

# ANNUAL REPORT

## 2021



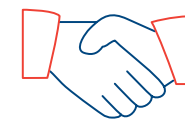
THE  
PACKAGING  
FORUM



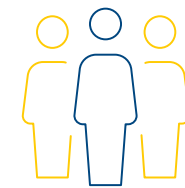
WASTE  
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# WORKING TOGETHER FOR SUSTAINABLE PACKAGING



ADVOCACY



COLLABORATION



SOLUTIONS



PROMOTION



THE  
**PACKAGING**  
FORUM



## CEO'S REPORT

**Welcome to my first annual report as The Packaging Forum CEO. This is a new and challenging role within the organisation as we change our focus from simply delivering great solutions to becoming a leading industry organisation for packaging.**

I was involved in the first significant review of the way materials are dealt with at end of life in New Zealand with my participation on the working group created to co-design a container return scheme (CRS) for New Zealand. I was appointed as The Packaging Forum's representative for container manufacturers.

The greatest learning from the exercise was we can't simply talk about being a leadership organisation we have to lead some of the difficult conversations.

Packaging is an important part of providing the lifestyle we enjoy as New Zealanders, whether it makes access to goods easier, ensures food safety or prevents waste by keeping it fresh and undamaged for longer. There is no denying it's part of everyday life.

Combine this with consumers' desire to be sustainable and environmentally friendly and it places the packaging industry in a critical position – to not only continue ensuring packaging achieves all of its important benefits, but has as little environmental impact as possible.

As The Packaging Forum we are committed to ensuring we support the development of robust end-of-life solutions for packaging. This not only means ensuring the best outcomes are achieved but the right outcomes for Aotearoa.

This focus has led the Forum to implement a number of projects this reporting period, either directly or through our three Government-accredited stewardship schemes.

### Engaging with Government is critical

The New Zealand Government has become increasingly involved in packaging waste by developing legislation geared towards reducing packaging waste, environmental harm and cost to councils and communities.

This has included the declaration of single-use plastic packaging as a priority product under the Waste Minimisation Act 2008 – a game changing move in itself – the recently announced phase-out of some hard-to-recycle plastics and banning of some single-use plastic items.

Government has also announced the cost of landfilling waste will increase in the coming months.

While The Packaging Forum has expressed broad support for these moves it has always strongly advocated for industry involvement in the decision making and design process. It is after all industry which has the most intimate knowledge of the challenges and opportunities around the various packaging materials, supply chains and public behaviour.

Industry input will always be vital to achieving the best outcomes for New Zealand as a whole.

The Forum has therefore played an active role in representing the packaging industry. This has ranged from participating in consultations and working groups to having face-to-face meetings with Ministers and ministerial staff.

One particular area of focus has been a proposed Container Return Scheme (CRS) in New Zealand. While The Forum and the Glass Packaging Forum (GPF) have no position on a CRS for materials such as plastic, both believe glass should not be included as there is already substantial infrastructure and networks in place to successfully collect and recycle glass onshore.

The Packaging Forum has therefore asked the Minister for the Environment to transition the GPF to a regulated scheme under the priority product framework. This, we believe, will enhance the country's container glass collection system and up the current recovery rate from 75% to over 84% by 2024.

The continued work by the Ministry for the Environment shows there is a real commitment to accelerate full circular solutions for all packaging materials. We look forward to being part of these developments and supporting our members.



**WE CAN'T SIMPLY TALK ABOUT BEING A LEADERSHIP ORGANISATION WE HAVE TO LEAD SOME OF THE DIFFICULT CONVERSATIONS.**

### Tackling compostable packaging

Compostable packaging has come to be seen by the public and even some in the industry as a silver bullet solution. However, a lack of processing infrastructure, New Zealand compostability standard and labelling means it can have unintended consequences.

A Compostable Packaging Technical Advisory Group (TAG) was therefore set up by the Forum to investigate the challenges and opportunities around this packaging type in order to help inform industry, consumers and any Government legislation.

The TAG conducted a survey and, along with stakeholders in the industry, identified six requirements to progress a viable end-of-life solution for compostable packaging in NZ: nationally available collections infrastructure, a labelling system, increased processing infrastructure, a NZ standard, funding, and knowledge sharing.

A follow-up survey was run to get a better understanding of the compostable packaging market. The results from this will feed into work to establish any relevant use-case for compostable packaging in New Zealand.

The inclusion of compostable plastic in the phase-out of some single use plastic items, along with a caution against using it to replace hard to recycle plastics appears to be a signal from government to think carefully about the use-case and end of life.

### Stewardship schemes performing well

The Forum's three schemes for tackling packaging waste and improving public place recycling have performed well over the past reporting period.

The GPF achieved a 75% recovery rate of all container glass to market, up from 73% reported in the previous year. This is an extraordinary result and shows with the right focus great things can happen.

The scheme has made great strides in improving its data sources by engaging with GS1, IRI and consultants Grant Thornton to improve not only data quality and quantity but also methodology.

The Soft Plastic Recycling Scheme has gone from strength to strength and now represents around 78% of the post-consumer soft plastic packaging market in the country. It also saw a huge increase in collection sites, with 76 added in seven regions bringing the total to 141.

Membership has swelled, despite the challenges of the pandemic, with a 75% increase over the 2019-2020 period. As a result, collections increased by over 35% to 27 million bags.

The Public Place Recycling Scheme (PPRS) concluded its accreditation and funding period. Over its seven years of operation it collected 41,759 tonnes of material from public place recycling bins, grew public awareness of recycling bins from 41% to 66% and saw the rollout of colour-coded bins in 160

locations around the country.

These colour-coded bins have set the benchmark for public place recycling and rubbish bins by making it easier for the public to use them correctly.

### Looking forward

In the coming year we will continue our focus around an alternative, regulated scheme for container glass, developing a use-case for compostable packaging and growing the SPRS. We will also be reviewing our litter abatement strategy and activity.

We expect ongoing action by Government around tackling waste reduction and encouraging a circular economy, and we are eager to be an integral part of this.

With the declaration of single-use plastic packaging as a priority product we are certain the focus on reducing packaging waste, tackling associated challenges and capitalising on the opportunities will continue to grow.

This is an exciting time when we as an industry have the opportunity to shape the future for the better.

### Thank you

As always, my first acknowledgement must go to our members and their continued commitment to taking responsibility for their packaging – despite the numerous challenges we have all faced since the first quarter of 2020.

I also thank my colleagues on The Packaging Forum Board who have given freely of their time in their governance rolls this year: Board Chair, Nick Baker (Visy Recycling), Sara Tucker (Lion), Malcolm Everts (Cottonsoft), Steffan Pedersen (Caspak), Karen Titulaer (Villa Maria) and Gavin Fong (Plus Pac), as well as members of the Glass Packaging Forum and Soft Plastic Recycling Scheme steering committees, the Litter and Recycling Advisory Group and members of the Compostable Fibre, and Recyclability Labelling technical advisory groups.

A special thanks to Lyn Mayes for her dedication over the accreditation period to the management and success of the Public Place Recycling Scheme.



**ROB LANGFORD**  
CEO,  
THE PACKAGING FORUM



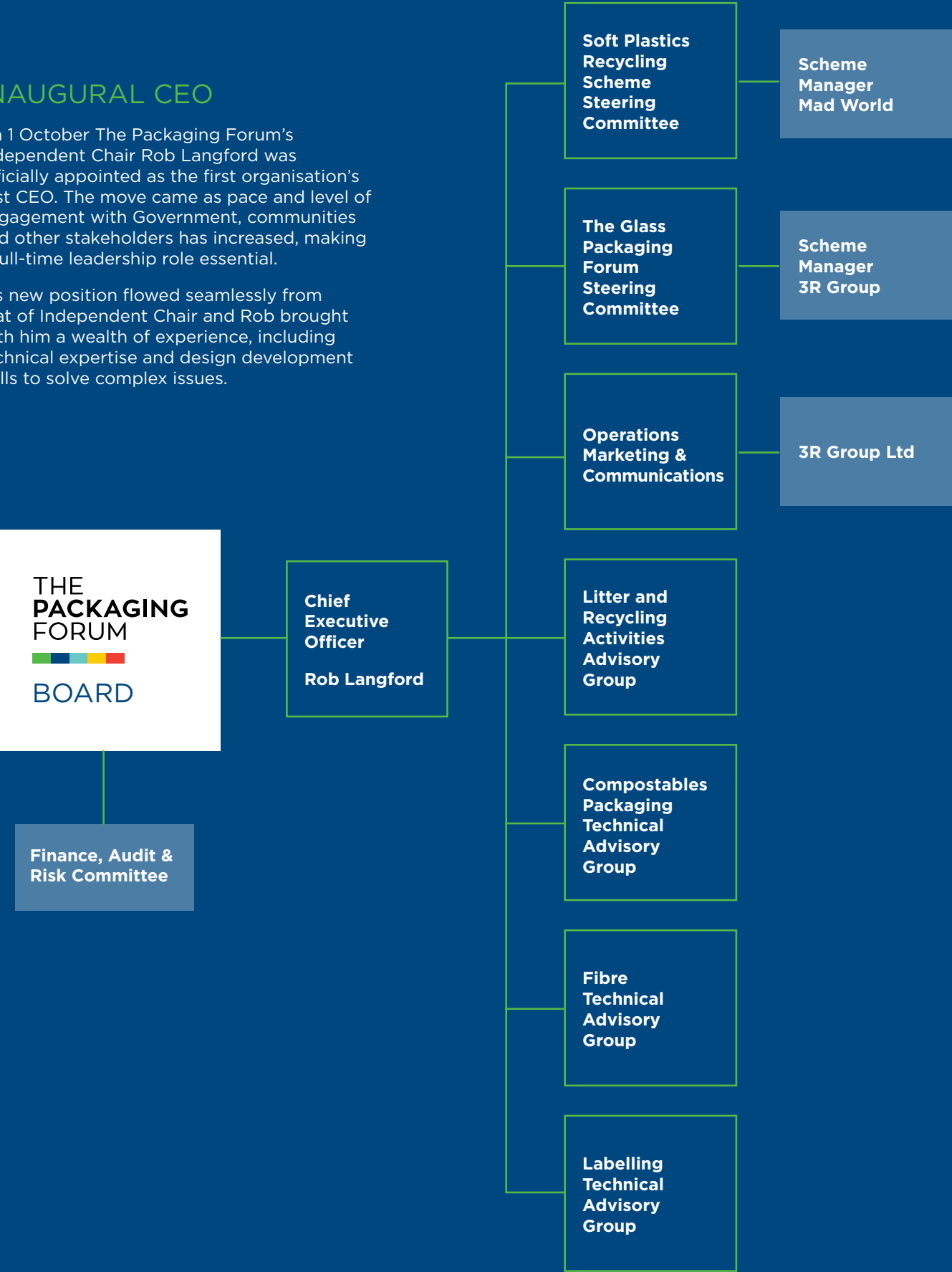


PACKAGING FORUM  
STRUCTURE

INAUGURAL CEO

On 1 October The Packaging Forum's Independent Chair Rob Langford was officially appointed as the first organisation's first CEO. The move came as pace and level of engagement with Government, communities and other stakeholders has increased, making a full-time leadership role essential.

His new position flowed seamlessly from that of Independent Chair and Rob brought with him a wealth of experience, including technical expertise and design development skills to solve complex issues.



PACKAGING FORUM BOARD FY20/21



Nick Baker,  
Chair  
Visy Recycling



Gavin Fong  
PlusPac Packaging



Malcolm Everts  
Cottonsoft



Karen Titulaer  
Villa Maria



Sara Tucker  
Lion



Steffan Pedersen  
Caspak

OPERATIONS MANAGER 3R GROUP LTD



Adele Rose  
Management



Kiri Speirs  
Marketing and  
Communications



Donna Hellens  
Accounts and  
Administration

FINANCE AUDIT AND RISK COMMITTEE

Gavin Fong, Chair  
PlusPac Packaging

Nick Baker  
Visy Recycling

Rob Langford  
CEO, The Packaging Forum

Terri Bray  
Independent Advisor

# ADVOCACY



## OUR MANDATE

As the largest packaging organisation in New Zealand, with our members contributing to a substantial portion of GDP, we are the country's leading voice for sustainable packaging solutions.

## WHO WE'RE TALKING TO

### GOVERNMENT

- Elected representatives
- Political parties
- Government departments and ministry officials
- Local government

### STAKEHOLDERS

- Industry organisations
- Consumer organisations
- Community organisations
- Consumers and media

## WHAT WE'RE TALKING ABOUT

We're focused on solutions that meet the following criteria:

- Business-led solutions
- Evidence-based policy
- Circular solutions that support NZ
- Policy and regulatory regimes with low compliance burden on business
- Solutions that make it simple for consumers to do the right thing

## CRITICAL CONVERSATIONS

### THE PAST REPORTING PERIOD WAS THE MOST SIGNIFICANT TO DATE IN TERMS OF GOVERNMENT INVOLVEMENT IN PACKAGING WASTE.

It saw not only the declaration of single-use plastic packaging as a priority product in July 2020, but the proposed phase-out of some hard-to-recycle plastics and banning of some single-use plastic items. It also saw the Container Return Scheme working group submit its report to the Ministry for the Environment for consideration.

The cost of landfilling waste was also set to change with Government announcing an increase and expansion of the waste to landfill levy, which The

Packaging Forum broadly supported.

A review of the Waste Minimisation Act 2008 and development of a new waste strategy for New Zealand was announced alongside a national resource recovery infrastructure review commissioned by the Ministry for the Environment.

### PRIORITY PRODUCT STATUS ANNOUNCED

The declaration of six priority products under the Waste Minimisation Act 2008 was well signalled by Government and The Packaging Forum, Glass Packaging Forum (GPF) and Soft Plastic Recycling Scheme (SPRS) had prepared members for what the announcement could mean for the industry.

As expected, single-use plastic packaging was included in the priority products announced by then Associate Minister for the Environment Eugenie Sage.

The cost of dealing with packaging waste and a crumbling international recyclables market has

been paid by ratepayers, and ultimately by our environment. The Packaging Forum therefore welcomed the move and the level playing field it would create for product stewardship through regulation.

The Forum, together with other stakeholder organisations has submitted an expression of interest to the Ministry for the Environment to establish a multi stakeholder team to co-design a product stewardship framework.

### REQUEST TO GOVERNMENT FOR REGULATED PRODUCT STEWARDSHIP FOR CONTAINER GLASS

In September 2020, the Container Return Scheme Working Group submitted its report to Government detailing a design for a container return scheme (CRS) for New Zealand. The Packaging Forum CEO was appointed as The Packaging Forum representative on the working group for container manufacturers.

Government is expected to make a decision shortly on whether to implement a CRS and what materials to include.

The position of the Glass Packaging Forum (GPF), which currently stewards glass containers under an accredited voluntary scheme, is that any CRS should exclude glass, as an effective system for collecting glass bottles (and other container glass)

and recycling it onshore already exists. It has wide industry, council and public support, and a recovery rate to rival CRS schemes in other parts of the world.

In February the Glass Packaging Forum asked the Minister for the Environment for a mandate to enter a co-design process to transition its current voluntary scheme to a regulated scheme under the existing Priority Product framework. The GPF believes their proposed scheme would enhance the existing collection network, provide better data, achieve the same or better recovery rates as a CRS, and be more cost-effective as a whole for New Zealand consumers and businesses.

### Benefits of the GPF proposal:

- It will be fully funded by the glass packaging industry.
- Includes all container glass – from beer and wine bottles, to jam and pasta sauce jars.
- It is a simpler and more effective solution for container glass than the proposed Container Return Scheme (CRS).
- Will make use of the country's already extensive kerbside recycling network, significantly enhancing New Zealand's existing recycling infrastructure and collection networks nationwide.
- Doesn't require any major changes to current recycling behaviours. Instead, the price paid by the scheme for glass encourages collectors to increase people's access to recycling.
- Alongside councils and other existing collectors, community groups and organisations can collect and sell glass to the scheme for a financial benefit – the local rugby club, the marae in a rural community, even your kids' school.
- Funding will be available to assist community groups with support that will help them to become a collector.
- It will pay the highest price to collectors who use best practice collection methods that recover 20-30% more glass for recycling with less contamination than mixed recycling collections.

### PHASE OUTS AND BANS

In late 2020 the Ministry for the Environment launched a consultation on the phase-out of some difficult-to-recycle plastics. Both The Packaging Forum and our Soft Plastic Recycling Scheme made submissions on behalf of members. The consultation document indicated other bans and phase-outs would be considered in the future.

### KEY POINTS FROM THE SUBMISSIONS

- Any phase-out must go together with the development of recycling and end-of-life infrastructure for alternative materials.
- When identifying materials and/or items for phase-outs it's important to include full lifecycle analysis of all packaging items (and possible alternatives) as well as food safety aspects.
- Care must be taken to avoid unintended consequences through a largescale move to alternative packaging materials without standards, labelling and end-of-life solutions being in place.
- Alternative materials, such as compostable and fibre (paper and cardboard) packaging have challenges. These include a lack of a New Zealand standard and currently limited recycling or reuse options.
- Where packaging is already managed through kerbside or industry-led recycling schemes such as the Soft Plastic Recycling Scheme, there is no need for a ban.

### THE FORUM ALSO RAISED CONCERNS AROUND FIVE ISSUES:

- A full cost-benefit analysis which follows Treasury guidelines is required to assess impact on business, food safety, shelf life and cool-chain (particularly for export items).
- The proposal overlaps with work by industry following the declaration of single-use plastic packaging as a priority product under the Waste Minimisation Act 2008 – requiring regulated product stewardship solutions.
- A lack of alignment with other work, such as the standardisation of kerbside collections.
- More detail is needed for exceptions, such as packaging which maintains the integrity of contents. This is particularly relevant for export items.

The Forum notes this consultation calls the phase-out a starting point. More certainty is needed on any further phase-outs if business is to invest in replacement technology and processes with a long-term return.

A staged phase out has now been announced, with more difficult items to replace being phased out in the later stages. A \$50M Plastics Innovation Fund launched at the same time may help to ease the burden on business. The Packaging Forum intends to engage with Government to help ensure the funds are spent wisely.



# WASTE TO LANDFILL LEVY INCREASE

In mid-July Government announced plans to increase and expand the waste levy as a mechanism for diverting material from landfill and increase reuse, recycling and composting.

The Packaging Forum and the Glass Packaging Forum had made submissions to the Ministry for the Environment in support of the increase and expansion.

The Packaging Forum therefore welcomed the move but called for a lower levy for specific by-products of recycling so as not to disincentivise recycling activity.

The Forum also encouraged the Ministry to develop a national waste levy investment plan focused on the recovery of recyclable resources, so there is transparency about priorities.

It also called for the review of the allocation system for funding so that it is assessed on projects and their impact, not on a per-capita basis.

# CONTINUING ADVOCACY CONVERSATIONS

These are some of the conversations we expect to be having with Government and consultations we would expect to be making submissions for on behalf of our members.

- New waste strategy
- Development of the Plastics Action Plan
- Revision of the Waste Minimisation and Litter Acts
- Outcomes from the recycling infrastructure stocktake

# ADVOCACY ROLES

How we work together to contribute to advocacy conversations

## THE PACKAGING FORUM BOARD

Decide on priority issues (in consultation with members), finalise policies and position statements.

## THE PACKAGING FORUM CEO

High level relationships with elected members of Government, heads of government departments, ministry officials and other industry organisations. Media spokesperson for The Packaging Forum.

## OPERATIONS MANAGERS

Oversight of the technical advisory groups. Plan and execute communications and PR. Day to day member engagement and communications, day to day relationship management, marketing messaging and communications.

## MEMBERS

Contribute expertise and insight to decisions on priority issues, policies and position statements. Provide substantiating data to programme managers. Amplify agreed policies and positions in own channels and relationships.

## SCHEME MANAGERS

Operational management of recycling service (where applicable), grant funding (where applicable) day to day member engagement and communications, relationship management & growth, marketing & PR, scheme reporting. Provide data, insight and expertise contributing to policies, position statements and solutions. Media spokesperson (relevant scheme). Amplify agreed policies and positions in own channels and relationships.

## STEERING COMMITTEES

Provide data, insight and expertise contributing to policies, position statements and solutions. Chair is media spokesperson (relevant scheme).

## TECHNICAL ADVISORY GROUPS

Provide data, insight and expertise contributing to policies, position statements and solutions.

# SOLUTIONS



# SOFT PLASTIC RECYCLING SCHEME

## HIGHLIGHTS

APRIL 2020 – MARCH 2021

Scheme accreditation period 2018-2025)



### Excellent growth and expansion

The Soft Plastic Recycling Scheme (SPRS) is completely funded by industry and represents approximately 78% of the post-consumer soft plastic packaging market in New Zealand.

Members' voluntary levies fund collections from stores, quality checks, baling, transport to end markets, and pay an agreed rate per tonne to cover the processing costs. This is different from the traditional model where the processor pays the collector/recycler for the materials.

The Scheme has also enjoyed a rapid increase of 217% in collection sites with 76 new sites added in seven regions, including a return to Christchurch. This brought the total number of collection sites to 141.

The Scheme highlights the positive results from industry to design-out and down-gauge (light-weighting) plastic, and support development away from difficult-to-recycle plastic to renewable, easily recyclable and/or reusable materials.

Independent auditing has shown the average weight per plastic category has come down, which suggests light-weighting of the plastic. Generally, there is a desire to use less plastic, with light weighting being the most viable option when not using plastic isn't an option.

The Scheme has a threshold for the percentage of resin mixing that it can accept, and which can therefore be promoted as recyclable. This has led packaging designers, suppliers and retailers to design, sell and use more soft plastic packaging which is recyclable in New Zealand.

### Meets latest stewardship guidelines

The SPRS meets the principal expectations outlined in General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020 in that it:

- Manages end-end collection service as no Council kerbside systems exist.
- Delivers continuous improvement in minimising waste and harm, and maximising benefit from the priority product at end of life;
- Invests in initiatives to improve circular resource use and new markets by paying processors for the cost of recycling the materials;
- Internalises the end-of-life costs with the cost of collection, management and processing of the products covered by the Scheme;
- Is free at the point of use; and

- Provides a transparent chain of custody for collected and processed materials with collection and processing data.

### Membership on the up

The Scheme saw excellent membership growth over the reporting period to 117 members. This is a 75% increase in membership from the previous period, despite the challenging environment businesses faced due to the COVID-19 pandemic.

In December 2020, The Packaging Forum signed an agreement with the Australian Packaging Covenant (APCO) which integrated the SPRS within the Australasian Recycling Label (ARL). This is contributing to increased membership with brands seeking labelling consistency.

### Stakeholder engagement

- The Scheme has a major focus on communicating with the consumer, with research showing a 54% awareness of soft plastic recycling nationally, rising to over 62% awareness in regions with collection sites.
- An evaluation of the Scheme's media presence over 12 months, up to June 2020, identified 55 articles with total coverage in excess of 1.45 million. This was spread predominantly between daily newspapers (25%), local newspapers (22%), TV and Radio (11%) and business (11%)
- The Scheme's website and Facebook page also provided an important interface with consumers, with 129,565 visitors to the Scheme's website (recycling.kiwi.nz) and 9,753 followers on Facebook. Thanks to this engagement New Zealanders have a growing awareness of this scheme and are actively engaged.

### On-packaging labelling

- The Scheme is at the forefront of community education to deliver improved recycling outcomes through awareness, education and labelling.
- There has been a growing uptake by members using the SPRS logo on their packaging in order to help customers recycle correctly.
- The Scheme has put an agreement in place with the Australian Packaging Covenant Organisation (APCO) whereby companies operating cross-Tasman can use the Redcycle logo in Australia and SPRS logo in New Zealand.

## KEY ACHIEVEMENTS

75%

increase in membership – demonstrates strong industry engagement

141

collection sites in 7 regions (+217%) including return to Christchurch (see case study)

78%

of packaging identified in collection audit are SPRS member brands.

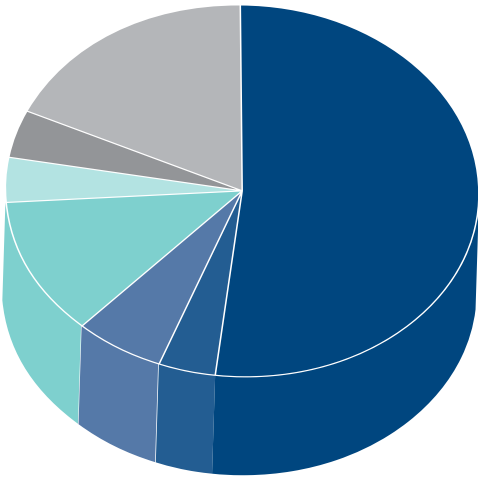
27

million bags collected in the 19/20 financial year

2

New Zealand processors based in North Island

## REGIONAL COVERAGE



52%

Auckland

4%

Bay of Plenty

4%

Northland

4%

Taranaki

6%

Waikato

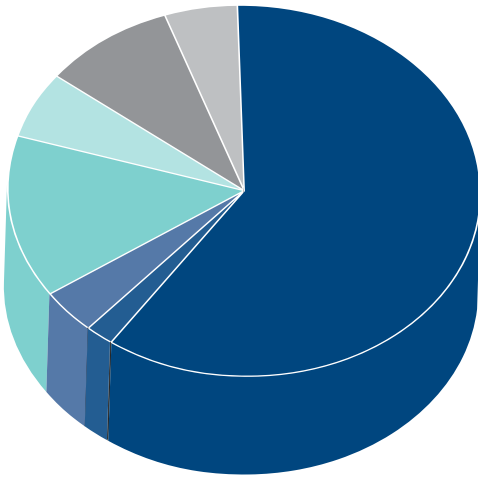
18%

Christchurch

12%

Wellington

## SOFT PLASTICS SCHEME MEMBER CATEGORIES



60%

Food brands

6%

Food retailer

2%

Drinks Brands

9%

Other & Retailer

4%

Grocery Brands

5%

Service/Tourism Industry

14%

Packaging Manufacturer/Distributor



LOOKING FORWARD

Challenges

Insufficient processing capacity outside of Auckland/Waikato

The principal limiting factor for the Scheme continues to be the lack of post-consumer soft plastic processors, with only two, based in the North Island. We continue to monitor alternative processors for post-consumer and post-industrial soft plastic and have put in place a fund to support R&D.

Consumer confusion between collection bins

Compostable plastic packaging is not acceptable in the soft plastic collection bins because it contaminates the material stream to our processors. This packaging contributed to the majority of the contamination in the Scheme's annual audit.

Opportunities

Leveraging partnerships for better environmental, social and economic outcomes

Expansion of scheme capacity

The scheme has extended its supply agreement with soft plastic processor Future Post, out to 2025. Future Post's processing capacity has increased with additional shifts and with a proposed second production line, supported by increased demand for its products from Government departments and industry.

Geographic expansion

The scheme has been able to re-start collections in Christchurch thanks to the support of Goodman Fielder in backhauling bales of soft plastic to Auckland to reduce economic and environmental footprint. We are exploring similar opportunities and partnerships to further expand our geographical reach. As a result, 69% of Kiwis have access to soft plastic recycling and the Scheme will leverage similar opportunities with other members to increase collection coverage.

Scheme members, My Food Bag has initiated an opt-in return service in partnership with NZ Post and WOOP provide a return to sender service.

Post-industrial plastic

All Scheme members are now also members of Future Post's Access & Availability programme, meaning they can recycle their post-industrial waste plastic at Future Post for a reduced fee.

This opens the door to recycling members' back of house soft plastic, which is generally of good quality and high volume.



Impact of COVID-19

The impact of COVID-19 meant a delay in the Scheme's expansion programme, disrupted collections during lockdown periods and affected the service whilst the country and subsequent regions were in Alert Level 2, 3 and 4. This has meant that the targeted tonnes for the financial year was not met.

Members are also working with Astron Plastics and TC Packaging to process clean polyethylene post-consumer plastic. This opens possibilities for broader solutions for all members.

Consumer engagement

The Scheme has a major focus on communicating with the consumer. Its largest direct communication channel is via its Facebook page which has over 9,000 followers. Analysis show 86% of our followers are female and 58% of followers are in the 18-44 age group.

This growing channel of communication provides an increasing opportunity for further consumer engagement, both in terms of promoting the use of the Scheme and educating the public on what can be put in the SPRS bins.

Continued growth of industry support

The Scheme already represents approximately 78% of the soft plastic packaging market as a voluntary product stewardship scheme. Collection bins are located at participating Countdown, Huckleberry, New World, PAKn'SAVE and The Warehouse stores.

Support of reduce and reuse initiatives

The scheme is primarily 'recycling' focused however, it supports and promotes members' drive to reduce consumption, introduce reusable solutions and transition to more easily recyclable plastic polymers. Our strong consumer engagement gives us a platform to communicate these objectives.

OBJECTIVES AND TARGETS

OBJECTIVE	PARAMETERS	2025 TARGET	2021 ACTUAL	2020 ACTUAL
Increase the accessibility of the Scheme to New Zealanders	Increase number of regions offering collection facilities	70%	69%	50%
Improve quality of collected materials	Increase education and awareness to reduce contamination	Below 8%	15.7%	7.1%
Increased engagement in minimising plastic consumption to close the gap between consumption and recycling	Report on tonnes of soft plastic packaging consumed	N/A	5985 T <sup>1</sup>	5991 T <sup>1</sup>
Stakeholder support	Number of members Quarterly e-news to stakeholders Number of councils promoting the Scheme	80 members Deliver to 200 stakeholders All councils with collections in region	117 members 139 stakeholders 7 councils	67 members 88 stakeholders 2 councils

1 Includes additional categories which are now accepted by scheme. Data Source for Unit Sales IRI  
2 Restated to include additional categories now accepted by scheme





## CASE STUDY



Caption

## The Restart of Soft Plastic Recycling in Christchurch – a team effort

Restarting soft plastic recycling collection sites in Christchurch has been a major achievement, and is one which had 100% support from Scheme members.

Countdown, New World, PAK'NSAVE and The Warehouse were key to making it possible with collection bins at 25 stores in Christchurch. This meant it became the second largest region offering the service.

### Social enterprise involvement

Christchurch social enterprise Kilmarnock employs over 65 people and like many community businesses has been impacted by COVID 19. The team were delighted to restart soft plastic collections with Kilmarnock collecting soft plastics from stores, doing quality checks, baling and preparing the bales for transport.

### Member services – Goodman Fielder

Traditionally it's about how we can help our members but now our members are coming forward with solutions. Goodman Fielder stepped up by offering to backhaul bales of soft plastic to Auckland, reducing costs and our environmental impact.

### Future Post going from strength to strength

None of this would be possible without Jerome, Chris and the team at Future Post turning the soft plastics into posts, veggie gardens, wheel stops and other innovative products.

Finally, it was the support of Christchurch residents which helped make the restart a success, with over 700,000 plastic bags and wrappers dropped off for recycling in just two months.



**TRADITIONALLY IT'S ABOUT HOW WE CAN HELP OUR MEMBERS BUT NOW OUR MEMBERS ARE COMING FORWARD WITH SOLUTIONS.**

## SOFT PLASTICS RECYCLING SCHEME STEERING COMMITTEE FY20/21



**Malcolm Everts,**  
Chair  
Cottonsoft



**Phil VanHouts**  
Ampcor Flexibles  
Asia Pacific



**Josh Devoe,**  
Westpac



**Michael Anderson**  
Goodman Fielder



**Keri-Anne Martin,**  
Nestlé



**Lou Sherman**  
Asaleo Care



**Steffan Pedersen**  
Cas-Pak Products  
NZ Ltd



**Charlotte Haycock**  
Countdown



**Suzanne Cowling**  
Jacobs Douwe  
Egberts NZ

## SCHEME MANAGER



**Lyn Mayes**  
Mad World



# GLASS PACKAGING FORUM SCHEME



## HIGHLIGHTS

### Scheme Accreditation Period – 2017-2024

Glass bottle and jar recycling continues to hold an enviable position in the New Zealand market, with a growing recovery rate, well-established infrastructure, engaged population and an onshore processor.

The Glass Packaging Forum (GPF) operates the country's only voluntary product stewardship scheme for container glass, with over 100 member brands. Levies paid by members are used to advance glass recovery and recycling, reuse or alternative use through grants, advocacy and support for the glass recovery supply chain.

The scheme is reliant on its membership in order to successfully operate and it was pleasing to maintain these numbers despite the challenges of the COVID-19 pandemic.

### Increasing recovery rate and improved data methodology

The GPF's work has paid dividends with the country's container glass recovery rate increasing year-on-year to 75% of all glass to market. Of this, 62% is recycled back into glass containers onshore.

Improving our data has been an ongoing area of focus with consultants Grant Thornton reviewing our data methodology and minor changes were made as a result.

We also engaged with supply chain system leaders GS1 and data analytics and market research company IRI to improve data on non-alcohol container glass. This provided an opportunity to better understand this part of the market, what pinch points may exist, and how the GPF can facilitate improved recovery and recycling.

### Continued move to glass-separate collections

During the last reporting period we celebrated the move by a number of councils to glass-separate collections at kerbside – this being considered by the GPF to be the best practice for recovering high-quality glass for recycling.

This trend has continued over the past period. However, the centres with the largest populations continue to use co-mingled wheelie bin collection systems

Improving collection systems results in higher volumes of colour-sorted glass. Often the distance from the furnace in Auckland requires the aggregation of colour-sorted glass to make transport viable.

The GPF has therefore invested in infrastructure which has increased glass recovery and material flow at regional glass hubs such as 5R Solutions in Christchurch and the Marlborough District Council's hub in Blenheim. Both have been important in the continued growth in the quantity and quality of glass coming out of the South Island.

### Contribution to research

The GPF broadly supports the standardisation of kerbside collections and has actively contributed to a report compiled by WasteMINZ for the Ministry for the Environment (MfE) on standardising kerbside recycling in New Zealand.

Having input into these workstreams is important in demonstrating the expertise and leadership the GPF has in this area.

## Glass separation collection areas

### Examples of impact on tonnage recovered

The following councils represent substantial populations\* and provide detailed reporting

#### NAPIER +21% YOY

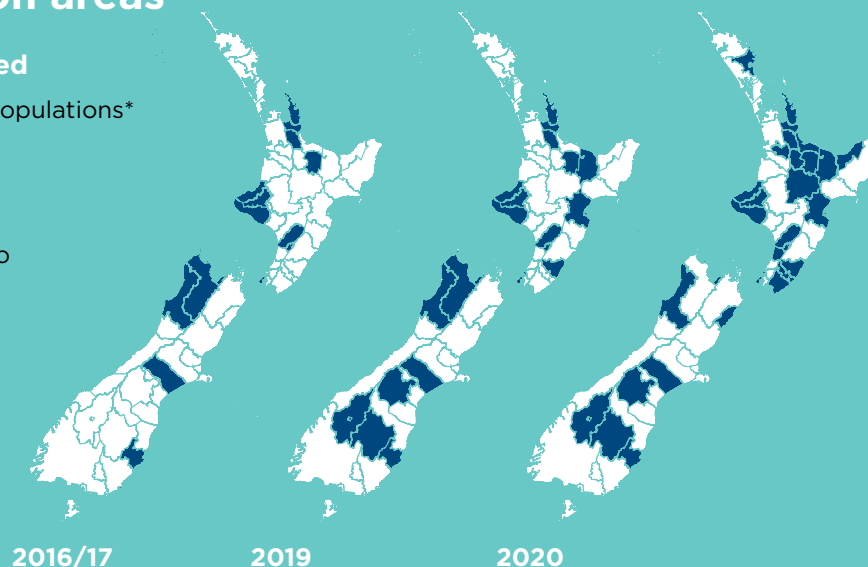
Growth in year implemented (four months into 2020 reporting year). (Pop. 66,300)

#### TAURANGA +36% YOY

Growth in year implemented (three months into 2019 reporting year). (Pop. 150,000)

#### WHANGAREI +21% YOY

For the first six months of glass separate collection. (Population 98,300)



## LOOKING FORWARD

### Challenges

#### Container return scheme

The proposed container return scheme (CRS) for beverage containers has been a major focus over the past reporting period as pressure by pro-CRS groups mounts on Government to mandate a CRS with glass included.

While the GPF has no position on the use of a CRS for beverage containers made of other materials, we strongly believe glass should not be included. The GPF believes at least one other model under a regulated scheme should be thoroughly explored before a decision is made to include beverage glass in a CRS.

Including beverage glass in a CRS would create dual recycling streams as non-beverage containers would still be collected through current systems. New Zealand's bottle-to-bottle recycling rate faces challenges such as demand for recycled glass and processing capacity which a CRS doesn't address.

New Zealand already has a high starting point for glass recycling with a 75% recovery rate and a widespread and well-developed collection infrastructure. The GPF believes building on the existing systems is the most cost-effective and efficient method for improving glass recovery and recycling.

There is a challenge associated with creating a balanced public debate given the nostalgia attached to a CRS and the 'good old days' when milk was delivered in glass bottles and one could take empty beverage bottles back to the local dairy for a refund.

There is also a challenge in communicating GPF's pro-regulation position, albeit it with a different model to the CRS.

#### Lack of best practice collection systems in major centres

While the number of regions offering glass-separate collection systems has increased, major centres like Auckland and Christchurch continue to use co-mingled wheelie bins. This not only increases the cost of recovering glass due to slower sorting and processing but means a higher proportion of glass is lost through contamination.

It is notable that in November 2020 Christchurch City Council indicated it would explore a glass-separate collection system as part of a review for its 2021-31 Long Term Plan. This is very encouraging and GPF is eager to support the council make this transition in any way it can.

Southland also continues to be a challenge due to the cost of collecting and transporting glass from a distant and sparsely populated area to the recycler.

#### Market demand for recycled glass and onshore processing capacity

The ability to recycle more of the glass collected is limited by market demand for the recycled glass. The volume of glass being imported, both filled and unfilled, creates an imbalance between the amount of glass available to be collected for recycling outweighing the demand for New Zealand-made, recycled glass.

As mentioned in the previous report there is currently a limit to onshore furnace capacity for processing recovered glass into new containers. As glass recovery rates improve further this will require more investment in processing (which would require enough market demand for the recycled glass), alternative market creation, or further expansion of alternative uses.

### Opportunities

#### Transition to a regulated scheme for container glass

In February the GPF wrote to the Minister for the Environment requesting we be given the opportunity to enter into a co-design process to transition our voluntary scheme to a regulated scheme for all container glass.

We have outlined how we believe such a scheme could work and discussed this with the Ministry for the Environment. However, a formal co-design process would be required in accordance with the guidelines for priority products in order to validate these.

The GPF is strongly in favour of a regulated stewardship scheme for container glass as it would level the playing field by requiring all industry members to take part. This would increase both membership and the resources which would enable the scheme to have a much greater impact.

Regulated stewardship would also improve our datasets as all members of the supply chain would be required to supply information, which in turn would enable the scheme to evolve to be even more effective.





### Encourage more returnable (refillable) systems

The GPF believes in the right circumstances, return and refill systems have the potential to improve environmental outcomes and reduce pressure on natural resources and furnace capacity. As such we are eager to assist such systems overcome their challenges, through system design, grant funding or promotion.

The ABC Swappa Crate refill system is supported by GPF members and in 2020 it prevented the equivalent of approximately 11 million 330ml bottles going to landfill\*. We have also noted an increase in the number of boutique dairies and breweries creating their own returnables schemes.

The GPF recently awarded a grant to New Zealand cosmetics company Aleph, which launched a take back and refill scheme for its glass makeup jars.

Refillable container solutions are becoming more mainstream and supported by more consumers. While these mostly remain small or brand specific operations, we recognise as an industry we need to do more.

With the support of our members we are currently undertaking work that will help clarify: capabilities of existing infrastructure; the potential for scaling up systems; barriers; and the impact on carbon and other environmental factors. This will be the

\*Source: The Brewers Association

foundation for supporting and enabling future projects, advocacy, and funding for refillable systems.

### Consumer education

Glass recovery is heavily reliant on consumers playing their part, making consumer education and behaviour change vital to its ongoing and increasing success.

A report by New Zealand Institute of Economic Research (NZIER) found the majority of the population is keen to recycle but lacks the necessary information to do so correctly. These 'wish-cyclers' result in contamination issues, but also have the potential to have a hugely beneficial impact on recycling rates.

Educating this group is therefore a focus of the GPF – something we aim to achieve through social media, media releases and other media such as explainer videos.



## KEY ACHIEVEMENTS

# \$237K

Over \$237,000 in funding for 15 projects which ranged from reuse to infrastructure and plant.



Increased recovery rate to 75% of total glass to market.



Improved data methodology, including improved data on non-alcohol container glass.



Developed a case for moving to regulated stewardship framework.



Continued increase in number of councils offering glass-separate collections.

# \$3.7M

Over \$3.7 million in grants funded to date.

## OBJECTIVES AND TARGETS

The following table outlines the objectives and targets set for the scheme and shows our 2018-2019 performance toward achieving these goals.

OBJECTIVE	PARAMETER	2004 TARGET	2018-19 PERFORMANCE	2019-20 PERFORMANCE
<b>Increase in the volume of container glass recycled</b>	Report on diversion activity and be recognised as the reliable source of container glass recycling data by collating national data on container glass diverted from landfill via all activities.	<b>82%</b> of total container glass into market is diverted	<b>73%</b>	<b>75%</b>
<b>Completeness of scheme</b>	Close the gap between consumption data and tonnage declared by members	<b>90%</b> of consumption data comes from members	On track	On track
		≥ <b>60%</b> industry engagement survey response rate	Achieved*	Survey not conducted this year
<b>Stakeholder support</b>	Management and operational staff with council and the commercial collector network who have direct influence over glass recycling in their region are actively engaged in the scheme	≥ <b>60%</b> local government engagement survey response rate	Achieved*	<b>81%</b> engagement from local government to mass balance survey, either directly or through contractors
<b>Contribution to community</b>	GPF investment fund set aside for regional recycling initiatives annually	Budgeted investment fund allocation represents at least 40% of total operations budget by 2024	<b>34% + 165k</b> reserves	<b>44%</b>

Note: reporting period for GPF is July to June, to align with council financial year

## CASE STUDIES



The GPF awarded \$17,645 to Bin Hire to upgrade its glass storage bunkers following the rollout of its innovative glass recycling trolleys. A further \$2,000 was awarded to help promote the trolleys.

## Bin Hire – Kiwi ingenuity to solve glass recycling quandary

**“WE BELIEVE THAT OUR INGENUOUS COLLECTION SYSTEM HAS THE POTENTIAL TO BRIDGE THE GAP BETWEEN THE HOSPITALITY SECTOR AND GLASS RECYCLING DUE TO ITS PRACTICALITY”**

**- BIN HIRE MANAGING DIRECTOR  
DANIEL MONTAPERTO**

## More storage means more recycled glass from South Island

Funding ‘sensible infrastructure’ has been a focus for the GPF as it improves transport efficiencies, glass quality and health and safety. A \$25,000 grant helped Alexandra Wastebusters become a hub for the area to aggregate the increasing volume of recycled glass being collected in the Central Otago region.



**“THE NEW STORAGE WILL ALLOW MORE EFFICIENT ON-SITE OPERATION, EASE OF TRANSPORT THROUGH TO THE HUB AT 5R SOLUTIONS IN CHRISTCHURCH, AND MEAN THERE IS LESS CONTAMINATION.”**

**- ALEXANDRA WATEBUSTERS  
OPERATIONS MANAGER AL DICKIE**

## GLASS PACKAGING FORUM STEERING COMMITTEE FY20/21



**Karen Titulaer**  
Chair, Villa Maria



**Don Chittock**  
Fulton Hogan



**Monique Sprosen,**  
Perno-Ricard



**Sara Tucker**  
Lion



**Penny Garland**  
Visy Recycling



**Yuri Schokking**  
Smart  
Environmental



**Jo Jalfon**  
Asahi Beverages  
(NZ)



**Nick Keene**  
Hospitality NZ



**Kitty Sandoval**  
Frucor Suntory  
NZ

## SCHEME MANAGER



**Dominic Salmon**  
3R Group Ltd



# LITTER REDUCTION AND PUBLIC PLACE RECYCLING ACTIVITIES



## HIGHLIGHTS

### Public Place Recycling Scheme Product Stewardship Accreditation Period 2013-2020

The Forum has run the standalone Public Place Recycling Scheme with the aim of reducing litter and increasing recycling public spaces around New Zealand by 2020. December 2020 signalled the end of the formal seven-year accreditation period.

The Forum is immensely proud of the achievements of the scheme during that period and thanks all its members who were involved, either in giving their time on the steering committees or in providing funding through payment directly to the scheme.

During the seven-years, in total the scheme delivered around \$5.32 million in value to New Zealand, based on the PPRS directly investing \$949,172 in public place recycling and litter bins, recycling at events, and research and development.

The scheme also reported on the in-kind funding which recipients of scheme funding invest in public place recycling and litter abatement through procurement of additional “binrastructure”, servicing costs and scheme promotion. This was worth \$4.37 million during the life of the scheme, with much of this being an ongoing commitment.

### Tens of thousands of tonnes collected

During its seven years of accreditation the scheme collected 41,759 tonnes of materials from the public place recycling bins put in place via scheme funding or via scheme members reporting to the PPRS.

The majority (74%) of tonnage diverted from landfill was collected via the commercial sector, with the remainder collected via council public place recycling bins. Of this material some 100 million plastic bottles, aluminium cans and glass bottles were collected for recycling.

### Awareness and diversion on the up

Providing rubbish and recycling bins to public areas is only one part of the equation. Driving awareness and the correct use of the bins is vital and continues to be a focus of the Packaging Forum.

This has paid dividends with a steady increase in awareness of public place recycling bins from 41% in 2014 to 66% in 2020.

Colour-coded bins have been instrumental in improving correct use of the bins and the diversion of recyclable material from landfill. The bins, which were installed through the Litter Less Recycle More project in 160 locations in 18 regions, resulted in 833 tonnes of recyclables and 755 tonnes of rubbish collected since 2018.

They also proved successful in terms of making public place recycling simpler, with 83% of survey respondents saying standardised colours and signage made choosing the correct bin easier.

### Funding

The scheme began with a direct membership model and transitioned in April 2019 to all Packaging Forum members contributing via an allocation from membership fees, in recognition of all packaging having an impact on litter.



## LOOKING FORWARD

### Challenges

#### COVID-19

The COVID-19 pandemic had a substantial impact on the performance of the PPRS as councils stopped recycling materials collected from public place bins during the lockdown period, with all materials sent to landfill. Scheme partners including airports, shopping malls, DHBs and stadia also stopped collections and for some the return to a ‘normal’ was slow.

As a result, the collected tonnage dropped over the past reporting period for the first time in seven years. Council collected tonnages dropped 21%, resource recovery from commercial bins fell by 30% and local government share of the total tonnage increased from 38% to 44% in 2020, reflecting the impact of the pandemic on many commercially-owned public spaces.

Events were severely affected, and very little data was captured as a result. However, we were able to capture data from stadia, with waste diversion at these locations dropping by 15% compared with 2019.

The scheme set an initial target of increasing the availability of recycling bins in public spaces by 300% by 2020. Prior to the outbreak of the COVID-19 pandemic, and the lockdowns which followed, the scheme was on track to reach this KPI, but rather reached 254% - some 2,925 public place recycling bins.

#### Projects

The scheme was again impacted by the pandemic as there were no funding requests for events and only one request for infrastructure funding, from Upper Hutt Council. In total the PPRS allocated \$15,400 to projects which increase the availability of public place recycling and rubbish collection, and to education and research programmes.

### Supporting Reduction in Litter and Uptake in Recycling Activities in the Public Place

While the PPRS is no longer recognised as a standalone product stewardship scheme, The Packaging Forum Board carried a strong mandate from its members to continue the work of litter abatement and public place recycling.

An advisory group was formed “Supporting Reduction in Litter and Uptake in Recycling Activities in the Public Place” (RLAG) – and they commenced work on a multi-year strategy to inform the Forum’s work going forward. This strategy will also include feedback to the Ministry for the Environment on the ongoing use of the LoveNZ Brand in conjunction with these activities.

#### Contestable Grant established

The Forum continues to invest in activities aimed at litter reduction, establishing a contestable grant. Towards the end of the reporting period, applications were invited and Councils, recyclers, community groups and other organisations were encouraged to apply with the advisory group tasked with assessing the applications.

We look forward to reporting back on the success of these projects in our next report.

#### Data, data, data

One of the successes of the PPRS scheme was the collection of litter and public place recycling data and building on the collective understanding of behaviours of people wishing to dispose properly (or not) of their litter while out and about.

The Forum will continue contributing to building this national data set, joining forces with other litter data collection entities as their activities commence in the 2021/22 year.

**THE FORUM WILL  
CONTINUE TO  
CONTRIBUTE TO  
BUILDING A NATIONAL  
DATA SET ON LITTER  
AND PUBLIC PLACE  
RECYCLING TO  
GAIN A COLLECTIVE  
UNDERSTANDING OF  
THE BEHAVIOURS OF  
PEOPLE WISHING TO  
DISPOSE OF THEIR  
LITTER WHILE OUT  
AND ABOUT.**



## CASE STUDY

### Upper Hutt's first recycling bins

The PPRS allocated \$5,400 in funding to support the introduction of Upper Hutt's first recycling bins in a public park, in a major redevelopment of Maidstone Max Park. Funding contributed to four sets of colour coded recycling stations (in the Litter Less Recycle More style) being installed.

**"THE YOUNG PEOPLE IN OUR COMMUNITY ARE IN TUNE WITH SUSTAINABILITY AND WASTE MINIMISATION AND IT'S BEEN EXCITING TO SEE THEM EMBRACE THE NEW RECYCLING BINS IN THEIR SHARED SOCIAL SPACES."**

**- UPPER HUTT CITY COUNCIL  
WASTE MINIMISATION  
OFFICER RICHARD SCHOUTEN**

## LITTER AND RECYCLING ACTIVITIES ADVISORY GROUP FY20/21



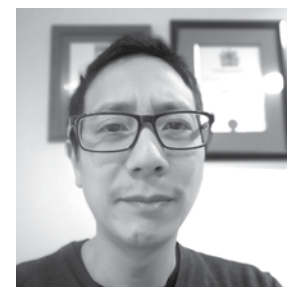
**Nick Baker**  
Chair – Visy  
Recycling



**Geraldine Oldham**  
Restaurant Brands



**Jennifer Evans,**  
Mondelez



**Gavin Fong**  
Pluspac Packaging  
Limited



**KPIs** \*Reports on the performance against scheme KPIs are to end 2020

OBJECTIVE	BASELINE DEC 2012	ACTUAL DEC 2019	ACTUAL DEC 2020	TARGET FOR 2020
Increase in packaging collection for recycling by commercial sector	1,375 tonnes	4,443 tonnes	3,492 tonnes	5,912 tonnes
Increase in organic waste collected for composting by commercial sector	215 tonnes	739 tonnes	372 tonnes	349 tonnes
Measure increase in packaging collected by councils and commercial sector	1,907 tonnes	7,596 tonnes	5,605 tonnes	6,331 tonnes
Measure increase in organic waste collected by councils and commercial sector	233 tonnes	739 tonnes	372 tonnes	353 tonnes
# permanent bins: Increase in facilities	1,150 tonnes	2,854 (note: 245 soft plastic bins removed)	2,925 tonnes	3,462 tonnes
Scheme Membership: Increase participation	32	109	122	64
Increase consumer awareness of PPR bins (Horizon Research)	800,000 OTS	64%	66%	52%
Waste Diversion overall (commentary 3.2)	n/a	43%	53%	50%
Waste diversion – stadia/ events	46% recycled	65% overall 79% events 63% stadia	50% overall	70% recycled
Waste diversion – Transport hubs, malls, DHB, education	35% recycled	35% recycled	40% recycled	40% recycled
Engagement with stakeholders including local government and recycling operators	58% satisfied	n/a	n/a	70% satisfaction
Reduce litter volume by 10%	n/a	n/a	n/a	10% reduction



## TECHNICAL ADVISORY GROUPS

In 2019, The Packaging Forum members pledged that all packaging was to be reusable, recyclable or compostable in New Zealand by 2025.

Three immediate areas of focus were identified as being critical to support members as they advance Pledge 2025 and improve packaging sustainability in New Zealand.

In June 2020 The Packaging Forum called for members with special expertise or interest in technical advisory groups (TAG) for compostable packaging and fibre packaging.

They would explore the barriers and possible pathways to scalable, end-of-life solutions for these packaging types, with their findings and advice informing decisions made by The Packaging Forum Board.

In July the TAGs had formed, and the Forum called for members of a third TAG which would focus on recyclability labelling



### Compostable Packaging TAG

“Compostable packaging” incorporates a wide range of material types used in a variety of applications. However, some applications are not globally considered as best practice for the generally accepted “use case” for compostable packaging.

Compostable packaging is one of the most pressing issues in terms of sustainability in the packaging industry as it has come to be viewed as something of a ‘silver bullet’ solution. However, it can result in unintended consequences such as generating greenhouse gases in landfill or contaminating commercial compost and plastic recycling streams.

The group set out a collaborative work programme and launched a survey to identify stakeholders and what part of the compostable packaging system they work in. This was vital in establishing a baseline of understanding around the sector.

The survey found over 260 compostable packaging projects had been completed, were running or were due to run in New Zealand. However, despite this little headway had been made in developing a viable end-of-life solution at scale.

Survey participants identified six requirements for progress:

- Nationally available collections infrastructure
- A labelling system
- Increased processing infrastructure
- An official NZ standard for compostability of packaging
- Funding
- Networking (knowledge sharing)

A follow-up survey was run to understand the volume of compostable packaging in the NZ market as part of planned work to establish a use-case for compostable packaging in New Zealand.

The results of the survey are due in the 2021-2022 reporting period and will be crucial for the group’s work plan. This plan will run to March 2023.

### Fibre Packaging TAG

Fibre packaging is often thought of as a material with a simple and effective end-of-life solution. However, the impact of China’s National Sword policy and others like it have largely curtailed the export of fibre to overseas recycling markets, creating a growing problem for New Zealand.

The country’s fibre recycling processing capacity is insufficient to deal with the volume going into the market, resulting in much being lost to landfill. Fibre as a commodity has also seen its value decline considerably, making its processing and recycling in some areas too expensive with some geographically isolated councils even discouraging residents from putting paper and cardboard out for recycling.

The Packaging Forum’s Fibre Packaging Technical Advisory group was set up to explore these issues and possible solutions to creative viable end-use solutions onshore.

Fibre recycling is also being investigated by the Ministry for the Environment and the Forum’s TAG welcomed a project funded by MfE, and project managed by Eunomia, to investigate the international fibre recycling situation and its impacts on resource recovery and recycling in New Zealand.

The project will assist central and local government in providing sustainable and circular solutions for New Zealand’s recovered fibre by creating pathways to divert more resource from landfill and minimise harm from waste. The project work will include an assessment of short, medium and long-term options

and a decision-making process with key stakeholders to determine a ranked short-list of options available.

The TAG is currently awaiting the release of the report, which will inform its work going forward. In the meantime, its members also contribute to the Compostable Packaging TAG for which there are some obvious synergies.

### Recyclability Labelling TAG

Ensuring end uses can properly identify if packaging is recyclable or not is a vital part of improving its sustainability.

The Recyclability Labelling TAG was established to advocate on behalf of members with government agencies and other membership organisations looking at the introduction of recyclability labelling, and to collaborate with members who use the Australasian Recycling Label, a trans-Tasman packaging recyclability labelling solution.

Recyclability labelling starts from the design of a product carrying through to the end of life treatment and covers all materials used, including inks, glues, and labels. As recyclability labelling that is clear and easy to understand for consumers is a key part of effective product stewardship, its important the packaging industry offers its input, experience, and expertise to achieve the best outcome for a national mandatory recyclability label.

The TAG is currently looking to work in with other advisory groups working on recyclability labelling.

<sup>1</sup> The Australasian Recycling Label is an initiative of Planet Ark and APCO (Australian Packaging Covenant Organisation).





# STAKEHOLDER ENGAGEMENT



## PROMOTION AND COMMUNICATION

MEDIA RELEASES      Releases distributed: **24**      Media articles/interviews/features: **123**

EMAIL NEWSLETTERS **34**      WEBINARS **6**

FACEBOOK	Page likes:	Impressions:
	<b>467</b>	<b>157,489</b>
	<b>8,542</b>	<b>187,000</b>

LINKEDIN	Followers:	Impressions:
	<b>488</b>	<b>32,410</b>

WEBSITES	Glassforum.org.nz	Packagingforum.org.nz	Recycling.kiwi.nz
	<b>7,929</b> page views	<b>51,212</b> page views	<b>129,565</b> page views



## INDEPENDENT AUDITOR'S REPORT

## To the Members of Packaging Forum Incorporated

### Opinion

We have audited the financial statements of Packaging Forum Incorporated on pages 34–42, which comprise the balance sheet as at 31 March 2021, and statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Packaging Forum Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Packaging Forum Incorporated.

### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1a to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the members and Inland Revenue. As a result, the financial statements may not be suitable for another purpose.

### Directors' Responsibility for the Financial Statements

The Directors are responsible on behalf of the entity for determining that the Special Purpose reporting requirements framework adopted is acceptable in Packaging Forum Incorporated's circumstances, the preparation of financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible on behalf of the entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hudson Kasper  
 Manukau  
 5 July 2021

THE PACKAGING FORUM INCORPORATED  
STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2021	2020
		\$	\$
<b>REVENUE</b>			
Recycling Bins/Liners/Freight (SP)		\$26,627	\$4,978
BTK contribution to Litter Project		-	\$150,000
Ministry contributions to Litter Projects		-	\$290,781
Rigid Plastics Contribution to projects		-	\$10,000
EPR Project Income		\$79,907	-
Interest income		\$2,761	\$7,279
Levies		\$1,868,876	\$1,454,848
Total revenue		\$1,978,171	\$1,917,886
<b>EXPENSES</b>			
<b>Operating costs</b>			
Litter Project		\$22,657	\$372,152
Conferences and workshops		\$12,264	\$13,266
CRS Design Working Group		\$42,975	\$23,735
EPR Work		\$147,939	-
Data capture/monitoring/audit		\$16,503	\$13,867
Community Education and research		-	\$7,500
External funding projects	3	\$273,916	\$352,214
Storage/Logistics (SP)		\$5,320	\$35,224
Recycling Bins/Liners/Attachments (PPRS/SP)		\$25,784	\$1,863
Marketing/Communications/Media Monitoring		\$138,509	\$111,615
Market Research & Surveys		\$12,810	\$16,184
Merger Expenditure (PF - Pack NZ)		-	\$24,642
MfE PP and Levy Review		\$24,535	\$37,425
Third Party Verification		\$22,522	-
Processing fees (SP)		\$53,850	\$41,129
Project - Rigid Plastics		-	\$1,843
TAG Compostables (PF)		\$29,470	-
Reports to the MFE		\$3,267	\$8,744
Collection costs/Baling (SP)		\$64,016	\$48,359
Travel and accommodation		\$18,901	\$37,974
		\$915,238	\$1,147,736

	NOTE	2021	2020
		\$	\$
<b>Overhead costs</b>			
AGM and annual report		\$6,199	\$6,594
Audit fees		\$13,343	\$19,593
Bank fees		\$190	\$165
General		\$3,917	\$4,481
Insurance - all schemes		\$3,390	\$3,504
Legal		\$3,615	\$3,730
CEO/Scheme managers/Administration/Contractors		\$609,662	\$616,668
Stationery, postage and printing		\$1,103	\$2,310
Subscriptions/MYOB		\$8,387	\$7,655
Telecommunications		\$3,273	\$5,039
Website hosting/Facebook and support costs		\$5,296	\$6,458
Website design and development		-	\$16,645
		<b>\$658,375</b>	<b>\$692,842</b>
Total expenses		<b>\$1,573,613</b>	<b>\$1,840,578</b>
<b>Net surplus (deficit) before taxation</b>		<b>\$404,558</b>	<b>\$77,308</b>
Taxation expense	4	<b>\$279</b>	<b>\$1,180</b>
<b>Net surplus (deficit) after taxation</b>		<b>\$404,279</b>	<b>\$76,128</b>

THE PACKAGING FORUM INCORPORATED  
STATEMENT OF MOVEMENTS IN MEMBERS' FUNDS  
FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2021 \$	2020 \$
Accumulated funds at start of year		781,560	696,636
Net surplus (deficit) after taxation		404,279	76,128
Prior period adjustment			8,796
<b>Accumulated funds at end of year</b>		<b>1,185,839</b>	<b>781,560</b>

PACKAGING FORUM INCORPORATED  
BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	5	1,243,303	729,668
Accounts receivable		193,345	420,196
Prepayments		3,067	3,111
GST refund due		23,583	11,876
Tax refund due		550	4,601
<b>Total current assets</b>		<b>1,463,848</b>	<b>1,169,452</b>
<b>Non-current assets</b>			
Plant and equipment - cost		16,889	16,889
Accumulated depreciation		(16,889)	(16,889)
Total non-current assets		-	-
<b>Total assets</b>		<b>1,463,848</b>	<b>1,169,452</b>
<b>Current liabilities</b>			
Accounts payable		154,172	250,036
Accruals		104,289	112,137
GST payable		3,448	25,719
Other current liabilities		16,100	-
<b>Total current liabilities</b>		<b>278,009</b>	<b>387,892</b>
<b>Equity</b>			
Members' accumulated funds		1,185,839	781,560
<b>Total liabilities and equity</b>		<b>\$ 1,463,848</b>	<b>\$ 1,169,452</b>

For and behalf of the Board:



**Nick Baker**  
Packaging Forum Chair  
2-7-2021

THE PACKAGING FORUM INCORPORATED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**1. Statement of accounting policies**

**a) Reporting entity**

The Packaging Forum Incorporated (the Forum) is an incorporated society. The Forum was established to encompass not only the activities of the Glass Packaging Forum (GPF) but to also encompass those of other enterprises, whose activities involve the commercial use of packaging materials other than glass, with accredited schemes whereby the environmental issues associated with them can be addressed in a concerted and constructive way thereby facilitating the best outcomes for both the private and public sectors involved.

Since its inception, the Forum has focussed on continued work with the community to improve recycling initially for glass through the Glass Packaging Forum, flexible plastics through its Soft Plastic Recycling Scheme (SPRS) and litter and public place recycling across all of its schemes and initiatives. The Forum is one of the first organisations to have its voluntary product stewardship schemes accredited by the Minister for the Environment (MFE) under the Waste Minimisation Act 2008 initially with glass in 2010, with public place recycling in 2013 (expired in 2020) and soft plastics in 2018, which now operates as a component of the Forum, as will any other future product stewardship schemes.

The financial statements of the Forum have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by the New Zealand Institute of Chartered Accountants.

The financial statements have been specifically prepared for the members of the Forum and for the Inland Revenue Department.

**b) Measurement base**

The accounting principles recognised as appropriate for the measurement and reporting of performance and financial position on a historical cost basis are followed by the Forum.

**c) Specific accounting policies**

The following specific accounting policies which materially effect the measurement of financial performance and position have been applied.

**Revenue recognition**

Levies are recognised when invoiced to members.

Interest received is credited to the statement of financial performance on an accruals basis.

**Project funding**

Amounts applied towards funding various projects are expensed in the year incurred. If items of property, plant and equipment are acquired for a specific project then their cost is expensed even though the Forum may retain ownership rights in that property.

**Accounts receivable**

Accounts receivable are carried at estimated realisable value after providing against bad debts where collection is considered doubtful.

**Accounts payable and accrued liabilities**

Trade and other payables are stated at cost.

**Plant and equipment**

Plant and equipment is recorded at cost and depreciated at the rate of 33 1/3% using the straight line method.

**Goods and services tax**

The statement of financial performance has been prepared so that all components are presented exclusive of GST. All items in the statement of financial position are presented net of GST, with the exception of receivables and payables, which include GST invoiced.

**Income tax**

Income tax is accounted for using the taxes payable method, i.e. the income tax expense charged to the statement of financial performance is based on the return to the Inland Revenue Department.

**Inter-divisional transactions**

These inter-divisional transactions have been eliminated in the statement of profit and loss.

**Comparative figures**

Where necessary, certain comparative information has been reclassified in order to conform to changes in presentation in the current year.

**d) Changes in accounting policies**

There have been no changes in accounting policies during the period under review.



## THE PACKAGING FORUM INCORPORATED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. PPRS/SP industry contributions

The PPRS was accredited as a product stewardship scheme by the Minister for the Environment under the Waste Minimisation Act 2008 on 14 November 2013. Over a period of seven years, industry by the end of 2020 aimed to be investing up to \$1 million per annum on an integrated programme to increase recycling and reduce litter. The PPRS programme was owned and managed by the Forum. All future litter abatement will be managed directly through the Packaging Forum.

The SPRS was accredited as a product stewardship scheme by the Minister for the Environment under the Waste Minimisation Act 2008 on 22 March 2018. Over a period of seven years, industry by the end of 2025 aims to increase the amount of soft plastics collected for recycling consistent with the availability of near-shore processing capacity.

During the year the SPRS members contributed \$611,672 in levies to the scheme (2020: \$363,192)

	2021	2020
<b>3. External funding projects</b>	<b>\$</b>	<b>\$</b>
Resources	211,626	272,752
Research/Promotions	6,472	3,800
Education	2,000	3,000
Flying squad	25,918	34,623
External GPF funding projects	246,016	314,175
Public Place Recycling Scheme (PPRS)	-	38,039
Litter Abatement	27,900	-
<b>Total External funding projects</b>	<b>273,916</b>	<b>352,214</b>

Resources activities relates to infrastructure provided primarily to local authorities and collectors for the collection and processing of recovered glass.

Promotions activities relates to the promotion of the GPF through specific events and printed material.

Education activities include not only support for recycling at specific events but also assisting Councils in the introduction of new glass collection systems.

	2021	2020
<b>4. Income tax expense</b>	<b>\$</b>	<b>\$</b>
Interest received	2,761	7,279
Expenses claimed	(763)	(2,068)
Exemption allowed	(1,000)	(1,000)
<b>Taxable income</b>	<b>998</b>	<b>4,211</b>
<b>Income tax expense as per statement of profit and loss</b>	<b>279</b>	<b>1,180</b>

<b>5. Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>
BNZ - cheque account	74,981	364,810
BNZ - deposits	227,610	226,026
BNZ - rapid saver account	940,712	138,832
	<b>1,243,303</b>	<b>729,668</b>

### 6. Related party transactions

All levy income of the Forum is derived from its members. Other than that there were no related party transactions during the year (2020: nil).

No related party balances have been written off in the period under review (2020: nil).

### 7. Capital expenditure and operating lease commitments

The Forum had no capital expenditure or operating lease commitments at balance date (2020: nil).

### 8. Contingent liabilities

The Forum had no contingent liabilities at balance date (2020: nil).

### 9. Subsequent events

There have been no events subsequent to balance date which require disclosure in or adjustment to the financial statements (2020: nil).

## THE PACKAGING FORUM INCORPORATED STATEMENT OF PROFIT AND LOSS BY DIVISION FOR THE YEAR ENDED 31 MARCH 2021

	2021				
	Glass Packaging Forum	Public Place Recycling Scheme	Packaging Forum	Soft Plastics Project	Litter Less Recycle More Project
<b>REVENUE</b>					
Contribution from PFI to PPRS*		2,946			
Contribution from Litter to PFI*			22,626		
Recycling Bins/Liners/Freight (SP)				26,627	
EPR Project Income	79,907				
Interest income	2,386		204	171	
Levies	636,853		620,351	611,672	
<b>Total revenue</b>	<b>719,146</b>	<b>2,946</b>	<b>643,181</b>	<b>638,470</b>	<b>-</b>

**2,003,743**

THE PACKAGING FORUM INCORPORATED  
STATEMENT OF PROFIT AND LOSS BY DIVISION  
FOR THE YEAR ENDED 31 MARCH 2021

	2021					
EXPENSES	Glass Packaging Forum	Public Place Recycling Scheme	Packaging Forum	Soft Plastics Project	Litter Less Recycle More Project	Combined
<b>Operating costs</b>						
Litter Project					22,657	22,657
Conferences and workshops			12,264			12,264
CRS Design Working Group	20,738		22,237			42,975
EPR Work	147,939					147,939
Data capture/monitoring/audit			3,953	12,550		16,503
External funding projects	246,016		27,900			273,916
Storage/Logistics (SP)				5,320		5,320
Recycling Bins/Liners				25,784		25,784
Marketing/Communications/Media Monitoring	66,642		52,658	19,209		138,509
Market Research & Surveys			6,405	6,405		12,810
MfE PP and Levy Review			24,535			24,535
Third Party Verification	22,522					22,522
Processing fees (SP)				53,850		53,850
TAG Compostables (PF)			29,470			29,470
Reports to the MFE	862			2,405		3,267
Collection costs/Baling (SP)				64,016		64,016
Travel and accommodation	3,867		10,420	4,614		18,901
Contribution to PFI*					22,626	22,626
Contribution from PFI to PPRS*			2,946			2,946
	508,586	-	192,788	194,153	45,283	940,810

\* These inter-divisional transactions have been eliminated in the statement of profit and loss

THE PACKAGING FORUM INCORPORATED  
STATEMENT OF PROFIT AND LOSS BY DIVISION  
FOR THE YEAR ENDED 31 MARCH 2021

	2021					
Overhead costs	Glass Packaging Forum	Public Place Recycling Scheme	Packaging Forum	Soft Plastics Project	Litter Less Recycle More Project	Combined
AGM and annual report	808		5,391			6,199
Audit fees			13,343			13,343
Bank fees	26		90	74		190
General	1,086		2,370	461		3,917
Insurance - all schemes	1,037		1,316	1,037		3,390
Legal			3,615			3,615
CEO/Scheme managers/Administration/Contractors	190,292		284,884	134,486		609,662
Stationery, postage and printing	10		898	195		1,103
Subscriptions/MYOB	379		8,008			8,387
Telecommunications	748		1,505	1,020		3,273
Website hosting/Facebook and support costs	1,753		2,125	1,418		5,296
	196,139	-	323,545	138,691	-	658,375
Total expenses	704,725	-	516,333	332,844	45,283	1,599,185
<b>Net surplus (deficit) before taxation</b>	<b>14,421</b>	<b>2,946</b>	<b>126,848</b>	<b>305,626</b>	<b>(45,283)</b>	<b>404,558</b>
Taxation expense	249	-	10	20	-	279
<b>Net surplus (deficit) after taxation</b>	<b>14,172</b>	<b>2,946</b>	<b>126,838</b>	<b>305,606</b>	<b>(45,283)</b>	<b>404,279</b>

THE PACKAGING FORUM INCORPORATED  
BALANCE SHEET BY DIVISION  
FOR THE YEAR ENDED 31 MARCH 2021

	2021					
	Glass Packaging Forum	Public Place Recycling Scheme	Packaging Forum	Soft Plastics Project	Litter Less Recycle More Project	Combined
<b>Current assets</b>						
BNZ - cheque account	45,115		7,134	22,732		74,981
BNZ - deposits	227,610					227,610
BNZ - rapid saver account	197,905		322,719	420,088		940,712
Accounts receivable	121,714		7,187	64,444		193,345
Prepayments			3,067			3,067
GST refund due			19,956	3,627		23,583
Tax refund due	467	-	52	31		550
Total current assets	592,811		360,115	510,922		1,463,848
<b>Non-current assets</b>						
Plant and equipment - cost	16,889					16,889
Accumulated depreciation	(16,889)					(16,889)
Total non-current assets	-		-	-		-
<b>Total assets</b>	<b>592,811</b>		<b>360,115</b>	<b>510,922</b>		<b>1,463,848</b>
<b>Current liabilities</b>						
Accounts payable	51,260		60,126	42,786		154,172
Accruals	51,979		52,310			104,289
GST payable	3,448					3,448
Other current liabilities			2,875	13,225		16,100
Total current liabilities	106,687		115,311	56,011		278,009
<b>Equity</b>						
Accumulated funds	486,124		244,804	454,911		1,185,839
<b>Total liabilities and equity</b>	<b>592,811</b>		<b>360,115</b>	<b>510,922</b>		<b>1,463,848</b>







