

5. PRODUCT STEWARDSHIP AND WATER EFFICIENCY LABELLING

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PURPOSE OF REPORT

1. The purpose of this report is to inform the Subcommittee of the submission from the Christchurch City Council on the Ministry for the Environment's discussion paper on product stewardship and water efficiency labelling.

EXECUTIVE SUMMARY

2. The Ministry for the Environment released a discussion paper, the bulk of which concerned potential approaches to product stewardship as one means towards achieving the waste minimisation objectives of the New Zealand Waste Strategy (2002). The Ministry's preferred approach is a combination of voluntary agreements and regulatory "safety nets". Waste streams under consideration for product stewardship schemes included tyres, used oil, end-of-life vehicles and packaging. The Ministry sought comments on a suite of issues related to product stewardship. The Ministry also sought comment on its proposal for water efficiency labelling. The comment period ended 31 August 2005.

STAFF RECOMMENDATION

It is recommended that the Subcommittee receive the report.

BACKGROUND ON PRODUCT STEWARDSHIP AND WATER EFFICIENCY LABELLING

3. In July 2005, the Ministry for the Environment published for public comment a discussion paper on product stewardship and water efficiency labelling. The Ministry noted that product stewardship is one method by which waste minimisation measures are implemented.
4. In the discussion document, product stewardship is defined as shared responsibility among those involved in a product's life cycle, including producers, importers, brand owners and retailers. The Ministry differentiated product stewardship from extended producer responsibility, the latter of which is more narrowly focused on product manufacturers or producers. The Ministry invited comments by 31 August on the discussion paper.
5. At its 25 August 2005 meeting, the Christchurch City Council voted to submit comments on the Ministry's discussion document (see Attachment A).

PRODUCT STEWARDSHIP

6. The Ministry's discussion paper provided a brief overview of product stewardship but left many questions unanswered. The paper listed five products that are designated as wastes with particular management and disposal problems:
 - § Tyres
 - § Used oil
 - § End-of-life vehicles
 - § Electronic wastes
 - § Packaging
7. For each of these products, some form of end of life product management scheme already exists in New Zealand. However, for each product the scheme has notable weaknesses or areas of concern. For example, Tyre Track is a free, voluntary programme that links those with unwanted tyres with those who can collect and reuse, recycle or dispose of them. However, a recent report¹ noted that of the 36 tenders submitted by used tyre suppliers in Canterbury between July 2004 and May 2005 for collection of their used tyres, less than half resulted in a successful transaction.

¹ Future Waste Tyre Recovery and Recycling Options for Canterbury - Scoping Report for the Canterbury Waste Subcommittee, June 2005. Prepared by the Recovered Materials Foundation.

8. In the discussion document the Ministry has briefly considered:
 - § the concept of product stewardship;
 - § how product stewardship is managed internationally and in New Zealand;
 - § “free riders”, those who may benefit from not complying with requirements of product stewardship schemes; and
 - § programme design and implementation issues.
9. Analysis of product stewardship approaches taken overseas is lacking, and there was little discussion of the strengths and weaknesses of the product stewardship schemes currently in place in New Zealand.
10. Five objectives for product stewardship in New Zealand were identified:
 - § more efficient use of resources and reduced volume of waste
 - § increase recovery of resources
 - § inclusion of the cost of waste management into product prices
 - § improved product design
 - § effective and efficient scheme.
11. Four approaches to product stewardship were listed:
 - § Status quo. Currently there is no consistent approach to product stewardship and no formal national policy. There is no statutory framework to address free riders.
 - § Voluntary industry-led scheme with regulation of free riders.
 - § Mandatory approach
 - § Combination of voluntary and regulatory approach
12. The Ministry’s preferred option for product stewardship is one that combines voluntary and regulatory approaches. Under this approach, voluntary product stewardship agreements would be negotiated between industry and government, and regulation would only be sought if participation in a scheme was poor or if there was a significant waste problem for which there was no voluntary agreement.

WATER EFFICIENCY LABELLING

13. In the discussion paper the Ministry for the Environment suggested a labelling scheme for specified water-using products in New Zealand that would align with a new water efficiency labelling scheme in Australia. The Ministry argued that a water efficiency labelling scheme can benefit areas that can face water restrictions in summer, reduce the need for increasing water supply capacity, reduce energy consumption, reduce outflow from septic systems, and create conformity between Australian-made and New Zealand made products subject to the scheme.
14. The current review of the New Zealand Building Code is already going to include provisions for promoting water efficiency through labelling, so the additional labelling proposed in the discussion paper is essentially directed at whiteware.

SUMMARY

15. The Ministry for the Environment sought comment on approaches to product stewardship and water efficiency labelling. The submission from the Christchurch City Council (Attachment A) made the following recommendations to the Ministry:
 - § The Christchurch City Council recommended that the Ministry consider the following products for product stewardship schemes:

- Tyres	- Fluorescent tubes and HID lamps
- Used oil	- Gas cylinders
- End-of-life-vehicles	- Beverage containers
- Packaging	- Farm plastics
- Electronic waste	- Agricultural chemicals
- Treated timber	
 - § The Council recommended the Government undertake, as an initiative independent from any individual product stewardship scheme, the development of enabling legislation to permit the use of a regulatory safety net should any voluntary product stewardship.

- § The Council recommended that all product stewardship agreements include measurable targets and require monitoring of performance towards achieving those targets.
- § The Council recommended that where product stewardship schemes rely on a voluntary approach, product stewardship agreements must serve as a necessary step to define goals, targets, roles and responsibilities.
- § The Council recommended that the Australian Water Efficiency Labelling Scheme be adopted in New Zealand.