4 December 2020

Plastics Consultation
Ministry for the Environment
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Dear Sir/Madam

Attached are the comments that the New Zealand Food & Grocery Council wishes to present on *Reducing the impact of plastic on our environment – moving away from hard-to-recycle and single-use items.*

Yours sincerely

Katherine Rich
Chief Executive

Reducing the impact of plastic on our environment – moving away from hard-to-recycle and single-use items

Submission by the New Zealand Food & Grocery Council

4 December 2020

NEW ZEALAND FOOD & GROCERY COUNCIL

1. The New Zealand Food & Grocery Council ("NZFGC") welcomes the opportunity to comment on *Reducing the impact of plastic on our environment – moving away from hard-to-recycle and single-use items* (the Consultation Document).

2. NZFGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. This sector generates over $40 billion in the New Zealand domestic retail food, beverage and grocery products market, and over $34 billion in export revenue from exports to 195 countries – representing 65% of total good and services exports. Food and beverage manufacturing is the largest manufacturing sector in New Zealand, representing 45% of total manufacturing income. Our members directly or indirectly employ more than 493,000 people – one in five of the workforce.

EXECUTIVE SUMMARY

3. The most significant issue for NZFGC relates to the criteria for assessing the proposed options, the weightings allocated to the criteria and the cost and benefit information. With amended criteria and weightings two Options emerge for taking forward: Mandatory phase out and Mandatory Stewardship. Working together these measures could lead to significant reduction of the target products or elimination as appropriate and be best suited to New Zealand overall.

4. We strongly recommend two criteria be applied, both equally weighted:
   - Effectiveness – will the option make progress to goals of circular economy and advance elimination or significant reduction in the use of PVC and polystyrene packaging, oxo-degradable plastics and single-use items
   - Cost – can it be implemented without placing undue costs on New Zealand, business or Government?

5. We disagree with the allocation of the qualitative judgements as to effectiveness and cost in the assessment of options. With the unnecessary criteria removed and the weightings equal, the options are more proportionate and better suited to New Zealand.

6. As noted above, NZFGC strongly disagrees with taking forward only one Option, Mandatory Phase-out. We consider other options, working in concert over time, will be successful and better suited to New Zealand overall. A proportionate response to get the best results, as undertaken in the EU, may require a mix of options to apply. There are aspects of the Options we do not agree with and these are set out in the detailed comments. However, we are very concerned that products that appear in 2020 to be 'hard-to-recycle', may not mean they are 'hard-to-recycle' in the near future. New technologies are already emerging which now process previously 'hard-to-recycle' materials. These warrant serious consideration.

7. In relation to costs, we consider the lack of evidence, the summary statements, the cost attributions and qualitative judgements to be very poor. There has been no assessment of the set-up cost in any area of replacement or substitution. COVID-19 presents a major barrier to implementation for business. Businesses already 'bleeding' have no reserves or resources in the current environment and the extreme limitations on accessing overseas expertise presents another barrier to implementation. The economic cost of COVID-19 has not been referred to in any detail in the Consultation Document and its economic impact is yet to be estimated.

8. NZFGC is concerned that if this is a Starting Point, what else is planned. Substituting the use of a target product now may otherwise require further substitution over time leading to years of ongoing cost. Consideration needs to be given to appropriate alternatives.

9. We are most concerned at the suggestion that New Zealand should lead the world in this area. We acknowledge agility in many areas but in this, New Zealand does not have either the infrastructure, technology or the resources to lead on the bulk of the packaging and materials because we have few foundation industry facilities to generate, process, or recycle the packaging in the products we produce or import.

10. Our main trading partner in the food and grocery sector is Australia and our members strongly believe that packaging and recycling systems should be aligned in both markets. Both countries have limited on-shore recycling capability and capacity and limitations of scale. We share packaging, management structures and supply chains. Alignment can reduce governance costs, deliver joint economies of scale, reduce community confusion and lower costs for consumers.

11. In other areas, NZFGC:

    - recommends a two-step process for any banned products. Step one is to set a commencement date to ban the placing of products/materials in the market. Step two is a stock-in-trade period to allow sell through of existing stocked products/materials within the market
    - agrees in principle with the phase out of PVC and polystyrene packaging but is strongly opposed to the timing of the proposed two stage process to 2025. The lack of evidence around the proposal is compounded in the time frame set for a mandatory phase out since the Ministry appears not to have researched or verified how many businesses (general or food and beverage) are using PVC and polystyrene packaging. Further, in Australia where data has been captured by the Australian Packaging Covenant Organisation (APCO), plastic packaging put onto the market fell by 6% over the year to 2018-19 with a 26% reduction in EPS and a 25% reduction in PVC. Industry is moving to more recyclable plastic where feasible and functional on a voluntary basis.
    - considers the likely costs or benefits of phasing out all PVC and polystyrene packaging needs a full and separate economic analysis. In our view, the Ministry must work with industry to understand the economic costs particularly in light of the economic impact of COVID-19 which will make investment in the capital equipment and personnel capability required to manufacture products from new plastic resins very difficult. We recommend this work be contracted out as soon as possible to ensure decisions are taken with the best available information
    - recommends that High Impact Polystyrene Sheet (HIPS) used in food packaging such as yoghurt pots should be excluded
    - recommends exempting bulk/export meat and fish polystyrene packaging (as has South Korea)
    - notes there are currently no practical alternatives to replace a number of ‘hard-to-recycle’ packaging products and until there are, a longer timeframe, such as to 2025, is necessary
    - agrees with the proposed phase-out of oxo-degradable plastics but is concerned that the timeframe of January 2023 is more rapid than any other country has achieved and could present as a barrier to trade for selected imports. It needs to be longer
    - recommends that single use bags under 70 microns thick without handles for carrying fruit or vegetables be excluded

- recommends single use plastic straws which are attached to drinks cartons for the 'on-the-go' are specifically exempted as has been the case in other jurisdictions including Australia
- would be interested to explore options for addressing plastic in wet wipes since a large proportion of wet wipes sold in New Zealand are manufactured in Australia or further afield and we need to be aware of, and align with, developments overseas including phase-outs, in this product range.

DETAILED COMMENTS

12. The comments below follow the headings in the Consultation Document and providing comments, in some cases, where no questions have been asked.

13. It is important to appreciate at the outset that New Zealand's main trading partner in the food and grocery sector is Australia. Indeed, many of our members have Australian manufacturing centres and headquarters in Australia and one of the two major supermarkets (although not our members) is Australian owned. As a result, we strongly believe that the New Zealand and Australian packaging and recycling systems should be aligned in both markets. Additionally
    - both countries have limited on-shore recycling capability and capacity
    - Both countries have limitations of scale
    - we share packaging, management structures and supply chains.

14. Alignment between Australia and New Zealand can reduce governance costs, deliver joint economies of scale, reduce community confusion and lower costs for consumers.

15. To this end, NZFGC has worked closely with the Australian Food & Grocery Council, the peak Australian sister body, in identifying options and ideas that enhance the ideas presented by the Ministry for the Environment in its Consultation Document.

Summary of the current problem

Q1. Do you agree with the description in this document of the problems with hard-to-recycle plastic packaging and single-use plastic items? If not, why?

16. NZFGC agrees in part. Our strong reservation is that products that appear in 2020 to be 'hard-to-recycle', may not mean they are 'hard-to-recycle' in the near future. The New Zealand Government is investing $124 million in recycling infrastructure, including improved sortation systems and new technology for processing. These will necessarily have an impact on the degree of difficulty of recycling. As, well, new technologies are already emerging which now process previously 'hard-to-recycle' materials. This warrants serious consideration. For example, developments in the UK in 2019 in relation to an advanced Plastics Recycling Facility has been studied in depth by the Ellen MacArthur Foundation's New Plastic Economy group from both environmental and economic viewpoints. The intent is to handle all types of plastic from all sources at one facility, locally, increasing recycling rates from current levels below 40 percent to close to 90 percent. The machine being assessed converts plastic waste back into oil.
https://www.waste360.com/plastics/developing-england-s-first-advanced-plastics-recycling-facility.

17. In New Zealand, industry has been working with Plastoil NZ which is part of a European initiative that has developed a container based, decentralised plant which will process

plastic waste or production residues into oils and waxes. Other New Zealand technology developers are working on innovative projects.

18. In Australia, there are already trials in New South Wales for kerbside collection of soft plastics via an industry led project with Nestlé and Australian Recycler iQ Renew (https://www.curbythebilby.com.au/). iQ Renew is also pioneering a new chemical recycling technology for End-of-Life Plastics.

19. NZFGC agrees with the description of single-use plastic items.

Policy objectives

Q2. Have we identified the correct objectives? If not, why?

20. NZFGC agrees in principle with the main and secondary objectives but is concerned the main objective does not differentiate between 'hard-to-recycle' plastics and 'single-use' plastics in relation to the aim of 'significantly reducing' the amount in use. This in turn does not differentiate the factors that might unevenly impact on use.

21. We are also concerned to understand that if, as the Ministry says, this is a Starting Point, what else is planned. Substituting the use of a target product with another to reduce use of the target product carries multiple costs over years if subsequently the substitute product is targeted. There are also many factors and aspects to be considered that will influence the outcome sought and this is not a linear, single track process. For example, if polymers currently used were subsequently banned, companies may transition away from plastic packaging altogether to avoid the additional costs which will come for plastics as a priority product. This may result in the perverse outcome of more paper packaging (which is an emerging problem for New Zealand); aluminium foil containers (which will not be collected for recycling at kerbside according to the WASTEminz *Standardising Kerbside Collections Report*, released in September 2020 – the WASTEminz Report) or glass packaging which has a greater environmental footprint with a higher carbon footprint than plastic packaging.

International analysis

22. NZFGC is concerned at the statement in the Consultation Document (p21) that New Zealand also has "an opportunity to lead and to demonstrate our approach to best practice." New Zealand does not have either the infrastructure or the resources to lead on the bulk of the packaging and materials because we have few foundation industry facilities to generate, process, or recycle the packaging in the products we produce or import.

23. New Zealand is often very agile in change and is very good at imitating with pride but, as in the example in response to Question 1 above, if the UK has the resources for only two of the latest technology waste processing facilities, we must be realistic and practical in what is possible in the short to medium term for New Zealand. Leading may also mean losing – products, packaging, businesses, export opportunities, employment, GDP etc – by removing New Zealand businesses or placing barriers on imports that the global trade will pass up on.

24. We appreciate that not all details of international developments can be included but consider a more comprehensive and even approach could have been taken that would demonstrate the extended time in development, and the vital role of industry in many jurisdictions. The "proportionate and tailored" approach taken in the EU "to get the best results" (EC Press release 21 May 2019) is also significant.

25. In relation to PVC bans internationally, many examples were preceded by voluntary arrangements over extended periods with many global companies taking a leading stance against PVC before legislation was mandated eg IKEA, Sony-Europe, Bayer, AEG Siemans and BMW (Johnson 1996). We also note exemptions are a feature of bans including, as noted in the Consultation Document, by South Korea in 2019. This is commented on further below.

Options for shifting away from hard-to-recycle and single-use plastics

Q3. Do you agree that these are the correct options to consider? If not, why?

26. NZFGC agrees the options are appropriate to consider but should not be considered mutually exclusive since a proportionate response to get the best results may require a mix of options be applied that work in concert.

27. There are aspects of the Options we do not agree with. For example, Option 6 Mandatory Phase-out, states that "A mandatory phase-out would bring new costs for public education, monitoring and enforcement. If introduced by Government, taxpayers would bear the cost." Presumably, this refers to the costs of education, monitoring and enforcement. It entirely ignores the costs to industry. There are always costs to Government of legislation which is one of the reasons (besides efficiency) that non-regulatory options are pursued under best regulatory guidelines (https://www.treasury.govt.nz/publications/guide/government-expectations-good-regulatory-practice). The statement that 'taxpayers would bear costs' is a very poorly placed comment and the omission of industry costs skews the description.

Assessing the options

Q4. Have we identified the right criteria (including weightings) for evaluating options to shift away from PVC and polystyrene packaging, oxo-degradable plastics and some single-use items? If not, why?

28. NZFGC does not agree with the criteria or the weightings.

Criteria

29. In relation to effectiveness, this is a subset of alignment with strategic direction and therefore presents as 'double counting' criteria. Advancing the elimination or significant reduction of the use of PVC and polystyrene packaging, oxo-degradable plastics and single-use items necessarily progresses the goals of a more circular economy for plastics. The criteria on alignment should be deleted.

30. In relation to cost, there needs to be provision for 'New Zealand' for assessing the overall economic and well-being of the country. The term 'community', as commonly used, is too narrow geographically, socially and economically. Without reference to 'New Zealand' a vast and significant impact on the socio-economic wellbeing and health of the country is ignored.

31. Reference to 'public funding' is a singular element in terms of impact usually presented in cost-benefit analyses as 'Government'. At best, a focus on public funding could bias the outcome and at worst, exclude the broad range of other Government interests.

32. There has been no cost benefit analysis undertaken to understand the financial cost to businesses of a ban on the target products within a 2- and 4-year timeframe. NZFGC is undertaking work to better understand how much plastic by resin type is used by its members. To date, our estimates are that almost a quarter of FGC members who use plastic packaging use some PVC and around 16% use some polystyrene. Both products already have the lowest use in the food and grocery industry with PET and HDPE comprising over half of all plastics used across the industry.

33. In relation to 'Achievability', we do not believe on a matter of such significance that a criterion on legislative practicality is either reasonable or relevant as a criterion. It is a Government process and a Government cost so is counted twice (public funding). If the Government can develop new legislation for organic labelling, then new legislation for environmental measures might well be necessary and appropriate. This criterion is a procedure and does not go to the core of the issues.

34. We strongly recommend two criteria:

- Effectiveness – will the option make progress to goals of circular economy and advance elimination or significant reduction in the use of PVC and polystyrene packaging, oxo-degradable plastics and single-use items
- Cost – can it be implemented without placing undue costs on New Zealand, business or Government?

Weightings

35. The weightings are gross and simplistic. In our view, Effectiveness and Costs must be equally weighted in order to effectively, and without bias, consider impacts and outcomes. Allocating minus values also indicates a scaling that is ineffective or poorly constructed since zero should always be the lowest score.

36. We do not agree with the allocation of the qualitative values in Table 3. By way of example the effectiveness of voluntary agreements or pacts is operating effectively in many other areas such as advertising (through the Advertising Standards Authority) and Health Star Rating labelling on food. At worst, Option 1 Voluntary agreements or pacts should be assessed as 'somewhat' effective. Similarly, the effectiveness of mandatory product stewardship (Option 5) would have to be effective in making progress to goals of a circular economy and advancing the elimination or significant reduction in the use of PVC and polystyrene packaging, oxo-degradable plastics and single-use items.

37. In any case, the calculations in Table 3 have to be inferred and, even then, are incorrect or inconsistent. For example, 'Somewhat' seems to be allocated a value of 1 and 'Yes' a value of 2 which holds for Options 1 to 3 but these values do not hold for any of the other Options. There is no explanation of why 'No' in Option 3 has been accorded 'minus 1' but nowhere else (three other occurrences). This level of inconsistency is very disappointing.

38. A Table with Revised criteria, assessment and equal weighting would be somewhat different:

Values: Unknown - 0; No - 0, Somewhat - 1, Yes - 2

Revised Table 3

Assessment criterion	1. Voluntary agreement	2. Reduction targets	3. Labelling	4. Levy/tax	5. Mandatory product stewardship	6.Mandatory phase-out	7. Mandatory recycled content	8. No change (ad hoc action)
Effectiveness	Somewhat	Unknown	Unknown	Somewhat	Yes	Yes	Yes	Somewhat
Cost	Somewhat	Somewhat	No	No	Somewhat	Somewhat	Somewhat	Unknown

Total Score	2	1	0	1	3	3	2	1
Ranking	=2	=3	4	=3	=1	=1	=2	=3

39. As can be seen, 2 options rank equal first: Option 5. Mandatory Product Stewardship and Option 6. Mandatory phase-out. NZFGC strongly recommends both be pursued for the target products.

Q5. Do you agree with our assessment of the options, and our decision to take forward only one option (a mandatory phase-out)? If not, why?

40. NZFGC strongly disagrees with the assessment of the options as we have described above. We consider the criteria are incorrect and the weightings wrong.

41. NZFGC strongly disagrees with taking forward only one option, Mandatory phase out. We consider other options, particularly Mandatory Stewardship, working in concert over time, could lead to significant reduction or elimination as appropriate and be best suited to New Zealand overall. Given that Plastic Packaging including PVC and Polystyrene has been declared a Priority Product, Mandatory Stewardship must be available as an option to industry.

Proposal 1: Phase out hard-to-recycle plastics

Reducing the impact of PVC and polystyrene

Q6. Do you agree with the proposed phase-out of PVC and polystyrene packaging as set out in two stages (by 2023 and by 2025)? If not, why?

42. NZFGC agrees in principle with the phase out of PVC rigid plastics and polystyrene packaging but is strongly opposed to the timing of the proposed two stage process to 2025. In our view, the time frames are far too tight and New Zealand should factor in the timing of actions proposed for and under implementation in Europe, Canada, Australia and the USA. Aligning phase-outs and restrictions with those trading partners in New Zealand's key markets is vital to avoid costly disruption to products and trade and loss of competitiveness.

43. By way of example, when bans are applied in Europe there is usually a long lead time to ensure that products can be reformulated or repackaged with alternate materials in the manufacturing process. Step one is to set a commencement date to ban the placing of products/materials in the market. Step two is a stock-in-trade period to allow sell through of existing stocked products/materials within the market. This is also the standard practice in changes for food composition and labelling applied by Food Standards Australia New Zealand.

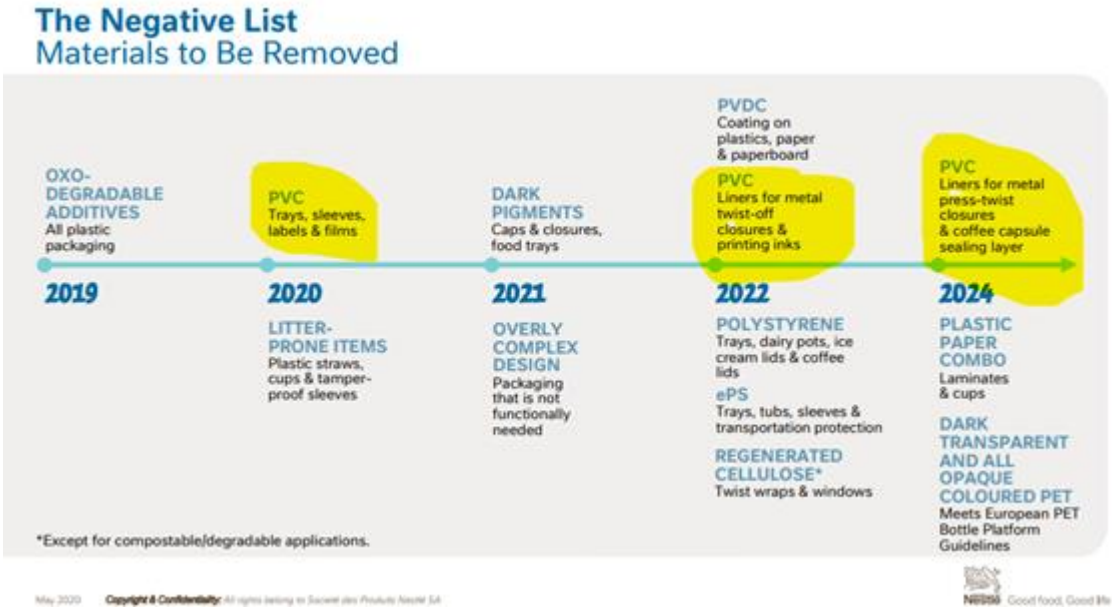
44. This two-step process avoids the costly exercise of withdrawing products from retail and distribution centres on a fixed date and then disposing of those products. While disposal may see banned products sold into alternative markets, it may equally entail dumping to landfill. Neither of these options are best for the environment, whereas a provision to sell products through after a placement ban, especially if they are still able to be recycled at the kerbside, is a vastly superior approach. NZFGC recommends this two-step approach apply to each phase-out period.

45. New Zealand and multi-national companies signed up to the Plastic Packaging Declaration in 2018 with commitments for all packaging to be reusable, recyclable or compostable by 2025. The industry is working towards these timelines globally and it is therefore unreasonable to move the goalposts by bringing forward some aspects of phase out. This is particularly true as there may be no practical compostable solution in place for New Zealand by 2025. There is no evidence provided for stating that "the food and beverage industry [is] mostly ready to embrace change (many companies are already moving to high-value materials)." There is not even supporting anecdotal evidence.

46. The lack of evidence around the proposal is compounded in the time frame set for a mandatory phase out since the Ministry appears not to have researched or verified how many businesses (general or food and beverage) are using PVC, what types of PVC, and polystyrene packaging.

47. The description of PVC should be "PVC rigid plastics' to distinguish them from other plastics for which no alternative is currently available. Manufacturers are working towards replacements and by way of example we would point to the public statements made by Nestlé in the diagram below. This shows clearly that the more difficult PVC components cannot technologically be removed until 2024.

    Diagram: Nestlé List of Materials to be Removed from Manufactured Products by 2024



48. The proposed ban also needs to be seen in conjunction with the policy work being conducted by MFE on kerbside collections. The recommendations in the WASTEminz Report, propose a ban on the collection of items smaller than 50mm in diameter. This would include small yoghurt pottles. It would make no sense for industry to move from polystyrene to polyethylene terephthalate (PET, plastic type 1) or polypropylene (PP, plastic type 5) with a huge capital expenditure cost only for the materials not to be collected at kerbside because they are too small.

49. Further, by way of example, for confectionery, we are advised by members that it is not possible to transition from polystyrene protective casing for confectionery by the end of December 2022. We recommend that this be set at 2025.

50. In Australia, APCO reports that PVC consumption reduced by 25% in 2019 compared to 2018 and EPS reduced by 26% over the same period. This demonstrates that industry is

phasing out these plastic resins on a voluntary basis. This voluntary action is also happening in New Zealand.

Plastics packaging put on market (POM) in Australia (Source: APCO)

Material type	2017-18	%	2018-19	%	% change
Plastic – PET (1)	132 000	12	154 000	15	17
Plastic – HDPE (2)	351 000	33	316 000	32	- 10
Plastic – PVC (3)	20 000	2	15 000	2	- 25
Plastic – LDPE (4)	254 000	24	233 000	23	- 8
Plastic – PP (5)	164 000	15	155 000	16	- 6
Plastic – PS (6)	11 000	1	11 000	1	- 5
Plastic – EPS (6)	22 000	2	16 000	2	- 26
Plastic – Bioplastic	1 000	0	6 000	1	600
Plastic – Other plastic packaging	111 000	10	16 000	2	
Plastic - unidentified			78 000	8	
Total	**1 066 000**	**100**	**1 000 000**	**100**	- 6

Q7. Have we identified the right packaging items that would be covered by a phase-out of PVC and polystyrene packaging? If not, what would you include or leave out, and why?

51. In addition to the comments made above around distinguishing between PVC rigid plastics and other PVC uses in the food supply, in terms of packaging items, based on feedback from our members, NZFGC recommends that High Impact Polystyrene Sheet (HIPS) used in food packaging such as yoghurt pots should be excluded. Most yoghurt/dairy pots are made from HIPS because it is malleable, clear and snappable. As one of our members says: “it is a round peg in a round hole”. Its functionality is particularly significant for shelf life and impact resistance.

52. We would also point out that technology introduced in Australia is now recycling these products collected at kerbside. This is a classic case of a product that is or has been ‘hard-to-recycle’ now but is not expected to be ‘hard-to-recycle’ in the future.

53. We are concerned that businesses will move from PVC or polystyrene trays and containers to coloured PET as they cannot use clear PET for their products. Coloured PET is also a challenge and is currently baled as mixed plastic and exported.

54. In some cases, it is not clear what is or is not included. For example, are sales of PVC cling film to households banned or is it only the PVC cling film used in production around food products?

55. We believe that at this time, there is no cost-effective alternative for bulk/export meat and fish polystyrene packaging which has also been recognised by South Korea in its actions in this area.

56. NZFGC does not represent fast food businesses or retail businesses such as supermarkets and therefore we make no comment on takeaway containers or packaging.

Q8. Do you think we should include all PVC and hard polystyrene packaging in stage 2 of the phase-out (eg, not just food and beverage and EPS packaging)? Please explain your answer

57. See above

Q9. What would be the likely costs or benefits of phasing out all PVC and polystyrene packaging (hard polystyrene and EPS) by 2025?

58. The likely costs or benefits of phasing out all PVC and polystyrene packaging needs a full and separate economic analysis. In our view, the Ministry must work with industry to understand the economic costs particularly in light of the economic impact of COVID 19 which will make the supply of alternatives difficult and longer and investment in the capital equipment required to manufacture products from new plastic resins very difficult. Estimating the PVC used in the food supply chain requires considerable effort since PVC resin imports would include a lot of industrial applications such as drainage, spouting and plumbing products.

59. It is important to realise that if polymers they currently in use are banned, companies may transition away from plastic packaging altogether to avoid the additional costs which will come for plastics as a priority product. This may result in the perverse outcome of more aluminium foil containers (which will not be collected for recycling at kerbside according to the WASTEminz Report); more paper packaging (which is an emerging problem for New Zealand); or glass packaging which may have a far greater environmental footprint and a higher carbon footprint than any plastic packaging.

60. We note that PVC is often used across the food and grocery sector for caps and pumps (eg suckies, sanitisers etc) since the material is the most viable and functional option. Any ban on these component parts would adversely affect the performance of the product. Alternatives such as metal are not commercially viable options due to the cost involved in producing such items even at high volumes and potential contamination. Consideration of excluding these specific uses is warranted at this time.

61. We note that the 'Limitations of Analysis' (p46) state that "[T]his is only a preliminary assessment of the potential impacts of a mandatory phase-out for certain hard-to-recycle plastics. The significance of ensuring the most current and accurate costing data and the urgency of this would suggest the Ministry should seek external expertise for further analysis so that it can contribute in a timely manner to the consideration. Industry would be pleased to contribute to such a study.

Q10. Do you believe there are practical alternatives to replace hard-to-recycle packaging (PVC, polystyrene and EPS)? If not, why?

62. NZFGC believes that there are not currently, practical alternatives to replace a number of 'hard-to-recycle' packaging because we are not seeing these globally. However, the industry would embrace practical alternatives if they emerged commercially.

Proposal 1: Phase out hard-to-recycle plastics

Preventing harm from oxo-degradable plastics

Q11. Do you agree with a mandatory phase-out of all oxo-degradable plastics by January 2023? If not, why?

63. NZFGC agrees with the proposed phase-out of oxo-degradable plastics but is concerned that the timeframe January 2023 may be more rapid than many other jurisdictions. The impact as a non-tariff barrier to trade for selected imports needs to be assessed.

64. British Standards has issued a standard around oxo-degradable and biodegradable plastics. These should be considered and actions aligned with international developments to ensure that similar rules are being applied. Biodegradable/recyclable alternates to plastics are available such as sugar cane packaging, however there are currently limits on the availability of these materials, material costs are higher, sufficient stability is not available for longer shelf life products and there are potential compatibility issues between packaging and the product content. Additionally, as these materials are relatively new, recycling options are yet to be widely established. These issues need to be considered in relation to the time frame and an extended timeframe needs to be considered as a result.

Q12. If you manufacture, import or sell oxo-degradable plastics, which items would a phase-out affect? Are there practical alternatives for these items? Please provide details

65. Not applicable

Proposal 1: Phase out hard-to-recycle plastics

Impacts of implementation

Q13. Have we identified the right costs and benefits of a mandatory phase-out of the targeted plastics? If not, why not? Please provide evidence to support your answer

66. The Consultation Document contains no actual assessment of cost to business which we contend far outstrips any costs to Government. Table 6 *Estimated costs and benefits of a mandatory phase out of PVC polystyrene packaging and oxo-degradable plastics,* is a quite crude assessment and wrong in many areas. There has been no assessment of the cost of new plant, machinery or capability in any area. COVID-19 would present a major barrier to implementation for businesses.

67. Businesses already 'bleeding' have no reserves or resources in the current environment, to apply to known technologies or innovations overseas that have not yet made it New Zealand. Even if that was not the case, the extreme limitations on accessing overseas expertise to install and operationalise facilities for business in the area presents another significant barrier to implementation. The economic cost of COVID-19 has not been referred to in the Consultation Document other than in relation to off-shore processing (p15 and p16), delays in proposals in other countries (p17) and the financial affect for small businesses (p45). This is a significant omission.

68. The Government is reporting weekly on the economic impact of COVID-19. It is more than just small business being financially affected (as suggested in Table 6). The Treasury and BNZ warn that "demand indicators remain firm but there are challenges on the supply side"

(https://www.treasury.govt.nz/publications/weu/weekly-economic-update-20-november-2020-html). It is this supply side 'challenge' relating to the introduction of new plant and equipment and on expertise for installation and operationalisation over the next two years that will be hampered by COVID shipping and border restrictions.

Q14. How likely is it that phasing out the targeted plastics will have greater costs or benefits than those discussed here? Please provide details to explain your answer

69. NZFGC considers it certain that the Proposal to phase out the targeted plastics will have significantly greater costs than those touched on (and those not discussed) in the Consultation Document. We cannot be clearer that the costs to businesses need to be examined and assessed in more detail so that greater specificity than 'some businesses' and 'some impacts' can be presented. Our members however have indicated that the capital costs to businesses will be millions of dollars and that the higher costs of packaging will be significant and will need to be passed onto consumers.

Q15. What would help to make it easier for you and your family, or your business/organisation to move away from hard-to-recycle plastic packaging and use higher value materials or reusable/refillable alternatives?

70. In addition to the above comments, it is possible suggestions might come forward for labelling. It is impractical for off-shore manufacturers of products imported by New Zealand to modify labelling for consumer products (such as cosmetics) just for New Zealand – our market is just too small. Any mandatory requirement for a unique New Zealand labelling requirement is likely to be a technical barrier to trade and impact the consumer by preventing product imports for retail sale and reducing choice. E-commerce routes would likely then be pursued to circumvent non-availability of products simply on the basis of labelling.

71. Adopting or accepting internationally accepted recycling information on imported products is a strategic alternative NZFGC recommends be pursued.

Proposal 2: Take action on single-use plastic items

Single-use items for phase-out

Q16. What do you think about the proposed mandatory phase-out of some single-use plastic items (see table 7)? Please specify any items you would leave out or add, and explain why.

72. .NZFGC recommends that single use bags under 70 microns thick without handles for carrying fruit or vegetables be excluded. As with single use carrier bags, this may result in higher gauge plastic being used. These bags can be recycled through the soft plastic recycling scheme and have a reuse in the home. We are strongly supportive of encouragement to use reusable alternatives.

73. It is not clear that single use plastic straws which are attached to drinks cartons for the 'on-the-go' are included. These have been specifically exempted in other jurisdictions including Australia because of the absence of alternatives at this time.

74. Single-use cutlery manufacturers suggest a phased ban where cutlery for takeaway/ outdoor venues are targeted first with indoor controlled venues such as hospitals, prisons, aged care facilities etc are in a phase as the litter risk from controlled indoor environments

is very low and there is a genuine need for these products. This would give manufacturers the opportunity to phase replacement in the same sequence.

75. We agree with the comment in the Consultation Document that problematic products like cigarette filters, balloons and glitter would require a significant shift in consumer behavior, through awareness and education and other actions that would help to drive change.

Q17. Do the proposed definitions in table 7 make sense? If not, what would you change?

76. See above in relation to plastic straws and single use plastic produce bags.

Q18. What would be an appropriate phase-out period for single-use items? Please consider the impact of a shorter timeframe, versus a longer timeframe, and provide details where possible. a) 12 months? b) 18 months? c) 2 years? d) 3 years? e) Other? If you think some items may need different timeframes, please specify.

77. NZFGC member manufacturers of single use products recommend a phased approach over 2 years to be possible in a Covid-19 environment. Such a timeframe would take account of the supply-side challenges of alternative products in the current environment.

78. Single use plastic straws which are attached to drinks cartons for the 'on-the-go' need to be set aside and a phase out period at some future time set when a viable alternative is developed and commercially available.

Proposal 2: Take action on single-use plastic items

Other problematic single-use items

Q19. What options could we consider for reducing the use of single-use coffee cups (with any type of plastic lining) and wet wipes that contain plastic? You may wish to consider some of the options discussed in this consultation document or suggest other options.

79. NZFGC does not represent food retailers and so has not commented on single-use plastic coffee cups available from retail outlets. However, manufacturers are actively seeking alternatives such as the cups being experimented with made of biodegradable material – a combination of strong wool and corn starch called Keravos – as a replacement for plastic.

80. In relation to wet wipes, NZFGC is participating in the development of an Australia/New Zealand standard on flushability that has addressed labelling. Separately, NZFGC has participated in public education campaigns on appropriate disposal of wipes in the past and would continue to do so.

81. In terms of plastic content, the upcoming standard, to be consulted on publicly in 2021, may drive change along the lines being pursued because of the need for flushable wipes to meet certain disintegration levels over time. Since most wet wipes sold in New Zealand are manufactured in Australia or further afield, we need to be aware of, and align with,

developments overseas in this product range. In any event, consumer education on responsible disposal is a critical part of the impact response.

Q20. If you are a business involved with the manufacture, supply, or use of single-use plastic coffee cups or wet wipes (that contain plastic), what would enable you to transition away from plastic based materials in the future?

82. See above.

Q21. What do you consider an appropriate timeframe for working toward a future phase out of plastic lined disposable coffee cups and wet wipes containing plastic?

83. As noted above, since most wet wipes sold in New Zealand are manufactured in Australia or further afield, we need to be aware of, and align with, developments overseas including phase-outs, in this product range.

Proposal 2: Take action on single-use plastic items

Impacts of implementation

Q22. Have we identified the right costs and benefits of a mandatory phase-out of single-use plastic items? If not, why? Please provide evidence to support your answer and clarify whether your answer applies to a particular item, or all items

84. We see no evidence of the costs associated with single-use plastic items. While we are not opposed to many of the proposals, we do not see alternatives such as 'relocate to other markets' or 'offering no alternative' as feasible, practical or helpful. Viable alternatives must be presented. We do not agree that if a supplier's livelihood (such as suppliers of single use items) has no alternative, then the cost must be high. There is also the prospect that small to medium sized New Zealand businesses operating in a niche segment of the single-use product market might be disproportionately affected. Without this intelligence, it is difficult/impossible to assess impacts.

85. We agree that the it is possible that the number of manufacturers of alternatives could continue to grow but the cost of setting up and maintaining competitive advantage over imports which can take advantage of economies of scale (New Zealand is a very small market) must be assessed as high and certainly higher than Government costs.

86. Although NZFGC does not represent retailers, we find it difficult to believe the cost to retailers is low and suggest this has been significantly underestimated. [leave out?]

Compliance, monitoring and enforcement

Q23. How should the proposals in this document be monitored for compliance?

87. NZFGC considers that there are so many unknowns associated with the proposals in the Consultation Document that no view can be appropriately formed on compliance monitoring. We would caution at this time against approaches that add costs to industry in a very fragile economic environment.