



SUBMISSION

Prepared by the
New Zealand Retailers Association

For the
Ministry for the Environment

On
**Waste Minimisation in New Zealand –
A Discussion Document**

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Introduction

These submissions are presented by the New Zealand Retailers Association.

The Association is the largest trade association involved in the retail industry in New Zealand. We represent an industry that has annual sales of \$66billion and which employs 325,000 people (approx 20% of the New Zealand workforce) in more than 49,000 outlets throughout New Zealand.

Our national membership includes general merchandise chains, specialised chains, traditional department stores, grocery stores, supermarkets and thousands of owner operators spread throughout the country. The membership also includes a number of specialised trade groups representing manufacturers, distributors and retailers in the plumbing materials, metal fastener, pet, equestrian, jewellery, bicycle and sporting goods sectors.

General Submission

Retailing is a key barometer of the New Zealand economy and we acknowledge the importance of environmental issues in our mission statement which states that the Association will be *“the key promoter of a vibrant and sustainable retail sector”*.

We have in the past few years made comprehensive submissions on the Ministry's 2005 discussion paper on Product Stewardship and Water Efficiency Labelling and also on the 2007 Supplementary Order Paper on the Waste Minimisation (Solids) Bill.

The Ministry's 2009 Waste Minimisation in New Zealand discussion paper is structured into four parts:

- Part 1 - Revising targets for the New Zealand Waste Strategy
- Part 2 - Identifying products that are priorities for Product Stewardship
- Part 3 - Identifying funding criteria for the Waste Minimisation Fund
- Part 4 – Monitoring waste in New Zealand

Whilst we have been an indirect party to ongoing discussions re waste minimisation in New Zealand, we wish, in this instance, to confine our comments to Part 2 of the discussion document which is concerned with identifying products that are regarded by the Ministry as being priorities for product stewardship in New Zealand.

We have been actively involved in formulating draft product stewardship arrangements for some of these products in recent years such as packaging and e-waste.

However, our interest is broader than just those two products and to that end we wish, as stated, to comment in some detail on the various questions listed in part two of the discussion paper.

Our submissions follow the sequence of the questions outlined in that part of the discussion paper.

Specific Submissions

Q 1 and 2) Which products do you think should be the highest priority for a mandatory product stewardship scheme? These may already be one of the products we (Mfe) have identified, or they may be other products that you think we should consider.

Our membership are likely to have very limited exposure to the three products identified for further investigation to determine if a mandatory product stewardship arrangement is warranted – agricultural chemicals, used oil and refrigerant gases.

We note that a voluntary product stewardship arrangement is already in place for collecting used agricultural chemical containers and believe that if this is expanded it could have some cost implications for agricultural supply companies such as PGG Wrightson's, Farmlands etc.

We also note that the two major supermarkets may be affected in any expansion of current arrangements pertaining to refrigerant gases used in the cooling system of refrigerators and freezers.

However, we are unable at this stage to determine whether or not such schemes should be developed as mandatory schemes other than to state that additional costs are likely to arise to distributors such as the parties cited.

If this is the case then clearly a cost/benefit analysis would need to be undertaken before any finite decisions were made on a mandatory product stewardship arrangement for any of the three products cited in the discussion document.

We note that the discussion document lists eight other products or services that could be considered for product stewardship arrangements.

Most of these products or services have implications for the retail industry and we have been actively involved in recent years with two of them - e waste and packaging.

We note that a draft product stewardship arrangement was prepared over a year ago for TV's and computers with a suggestion that a levy be put in place at the border for TV's and possibly computers.

There was also acknowledgement that some form of mandatory legislative backup might be required to ensure the success of the scheme.

However, little progress has been made since the draft scheme was prepared largely as a consequence of disagreement amongst the brandowners and assemblers in the IT sector over the preferred model, and we are somewhat surprised by the comment in the discussion paper that "the Ministry (rather than

the private sector – emphasis added) is undertaking further research to help determine whether further action is required “

We also acknowledge that the Packaging Council of New Zealand is undertaking a review of the current Packaging Accord which expires in mid 2009 and we have attended various meetings to discuss the proposed model scheme.

We have also been involved in the past two years with the Make a Difference campaign over plastic bags.

Whilst some industry members have recently announced their intention to charge for bags, we feel it is prudent to note that other retailers have joined the voluntary campaign since its inception, such as Chevron and Mitre 10.

Other retailers have also opted to discontinue the provision of plastic bags, such as Bunnings and Borders Books.

Q 3. Stakeholders:

Who would be affected by a new product stewardship scheme and to what extent? Who would need to be involved in designing and running any product stewardship scheme?

The Association will clearly need to be involved in the design and operation of these schemes.

However, given the wide diversity of products and services identified for such arrangements it may well be that different people from within the industry would be the best placed to be involved with the development of a scheme for a particular market sector.

Even so, we acknowledge that the Association would need to continue to act as the coordinator for the proposed models and subsequent arrangements

Q 4. Costs and Benefits: what would be the types of costs and benefits of developing and operating the desired product stewardship scheme? Do you have any information on the magnitude of any costs and benefits? Who should bear the costs of establishing such a scheme? What would be the barriers to implementing new measures for this waste?

We believe that as a matter of principle that any scheme proposed for either a voluntary or mandatory product stewardship arrangement should be the subject of a rigorous cost/benefit assessment.

Such requirements are currently a mandatory feature of new Government initiatives and product stewardship arrangements should not be exempted from such a requirement.

It is probable that all interested parties to such a scheme, whether they are brandowners, manufacturers, importers or retailers, will have a part to play in the

schemes implementation and administration through the creation of a Product Stewardship Organisation that would administer the scheme.

However, it is inevitable that many costs would be passed on and ultimately the consumer would pay for any particular scheme.

The barriers to the success of a scheme are probably industry or consumer apathy.

Industry commitment could where necessary be required by regulatory backup to ensure there were no free riders that elected to stay outside the coverage of a scheme.

This is, as stated, proposed under the TV model.

But if a scheme was devised and consumers ultimately rejected it for whatever reasons then clearly the scheme would falter.

Consequently it is essential to have consumer involvement in the development of individual product specific product stewardship schemes.

Conclusion

The Association acknowledges the importance of environmental schemes such as product stewardship arrangements.

However, we feel that there is less enthusiasm for the concept now than what was the case perhaps twelve months ago given the global recession, and in particular the flat nature of the retail market and the overall New Zealand economy.

There is a realisation that economic survival is now the major preoccupation of most businesses including retail in New Zealand. We accordingly feel it is incumbent on the Ministry to examine proposals, such as those contained in the current discussion paper, in the light of the current very tight economic environment. This is particularly so if models for certain industry sectors lead to increased costs for producers, retailers and ultimately for consumers.

Given these observations, we recommend that the Ministry proceed with caution over the implementation of any new mandatory product stewardship arrangements

We would like to meet with the Ministry to discuss our submissions

New Zealand Retailers Association
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