

GLASS PACKAGING FORUM INC
GLASS PACKAGING PRODUCT STEWARDSHIP SCHEME
SCHEME NUMBER: PSSLIF - 0000002

ANNUAL REPORT - AUGUST 2010

1.1 Scope of Scheme

The scope of the Glass Packaging Forum's Product stewardship scheme includes the funding of projects, research, infrastructure and educational programmes to increase the recycling and reuse of glass into either new glass containers or for alternative uses leading to a reduction in waste container glass to landfill. Improvements in the efficiency of the use of glass in packaging will be supported and promoted. The scheme also provides annual data on the mass balance of glass used, recovered and recycled as a percentage of that consumed in New Zealand.

The scheme is funded by members of the Glass Packaging Forum Incorporated who pay levies and are required to meet the Forum's constitution.

1.2 Reporting Period

This report is the first to the Minister following accreditation on 4th May 2010. The report period is concurrent with the financial report period (1st April to 31st March). The annual report will be made in August each year. Inclusions are as follows:-

- Financial statement and waste generation data relates to the financial report period.
- Project update and membership status will be to 30 June 2010.

1.3 Review of Scheme

Prior to accreditation two large companies and one small organisation notified the Forum of their decision to stop paying levies because they could cover their product stewardship requirements through membership of another association which charges a more modest "membership" fee and which is in the process of developing its own scheme focusing on packaging design.

Since accreditation the two large companies have confirmed that they will remain members of the Forum recognizing that its glass packaging product stewardship scheme is now

accredited by the Minister and acknowledging the Minister’s comments that product stewardship needs to address end of life recovery systems.

"Product stewardship schemes are an excellent way of getting all parties involved in the production and distribution of a product to take responsibility for its environmental impact at the end of its life." Extract from media release.

The Forum is now addressing those companies that are not members and will identify progress in subsequent reports.

The glass packaging scheme raises substantial levies based on members consumption to fund end of life recovery and there remains a risk to the scheme if other schemes which do not fund end of life recovery of packaging are given equal accreditation under the Act.

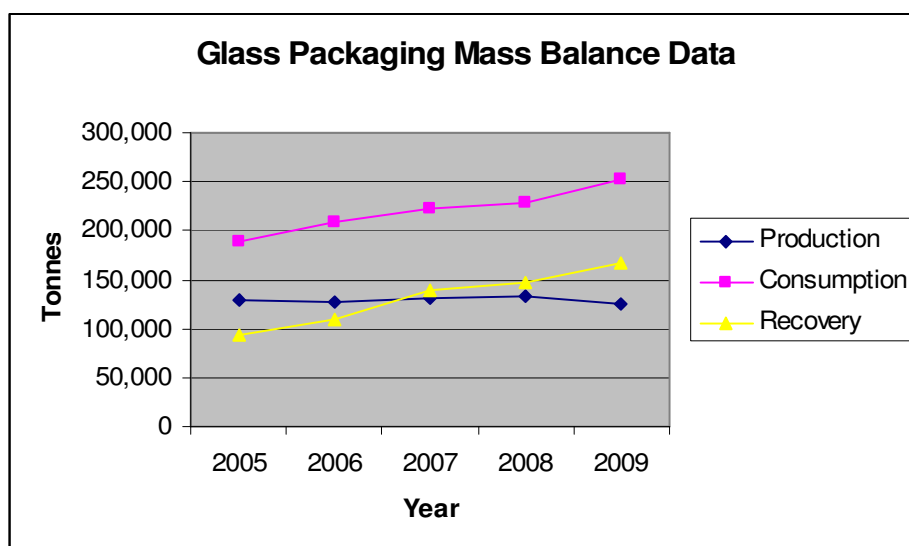
2.0 Current Waste Generation – Mass Balance

2.1 Glass Recycling Performance

The amount of glass recycled increased from 64% to 66% in the year ending March 2010. Whilst recovery of glass containers has increased, consumption continues to rise because brands and consumers are choosing glass containers which are 100% recyclable.

Glass Production has decreased by 6.5%.

TONNES	2006	2007	2008	2009	2010
PRODUCTION	128905	128110	131920	133779	125190
CONSUMPTION	189005	208240	223200	229151	251664
RECOVERY	92825	109860	138815	147201	166576
%	49%	53%	62%	64%	66%



As part of our commitment under the scheme, the methodology for assessing the mass balance data was audited by independent economic and research consultancy Covec Ltd. They have confirmed that the methodology used to measure recycling statistics for glass is acceptable.

Independent assessment of methodology used to calculate mass balance data relating to period April 2009 to March 2010 by Tim Denne on behalf of Covec Ltd

On the consumption side, you request and receive data from OI, from brand owners/fillers and from major retailers. This allows data to be checked from different sources. The only gaps that you have identified are those of indirect imports (full containers) by brand owners that are not participating currently, ie those that are not importing directly (empty containers).

On the recover/recycling side, you request and receive information from OI, Visy, local authorities and road construction companies (Fulton Hogan). This is not fully comprehensive but is covering the vast majority of potential destinations.

Based on the explanation given above Covec considers that the Forum is doing the right things to find the best set of data. Short of speaking to every company that could conceivably be importing or using glass containers, there will always be data gaps. You have acknowledged that there are likely to be some gaps relating to the quantity of indirect imports by brand owners, but although this is likely to be a small amount, it does not seem possible to estimate this with certainty. There will also be gaps on the recovery side of the equation, but it is unclear whether the uncertainties here are greater than those on the consumption side.

For presentation of the data, you have two options: either (1) ignore the missing data but make clear that there are gaps; or (2) estimate them and note that these are estimates. Given that you don't know whether the gap on the consumption side is larger than that on the recovery side, or the other way around, I think it is best not to estimate them but simply acknowledge the missing data.

2.2 % glass recycled by reuse type

	DESCRIPTION	TONNES	ESTIMATED RECYCLING VALUE \$ / TONNE
Closed Loop Application	Glass bottle gets recycled into new glass bottle	87,011	
Closed Loop Material	Glass bottle gets recycled into a different product but still replaces the need to use the virgin materials which make glass or is itself recyclable e.g. bottle to insulation	9,144	(represents a range of costs)
Open Loop	Glass bottle gets recycled into a different product which is no longer recyclable eg bottle to aggregate	70,421	
TOTAL RECYCLED		166,576	

3.0 Objectives and Targets

Parameter <i>eg, volume of glass recycled</i>	Specific target <i>eg, tonnage, percentage</i>	Time frame <i>show approximate date</i>	Achievements 2009-2010
1. Glass recycled due to projects or funding from scheme	tonnage	annual	13,891 TONNES RESULTING FROM \$152,926 SPENT Does not include aggregate processed as a result from the new Transit NZ spec approved in the previous year.
2. Contribute to and collate data to identify glass recycled as % of consumption by weight	65% 67% TBC	2011 2013 2015 and 2017	66.2% mass recovery rate achieved
3. Target % improvement of glass recycled into higher value / closed loop uses	15000 TONNES + 5% + TBC + TBC	2010 2011 2012 2013 to 2017	11,253 Tonnes
4. Completeness of scheme – industry members	85% industry by sales 95%	2011 2015	80% Loss: Oriental Merchants Gain: Liquorland and Ascension Winery
5. Compliance with code of practice: monitor glass profile and design	kilogram glass packaging per kilogram / litre product sold	Start reporting 2010	N/A

6. Engagement with local government	Councils representing 33% ratepayers reached Councils representing 50% ratepayers	2010 2013	Mass balance requirements – response from 26/85 councils = 30% Quarterly newsletter to 72 councils
7. Engagement with recyclers of New Zealand and community networks, waste management operators, roading and construction services providers.	\$s funding, project reports and involvement in advisory board	Annual review	Most community groups reached via relationship with CNR \$136,887 funding to community/resource groups and Sponsorship of Real Recycling Programme
8. Consumer awareness programme	20% budget allocated	2010 (annual budget review)	\$156,000 Polling of 2261 people <ul style="list-style-type: none"> ▪ 6% of those polled were aware of the Forum ▪ 10% aware of glass levy +37% increase in media coverage over 2009
9. Reduce carbon footprint of glass packaging	Kilogram carbon used in glass packaging per kg product produced	2015	

3.1 Summary of Projects

<i>Infrastructure / Research</i>	
Envirolab Geotest Ltd	April 2009
Wastebusters – Ashburton	April 2009
Wastebusters – Central Otago	May 2009
Wastebusters – Central Otago	July 2009
Eco-Consult	August 2009
Mouldings Unlimited	September 2009
Waitaki Resource Recovery	December 2009
Real Recycling Campaign	March 2010
5R Solutions	March 2010
SUB TOTAL	\$211,527
<i>Consumer Awareness</i>	
MoreFM winery tour	
PICK IT UP	
Other	
SUB TOTAL	\$216,481
TOTAL	\$428,008
(inclusive GST)	