Community Reuse Centre Establishment Guide

October 2012

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Introduction

During 2011, a reuse centre was established in Whakatane, Eastern Bay of Plenty. The establishment phase of the centre was supported by Waste Minimisation Funding.

One of the aims was the production of an 'establishment guide' for reuse centres. During the early stages of research for potential establishment of a reuse centre in Whakatane, it was recognised that there was little information available to support those considering the establishment of this type of facility. While there are several well-established reuse centres in New Zealand, there is little formal documentation available around health and safety, material acceptance criteria, diversion potential, or operating procedures.

Reuse centres are frequently established and run by community-based organisations[1], a sector that is often lacking in technical expertise or the financial resources to buy in any expertise needed. A number of issues were identified during the establishment of the Whakatane reuse centre that would be common across most reuse centres in New Zealand. A large amount of formal documentation and processes were also produced which would apply to the majority of reuse centres.

This establishment guide has been developed to provide guidance, information, standard documentation and templates to any groups planning to establish a reuse centre.

1.1 Reuse Centres

For the purposes of this report, reuse centres are considered to be facilities that focus on the diversion of materials and items from the residual waste stream, largely through reuse but also with some recycling activity.

The Waste Minimisation Act (2008) defines these functions as:

> *Reuse: "the further use of waste or diverted material in its existing form for the original purpose of the materials or products that constitute the waste or diverted material, or for a similar purpose"*
>
> *Recycling: "the reprocessing of waste or diverted material to produce new materials"*

Recycling often occurs when an item is of limited use in its existing form, but with minor modifications or additions, can become a new item or material that is in demand. At the time of writing this report, non-technical terms for this activity include 'repurposing' or 'upcycling'. Various other terms have been used to describe this activity in the past.

Items and materials are then offered for sale back to the community.

Reuse centres sometimes also collect commodities for recycling, and consolidate residual waste for transfer or disposal. However for the purposes of this report, we will be focusing on the 'reuse' and 'recycling' activities described above.

Reuse centres are not new. A number of charitable and religious organisations have run reuse shops for some time, including the Salvation Army, Red Cross, and Hospice. However these outlets focus on items of high resale value and ease of storage and display; restricting them to smaller items. The most common material streams noted in these types of reuse centres are clothing, books, and small household items or bric-a-brac. It is less common for a reuse centre of this kind to deal in furniture or larger household items, or to stock electrical

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[1] Of those consulted during the production of the establishment guide, only one was run by a commercial entity.

appliances. The income from these stores is used to support the activities of the charitable or religious organisation and therefore the stores are intended to make a profit.

These type of reuse centres also rely on donations of items being delivered to them. For the purposes of this report, we will refer to these outlets as 'charity shops'.

In comparison, the reuse centre that has been appearing more frequently in New Zealand over the last ten years focuses on items that are of lower value and have not traditionally been the focus of charity shops. Often these items may require a larger area for storage and display, require some modification or repair before they can be sold, or are sold for the purposes of modification or repair.

The material and items that are stocked in these reuse centres are often recovered directly from the residual waste stream, either through an agreement with transfer stations or landfills, or through direct delivery by customers as an alternative to final disposal.

These reuse centres are also often not-for-profit, with the focus being instead on diverting waste from landfill, and only recovering enough value from the items to support the ongoing activities of the reuse centre. Where surplus income is received, this is often invested into further waste recovery activities or other areas that support this activity in some way, such as waste education centres.

As such, reuse centres are often located near to transfer stations or landfills, rather than in retail centres. They can often become a hub for a wide range of waste recovery activities.

Reuse centres are usually community-based and staffed with a mixture of paid and volunteer staff, and this is likely a key to their success. Reuse of waste is often a very marginal activity – as demonstrated by the almost total lack of commercial reuse centres, with the exception in some places of construction and demolition waste.

1.2 The Establishment Guide

Current legislation, including the Waste Minimisation Act and the Emissions Trading Act, are driving the ongoing pressure for diversion of waste from landfill. However with many local authorities throughout New Zealand being well established in the recycling and recovery of waste, reuse is becoming 'the new frontier' for waste reduction and can make a significant contribution to waste diversion targets.

This guide is intended to support the establishment of reuse centres in New Zealand communities.

Reuse of waste can be a difficult area to implement successfully, and community-based reuse centres may be a feasible option in many parts of New Zealand. The exact function and format of these reuse centres is likely to vary between communities. This report will set out the areas which are likely to be common to all reuse centres, and make some recommendations for options in other operational areas.

This report should be used by any group or agency that is considering the establishment of a reuse centre in their community.

The Need for Reuse Centres

A reuse centre can make a significant contribution to the diversion of waste from disposal, whether landfill or cleanfill. They target waste items and materials that are 'reusable' according to the Waste Minimisation Act definitions – such as furniture, household items, some construction and demolition waste, and electrical and electronic waste.

This diversion activity can contribute to strategic and policy outcomes at a range of levels.

1.3 Local Waste Management

As a requirement under the Waste Minimisation Act, all local authorities in New Zealand have completed a Waste Assessment, and most have adopted a Waste Management and Minimisation Plan.

Waste Assessments show what waste is present in a community, and where it is going. One waste stream frequently identified in the Waste Assessment is material going to disposal – usually landfill but sometimes cleanfill disposal – that could potentially be reused. This waste stream is often reasonably significant, despite the majority of communities having a strong charity shop presence.

This suggests that there is a place for a reuse centre, as described in this guide, in the majority of New Zealand communities.

Many Waste Management and Minimisation Plans have identified this waste stream as an area of potential action that could contribute to the achievement of waste diversion and reduction goals.

1.4 Regional Waste Management

While Regional Councils have no formal waste management responsibilities, many have produced regional waste strategies. The strategies also often identify reusable waste as an area of potential action to achieve waste diversion.

1.5 National Waste Management

There are a number of key national policies, initiatives, and legislation that reuse centres are influenced by, and can contribute towards.

1.5.1 Waste Minimisation Act

The Waste Minimisation Act 2008 (WMA) provides a regulatory framework for waste minimisation that had previously been based on largely voluntary initiatives and the involvement of territorial authorities under previous legislation, including the Local Government Act 1974, Local Government Amendment Act (No 4) 1996, and Local Government Act 2002. The purpose of the WMA is to encourage a reduction in the amount of waste disposed of in New Zealand.

In summary, the WMA:

- Clarifies the roles and responsibilities of territorial authorities with respect to waste minimisation e.g. updating Waste Management and Minimisation Plans (WMMPs) and collecting/administering levy funding for waste minimisation projects
- Requires that a Territorial Authority promote effective and efficient waste management and minimisation within its district (Section 42)

- Requires that when preparing a WMMP a Territorial Authority must consider the following methods of waste management and minimisation in the following order of importance:
    - Reduction
    - Reuse
    - Recycling
    - Recovery
    - Treatment
    - Disposal
- Puts a levy on all waste disposed of in a landfill, initially at $10 per tonne effective as of 1st July 2009; 50% of the funds collected will be provided to Territorial Authorities to be spent on the implementation of their Waste Minimisation and Management Plans. The remainder, less any administration costs, will go into a contestable fund for waste minimisation initiatives. The levy will help de-incentivise landfill and levy funding is potentially available to assist reuse projects;
- Facilitates or enforces producers, brand owners, importers, retailers, consumers and other parties to take responsibility for the environmental effects of their products – from 'cradle-to-grave' through voluntary and mandatory product stewardship schemes. Reuse centres may deal with these products in their waste streams or can be party to voluntary programmes;
- Allows for regulations to be made making it mandatory for certain groups (for example, landfill operators) to report on waste to improve information on waste minimisation. This will impact on councils owning or operating landfills
- Introduces a new Waste Advisory Board to give independent advice to the Minister for the Environment on waste minimisation issues.

Various aspects of the Waste Minimisation Act are discussed in more detail below.

1.5.2 National Waste Disposal Levy

From 1st July 2009 the waste disposal levy came in to effect, adding $10 per tonne to the cost of landfill disposal. At $10 a tonne, the levy is not expected in the short term to encourage the use of alternatives to landfilling waste. While the Government has indicated that the levy is likely to increase, timeframes surrounding the increase are currently unknown. Nevertheless, if and when an increase is announced the impact of the levy will become gradually more significant, providing a clear driver to reduce waste to landfill to reduce costs.

1.5.3 Product Stewardship

The Waste Minimisation Act (2008) (Part 2) makes provision for the government to introduce a requirement for products to be declared 'Priority Products' and for such products to be required to be part of a Product Stewardship Scheme. The purpose of Product Stewardship schemes are to ensure effective reduction, reuse, recycling or recovery of the product and to manage any environmental harm arising from the product when it becomes waste[2].

[2] Waste Management Act 2008 2(8)

Priority products can be an area of opportunity for reuse centres, as product stewardship schemes may require that collection and bulking points are provided in communities as part of a product stewardship scheme for these products.

The Ministry for the Environment's 2009 discussion document[3] identified three wastes: Agricultural Chemicals, Used Oil and Refrigerant Gases as primary candidates for Priority Products. A further 8 products were identified as potential priority products including computers and electronic equipment, packaging, paint, plasterboard and tyres. Several of these products are the subject of voluntary schemes currently and the Government has indicated it will monitor the outcomes of these voluntary schemes before deciding on their priority product status.

The following schemes have currently been accredited by the Minister for the Environment:

- Geocycle Holcim Used Oil Recovery Scheme – used oil collection and disposal scheme.
- The Plasback™ - scheme to recover used farm plastics for recycling.
- The Glass Packaging Forum's glass packaging product stewardship scheme - scheme for reducing the amount of glass packaging sent to landfill.
- Agrecovery Rural Recycling Programme– scheme to recover agrichemical plastic containers, silage wrap, crop protection net and agrichemicals.
- Refrigerants Recovery- scheme to collect and destruct unwanted synthetic refrigerants, chlorofluorocarbons, hydrochlorofluorocarbons and hydrofluorocarbons.
- Paintwise – allows Resene customers to responsibly dispose of their unwanted paint and paint packaging at one of many locations across New Zealand.
- ROSE – Used oil recovery programme, designed for users, oil producers and regulators to collect, transport, use and dispose of used oil in an environmentally sound manner.

1.5.4 Waste Minimisation Fund

The Waste Minimisation Fund (WMF) has been set up by the Ministry for the Environment to distribute waste disposal levy money not paid to territorial authorities or used in the administration of the levy. The intent of the WMF is to help fund waste minimisation projects and to improve New Zealand's waste minimisation performance through:

- Investment in infrastructure;
- Investment in waste minimisation systems and
- Increasing educational and promotional capacity.

The published criteria for the Waste Minimisation Fund are as follows:

1. *Only waste minimisation projects are eligible for funding. Projects must promote or achieve waste minimisation. Waste minimisation covers the reduction of waste and the reuse, recycling and recovery of waste and diverted material. The scope of the fund includes educational projects that promote waste minimisation activity.*

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[3] Ministry for the Environment (2009), *Waste Minimisation in New Zealand – A discussion Document from the Ministry for the Environment*. Wellington

2. *Projects must result in new waste minimisation activity, either by implementing new initiatives or a significant expansion in the scope or coverage of existing activities.*
3. *Funding is not for the ongoing financial support of existing activities, nor is it for the running costs of the existing activities of organisations, individuals, councils or firms.*
4. *Projects should be for a discrete timeframe of up to three years, after which the project objectives will have been achieved and, where appropriate, the initiative will become self-funding.*
5. *Funding can be for operational or capital expenditure required to undertake a project.*
6. *For projects where alternative, more suitable, Government funding streams are available (such as the Sustainable Management Fund, the Contaminated Sites Remediation Fund, or research funding from the Foundation for Research, Science and Technology), applicants should apply to these funding sources before applying to the Waste Minimisation Fund.*
7. *The applicant must be a legal entity.*
8. *The fund will not cover the entire cost of the project. Applicants will need part funding from other sources.*
9. *The minimum grant for feasibility studies will be $10,000.00. The minimum grant for other projects will be $50,000.00.*

(Source: www.mfe.govt.nz)

Assessment criteria have also been published by the Ministry, and workshops have been held around New Zealand to explain the application process and the criteria. Those applying for funding need to remember the goals of the Fund, and ensure that their application demonstrates a contribution to these goals.

The latest information available on the Fund suggests that the main assessment point is likely to be what the Ministry describe as 'largest net benefit over time' e.g. amount of waste diverted from landfill per dollar of funding), alongside supporting criteria such as likelihood of success, reducing environmental harm, wider sustainability benefits, and longevity. Projects that can act as trailblazers for the rest of New Zealand will also be favoured. The Ministry strongly encourages partnership working and collaboration.

While no minimum 'match' funding has been specified, the Ministry has made it clear that projects with higher levels of match funding will be seen as demonstrating successful collaboration and a greater likelihood of success and longevity.

There have been two WMF fund application periods per year since the fund started. See www.mfe.govt.nz for more information on the current availability of funds and deadlines for application.

A number of Waste Minimisation Funded projects present opportunities for reuse centres, such as the RCN e-Cycle scheme; collecting e-waste from household consumers and small businesses, through a number of outlets around New Zealand. Reuse Centres are a potential location for a collection and bulking point for the e-Cycle system.

1.5.5 TV Takeback Scheme

In September 2012, the Ministry for the Environment announced a national scheme to encourage the recycling of unwanted televisions. The scheme was launched in Hawke's Bay and the West Coast in October 2012 to coincide with the switch to digital transmission, and extended nationwide in 2013.

It is likely that there will be an initial period of no charge to dispose of unwanted televisions in each area, and following this period charges will be subsidised. The implementation of the

takeback scheme in each area is yet to be decided and there are clear opportunities for reuse centres to be involved in this scheme. The programme is funded from the Waste Minimisation Fund.

1.5.6 Emissions Trading Scheme (ETS)

The Climate Change (Emissions Trading) Amendment Act 2008 will require landfill owners to surrender emission units to cover methane emissions generated from the landfill, thereby impacting upon the cost of landfilling. Should any future solid waste incineration plants be constructed, the Act would also require emission units to be surrendered to cover carbon dioxide, methane and nitrous oxide emissions from the incineration of household wastes. The waste sector formally entered the ETS on 1 January 2011, at which time disposal facility operators (DFOs) can commence voluntary reporting. Mandatory reporting requirements will apply from January 2012 and emission units will need to be surrendered as of January 2013.

Emissions for waste will be accounted for within the year that the waste is disposed of to landfill – i.e. the total amount of methane that waste is expected to produce will be calculated, reported, and require emission units (NZUs) in the year it goes to landfill. This does mean that closed landfills will not require any reporting or NZUs. 'Legacy' closed landfills have been excluded from the ETS.

The definition of a disposal facility will be the same as applies in the Waste Minimisation Act (2008).

The NZETS is likely to have an impact on the cost of disposal, and this will further incentivise alternatives to landfill disposal.

1.5.7 NZ Waste Strategy

The revised NZWS was released in October 2010. The new strategy adopts two of the three overarching goals from the previous (2002) NZWS. These are:

1. Reducing the harmful effects of waste
2. Improving the efficiency of resource use

The NZWS 2010 is a departure from the previous strategy in that it has moved away from an overarching objective of 'zero waste', and that it does not present any specific targets for waste minimisation.

The intent of the 2010 strategy is to enable a more flexible approach to waste management and encourage development of locally-appropriate targets and solutions, and to efficiently allocate waste management and minimisation effort and resources.

The promotion of these two overarching goals provides a useful measure against which to evaluate the objectives of a Waste Management and Minimisation Plan – in other words: to what extent do the proposed initiatives in the plan reduce the harmful effects of waste and improve the efficiency of resource use?

The harmful effects of waste can be reduced by reducing the quantities of waste to landfill and by improving management of potentially hazardous wastes, such as through product stewardship schemes. Similarly the efficiency of resource use can be improved through increased reuse, recycling and recovery of materials.

1.5.7.1 The Resource Management Act 1991 (RMA)

The RMA provides guidelines and regulations for the sustainable management of natural and physical resources. Although it does not specifically define 'waste', the Act addresses waste management and minimisation activity through controls on the environmental effects of

waste management and minimisation activities and facilities through national, regional and local policy, standards, plans and consent procedures. In this role, the RMA exercises considerable influence over facilities for waste disposal and recycling, recovery, treatment and others in terms of the potential impacts of these facilities on the environment.

Reuse centres, like any other similar facility, are required to comply with the Resource Management Act.

1.6 Other Drivers

Reuse centres can also contribute a wide range of other environmental, social, cultural, and economic goals. These could include:

- Providing low-cost goods to the community;
- Acting as a hub for waste minimisation activities, education and awareness-raising;
- Meeting Long Term Plan community goals;
- Creating employment, micro-business, training, and skill development opportunities;
- Providing a location for volunteer work or part-time work; including those that may not be employable in a more traditional mainstream environment; and
- Providing an example to other communities and encouraging the support of and investment into other waste minimisation initiatives.

Relevant Legislation

There is a wide range of legislation that reuse centres may, or will, need to comply with. While every attempt has been made to include an exhaustive list in this Guide, it is inevitable that legislation will change and new legislation or standards may be introduced.

If the establishment of a reuse centre is considered, it would be worth consulting with the Community Recycling Network and their members on this issue.

1.7 Resource Management Act

Any reuse centre needs to ensure that they are complying with requirements under the RMA for the land on which the centre is located. This will usually involve consulting the relevant District Plan and meeting with the appropriate local authority department to check what, if any, resource consents may be required for the site.

1.8 Hazardous Substances and New Organisms Act 1996 (HSNO)

The HSNO Act is the principal legislation relating to the management and use of hazardous substances in New Zealand. Reuse centres should be aware of the storage, disposal, and handling provisions should any hazardous substances be received on site.

In general, reuse centres should avoid entering any arrangements that might involve the handling of hazardous substances. However it is still important to be aware of the requirements of the HSNO; particularly as this relates to health and safety.

1.9 Building Act 2004

The Building Act requires a building consent to be held for most construction, alternation, demolition, or other modification of buildings. If a reuse centre is modifying any buildings, or is constructing any new buildings, it is likely that a building consent will be required. The appropriate local authority will be able to advise and support a reuse centre through this process. Costs for building consents will need to be incorporated into any financial forecasting.

1.10 Health and Safety in Employment Act 1992

This Act (the HSE) requires that any employees, visitors, volunteers or other users of a reuse centre are provided with a healthy and safe environment. The 'employer' (the ultimate governing body of a reuse centre) must have a health and safety plan, and to develop health and safety policies and procedures.

1.11 District Plans and Bylaws

A reuse centre may need to comply with certain aspects of the relevant District Plan. The local authority may also have a bylaw that specifically relates to waste management, or other relevant bylaws, and there may be aspects of these that impact on a reuse centre.

Local authority bylaws can be accessed on the relevant Council's website. A Council Planner will be able to advise on District Plan requirements and implications of any bylaw provisions.

1.12 Secondhand Dealers and Pawnbrokers Act 2004

This Act requires all professional dealers to be licensed. However, this is not required for a charitable or non-profit organisation for donated items, as outlined in Section 6, clause 4b:

(4) *For the purposes of this Act, the following are not engaged in business as secondhand dealers when selling secondhand articles or scrap metal:*

(a) an auctioneer who is licensed under the Auctioneers Act 1928 and is selling the secondhand articles or scrap metal at auction under that Act:

(b) **a charitable or non-profit organisation that sells secondhand articles or scrap metal, but only if-**

(i) no article, and none of the scrap metal, sold is acquired by the organisation by purchase or for valuable consideration; and

(ii) any proceeds of sale are used solely for the purposes of the organisation:

(c) an internet auction provider:

(d) an agent of the Crown:

(e) any other prescribed person.

(emphasis added)

Therefore this Act is unlikely to apply to any community-run reuse centre.

1.13 Other Acts

The Fair Trading Act does apply to secondhand items; the items must be fairly represented to the purchaser at point of sale. The Sale of Goods Act further requires that goods be of 'merchantable quality'.

The Consumer Guarantees Act requires that goods must be fit for purpose, safe, free from defects, look acceptable, and last for a reasonable amount of time. The definition of this last is very difficult for secondhand goods; there is some case law as to how long is 'reasonable' for new items, but very little relating to secondhand goods.

Planning and Establishment

The planning stages for a reuse centre should involve establishing the need, structure, and location for a reuse centre. Subsequent sections discuss the practical operation of a reuse centre.

A reuse centre should aim to divert waste from landfill (thus reducing the harmful effects), improve resource use efficiency, reduce the overall cost of waste management to a community, and support waste management and minimisation in the community it will serve.

1.14 Potential Diversion from Landfill

As mentioned in previous sections, all local authorities have been required under the Waste Minimisation Act to carry out a Waste Assessment. This is a document full of useful data on the types of wastes in a City or District, and where these wastes are currently going. The Assessment may contain information giving a breakdown of the composition of the overall waste stream or even of components of the waste stream – for example, if there are several transfer stations in a District, there may be a composition given for each.

The level of detail provided in a Waste Assessment depends on the amount of information and research the local authority has access to, or has commissioned. Waste Assessments are usually available on the Council website, either as a stand alone document or as part of their Waste Management and Minimisation Plan. It is also worth checking with Councils as to whether there have been any updates made or if any additional information is available.

As an example, below is some of the data contained in the Whakatane District Council Waste Assessment; which was referred to when in the planning stages for CReW.

Figure 1 - Composition of Whakatane District Household Kerbside Refuse Collection (September 2007)

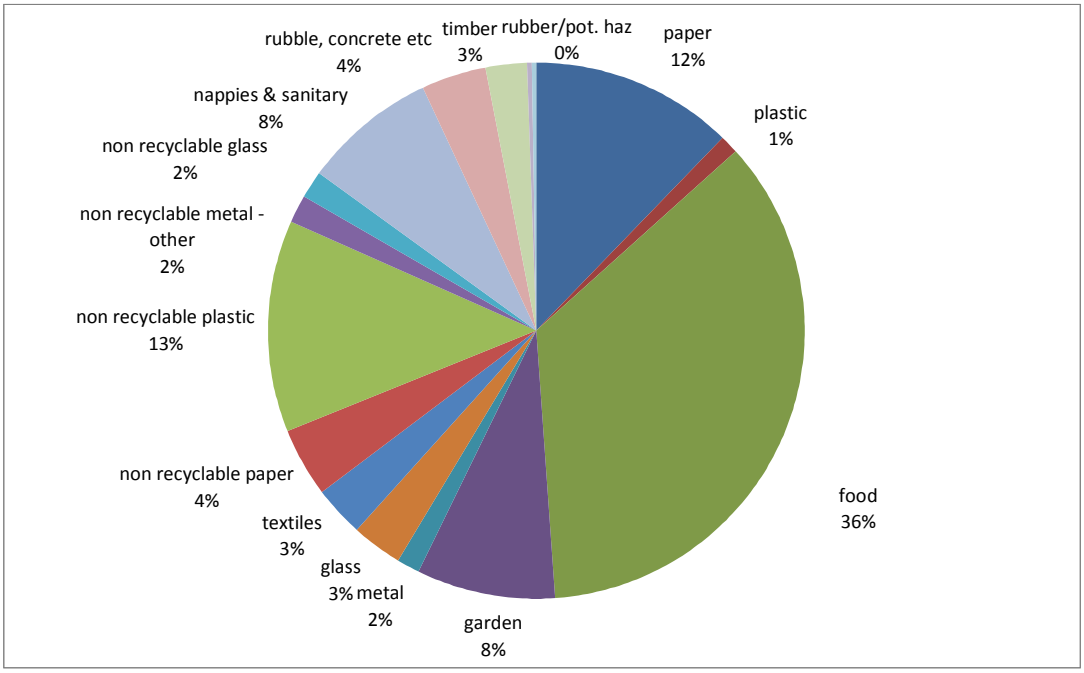
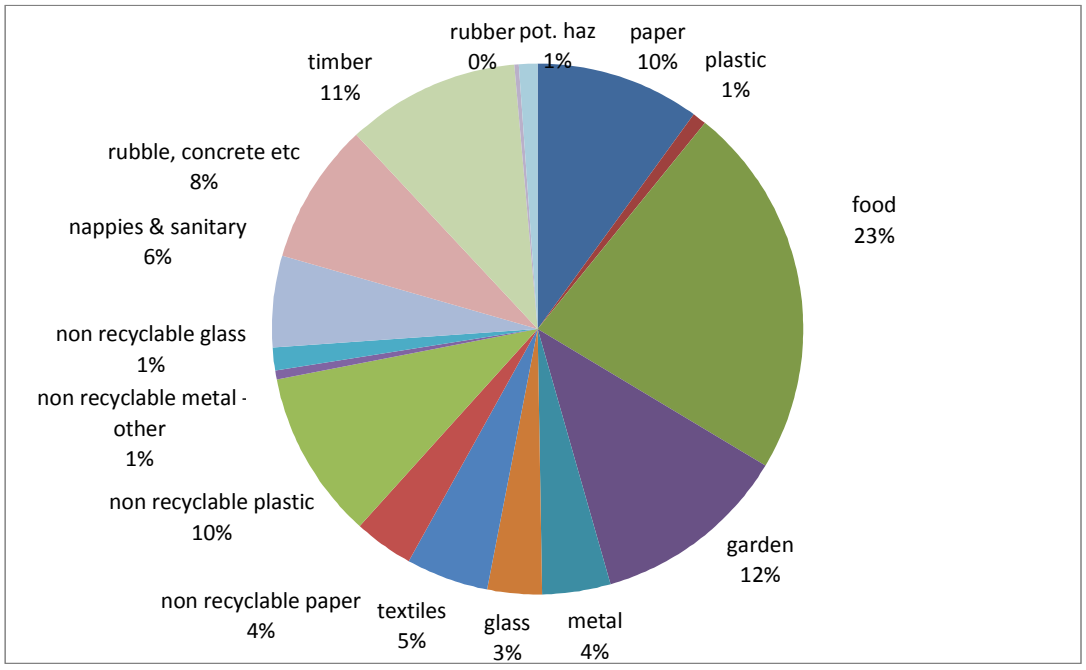


Figure 2 - Composition of Waste to Landfill from the Whakatane District (September 2007)[4]



These figures show the composition of the waste stream according to the Solid Waste Analysis Protocol, which is published and updated by the Ministry for the Environment. Waste is categorised by type, which doesn't necessarily give a useful indication as to whether it can be reused, recovered, or recycled – although some categories such as 'rubble and concrete' or 'timber' are likely to include a significant component of reusable items.

The Waste Assessment should also set out how waste types and quantities are likely to change in the City or District over time.

Other factors that will influence how much reusable waste is available include:

- Existing collection services – e.g. is an inorganic collection provided in the area
- Other points at which waste can be diverted – e.g. is material such as steel and timber separated at transfer stations or landfills
- Competition – e.g. in addition to the usual charity shops, is there a construction and demolition waste yard or similar?
- Demand – it can be useful to carry out a survey in the community, or the demand for a facility of this type may already have been made clear e.g. through a local authority's assessment, planning and consultation process.

In the planning stages for CReW, potential diversion estimates were made based on population, tonnages processed by reuse centres in other areas, and the proportion of the waste stream going to landfill that may be reusable.

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[4] Waste Not Ltd (2008) *'Surveys of Solid Waste to Whakatane Landfill',* prepared for Whakatane District Council and based on data collected in late 2007

In practice, these estimated tonnages were overly optimistic and even though tonnages reused through the CReW reuse centre increased during the first six months' of operation, the initial forecast was still higher. The vast majority of the material passing through the reuse centre also fell into the category of 'reuse' as defined by MfE, with far less being categorised as 'recycled' or 'recovered' than had been expected.

The total quantity of waste processed at the CReW Reuse Centre during 2012 is shown below:

Month	March	April	May	June	July	August	Sept	TOTAL
Tonnage Reused	7.0	7.9	7.6	8.7	10.0	15.1	6.3	**62.7**
Tonnage Recovered/ Recycled							10.2	**10.2**
TOTAL Tonnage								**72.9**
TOTAL kg per head of population	**0.44**	**0.49**	**0.48**	**0.54**	**0.63**	**0.94**	**1.03**	**4.56**

The majority of CReW's customers come from the Whakatane and Ohope areas[5], which have a combined population of approximately 16,000.

A significant increase in tonnage can be seen in the last couple of months of operation. This is largely due to increased throughput of construction and demolition-type waste. This was achieved following further improvements to the outside areas of the reuse centre, and the presence of a dedicated 'yard attendant' who focused on the reception, sorting, and presentation of construction and demolition items and materials. A significant increase in metal recycling was also achieved at this time; as items were able to be dismantled and metal components recycled.

Monitoring and recording this data was an essential part of reporting to the MfE on the project's progress, and therefore these tonnages are factual and reliable and can be used as a reference point when estimating potential tonnage throughput of a proposed reuse centre.

While diverting tonnage from landfill is not the only factor in the success of a reuse centre, it can be a very important factor for local authorities that have waste diversion targets measured in tonnes, and are charged for landfill disposal by weight.

1.15 Capturing Reusable Material

Identifying that there is potentially reusable material going to landfill is only part of the picture. Once this has been established, the reuse centre then needs to identify the path this material takes as it makes its way to landfill. Part of this analysis involves identifying the waste 'owner' – who has control over how the waste is collected, bulked, transported and disposed of to landfill?

For the large proportion of the waste, this will be the local authority and their waste contractor/s. However other groups are involved – such as builders and those providing waste management services to their building sites.

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[5] Based on surveys and on anecdotal observation

During the planning stages, a waste flow diagram should be developed to show where key sources of waste are arising, and how these waste streams then move through to eventually arrive at landfill disposal. By considering the quantities of waste moving through each pathway, and the potential for the waste stream to be reusable, waste streams can be prioritised and then reuse centres can work directly with the waste 'owners' involved to ensure the reusable waste can be captured and diverted to the reuse centre. Some specific waste streams are discussed in more detail below.

1.15.1 Council-controlled waste

In most areas, the local authority will have control over a significant proportion of the waste stream. This should be the first point of call for any community looking to establish a reuse centre.

In the case of the CReW reuse centre, with respect to Council-controlled waste, a partnership was agreed and formalised between CReW, the Whakatane District Council, and the Council's main contractor TPI Waste Management. The Council wanted to have a reuse centre for the community, and was keen for this to be operated by a community group. TPI Waste Management were happy to separate reusable materials from waste streams they managed, but didn't believe they were the best agency to be operating a reuse centre.

The agreement between the three parties ensures that the CReW reuse centre has access to reusable items that reach the main transfer station in Whakatane. With no landfill anywhere near the District, this is the main route by which waste reaches landfill disposal and so a number of priority waste streams that had been identified could be captured this way.

The Council gains by reducing the amount of waste that is going to landfill, which has both financial benefit and contributes towards achievement of their Waste Management and Minimisation Plan targets.

TPI Waste Management have achieved a good working relationship with a community group that collects reusable items from the transfer station promptly and safely, removing a waste stream from the transfer station that previously required time and effort on their behalf. The transfer station staff also have an alternative option to offer visitors to the transfer station that may not believe their items are waste, and are reluctant to pay the appropriate charges. The transfer station staff are trained to identify reusable items and can help customers place these items to one side for collection by CReW.

1.15.2 Building and Demolition Wastes

Building waste was also identified as a significant opportunity for the CReW reuse centre, but capturing this waste stream was more complex.

The nearest construction and demolition waste yard to Whakatane is in Hamilton. Several builders stored construction waste at their own yards, for later sale or use, but it was clear from the Waste Assessment that a large amount of construction and demolition-type waste was going to landfill disposal.

The reuse centre staff became aware that it was possible to obtain regular granted building consent updates from the Council, as was already being provided to a number of other agencies. The Council agreed to provide this at no cost, and this is now enabling the CReW reuse centre to proactively work with builders to separate and collect reusable building materials.

1.15.3 Recyclable Metals

Although recyclable metal is a valuable commodity, there are still many items going to landfill which contain recyclable metal but require some dismantling before the metal can be separated from other materials.

Waste streams such as this can present significant opportunities to a community reuse centre, with access to a volunteer work force. These volunteers can often be highly skilled – such as retired electricians or engineers. While health and safety considerations often require that these volunteers are overseen by a paid and trained staff member, their involvement can mean that the dismantling and recycling of some waste items such as appliances can become feasible.

At the CReW reuse centre, this has developed into a reasonably significant income stream, with the separated metals sold to the local metal recycling merchant.

1.16 Reducing Cost to the Community

As discussed above, by diverting waste from landfill, a reuse centre will save on disposal costs. If the community in which the reuse centre is to be located is sufficiently distant from the nearest landfill, this can be a significant saving to the community.

However a reuse centre can also reduce cost to the community by providing access to low-cost secondhand household items that otherwise would have been landfilled. Further benefit can also be achieved through providing employment.

1.16.1 Maximising Income and Community Benefit

A self-sustaining reuse centre will need to bring in enough income from sales to support the operation of the centre and the employment of any staff. However items also need to be priced so that the community is still receiving the benefit of low-cost secondhand goods.

Finding this balance can take time, but there are factors that can and should be considered at the planning stages.

1.16.1.1 Accurate, detailed budgeting

This will enable the calculation of a 'required daily takings' for the reuse centre, providing a target but also an early signal that other aspects involved in ensuring the centre is self-sustaining may need revision – such as pricing.

The table below sets out an example operating budget for a typical reuse centre:

	Detail	Amount (per annum)
	Community Grants (local Council, regional Council, iwi, etc)	10,000
	Sales	100,000
Income TOTAL		**110,000**
Administration costs	Accountancy, including annual audit	1,000
	Advertising	2,000

	Bank charges	120
	EFTPOS facility	420
	Office supplies and postage	300
	Telephone	1,080
Site costs	Lease	12,000
	Vehicle	120
	Mileage	360
Staff costs	Wages (based on two full-time staff)	62,400
	ACC Levy (currently 2% of wage costs)	1,248
	Kiwisaver contribution (currently 2% of wage costs)	1,248
Costs TOTAL		**82,296**
Surplus	Contribution to capital development costs etc	27,704

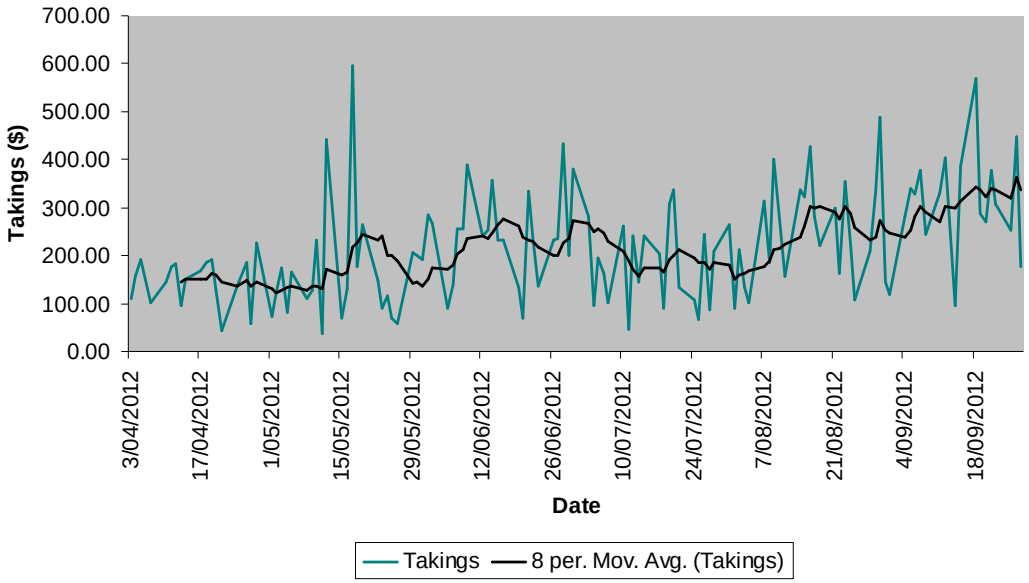
This is only presented as an example, based on model budgets for the CReW Reuse Centre. Some line items will vary depending on the individual situation of the reuse centre – whether the site is leased or purchased, whether waste needs to be transported to the site (e.g. from a transfer station collection point), etc.

The availability of local community grants will vary; however many local authorities do provide financial support community organisations in paying rates or other Council expenses.

Income is, unfortunately, very difficult to predict. Analysis of income received at the CReW reuse centre shows this has increased over time; however day to day income is very variable. Reduced income should be modelled for the first four-six months; also income can be lower in the winter months.

The figure below shows daily income received by CReW during the first six months of operation, including an eight day average trendline.

Figure 3: Daily Takings for CReW Reuse Centre April - September 2012



It should be noted that this data does not include income received from bulk sales – such as metal recycling. This is discussed further below in section 1.16.1.4.

The experience at CReW has been that the reuse centre can be self-sustaining financially, after the first four to six months. A newly established reuse centre should expect outgoings to exceed income for this initial period. After this time, income and costs should be monitored closely.

If income is appearing to be insufficient to cover costs, there are some tools that can be used to increase income and/or reduce costs. These are discussed in the next sections.

1.16.1.2 Pricing Strategies

It is very important that a reuse centre has a consistent, well defined pricing strategy. This ensures that any staff or volunteers involved in pricing items can carry out this task confidently; and that customers see that pricing is consistent and predictable. No customer groups should be given preferential treatment, e.g. through the offer of discounts or free items. This can jeopardise the overall financial viability of a reuse centre, and can have the ultimate result of losing this resource for the community.

Some items should deliberately be priced to maximise turnover. Anecdotal evidence from the CReW and other reuse centres is that customers are encouraged to return if they expect to see new stock each time they visit. Item types that suit a low value, high turnover approach include books, shoes, clothing, DVDs, and most soft furnishings such as curtains and blinds.

Other items should be priced to maximise income; such as unusual and/or old items, building materials, reasonable quality furniture, and certified checked electrical items.

Unusual, old, and/or particularly attractive items can achieve good prices through a ‘silent auction’. Items selected for a silent auction should be grouped together and displayed attractively in a specific area of the reuse centre, clearly marked as ‘auction’ items. For details on how to run a silent auction, refer to the attached operating manual and associated procedures (Appendix A.1.0).

These same types of items can also be listed on 'Trade Me'[6] – this can be in conjunction with a silent auction, or as a separate process. Trade Me sales would work best for communities that are accessible to a large population, as difficulty can arise around postage and collection arrangements. The CReW Reuse Centre has found Trade Me of limited use so far, largely due to the isolation of Whakatane from any large metropolitan area and so 'pick up only' items can be very difficult to sell.

Analysis of sales through Trade Me shows that a fairly high proportion of them (usually around a third to a half) are sales to community members that are also known to visit the reuse centre. Reserve prices should be made careful use of on Trade Me to ensure that a reasonable price is achieved for the item, whether it is sold through the Trade Me listing, or through the store.

Trade Me listings is the type of discrete task that can be taken on by a willing and capable volunteer; particularly as much of the work can be done remotely.

The finer details of a pricing strategy will depend on local conditions, such as whether the reuse centre is competing with other outlets, or if (like with the CReW reuse centre) they are the only option for certain materials in a community. Other factors have also been noted while researching other reuse centres around New Zealand – for example, in some communities mattresses are in very high demand and a reuse centre will sell any they can stock. In other areas, secondhand mattresses are unpopular and a reuse centre will deliberately keep their stock low, refusing anything but the higher quality items. Other examples of this variability include:

- Exercise equipment
- Outdoor equipment (tents, chairs, etc)
- Electrical items – where an 'e-cycle' or similar operation exists, reuse centre may find customers are attempting to avoid disposal charges for electrical items. However in other areas, valuable electrical items are disposed of still in perfect working order[7].

Other techniques that can be used to encourage customers and bolster income include:

- Allowing customers to 'hold' items – CReW reuse centre policy is that items will only be held on a 50% or higher down payment, and only for a week (see Appendix A.1.0)
- Providing a charged collection and/or delivery service – at the CReW reuse centre, this is provided as a partnership with clients of Pou Whakaaro (who share the site) (see Appendix A.1.0)
- Taking special orders or requests for items – this can be a very time-consuming process and isn't done at the CReW reuse centre. However if there is a willing volunteer, or staff have time, this can be a way to increase customer support and sales.

1.16.1.3 Minimise staff costs, maximise volunteers

Accessing community support through volunteers can be crucial to 'balancing the books' and making a reuse centre viable. This is likely to be one of the main reasons why so many reuse

[6] www.trademe.co.nz

[7] At the CReW reuse centre, a plug board has been set up next to the shop counter as so many non-functional electrical items are described as in perfect working order. In comparison, the e-cycle point in Napier is receiving large numbers of large, good quality, TVs in perfect working order as the time for the transition to digital transmission comes closer.

centres are community-based and not-for-profit, rather than being established for commercial gain. For this reason it is important that, during the planning stages, a reuse centre gains the support of the community.

One way community engagement can be achieved is by involving other agencies, community organisations and/or members of the community in the planning and operation of the reuse centre.

At the least, these community partners should be involved in developing the philosophy, goals and objectives for the reuse centre. There may be specific outcomes that some parts of the community wish to achieve through a reuse centre – for example a local educational institution may be looking for the opportunity to provide hands-on experience for students.

Community partners can also be involved in the day to day operation of the reuse centre – perhaps by taking a role as a Trustee or a Board member, if such a structure exists.

In the case of the CReW reuse centre, there were several factors that ensured strong community engagement:

- The project was initiated and lead by a well known and respected community-focused, not-for-profit organisation;
- In the planning and establishment phases, several community groups were heavily involved – including iwi, the local authority, their contractor, and various other community organisations. This involved both financial and strategic input, including development of the philosophy or kaupapa of the reuse centre;
- The reuse centre was run as a partnership between the initiating organisation and another community organisation (through a memorandum of understanding), and the site chosen meant the centre was co-located with this community organisation;
- It was made very clear from the start that the reuse centre was not intended to compete with the existing charity shops in the District, and this was reinforced through restrictions on items and materials stocked; and
- Volunteers were recruited widely through various community organisations and through the Timebank[8] that included the Whakatane District.

1.16.1.4 Micro-enterprise opportunities

There may be some waste streams or types that a reuse centre chooses not to stock or sell themselves, due to the logistics required – such as electrical items, scrap metal, and firewood. However these are also areas that have potential to bring in good sources of income.

If a reuse centre is unwilling (even if just initially) to get involved in these areas, an alternative is to sub-lease some space to an interested member of the community that can take on a discrete area of the reuse activity.

One example of this is metal recycling. At the CReW reuse centre, and at other similar facilities, dismantling waste items to retrieve recyclable metal has been shown to be a self-funding process.[9]

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[8] For more information on Timebanks, see timebank.org.nz.

[9] In addition to the CReW Reuse Centre; in some other Districts metal recycling is carried out in refuse transfer stations by independent operators who have a profit-sharing arrangement with the commercial operator of the RTS.

Processing and checking electrical items is another potential area. Retired (but still certified) electricians, or students under the supervision of a qualified electrician, can take on the task of checking and certifying electrical items for sale.

1.17 Locating the Reuse Centre

There are several criteria that should be considered when choosing a location for a reuse centre.

1.17.1 Access to Waste and Customers

Due to the waste streams targeted, and the items and materials stocked, the optimum location for a reuse centre is very different to that for a charity shop.

To maximise the opportunity to divert waste from landfill, reuse centres should be located as close to the point of disposal as possible. This is likely to be near a transfer station or landfill. Ideally, customers of a transfer station or landfill should have the opportunity to visit the reuse centre first, so that any reusable items can be removed before the customer then proceeds to the disposal point.

Anecdotal evidence suggests that visitors to a reuse centre see it as a 'destination', rather than an incidental visit during a general shopping trip. Many reuse centres researched describe themselves in this way also, and this is reflected in the wide range of activities that take place in some reuse centres.

This means that it is far less important for a reuse centre to be located near other shops; and more important for the chosen location to ensure that waste can easily be capture before it reaches disposal points.

1.17.2 Site Location and Layout

An ideal site for a reuse centre will have generous indoor and outdoor space, and be laid out in a way that allows waste items and material to be dropped off without crossing the path of customers.

Reuse centres tend to carry larger items, more of them, and of a nature that really need outdoor space for storage and display, than most charity shops and so do need larger premises. However, conversely, there is little expectation from customers that a reuse centre will be in a high quality environment, and so little in the way of decoration and display systems is required.

This perception, along with the need for a reuse centre to be close to the source of their stock, will often mean that a commercial or light industrial building and yard well outside of normal shopping areas can be the perfect premises and are much better value than the average storefront location.

It is often worthwhile contacting the local Council, as this is often the type of area in which a Council can own or lease buildings and land. It may even be possible to locate a reuse centre in a transfer station or landfill. Other community groups should also be contacted.

While it is not essential that the site enables incoming and outgoing material to be separated, this helps to reduce health and safety issues and makes day to day management of the centre much simpler. For further information about best practice design for resource recovery parks see *The New Zealand Resource Recovery Park Design Guide* produced by WasteMINZ in 2008.

During the research for the CReW reuse centre, a number were visited which did not operate in this way, and the staff in at least one centre noted issues with incoming material taking up space and blocking access by customers.

1.18 Structure and Management

There are two main options for a reuse centre:

- As a discrete area of activity under the umbrella of an existing organisation; or
- Independent of any other organisation.

There are clear advantages to both.

1.18.1 Umbrella Organisation

If there is a supportive organisation already operating in the community that has goals and values that align with a reuse centre, this can be a very quick and straightforward way to establish a reuse centre.

When considering potential partners for a project such as this, it is important to see a reuse centre as a community project first and foremost, rather than a waste management project. The technical waste management requirements of reuse centre operation are fairly low, while it is essential to the success that the community is involved and is supportive.

Therefore a partner may come from an unlikely source. In the case of the CReW Reuse Centre, the umbrella organisation for the planning and establishment phases was a community-based, not-for-profit energy efficiency organisation. Waste was an area they had some involvement in, as an e-cycle location, but most importantly the values and goals of the organisation aligned with that of a reuse centre.

The umbrella organisation can provide management support such as accounting, financial management, human resources management, health and safety, and a buffer for operating costs. These are often areas that small community organisations can really struggle with and rarely have the funds to employ expertise.

The downsides to working under another organisation come when either there is a conflict in interest, or for some reason the relationship has to come to an end.

If clear goals and values are agreed at the beginning of the project, particularly if other community groups are involved, conflicts should be largely avoided. It may be useful to establish a 'Board' to manage the project, which draws members from other community groups and organisations as well as those directly involved in the running and management.

It is more difficult to avoid issues where, for some reason, the role of 'umbrella organisation' is no longer possible.

In the case of the CReW reuse centre, this unfortunately happened when the original partner was sold, and the new owners chose not to continue the role in the reuse centre.

Depending how quickly this happens, a reuse centre could be left in a position where their 'umbrella organisation' has pulled out, but there is no alternative.

It is important that this eventuality is planned for, and that a backup plan is in place to establish the reuse centre as a standalone entity if required.

1.18.2 Independent Entity

Operating as an independent organisation from the start does prevent this problem.

The lack of an organisation to provide the management support described above can be resolved by sourcing expert volunteer or 'pro bono' advice from local businesses.

The most likely structure in this situation is that a charitable trust is established, with a board of trustees drawn from local businesses, organisations, and committed community members. It is important to note that establishing a charitable trust does take time, and the Trust needs to be in place from the early stages of the reuse centre. The Trust then becomes the employer for any paid staff working at the reuse centre.

Working under a Trust can cause problems, as the membership of a Trust board will inevitably evolve and this board is essentially the 'executive management' of the reuse centre. Once again, establishing clear values and goals from the beginning will help. However it should also be acknowledged that a Trust board is theoretically representative of the community that the reuse centre is serving, and so it is hoped that the direction of the Trust board would be intended to respond to the needs of the community.

1.19 Summary of Planning Stages

The priorities for the planning stages are:

- Assess the need for a reuse centre;
- Consider the options for management and ownership structures, and potential partners in the project;
- Identify and prioritise potential sources of waste;
- Identify the best location; and
- Model costs and potential income including early consideration of a pricing strategy.

1.20 Implementation

The practical day to day running of a reuse centre is discussed in detail in the attached 'Operations Manual' for the CReW Reuse Centre.

This operations manual also contains standard operating procedures which can easily be adapted to any reuse centre, including:

- Health and safety
- Stock management
- Volunteers
- Daily reuse centre tasks
- Metal recycling
- Delivery/collection services
- E-waste
- Silent auctions
- Trade Me auctions

In addition, other practical implementation issues are discussed below.

1.20.1 Defining stock

Before beginning to accept any incoming items, it is worth having a think about what types of items the reuse centre definitely won't take; what might be acceptable if the centre is low on stock, and what will always be accepted.

In Whakatane, the CReW reuse centre deliberately chose not to accept clothing. There are half a dozen charity shops in Whakatane that stock clothes, and several more commercial secondhand clothes shops. Any clothes that do make it to the CReW reuse centre are likely to be low in quality, or would suggest that the reuse centre was competing with the charity shops for stock. Experience from research in other reuse centres also showed that clothes can present problems in display, storage, and pricing. Many centres end up with 'bargain bins' where clothes can be purchased in bundles.

Displaying clothes can be turned into an asset, as seen at the Wanaka Wastebusters store which has specially designed and made clothing racks. However even in this store, the staff spend a lot of time hanging (or re-hanging) clothes, sorting them into sizes and categories, and pricing.

Some other items, such as pianos, exercise equipment, and mattresses, are accepted if there is room for them in the store.

There are some items that it is not advisable for a reuse centre to accept, as the safety standards require that these items are checked and certified. These include the following:

- Baby or children's car seats (booster seats are ok)
- Cots
- Bicycle and motorbike helmets
- Electric blankets (although cords can be cut off and the blankets used as animal bedding)
- Gas bottles
- Fire extinguishers
- Safety gear, climbing ropes
- Lifejackets

1.20.2 Opening Hours

When located in or near to a transfer station or landfill, it is advantageous to match the opening hours of that facility as closely as possible. However the cost of staffing a reuse centre for long hours also needs consideration.

Having a reuse centre open on the weekends is usually more useful than during the week. Surveys at the Whakatane RTS show that far fewer customers use the RTS on weekdays, and therefore with the goal in mind of capturing waste, this suggests that it is more important for the CReW reuse centre to be open on weekends.

However there are other important considerations such as volunteer support. Records from the CReW reuse centre show that volunteers are more likely to attend and spend more time in the reuse centre on weekdays, and some can only be involved on weekdays.

Staff also need to ensure they have enough time when the reuse centre is closed so that stock can be moved and planning/management meetings held.

The CReW reuse centre is currently open Tuesday through Saturday, with a regular late morning opening day for staff meetings etc.

A.1.0 Operating Manual and Procedures

See separate document.

A.1.1 South Island

Research of National Best Practice at WasteBusters Alexandra, Wanaka, Ashburton and Hurunui Community Recyclers

Meet with Sheryl Stivens, founder of WasteBusters and Xcito resource recovery Assessor

A trip was organised to the centres above by CReW to research national best practice in community reuse centres. The WasteBusters sites are some of the highest profile and longest established of any community reuse centres in NZ. All of the centres operated in a similar situation to CReW in being located close to the transfer station while not running the transfer station. A meeting was also organised with Sheryl Stivens, the founder and inspiration for the various WasteBuster organisations, now a freelance consultant and Xcito resource recover assessor.

The research areas have been broken down into different areas to make a large amount of diverse information easier to comprehend. The headings are:

1. Legal structure, 2. Site, 3. Operational issues, 4. Relations with council and contractors, 5. Financial aspects

Central Otago WasteBusters, Alexandra

1. Legal structure

Central Otago WasteBusters are an Incorporated Society with a board of 10 volunteer members, founded in 2001. They aim to achieve as close to zero waste as practicable in the District.

They work on reducing the waste flow to landfill, reusing, recycling, recovering and treating materials while only disposing of those materials to landfill for which there is no known technology or systems available. Other objectives of the Society are:

- Job creation
- Training and community education
- Research into strategies to solve problem waste which is currently deemed to be unmanageable and therefore goes to landfill. This work needs to be ongoing if solutions are to be found so that true zero waste can be achieved.

The organisation grew out of dedicated volunteer base, inspired by the example of Canterbury WasteBusters in Ashburton. Central Otago WasteBusters have a “collegial” relationship with the district council and are focussed on implementing the district's zero

2. Site

The reuse shop is on the same site as a substantial recycling operation, sharing facilities for kerbside recycling and public drop off. It is adjacent to the waste

transfer station, run by a separate contractor with whom they do not have any functional relationship.

The reuse shop has a large outdoor area which is useful but dusty and lacks adequate racking. There are a number of 20 foot shipping containers that are used to store and display items for sale. Sometimes theft from these can be a problem as you cannot see inside them when a customer is there. The indoor shop is only a lean to and is not adequately sealed against the elements. This means that electrical items often breakdown after being stored in the shop and many things get dusty and dirty.

There is a small area inside the recycling centre building which houses more valuable items and items in the silent auction.

3. Operational issues

They have a large volunteer workforce which is essential to their successful running and aids relations with the council. The reuse shop also relies on volunteers and has benefitted immensely from having some volunteers with specialist skills for specific tasks. This includes an electrician to check electrical safety, a mechanic who cleans, repairs and refurbishes machinery, a woman who cleans, sorts and prices clothes, another volunteer who cleans, services and writes a background story on old sewing machines and a person who has a good eye for antiques and their value.

Choosing what items are accepted or refused is very important.

They hold a regular silent auction for special or unusual items. These are laid out in a special room and customers can put bids on them for 14 days. The highest bid then wins the item and this have proved to be very popular with people and generates a good income with a high price achieved on higher value items. More dangerous items and most electrical goods are sold through the silent auction as they are sold “as seen” and through the auction process they have the opportunity to have a witnessed agreement with the customer that they are not sold in working condition.

Some items arrive, or are even bought, in bulk and then sold on in bulk. For example, two pallets of damaged cherry picking buckets at the end of the season, sold to a tree nursery. Bulk items are offered on a commercial basis with price TBC so they can negotiate with purchasers. Other lower value items, such as plant pots, are accepted up to a certain level and then any more are refused as they cannot sell more than a certain amount each year.

Trade Me is a good opportunity but there is inadequate staff time. It would really require someone full time to make it work. The shop would also need an identity otherwise there are serious tax issues.

WasteBusters have a collection agreement with Dick Smiths for trade in items which are then resold or recycled, this doesn't include fridges and freezers. Lots of washing machines are sold.

4. Relations with council and contractors

Seagull do not have strong relations with TCDC and do not have any formal arrangement for receiving items. Seagull cannot formally take any items from the transfer station but have a personal arrangement with employees at Smart Environmental.

Relations with the council have been improving. The Seagull Trust did not make a submission to the East Waikato draft WMMP.

5. Financial aspects:

Pricing is something that develops with time. Having people with specialist knowledge helps with pricing unusual or higher value items. Prices can flexible with different organisations and people, i.e. other community groups are often given materials for free, traders are known and a fair price is offered so WasteBusters retain some of the value.

WasteBusters have a very neat system for pricing some items:

$10 per seat. So single chair = $10, three seat sofa = $30, five piece suite = $50. This can be discounted if it's not such high quality.

$5 per bicycle component. So 1 bike with working seat, peddles x 2, handle bars, frame = $40. Again, discounted if appears too high with kids bikes especially or increased in price if higher quality adult bike.

$1 / item English & NZ china in a separate area

$1 / 5 items Chinese china

$2 / dishrack or fridge rack – lots sold as replacements

20c / ice cream container

$100 / sprung bed frame, sold in bulk lots of 10 to garlic grower

$75 / pair of wooden bed ends, sold to carpenters and joiners as timber

$140 / fridge

$100 / washing machine

Wanaka WasteBusters

1. Legal structure

Upper Clutha Recycling Society, an Incorporated Society with an executive committee voted in by an AGM of all members, trading as Wanaka WasteBusters Community Enterprise Ltd. No information was available on the pros and cons of this structure.

The e-Cycle operations are kept as a separate accounting area as there is a complex charing and repayment process that needs to be managed.

2. Site

Wanaka WasteBusters are on a site next to the refuse transfer station and the reuse shop is co-located with their domestic and commercial recycling operations. The front of the area is an open space with vehicle movement through the area and lots of dust. This has caused some vehicle management problems and safety issues which have had to be resolved through modifications to traffic flow. Ideally there would be further speed restricting elements, such as speed humps.

There are several shipping containers scattered around the site that are used for storage, sales space, an e-Cycle computer testing, repair and reuse shop and a metal dismantling and recycling area. The site has a very useful area under a roof spanned between a couple of shipping containers. This provides a semi dry, covered area that is perfect for the storage and display of items that can cope with a little bit of exposure. The containers then provide lockable storage in between these areas for more valuable items.

3. Operational issues

The site is effectively divided in two with a warehouse type building for an indoor shop and an outdoor yard for items that are less weather sensitive and vehicle movements. The two sides are kept as separate business areas to measure turnover of each section. Silent auctions are held on an irregular basis and this would be done better and more often if they had the room to store and display better quality items.

Wanaka WasteBusters have a standard 80:20 rule they apply to most circumstances when deciding whether to accept items for reuse or reject them and send the customers to the landfill. If 80% of the items are reusable or have a recoverable value in recycling then up to a balance of 20% of non-recoverable items are accepted. All items that have to be sent to landfill are taken to the Refuse Transfer Station next door and they pay full gate fee for disposal.

Wanaka has a population of 3,500 residents, rising to 25,000 in summer. This high number of seasonal visitors means that WasteBusters has advertised itself as a destination for people to pick up low cost items or drop off unwanted items when they are leaving.

Illegal dumping outside the gate was a problem as the site is isolated on the edge of town with very little passing traffic. They have since installed a dummy CCTV camera and this has significantly reduced the number of incidents of dumping.

There are 5 FTE employed in the reuse side with two in the shop, two in yard and a manager. They are open in line with the RTS 11.30 – 3.30, 7 days a week. The yard staff are very important as the first point of communication and information with customers, judges of what can and cannot be accepted. They have no volunteers.

Wanaka WasteBusters do not weigh or measure any waste diverted from landfill. Through work done on the waste stream they have estimated that there is the opportunity for a further 700 tonnes of waste to be diverted from landfill for reuse or recycling.

A collection service is offered called “Moving On”. At a cost of $30 call out fee minimum, $40 for two people and a charge of $15/kg of refuse a collection can be arranged for reusable items. The 80:20 rule is applied as above before waste is charged for. A couple of collections per week are completed. The service is viable because they have lots of trucks travelling around town and someone call in to assess whether it is worth collecting. If the collection takes more than 30 minutes it is not generally worth it. The main improvement to this service is that it could be better promoted and potentially extended to rural districts with a higher call out fee.

4. Relations with councils / contractors

Wanaka WasteBusters have recently lost their council contract for kerbside recycling collections to a commercial contractor. The reuse shop will continue with reduced numbers of employees. Following the loss of contract Wanaka WasteBusters renewed their lease over the land for 1 day short of 35 years, at a peppercorn rent.

5. Financial aspects

In December 2011 the shop turned over $37,500, this compares with $2,000 in 2002 and $27,000 in 2010. It has been an exceptionally busy month. There was no further information available on the annual turnover of the reuse part of the business.

The metals area has been a good area of development and increase in turnover. All whiteware is stripped down, except refrigeration. The metals are dismantled to a certain level but not as thoroughly as CleanStream in Kaitaia. A handheld strapping tool is used to gather together light gauge metal to stop it blowing away and makes it easier to remove by hi-ab.

WasteBusters Trust Canterbury, Ashburton

1. Legal structure

The first WasteBuster organisation, founded seventeen years ago, a community Trust. Currently in some flux as they have lost the council Refuse Transfer Station contract and have had to relocate. They continue to be supported by local community, schools and businesses. The focus is on recycling, green waste processing and a reuse shop. There has been a feeling that the operational side of the business had become quite separated from the Trust and there was a lack of inclusion in Trust decision and actions. This is being slowly resolved.

2. Site

The site is not ideal for a reuse shop as a large shutter door is the main public entrance in to the shop. This opens straight on to a dusty yard and a large amount of dust and wind blown debris comes into the shop, making it almost impossible to keep clean. There are also H&S issues on-site with dangers between pedestrians, vehicle movements of customer vehicles and heavy machinery movements. Ideally the reuse shop would be in a separate area from the recycling and composting operation.

3. Operational issues

They accept any items that would sell and didn't have a clear methodology of what was acceptable and how it is priced. The only source of items is what is dropped off by the public for reuse and resale.

They employ four FTE staff and three part time, although this is across all business areas and the reuse shop would potentially only justify 1.5 FTE (being very busy). Although they also said that 70% of turnover comes from the shop. The full time staff work roughly one weekend per month.

Some simple dismantling and separation of metals is undertaken. A greater amount isn't considered profitable and there would need to be a greater reliance on volunteers. Again this was not what we found at other sites.

An interesting option that they offer customers is for a house lot at a reduced price rather than individual pricing of each item.

4. Relations with council and contractors

These have been worse since losing the contract.

5. Financial aspects

They stated that they had an average of $1,000 turnover per day. This seemed unrealistically high given the nature of the shop and the experiences from other centres.

Any surplus that is generated by the Trust is distributed back in to the community, so far for schools environmental education in Canterbury, environmental projects that they have chosen for funding, awards and prizes in schools plus a business award for sustainability.

Meeting with Sheryl Stivens

Sheryl emphasised the importance of setting up the operation well and managing to continue over the long term. Focus on better quality, attractive place to visit, a social space which is clean and tidy. Using shop psychology and good presentation is a good idea.

There are lots of options for ensuring the working team involved, such as sales tracking in different areas and visual display of what is working. There are specific materials or items that could be focussed on to provide good business opportunities and to drive interest in the reuse shop. Example were paint, a “funky junk” are for higher value items, items arranged by colour, electrical appliances that have just been safety checked not necessarily if they are working.

A funky junk area at Ashburton was a separate building with higher value, interesting, artistic and unusual items. It cost around $25,000 to setup the building but never turned over less than $1,000 per month so was a great investment. Sheryl suggested that advertising, which could be paid or for free through community links, was important to take out regularly to remind people of free drop offs and to go shopping.

Sheryl also identified delivering training as an excellent development for CReW and as an opportunity for a stepping stone for people into retail, resource recovery, industry and other areas. There are EXITO training units already developed in resource recovery and these will train people for the environmental services industry. There are basics of resource recovery that could provide people with skills to enter many workplaces that generate waste. The units are eligible for NZQA credits.

There is funding available for developing, promulgating and promoting a course. Working with other community organisations to increase skills and knowledge in the community while developing skills in distinguishing between resources and waste.

A.1.2 North Island

Research of National Best Practice at Seagull Trust, Thames, Xtreme Waste, Raglan & CleanStream Northland, Kaitaia

A trip was organised to the Seagull Trust and CleanStream Northland by CReW to research national best practice in community reuse centres. The two sites were deliberately chosen for being at either end of the reuse centre spectrum. A questionnaire was also sent to Xtreme Waste Raglan and a site visit will be organised there in 2012.

The research areas have been broken down into different areas to make a large amount of diverse information easier to comprehend. The headings are:

1. Legal structure, 2. Site, 3. Operational issues, 4. Relations with council and contractors, 5. Financial aspects

Seagull Trust, Thames

1. Legal structure

Seagull is a charitable trust which employees the people working at Seagull directly.

The reuse operation developed out of the Coastal Protection Society. This is still the umbrella group for Seagull. Three to four trustees are shared between the two organisations, out of a total of six trustees for Seagull.

Seagull is financially independent of the Coastal Protection Society.

2. Site

Seagull is immediately next to the transfer station and visitors to transfer station have to pass by the gate. They do not have to drive through Seagull site though and so some people chose not to drop off materials and it is a source of frustration as they watch items passing by.

The site is far from ideal for a community reuse centre in that it does not have mains power, water, sewerage, telephone or internet. This means that a portaloo has been used for first 4.5 years and they still don't have water, power, telephone or internet. This has limited some of the activities of Seagull as they cannot sell online, receive or make phone calls, use EFTPOS and have to work off-site when the internet is required.

The site development has been very slow and has been hampered by not having time to “catch up”. Seagull opened to the public almost immediately after establishment and construction of buildings. They opened seven days a week shortly afterwards and have struggled to develop the site while managing day to day waste handling, sorting and selling operations.

The buildings were built using a $50,000 grant from Thames Coromandel District Council (TCDC) when they setup. Two lean-tos were built later at a cost of around $20,000. The specification of the original building has caused some problems with a metalled floor. A new building is being developed, paid for by the

Seagull Trust using $43,000 - $45,000 with some money from E-cycle project. If the project fails all the buildings will cede to the council; this makes investment difficult due to lack of security. The land is leased from TCDC on a peppercorn rent, with agreement up to 2014.

The manager at Seagull, Ben Wolf, emphasised that site design is a really important part of the site planning to work through from the beginning. At Seagull the customer's vehicles drive through the centre of the site. This makes drop offs and collections easy but creates health and safety risks, thefts and dust problems from the metalled surface of the site.

3. Operational issues

Seagull is open 7 days a week. The weekends are the busiest times, especially Saturdays. During our visit we counted 12 and 14 customers on-site, an hour apart mid week, middle of the day. Patronage is not weather dependent and, surprisingly, Seagull is busier on rainy days. They employ 3 to 3.5 FTE, with 2 full time workers and 3 part timers. 4 volunteers work at Seagull regularly.

Seagull Trust employees people directly and being the manager "feels a bit like being the meat in the sandwich". There is some difficulty in juggling relationships with six trustees.

They hold a monthly silent auction for special or unusual items. These are laid out on tables and customers can put bids on them for 10 days. The highest bid then wins the item and these have proved to be very popular with people, engaging them in Seagull, getting repeat visits and gaining much higher prices than may have been achieved otherwise.

The centre has plateaued after five years because of lack of room and adequate staff numbers. Access to better quality items and community donations would allow the centre to develop. The metal and large item recycling earns enough money to pay for staff members. Seagull cannot get enough items such as washing machines, freezers, fireplaces, cookers and fridges. The hardest items to sell are foot spas, suitcases and blank videos.

Theft of metals has been an issue and there have been multiple break ins. Having lockable storage would be useful.

4. Relations with council and contractors

Seagull do not have strong relations with TCDC and do not have any formal arrangement for receiving items. Seagull cannot formally take any items from the transfer station but have a personal arrangement with employees at Smart Environmental.

Relations with the council have been improving. The Seagull Trust did not make a submission to the East Waikato draft WMMP.

5. Financial aspects:

Pricing of stock is reasonably random, with items that are low value kept cheap and moved on as quickly as possible. The $2 shop items can be a problem because they are often lower priced than the recycled items. The shop is being

made more user friendly with better and greater signage, distinct sections for types of item, more shelving, minimum pricing guides for a specific group of items. This means not all individual items need to be priced. This only applies to the lower value items though, anything for $5 or more needs to be individually labelled as people move items around.

The turnover of Seagull is $12k - $14k a month. This includes a recent move in to metals which is a good money making venture.

CleanStream Northland, Kaitaia

1. Legal structure

CleanStream Northland is an equal joint venture between Community Business and Environment Centre (CBEC) and Te Runanga o Te Arawa. The two organisations have 50:50 ownership of the business and a shared vision. All operational management is devolved to CBEC which holds a separate account of CleanStream. CleanStream is governed by four directors, two from each organisation.

There is a JV agreement in place but no formal legal entity exists. The legal structure has only changed since 2009 because CleanStream have been buying equipment jointly. Previously, CBEC owned all equipment and leased it back to CleanStream on a fair price.

CBEC is a charitable co-operative society with 7 Directors and 80 shareholders. They are lucky if 20 attend an AGM. The Directors have generally been supportive but occasionally there have been problems with the negative influence and ego of some Directors. The purposes of CBEC are job creation, enhancing the environment, local ownership of businesses.

2. Site

CleanStream hold a contract with Far North District Council (FNDC) to run the main transfer station and district wide recycling services. The reuse shop is housed at the transfer station in Kaitaia and is part of the council contractual requirements.

The site is very functional and practical but lacks creativity and interest for their customers.

3. Operational issues

The site was started in 1989 and runs 7 days a week, 7.30am – 5pm weekdays and 9am – 5pm weekends. The shop has been a recent addition, in past 2 years. The busiest time is from end of November until February because of the enormous increase in seasonal visitors. All items that come into the shop are weighed on a forklift. An average is worked out on $ sold per kilogramme. This isn't necessarily a useful number for other sites as the variety of items received and sold will vary a lot by community.

There have been a limited amount of resaleable items available in the local community. The items that do come to the transfer station are often too damaged to be reusable, this is most likely a result of the high level of poverty in the area. CleanStream are working to resolve this in a creative way. Every second week the truck that delivers recycling to Auckland back loads with reusable items from Waitakare transfer station. Having enough stock is a real issue.

The shop doesn't repair items although small items are checked and sold. The shop does not do microwaves, fridges or freezers as these cannot be guaranteed to work for long. They don't sell partly working items for the same reason. Primary aims are to create jobs, divert waste from landfill and give benefit to the community. Decisions are made based on these principles and support of other local businesses is an important aspect of this.

A scrap metal section has recently been developed for disassembly and separation of different metals. All non-ferrous items are stored indoors and there has only been 1 break in a year. Secure storage of these items has been very important. For every tonne of non-ferrous there is around 6 tonnes of ferrous. The cleaner and better separated out the metals the better prices. CleanStream are separating into over dozen different types of metal, increasing the price and density of each type for final sale.

The biggest trap for a reuse organisation would be taking on items that cannot be sold. The primary foci at CleanStream have been presentation, learning what sells and what doesn't, getting the right staff, price is less important. There is lots of signage, it is clean and tidy, all items are washed in dishwasher or washing machine. It is functional but lacks creativity and excitement. The staff that run the shop are crucial and have to be hard nosed about what is taken and what is refused. Being hard working and allowing stuff to keep moving through is essential.

4. Relations with councils / contractors

CBEC holds the contract with FNDC to deliver these services, that include the reuse shop. The site has been designed and operated as a model for councils to see what is possible for a community organisation to run. It is designed to fit with councils thinking and demonstrate that this is the sensible thing to do.

5. Financial aspects

CleanStream is GST registered, has held $2 million per annum of contracts with council but has not had a formal structure for the first seven years of operation. They have been able to borrow and secure contracts with this structure. The first round of finance was very difficult to achieve, CBEC staff put up $400k of personal guarantees and received a further $150k without personal guarantees. Prometheus was the main provider of finance and this relationship and availability of finance has improved over time. Prometheus now have $2 - $3 million loaned out to community organisations, primarily in recycling.

The shop breaks even, turning over $40k - $50k per year, employing 3 staff less than full-time. They have few volunteers and would like to have more involved.

The site has not received funding for 10 years and has not been needed, only to establish and get contracts in the first place.

Prices of items are kept deliberately low to help provide items for the local community.

Xtreme Waste, Raglan

The following information was returned by Rick at Xtreme Waste Raglan following discussions on the phone about their operation.

Areas of interest:

1. Organisational structure

- Overview of organisation
- How many people do you employ? 26 part time – about 15 full time equivalents
- How many volunteers do you have regularly involved? Approx 20 hrs per week
- What is their age range? 18 - 56
- What is the legal structure of the entity? Incorporated Society with Charitable Status
- What are the pros and cons of this structure? Not much to choose from Trusts or Inc Societies. We think Inc Socs represent community better than having trustees. Inc Soc can be parked to one side and work on your management organisational structure. Management team need to work well, good communication, decision making processes
- What are your lessons learnt and what would you do differently in future? 12 yrs of experiences – bit hard to reflect on it all
- Does the reuse part of the organisation need the financial support of other areas to survive? Is it profit making or covering it's own costs? The reuse is profit making at apporx. $55k per year. The reuse shop helps prop other non-profit making activity such as glass recylcing
- How long have they been running? the shop has been running for 11 years
- Do they have any formal contract or other relationship with the council or other waste 'owners'? The reuse shop is a permited activity under our general contract with Council to manage the Recycle Centre

2. Waste streams

- What are the main waste streams? Waste to landfill, reusable's, wood, metals, glass, paper, card, plastics, greenwaste, toxics
- What makes up a high proportion by weight?
- I have attached a copy of our product tracker with weights for many streams. Careful using weights as measurement – loose volume is better measurement as it represents what would have filled the landfill. Industry often states that plastic packaging is small percent of waste stream –

which is true by weight but not by volume. 400 kgs of plastic bottles may be 30m3 or more

- How do you measure / calculate your waste streams? By loose volume
- What suggestions do you have for waste data flow not involving a weighbridge? Measure everything by m3. We use this system for measuring waste to landfill as well
- What items would you prioritise for a reuse shop? For what reasons? need to network in your community to see what the needs are and what other organisations are collecting/needing. Don't replace a current service – rather support it by becoming a collector for them. This will help to build the quad. Bottom line and have many people in community support you when it comes to getting contracts and expanding business
- Which items would you definitely avoid? Depends on what contract you get and your facilities – don't avoid anything unless it financially cripples you
- What are your most valuable items? What sells the most? Most in demand? Premiums change with time. PET clear is most profitable plastic at about $650 per tonne. Non ferrous metals are very valuable. Depends on your markets. If there is low premium consider banking the material (bury baled plastics under ground for future, keep non ferrous metals locked away as bank for future for community). Sometimes recycling product is more about diversion than profit
- What areas would you focus on initially to ensure successful establishment and some degree of financial security? Relationship with community and council. Don't underestimate the importance of these relationships – consider what happened to Kaikoura, Waiheke, Ashburton, Wanaka. Premiums for products will depend on markets, volumes, transport
- Do you know who your customers are? And who are they? Were they who you expected? We have strategies for our customers which include council, our staff, community, tourists, businesses, events.
- Are they part of the transfer station? Next to it? How far away from it? Nearly all customers part of recycle centre/transfer station
- What waste streams come through the site directly (including waste other than reuse waste) and what goes elsewhere? All comes through transfer station

3. Adding value

- Do you add value to any items that come in?
- If so what do you do? Wood yard and metal yard add value to broken items, make new items, fix things for other people. Many other people in community get materials from recycle centre to make into other things at home. We could do more of this but sometimes need to consider which is the best value for community
- What do you aspire to do in terms of adding value? Quality items (furniture, sculpture) that may need a different outlet
- What would you recommend not doing, or have tried and failed?
- What links to you have to training, education, PD or other areas of business? Large education programme connected to organisation since

first day. Council contract for work in schools, bilingual material, Para Kore, education for businesses. Rick is Assessor with EXITO and all staff get unit standard training – most have national certificates in recycling operations or theory. 1st aid and fire suppression, HT, digger, forks, literacy, numeracy, budgeting, welding, conflict resolution, facilitiating…… we would like employees to get as much training as possible so they can leave us and do other things in our community or elsewhere. Waste is our vehicle for community training, skills development, gaining work experience

- Have you tried to establish or been involved in any micro enterprises? We have assisted members of our community get projects/businesses established eg white ware hire company, metal artists, surf board carvers, but all other activity is held within xtreme such as wood and metal yards
- What were your lessons learned?
- Do you receive third party or government funding? What advice do you have on this? We apply for grants for capitol items or events. The WMF is a good place for setup costs. In our first few years we relied heavily on grants. Now we are self funding other than support for large capitol items
- Do you have any links to Men's Shed or similar? What is your experience of this? Don't know about it