[X] May 2022

**[NAME local MP]
[Address]**

Dear [insert name],

I am writing to you regarding the ‘*Transforming Recycling* – *Container Return Scheme and Kerbside Recycling’* consultation that is currently underway with the Ministry for the Environment.

I [work for / own] [insert company name] a [insert business type] company operating in [insert location] for [more than XX] years. We [insert business purpose e.g. have four varietals that are sold in supermarkets across New Zealand and exported to Australia and the United Kingdom]. We have [XX] permanent staff and up to [YY part-time/casual staff during harvest/bottling etc]. [Insert additional business information e.g. turnover, donations, sports/community sponsorships]. We are strongly supportive of the Government’s sustainability aspirations to reduce waste and improve recycling outcomes. We are committed to running our business in a sustainable way [and currently undertake X,Y & Z sustainability initiatives].

I/We are concerned that if the scheme is implemented as detailed that there would disproportionately impact on my business, on our community and its people without necessarily delivering better recycling outcomes.

The consultation paper notes the introduction of a Container Return Scheme (CRS) would result in additional costs for consumers across a wide range of beverages – and at 20-cents per container the costs are double that used in Australia. Families in [my region/locality/city/town] are facing increasing challenges from high costs of living - [insert local example of community pressure e.g. X food bank has reported Y demand]. The costs of a CRS scheme need to be balanced against the environmental outcomes and should not add to the financial burden on families and business.

I/We are also concerned that the consultation only seems to focus on increasing recovery of glass, plastic, and aluminum beverage containers, not on how we would recycle them. Clarity is needed on how the scheme design will prevent products ending up in landfill or shipped offshore due to lack of capacity.

 I/We are also concerned that there are potential flaws in the data used to justify a scheme as proposed in the consultation document. These include:

1. The positive economics of the CRS scheme as proposed in the consultation document is largely because of how litter is accounted for as stated in the consultation documentation’s cost benefit analysis (CBA). NZ Institute of Economic Research (NZIER) has reviewed this CBA and found the analysis is based on insufficient data, and potentially overstates the percentage of litter across all categories by up to 59%.
2. Additionally, recent Australian studies by The Centre for International Economics indicate that information in the consultation documentation is 10 years out of date and significantly overstate consumers ‘willingness to pay’ for such schemes.
3. NZIER also suggest consumer costs have been understated and beverage prices per container overstated, leading to scheme costs as a percentage of beverage prices being understated.

I/We are supportive of a scheme that improves recovery AND recycling rates but does so in a way that balances the cost to my business and my customers. To make this work I/we believe there are six things that need to happen with the proposed scheme.

1. *Deposit is reduced from 20-cents to 10-cents to minimise financial burden to consumers and business.* Modelling commissioned by the Ministry for the Environment indicates the proposed deposit rate will lead to a 6.5% decline in beverage sales – that equates to [insert $sales figure] to my business which would lead to [insert business outcome]. Noting that the 6.5% decrease in sales is based on the Queensland scheme and a 10-cent deposit fee so it is likely a 20-cent deposit will have a much larger impact on our sales and business.
2. *An effective scheme is industry-led and not-for-profit.* We support the Ministry’s plan for a regulated product stewardship programme that is industry-led and not-for-profit.
3. *A Container Return Scheme (CRS) is preferred over**a Container Deposit Scheme (CDS).*Although, the CDS model proposed supports the offset of unclaimed deposits to reduce the overall cost, the CDS model as opposed to the CRS requires producers to pay the costs of the deposit and scheme-related fee on every bottle produced as it leaves the [brewery/distillery/winery]. The increased upfront production costs will cause significant cash flow pressures for [insert business name and elaborate on why if possible]. A CRS model that includes a loan to the Managing Agency to fund the initial float of the scheme operations would allow us to pay the scheme and deposit fee costs in arrears following the supply of containers into the market – this would greatly enable us to manage our cash flow and [insert a personal comment about what this means for your business if possible].
4. *A targeted glass programme (EPR) should run in parallel to a CRS to maximise NZ’s recycling quality.* The CRS scheme should focus on plastic and aluminum with improvement of the current voluntary Extended Producer Responsibility (EPR) model for glass that runs in parallel to maximise the recovery and recycling quality for all materials.
5. *A standardised kerbside recycling system should be implemented nationwide.* We agree and support the Ministry’s desire to standardise council-run kerbside recycling collection schemes nationwide, this makes sense as the first step on the journey to success.
6. *A voluntary return-to-retail component. An open, diverse, and accessible return network with a variety of refund point types to cater to consumer needs.*

 The proposed mandatory return to retail will result in higher network handling fees that will impact consumers and businesses and likely impact the viability of other collection facilities. A more diverse and accessible scheme would encourage innovation in collection pathways and facilities and provide an opportunity for charities and community groups to participate as collection facilities, thereby achieving a major scheme objective.

[insert company name] is committed to playing our part to ensure better recycling outcomes for the [insert location] community. I would appreciate you giving some thought to the scheme design issues raised in this letter and welcome your voice in Parliament in support of your constituency, on this consultation process.

We are committed to a sustainable New Zealand and better environmental outcomes for our community and future generations of [insert location/region] – we just ask that any scheme implemented does not inadvertently add unnecessary costs to consumers or business. Many of whom are already struggling under the pressures of inflation and cost increases [insert recent examples of cost to business].

I appreciate your support on this issue and please do not hesitate to get in touch should you wish to discuss this letter.

Ngā mihi nui

[insert name and signature]

[insert business contact details]