SUBMISSION

by

PACKAGING COUNCIL
OF NEW ZEALAND (INC)
(PAC.NZ)

to the

Local Government & Environment Select Committee

on the

Waste Minimisation (Solids) Bill

Introduction

1. This submission is from:

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2. I wish to appear before the Select Committee to speak on our submission.

3. The Packaging Council is the pre-eminent trade association representing the packaging and packaged good industry and promotes the environmentally sustainable and responsible use of packaging in business and the community.

   The Packaging Council has approximately 140 members, representing manufacturers, fillers, wholesalers, brand owners, retailers and consumers of packaging and represents about 80% of the packaging and packaged goods industry by turnover.

   The Packaging Council also acts as the Secretariat to the New Zealand Packaging Accord 2004, a voluntary initiative to cut down on wasteful packaging and the model for product stewardship in New Zealand. Those parties to the Packaging Accord have committed to achieving certain national targets for recovery of packaging by 2008. The principal parties to the Packaging Accord are the Packaging Council and Central Government, represented by the Ministry for the Environment. Endorsing parties are Local Government New Zealand and the Recycling Operators of New Zealand.

   The Packaging Council signed the Packaging Accord 2004 on the basis that it is a voluntary product stewardship initiative to reduce the proportion of packaging in the total waste stream and that Government would only consider regulation if the voluntary approach does not provide sufficient improvements in reducing packaging waste.

1.0 Summary

1.1 The Packaging Council of New Zealand welcomes the opportunity to make a submission on the Waste Minimisation (Solids) Bill (“the Bill”) on behalf of its financial members (see section 5.0).

1.2 The Packaging Council does not support the Bill and recommends that it does not proceed.

1.3 The Bill would increase the cost of recycling, make recycling less efficient and will not achieve its overall objective of reducing the amount of waste which goes to landfill. At worst, it will lead to an increase in the cost of goods, less investment in New Zealand and movement of production off-shore.

1.4 Although the Packaging Council supports the philosophy of the Bill, which is to reduce the quantity of waste sent to final disposal, we find that the Bill is excessively detailed and overly prescriptive, does not specifically identify the problems the Bill seeks to address, offers no cost-benefit analyses for any of the provisions, does not take into account industry led, voluntary product stewardship initiatives such as the Packaging Accord, provides no incentives for New Zealand based businesses striving to be environmentally as well as economically sustainable and offers no evidence that the requirements of the Bill are aligned with the core policies set out in the New Zealand Waste Strategy 2002 or will help New Zealand achieve the targets set out in that Strategy.

1.5 The Bill rides overrides a number of initiatives on which the Government had been working for some time prior to the Bill being drawn from the ballot. For example, the Ministry for the Environment had engaged in full public consultation on its Product Stewardship Discussion Document and is in the process of developing its response to the Minister for the Environment, with legislation scheduled to be drafted by the end of this year. The Ministry's preferred option for voluntary product stewardship with backstop legislation is quite different to that detailed in the Bill.

1.6 The extended producer responsibility (product stewardship) requirements in the Bill could see kerbside collection of recyclable material collapse and instead an enormous burden placed on retailers to receive all waste packaging. The total additional cost of this approach is estimated to be around **NZ $154 million** per annum, assuming the packaging recovery rate remains the same as today. The cost of container deposit legislation, if it was introduced under the Bill, would cost New Zealand around **NZ $91 million** per annum on top of the existing costs of kerbside collection schemes.

1.7 Consultation was also underway on waste taxes, in light of the report commissioned by the Ministry for the Environment on "Issues associated with a levy on solid waste – A review of positions and possibilities". The Ministry completed a wide consultation exercise on waste levies and submitted its recommendations to the Minister for the Environment at the end of July 2006.

1.8 Before undertaking any hearings on this Bill, the Select Committee should wait for the Government to make announcements on its decisions regarding product stewardship and waste taxes, since they are key aspects of the Bill.

1.9 The Packaging Council has always been a strong advocate of voluntary product stewardship to achieve waste minimisation and recycling and takes its obligations under the Packaging Accord very seriously, as evidenced by its eleven year history of publishing annual recovery rates for each packaging material type; aluminium, glass, paper, plastic and steel.

1.10 Under the Accord agreement, the Packaging Council has committed to achieving certain recovery targets for each packaging material type by 2008. The Packaging Council signed the Packaging Accord 2004 on the basis that it is a voluntary product stewardship initiative to reduce the proportion of packaging in the total waste stream and that Government would only consider regulation if the voluntary approach does not provide sufficient improvements in reducing packaging waste. The Bill would appear to override that agreement.

1.11 The Packaging Accord is not the only voluntary initiative that could be under threat. Other examples include Tyre Track, a national system set up by the Motor Trade Association to make sure that all old tyres are managed responsibly, Resene’s PaintWise programme, which collects paint for recycling, Fisher & Paykel’s take back scheme for end of life white goods and Telecom’s and Vodafone’s take back schemes. All of these schemes have been developed by industry for industry and achieve their aims at least cost.

1.12 The Bill does not take account of existing environmental legislation, particularly the Resource Management Act (RMA) or the Local Government Act (LGA). Before embarking on further environmental regulation, the failings of the existing legislation should be clearly identified to avoid creating conflicts, confusion and additional cost. The tenet and language of the Bill appears to strive towards the concept of ‘zero waste’, which should only ever be a philosophical aspiration and not used a sound basis for legislation.

1.13 Waste management and in particular solid waste disposed to landfill is already comprehensively regulated. Under the RMA, the premise for issuing a resource consent to landfill waste is that the adverse effects are avoided, remediated or mitigated. It therefore follows that solid waste managed under the RMA does not represent an environmental problem and the cost of managing waste under the RMA is the fair and reasonable cost for waste disposal.

1.14 Since there are no cost-benefit analyses for any of the provisions within the Bill, it is unable to address the question of what additional costs it will impose on society to achieve its aims. If the RMA is correctly applied, then the full cost of disposal is built in, leading to the least cost of disposal. Applying a waste levy, for example, is an additional tax on top of that least cost, but the Bill does not justify the size of the levy, set initially at $25 per tonne, equating to a tax bill to New Zealand of **NZ$160 million** in year one.

1.15 It is also safe to assume that for the most part any recycling currently taking place in New Zealand is economic, since it is carried out by private enterprise.

A target of ‘zero waste’ would mean that much of the additional recycling would be uneconomic and therefore society would have to bear that cost, to the detriment of other core services such as health and education. With no cost-benefit analyses we cannot identify the specific aims of the Bill, nor the size of the cost it seeks to impose on New Zealand society.

1.16 There is a risk that misdirected use of levied funds could undermine the economics of current recycling and potentially contribute to an increase in the total volume of solid waste disposed of to landfill.

1.17 We are disappointed that the Government has supported this Bill through to Select Committee before announcing its decisions on product stewardship and waste taxes and the Government should undertake a full independent cost-benefit analysis for each part of the Bill before it proceeds any further.

2.0 Comments

This section provides the Packaging Council's position and views those parts of the Bill that would impact the packaging and packaged goods industry.

Waste Minimisation Authority (Part 2)

2.1 **The Packaging Council does not support the establishment of a Waste Minimisation Authority (WMA).** Any regulatory administration relating to waste management should be accommodated by either the Ministry for the Environment or, for hazardous wastes, by the Environmental Risk Management Authority (ERMA). Creating a government body to cover a specific issue creates the potential for increased complexity, confusion, conflict and cost if having to deal with multiple authorities for a similar issue. For example, business would have to deal with both ERMA and WMA on hazardous waste and their responses on any issue may conflict.

2.2 Would such a Crown entity be established, we predict that it would grow to the same size as ERMA, which employs approximately 80 - 100 people and receives in the region of $12 million per annum from the public purse.

2.3 We do not see any direct benefit to New Zealand from these costs and would be seriously concerned at the level of power designated to that Authority, which would be able to dictate business practices to every organisation in New Zealand without having to consider the economic implications.

2.4 The wide range of powers and functions designated to that Authority in the Bill also offers considerable potential for 'regulatory creep' and duplication of effort with ensuing confusion of roles with other organisations, such as Territorial Local Authorities.

2.5 The ability for special interest groups to effectively take control of the Authority would be of concern, particularly when those groups rarely seem to concern themselves with economic sustainability. The Authority would also be responsible for administering the waste levy and the ability for individuals with a vested interest to join the Authority would leave the system highly vulnerable to rort and market distortion.

Prohibition on Disposal of Materials (Part 4)

2.6 Whilst we accept that it may not be appropriate to dispose of certain hazardous wastes at landfills, we do not support the seemingly arbitrary power of prohibition that this part allows. The question is not just whether a material can be recycled, but whether it should be recycled, given that economic viability and market availability are crucial components.

2.7 The prohibition on potentially recyclable, or any particular materials, from landfill does not address the cost of segregating some materials and the relative worth of doing so. Paper used to wrap dangerous or putrescible wastes is expensive to recover safely and the cost of doing so probably exceeds its worth, particularly as it is relatively benign in landfill.

Waste Levy (Part 5)

2.8 **Extended producer responsibility (product stewardship) negates the need for a waste tax** and as a principal party to the Packaging Accord the Packaging Council will not support a waste tax in New Zealand.

2.9 A waste tax is a blunt instrument which only applies at the point of disposal and introduces all manner of inefficiencies, costs and disincentives. Extended producer responsibility (product stewardship) is far more sophisticated, working right across the product life-cycle and supply chain.

2.10 The tax under the Bill would be in the region of **NZ$160 million** per annum, which would be a considerable financial burden to place on industry and households. There has been no cost / benefit analysis to support the Bill to determine whether those costs would be outweighed by the benefits of waste minimisation activities funded by the tax.

2.11 Government would see far better gains in minimising waste if extended producer responsibility (product stewardship) programmes were implemented for the **priority wastes** identified in the *2002 Waste Strategy*; namely **organic waste, special wastes** (e.g. oil, tyres, end-of-life vehicles, batteries and electronic waste) **and construction and demolition waste**. We recognise that companies such as Fisher & Paykel already have successful schemes in place, which we wholeheartedly endorse.

2.12 We know that the Ministry for the Environment has commissioned a study on the impact that a waste tax may have on product stewardship schemes and we request that the Government announces its decisions on the findings of that report.

2.13 The Packaging Council is very concerned that the Ministry for the Environment was asked to provide advice to the Minister for the Environment on waste taxes in a very short timeframe. As a result, the consultation was rushed and the usual process of producing a Consultation Document with various options for public consultation was not followed. The Ministry made its recommendations to the Minister at the end of July, and Government's decisions should be declared before hearings on this Bill commence.

2.14 We also understand that Treasury is in the process of preparing its own model for a waste minimisation contestable fund which would be created from general taxation and not from the imposition of a waste tax. However we have not been given access to that model.

2.15 We are aware that in its 2002 tax review, Treasury stated that it saw '*little need for a national levy or charge'* on solid waste disposal, concluding that '*overall, the environmental impact of landfills appears to be satisfactorily addressed by existing environmental regulation and the allocation of responsibility for waste disposal to the local government bodies*'.

2.16 Clearly Treasury has not changed that view, which the Packaging Council would support. With the cost of safe solid waste disposal being met by existing charging regimes under legislative instruments such as the RMA and with the Government working on a legislative framework for Product Stewardship, which would recognise the Packaging Accord, we see no need for a waste tax.

2.17 The direct tax bill to some of our members would run into hundreds of thousands of dollars per annum and would come straight off their bottom line. Their tax burden could not be reduced because the material which they send to landfill cannot be recycled due to contamination or lack of markets for the material. Local authorities would presumably increase rates to recover their tax burden, with consequential reduction in consumer discretionary spending, an additional negative implication for our members.

2.18 The indirect tax burden is also just as important to consider, where manufacturers are likely to end up paying more for their raw materials as the tax bill is passed on down the supply chain.

2.19 A waste tax would appear to favour imports from countries that do not impose a waste tax.

2.20 The recently released Australian Productivity Commission's draft report on Waste Management recommends that (Australian) Governments should discontinue the current practice of using landfill taxes since:

i) pursuing objectives, such as arbitrary landfill diversion targets and revenue generation, to fund waste policies, will lead to inefficient outcomes;
ii) the external costs of disposal of a modern, fully-compliant landfill are believed to be small, and levies are a poor instrument for directly targeting those externalities; and
iii) the objective of reducing greenhouse gas externalities should be addressed within a broad national response to greenhouse gas abatement, not through landfill regulation or levies.

2.21 The Packaging Council concurs with the above findings from the Australian Productivity Commission and agrees with their findings that a waste tax would increase the cost of recycling certain products. Direct costs would increase because recycling often creates a number of non-recyclable waste by-products. Indirect costs would rise if a levy is used to subsidise competition for segregated recyclables.

2.22 Grants from the fund created by the tax to finance investment in plant and equipment would clearly disadvantage organisations competing in the same market and who have financed their plant and equipment without the support of a subsidy.

2.23 Likewise, organisations competing economically in marginal recycling activities would be placed at a significant commercial disadvantage if they have to compete with organisations or councils subsidised from the tax fund.

Extended Producer Responsibility (Part 6)

2.24 **This part appears to introduce a mandatory and highly draconian form of extended producer responsibility (product stewardship), which the Packaging Council would not support** as it would appear virtually tantamount to a ban on imports of any products without full production histories and would place a huge administrative and logistical burden on New Zealand business.

2.25 In reality, such burdensome requirements will lead to widespread flouting of the system and without costly policing, importers would be able to avoid the system more easily than New Zealand business, which was the case with the HSNO Act before it was simplified.

2.26 By way of illustration of the more ridiculous requirements of this Part, if the Packaging Accord was not approved then the brand-owners would have to operate collection facilities for all used packaging at the retailers premises, or within 5km, and an **A3 sign** would have to be posted next to every product in a store informing the consumer of where the packaging can be returned after use.

2.27 An independent economic analysis conducted by Covec on behalf of the Packaging Council estimates the total additional cost of waste packaging being returned to the point of sale to be between **NZ $133.1 million** and **NZ $175.3 million** per annum, with a medium cost of **NZ $154.2 million** per annum, assuming the overall packaging recovery rate remains the same as today. *The final report will be available in time for the Select Committee's oral hearings*.

2.28 Aside from the enormous cost implications, such ill thought through requirements would of course see the complete collapse of kerbside collection services of recyclable material, a service which is currently provided by over 77% of New Zealand councils.

2.29 The product stewardship requirements in the Bill are also contrary to the Ministry for the Environment's preferred option, and that of the largest group of submissions on the Ministry's discussion document, which would use voluntary mechanisms, with regulation as a safety net to fill in the gaps[1].

2.30 The Packaging Council is also a strong advocate of voluntary extended producer responsibility (product stewardship) to achieve waste minimisation and would be in favour of measures to bring in 'free-riders'. This is consistent

[1] Product Stewardship & Water Efficiency Labelling – New Tools to Reduce Waste – Summary of Submissions. Published in August 2006 by the Ministry for the Environment.

with the Ministry for the Environment's preferred approach as stated on page 12 of their discussion document[2]:

"Regulation would then be considered only where no effective voluntary scheme could be developed and where there was a clear indication that there would be net benefit from such intervention".

2.31 We are very concerned to see that this part appears not to make provision for existing product stewardship programmes, not just the Packaging Accord but also Tyre Track, a national system set up by the Motor Trade Association to make sure that all old tyres are managed responsibly, Resene's PaintWise programme, which collects paint for recycling, Fisher & Paykel's take back scheme for end of life white goods and Telecom's and Vodafone's take back schemes.

Organisational Waste Minimisation Plans (Part 7)

2.32 **The Packaging Council questions the justification for every business and public organisation to produce a waste minimisation plan** to be approved by the local authority. All organisations already have very strong incentives to reduce in-house waste to reduce costs. The cost implications, particularly for smaller organisations, would be significant with doubtful benefits in terms of reduced solid waste production.

[2] Product Stewardship & Water Efficiency Labelling - New Tools to Reduce Waste – Discussion Document. Published in July 2005 by the Ministry for the Environment.

3.0 The Packaging Accord – Success Stories

Overview

3.1. Packaging waste comprises only 12% by weight of the domestic waste stream, so contributes very little to the mass of material disposed at landfill. Nevertheless the packaging and package goods industry is highly responsible and takes its commitments under the Packaging Accord very seriously.

3.2. The New Zealand Packaging Accord 2004 is a voluntary five year initiative to cut down on wasteful packaging. Those signing it – the packaging & packaged goods industry, local and central government and the recycling operators – are voluntarily committing to doing what they can to reduce the proportion of packaging in our total waste stream. Accord signatories are aiming to save resources when they design, make and choose packaging and do their best to recover and reuse materials. This means producers and packaging users take more responsibility from the beginning to the end of the packaging lifecycle. This is an example of 'extended producer responsibility (product stewardship)', a core principle of the New Zealand Waste Strategy 2002, supporting sustainable development.

3.3. The New Zealand Packaging Accord 2004 is the culmination of two years work replacing the original 1996 Accord which concluded in 2001. The 2004 Packaging Accord is wider in scope than the 1996 Packaging Accord and defines those sector groups which must be involved to ensure its success.

3.4. The Packaging Accord 2004 has just come to the end of year two of the five year agreement and the successes of the programme to date clearly demonstrate that there is no need for regulation of the packaging sector.

3.5. In year one of the Accord, designated a 'benchmarking and baseline data collection year', we saw an increase in the overall packaging recycling rate from 51% in 2003/04 to 53% in 2004/05, up from less than 40% ten years ago when the first Accord was signed.

3.6. The recycling rates for year two of the Accord are in preparation and will be ready in time for the Select Committee hearing, but we already know that all the sectors have improved their recovery volumes on the previous year.

3.7. The Packaging Accord website (www.packagingaccord.org.nz) and the quarterly e-newsletter ACCORDing to PACKAGING provide an excellent source of information on all the on-going industry and government activities under the Accord as well as providing a wealth of information to New Zealanders on packaging recycling and how to do it.

Aluminium

3.8. The two dominant New Zealand producers of aluminium packaging have implemented a number of initiatives to improve the water and energy efficiency of their production processes further and reduce in-house waste. The weight of the average aluminium can has reduced by around 30%.

Almost all councils offer collection facilities for aluminium cans and brand owners are committed to driving improved recovery of aluminium by including the recyclable logo on each can to communicate that they are 100% recyclable.

Glass

3.9. To mitigate short-term impacts of the change in the market for recovered glass, the industry recently established the Glass Packaging Forum to find long-term commercially viable alternative uses which will help provide sustainable glass recovery in New Zealand. The Forum has introduced a voluntary levy to generate funds to support these projects. In the first 3 months of operation, the Forum has provided up to $100,000 to fund research projects which under its terms of reference will be made available to all recycling operators and councils. One of the most common open loop uses worldwide for glass is as aggregate in roads and the Forum has supported the development of a new road specification under Transit which could allow up to 5% of glass cullet in the base course for new roading. Other projects include:

- Trials in Palmerston North and Nelson to assess the commercial viability of crushing glass either separately or as part of a mix with other aggregate. This will provide a cost- benefit analysis of the two different trials which will provide valuable information for other councils.
- Financial Support to facilitate a co-ordinated South Island response to provide a glass specification for a leading Australian producer of engineered glass materials that requires 16,000 tonnes of high quality flint cullet.
- Support of a business plan by Amberly District to test the viability of producing “foamed glass” for the building industry.

Paper

3.10. The rate of paperboard packaging recovered or prevented from going to landfill in New Zealand (approx 72%), is one of the highest in the world and compares well with the 50 to 60% obtained in countries such as the UK and Germany. The New Zealand manufacturers of paperboard packaging have virtually eliminated paper waste to landfill from the manufacturing process through recycling of off-cuts and changes in manufacturing processes.

3.11. Further gains will be achieved by manufacturers working closely with brand owners, retailers and recycling operators to develop innovative paperboard packaging, utilize recycled material in production of corrugated board and to ensure that the “close the loop” recycling logo is designed into packaging.

Plastic

3.12. Although New Zealand consumption of plastic packaging is increasing, which is consistent with trends around the world for increased use of plastic packaging for food and drink products, the increase in plastics collection continues to exceed growth in consumption.

3.13. As a major part of its drive to improve recovery rates, the sector published its research project into sustainable end-of-life options for plastics. The report contains an initial study of plastic material available for recovery in New Zealand; a statistical analysis of collected materials; an assessment of recycling infrastructure; comparisons to international recovery practices; an identification of key influences on plastics recovery and recommendations on improving recovery. In December 2005 and March 2006 Plastics New Zealand held seminars on degradable plastics and the sector is working on incorporating environmental content into the Diploma in Design and Specification of Plastics.

Steel

3.14. All steel cans may be recycled, irrespective of their origin and can manufacturers and fillers are already recovering and recycling virtually all of their scrap from the manufacturing process.

3.15. As part of its overall communications strategy, the Steel Can Association of New Zealand launched a new identity for its recycling operation – CANZBAC. The CANZBAC website (www.canzbac.co.nz) is dedicated to promoting steel can recycling and provides information for householders, industry and local councils. As part of its public awareness programme, CANZBAC has compiled an excellent householders' information pamphlet and produced a "Lifecycle of Steel Chart".

3.16. The sector has also committed in Auckland to a 10 year steel can recovery arrangement in North Shore and Waitakere, providing baling and processing equipment for steel containers.

Brand Owners & Retailers

3.17. Progressive Enterprises, Foodstuffs and The Warehouse all have in-store initiatives in place to reduce the number of plastic shopping bags used and are striving to meet their commitment to a 20% reduction by the 2009.

3.18. Representatives from New Zealand's leading brands participate in joint initiatives such as the Environmental Beverage Action Group (EBAG) and the Food & Grocery Council (FGC) Packaging Project Team with the overarching objective of reducing packaging waste to landfill.

3.19. With significant early input from the group, EBAG has co-ordinated event and out and about recycling trials at Auckland City's Coca Cola Christmas in the Park, Botany Downs Shopping Mall and the Ellerslie Flower Show. These events have provided a learning experience for the group with different collection methods trialled and have led to the development of an Event Recycling Guidebook.

3.20. As a direct result of Coca Cola's year long public place recycling trial at Botany Downs, the Ministry for the Environment has commissioned a study into the feasibility of introducing a nationwide public place network of recycling bins.

3.21. As a key part of their commitment to the Accord, New Zealand brand owners and retailers have taken the decision to use EANnet as a repository for key product and mass balance data which will ultimately provide highly accurate data about the type and amount of packaging consumed in New Zealand from the point of sale. It is believed New Zealand is the first country in the world where this global supply chain standard is being used in this way to accurately measure packaging consumption.

4.0 Container Deposit Legislation (CDL)

4.1. The Packaging Council expects the Select Committee to receive submissions calling for CDL to be introduced into New Zealand through the Bill, since the concept of deposit fees is included in the Bill. **The Packaging Council does not support deposit fees on packaging and does not support container deposit legislation.**

4.2. The Packaging Council has commissioned Covec to produce an independent economic analysis of the total cost to New Zealand of a deposit refund scheme for beverage containers. *The final report will be available in time for the Select Committee's oral hearings*, although some of the findings are provided below.

4.3. The Covec study has estimated the overall cost to New Zealand of a deposit refund scheme for beverage containers to be between **NZ $61 million** and **NZ $121 million** per annum (with a medium cost estimate of **NZ $91 million** per annum). This would be on top of the existing costs of kerbside collection and is two to three times the cost of kerbside collection. Although an estimated additional 89,000 tonnes of packaging would be recovered, rather than sent to landfill, it would be at a cost of between NZ $680 and NZ $1,360 per tonne.

4.4. Container deposit legislation was introduced in the 1970s in South Australia as an anti-litter mechanism, not a recycling mechanism. One reason why no other states in Australia have adopted CDL is due to the enormous costs involved in administering the scheme, costs which are not covered by the deposit but are borne by the manufacturers. The other reason is that CDL is a highly ineffective recycling tool. Although South Australia has run a container deposit system for 30 years, it also has the second lowest overall recycling rate of all Australian states for non-organic municipal solid waste.

4.5. The Australia Victorian EPA in 2003 published its own independent study on the cost of container deposit legislation, which estimated the cost of introducing the system on top of the existing kerbside scheme would be around AUD$150 per household per annum, or around AUD$1 billion per annum nationally. Similar research commissioned by the Australian Capital Territory Government found that container deposit legislation would double or triple the cost of kerbside recycling, which compares well with the estimated costs of introducing container deposit legislation in New Zealand.

4.6. The huge costs of administering container deposit systems are due to the storage, transportation, processing and labour costs on top of the complexity of identifying containers by exact number (in order to pay refunds and process handling fees) and separating containers both by material type and by brand owner.

4.7. Container deposit systems also act as a rival collection scheme to kerbside recycling and thereby reduce the efficiency of kerbside recycling. The Covec study for the Packaging Council estimates that 78,000 tonnes of packaging would be diverted away from kerbside collections.

4.8. This makes no sense when 95% of New Zealanders already have easy access to recycling facilities for all types of packaging; glass, paper, steel, aluminium and plastics 1 & 2. Diverting used beverage containers away from kerbside collections would make household recycling services less efficient and more expensive to operate.

4.9. The recently released Australian Productivity Commission's draft report on Waste Management made the following finding on container deposit legislation:

Deposit-refund schemes are typically costly and would only be justified for products that have a very high social cost of illegal disposal. Container deposit legislation is unlikely to be the most cost-effective mechanism for achieving its stated objectives. Kerbside recycling is a cheaper option for recovering resources, while general anti-litter programs are likely to be a more cost-effective way of pursuing litter reduction.

4.10. The Packaging Council can understand the attractiveness of CDL at face value as a revenue stream for community groups. However, there is nothing to stop the same community groups from collecting used packaging such as steel cans and aluminium beverage containers and selling them to recycling operators, of which there are many in New Zealand.

5.0 Financial Members of the Packaging Council Endorsing this Submission

3M New Zealand Ltd
Aerosol Association of NZ (Inc)
Alcan Packaging Danaflex
Alto Holdings Ltd
Amcor Kiwi Packaging Ltd
Amcor Beverage / Aerosols Australasia
Amcor Flexibles Australasia
Amcor Food Cans Australasia
Amcor PET Technologies Australasia
Aperio Group (NZ) Ltd
Arnotts New Zealand Ltd
Auckland Drum Company
Aztec Packaging Ltd
Barnes Plastics
B J Ball Papers
Bluebird Foods Ltd
BlueScope Steel Ltd
Boxkraft (NZ) Ltd
British American Tobacco (NZ) Ltd
Cadbury Confectionery Ltd
Carter Holt Harvey Ltd
- FullCircle
- Packaging NZ
- Paper Bag
Cas-Pak Products Ltd
Cerebos Greggs Ltd
Charta Packaging Ltd
Chemiplas NZ Ltd
Chep New Zealand
Chequer Corporation Ltd
- Astron Plastics Ltd
Clorox New Zealand Ltd
Coca-Cola Amatil NZ Ltd
Codemark Ltd
Colgate Palmolive Ltd
Corus New Zealand Ltd
Cospak (NZ) Ltd
Creation House Ltd
DB Breweries Ltd
Detpak (NZ) Ltd
EC Attwood Ltd
Elldex Packaging Ltd
Fisher & Paykel Appliances - Dunedin
Flint Group Ltd
Fluteboard Group Ltd
Fonterra Co-Operative Group Ltd
- Fonterra Brands (New Zealand) Ltd
- Fonterra Brands (Tip Top) Ltd
- Ingredients
Foodstuffs (NZ) Ltd
Forbes Packaging Ltd
Frucor Beverages Ltd
Glass Packaging Forum
Goodman Fielder
- Goodman Fielder NZ Ltd
- Goodman Fielder Commercial NZ Ltd
Gravure Packaging Ltd
Greif NZ Ltd
Griffins Foods Ltd
Heidelberg New Zealand
Heinz Wattie's Australasia Ltd
Huhtamaki Henderson Ltd
Hunt Agencies Ltd
Imperial Tobacco New Zealand
Interpac Packaging Ltd
ITW Packaging Systems
Jenkins Group
Johnson & Johnson Pacific
Kimberly-Clark Australia
Lamprint Packaging Ltd
Lanes Management Services Ltd
Lion Nathan Ltd
- NZ Breweries Ltd
- Maltexo Ltd
- Lion Nathan Wine & Spirits NZ Ltd
- Lion Nathan School of Business Ltd
- McCashin's Breweries
- Contracting Bottling Company
- Lion Breweries
- Lion Nathan International
- Speight's Brewery
- Canterbury Brewery
- Wellington Brewery
- Lion Nathan Liquor Distinguished Vineyards
LinkPlas Ltd
McDonald's Restaurants (NZ) Ltd
Mil-tek New Zealand Ltd
MiTech Industries Ltd
Mobil New Zealand Ltd
Monaghan Plastics & Engineering Ltd
NCI Packaging (NZ) Ltd
Nestle New Zealand Ltd
Nobilo Wine Group Ltd
Nova Inks & Chemicals Ltd
Nutrimetics International NZ Ltd
NZ Food & Grocery Council
NZ Juice & Beverage Assn
NZ Paperboard Packaging Assn (Inc)

NZ Retailers Association Inc.
NZ Sugar Company Ltd
NZ Winegrowers
O-I New Zealand
OfficeMax NZ Ltd
Packaging House
Paper Coaters Ltd
PACT Industries Pty Ltd
Pernod Ricard New Zealand Ltd
Peter's Packaging (NZ) Ltd
Pharmapac Ltd
PJ Papers Ltd
Plastics New Zealand
PPCS Ltd
Premier Plastics Ltd
Printing Industries NZ
Progressive Enterprises Ltd
- Countdown
- Foodtown
- Price Choppers
- Woolworths (NZ) Ltd
PZ Cussons (New Zealand) Pty Ltd
Quickshrink Distributors (NZ) Ltd
Reckitt Benckiser (NZ) Ltd
Recycling Commodities Ltd
Rotaform Plastics Ltd
S.C Johnson & Son Pty Ltd
Saito Labels Ltd
Sanford Ltd
Sanitarium Health Food Company
Scholle New Zealand Ltd
Sealed Air (New Zealand) Ltd
Sellagence Ltd
Shell New Zealand Ltd
Shiseido NZ Ltd
Siegwerk New Zealand Ltd
Signum NZ Ltd
Snell Packaging & Stationery Ltd
Sonoco New Zealand Ltd
Spicers Paper (NZ) Ltd
Steel Can Association of NZ (Inc)
Sullivan Packaging Ltd
Sutton Group Ltd
Tetra Pak (NZ) Ltd
The Associated Bottlers Company Ltd
The Wrigley Company (NZ) Ltd
TPF Restaurants Ltd
TSL Plastics Ltd
Tubepack Ltd
Unibag Packaging Ltd
Unilever Australasia
- Lever Rexona
Viscount Plastics (NZ) Ltd
Visy Industries
- Visy Board (NZ) Ltd
- VisyPak NZ Beverage Packaging
- Visy Industrial Packaging
- Visy PET
Visy Recycling NZ Ltd
Wella NZ
Westfield NZ Ltd