



The Clerk,

Environment Select Committee

Environment@parliament.govt.nz

20 June 2023

The NZBC appreciates the Environment Committee's invitation to provide a written submission in response to the petition of *Greenpeace Aotearoa: Ban single-use plastic beverage bottles*, which asks the Government to:

- Ban single-use plastic drink bottles (all 'ready-to-drink,' single-use plastic beverage containers in the volume range of 0.1 litres to 3 litres (e.g., mineral water, soft drinks, sport drinks, juices, and milks).
- Incentivise reusable and refillable alternatives.

Our members have an ongoing commitment to reducing the sector's environmental footprint and are continuing to innovate and improve products and processes to achieve ever-strengthening environmental goals.

To this end we would be happy to provide additional information on the points raised below should the committee members like to follow up and we'd be pleased to arrange for the committee to visit to one or more of our members production facilities to showcase some of the work that is underway in this space.

Introduction

The New Zealand Beverage Council (NZBC) is the industry association for New Zealand's non-alcoholic beverage sector. Our membership is diverse,

ranging from small boutique producers to some of the largest multinational brands in the world. They are the brand owners, manufacturers, bottlers and suppliers of New Zealand's juice, carbonated drinks, flavoured-dairy and bottled water brands. In 2023, the NZBC currently represents over 75 per cent of the \$2 billion non-alcoholic ready-to-drink beverages sold at retail level in Aotearoa New Zealand.

Our membership may be diverse, but there is unanimous commitment to reducing waste and increasing recycling collection.

Executive Summary

There is common ground between NZBC and Greenpeace Aotearoa: we both want to reduce waste, improve recovery rates, and shift to a circular economy. However, the path to get there is where we differ. Instead of taking a punitive approach like a ban, the NZBC believes there is a more constructive way to achieving the best outcomes for the community. Our written response is subsequently based on the following points:

1. A total 'plastic bottle ban' is impractical with many unintended consequences.
2. The NZBC continues to back an industry-led, not-for-profit container return scheme (CRS) for Aotearoa, believing it can drive change in consumer behaviour and improve recovery rates, without substantially increasing prices or reducing consumer choice.
3. The beverage industry is already invested in growing the circular economy in Aotearoa New Zealand – from packaging design and innovation and ensuring greater pack recyclability and use of more recycled content, to supporting high value materials recovery and reuse onshore and helping educate consumers.

A ban is impractical and will have unintended consequences.

The NZBC believes a ban on single-use plastic drink bottles is impractical. This same sentiment is reflected in the written response of Shaun Lewis – Director, Waste and Resource Efficiency at the Ministry for the Environment – to the Environment Committee dated 27 January 2023. In that letter, Mr Lewis notes several unintended consequences of pushing ahead with a ban. Those include:

- Undermining the implementation of a well-run CRS by creating an uneven playing field for the beverage container materials in scope of a CRS— versus those materials that would be banned outright or phased out.
- Contravening New Zealand's trade obligations, such as those under the World Trade Organisation.
- The perverse effect of driving producers and consumers "to more problematic or less recyclable packaging materials or formats."

We agree with these observations, while noting the presence of other unintended consequences, such as:

- An inflationary impact, as significant investments are needed to transition away from certain material types. This could include, in the absence of such infrastructure, the cost of establishing a national refillables scheme.
- Negatively impacting the resource recovery sector, removing recycling infrastructure for other packaging types— leading to potential job losses at a time when there are several government initiatives encouraging the growth of a circular economy.
- Increased carbon emissions due to shifting significant volumes to other packaging types. Producing a glass bottle has up to 40 times greater carbon footprint than a rPET (recycled PET Plastic) bottle. When compared to other forms of packaging, PET plastic packaging (which is 100% recyclable) uses significantly less energy and resources during manufacturing. It is also safer and less expensive to transport due to its lightweight nature and due to its weight would also have lower emissions from the distribution process.

While Greenpeace included overseas examples as proposed ban models for review, these are not necessarily applicable to a New Zealand context. For example, France's Anti-Waste law remains unproven and without the corresponding container deposit legislation to support its ambitious reuse and collection targets. Tuvalu has had almost non-existent essential waste services. For instance, until 2019 the small atoll nation did not have a functioning landfill or recycling station.

Our members already use packaging materials that are collected for recycling in Aotearoa, such as aluminium, glass and PET plastic. Many are also using recycled plastic content in their bottles, demonstrating there is a market for high value plastic materials that can be kept in the system and used over again.

Consistent with the Ministry for the Environment, we believe better environmental outcomes can be achieved by continuing to develop our recycling infrastructure. Rather than a plastic bottle ban which is impractical and demonises one industry, we strongly support the introduction of a CRS for Aotearoa is best course of action to achieve a more circular economy and less waste in the environment.

Refillables would come with some major challenges

The NZBC supports a CRS, however while an increasing number of localised reuse examples are popping up, there are several logistical challenges standing in the way of linking efforts at a national level. Those include:

Significant investment

- A national refill scheme involves creating localised hubs up and down the country, which would require significant capital investment in large storage and distribution warehouses and cleaning facilities.
- This would have a significant impact on small producers and retailers who are not well placed to afford additional costs.

Carbon footprint

- Higher reusability does not necessarily equal a better carbon footprint. It is likely empty bottles would travel long distances to be inspected and washed and therefore increase transport emissions. A national system would also require more local washing plants, which use considerable quantities of chemicals for sanitation, water, and energy to ensure health and safety standards are met.

Standardisation

- For a national scheme to work, bottles across the entire beverage industry need to be similar in colour, shape, and size. This seems challenging in a market such as New Zealand, where consumers and retailers want choice and differentiation.
- We know there is already a market for quality recyclable plastics. More recently, larger manufacturers have removed the colour from their PET packaging to improve their recyclability. The benefit of PET plastic is that it can be recycled numerous times and has a good market value.

Time to get on with implementing a CRS

The NZBC and its members stand ready to implement a CRS that is industry-led and not-for-profit.

Many of our members have played lead roles in establishing successful schemes, including those on a much larger scale, overseas. From the design through to operation, these companies have market-tested solutions and understand the elements required to deliver a successful scheme. This includes the optimal cost recovery financial structure and collection networks that financially benefit community organisations. The sector strongly supports a container return scheme with shared governance accountability and which allows the government to set ambitious and achievable collection targets.

Increased collection, enabled by expanded onshore recycling capacity, means reduced waste and higher value materials staying in the system. This is the essence of what a circular economy means. If you consider two of the more conventional and higher value plastic types used for bottles, PET and HDPE, these are used across our membership and have stable markets both onshore and overseas.

Given the years of work that has gone into developing a container return scheme, we strongly encourage the New Zealand Government to expedite its development, with ongoing input from the beverage industry, as soon as possible.

The beverage industry is committed to growing our circular economy

The NZBC and its members design packaging for recyclability and reusability in mind. Currently, most of the bottles produced by New Zealand's beverage manufacturers are recyclable - meaning they can go on to have another life.

Manufacturers are also shifting away from material types in favour of those that are easily recycled and compatible with recycling infrastructure, have an existing market, and can become packaging again.

Beverage producers are continuously looking for ways to be more environmentally friendly. Some examples include:

- A large manufacturer uses 100% recycled plastic in bottles under 1L in size.
- Dairy companies shifting to milk kegs in place of plastic bottles, saving millions of bottles from landfill (Sprout, the Udder Way, Kaipaki Dairies). They are largely pushing this product into the café market because of the difficulties in supplying consumers directly.

There is also innovation happening globally around recyclable labels, bottle light weighting, phasing out oil-based PET to plant PET and 'polyester rejuvenation' to target plastics that cannot be recycled by mechanical recycling methods. These are exciting future developments and investments from our industry to accelerate moves towards packaging circularity and reducing waste.

The NZBC and its members have also supported the Government's wider waste work programme. This includes the phasing out of certain hard-to-recycle plastics and single use plastic items by 2025, improving kerbside recycling through standardisation, regulated product stewardship for plastic packaging, and the initiatives to improve recycling infrastructure through the Plastics Innovation Fund.

In addition, we look forward to being involved in any future Government activity to overhaul current waste legislation (namely the Litter Act 1979 and the Waste Minimisation Act 2008). New, updated legislation is crucial in the drive towards building a circular economy.

In Conclusion

The NZBC and its members are committed to growing our circular economy. Our members believe government should focus on investing in

recycling, investing in infrastructure to support recycling and CRS as the critical next-step in achieving a circular economy.

We are aligned with NGOs on the importance of CRS but want to emphasise it's not just about collecting plastic for recycling, it's about changing behaviours. The goal is to reflect successful waste reduction schemes such as in Europe where NGOs and industry have partnered on packaging waste regulation, achieving a consolidated and co-ordinated approach.

From our perspective, that means directing investment toward design innovation, transitioning to packaging types that are more recyclable and reusable, and collaborating with the government and other stakeholders to support increased collection and recycling rates through initiatives like a CRS.

Given the groundwork completed already, the pathway ahead is overwhelmingly positive, however we strongly believe a ban will not achieve the superior environmental outcomes New Zealanders want.

If you would like any further information on the initiatives or examples provided above, we would be happy to provide it.

A handwritten signature in black ink, appearing to read 'B Milnes', is centered on a light blue rectangular background.

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