



Key features of well-designed container deposit return schemes

A container deposit return scheme is a practical, cost-effective way to help New Zealanders reduce litter, waste less and recycle more. With the right policy settings in place, it is easy to set up and run a successful scheme. International experience shows that high-performing schemes are based on a combination of interconnected features which means that they are convenient, easy to understand, and have practical targets, checks and balances. A modern, fit-for-purpose scheme needs to include these features at the outset.

A successful scheme is convenient, performs well, and has practical targets, checks and balances

1. It needs to be **convenient** for everyone, which means a **mix of return locations**:
 - a) A network of local drop off sites that builds on the existing recycling and resource recovery system
 - b) Shops that sell drinks, like supermarkets, provide return points where people can take back their empty bottles, cans and cartons across the country (return-to-retail)
2. It needs to **perform well**, which means **an effective deposit** and a **broad scope of drink containers**, which for New Zealand would be:
 - a) A 20 cent refundable deposit, which is a high enough incentive for people to return drink containers, and pick them up when they've been littered, to claim the refund
 - b) The scope of drink containers is comprehensive, including glass and plastic bottles, metal cans and beverage cartons, for recycling or reuse

3. It needs **practical targets, checks and balances**:
 - a) Return rate targets of 85% from year 3, and 90% from year 5, ensuring high performance and value for money for New Zealanders, with consequences if the targets are missed
 - b) A user-pays system in which beverage producers pay the deposit on each container they sell, regardless of whether the container is returned for the refund (the 'deposit financial model'). This producer responsibility takes the pressure of ratepayers and councils, and unredeemed deposits help fund the scheme

It is the **combination of these features** – convenience, performance, and targets, checks and balances – that will make a successful container deposit return scheme.¹ A modern, fit-for-purpose scheme needs to include these features at the outset. The container return scheme already drafted by the Ministry for the Environment includes this general combination of features, is based on international best practice, and is a good fit for New Zealand.

Top 10 Container Deposit Return Schemes

Rank	Country/state	Return rate (%)	Convenience		Performance			Targets, checks & balances	
			Return-to-retail	Population per collection point (approx)	Deposit (NZD cents)	Broad scope of containers***	Includes refillables	Legislated collection targets*	Deposit financial model**
1	Germany	98	✓	642	46	✓	✓	✓	X
2	Finland	97	✓	1,401	18	✓	✓	X	✓
3	Lithuania	92	✓	1,110	18	✓	✓	✓	✓
4	Denmark	92	✓	448	25	✓	✓	X	✓
5	Norway	92	✓	370	31	X	✓	✓	✓
6	Slovakia	92	✓	1,659	27	X	✓	✓	✓
7	Estonia	89	✓	1,718	18	✓	✓	X	✓
8	Sweden	89	✓	4,659	16	X	✓	✓	✓
9	Iceland	89	X	6,649	24	✓	X	✓	✓
10	Oregon	87	✓	2,105	18	✓	✓	✓	✓
Top 10 average		92%	90%	1: 2,076	24 cents	70%	90%	70%	90%

*Of 85% or more

** Deposit financial model is signalled by the prevalence of unredeemed deposits.

***Including plastic, metal and glass. Note, all top 10 schemes include plastic and metal.

As seen across the 57 schemes that are operating, well-designed container deposit return schemes can achieve recovery rates of 85% or more. Currently, New Zealand collects less than half (45%) of beverage containers for recycling – this means that more than a billion bottles, cans and cartons are littered or landfilled in our country, every year. With the right policy settings in place, we could double this recovery rate to 85% or more.

¹ We've created **factsheets** that detail the key features that will, when applied together, lead to a well-designed, high-performing beverage container return scheme for New Zealand.