

7. PRODUCT STEWARDSHIP AND WATER EFFICIENCY LABELLING

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PURPOSE OF REPORT

1. The purpose of this report is to gain Council approval of the proposed response to the Ministry for the Environment 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 concerns 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 include tyres, used oil, end-of-life vehicles and packaging. The Ministry is seeking comment on a suite of issues related to product stewardship. The Ministry is also seeking comment on its proposal for water efficiency labelling.

STAFF RECOMMENDATIONS

It is recommended that the Council endorse the staff report as the submission to the Ministry for the Environment from the Council.

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 notes 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 lifecycle, including producers, importers, brand owners and retailers. The Ministry differentiates product stewardship from extended producer responsibility, the latter of which is more narrowly focused on product manufacturers or producers.

PRODUCT STEWARDSHIP

5. The Ministry's discussion paper provides a brief overview of product stewardship but leaves many questions unanswered. The paper lists five products that are designated as wastes with particular management and disposal problems:
 - Tyres
 - Used oil
 - End-of-life vehicles
 - Electronic wastes
 - Packaging
6. 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.

7. The Ministry briefly considers:

- 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.

Analysis of the approaches taken elsewhere is lacking, and little discussion of the strengths and weaknesses of the product stewardship schemes currently in place in New Zealand.

8. 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.

9. Four approaches to product stewardship are 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

10. 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

11. In the discussion paper the Ministry for the Environment suggests 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 argues 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.
12. 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

13. The Ministry for the Environment is seeking comment on approaches to product stewardship and water efficiency labelling. The report prepared by staff (Attachment A) makes the following recommendations to the Ministry:

- The Council recommends that the Ministry consider the following products for product stewardship schemes:
 - Tyres
 - Used oil
 - End-of-life-vehicles
 - Packaging
 - Electronic waste
 - Treated timber
 - Fluorescent tubes and HID lamps
 - Gas cylinders
 - Beverage containers
 - Farm plastics
 - Agricultural chemicals
- The Council recommends 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 fail to meet its targets.

- The Council recommends that all product stewardship agreements include measurable targets and require monitoring of performance towards achieving those targets.
- The Council recommends 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 recommends that the Australian Water Efficiency Labelling Scheme be adopted in New Zealand.