

DRAFT FOR CONSULTATION

Container Return Scheme Bill

Member's Bill

Explanatory note

General policy statement

New Zealand consumers produce more than two billion beverage containers as waste every year. Many of these end up in landfills, stockpiles, rivers, and on beaches rather than being recycled. For years, councils and ratepayers have carried the cost of cleaning up this waste while the producers of beverage containers largely avoid responsibility.

A practical solution already exists. Container return schemes operate successfully across Australia, Europe, North America, and elsewhere. These schemes place a small refundable deposit on beverage containers which consumers receive back when the container is returned for recycling. Overseas evidence shows that such schemes can dramatically reduce litter and significantly increase recycling rates.

New Zealand has already undertaken extensive work to design a container return scheme. Between 2019 and 2022, central government, local councils, industry representatives, and community groups participated in a detailed co-design process to develop a model suitable for New Zealand. Following that work, Cabinet considered implementing a national scheme. However, in March 2023, the Government decided to defer the rollout of the scheme despite the substantial design work already having been completed.

This Bill finishes the job. The purpose of this Bill is to establish the legislative framework for a national container return scheme and require the Government to implement it. The Bill sets out the core principles of the scheme while leaving operational detail to regulations, allowing the final design to be refined using the extensive policy work that has already been undertaken.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause and provides for this Bill to come into force on the day after Royal assent.

Part 1

Preliminary provisions

Clause 3 sets out the purpose of the Bill.

Clause 4 defines terms used in the Bill.

Clause 5 and the *Schedule* provide for transitional matters. These require the Minister to recommend regulations to set up a nationwide scheme for beverage containers within 24 months of the Bill's commencement.

Clause 6 provides that the Bill, once enacted, will bind the Crown.

Part 2

Container return schemes

Clause 7 empowers regulations to be made to establish 1 or more return schemes.

Clauses 8 to 10 provide further detail of what regulations made under *clause 7* may do.

Clause 11 is a general regulation-making power in respect of the Bill. It also empowers regulations to be made to specify offences in respect of contravention of, or non-compliance with, regulations made under *clause 7*.

Part 3

Enforcement

Clauses 12 to 14 relate to the appointment of enforcement officers for the purposes of ensuring compliance with the Bill and regulations made under it.

Clauses 15 and 16 outline the powers of enforcement officers, including powers of entry and inspection.

Clause 17 provides for an offence of providing false or misleading information to an enforcement officer.

Part 4

Review of Act

Clause 18 requires the Minister to review the operation of the Act within 5 years of its commencement, and report on the review to the House of Representatives.

Part 5

Consequential amendments

Subpart 1 amends the Search and Surveillance Act 2012 to amend Schedule 2 of that Act, which lists the powers in other enactments to which all or part of Part 4 of Search and Surveillance Act 2012 applies, to include reference to this Bill.

Subpart 2 amends the Waste Minimisation Act 2008 to repeal the existing regulation-making power in that Act that provides for regulations to be made to establish deposit schemes.

Jamie Arbuckle

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Container Return Scheme Act **2026**.

2 Commencement

This Act comes into force on the day after Royal assent.

Part 1
Preliminary provisions

3 Purpose

- (1) The purpose of this Act is to—
- (a) increase the recovery and recycling of consumer product containers; and
 - (b) reduce litter and landfill disposal of consumer product containers; and
 - (c) ensure that producers of consumer product containers contribute to the cost of recovering and recycling those containers.
- (2) To that end, this Act provides for the establishment of container return schemes for consumer product containers.

4 Interpretation

In this Act, unless the context otherwise requires,—

chief executive means the chief executive of the department

consumer product means a product that is used or acquired for use primarily for personal, domestic, or household purposes

consumer product container means a container that contains a consumer product

container, in relation to a consumer product, includes a bottle, jar, box, or other package

deposit means an amount payable to a scheme supplier for a scheme container

enforcement officer means a person appointed under **section 12**

refund means an amount payable by a scheme collector for a scheme container

return scheme means a scheme prescribed as a return scheme for the purposes of this Act in which—

- (a) a person supplied with a scheme container by a scheme supplier pays the supplier a deposit; and
- (b) a person who returns a scheme container to a scheme collector is entitled to be paid a refund in respect of that container by the collector

scheme administrator, in relation to a return scheme, means a person declared by regulations to be a scheme administrator of the scheme

scheme collector, in relation to a return scheme,—

- (a) means a person declared by regulations to be a scheme collector of the scheme; and
- (b) includes a scheme administrator and a scheme supplier of the scheme

scheme container means a consumer product container, or class of consumer product container, that is declared by regulations to be a scheme container in respect of a return scheme

scheme supplier, in relation to a return scheme, means a person that supplies or produces a scheme container.

5 Transitional, savings, and related provisions

The transitional, savings, and related provisions (if any) set out in **Schedule 1** have effect according to their terms.

6 Act binds the Crown

This Act binds the Crown.

Part 2

Container return schemes

7 Regulations: return schemes

- (1) The Governor-General may, by Order in Council, make regulations prescribing 1 or more return schemes for the purposes of this Act.
- (2) Regulations made under **subsection (1)** may (without limitation) do 1 or more of the following:
 - (a) declare 1 or more consumer product containers, or classes of consumer product container, to be scheme containers for the purposes of a return scheme:
 - (b) prescribe the amount of a deposit or refund in respect of a scheme container under the scheme, or a method of calculating the amount:
 - (c) prescribe circumstances in which a deposit or refund is to be paid in respect of a scheme container:
 - (d) declare 1 or more scheme administrators in respect of the return scheme:
 - (e) provide for the duties, functions, and powers of the scheme administrator:
 - (f) declare 1 or more scheme collectors for the purposes of the scheme:
 - (g) prescribe requirements on scheme collectors:
 - (h) prescribe requirements on scheme suppliers:
 - (i) prescribe requirements in respect of the keeping of records.
- (3) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

8 Regulations: scheme administrators

- (1) Without limiting the generality of **section 7(2)(e)**, regulations providing for the duties, functions, and powers of the scheme administrator may do 1 or more of the following:
 - (a) require the scheme administrator to pay a person who returns a scheme container to them a refund in accordance with the return scheme:
 - (b) require the scheme administrator to recycle, re-use, or arrange or facilitate the recycling or re-use of any scheme container returned to them in accordance with the return scheme, or to otherwise dispose of such containers in accordance with the return scheme;
 - (c) confer functions relating to the registration of scheme suppliers and scheme collectors:
 - (d) authorise the scheme administrator to charge fees for registration and to use such fees to meet the costs of exercising its functions under, or in connection with, the scheme:

- (e) authorise the scheme administrator to give general or specific directions to scheme suppliers and scheme collectors as to the requirements imposed on them by regulations made under this Act:
 - (f) authorise the scheme administrator to make payments to scheme collectors to reimburse them in respect of the payment of refunds or payments made by virtue of a requirement imposed on them by regulations made under **section 9(1)(a)**:
 - (g) require the scheme administrator to use amounts received by it under or by virtue of the return scheme for specified purposes:
 - (h) impose functions on the scheme administrator relating to securing compliance by scheme suppliers and scheme collectors with their obligations under the return scheme:
 - (i) require the scheme administrator to provide records or other information in connection with the return scheme to the department:
 - (j) impose requirements as to the exercise of the scheme administrator's functions.
- (2) If a fee is set by the scheme administrator under **subsection (1)(d)**,—
- (a) the fee is payable, and recoverable as a debt due, to the scheme administrator; and
 - (b) the scheme administrator may decline to do any act, or to permit any act to be done, or to receive any document in respect of which that fee is payable, until the fee is paid.
- (3) If there is more than one scheme administrator for a return scheme, regulations under **section 7(2)(e)** may confer different functions on different scheme administrators.
- (4) Regulations under **section 7(2)(e)** may confer a power on the Minister to give directions to a scheme administrator of a return scheme as to the exercise of the administrator's functions under the scheme.

9 Regulations: scheme collectors

Without limiting the generality of **section 7(2)(g)**, regulations prescribing requirements on scheme collectors may include requirements:

- (a) to pay a person who returns a scheme container to them a refund in accordance with the return scheme:
- (b) to recycle, re-use, or arrange or facilitate the recycling or re-use of any scheme container returned to them in accordance with the scheme, or to otherwise dispose of such containers in accordance with the scheme:
- (c) if a scheme collector receives a payment in connection with the recycling or disposal of a scheme container, to retain that amount or to pay it, or a part of it, to the scheme administrator:

- (d) to treat any amounts received from scheme suppliers, other scheme collectors, or a scheme administrator in a specified manner:
- (e) to take steps to ensure that a specified proportion of scheme containers supplied by scheme suppliers are returned to scheme collectors:
- (f) to provide records or other information in connection with the return scheme to the scheme administrator.

10 Regulations: scheme suppliers

- (1) Without limiting the generality of **section 7(2)(h)**, regulations prescribing requirements on scheme suppliers may include requirements:
 - (a) to take steps to ensure deposits are paid in respect of scheme containers in accordance with the return scheme (which may include a requirement to include the amount of the deposit in the sale price of the item, or in the price of goods or services the item was supplied in connection with):
 - (b) to label, or otherwise identify, scheme containers as such:
 - (c) to treat deposits received under the return scheme in a specified manner:
 - (d) to take steps to ensure that a specified proportion of scheme containers supplied by scheme suppliers are returned to scheme collectors:
 - (e) to provide records or other information in connection with the return scheme to a scheme administrator.
- (2) Regulations made under **section 7(2)(h)** may impose different requirements on different scheme suppliers.

11 Regulations: general

- (1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:
 - (a) providing for anything this Act says may or must be provided for by regulations:
 - (b) prescribing offences punishable on conviction by a fine not exceeding \$5,000 in respect of the contravention of, or non-compliance with, regulations made under this Act:
 - (c) providing for anything incidental that is necessary for carrying out, or giving full effect to, this Act.
- (2) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Part 3 Enforcement

Enforcement officers

12 Appointment of enforcement officers

- (1) The chief executive may appoint such suitably qualified and trained enforcement officers as the chief executive thinks necessary for the purposes of ensuring compliance with regulations made under this Act.
- (2) An enforcement officer—
 - (a) may be appointed to perform or exercise all the functions, duties, and powers of enforcement officers conferred by this Act, or particular functions, duties, and powers only;
 - (b) is appointed for a term not exceeding 3 years, but may be reappointed;
 - (c) may be removed from office by the chief executive, by written notice, for inability to perform the functions of the office, legal incapacity, neglect of duty, or misconduct, proved to the satisfaction of the chief executive;
 - (d) may at any time resign office by written notice to the chief executive.
- (3) The chief executive must issue a written warrant to an enforcement officer appointed under this section.
- (4) The warrant must specify the functions, duties, and powers of the holder.
- (5) An enforcement officer must, on the termination of the enforcement officer's appointment, surrender his or her warrant to the chief executive.
- (6) An enforcement officer appointed under **subsection (1)** is not to be regarded as employed in the service of the Crown for the purposes of the Government Superannuation Fund Act 1956 or the Public Service Act 2020 just because the person is an enforcement officer.

13 Enforcement officers must produce evidence of appointment

An enforcement officer must produce their warrant of appointment under this Act whenever requested to do so in the course of the enforcement officer's duties.

14 Chief executive has powers of enforcement officer

The chief executive has all the powers that an enforcement officer has under this Act.

*Powers of enforcement officers***15 Power to inspect property and obtain information**

- (1) An enforcement officer may, for the purpose of investigating compliance with this Act or regulations made under this Act,—
 - (a) enter any land, building, or place at any reasonable time;
 - (b) inspect and examine any property and any books, accounts, records, or documents (including records or documents held in electronic or any other form);
 - (c) require any person to produce any books, accounts, records, or documents (including records or documents held in electronic or any other form) in that person's possession or under that person's control;
 - (d) take copies of or extracts from those books, accounts, records, or documents.
- (2) Before exercising the power in **subsection (1)(a)**, the officer must, if practicable, give reasonable notice to the occupier of the land, building, or place of the intention to exercise the power, unless the giving of notice would defeat the purpose of the entry.
- (3) The provisions of Part 4 of the Search and Surveillance Act 2012 (except subpart 3 and sections 118 and 119) apply.
- (4) This section is subject to **section 16**.

16 Consent or warrant required to inspect dwellinghouse or marae

- (1) An enforcement officer must not exercise the power of entry under **section 15(1)(a)** in relation to a dwellinghouse or marae—
 - (a) except with the consent of the occupier of the dwellinghouse or marae; or
 - (b) unless—
 - (i) authorised to do so by a warrant issued under **subsection (2)**; and
 - (ii) when exercising the power, the enforcement officer is accompanied by a constable.
- (2) An issuing officer (within the meaning of section 3 of the Search and Surveillance Act 2012) may, on the application of an enforcement officer made in the manner provided for an application for a search warrant in subpart 3 of Part 4 of that Act, issue a warrant authorising the enforcement officer to enter the dwellinghouse or marae specified in the application.
- (3) The issuing officer may issue a warrant under **subsection (2)** only if satisfied that—

- (a) there are reasonable grounds to believe that the entry is essential to enable the inspection to be carried out; and
 - (b) the enforcement officer has taken all reasonable steps to obtain the consent of the occupier to the proposed entry
- (4) The provisions of Part 4 of the Search and Surveillance Act 2012 (except sections 118 and 119) apply as if a warrant issued under **subsection (2)** were a search warrant.
- (5) In this section,—
- dwellinghouse** means any building or any part of a building to the extent that it is occupied as a residence
- marae** includes—
- (a) the buildings associated with a marae, for example, the wharehau (meeting house), the wharekai (dining room), and ablution blocks; and
 - (b) the land on which the buildings are situated.

Offence in respect of enforcement officers

17 Providing false or misleading information to enforcement officer

- (1) A person commits an offence if the person—
- (a) fails or refuses to comply with a request or requirement made or imposed by an enforcement officer under **section 15**; or
 - (b) provides to an enforcement officer information that the person knows, or ought to know, is false or misleading in any material respect.
- (2) A person who commits an offence against **subsection (1)** is liable on conviction,—
- (a) in the case of an individual, to a fine not exceeding \$10,000; or
 - (b) in the case of a body corporate, to a fine not exceeding \$50,000.

Part 4
Review of Act

18 Review of Act

- (1) The Minister must, as soon as practicable after the expiry of 5 years from the commencement of this Act,—
- (a) commence a review of the operation and effectiveness of the Act; and
 - (b) prepare a report on that review.
- (2) The Minister must present the report to the House of Representatives as soon as practicable after it has been completed.

Part 5

Consequential amendments

Subpart 1—Amendment to Search and Surveillance Act 2012

19 Amendment to Search and Surveillance Act 2012

This subpart amends the Search and Surveillance Act 2012

20 Schedule 2 amended

In Schedule 2, after the item relating to section 18P of the Construction Contracts Act 2002, insert:

Container Return Scheme Act 2026	15(1)	Enforcement officer may enter land or buildings to inspect property and obtain information	All (except subpart 3 and sections 118 and 119)
	16(3)	Enforcement officer may enter a dwellinghouse or marae with a warrant	All (sections 118 and 119)

Subpart 2—Amendment to Waste Minimisation Act 2008

21 Amendment to Waste Minimisation Act 2008

This subpart amends the Waste Minimisation Act 2008.

22 Section 23 amended (Regulations in relation to products (whether or not priority products), materials, and waste)

Repeal section 23(1)(e).

Schedule 1
Transitional, savings, and related provisions

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Part 1
Provisions relating to this Act as enacted

1 Minister must recommend making regulations within 24 months

- (1) Within 24 months of the commencement date, the Minister must recommend to the Governor-General the making of regulations under this Act providing for the establishment of a return scheme in respect of beverage containers that operates on a nationwide basis.

- (2) In this clause,—

beverage means a liquid substance that is intended for human consumption by drinking

beverage container means a container containing a beverage (regardless of whether it is sold alone or as a unit in a multipack), that is sealed in an airtight and watertight state at the point of sale

commencement date means the date on which this Act comes into force.