



Experiences of CRS / CDS It's not all doom and gloom

Kei ō tātou ringaringa te anamata - The future is in our hands.

Whakataukī

Kua takoto te Mānuka

The leaves of the Manuka tree have been laid
down

Introduction

- ✓ What does success look like; how does CRS work?
- ✓ Where are we with CRS?
- ✓ Why CRS?
- ✓ What next for NZ and when?

Re.Group is the only company in Australia and New Zealand that designs, builds, owns and operates recycling facilities and systems.

We provide solutions for recycling and recovery of resources, with a focus on maximising positive environmental and social impacts.

Delivering modern container refund schemes has allowed us to deepen our positive impact in the communities we service, and on the environment on which we all rely.

OUR CHARTER

We are focused on maximising positive environmental and social impacts, by providing solutions for recycling and the recovery of resources.

OUR VALUES



Safety
First



Customer
Obsession



We Take
The 'Waste' Out



Insist On The
Highest Standards



Apply Relentless
Grit & Accountability



Constantly
Curious

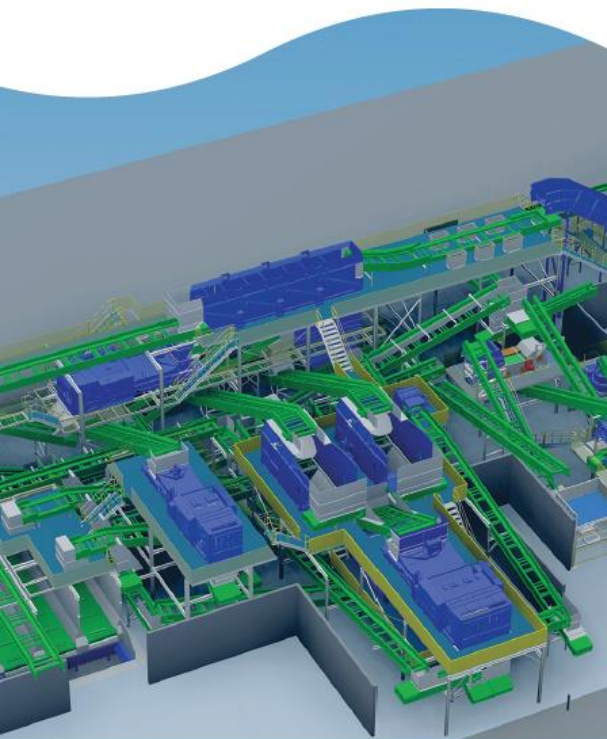


Celebrate

Our business pillars



Combining world's
best technology with
Australian know-how



Helping our partners
achieve their resource
recovery goals



Maximising the social &
environmental benefits of
container return schemes



WWW.RDTAUST.COM



RETURN-IT

WWW.RETURNIT.COM.AU

Our Australian network



WHAT'S SUCCESS LOOKS LIKE AND HOW CRS WORKS?

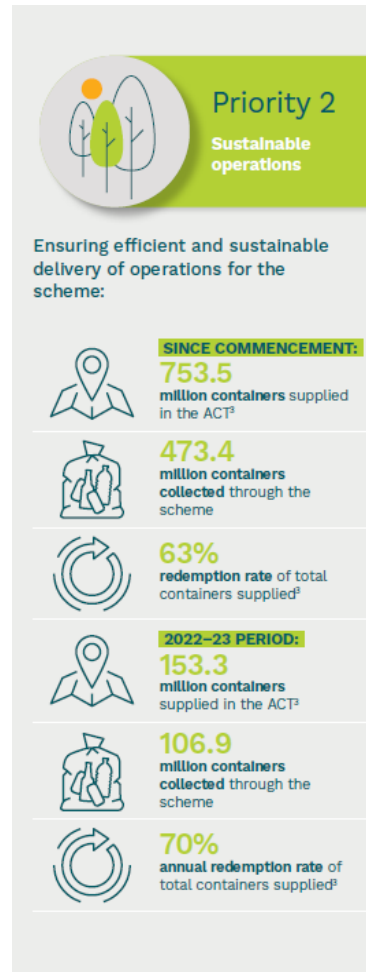


Case Study – ACT CDS



- ✓ The ACT system has been around for 6 years and has the highest overall return rate of all modern Australian schemes (SA return is slightly higher – but it's +40yrs old!)
- ✓ What you see is a diverse collection network, made up of cash-back depots, Reverse Vending Machines, and bag-drop locations in kiosks as well as retail outlets
- ✓ Some 70% of containers go through the 4 Depots, while the other 18 return points have lower volume
- ✓ The governance is known as a 'Split Responsibility Model' where Return-It is the **Network Operator** responsible for community access targets and is incentivized to design a network that maximizes returns
- ✓ The beverage sector plays an important role as **Scheme Coordinator** overseeing financial administration, with the ACT Government contracting each of the NO and SC
- ✓ The same governance structure is also in place in NSW and Victoria, while Queensland and Western Australia have a different model called a PRO

Case Study – ACT CDS



- ✓ The ACT system statistics are highly commendable
- ✓ High levels of awareness, support and satisfaction and good levels of participation
- ✓ 70% redemption rate for the years 2022/23 (noting the refund is only 10c, low by global standards)
- ✓ Supports local business and community groups as well as recycling infrastructure

Case Study – ACT CDS

Environmental impact of network redemptions

Using the life cycle assessment of the network undertaken by Lifecycles Australia, the environmental benefits of the volume of containers returned through the network to-date are:

CO₂ emissions avoided
equivalent to:

SINCE COMMENCEMENT

13,576

cars off the road for a year

2022-23

3,613

cars off the road for a year

Energy savings
equivalent to:

SINCE COMMENCEMENT

3,135

households total yearly
energy consumption

2022-23

835

households total yearly
energy consumption

Water savings
equivalent to:

SINCE COMMENCEMENT

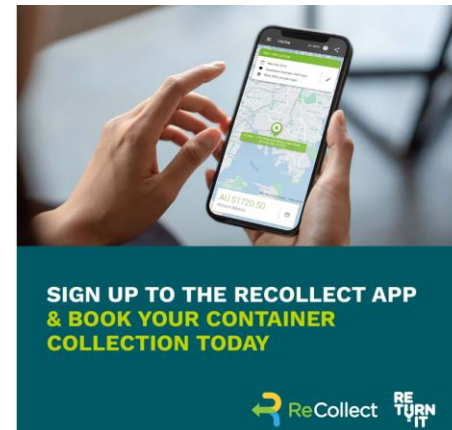
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Olympic swimming pools

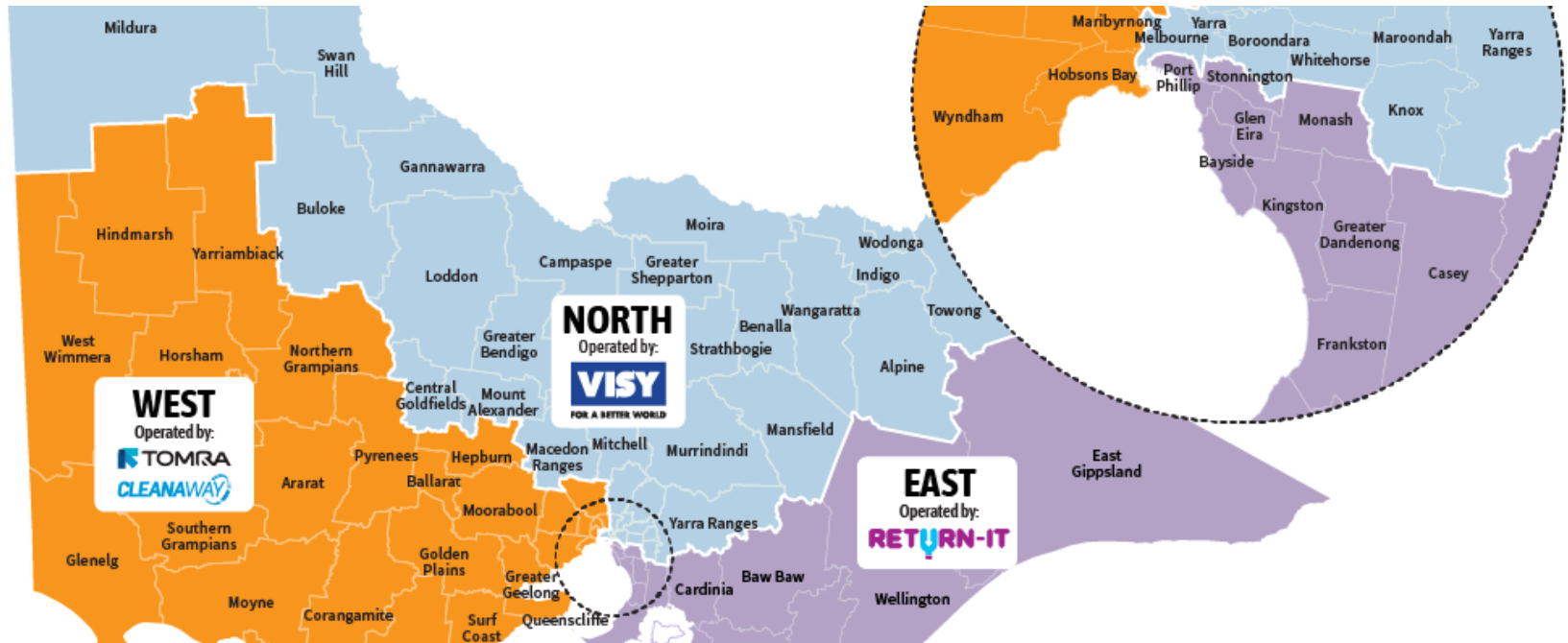
2022-23

180

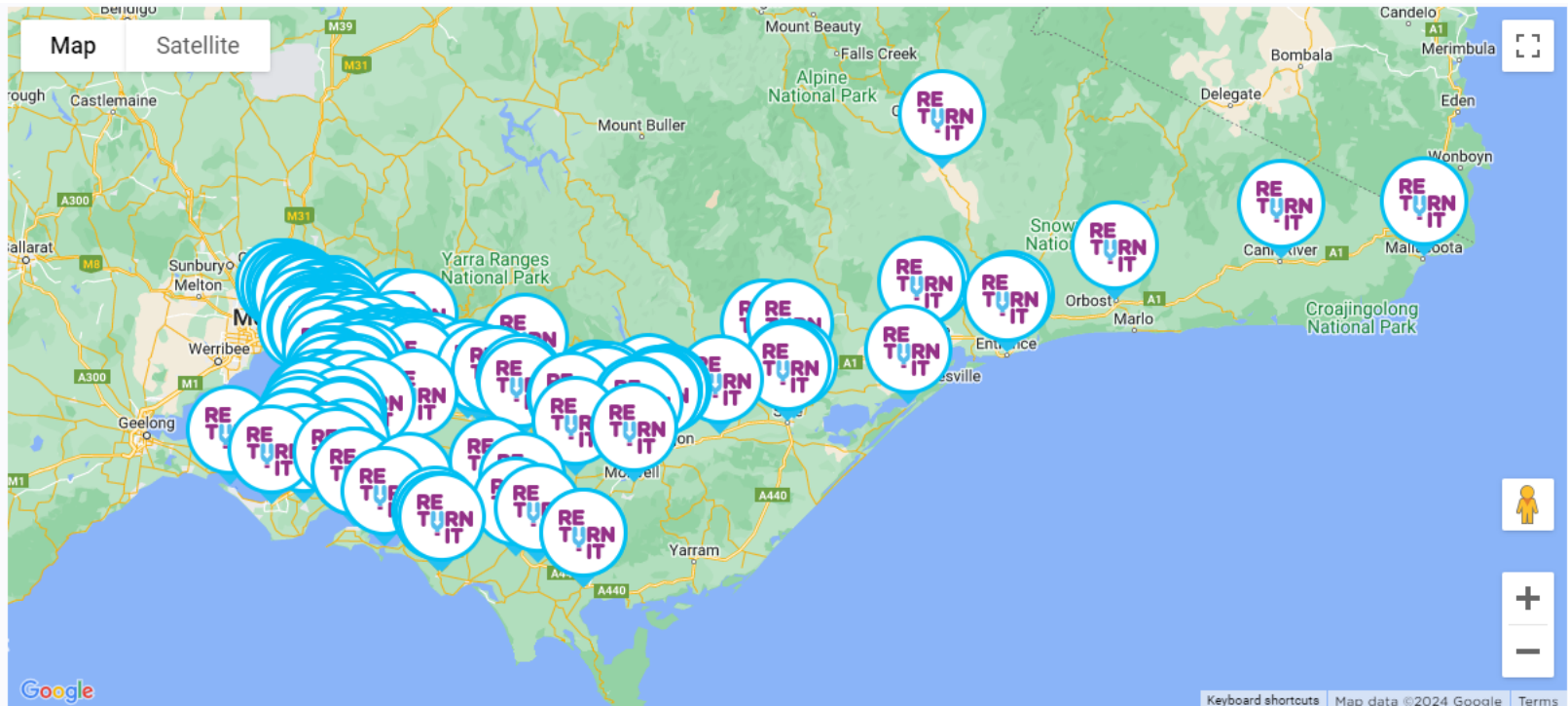
Olympic swimming pools



Case Study – Victoria CDS



Case Study – Victoria CDS



Case Study – Victoria CDS

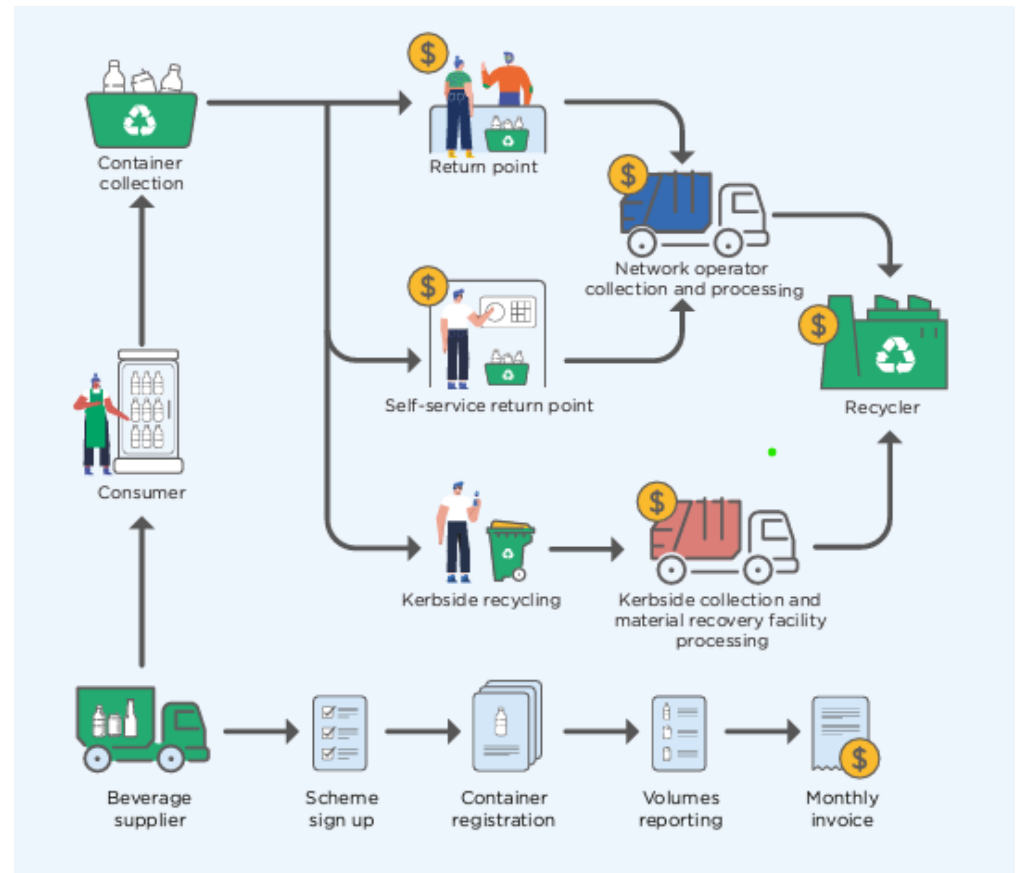


- 1 November 2023 start date
- 1 Scheme Coordinator, which is an entity that has been set up by the major beverage sector participants, and which has a contract with the Victorian Government to provide financial oversight of the scheme
- The State was divided into 6 zones, and ultimately the State appointed 3 Network Operators, each of which has 1 metro and 1 regional zone
- Of the top 10 sites in the scheme, 8 are Return-It depots, and at least five of the biggest depots are operated by not-for-profits, with others run by local business
- The 'Split Responsibility' model with multiple zones as seen in Victoria could be directly applicable to NZ
- Victoria has similar challenges to NZ – a large area to cover, one dominant city, an exciting and diverse range of communities and indigenous considerations

WHERE ARE WE WITH CRS?

NZ Context

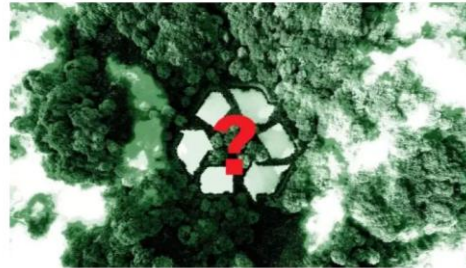
- ✓ We came pretty close to a scheme being in place!
- ✓ Lots of hard work has taken place over the last five years
- ✓ The challenge is that we need complementary systems to manage our 2bn plus beverage containers, with just over half currently being recycled
- ✓ Systems need to be integrated rather than isolated and work with existing infrastructure where possible



Current climate



No one knows what New Zealand's recycling rate is



Even though the 2022 National Litter Audit shows a drop in some types of materials, across the board, the litter problem in Aotearoa, New Zealand, is worsening, with the total number of individual items, the weight and the estimated volume of litter nationally all increasing per 1000 m², since 2019. (MfE April 2023)



CRS – a wider view



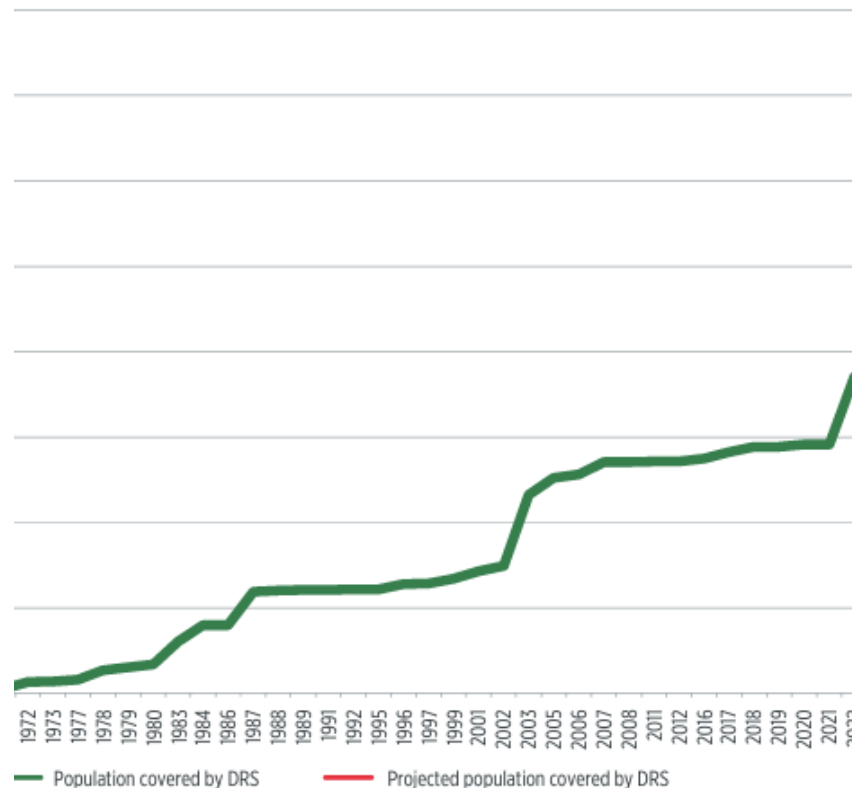
wasteMINZ

Re.Group



- ✓ International schemes provide deposits ranging from 7 to 49 cents per container
- ✓ By the end of 2026, around 748 million people could live in jurisdictions with CRS,
- ✓ Over 50 schemes are operating or in the process of being established globally, including in Australia, Canada, the USA, Europe and the Pacific
- ✓ Widely accepted by OCED countries that multiple approaches including product stewardship, is needed to increase recycling rates and support a circular economy (and in turn climate change), so it can't be ignored
- ✓ Europe tends to focus on high deposits and mandatory return to retail – i.e. if you sell a beverage, you must be able to accept it back
- ✓ You create duplicity and bypass communities and local businesses and in our view, would not be overly successful in NZ, given our size and small population

Global Population Living in Jurisdictions with
Deposit Return Systems for Single-Use Drinks Containers (1970-2026)



WHY CRS?

The Rationale

- ✓ Strengthens recycling services by adding value to items - product stewardship at work!
- ✓ New Zealand suffers from the tyranny of distance, market-based or industry-led solutions will not always work
- ✓ Container recovery across all streams is a real problem. At best, kerbside services will only ever get us so far, even taking the most optimum – of the approx. 2bn beverage containers per annum, only around 50% are recycled
- ✓ Kerbside services are not enough – it's not one size fits all
- ✓ We don't have significant landfill levies, and the impact of ETS is inconsistently felt across the country
- ✓ Loose litter it genuinely has a positive impact
- ✓ CRS can create new collection pathways (like Depots) that can also be used for other materials, like batteries and mobile phones
- ✓ **And finally, most importantly, it empowers communities!**



CASE STUDY

ACT LOCAL LAUNCHES RECYCLING MICRO-BUSINESS

ACT local Ryan Gilligan has been passionate about recycling since he was young. When he graduated from school in December 2020, he couldn't find a job so his mum and his National Disability Insurance Scheme support mentors helped him set up his own container recycling micro-business – RecycleAbilities.

"Ryan aspires to full-time employment like his brothers and he wanted to be out and about working for his community," said Corinna, his mother.

With support from his friends and family, Ryan realised he could combine his enthusiasm for recycling and his love of order and sorting.

"Ryan and his circle came up with the idea of offering a drink container pick-up service for local individuals and companies," said Corinna.

"Ryan loved the idea and got right into it. He started by collecting from family, friends and neighbours."

RecycleAbilities now collects bottles and cans from more than 40 locations, three days a week. Ryan returns the containers through the ACT CDS for a 10c refund for each.



Ryan Gilligan

"When he started, he was transporting containers in the back of my car or his mentors' cars. Now he has a little white van with RecycleAbilities magnets on the side panels," said Corinna.

Sorting the containers at his local cash-back depot is Ryan's favourite part of the process. The depot staff make him feel welcome. Ryan is mostly non-verbal, but he often says 'Return-

It depot – I love it!'

"He puts on his noise-cancelling headphones and methodically works through the sacks of containers. His mentors assist him, and create a bridge between him and other people, enabling Ryan to showcase his many talents and skills, and facilitate the odd conversation," she added.

In the last two years, the micro-business has recycled 218,294 containers through the ACT CDS. From the funds raised, Ryan has donated \$6,680 to various charities, including ACT Wildlife, ACT RSPCA, OzHarvest, Foodbank Australia, Oxfam Australia, Care International's Ukraine campaign, The Fred Hollows Foundation and Room to Read Australasia. The container refunds have also helped cover his set-up and running expenses.

"Ryan is a happy and motivated young man with a valued role in his community. He loves what he does and feels like he has a purpose in life. And the ACT Container Deposit Scheme has enabled him to work towards financial independence," his mum said. 🌟

Community Empowerment



MILLIGAN.



Regional
Alliance
West



Workpower

Plus, many, many more!

Creating economic, social and environmental value



Container Return Schemes align with Re.Group's values, and we strongly believe in the benefits that they bring to communities

Job creation

- Re.Group alone has more than 500 staff working directly in Container Return Schemes, starting from a base of zero 10 years ago
- CRS can also support employment and job creation in charities and not-for-profit sectors
- As new programs there can be a big focus on employing disadvantaged community members and localised recruitment within communities

Financial benefits

- Product Stewardship schemes like the CRS place greater financial responsibilities on those who profit from and use the items, rather than leaving Councils and consumers to solely foot the bill for recycling at the 'end of the pipe'
- The VIC scheme has created over \$50m in revenue back into communities in its first 6 months

Community support

- Overwhelmingly popular, the last survey in Sep 2022 saw 78% of Kiwis in favour of a scheme
- A great customer experience – our Net Promotor Score is assessed monthly across our Return-It sites, which regularly score 80% and 90%,

WHAT NEXT AND WHEN?

- ✓ Experiences in Australia have shown that Councils can reduce their recycling costs by more than \$50 per tonne, reducing rate pressures or direct charges at transfer stations or recycling centres.
- ✓ Container deposit schemes are not just about recycling. They are about empowering communities and bolstering local businesses. By leveraging existing infrastructure and developing purpose-built container return depots, these schemes can catalyse community engagement and economic growth.
- ✓ Need to have a diverse and intelligently designed collection network, catering for bulk customers as well as small volume customers
- ✓ In addition, the container return depots create new collection pathways for other materials that should not be disposed of in household bins, such as mobile phones and batteries.

Next steps

- ✓ MfE and our industry as a whole have worked hard to date on getting a scheme designed and developed
- ✓ A scheme, if approved today, would likely still take 2-3 years to get into place
- ✓ The climate as we speak today is challenging; the government has several competing priorities, but time is on our side as the wider arguments for CRS around the world are real and valid
- ✓ The poor recovery rates and litter issues are not improving and CRS will help solve this alongside wider product stewardship initiatives, as seen today in this session,
- ✓ Keep advocating for the scheme in all conversations we have, whether that be with the public, elected members or within organisations
- ✓ Let's keep united. We are a passionate industry with diverse views – however, there is space for all groups in an inclusive model of CRS, as talked about today

QUESTIONS?

Re.Group Pty Ltd

NZ Business Development Manager

Daniel Yallop

Contact:

02102959060

daniel.yallop@re-group.com

e-group.com

Website:

www.re-group.com

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