30 January 2020

Ministry for the Environment
PO Box 10362
WELLINGTON 6143

Email: LandfillLevyConsultation@mfe.govt.nz

Dear Sir/Madam

Waikato and Bay of Plenty Waste Liaison Group Submission to Reducing Waste: a more effective landfill levy

Thank you for the opportunity to submit on the proposed Reducing Waste: a more effective landfill levy. Please find attached the Waikato and Bay of Plenty Waste Liaison Group (Waste Liaison Group) staff submission regarding these documents. Some individual councils will be submitting to the consultation in addition to this.

Should you have any queries regarding the content of this document please contact Valerie Bianchi, Education Projects Advisor, Education Team directly on (07) 859 0515 or by email Valerie.bianchi@waikatoregion.govt.nz.

Yours sincerely
On behalf of the Waikato and Bay of Plenty Waste Liaison Group
Valerie Bianchi
Education Projects Advisor
Waikato Regional Council

Submission from the Waikato and Bay of Plenty Waste Liaison Group on the Reducing Waste: a more effective landfill levy

Summary

1. We appreciate the opportunity to make a submission on the **Reducing Waste: a more effective landfill levy**.
2. We support the work MfE is doing in transitioning New Zealand toward a circular economy. The proposed expansion and increase of the landfill levy provides a clear signal from central Government that the current levy system does not sufficiently account for the impact of waste on the environment. The Waikato and Bay of Plenty TA Waste Liaison Group (the TA Waste Liaison Group) continues to support this work.
3. We recognise that disposal to landfills is increasing and this is not sustainable. New Zealand's waste disposal levy is currently too low and narrowly applied to incentivise waste reduction[1]. For example, in the Waikato Region it is estimated that 25.9% of municipal waste is putrescible[2]. Landfilling is currently cheaper than municipal organics collection despite the environmental benefit that composting offers in reducing greenhouse gas emissions, and providing nutrients back to the soil while diverting from landfill where it cannot provide any further benefit.
4. It is important to note that the proposed changes to the waste levy will have impacts on and be impacted by existing legislation. It is important that there is alignment across the legislation to avoid untended consequences or perverse outcomes. In particular, the Litter Act, ETS Trading Scheme, Zero Carbon Act and RMA may all be affected by and affect changes to the waste levy.
5. To enable an increase to the levy to be most effective, alternatives to disposal must be readily available and easily accessible for communities. A waste levy increase should be combined with support for infrastructure, education, and strategic transition to circular economy.
6. TAs need support for changes in data collection requirements, adequate time to make changes, and support to uphold communication about the changes to the public.
7. Farm dumps a concern, especially as a possible place for waste to end up (levy avoidance), but these need to be addressed in conjunction with enhancing rural services, such as mandatory product stewardship.
8. *Overall, we recommend:*
    - The greatest change in waste prevention will be derived from a transition to a circular economy model;
    - An increase and expansion to the landfill levy in order to disincentivise waste production and incentivise resource recovery;
    - Banning or regulating certain products that cannot be circularised;
    - Mandatory economic instruments, such as deposit refund or product stewardship schemes, to encourage circular business practices for problem waste items;
    - National strategies to support waste prevention, including for infrastructure;
    - Comprehensive data collection to drive and monitor progress; and
    - Providing ongoing funding to local government that enhances waste prevention such as for education, programming, and monitoring; and infrastructure.

[1] https://www.wasteminz.org.nz/wp-content/uploads/2017/06/NZ-Waste-Disposal-Levy-Final-Report-Eunomia-30-May-2017.pdf

[2]https://www.waikatoregion.govt.nz/assets/PageFiles/22384-waste-strategy/4546_Waste_Strategy_web_2015.pdf

9. We look forward to future consultation process to incorporate the proposed amendments into relevant statutes and would welcome the opportunity to comment on any issues explored during their development.

Introduction

Established in 1992, the purpose of the Waikato & Bay of Plenty TA Waste Liaison Group is to provide a forum for Waikato and Bay of Plenty regions to come together to discuss shared waste minimisation objectives and achieve waste minimisation, recycling and better management of solid waste through the sharing of information and experiences between district and city council officers, and to coordinate activities between councils and external organisations where appropriate. We have a great opportunity between the regions of the North Island to prevent and divert waste from landfill through shared infrastructure and programmes due to our connections.

The objective of this group is, in part, to prepare recommendations and submissions that reflect the collective agreement of the Waikato & Bay of Plenty TA Waste Liaison Group in regards to significant waste minimisation, management and recycling issues.

As part of the TA Waste Liaison Group, members of this submission include:

Louisa Palmer (Solid Waste Officer, Matamata-Piako District Council)
Steve de Laborde (Kaiwhakahaere Whenua Mahi Punaha Whakamahere
Infrastructure Systems & Planning Manager, Hauraki District Council)
Ilze Kruis (Resource Recovery and Waste Team Leader, Western Bay of Plenty District Council)
Sally Fraser (Waste Minimisation Officer, Waipa District Council)
Reece Irving (Bay of Plenty Regional Council, Senior Regulatory Project Officer)
Parva Zareie (Manager – Waste Minimisation, Waitomo District Council)
Pat Cronin (Waikato District Council)
Nigel Clarke (Manager, Solid Waste, Whakatāne District Council)
Brent Aiken (Asset Manager Solid Waste/Stormwater, Taupō District Council)
Valerie Bianchi (Education Projects Advisor, Waikato Regional Council)

Commentary

Overall, we see the increase and expansion of the waste levy should play a critical role in our transition to a circular economy and meeting the resource recovery challenges currently faced by Aotearoa New Zealand. The points of difference in opinion among the TA Waste Liaison Group with regard to the waste levy have been more around the mechanism of the levy setting. We are still striving for the same intent and outcomes which is to transition to a circular economy, prevent waste, improve data collection, mitigate for perverse behaviours, and continue education.

Our current system of take – make – dispose needs to fundamentally change to better support our relationship with our environment and our obligation to the current and future generations. For any changes to be effective, alternatives to disposal must be readily available and easily accessible for communities. This includes infrastructure, continuing education, product stewardship and an adequate waste levy which all circularise our economy.

Despite three-yearly statutory reviews on the effectiveness of the levy, there have been no changes to the levy rate of $10 per tonne since implementation in 2008. This is contrary to achieving the purpose of

the levy under the Act, to encourage diversion of waste from landfill. In fact, the document for this consultation shows that waste to municipal landfills has risen by 48% in the last decade.

A key rationale for increasing the levy is the anticipated effect that higher disposal costs will have on producer, industry and consumer behaviour. While an increase of the levy to $50 or $60 per tonne appears significant, the actual daily impact of the change at a household level is a matter of cents. While the change may lead to some awareness raising and a level of behaviour change, many households will absorb the cost and continue to direct their waste to landfill. There has been an indication that a waste levy of $140 a tonne will produce the best waste prevention results.

The levy should be set high enough to act as a mechanism to stimulate the circular economy. This will likely mean a period of time where higher volumes continue to go to landfill as society adjusts to designing waste out of the system. For example, construction and demolition waste is currently very high at roughly 30% of the waste we send to landfill in the region. Better design in the associated industries could mean that buildings are made to be dismantled into valued and recoverable resources, thus eliminating waste all together. This will only happen with appropriately created mechanisms and incentives.

We cannot continue on the trajectory of waste and carbon generation that we are currently on. Designing systems that **prevent** both is the only way to ensure the wellbeing and health of our environment and people.

Consultation questions

1. ***Do you agree the current situation of increasing amounts of waste going to landfill needs to change?***

We agree that systems need to change to better support our relationship with our environment and our obligation to the current and future generations. At present we are operating in an economy where we do not pay the true environmental price for our actions. Our current model of take – make – dispose does nothing to incentivise waste prevention or diversion as we know that when our economy does better our waste to landfill increases. There need to be alternatives in place to drive waste prevention and better support of reuse, recycling and recovery of waste within Aotearoa New Zealand rather than sending offshore. Supporting a suite of complimentary systems, such as mandatory product stewardship, education, infrastructure and data collection, as well as increasing and expanding the levy beyond $10 a tonne will help to eliminate and divert materials being wasted.

2. ***Do you have any comments on the preliminary Review of the effectiveness of the waste disposal levy outlined in appendix A?***

The Review of the effectiveness if the waste disposal levy highlights the lack of robust data available and the need to collect more data from a wider range of waste disposal classes in order to (a) quantify waste disposal and (b) encourage waste reduction.

The review should analyse the implications of China's and other countries recycling import restrictions, as well as the Basel Convention amendment 2019 controlling exports of plastic and other hazardous wastes and how these have and will influence future markets.

3. ***Do you think the landfill levy needs to be progressively increased to higher rates in the future (beyond 2023)?***

Yes, the landfill levy should be progressively increased to higher rates beyond 2023 determined by evidence based decision making. The optimal levy rate has been suggested to be $140 per tonne for active waste, $15 per tonne for inert waste and an incineration rate of $40 per tonne[3]. Once an increase is put in place, regular reviews informed by robust data from the levy reporting system should be undertaken to inform if the levy rate is effective to meet the goals. The scenarios in the present consultation propose varying levy rates for different classes of landfill, so the levy differential would need to be assessed and adjusted accordingly based on waste minimisation and levy avoidance data.

We support an ongoing raising of the levy in gradual increments signalled well in advance over a longer time period. Whilst the levy is currently reviewed every 3 years it is noted that councils operate a long term plan on a 10 year timeframe so it would be helpful for local government and business alike if the Ministry for the Environment also developed a longer term plan or forecast for waste minimisation and levy increases.

[3] https://www.wasteminz.org.nz/wp-content/uploads/2017/06/NZ-Waste-Disposal-Levy-Final-Report-Eunomia-30-May-2017.pdf

4. ***Do you support expanding the landfill levy to more landfills, including: i. waste disposed of at industrial monofills (class 1) ii. non-hazardous construction, demolition waste (eg, rubble, concrete, plasterboard, timber) (class 2) iii. contaminated soils and inert materials (class 3 and 4) (whether requiring restrictions on future use of site or not)?***

There are diversion and minimisation opportunities for all classes of landfills. The Waste Liaison Group agrees on extending the landfill levy to all class 1-4 landfills. There was debate among the TA Waste Liaison group around class 5 landfills as extending the levy reduces the risk of unintended consequences such as waste being disposed of inappropriately to avoid the levy. However, there is little diversion potential with class 5 materials as disposal of class 5 will be mainly for purposes of earthworks associated with development and remediation and overburden stripping.

The TA Waste Liaison group agrees that any scenario will have unintended consequences and mitigation of those should be planned for.

5. ***Do you think that some activities, sites, or types of waste should be excluded from being classified as disposal facilities subject to the landfill levy, including: i. cleanfills (class 5) ii. farm dumps iii. any others (eg, any exceptional circumstances)? If so, please specify.***

The categories of landfill in the consultation document and that are proposed to be included or excluded from the levy are based on the descriptions in the Technical Guidelines for Disposal to Land[4]. For the waste levy to be effectively extended, it is recommended that these guidelines are formally adopted by the Ministry for the Environment prior to the expansion of coverage of the levy. Whilst some regional councils have already aligned their definitions of clean fills and other classes of fills to the Technical Guidelines, others have not. We support the Technical Guidelines for Disposal to Land becoming a regulatory document for district planning purposes as having a consistent approach to definitions of fill sites will mitigate the potential for inconsistency across the country.

We also support the definitions from the Technical Guidelines for Disposal to Land to be used in the Emission Trading Scheme (ETS) to ensure consistency across legislation. Given that methane generated at landfills contribute significantly to carbon emissions, there is the opportunity to enhance the effectiveness of the ETS in relation to landfills by using this measure in conjunction with the levy. We recommend that any increases to the ETS are synchronised with the changes proposed to the landfill levy, to measurably reduce environmental impacts on both the emissions and disposal fronts.

There was debate among the TA Waste Liaison Group about whether class 5 landfills should be excluded from the levy. We acknowledge that there is currently limited data available on the number and location and cleanfills and for this reason we strongly encourage the Ministry to establish and enable programmes of work to identify and register clean fills in conjunction with investigation on how they can be monitored and how levy avoidance could be mitigated.

Exclusions

Legacy Landfills

Under the current Waste Minimisation Act 2008, waste generated due to a natural disaster such as an earthquake can qualify for a waste disposal levy exemption. However, a coastal landfill is exposed due to

[4] https://www.wasteminz.org.nz/wp-content/uploads/2016/04/Technical-Guidelines-for-Disposal-to-Land-9Aug18-FINAL.pdf

rising sea levels or flood waters, such as occurred with Fox River, or that needs to be relocated as a preventative measure would not currently qualify for an exemption as climate change is a foreseen event.

We recommend that the Waste Minimisation Act 2008 should be amended to allow for an exemption if waste from a closed landfill is uncovered due to sea level rise, flooding or erosion or if a landfill needs to be relocated due to climate related changes. Firstly, there is no opportunity to minimise or reduce that waste. Secondly, with changing population patterns and the drift from rural to urban living many rural councils will have a much smaller rate payer base now than they had in the past and it may place an overly high burden on existing ratepayers. Finally, in some instances the waste may have already been subject to a levy.

Farm dumps

Farm dumps are essentially an unlined class 1 landfill. They are a large source of contaminant waste that is disposed of within the Waikato and Bay of Plenty Regions and are typically close to waterways where there is high risk of discharge to surface water and groundwater. For example, in 2016 Waikato Regional Council responded to compliance event where a farm dump containing chemicals and their containers was found to be located within 50 metres of a tributary of the Waihou River. This required some extensive remediation which involved Waikato Regional Council, Waipa District Council and the landowner all sharing costs of approximately $25,000. Other councils have reported farm dumps comprising significant tonnages of waste in one instance of up to 20,000 tonnes of waste per annum. In such a situation the farm dump may be operating as an unlicensed landfill on rural land.

The levy system might not be the right tool for dealing with farm dumps as we don't actually want to encourage them at all by allowing them to operate within the levy system. It is important that the risk to the environment that farm dumps pose needs to be managed through an NES. This would ideally mean they are prohibited through such regulation.

One interim option for farm dumps might be an annual fee. While it would be very difficult (and sending the wrong message) to administer a per tonnage levy it may be possible to apply an annual fee for any farmer with an open/active farm dump. The fee could be initially set low but with the intention of gradually increasing it as more rural waste options become available as currently there are not many well supported solutions for dealing with rural waste. The aim would be that farm dumps would be gradually discouraged through an increasing fee structure as alternative options become available including silage wrap being included as a priority product under the proposed Priority Waste Stream for Product Stewardship Intervention. Eventually farms dumps could be prohibited under the above mentioned NES.

We are mindful of the need to increase and improve waste services to the rural sector in conjunction with any regulation or legislation that represents a change to current waste management practices. Establishing effective product stewardship schemes and increased waste levy funding to other classes of landfill could assist that.

6. ***Do you have any views on how sites that are not intended to be subject to a levy should be defined (eg, remediation sites, subdivision works)?***

Most TA Waste Liaison Members support the intention that the expanded levy would only cover sites acting as managed or controlled fills[5] where the primary purpose is the permanent disposal of unwanted materials. There are valid reasons why someone might be using fill for geotechnical purposes or as part of a site development or remediation where fill is not being disposed of as a waste. However, we do not support the site remediation exclusion example provided of *the infilling of a quarry after it ceases operation* as this is going to mostly involve receipt of payment by the quarry operator and would result in many managed and controlled fill sites from being excluded from the levy. However, one justifiable exclusion for infilling a quarry could be where that material was overburden from the wider site but that would fall under the definition of cleanfill/virgin excavated soil anyway.

We also suggest that should any waste to energy plants be established, they should also be subject to a levy. Waste to energy encourages continued linear behaviour of buy – use - throw away and do not support a circular economy, as well other negative issues.

7. ***Do you prefer the proposed rate for municipal (class 1) landfills of: i. $50 per tonne ii. $60 per tonne iii. other (please specify eg, should the rate be higher or lower)?***

We believe that the levy rate needs to be considerably higher than $50 - $60 per tonne if we are to see waste diversion and minimisation outcomes maximized. Best practice has signalled a levy rate of $140 a tonne[6]. Whether the levy is set at $50 or $60 a tonne in the next three years should not get in the way of a rate being established that will support effective waste prevention.

8. ***Do you think that the levy rate should be the same for all waste types? If not: i. should the levy be highest for municipal landfills (class 1)? ii. should the levy be lower for industrial monofills (class 1) than municipal landfills (class 1)? iii. should the levy be lower for construction and demolition sites (class 2) than municipal landfills (class 1)? iv. should the levy be lowest for contaminated soils and other inert materials (class 3 and 4)? v. should a lower levy apply for specified by-products of recycling operations?***

In principal, a higher levy should apply to waste that has alternative options for waste reduction, recovery, reuse and recycling. There is a good case for setting a similar levy for Class 1 and 2.

The levy should be lower for Class 3 and 4 as there are less options available for avoiding disposal. However, the levy fee should still be set at a level that is sufficient to encourage alternative options such as onsite management such as encapsulation, covering under carparks or building platforms or a tier 2[7] risk assessment in order to reduce the need to remove soils on site where the tier 2 risk

[5] Predominantly clean fill material that may also contain inert construction and demolition materials and soils from sites that may have contaminant concentrations in excess of local background concentrations, but with specified maximum total concentrations that will not restrict future land use.

[6] https://www.wasteminz.org.nz/wp-content/uploads/2017/06/NZ-Waste-Disposal-Levy-Final-Report-Eunomia-30-May-2017.pdf

[7] Site-specific or 'Tier 2' assessment in contaminated site practice is using site-specific information to modify the generic assumptions used for the SGV derivation; this will more accurately estimate a person's exposure and therefore the risk to human health for the particular situation

assessment indicates that a higher contaminant concentration will not pose an increased risk to human health if it remains on site. Therefore, consideration of a higher rate than $10 is appropriate but the rate should not be set as high as Class 1 and 2. This is because in many cases, leaving the material on site is not possible due to the size of the site and the geotechnical unsuitability of the soil material (in a lot of cases it is the top soil that is mostly contaminated which is the soil that is least suitable for building on), and therefore disposal to a controlled fill or managed fill site is the only option.

This however, doesn't apply to those inert fill materials such as concrete and bricks etc. which often go to controlled fill and managed fill sites. There is a case for applying a higher levy to those types of fill material which are essentially inert construction and demolition waste (Class 2) as it is often quite possible to re-purpose these materials. This could however, get complicated for administering as they would need to be weighed out separately and often they may arrive together mixed with soil material. This may drive a more responsible separation of materials prior to transport and disposal if these are required to be levied at a different rate.

The intent of a lower levy for specified by-products of recycling operations is clear, but it is possible that this could be open to misuse and would need to be carefully monitored and audited which could increase administrative costs. It may be better to use the collected levy to provide ways of better supporting recycling operations through other mechanisms.

If different rates are put in place, mitigation measures need to be put in established in conjunction to avoid perverse outcomes. In addition, alignment needs to be made between waste levy regulation and other legislation that can support enforcement.

9. ***Do you support phasing in of changes to the levy, and if so, which option do you prefer – increase then expand (option A); expand and increase (option B); expand then increase (option C); expand then higher increase (option D); or none of the above?***

A number of implementation options are possible for the levy with MfE outlining 4 suggested options in the consultation document with a wider number of options presented in the report *Estimates of extending and raising levy analysis* by NZIER for the Ministry for the Environment. The merits of each option are mixed so the Ministry should consider some key principals and put measures in place to mitigate any negative outcomes. The key concerns for Regional Councils and TAs is their ability to implement changes in time; and mitigation measures are in place to prevent potential perverse outcomes from levy avoidance disposal behaviour.

Timing

If the levy is initially only increased, then most councils would be able to incorporate this into their annual and long-term planning processes by July 2021. However, if an increase was planned for July 2020 i.e. **Option A** councils would need a minimum of 3 months notice or longer in order to be able to incorporate that increase into their budgetary processes.

If the levy is expanded a longer lead-in time would be needed.

Changes that some councils would need to make if the levy was expanded include:

- Redefining existing landfill classes to make sure they comply with the definitions in Technical Guidelines for Disposal to Land

- Changing or amending software used at weighbridges to comply with any data reporting requirements
- Creating reporting processes for reporting on data from transfer stations. Currently at least 15 transfer stations which process more than 1,000 tonnes per annum do not have a weighbridge so some councils may need to install weighbridges. Other councils have unmanned transfer stations and fills.

Many rural councils have only a part time FTE allocated to the waste portfolio, yet many rural councils have multiple transfer stations servicing small communities. For example, Thames Coromandel has 7 transfer stations and a Solid Waste Contract Manager shared between Thames Coromandel and Hauraki Districts.

A National Waste Data Framework would also need to be agreed upon to ensure that data was reported in a consistent manner.

There is concern from councils that regardless of which option is chosen the Ministry will not provide sufficient lead-in time for councils to make a smooth transition. For options **B, C, and D** most councils would need a minimum of **12 months** to implement any expansion once the Ministry had finalized the exact details i.e. reporting categories etc. and 18 months from the date of any initial announcement.

Perverse outcomes

We are strongly concerned at the potential for levy avoidance behaviour in particular inappropriate disposal of waste at landfills with cheaper disposal fees, to farm dumps or through fly tipping. Remediation of these events are a detriment to our environment, expensive to manage and time consuming. For example, last year, Waikato Regional Council, Thames Coromandel District Council and Land Transport NZ were involved in an incident with historic dumping of asbestos oyster/mussel trays on the Thames Coast (Manaia) coast line which was exposed with recent storm weather conditions over the past couple of years. This also involved massive resources to test the trays and verify the asbestos, the contracting of suitably qualified asbestos removal companies with associated health and safety (SHE) administration, contract drafts etc. An increase and expansion of the waste levy is fully supported, but complimentary measures need to be in place to prevent waste going to the wrong class of landfill and to prevent waste disposed of on farm dumps or through illegal dumping. For example, the Litter Act currently not well utilised as it is impractical to enforce.

10. Do you think any changes are required to the existing ways of measuring waste quantities in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009?

We recommend some more specific conversion factors be developed as the application of the levy across Classes 1,2,3 and 4 will require more specific identification and quantification of different waste streams meaning more accurate conversion factors are required.

11. Do you think any changes are required to the definitions in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009?

The definition of a disposal facility should be made more specific to align with the current 5 classification system.

12. What do you think about the levy investment plan?

The Waste Liaison Group supports the development of a levy investment plan and agree with the six priorities listed in the consultation document, but note that:

The six priorities listed are very broad and could encompass almost any project so more detail guidance could add a strategic lens. In 2013, the Ministry developed a framework for assessing waste streams by priority. The tool assessed different waste types using three criteria – risk of harm, quantity of waste, and benefits from minimisation – and developed a simple rating for each waste type. Levy investment money should be directed toward our biggest waste streams (such as construction and demolition waste) and combined with supporting innovation at the highest rungs of the waste hierarchy. This should support research and design to design out waste and get viable alternatives to difficult to recycle or dangerous products. The creation of an investment plan could include such a framework to determine expenditure priority.

A longer strategic view to priority areas may also help TA alignment. TA Levy spending is in alignment with WMMPs which are on a 6 yearly rotation, while Central Government can change every 3 years. Thus there can be time to adjust to new priorities.

We support the proposal to invest in measures to combat inappropriate forms of disposal, and would like to see local authorities enabled to use part of their Waste Minimisation Fund allocation to increase monitoring and enforcement action following fly-tipping. However, monitoring and enforcement of the levy, including measures to combat inappropriate forms of disposal (littering, fly tipping, illegal dumping); and data on waste quantities and composition, behavior or economic incentives may not strictly meet the criteria under the existing wording of the Waste Minimisation Act as Section 32 1a states that levy expenditure must be spent on matters to promote or achieve waste minimisation.

Two additional priorities also include:

- initiatives that have the potential to prevent waste being created in the first instance i.e. waste avoidance. For example, the redesign of products; and
- ongoing education and behavior change initiatives. For example, the funding of programs such as Para Kore Marae Incorporated and Enviroschools. Public understanding and support of waste minimisation and the circular economy is crucial to the success of other waste minimisation initiatives. If Aotearoa New Zealand is transitioning to a circular economy and is serious about environmental risk and climate change, then this type of learning should be part of the national education curriculum.

The TA Waste Liaison Group also suggests that the WMF should have the flexibility to address past as well as future waste issues. To date, WFM has been future facing and hasn't been amenable to addressing legacy issues such as farm dumps.

We ask the Ministry for the Environment to also consider placing a climate lens over the levy investment plan, prioritising projects and initiatives that have a clear climate change mitigation or adaptation focus in line with the Zero Carbon Act, which allows decision-makers to make specific considerations to climate impacts. In particular, both construction and demolition waste and organic waste including both food and biosolids make a significant contribution to the total tonnage of waste to landfill and contribute significantly to methane emissions from landfill. These have huge diversion potential and a combination

of increasing the levy while investing in projects which aim to circularise these waste types could have very positive outcomes for waste and methane prevention.

If the levy revenue is to increase, this should be protected and spending should be linked to the waste investment plan rather than being used for other purposes.

Administration

The TA Waste Liaison Group suggests that the levy fund could be administered by a decentralised waste authority. This would allow funding to be distributed without political intervention so that there could be long term strategic direction for efficient and effective spending of the levy on projects that support a circular economy and product stewardship.

Discrete v ongoing funding

The consultation document suggests that levy funding should primarily be discrete rather than ongoing; and that levy funding should be directed to initiatives that need capital at the start to cover setup costs that might otherwise be uneconomical, but over time can become self-sustaining.

A number of TAs use waste minimisation funding for waste minimisation staff or to fund educational programs such as Enviroschools, Para Kore Marae Incorporated, and/or Waste Free Parenting workshops. Whilst the programs remain the same, the participants change as new children and new parents learn about waste minimisation. Equally some programs may never become self-sustaining until compulsory product stewardship schemes are implemented. Some councils also use waste levy funding for e-waste, hazardous chemical and farm chemical collections which are ongoing.

50% funding split

Councils are uniquely placed to reach and understand the needs of local communities and influence behaviour, regularly consulting with and engaging ratepayers as well as working alongside industry where possible. Councils who have adequate resources to put in to waste prevention and minimisation programming are in the community, working with groups, marae, businesses, and other local government to helping them engage in waste minimisation. A number of councils have set up their own waste minimisation funds which businesses and community groups can apply to for smaller scale projects. These smaller funds are an excellent resource for community that support local solutions. The work councils do in connection with the community cannot be emphasised enough and groups like the Waste Liaison group act to improve collaboration and sharing of best practice.

TAs are currently reporting at the level and mandatory nature as set out by the Ministry and are willing to report at a higher, compulsory, more in-depth level if the funding level is similarly increased and reporting is standardised.

We note that the current 50% split to TAs on a per head of population basis has left smaller councils at a disadvantage. Some smaller councils, such as Waitomo with 9,000 residents, have very high overseas visitor numbers (for example approximately half a million yearly in Waitomo) and these councils are struggling to provide the infrastructure required from their rates and waste levy funding. Other smaller councils have geographical challenges in terms of distance from markets or have a number of smaller

communities where there need to replicate services and cannot benefit from the economies of scale that larger councils can. We suggest a review of how the 50% of council funding is shared and suggests that a more equitable approach would be to allocate a minimum level of levy funding per council thus enabling even smaller councils to attract skilled staff to develop and implement effective programs to promote and achieve waste minimisation.

We also raise the issue that although regional councils have the responsibility for managing discharges to land from waste disposal facilities, they do not receive WMF funds to assist with this; and instead have to compete for contestable funds. We believe that there is scope for some of the fund to be available to Regional Councils for collaborative and cross-boundary projects; which could include legacy farm dumps and practical alternatives to support farmers. Regional Councils will also have more of a role to play in environmental monitoring, compliance and enforcement and should be supported to do this adequately.

Governance

We are of the opinion that central government should consider the implementation of a governing body to oversee the investment, implementation and future management of new infrastructure resulting from levy spend. As private industry has previously controlled waste diversion industry they have therefore also controlled markets and their availability. A governing body to control any future industry and markets would mean that less profitable recyclables still get recycled, pricing could be fixed and markets could be available to all irrespective of diverted amounts and distance.

13. If the Waste Minimisation Act 2008 were to be reviewed in the future, what are the changes you would like a review to consider?

As noted previously under question 5 - Exclusions, the Waste Liaison Group recommends that the Waste Minimisation Act 2008 should be amended to allow for an exemption if waste from a closed landfill is uncovered due to sea level rise/erosion and /or flooding or if a landfill needs to be relocated due to sea level rise. Firstly, there is no opportunity to minimise or reduce that waste. Secondly, with changing population patterns and the drift from rural to urban living many rural councils will have a much smaller rate payer base now than they had in the past and it may place an overly high burden on existing ratepayers.

Secondly, the wording of the Act may need to be amended to allow monitoring and enforcement of the levy; data on waste quantities and composition; ongoing behaviour change and education; and economic incentives eligible to be funded by the levy. The specified rate of levy (section 27) will need to be amended to align with the outcome of the current levy expansion proposal. There also needs to be amendment to section 32 relating to Spending of levy money by territorial authorities and also section 33 (secretary spending of levy instead of TAs in certain circumstances and also section 37. In summary, there needs to be more specificity around what the levy can be spent on and there needs to be accountability and reporting requirements.

14. Do you agree that waste data needs to be improved?

The TA Waste Liaison Group strongly agreed that waste data needs to be improved and a national waste data framework implemented so that data currently collected can be accurately aggregated at a national level. Better waste data will have a significant positive effect across all aspects of the sector. It will allow councils, the private and community sectors, and Government to benchmark their performance, identify

areas where performance could be improved, plan with greater confidence, and to monitor and measure the effectiveness of actions.

New Zealand lacks comprehensive, reliable waste data. We have good data on the quantity of material that goes to Class 1 (levied) disposal sites, and most councils hold reasonable data on the waste that they manage through their services and facilities. But there is very poor data on the total amount of waste generated, the amount of material that goes to Class 2-4 disposal sites and farm dumps, material that is collected or managed by private operators, and material that is recycled and recovered. This means that our overall understanding of waste flows is severely limited.

Three key actions are required to improve waste data

- Require (under section 37 of the WMA) the Waste Data Framework to be used by TAs for compiling and reporting data.
- Develop and implement regulations under Section 86 of the WMA to provide a mechanism for requiring reporting of recovered material data.
- Establish a platform for key parties to enter data into, compile data, and make aggregated data available which will support both MfE and local government's data needs.
- Establish data standardization so there is consistency and ease of data analysis

15. ***If the waste data proposals outlined are likely to apply to you or your organisation, can you estimate any costs you would expect to incur to collect, store and report such information? What challenges might you face in complying with the proposed reporting requirements for waste data?***

The Waste Liaison Group acknowledges every council will face its own unique challenges in complying with the data reporting requirements.

The current reporting system lies heavily on reported the amount of diverted waste, however, in many projects implemented by local authority WLF spend this is hard to measure, for example school and other educational programmes. Further thought is needed on how to measure the success of such programmes.

Should the National Waste Data Framework (NWDF) become a requirement, territorial authorities (and other parties) will require assistance on its implementation and use. Any such implementation would require changes to council facilities recording including weighbridge software, internal reporting methods – including reports to council and possibly council plans, and reporting to MfE. Any changes to the current system will require resources for training, online reporting facilities (both for reporting to and from local councils), and reporting templates. Whakatāne District Council recently looked at implementing the NWDF at their transfer station and found that trying to class the NWDF source of mixed loads creates many issues for data reporting. Thus any changes would require considerable resources. Consideration should be given whether to use levy revenue to help implement any data requirements for territorial authorities.

The TA Waste Liaison Group also suggests Central government should also consider a national educational campaign on levy changes which makes it clear that these changes are not local authority changes, but national ones. In effect any extra levy is going to increase local authority rates. Ratepayers will therefore believe the changes are a result of local council decisions and it needs to be made clear that this is not the case.

The Waikato and Bay of Plenty Waste Liaison Group are currently working on a project to implement cross-regional waste operator licensing and data recording. This project could be used as a learning experience, pilot project or even expanded to accommodate future levy reporting requirements.

Overall it is anticipated that TAs will need time and funding for reporting, implementation and monitoring; and some TAs might need to employ a staff member to carry out their council's waste portfolio with the expansion of this work.

16. What are the main costs and benefits for you of the proposals to increase the levy rate for municipal landfills, expand the levy to additional sites and improve waste data?

Costs

As previously discussed, costs to councils could be incurred such as setting up weigh bridges, employing additional staff, and costs associated with data collection and reporting. For example, Taupō District Council currently has 5 facilities without any measuring capability, apart from when it is transferred to final disposal. There are thus price implications for exiting services such as kerbside collections in addition to gate prices. Extra cost will have to be placed on refuse bags or bins funded by either user pays or rates, so time will be needed to determine the best way to deal with the increase in cost.

There could be increased costs for enforcement in the short term if implementation of the levy results in unintended consequences such as an increase in fly tipping and other unauthorised and inappropriate disposal methods. This is why maximum benefit will be realised through setting the levy rate across different landfill classes in a way that minimises this from happening and also by using the levy effectively to develop supporting technologies that reduce the need for waste disposal.

Benefits

One of the anticipated benefits relate to better long term environmental outcomes. If the waste levy is set high enough to inspire systems change and mitigation measures are in place to cope with perverse behaviours, then reduced discharge to the environment will put us in a better position to sustainably manage our natural and physical resources.

Additional funding is a clear benefit as this money can support innovation, education and infrastructure that will prevent waste. An increase in available data would allow a more precise waste assessment and clearer picture of waste flows within the district. This allows the identification of new diversion opportunities.

In order to ensure the successfulness of expanding the levy, the proposed Priority Waste Stream for Product Stewardship Intervention should be extended to include treated timber as a priority product which is currently a significant contributor to landfill waste. Currently there is little incentive for the development of processing technologies for CCA treated timber waste or for replacing CCA treatment with alternative treatments that pose less risk to the environment.

17. Additional Comments

Alignment across Legislation

It is important that there is alignment across legislation. In particular the TA Waste Liaison Group has concerns over the effectiveness of the Litter Act given that an increase in illegal dumping and fly tipping may occur. Many councils have found it very difficult to enforce the provisions of the Litter Act as it currently stands, as there is a high threshold for the evidence required to issue an infringement, and the cost of chasing fines often outweighs the fine itself. On this basis, it is necessary to review the Litter Act in line with the introduction of the expanded waste levy to enable more effective enforcement.

Furthermore, councils will need to be well resourced to carry out the regular monitoring that will be necessary to minimise instances of illegal dumping. While the Ministry's proposals suggests that enforcement activities can be funded through the council allocation of the WMF, bylaws for this types of enforcement would be established under the Litter Act, not the Waste Management Act 2008 (WMA) to which the fund relates.