

NTT Tower 157 Lambton Quay PO Box 1925 Wellington 6140 New Zealand

Tel: 04 496-6555 jtan@exportnz.org.nz www.exportnz.org.nz

Catherine Wedd Chairperson Environment Committee Via Email

10th November 2025

Tēnā koe,

Re: Petition of Consumer NZ: Require Product Repairability Labels

Thank you for the opportunity for ManufacturingNZ to comment on Consumer NZ's petition proposing mandatory repairability labels for domestic appliances.

ManufacturingNZ does not support Consumer NZ's proposal. While we share the objective of encouraging sustainable consumption and reducing waste, mandatory repairability labelling would impose disproportionate costs and compliance burdens on importers, retailers, and consumers, with minimal measurable benefit.

You may be aware that BusinessNZ (ManufacturingNZ's parent organisation) submitted on the Consumer Guarantees (Right to Repair) Amendment Bill earlier this year.

New Zealand is a small market by global standards. Almost all household appliances sold here are manufactured offshore in large, integrated production runs for international markets. Requiring bespoke packaging or product labels for New Zealand would mean costly production changes for what is, globally, a micro-market. In many cases, manufacturers would simply decline to do so, either by limiting the range of goods available here or exiting the market altogether.

Applying labels locally would present similar issues. Retailers would need to source labels, manage multiple versions for different product categories, and cover the labour cost of manual application. Our members indicate that even a simple sticker can cost around 30 cents per unit before labour and administrative costs. These costs ultimately flow through to consumers, increasing the price of appliances without improving repairability outcomes.

It is also important to note that labelling is not costless, which is why there is currently a Regulation NZ inquiry into digital labelling. Businesses already face multiple overlapping labelling requirements, energy ratings, safety marks, recycling information, and warranty notices—all of which carry regulatory and compliance costs. Before adding new obligations, policymakers should carefully assess the cumulative cost burden and consider whether existing frameworks already provide sufficient information for consumers.

From a practical standpoint, physical labels often fail to achieve their intended purpose. External packaging is frequently discarded on delivery, and the idea of de-boxing, labelling, and re-boxing goods is costly, time-consuming, and may risk damaging packaging.

It is also worth emphasising that nothing prevents firms from voluntarily providing repairability information if they view it as a competitive advantage. Many manufacturers are already doing so through product documentation, websites, or digital tools. As technology evolves, digital labelling and QR-code-based systems will make it easier and cheaper to provide detailed information about repairability, spare parts, and environmental performance. However, these systems are still developing internationally, and New Zealand is not yet in a position to set unilateral requirements for global manufacturers.

A small country cannot dictate to large international producers, and imposing unique requirements risks isolating our market and increasing costs to consumers.

While the intent of the petition is positive, ManufacturingNZ's view, supported by our members, is that mandatory repairability labelling would create unnecessary regulatory complexity and market distortions for little practical benefit. Encouraging voluntary labelling, digital innovation, and product stewardship initiatives would be a more effective and proportionate approach.

Yours sincerely,

Joshua Tan

Executive Director

Manufacturing New Zealand

ANNEX 1.

About Business New Zealand

<u>BusinessNZ</u> is New Zealand's largest business advocacy body, representing:

- Regional business groups <u>EMA</u>, <u>Business Central</u>, <u>Business Canterbury</u>, and Business South,
- Major Companies Group of New Zealand's largest businesses,
- Gold Group of medium-sized businesses,
- Affiliated Industries Group of national industry associations,
- ExportNZ representing New Zealand exporting enterprises,
- ManufacturingNZ representing New Zealand manufacturing enterprises,
- <u>Sustainable Business Council</u> of enterprises leading sustainable business practice,
- <u>BusinessNZ Energy Council</u> of enterprises leading sustainable energy production and use.
- <u>Buy NZ Made</u> representing producers, retailers and consumers of New Zealand-made goods.

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the makeup of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation (<u>ILO</u>), the International Organisation of Employers (<u>IOE</u>) and the Business and Industry Advisory Council (<u>BIAC</u>) to the Organisation for Economic Cooperation and Development (<u>OECD</u>).

BusinessNZ Network

