduces litter and pollution.
2. Overseas schemes achieve high collection rates for drink bottles, cans and cartons with almost no costly contamination. European schemes average 87% return rates, with some achieving 95%.
3. Drink producers also contribute a few cents per container to cover the real cost of recycling including collections, transport and logistics. This makes drink producers look good to their customers and takes the pressure off councils and ratepayers to subsidise kerbside recycling and public bins for drink containers.

"Recycling doesn't pay for itself at the moment. The scheme would cover the real costs to collect, sort, transport and recycle drink containers."



"Councils have supported this for years. It takes the pressure off ratepayers to subsidise collections, litter clean ups and public rubbish bins. Very low contamination means better recycling outcomes."



Next steps for New Zealand

Where the previous Government fell short, this Government has an opportunity to implement a popular and tangible, low-cost policy. The development work has already been done, the [design](#) is based on international best practice and is a good fit for New Zealand. With the revision of the Waste Minimisation Act 2008 well underway, the regulatory framework is primed for an effective deposit return scheme.

The Zero Waste Network Aotearoa supports practical and effective



improvements to New Zealand's reuse and recycling systems. Members have been working with their communities to help them reuse and recycle more since 1989. In 2024 we diverted 38,000 tonnes from landfill, employed 1,088 staff and turned over \$78.6 m.

For more on a winning scheme read on and contact Sue Coutts, External Affairs, +64 027 322 9675 and sue@zerowaste.co.nz

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Benefits of a container deposit return scheme for New Zealand



Every day

4.6M

containers landfilled or littered

Every day 4.6 million drink bottles, cans and cartons get landfilled or littered in New Zealand. A well designed container deposit return scheme would set up the system we need to achieve high recycling rates and cut waste, litter and emissions. It would take the pressure off ratepayers and councils and create a more viable and stable recycling industry.

78%
want a scheme

Container deposit return schemes are already popular with the New Zealand public who remember returning bottles in the 1970s. Tourists and kiwi travellers return bottles and cans when overseas, so they know how schemes work.

A [2022 survey](#) by Reloop showed 78% of New Zealanders want a scheme here for drink bottles, cans and cartons. 98% of the submissions received in the [2022 public consultation](#) supported the government establishing a scheme.

57+

schemes
already in
operation

[57 states and countries](#) already run container deposit return schemes across Europe, USA, Canada, Australia, Asia and Africa. 14 more are setting schemes up to recycle more and cover the real cost of recycling. New Zealand is becoming an outlier with low collection and recycling rates, which is a risk to our reputation as a clean, green tourist destination and exporter.

A well designed container deposit return scheme will:

- **Double the collection rate** for bottles, cans and cartons from 45% to 90%.
- **Reduce litter** on our beaches, roadsides, parks and rivers by 60%.
- **Reduce greenhouse gas emissions** across the beverage supply chain by replacing virgin content in drink packaging with recycled glass and plastic.

2.6 billion drink bottles, cans and cartons get sold in New Zealand each year. Less than half of these are collected for recycling. A container deposit return scheme is a cost effective, practical way to fix inherited problems with our recycling systems and safeguard New Zealand's clean, green brand.

Economic Benefits

- **As a user pays scheme, the costs fall more fairly** on those that produce and consume drinks, which takes pressure off councils and ratepayers.
- **Lower cost for litter clean ups**, emptying public rubbish and recycling bins, kerbside collections and landfilling which saves communities money.
- **Attract investment to help establish the systems** required for high quality recycling and bottle reuse.
- **Create new jobs and value-add opportunities** in the reuse and recycling industry and new fundraising opportunities for clubs and community groups.

Key Features of a container deposit return scheme for New Zealand



A container deposit return scheme will be good for our economy and our communities. Where the previous Government fell short, this Government has an opportunity to implement a popular and tangible, low-cost policy. The development work has already been done, the [design](#) is based on international best practice and is a good fit for New Zealand. With the revision of the Waste Minimisation Act 2008 well underway, the regulatory framework is primed for an effective deposit return scheme.

A winning container deposit return scheme based on global best practice would include:

1 A refundable deposit (like 20c) set high enough to create a strong incentive for consumers to return drink containers and for everyone to pick up drink bottle, can and carton litter and return it to claim the deposit.



2 A convenient and efficient collection point network based on a mixed model that:

- requires large retailers like supermarkets that sell drinks to take back empty bottles, cans and cartons and
- creates a complementary network of depots and collection points by building on the existing recycling and resource recovery system.

3 A comprehensive scope of beverage types (both alcoholic and non-alcoholic) and material types including drink bottles, cans and cartons made from plastic, metal, glass, and liquid paperboard. Enables collection of reusable drink containers to future proof the system and supports the growth of reusable packaging.



4 Strong checks and balances built into the governance and operations of the Producer Responsibility Organisation to make sure the scheme delivers the expected collection and recycling rates and litter reductions.

5 A deposit financial model which means that drink producers pay a deposit on each bottle, can or carton sold regardless of whether they are returned, with any unredeemed deposits used to help fund the scheme.

6 Mandatory return rate targets of 85% from year 3 and 90% from year 5 to drive high performance and deliver value for money.

Supporting evidence for a container deposit return scheme for New Zealand



Container deposit return schemes are practical, cost-effective and popular systems for collecting, reusing and recycling drink bottles, cans and cartons. A well designed scheme would collect 90% of the 2.6 billion drink containers that get sold here each year. Establishing a scheme in New Zealand is an achievable goal.

1. They work

Container deposit return schemes achieve 90% collection rates, deliver high quality recycling and cut waste and litter. By 2027, schemes will be running in 71 states and countries, 57 already run schemes and 14 are setting them up. Australia has 6 schemes operating with Tasmania setting one up. The European Union has set 90% collection targets for drink containers and Member States that miss the target have to set up a container deposit return scheme. See [Reloop's Global Deposit Book 2024](#) for details.

2. They are popular

Surveys show 80% of New Zealanders want a scheme established here ([Reloop 2022](#)). 98% of the responses to the 2022 public consultation asked the Government to establish a scheme ([MfE 2023](#)). In 2018 Local Government New Zealand passed a [remit to establish CDRS](#), with 96% of Mayors in favour ([LGNZ 2018](#)). The majority of WasteMINZ members support the introduction of a container deposit return scheme model as soon as possible ([WasteMINZ Government Briefing 2023](#)).

3. They pay for themselves

The real costs of recycling are built into the purchase price of the drink, which takes the pressure off ratepayers and local councils who currently subsidise drink container recycling. Drink producers pay a few cents per container to cover the cost. The Cost Benefit Analysis supporting the proposed container deposit return scheme model projected a net-benefit of \$1.135 billion over 30 years - a Benefit Cost Ratio of 1.48 - showing that benefits outweigh costs by almost 50% ([Sapere, 2022](#)).

4. The development work has been done

A proposed container deposit return scheme design has already been developed. This scheme is based on international best practice and is a good fit for New Zealand. The design and evaluation process included stakeholder engagement, input from technical experts, financial and cost benefit modelling, public consultation and thorough policy design. Work to date including design, analysis and cabinet papers [here](#). [The revision of the Waste Minimisation Act 2008](#) to update the regulatory framework and enable an effective deposit return scheme is well underway.

"LGNZ sees value to councils and communities from a CRS, including reducing landfill costs and meeting emissions reductions and waste recovery targets. Central government should play a key role in establishing the scheme, which we believe should be not-for-profit and industry-led. We would expect that a robust regulatory and governance regime will be established to support high recovery rates and that allows the scheme to operate as efficiently as possible." [Local Government New Zealand report](#)