

General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020

Pursuant to section 12(1) of the Waste Minimisation Act 2008, I, The Honourable Eugenie Sage, Associate Minister for the Environment, acting under delegated authority, give the following notice.

1. Title and Commencement—

(1) This notice may be cited as the General Guidelines for Product Stewardship Schemes for Priority Products Notice 2020

(2) This notice takes effect from the date of publication hereof in the *New Zealand Gazette*.

2. Interpretation—

Unless the context otherwise requires:

Producer has the meaning given in section 5 of the Waste Minimisation Act 2008.

Wider community may include, but is not limited to, local councils, iwi, and environmental Non-Governmental Organisations.

Waste hierarchy means, in order of priority, waste prevention, reuse, recycling, recover (materials and energy), treatment and disposal.

3. Time Within Which an Application for Accreditation of the Scheme is Expected to be Made

(1) Applications for accreditation are expected as follows:

- a. Within one year from the date of priority product declaration for product categories with existing accredited voluntary schemes that wholly or substantially cover that priority product;
- b. Within one year from the date of priority product declaration or co-design recommendations to the Government, whichever is later, for product categories not substantially covered by voluntary accredited schemes for which a co-design process has commenced; or
- c. Within three years from the date of priority product declaration for all other priority product categories.

4. Expected Product Stewardship Scheme Effects

(1) Accreditation applications must specify how the proposed scheme will help to achieve the following:

- a. Circular resource use
 - i. Continuous improvement in minimising waste and harm and maximising benefit from the priority product at end-of-life.
 - ii. Increasing end-of-life management of the priority product higher up the waste hierarchy to support transition to a circular economy in New Zealand.
 - iii. Investment in initiatives to improve circular resource use, reusability, recyclability and new markets for the priority product.
- b. Internalised end-of-life costs
 - i. Full net costs for stewardship of priority products at end of life met by product or producer fees proportional to the producer's market share and ease of reuse or recyclability of their product.
 - ii. Free and convenient collection of the priority product for household and business consumers at end-of-life, including rural populations.
 - iii. Collection and management of legacy and orphaned priority products fully or substantially funded by the scheme.
- c. Public accountability
 - i. Clear information to household and business consumers on how the scheme works, how it is funded, and how to find the nearest collection point.
 - ii. Transparent chain of custody for collected and processed materials, to both onshore and to offshore processors, and published mass balances showing rates of reuse/ recycling or environmentally sound disposal of the priority products.
 - iii. Publicly available annual reports that include measurement of outcomes and achievement of targets, fees collected and disbursed, and net cash reserves held as contingency.

d. Collaboration

- i. Optimal use of existing and new collection and processing infrastructure and networks, and co-design and integration between product groups.

Expected Product Stewardship Scheme Contents

(1) Accreditation applications must specify how the proposed scheme incorporates or will provide for the following:

a. Governance

- i. The scheme will be managed by a legally registered not-for-profit entity.
- ii. Annual independent audits will be conducted on scheme performance and included in scheme's annual reports to the Ministry for the Environment. The annual reports must contain the following:
 - a. financial performance and scheme cost-effectiveness;
 - b. environmental performance; and
 - c. agreements with scheme service providers.
- iii. Governance arrangements will be established for the initial set up and ongoing development and operation of the scheme that are appropriate to the size and scale of the scheme.
- iv. All governance activities will adhere to the Commerce Commission guidelines on collaborative activities between competitors, including but not limited to considering the option of applying for collaborative activity clearance from the Commission for the scheme.
- v. The scheme will be the only accredited scheme for that product, or
 - a. have agreements in place with other scheme managers to enable cooperation and cost-effective materials handling and to prevent confusion for household and business consumers; and
 - b. demonstrate how net community and environmental benefit (including cost-effectiveness and non-monetary impacts) will result from multiple schemes for that priority product.
- vi. Directors or governance boards will:
 - a. be appointed through an open and transparent process;
 - b. represent the interests of producers and consumers of the priority product and the wider community as informed by stakeholder advisory groups; and
 - c. follow governance best practice guidelines, for example the Institute of Directors of New Zealand *Code of Practice for Directors*, including for the identification and management of conflicts of interest.

b. Scheme operations

- i. Services (e.g. collection, sorting, material recovery and disposal) will be procured using transparent, non-discriminatory and competitive processes open to all competent entities whether existing, new entrant or social enterprise.
- ii. Clear, regular and open reporting and communication will be given to scheme participants and stakeholders.
- iii. Processes exist to manage commercially confidential or sensitive information appropriately.
- iv. All people involved in the scheme will have completed suitable training to complete their roles, including in best practice in prevention and reduction of harm to people and the environment.
- v. Ability to obtain new or existing permits held, for all necessary activities in New Zealand in relation to processing and potential export of priority products or their constituent components.

c. Targets

- i. All schemes will set and report annually to the Ministry for the Environment on targets that include as a minimum:
 - a. significant, timely and continuous improvement in scheme performance;
 - b. performance against best practice collection and recycling or treatment rates for the same product type in high-performing jurisdictions;
 - c. a clear time-bound and measurable path to attain best practice;
 - d. implementation phase-in to reflect availability of markets and infrastructure;
 - e. new product and market development to accommodate collected materials; and
 - f. measures for public awareness of scheme participant satisfaction and a record of response by the

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scheme to concerns raised.

- ii. Targets will be reviewed and adjusted no less than every three years from the date of accreditation, taking into account changes in the market, natural events and technology.

Dated at Wellington this 29th day of July 2020.

HON EUGENIE SAGE, Associate Minister for the Environment

2020-go3342

29-07-2020 15:30
