

29th October 2009

Dear Member

Packaging Product Stewardship Scheme - Recommendation

With the Packaging Accord 2004 concluding this year, the Packaging Council's Executive Committee (board) believes that applying for an accreditable packaging product stewardship scheme is the most responsible approach by industry and our best defence against any possible onerous compliance costs from packaging specific regulations which could be introduced under the Waste Minimisation Act (the Act).

Since our stakeholder meeting on the 30th June we have focused on developing a voluntary, best cost packaging product stewardship scheme which can be accredited by the Ministry for the Environment.

We recently met with the Ministry for the Environment to seek guidance on whether the scope and objectives which we have developed could be audited and accredited under the Act. Advice from the Ministry was that the Act requires the scope of an accredited product stewardship scheme to be narrow, specific and clear. Additionally, our Executive Director, Paul Curtis, recently met with the CEO of the Australian Packaging Covenant to understand the reporting requirements of the Mark III Covenant, which begins in mid-2010, and identify areas of alignment.

The board has considered options and agreed on a recommended course of action. We would like to seek your feedback on the proposal with a view to finalising a scheme and submitting an application by the end of the year, if practicable.

The proposal is for a 'dual approach' as follows:

1. The Packaging Council applies for accreditation of a Packaging Product Stewardship Scheme which has a scope restricted to actions directly under the control of its corporate members. The scope of those actions will be aligned to the reporting requirements of the Australian Mark III Packaging Covenant.
2. The Packaging Council's Executive Committee establishes a coordinating function to assist in aligning the various product stewardship related activities of other industry associations addressing similar issues. This second function does not easily fit the requirements of the Waste Minimisation Act and would sit outside of the Packaging Council's accredited scheme. The proposed Independent Advisory Panel will link in to this function.

The Executive Committee believes that this 'dual approach' best addresses the expectation of members that the Packaging Council has a product stewardship scheme, while also helping to coordinate packaging product stewardship related activities with wider stakeholders, including the packaging material sectors. It is our recommendation that this approach offers the best protection for the Packaging Council's members as well as allowing the Minister to respond to public interest in packaging.

The Packaging Council's Product Stewardship Scheme

Scope: Packaging Council corporate members

Timeframe: seven years (the maximum allowed under the Act)

Key performance indicators (aligned with the Australian Mark III Packaging Covenant)

Member companies will report annually to the Packaging Council on:

- i. Adoption of the Packaging Council's new 'sustainable packaging guidelines'
- ii. Adoption of energy and water reduction programmes in packaging manufacture
- iii. Sustainable packaging procurement policies (guidelines to be developed)
- iv. On-site packaging waste recovery
- v. 'Buy-recycled' policies for packaging, to encourage local recycling markets
- vi. Labelling (i.e. plastics resin codes, recycling symbols, etc)

To maintain the momentum from the 2004 Packaging Accord and be in a position to report on the first year of the scheme by the end of 2010, a working group is being established to produce the sustainable packaging guidelines, develop guidance on sustainable procurement policies and prepare the reporting templates. Please contact our Environment Manager, Sharon Jereb (sharon@packaging.org.nz) if you would like further information on these activities.

I would like to stress that this proposal is for a seven year plan and no company will be expected to jump from 'woe to go' in the first year. We see the first year as a benchmarking year and a key role for the Packaging Council will be to assist your business in transferring to the new scheme.

The Packaging Council's Coordinating Function

This function will:

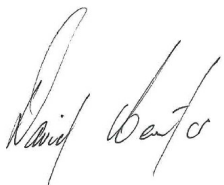
- i. Collate and report mass balance (recycling) data;
- ii. Report on packaging trends;
- iii. Facilitate cross sector programmes, such as, but not limited to:
 - o Education;
 - o Consumer awareness;
 - o Away from home recycling;
 - o Research into alternative disposal options for packaging waste

We believe this matrix approach bringing sectors, manufacturers, brand owners, retailers and recyclers together is the best way for us to proceed.

I appreciate that this letter contains a lot of new information. The Packaging Council will be holding a series of briefing meetings before the end of the year to listen to your feedback and answer your questions. The details of those meetings will be circulated shortly.

Please do not hesitate to contact me or our Executive Director, Paul Curtis, if you have any questions or concerns. Written responses to the proposal can be sent directly to Paul (p.curtis@packaging.org.nz).

Yours faithfully



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