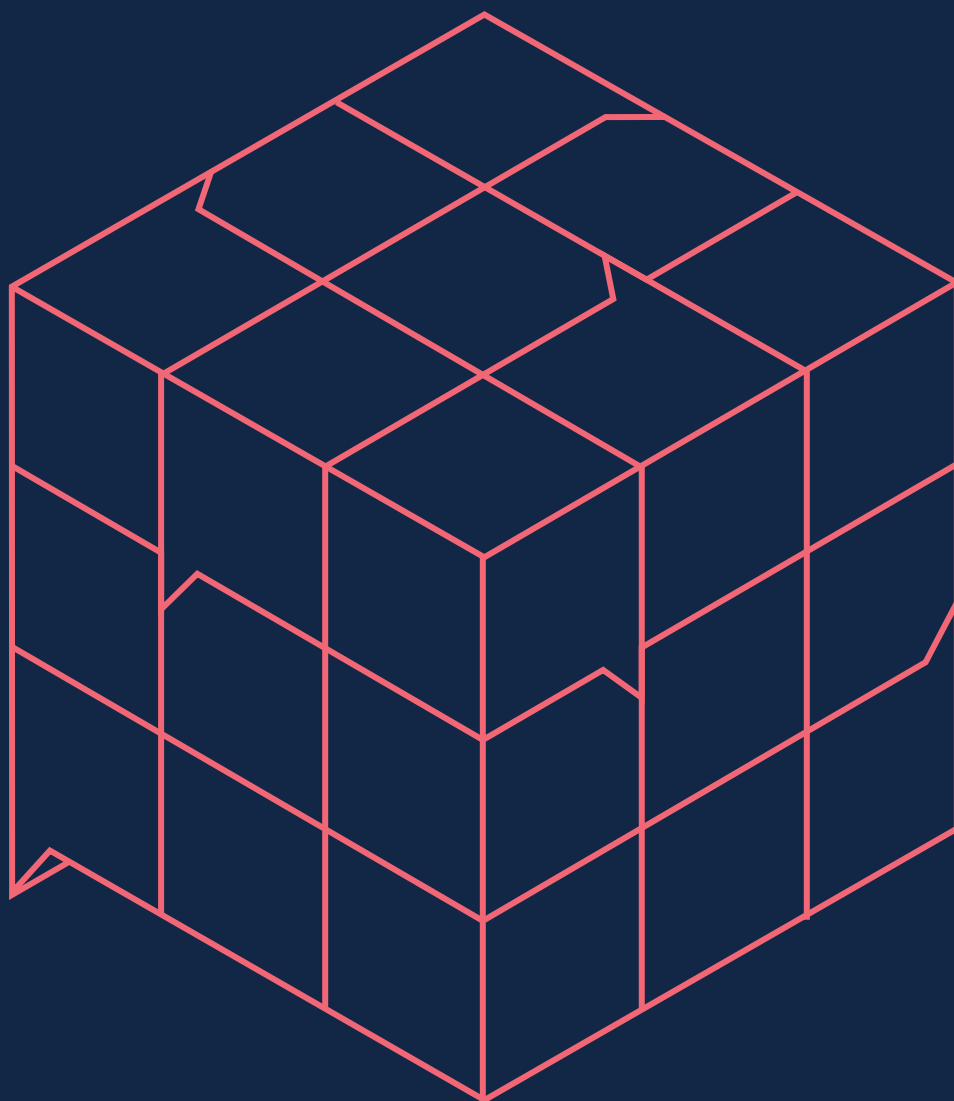


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## Making your voice heard

Our industry has many voices. Some sound similar, others very different. Yet almost all are looking for the same response from our governments, media and consumers; a balanced appreciation, a constructive viewpoint and a preparedness to embrace the positives that packaging brings to society.

It is time we stopped the chatter, combined our knowledge, aligned our agendas and started speaking as one.

**One voice, one conversation, one approach.**

Then we'll be heard. And get results.



# President's Report

China's entry into the WTO in 2001 and China's National Sword Policy of 2018 have provided an interesting global interlude that has underpinned most developed countries responses to dealing with a growing 'wall of waste.'

New Zealand has been a happy passenger on this bus. Investments have been made and relationships have been forged. Behaviours have been engineered, socialised and homogenised. Ideologies have been rationalised as processes and supply chains have efficiently responded to moving our waste offshore.

Between 2001 and 2018, New Zealand exported some 6,000,000<sup>1</sup> tonnes of collected, sorted and compacted waste. Of that, 700,000 tonnes was plastic, the remainder being fibre that was beyond New Zealand's onshore recyclers ability to capture and add value.

## **So how has New Zealand used that time to think about our moral obligation to the waste we generate?**

The Packaging Accord, a collaboration between industry and government allowed us to define the problem and understand the capacity and capability in the waste sector. Out of that came Central Governments response, The Waste Minimisation Act of 2008. As the title suggests, it was to provide a roadmap and a policy framework to direct and incentivise whole of system change.

We have, in this period looked through singular lenses to shape our journey: zero waste, container deposit schemes, end of life initiatives, product stewardship schemes, circular economy, curbside collection systems, hyper-partisan politics and moral panic as a way of rationalising the narrative and our collective behaviour.

## **Can we be accused of being asleep at the wheel through this interregnum?**

It is not that we haven't tried. Hannah Blumhardt's "Trashing Waste unlocking the wasted potential of New Zealand's Waste Minimisation Act"<sup>2</sup> reflects on the lost opportunities and the lack of courage to unleash the potential that lies in the Act. She believes that the failure to implement the Act has ".....allowed market failure, path dependence and fragmentation to deepen."<sup>3</sup>

We have dutifully entertained single issue mantras as a response to hedonistic adaptation. The Packaging sector has been reactive and adopted other's narratives. These are understandable behaviours if we don't choose to acknowledge that these are complex issues.

Our collective behaviour over this period can only be explained as though moving our waste offshore was to be a critical component of our future solution. This pathological response has dulled our obligation to face real intergenerational challenges.

<sup>1</sup> National Resource Recovery Project situational analysis report. May 2019.

<sup>2</sup> Hannah Blumhardt, Trashing Waste unlocking the wasted potential of New Zealand's Waste Minimisation Act, Policy Quarterly-Volume 14, Issue 4-November 2018.

<sup>3</sup> Ibid pg 13.



## Significant collaboration between citizens and their political agents and alignment from the consumers, collection systems, recyclers, brand owners are enabling these outcomes.

### So how have others used this period?

The European Union has responded differently. Their Plastics Strategy's (everything needs to be collectable, reusable and recyclable by 2030) and Packaging and Packaging Waste Directives (design for recycling a minimum requirement in order to place plastic packaging in the market) have provided clear long term goals and expectations.

Significant collaboration between citizens and their political agents and alignment from the consumers, collection systems, recyclers, brand owners are enabling these outcomes.

We need to be reminded that what fundamentally underpins this behaviour is a collective moral persuasion. Britain's exit from the EU is currently testing this.

Though arguably advantaged by scale and compactness, the articulation of a long term vision is encouraging private onshore recycling investment in Europe. The suite of approaches have not only been in generation 2.0 plastics recycling, sorting, washing and processing. It has included waste to energy, bioconversion and digestion offerings. Currently, Europe has a shortage of recycled clear PET even though pricing is not far off virgin material pricing.

### What about closer to home?

The NSW government released its Waste less, Recycle More initiative in 2017. Through an investment of AUD337 million over 4 years, it was designed to pivot the NSW waste sector in the event of a "National Sword". It was designed to incentivise local and territorial authorities to recalibrate their legacy models, underpin short term stock holding costs, different thinking around waste avoidance, littering, illegal dumping and recycling while encouraging new markets and innovation.

The importance of this State-led initiative is not the components but that it was directly investing in the transitioning of a sector that needed to rewrite its narrative.

### So what does that all mean?

We have had the opportunity to distil those imperatives that will underpin our future responses while reflecting on the pathology of our past behaviour. Though not exhaustive, below are some of the opportunities for Packaging New Zealand.

We need to:

- Act as influencers to future behaviours and investment.
- Be part of open conversations around trade offs to unlearn past behaviours and relearn new approaches.
- Acknowledge that short term thinking can not solve long term environmental challenges.
- Create an environment to provide the moral persuasion that gives no oxygen to hyper-partisan behaviour.
- Provide a long term stable platform for investment.
- Create space to get there.

Again, I want to thank Sharon and the Executive for their input into what has been another interesting year. We all look forward to the upcoming year and those opportunities it will provide.

**Harry Burkhardt**  
President



# Executive Director's Report

## Dear Members

Each year as I begin my report I start by reading through what I wrote last year and reflecting on the comments I made.

This time last year, National Sword, the Chinese crackdown on imported recyclate material, was causing havoc across the globe. The onslaught of media was relentless. In New Zealand, headlines screamed lack of infrastructure, lack of investment in on-shore solutions and we were confronted with pictures of stockpiled plastic packaging. But despite extensive coverage of the problem, the questions around how we got into this position were wilfully ignored.

A plastic bag ban was announced, plastic pledges and commitments made, impending changes to waste levies were signalled, various task forces were established and the 'circular economy' became mainstream sustainability speak.

Against this backdrop Packaging New Zealand maintained a steadfast approach grounded in commercial realities, consistently calling for a national strategic plan for waste and recycling in New Zealand, aligning government – central and local, industry and society with a clear vision. We advocated for development of the activities, targets and the measurements required for a successful plan. We also floated the idea that re-visiting the Packaging Accord model could provide a vehicle to implement packaging product stewardship.

But others too have stepped into our space offering multiple perspectives. Mixed packaging messages have ensued, limiting the ability of the packaging industry at large to provide a strong counterbalance to the attack on packaging which is showing no signs of abating. Addressing this has become a pressing issue for the industry and will determine the shape of Packaging New Zealand going forward.

---

# 52,000

Employees

---

# 5,900

Business Units

---

# 1.8%

of GDP

---

Our strategic intent to restrict activities to the areas of advocacy and packaging promotion puts us in a good position to transition to an organisation which is fit for purpose in today's reality. It is clear that changes are necessary, and our President advised the membership in his annual letter that this is now the focus for the Executive Committee.

Our sensible messaging provides a solid foundation for the development of our pathway forward.

Nurturing our Trans-Tasman relationships has been an important strategy to provide harmonisation across the key issues facing Australian and New Zealand packaging companies.

Our approach to packaging promotion through establishment of the Packaging Innovation and Design Awards (PIDA) platform has proven to be a worthwhile investment in the future of the industry. This open platform unites the industry around creative and passionate businesses and individuals who are driving the innovative solutions which society is demanding from packaging of the future.

Nothing stands still in our world, or indeed the world around us and, as always, I am grateful for the guidance I receive from your President Harry Burkhardt and Vice President Murray Parrish, who are supported by the Executive Committee.

Finally to the membership, we are your organisation, and our success is entirely dependant on the value you derive from membership. Determining the structure of the organisation which delivers value for you all is in equal measures challenging and exciting and I am looking forward to sharing this transitional journey with you all.



**Sharon Humphreys**  
Executive Director



**The PIDA open platform unites the industry around creative and passionate businesses and individuals who are driving the innovative solutions which society is demanding from packaging of the future.**

## A year in review

16

Media releases and  
articles published

4

Submissions to Government  
and Local Government

4

Formal meetings with  
Ministry for the Environment

7

Industry presentations

15

Participated in industry  
conferences / workshops

8

Representation in collaborative  
industry working groups



2

Supported science based industry projects with Scion

6

Board meetings

41

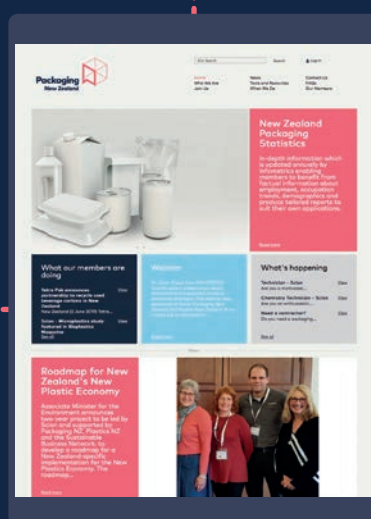
Published weekly newsletters

164

Packaging related articles



We launched our new brand and website





# PIDA Awards 2019

The winners of the 2019 Australasian Packaging Innovation & Design Awards (PIDA) for Australia and New Zealand were recently announced at a gala dinner at the Sofitel Wentworth, Sydney.

The Australasian Packaging Innovation & Design Awards (PIDA) have been designed by the Australian Institute of Packaging (AIP) and Packaging New Zealand to recognise companies and individuals who are making a significant difference in their field across the two countries.

The PIDA Awards are the exclusive feeder program for the prestigious WorldStar Packaging Awards run by the World Packaging Organisation (WPO) with the 2019 PIDA winners automatically eligible for entry into the 2020 international competition.



## NEW AWARD

### 2019 Packaging Innovation & Design of the Year Award

LABELLING & DECORATION

#### Currie Group

*The Australian Rhino Project (TARP)*

The new Labelling & Decoration Category was created to recognise the addition of content to a pack that creates a unique or innovative appearance, function or communication. This may include labels, sleeves, tags, coding/markings, etching, directly applied inks or by any other similar process.

#### GOLD WINNER

The new transformational printing technology for packaging that showcases high-end printing, finishing, coding, marking and AR technology driving awareness to The Australian Rhino Project (TARP).



## NEW AWARD

### 2019 Accessible Packaging Design Special Award

#### SPC Ardmona

*SPC ProVital Easy-Open Diced Fruit in Jelly range*

The new Accessible Packaging Design Special Award is designed to recognise packaging that is accessible, intuitive, easy-to-open and innovative. Accessible Packaging Design needs to include measuring techniques, understanding injuries caused by packaging and consumer satisfaction levels with packaging accessibility. This award category is sponsored by Arthritis Australia and Arthritis New Zealand.

#### GOLD WINNER

SPC Ardmona for their SPC ProVital Easy-Open Diced Fruit in Jelly range. Designed for all consumers to open, including those with reduced fine motor skills, dexterity and strength, this pack achieved an ISR +8 accessibility rating (i.e. the product is universally easy-to-open, with 95% of the population able to open the pack without tools). The key design features of the ProVital pack are the textured and lengthened pull tab, combine with the easy grip decagon cup shape and low opening force. Testing undertaken by SPC has shown that the majority of patients experienced no pain when opening the pack. The final aspect that set this entry apart was the presentation of all the key information on the packaging. The instructions were clear and helpful, and the required information was very easy to read, with the use of the appropriate font size and excellent print contrast.



## 2019 Packaging Innovation & Design of the Year Award

BEVERAGE

### PACT Group

*Lewis Road Creamery*

### GOLD WINNER

PACT Group for the New Zealand brand Lewis Road Creamery post-consumer sourced PCR, 100% recycled rPET milk bottle range. The rPET bottles and simple label design stand out on shelf as they are based on old-style glass milk bottles. This has enabled the boutique brand to achieve a nostalgic feel and a new level of authenticity. The rPET bottles have a sturdy glass like premium-feel that captures the brand's history and credentials. This is the first Australasian milk producer to change to 100% rPET that is also 100% recyclable.



## 2019 Packaging Innovation & Design of the Year Award

FOOD

### Danone ELN NZ Supply Point

*Aptamil and Karicare Infant Formula ranges*

### GOLD WINNER

For the sachet multipack with both Aptamil and Karicare Infant Formula ranges for sale in Australia and New Zealand, the packaging format had to meet the consumer expectations of being easy-to-open (no tools to assist opening such as scissors), easy-to-pour (must have a pour opening that will fit inside a baby bottle) and easy-to-carry around in a handbag or baby bag. Danone also designed their own sealing jaw that was manufactured locally and incorporates a cutting form that allows for perforations to be formed in the modified sealing area. This allows for easy opening by the consumer without scissors. Danone are the first to develop an easy-to-open pack without the use of scissors in this category across ANZ.



## 2019 Packaging Innovation & Design of the Year Award

DOMESTIC & HOUSEHOLD

### Nulon Products Australia

*Nulon EZY-SQUEEZE fluid transfer system*

#### GOLD WINNER

Nulon Products Australia & Caps and Closures for the Nulon EZY-SQUEEZE fluid transfer system. This replaces the traditional rigid packaging with a flexible pouch and applicator that has made accessing hard-to-reach fill points on a car quick and easy. The new packaging now makes it easier, quicker, with less waste and no pumps.



## 2019 Packaging Innovation & Design of the Year Award

HEALTH, BEAUTY & WELLNESS

### Impact International

*Sarah, Craig and Margorie 100% recycled PE and sugar cane PE tubes*

#### GOLD WINNER

Impact International for the Sarah, Craig and Margorie 100% recycled PE and sugar cane PE tubes. The Craig tube can also be offered as a 5-layer EVOH tube, which helps improve product shelf life by increasing the oxygen barrier properties of the tube. These tubes are designed to be environmentally-friendly, improve packaging functionality, utilise smart technologies and also provide protection to the brand owner against counterfeit products. By scanning the QR code on the Sarah and Margorie tubes, you will be redirected to the Impact website, which explains what makes each tube unique and special.

## 2019 Sustainable Packaging Design Special Award

The Sustainable Packaging Design Award is designed to recognise companies that have developed innovative packaging or processing solutions that incorporates sustainability considerations. Elements include Social, Material, Source Reduction, Energy and Recovery.

Due to the overwhelming number of submissions to this category and the difference styles of packaging entered, the award winners were separated in to two subset categories – Materials and Circular Economy. The Gold winners for each category were awarded a custom EcodEX packaging environmental assessment valued at \$10,000 sponsored by Empauer.



**The PIDAs have grown with the level of interest in the 2019 programme surpassing all expectations and New Zealand companies dominating the top awards giving those companies exclusive access into the prestigious WorldStar Awards programme and recognition on the global stage.**

The PIDA platform demonstrates a strategic intent to focus Packaging New Zealand's activities across two workstreams – advocacy and packaging promotion.

Clearly successful advocacy is reliant on being able to showcase industry progress in design and innovation which demonstrates it is meeting the demands of what society is looking for in its products. As a platform for showcasing innovative design and processing capability within the packaging industry, the PIDAs are assisting the industry in countering criticisms that businesses are not committed to continued improvement across all aspects of sustainability; financial, social and environmental. This open platform unites the industry around creative and passionate businesses and individuals who are driving the innovation and ingenuity which society is demanding from packaging of the future. The PIDAs are also the platform for awarding the Packaging NZ Annual Scholarship – a clear signal of investment from Packaging New Zealand into the future of the industry and support for individuals who are committed to building successful careers in this dynamic industry.



*Sharon Humphreys, executive director,  
Packaging Council of New Zealand.*



# 2018/2019 Annual General Meeting & Packaging Event

Thursday 26th July 2018,  
at The Landing, Fuji Xerox,  
Landing Drive, Auckland.

## Harry Burkhardt, President welcomed members to the event.

Harry spoke about the general operating landscape for the packaging industry and the 'new realities' about the changing perceptions of packaging. He reiterated his comments in the annual report that it was important to align with like-minded organisations to ensure we were leading the positive dialogue and how we must guard against ideological, simplistic solutions which *will in fact delay our journey to sustainable recycling.*

He spoke about the importance of collaboration, and the mutual support which results from alignment with like-minded businesses. In closing he congratulated Fuji Xerox for their product stewardship work and thanked them for providing the venue for our packaging event.

Murray Parrish, Vice President, welcomed and introduced the key note speaker for the event Simon Upton, Parliamentary Commissioner for the Environment (PCE).

The PCE took attendees through his recent release questioning the merits of biodegradable plastics. He articulated how this work has demonstrated the complexities of the larger issues which surround this particular sub-set of packaging materials and his opinion, communicated to the Minister, that it is essential for clarity of environmental goals so these issues are tackled in the context of broader environmental goals. He concluded that the waste and recycling space was complicated, so it was essential that the Government take leadership to reduce environmental pressures rather than simply displacing one problem with another.

The PCE was followed by James Walker, Deputy Secretary, Partnership and Customers, Ministry for the Environment. James articulated the Ministry's direction for the latest round of Waste Minimisation Funding seeking solutions which fit into a circular economy model. He commented that there had been a significant increase in applications meeting this criteria. He communicated that there was understanding within the Ministry of the role of packaging and the risks associated with packaging being targeted as an environmental burden which could lead to unintended consequences particularly for health issues. James also communicated that an announcement from the Minister was imminent in relation to the Ministry's workplan.

The final presenter was Brooke Donnelly, CEO of the Australian Packaging Covenant Organisation (APCO). Brooke explained how working as a co-regulatory body had the advantage of scale across all sectors of Australian Industry, but how that also created challenges, not unlike those suggested by Simon Upton, where despite a common purpose, a "united" approach was somewhat more difficult to achieve when dealing across a range of diverse organisations. Brooke was able to demonstrate how the partnership model was working in practice and introduced Paul Klymenko from Planet Ark and Anthony Peyton from PREP Design to discuss the Australasian Recycling Label. There was a great deal of interest understanding that this was a significant step forward to begin to tackle the difficult subject of consumer information and education, which would be absolutely crucial to achieve the quality recovery and recycling systems of the future.

# Minutes of the Annual General Meeting

## 1. Opening

### Sharon Humphreys, Executive Director

Sharon opened the formalities with a brief observation that no matter how much things change they stay the same.

The packaging industry will continue to react to the change dynamics of trade and how the scale and speed of change will be driven by factors which are largely outside of the control of the packaging industry. The need for balanced debate is urgent, but facts and evidence will always come a poor second to emotive pictures showing the environmental devastation associated with litter, poor waste management infrastructure and the sheer volume of waste created by unbridled consumption.

Packaging New Zealand has confidently and consistently advocated for a broader discussion about the role of packaging and it is encouraging to see that the merits of this approach are being more widely recognised. This will continue to be our key focus, together with packaging promotion which is essential to underpin our advocacy efforts.

## 2. Present

Harry Burkhardt	Replas
Murray Parrish	Oji Fibre Solutions
Winsor Yang	NCI Packaging
Mike Kunzli	Waste Management
Bruce Campbell	OfficeMax
Cassandra Powell	Fuji Xerox
Spring Humphreys	Envirowaste
Andrew Fox	Sealed Air
Patrick O'Donoghue	Flight Plastics
Teresa Boersma	Flight Plastics
Keith Smith	Flight Plastics
Larisa Thathiah	Fonterra
Jamie Rodriguez	Fonterra
Greg Smith	Fonterra
Paul Kelly	Fonterra
Sandra Murphy	Multivac
Ann Cameron	Jenkins Group
Bruce Gledhill	Pioneer Group
Elsbeth MacRae	Scion
Manju Murugesan	Tetra Pak
Julie Evans	Tetra Pak
Julian Morton	MPM Marketing
Lawrence Olsen	Exemplar NZ
Michael Kindley	RPC
Narula Saurabh	Asaleo Care
Ken Sowman	Plastics NZ
Matthew Francis	BJ Ball
Rae Nield	Rae Nield Marketing Law
Kay Spence	Sealed Air
Martin Duffy	Visy
James Rutter	Envirowaste
Ben Riley	Barkers
Xin Feng	General Recycle
Gavin Feng	General Recycle

Also in attendance were:

Sharon Humphreys	Packaging Council of NZ
Paul Helmsley	Network Communications



### 3. Apologies

Were received from:

Richard Hosking	Orora Kiwi Packaging
Andrew Gleason	Visy
James Sowersby	Countdown
Tony Sayle	Jenkins Group
Brett Keen	BJ Ball
Nadine Rennie	Sealed Air
Dene Wilson	Custon-Pak
Nick Baker	Visy
Rachel Dredge	Marx Design

**It was moved:** that the 9 apologies for the meeting be accepted.

Spring Humphreys / Martin Duffy  
Carried

### PROXIES

No proxies were received this year.

### 4. Confirmation of minutes

Minutes of the Annual General Meeting held on Thursday 20th July 2017 were included in the 2018 Annual Report which had been circulated.

**It was moved:** Minutes of the Annual General Meeting held on 20th July 2017 be accepted.

Windsor Yang / Patrick O'Donoghue:  
Carried

### 5. Annual report

The 2018 Annual Report of the Packaging Council had been circulated.

**It was moved:** that the 2018 Annual Report be received and adopted.

Elsbeth MacRae / Paul Kelly: Carried

### 6. Audited accounts

The 2017/18 Audited Accounts of the Council for the year ended 31st March 2018 were included in the 2018 Annual Report and had been circulated.

**It was moved:** that the 2017/18 Audited Accounts be received and adopted.

Bruce Campbell / Keith Smith:  
Carried

### 7. Election of auditors

The Packaging Council is satisfied with its current auditor, Hudson Kasper, and wish to remain with them.

**It was moved:** that Hudson Kasper remain the Council's auditor.

Sandra Murphy / Murray Parrish:  
Carried

### 8. 2018 / 2019 Election of officers

The Executive Director advised that under the new Constitution the Board is made up of 14 fourteen persons, with 13 Executive places available for nomination - the fourteenth person is the Executive Director who has speaking, but not voting, rights. The Constitution allows for a further two Executives to be co-opted at any time during the 2018/19 term, at the discretion of the Board.

The Executive Director confirmed that:

**PRESIDENT** – Harry Burkhardt has been nominated as President.

Nominees for the remaining Board positions have been received as follows:

**VICE PRESIDENT** – Murray Parrish

- Andrew Gleason, Visy
- Patrick O'Donoghue Flight Plastics
- Windsor Yang - NCI
- Bruce Campbell, OfficeMax
- Alistair Egan, Fuji Xerox
- Elspeth MacRae, Scion
- Andrew Fox, Sealed Air
- Richard Hosking, Orora Packaging
- Paul Kelly, Fonterra
- James Sowersby, Countdown

With only 12 nominees the Executive Director confirmed that no ballot is necessary as places are available for all the nominations and called for any further nominations from the floor to fill the available position. None was received.

**It was moved:** that the above Nominees be confirmed as the 2018/2019 Executive Committee.

Spring Humphreys / Julian Morton:  
Carried

### 9. General business

No general business was raised.

### 10. Closure

There being no further business the meeting closed at 5pm.

# Independent Auditor's Report

HUDSON • KASPER

To the members of the Packaging Council of New Zealand Incorporated

## Opinion

We have audited the accompanying financial statements of Packaging Council of New Zealand Incorporated, which comprise the balance sheet as at 31 March 2019, and statement of profit or loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Packaging Council of New Zealand Incorporated as at 31 March 2019, and its financial performance for the year then ended, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by Chartered Accountants Australia & New Zealand.

## 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 Council of New Zealand 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 Council of New Zealand Incorporated.

## Emphasis of Matter – Basis of Accounting

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

## Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with the constitution of Packaging Council of New Zealand Incorporated. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

## Executive Committee's Responsibilities for the Financial Statements

The Executive Committee are responsible on behalf of the entity for determining that the SPFR for FPE framework adopted is acceptable in Packaging Council of New Zealand Incorporated's circumstances, the preparation of financial statements, and for such internal control as the Executive Committee 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 Executive Committee 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 Executive Committee 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 Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Packaging Council of New Zealand Incorporated'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 Packaging Council of New Zealand Incorporated 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 Executive Committee 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  
10 June 2019

# Statement of Profit and Loss

For the year ended 31 March 2019

\$NZ	Notes	2019	2018
<b>Operating revenue</b>	2	<b>188,256</b>	<b>194,513</b>
Operating expenses	3	(253,772)	(236,882)
<b>Operating surplus (deficit) before other income</b>		<b>(65,516)</b>	<b>(42,369)</b>
Interest income		5,162	5,580
<b>Net surplus (deficit) before taxation</b>		<b>(60,354)</b>	<b>(36,789)</b>
Taxation expense	4	–	(41)
<b>Net surplus (deficit) after taxation</b>		<b>(60,354)</b>	<b>(36,830)</b>

The accompanying notes form part of these financial statements.

# Statement of Movements in Member's Funds

For the year ended 31 March 2019

\$NZ	2019	2018
<b>Accumulated funds at start of year</b>	<b>268,706</b>	<b>305,536</b>
Net surplus (deficit) after taxation	(60,354)	(36,830)
<b>Accumulated funds at end of year</b>	<b>208,352</b>	<b>268,706</b>

The accompanying notes form part of these financial statements.

# Balance Sheet

As at 31 March 2019

\$NZ	Notes	2019	2018
<b>Current assets</b>			
Cash at bank		87,932	120,577
Accounts receivable		–	–
Other current assets		883	988
Prepayments		6,248	5,000
GST refund due		427	3,345
Tax refund due	4	1,463	1,453
Term deposit		109,096	155,382
<b>Total current assets</b>		<b>206,049</b>	<b>286,745</b>
<b>Non-current assets</b>			
Fixed assets	5	10,719	3,770
Trademark	6	12,412	12,500
Total non-current assets		23,131	16,270
<b>Total assets</b>		<b>229,180</b>	<b>303,015</b>
<b>Current liabilities</b>			
Accounts payable and accruals		17,644	30,993
Income received in advance		3,184	3,316
<b>Total current liabilities</b>		<b>20,828</b>	<b>34,309</b>
<b>Equity</b>			
Members' accumulated funds		208,352	268,706
<b>Total liabilities and equity</b>		<b>229,180</b>	<b>303,015</b>

The accompanying notes form part of these financial statements.

For and behalf of the Executive Committee:



**Harry Burkhardt**  
President  
10 June 2019



**Sharon Humphreys**  
Executive Director  
10 June 2019

# Notes to and forming part of the financial statements

For the year ended 31 March 2019

## 1. Statement of accounting policies

### a) Reporting entity

The Packaging Council of New Zealand Incorporated (the Council) is an incorporated society. The Council was established to provide New Zealand industry with a unified, balanced and authoritative voice on packaging issues.

### Basis of preparation

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

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

All transactions in the financial statements are recorded using the accrual basis of accounting. The financial statements are prepared on the assumption that the entity will continue to operate in the foreseeable future.

### 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 Council.

### c) Specific accounting policies

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

### Revenue recognition

Subscriptions are accounted for on a cash basis. Members are billed each year from 1 April to 31 March. No adjustment is made for subscriptions received in advance.

Interest received is credited to the profit and loss on an accruals basis.

### 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.

### Fixed assets

Plant and equipment is recorded at cost less depreciation to date. Depreciation has been provided on all fixed assets at the maximum diminishing value (DV) and straight line (SL) rates allowable by the Inland Revenue Department. The principal rates are as follows:

Furniture and fittings	9.6% - 18%	DV
Office equipment	18% - 67%	DV & SL
Website development	40%	SL

### Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

### Leases

The Council leases premises.

Leases which have a significant portion of the risks and rewards of ownership retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of financial performance on a straight-line basis over the period of the lease.

**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.

**d) Changes in accounting policies**

There have been no specific changes in accounting policies and they have been applied on a consistent basis with those of the previous period.

**2. Operating revenue**

\$NZ	2019	2018
Membership fees – current year	172,826	194,249
Membership fees – prior years	14,886	–
Miscellaneous income	412	28
CANZBAC	132	236
	<b>188,256</b>	<b>194,513</b>

**3. Operating expenses**

\$NZ	2019	2018
Audit fees	7,000	7,500
Fees paid to the auditor for other services	500	500
Depreciation	3,129	18,173
Loss on disposal of fixed assets	205	1,977
Rent and outgoings – premises	12,037	11,999
Wages and salaries and KiwiSaver	126,407	129,029
Motor vehicle expenses	1,133	1,039
Other operating expenses	103,361	66,665
	<b>253,772</b>	<b>236,882</b>

# Notes to and forming part of the financial statements

For the year ended 31 March 2019

## 4. Taxation

\$NZ	2019	2018
Income from non-exempt operations	132	236
Interest received	5,162	5,580
Rent received	-	-
Expenses claimed	(4,327)	(4,669)
	<b>967</b>	<b>1,147</b>
Exemption allowed	(1,000)	(1,000)
<b>Taxable income</b>	<b>(33)</b>	<b>147</b>
Income tax at 28%	-	41
Resident withholding tax paid	(1,463)	(1,494)
Prior year refund due	-	-
<b>Taxation payable (refund due)</b>	<b>(1,463)</b>	<b>(1,453)</b>

## 5. Fixed assets

\$NZ	Cost	Accumulated depreciation	Book value
<b>As at 31 March 2019</b>			
Furniture and fittings	17,674	(16,466)	1,208
Office equipment	19,643	(19,044)	599
Website development	53,909	(44,997)	8,912
	<b>91,226</b>	<b>(80,507)</b>	<b>10,719</b>
\$NZ	Cost	Accumulated depreciation	Book value
<b>As at 31 March 2018</b>			
Furniture and fittings	20,379	(18,747)	1,632
Office equipment	19,643	(17,776)	1,867
Website development	43,626	(43,355)	271
	<b>83,648</b>	<b>(79,878)</b>	<b>3,770</b>



## 6. Intangible assets

\$NZ	Cost	Accumulated amortisation	Book value
<b>As at 31 March 2019</b>			
Trademark	13,791	(1,379)	12,412
	<b>13,791</b>	<b>(1,379)</b>	<b>12,412</b>
\$NZ	Cost	Accumulated amortisation	Book value
<b>As at 31 March 2018</b>			
Trademark	12,500	-	12,500
	<b>12,500</b>	<b>-</b>	<b>12,500</b>

## 7. Related party transactions

Other than membership fees and related revenues derived from members there were no related party transactions during the year (2018: nil).

No related party balances have been written off in the period under review (2018: nil).

## 8. Operating lease commitments

\$NZ	2019	2018
<b>Current</b>		
Premises	-	8,500
	<b>-</b>	<b>8,500</b>
<b>Non-current</b>		
Premises	-	-
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>8,500</b>

### Premises

A lease for the premises situated at 17E Greenmount Drive, East Tamaki was entered into for a term of two years which expired on 31 March 2019. The monthly rental was \$708.33 plus GST. The lease is now on a month by month basis at \$608.33 plus GST.

## 9. Capital commitments

There are no capital commitments at year end (2018: nil).

## 10. Contingent liabilities

As at balance date the Council had no contingent liabilities or assets (2018: nil).

## 11. Subsequent events

There have been no events subsequent to balance date which require disclosure in or adjustment to the financial statements (2018: nil).

# Executive team

## Executive Director



**Sharon Humphreys**  
Packaging NZ

## President



**Harry Burkhardt**  
Replas

## Vice President



**Murray Parish**  
Oji Fibre Solutions

## Nominated Executives



**Andrew Gleason**  
Visy



**Andrew Fox**  
Sealed Air



**Alistair Egan**  
Fuji Xerox



**Windsor Yang**  
NCI Packaging



**Bruce Campbell**  
OfficeMax



**Patrick O'Donoghue**  
(Resigned during year)  
Flight Plastics



**Dairy for life**

**Paul Kelly**  
Fonterra



**countdown**

**James Sowersby**  
Countdown



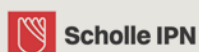
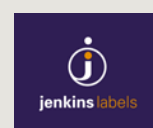
**Elspeth MacRae**  
Scion



**Richard Hosking**  
Orora Packaging

Seconded during the 2018/19 Term: Tetrapak, Julie Evans

# Member companies 2018/19



\*Logos unavailable at time of print

