



**PAC.NZ**  
towards sustainable packaging

**PACKAGING COUNCIL OF NEW ZEALAND (INC)**  
**ANNUAL REPORT 2013**

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**PACKAGING COUNCIL OF NEW ZEALAND (INC)**  
TOWARDS SUSTAINABLE PACKAGING

## PURPOSE

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The Packaging Council of New Zealand's role is to assist its members minimise the environmental impact of packaging by championing cost effective, sustainable solutions and product stewardship.

## VALUES

### INTEGRITY

The Packaging Council will always act with integrity and is acutely conscious of its role in protecting New Zealand's environment.

### TRANSPARENCY

We are transparent in the presentation of impartial, factual information to members, the public and other stakeholders.

### ENGAGEMENT

We are committed to actively engaging with a broad membership base to achieve sustainable environmental benefits.

### COOPERATION

We take a supportive and collaborative approach with government and other organisations that are addressing related issues.

## VISION TO 2015

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Packaging Council of New Zealand members are:

- Meeting their business objectives
- Demonstrating sustainable management of packaging
- Achieving self-determination around relevant industry issues

## PACKAGING COUNCIL STAFF



## EXECUTIVE COMMITTEE 2012/2013

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President



Richard Manaton  
General Manager  
Strategy and Corporate Affairs

Vice President



Jonathan Marshall  
Vice President



David Carter  
Immediate Past President

<<< Poynter Agencies Ltd >>>

Rick Poynter  
Poynter Agencies



Harry Burkhardt  
Managing Director



Cheryl Speechly  
Environment Manager



Andrew Gleason  
General Manager



Nic Bishop  
Environment Manager  
FBNZ & Tip Top



Richard Meares  
Director Merchandise & Marketing  
OfficeMax



Darren McClenaghan  
Environment Health & Safety  
Engineering Manager



Tim Fahey  
General Manager



Paul Robinson  
Supply Chain  
Manager



Ian Maddaford  
General Manager



Alistair Egan  
Product Manager  
PSBG, Fuji Xerox



Caroline Beaumont  
Legal & Commercial Manager  
Coca Cola Amatil New Zealand  
(Suzy Clarkson - on maternity leave)

## PRESIDENT'S REPORT



### **“WASTE MINIMISATION LEGISLATION CONTINUES TO BITE”**

Although the Act was passed many years ago the affect of cascading responsibility to local authorities has seen a hardening of attitudes and bylaws to waste by local councils towards the packaging industry.

We can probably all recount the discussions with Auckland Council over their proposed Solid Waste Bylaws. Although our engagement was central to modifying some of Councils proposals, let's not forget Auckland Council will lobby for further direct regulatory intervention if they do not see significant improvements in waste reduction.

These discussions are now being repeated to differing degree's around New Zealand, most notably with a coalition of Wellington area councils who have come together to work on this issue.

What's apparent in these discussions is the level of survey data and analysis some of these council have undertaken to support their proposals. Whether you view this work as robust or not, what's important is these councils believe they have a clear mandate for change from their ratepayers. At the very least these debates have put business at the very nexus of change and will be judged by many as either facilitating or hindering waste minimisation.

The coming year will see more developments as first local council elections and then in 2014 the general election spark increasing environmental commitments from electoral candidates.

From central government we are already seeing an increased focus on environmental concerns and political parties appreciate the balance their constituencies seek to foster economic growth but not at the cost of the environment we all enjoy today. At the forefront of these concerns is the absence of a nationwide

public place recycling programme. Government is of the view the packaging industry has a responsibility to address this shortcoming in concert with local councils.

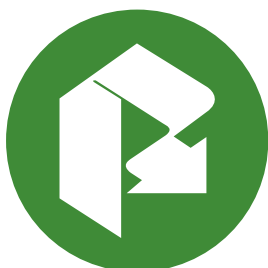
Through all of this the Packaging Councils Product Packaging Stewardship Scheme has continued to evolve and today has 21 members. In April this year we applied for formal accreditation of the scheme by the Minister for the Environment, accreditation we believe will grow the scheme substantially with members.

Last year immediate past President David Carter spoke to “Sector Co-operation” leading to sector partnerships and members value. Work in this area continues with the emboldened actions of local councils reinforcing the need for more sectoral collaboration.

To meet these regulatory and customer challenges we will need to continue the discussions around how the industry is represented so as to achieve a more effective and impactful voice in this conversation.

Lastly I would just like to acknowledge the 7 years of dedication Paul Curtis put into representing the NZ Packaging Industry. Paul left the organisation in April to pursue a personal business venture and I would like thank him for his efforts and wish Sharon Humphreys all the best in her new capacity as Acting Executive Director.

Richard Manaton  
President



# **PAC.NZ**

**towards sustainable packaging**

## EXECUTIVE DIRECTOR'S REPORT

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Last year we celebrated our 20th birthday – but if we look at significant birthday milestones 21 is traditionally recognised as the ‘coming of age’. So have we come of age?

In preparation for writing this year's Executive Director report, I spent some time reflecting on

the changes the past year has brought. Deepak Chopra said “All great changes are preceded by chaos” – I'm not so sure the year has been chaotic but it sure has been busy!

In April 2013 Paul Curtis, left the organisation to pursue his own business opportunity. In the seven years Paul was Executive Director he saw the focus of the organisation shift from the multi-stakeholder collaboration days of the Packaging Accords to the more legislative driven world of product stewardship under the Waste Minimisation Act 2008.

At the time of writing last years report, the Executive Committee had set the vision and the plan until 2015 and we were embarking on a membership survey to ensure that the vision and the plan were aligned with the wants and needs of the membership. I can happily report that feedback from the membership was totally supportive of the direction the organisation is taking. To encapsulate all this work a one-page overall plan was developed which can be viewed on the website. In the broadest of terms the plan sets out the requirements to ensure that the organisation is sustainable, provides value-add for its members and demonstrates credibility with its stakeholders.

Accreditation of the packaging product stewardship scheme is a pivotal piece of work to demonstrate credibility with stakeholders. Setting targets is a key element in applying for accreditation of a product stewardship scheme, and was the last piece of data we needed to be in a position to fulfil the Executive Committee's commitment to submit the packaging product stewardship scheme for accreditation as soon as possible. The year two reports produced the meaningful data from which we were able to set tangible targets, in consultation with the Executive and the members of the scheme. Informal discussions then took place with the Ministry for the Environment. At their suggestion, the mass balance data collation which produces a national recycling rate, and demonstrates the link between the scheme and post-consumer waste, was included as a KPI. The final application was ratified by the Executive following the April Executive Meeting, including inclusion of mass balance data with certain conditions which commits the Packaging Council to its best endeavours to collect this information, given the reliance on other organisations to fully meet this KPI. The application for accreditation of the packaging product stewardship scheme was submitted in April 2013.

Advocacy work this year has largely centred around local councils and in particular the Auckland Council. The Packaging Council made both written and oral submissions on the Auckland Plan, the Auckland Waste Management and Minimisation Plan

(WMMP) and the Auckland Council Solid Waste Bylaw. The Waste Minimisation Act 2008 required all local councils to have a waste management and minimisation plan (WMMP) in place by 1 July 2012. In line with Auckland's position on reserving the right to lobby central government for mandatory product stewardship, if significant progress in waste minimisation cannot be demonstrated, other local councils are also aligning with this position. Work has continued on changes to the Fair Trading Act and as a result of the advocacy work of the Packaging Council the parliamentary select committee inserted a new clause into the Bill, which if it remains intact as the Bill progresses through Parliament, will raise the importance and profile of industry codes of practice and standards, such as our own Code of Practice for Design, Education and Procurement.

Following the very successful 2012 Business of Sustainable Packaging one-day seminar the same event was again held in 2013. An excellent line-up of speakers kept the delegates entertained and informed and provided a great networking opportunity for members and non-members alike to mix with peers, clients, customers and stakeholders.

2013 is an Awards year. This year's theme “Fast Forward” builds on the 2011 theme of “on the right track.” At the time of writing entries into the awards programme are well underway, as are plans for the Awards Presentation Evening which will once again be the highlight of the year showcasing the best of the packaging industry in New Zealand.

Lastly, in recognition of the changing environment both commercially and politically, the Packaging Council is in discussions with other trade associations which have a strong alignment with the packaging industry, to seek out areas of commonality. The result could be a larger, more integrated packaging organisation, providing a ‘one-stop-shop’ for ancillary services, but maintaining separate areas of expertise specific to each participating association. These suggested changes would provide the critical mass for credibility and a stronger voice for advocacy on packaging issues and give the membership uncompromised access to all associations dealing with packaging issues.

In closing I would like to thank the entire membership for all its support over the past year, and in particular the support given to me in my role as Acting Executive Director.



Sharon Humphreys  
Acting Executive Director

# PACKAGING COUNCIL ACTIVITY – 2012/2013

## COMMUNICATIONS

During the year we undertook a review of the electronic communication tools we use. Firstly, we set up a completely new website. From the membership survey we had a clear understanding that the content on the old site was good, but navigating the site was not so good! We conducted a major re-vamp of all the information on the site which we reviewed, re-organised and re-wrote! We added a whole new 'Members Only' section offering additional information for our member companies. We also added a 'blog' function to the site to facilitate feedback.



We began to issue a weekly newsletter service for our members. This is in addition to the bi-monthly newsletter which has a far larger distribution covering both members and non-members alike. Feedback on the weekly newsletter service has been excellent with companies enjoying the global scope of the articles we post each week related to sustainability and packaging.

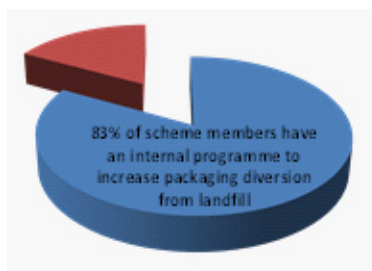


In keeping with the ever increasing use of social media by businesses we have been active on Twitter all year and now have 750 followers and growing! Also, at the beginning of 2013 we set up the Packaging Council Forum on LinkedIn exclusively for our members and to date we have 101 members of that group.

By providing a range of electronic communication opportunities we can facilitate discussion and encourage engagement with our members and offer an effective means of networking in addition to the traditional face-to-face events we offer during the year.

## PACKAGING PRODUCT STEWARDSHIP SCHEME

The packaging product stewardship scheme underwent some significant changes to the reporting structure following the outcomes from the year one reports. A team, made up of members of the scheme, was convened and agreed on a simplified structure for reporting based on an 'input/output' model. The fundamental waste minimisation objectives of the scheme were maintained, but the KPIs were re-designed to provide ease of data capture for the scheme members, and meaningful aggregated data for the scheme manager.

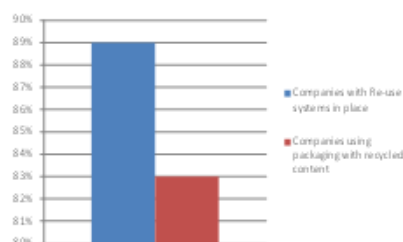


Year two reporting was, subsequently, straight forward and provided a solid platform of base-line data, enabling target setting, which was

the last piece of work the scheme required to apply for accreditation.

In April 2013 an application was submitted to the

Ministry for the Environment to have the packaging product stewardship scheme accredited under the Waste Minimisation Act 2008. Formal accreditation of the scheme will endorse the leadership position scheme members are taking, with regards to packaging product stewardship in New Zealand, and is expected to drive greater participation from Packaging Council members as they see the value to their business of being part of the scheme.



## CODE OF PRACTICE FOR DESIGN, EDUCATION AND PROCUREMENT

In line with expectations, the Code of Practice for Design, Education and Procurement, was updated in 2012.

Since its original launch much has changed globally, as we have seen the

packaging waste debate shift towards understanding the positive role packaging plays in a sustainable society, particularly in the area of preventing food spoilage which is an issue dominating global concerns.

The new version specifically reflects the significant changes which have taken place in global environmental packaging standards and metrics. The new Global Protocol on Packaging Sustainability, the new ISO Standards for Packaging and the Environment and a selection of indicators from the Global Reporting Initiative give the code a global outlook on the latest key performance indicators shaping business-to-business opportunities for environmental improvements and represent best practice measurement systems for transparent, comparable reporting. New sections have also been included on the latest developments in labelling and packaging materials in line with the latest thinking, considerations and issues in these areas.

## CANZBAC

CANZBAC activity this year has been relatively low key and mainly has centred around maintaining the web-site and undertaking just one sponsorship opportunity to promote the sustainable calendar of events for 2013 in the Starters and Strategies publication which goes out to 28,000 teachers nationwide four times a year.

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## REGULATORY AFFAIRS

The Auckland waste management and minimisation plan (WMMP) process concluded in October 2012 with the passing of the Solid Waste Bylaw 2012. This piece of work puts in place the bylaw framework to support the strategic direction of the WMMP. The Packaging Council advocated strongly throughout the whole process of the Auckland Plan, the Auckland WMMP and the Solid Waste Bylaw on two areas of specific concern: (1) the intention of Auckland Council to advocate for mandatory product stewardship for packaging; and (2) Auckland Council's aspirational goal of Zero Waste. Whilst we were unsuccessful in getting these removed from the plans, the wording in relation to mandatory product stewardship in the WMMP was amended to reflect that collaboration with industry would be taken as a first step, with the Council maintaining the right to advocate if significant measureable progress is not made, and in relation to CDL specifically, advocating for Container Deposit Legislation would be subject to further discussion with industry. Ongoing discussions with Council will take place as policies are put in place.

### 2013 Environmental Packaging Awards – Fast Forward



Continuing the theme from the 2011 awards programme – On the Right Track – the 2013 theme of **Fast Forward** reflects that we are indeed on the right track and ready to move forward, picking up pace. We have not changed the categories following the overhaul which was done for the 2011 awards – but in

recognition of the explosion of social media, and in particular the number of businesses who are utilising this medium, we have introduced an additional new category: the Video Challenge. Preliminary indicators suggest that we can expect some excellent entries into the awards programme for 2013 and we are looking forward to working with our display company to showcase all of these on the gala evening at the Hilton Hotel on Friday 6th September.

## BUSINESS OF SUSTAINABLE PACKAGING 2013



Taking on board feedback from the 2012 event, in March we held the second Business of Sustainable Packaging seminar. In a slightly revised format fewer speakers presented for longer, and two general discussion sessions wrapped up the morning and afternoon sessions. The key points which were raised at the morning discussion session focussed on consumers lack of understanding of the technical aspects of packaging and the

level of confusion, and often mis-trust, associated with labels and claims. The afternoon discussion session, in an extension of the mornings discussions, took up the key points of each part of the supply chain taking care of its own part of the 'bigger picture'. Delegate feedback from the whole day was a positive reinforcement of the value offered by the seminar to inform, educate and entertain!

## OUT 'N' ABOUT

PAC.NZ staff have attended many industry related events during the year, promoting the positive role packaging plays in a sustainable society. The Packaging Council had a stand for the three day FoodTech PackTech event, which had a couple of thousand visitors over the three days. The event as always provided a good opportunity to network with many of our members who attend the show and talk to prospective members. Other events attended include WasteMINZ events, Plastics NZ Conference and Design Awards, NZJBA Conference, Australian Institute of Packaging Conference, NZIFST Conference.

## AMBROSE GOLF TOURNAMENT

Lastly, no annual activities report would be complete without mentioning the success of the annual Ambrose golf tournament. The 2012 event had the players spoilt for choice when it came to food and refreshments on the golf course with new foodie sponsors BJ Ball providing gourmet pizzas for the first nine holes and the extremely popular Spicers providing the BBQ for the last nine holes. As always the day was outstanding and the PAC. NZ staff wholeheartedly thank all the sponsors and players who make the day such a success.



# PACKAGING COUNCIL OF NEW ZEALAND (INC)

## 2012/2013 ANNUAL GENERAL MEETING

MINUTES OF THE MEETING HELD ON THURSDAY 28 JUNE 2012, AT BNZ Highbrook Partner Centre, Level 1, 86 Highbrook Drive, East Tamaki

### 1. OPENING

The meeting commenced at 7.45am.

**Paul Curtis, Executive Director** opened the AGM and welcomed the members to the meeting. Paul then invited the President to make a brief presentation.

**David Carter, President** welcomed members to the meeting. David thanked the Executive Committee, the sub-committees and the Packaging Council staff for their support.

David thanked all for the support over the last 3 years of his term.

**Paul Curtis, Executive Director** Paul talked about the results from the membership satisfaction survey which had just been released. The key element of the survey was ensuring that there is alignment between the Vision to 2015 and the membership wants and needs. In a series of slides which covered the questions in the survey and a preliminary analysis of the results, showed that overall the membership were happy with the direction of the Packaging Council. In regards to what the membership would like to see going forward, feedback was around providing more technical information, more training opportunities, a focus on global and future perspectives, a greater visibility in the marketplace and a stronger voice for packaging with stakeholders.

Paul also talked about the work which was taking place to seek out commonality of issues between the various material sectors. Whilst still in the early stages there is a general agreement to pursue opportunities around greater alignment of the sectors which would address stakeholder concerns at finding solution for packaging issues rather than focussing on a particular material type.

#### 8.10 AM – COMMENCEMENT OF THE ANNUAL GENERAL MEETING – FORMAL BUSINESS

### 2. PRESENT

Alistair Egan	Fuji Xerox
Murray Parrish	Carter Holt Harvey
Jonathan Marshall	O-I NZ
David Adolph	Huhtamaki NZ
Trudy Scott	Jenkins Group
David Edwards	Jenkins Group
David Carter	Lion
Melissa Hodd	Foodstuffs
Rob Langford	Pernod Ricard
John Webber	Glass Packaging Forum
Suzy Clarkson	Coca-Cola Amatil
Tim Fahey	Amcort Flexibles
John Matthews	Cospak
Craig Miller	Goodmanfielder
Jo-Anna Partridge	Pernod Ricard

Keith Parker	NCI Packaging
Paul Robinson	3M
Harry Burkhardt	Replas
Ian Maddaford	Transpacific
Spring Humphreys	Fonterra
Nic Bishop	Fonterra
Craig Forman	Transpacific
Onur Yilmaz	Huhtamaki NZ
Windsor Yang	NCI Packaging
Philip Miliona	Antares Restaurant Group
Debbie Golding	Colopak
Alistair Sayers	Frucor Beverages
Shane Craig	Punchbowl
Andreas Haussrer	Amcort Flexibles
John McConnell	Packaging House
Michael Shatford	NCI Packaging
Lindy Fourie	Amcort Beverage Cans
Terri Smith	Amcort Beverage Cans
Cathy Lundie	Elldex Packaging
Julie Roberts	Officemax
Rick Poynter	Poynter Agencies
Andrew Gleason	Visy
Penny Garland	O-I NZ
Peter Phillips	Cerebos Greggs
Jeff Mosen	Huhtamaki NZ
David Archer	Fonterra
Michael Gibson	Heinz Watties
Eddie Devine Jr	Plastics New Zealand
Alan Brennan	Barnes Plastics
Ray Pryor	Plastics New Zealand

Also in attendance were Paul Curtis, Sharon Humphreys and Roshni Prasad.

### 3. APOLOGIES

#### Were received from:

Richard Manaton	Progressive Enterprises
Michelle Bollinger	Kimberly-Clark NZ
Barry Hellberg	NZ Retailers Association
Darren McClenaghan	Sealed Air
Martin Markotsis	Scion
David Drew	Sanitarium
Sally Haslett	Woodburn Venison
Jeremy Wright	Pernod Ricard
Dave Cronshaw	SCA Hygiene
Vesna Blazin	Pernod Ricard
Raj Bhana	Alto
Saione Greer	Creation House
Trevor Lock	British American Tobacco
Pierre van Heerden	Sanitarium
Mark Brosnan	Progressive Enterprises
Tracey Crandall	RJ's Licorice Ltd
Dave Morkel	3M



Richard Meares	Officemax
Alistair de Raadt	Cadbury
Cheryl Speechley	Tetra Pak
Warren Parker	Scion
Wayne Emerson	Charta
Jeremy Warnes	Scion
Chris J Rouse	Fonterra
Colin Benzie	Scholle NZ
Louise Struthers	GlaxoSmithKline
Chris Hartwell	Fonterra
Russell Hyde	The Associated Bottlers
Alistair Campbell	Bluebird
Helen Szabo	Sustainapac
Hiren Shah	Cerebos Greggs
Veronique Cremades	Nestle New Zealand

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

**Suzy Clarkson/ Keith Parker** **Carried**

## PROXIES

3 proxies were received

## 4. CONFIRMATION OF MINUTES

Minutes of the Annual General Meeting held on Thursday 23 June 2011 had been circulated.

**It was moved:** Minutes of the Annual General Meeting held on 23 June 2011 be accepted.

**Nick Poynter / Peter Phillips** **Carried**

## 5. ANNUAL REPORT

The 2012 Annual Report of the Council had been circulated.

**It was moved:** that the 2012 Annual Report be received and adopted.

**Ian Maddaford/ Andreas Haussrer** **Carried**

## 6. AUDITED ACCOUNTS

The 2012 Audited Accounts of the Council had been circulated.

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

**Penny Garland/ Paul Robinson** **Carried**

## 7. ELECTION OF AUDITORS

The Executive Director advised that the Packaging Council of New Zealand were satisfied with their current Auditor, Hudson Kasper and wish to remain with them.

**It was moved:** that Hudson Kasper remain as PAC.NZ's Auditors.

**Jonathan Marshall /Spring Humphreys** **Carried**

## 8. 2012 / 2013 ELECTION OF OFFICERS

The Executive Director advised that the nominees for the positions on the executive committee were as follows:

### President

No nominations

### Vice President

Richard Manaton (Progressive Enterprises) has been re-nominated as Vice President. With no nominations for the office of President, Richard Manaton will take up the appointment as President of the Packaging Council in accordance with rules 11.3 and 11.4 of the constitution.

### Immediate Past President

David Carter's (Lion) will assume the position of Immediate Past President.

### Raw Material Suppliers, Services & Waste (Max Of 3)

Ian Maddaford, Transpacific Industries  
Harry Burkhardt, Replas  
Rick Poynter, Poynter Agencies

### Distribution & Sales For Wholesale/Retail Products (Max Of 3)

Paul Robinson, 3M  
Cheryl Speechly, Tetra Pak  
Richard Meares, OfficeMax

### Representative Of One From Any Sector

Alistair Egan, Fuji Xerox

### Packaging Users And Fillers (Max Of 4)

Suzy Clarkson, Coca-Cola Amatil  
David Archer, Fonterra

There being a sufficient number of vacancies remaining, the appointment of representatives of packaging manufactures as follows:

### Packaging Manufacturers (Max Of 4)

Darren McClenaghan, Sealed Air  
Tim Fahey, Amcor  
Jonathan Marshall, O-I New Zealand  
Andrew Gleason, Visy  
Debbie Goulding, Colorpak

**I confirm that no ballot is necessary as places are available for all the nominations.**

**It was moved:** that the above nominees be confirmed as the 2012/2013 Executive Committee.

**Penny Garland/Melissa Hodd** **Carried**

## 9. GENERAL BUSINESS

No general business was raised.

## 10. CLOSURE

There being no further business the meeting closed at 8.35am.

**Paul introduces John Carnegie, Business NZ.**

# PACKAGING COUNCIL OF NEW ZEALAND (INC)

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2013

### PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED INDEPENDENT AUDITOR'S REPORT

#### To the members of the Packaging Council of New Zealand

We have audited the financial statements of the Packaging Council of New Zealand Incorporated on pages 10 to 13, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance and the statement of movements in members' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Executive Committee's responsibility for the financial statements

The Executive Committee is responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement,

HUDSON • KASPER

including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we assist in the drafting of the statutory financial statements and in the preparation of the annual tax return. Other than this we have no relationship with or interests in the Packaging Council of New Zealand Incorporated.

In our opinion, the financial statements on pages 10 to 13:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the financial position of the Packaging Council of New Zealand Incorporated as at 31 March 2013 and its financial performance for the year ended on that date.

*Hudson Kasper*

Chartered Accountants  
Auckland

Dated: May 29 2013

#### PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
Operating revenue	2	321 995	524 422
Operating expenses	3	(444 162)	(565 630)
Operating surplus (deficit) before other income		(122 167)	(41 208)
Interest income		8 294	11 275
Net surplus (deficit) before taxation		(113 873)	(29 933)
Taxation expense	4	-	(1 087)
NET SURPLUS (DEFICIT) AFTER TAXATION		(113 873)	(31 020)

#### PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED STATEMENT OF MOVEMENTS IN MEMBER'S FUNDS FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 \$	2012 \$
Accumulated funds at start of year		385 450	416 470
Net surplus (deficit) after taxation		(113 873)	(31 020)
Accumulated funds at end of year		271 577	385 450

**PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013**

	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash on hand		-	107
Cash at bank		313 941	426 249
Term deposits		-	-
Accounts receivable		3 285	7 388
Other current assets		1 956	1 956
Prepayments		13 219	-
Tax refund due	4	1 451	1 256
Total current assets		333 852	436 956
<b>Non-current assets</b>			
Fixed assets	5	21 106	16 631
Total non-current assets		21 106	16 631
<b>Total assets</b>		<u>354 958</u>	<u>453 587</u>
<b>Current liabilities</b>			
Accounts payable and accruals		38 116	54 239
Income received in advance		32 828	5 002
GST payable		12 437	8 896
Total current liabilities		83 381	68 137
<b>Equity</b>			
Members' accumulated funds		271 577	385 450
<b>Total liabilities and equity</b>		<u>354 958</u>	<u>453 587</u>

For and behalf of the Executive Committee:



**Richard Manaton**  
President  
Dated: 29 May 2013



**Sharon Humphreys**  
Acting Executive Director  
Dated: 29 May 2013

**PACKAGING COUNCIL OF NEW ZEALAND INCORPORATED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL**  
**STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013**

**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 environmental issues.

The financial statements of the Council are a general purpose report which has been prepared in accordance with generally accepted accounting practice.

**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. No adjustment is made for subscriptions received in advance.

Interest received is credited to the statement of financial performance 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) rates allowable by the Inland Revenue Department. The principal rates are as follows.

Furniture and fittings	9.6% - 31.2%	DV
Office equipment	18% - 60%	DV
Leasehold improvements	10% - 12%	DV
Website development	40%	SL

**Leases**

The Council leases a motor vehicle, photocopier and 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 comprehensive income 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.

**Comparative figures**

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

**Differential reporting**

The Council qualifies for differential reporting as it is not publicly accountable and it is not large as defined in the framework for differential reporting. The Council has taken advantage of all available differential reporting exemptions.

**d) Changes in accounting policies**

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

**2. OPERATING REVENUE**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Membership fees	272 681	377 822
Packaging product stewardship scheme	12 907	9 940
Miscellaneous income	35 733	39 202
CANZBAC	674	5 583
PAC-IT Sales	-	35
Awards evenings and sponsorships	-	91 840
	<u>321 995</u>	<u>524 422</u>

**3. OPERATING EXPENSES**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Audit fees	5,800	5,100
Fees paid to the auditor for other services	350	350
Depreciation	5,855	4,706
Rent - Premises	28,450	28,119
Wages and salaries	283,250	287,824
Motor vehicle expenses and leases	13,159	13,063
	<u>336,864</u>	<u>339,162</u>

**4. TAXATION**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Income from non-exempt operations	674	5 618
Interest received	8 294	11 275
Expenses claimed	(8 137)	(12 010)
	<u>831</u>	<u>4 883</u>
Exemption allowed	<u>(831)</u>	<u>(1 000)</u>
Taxable income	-	3 883
Income tax at 28%	-	1 087
Resident withholding tax paid	(1 451)	(2 343)
Taxation payable (refund due)	<u>(1 451)</u>	<u>(1 256)</u>

## 5. FIXED ASSETS

		Accumulated	Book
As at 31 March 2013	Cost	Depreciation	Value
Furniture and fittings	24 202	(19 563)	4 639
Office equipment	42 254	(38 823)	3 431
Leasehold improvements	11 031	(5 915)	5 116
Website development	10 330	(2 410)	7 920
	<u>87 817</u>	<u>(66 711)</u>	<u>21 106</u>
As at 31 March 2012			
Furniture and fittings	24 202	(18 683)	5 519
Office equipment	42 254	(36 944)	5 310
Leasehold improvements	11 031	(5 229)	5 802
	<u>77 487</u>	<u>(60 856)</u>	<u>16 631</u>

## 6. RELATED PARTY TRANSACTIONS

Other than membership fees and related revenues derived from members there were no related party transactions during the year (2012 :nil)

No related party balances have been written off in the period under review (2012: nil).

## 7. OPERATING LEASE COMMITMENTS

	2013	2012
	\$	\$
Current		
Premises	26 000	26 000
Motor vehicle	3 428	10 284
Photocopier	3 104	3 104
	<u>32 532</u>	<u>39 388</u>
Non-current		
Premises	15 167	41 167
Motor vehicle	-	3 428
Photocopier	4 656	7 760
	<u>19 823</u>	<u>52 355</u>
Total	<u>52 355</u>	<u>91 743</u>

### Premises

A lease for the premises situated at 77 Greenmount Drive, East Tamaki was entered into for a term of four years, commencing 1 November 2010 with two rights of renewal for a further four years each.

The lease has been extended for another four years until 1 November 2014. The monthly rental is \$2,167 plus GST (2012: \$2,167 plus GST).

### Motor vehicle

The lease for the motor vehicle (registration number FDG312) is for a period of 45 months and commenced on 27 October 2009 and expires on 27 July 2013. The monthly rental is \$857 plus GST.

### Photocopier

The lease for the Kyocera photocopier was entered into in September 2011 for a term of 48 months. The monthly rental is \$259 plus GST.

## 8. CAPITAL COMMITMENTS

The Council had no capital commitments at balance date (2012: nil).

## 9. CONTINGENT LIABILITIES

As at balance date the Council had no contingent liabilities or assets (2012: nil).

## 10. SUBSEQUENT EVENTS

There have been no events subsequent to balance date which require disclosure in or adjustment to the financial statements (2012: nil).

## MEMBER COMPANIES









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