



LOCAL GOVERNMENT WASTE MANAGEMENT MANIFESTO

DEVELOPED BY THE TERRITORIAL
AUTHORITY FORUM, A SECTOR
GROUP OF WASTEMINZ

SUMMARY POINTS

REVIEW THE NEW ZEALAND **WASTE STRATEGY**
TO SET A CLEAR PROGRAMME FOR ACTION

EXPAND THE **WASTE DISPOSAL LEVY** AND PROGRESSIVELY RAISE
THE LEVY RATE TO REDUCE TOTAL WASTE TO LANDFILL BY UP TO
3.5 MILLION TONNES PER ANNUM

OFFICIALLY ADOPT THE NATIONAL **WASTE DATA** FRAMEWORK
DEVELOPED BY WASTEMINZ AND OVERSEE ITS IMPLEMENTATION
TO ENABLE BETTER PLANNING AND MONITORING

INTRODUCE A **CONTAINER DEPOSIT SCHEME** TO LIFT RECYCLING
RATES FROM 45-58% TO BETWEEN 79% AND 82%

DECLARE **TYRES, E-WASTE, AGRICULTURAL CHEMICALS
AND PLASTICS** AS PRIORITY PRODUCTS, TO ADDRESS
PROBLEM WASTE STREAMS

About the TA Forum

The Territorial Authority (TA) Forum is an officer led Sector Group of WasteMINZ. It is made up of 64 city and district councils from around New Zealand. The TA Forum was established to create consistency and efficiency amongst territorial authorities through sharing knowledge and best practice.

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Introduction

Waste is a significant issue for local government to deal with. However, a lack of supporting Government policy and action has constrained councils' ability to address waste issues effectively. This manifesto sets out the waste management actions which the TA Forum considers that the Government should prioritise. These actions will enable real reductions in waste to landfill and reduce the costs borne by councils and their communities.

Why recycling and waste reduction matters

In New Zealand, we generally manage waste responsibly to avoid the worst waste management outcomes. However, waste also represents a huge opportunity for New Zealand, which we have barely begun to take advantage of.

Waste is the result of an unsustainable, linear use of materials. Taking action on waste can drive transformation back up the value chain and bring about significant positive changes throughout the economy, and ultimately move us towards a more circular model. Well considered waste policy has the potential to bring benefits across a wide spectrum of activity from reducing greenhouse gas emissions by avoiding waste in the first place, through to job creation and cleaner waterways.

Reducing waste and making full use of the value of materials will lead to the following positive outcomes for New Zealand:

Reduced greenhouse gas emissions through reduced virgin resource use, as well as less emissions from landfill.

More efficient industries and services that use less materials in the first place – improving our competitiveness.

Improved soil quality from use of organic waste, improving our farm productivity and improving water quality as a result of better soil moisture retention and the need to use less fertilisers.

A reduced reliance on importing materials and on fluctuating commodity markets.

An increase in economic activity and jobs as a result of materials being diverted from unproductive landfill to productive local industries.

The priorities that are set out in the following pages are only some of the areas that the Government can take action on to reduce waste, but they are ones that will have the most impact in setting us on the right path, towards a circular economy.

The suggested priorities are all well proven and well researched, and are possible to deliver with the provisions already available in legislation. All that is required is decisive action.

The need for a strategic approach

What is it?

There has been a lack of clear strategic direction to shape and guide action and investment in the waste sector. The current New Zealand Waste Strategy 2010 (NZWS) presents two guiding principles but sets no goals, targets, timetables, actions, or responsibilities.

Given the range of possible actions that the Government could take (some of which are set out in this document as priorities), it makes sense to set these within a clear strategic framework. Revision of the New Zealand Waste Strategy is therefore considered timely.

What would it achieve?

Revising the New Zealand Waste Strategy to set a more comprehensive programme of action would:

Provide clarity to the sector on the Government's priorities and timeframes.

Facilitate TAs in developing their Waste Management and Minimisation Plans (WMMPs), which must have regard to the strategy, and help align actions regionally and nationally.

Provide a clearer strategic direction for investment of waste levy funds.

Encourage more joint working and investment in regional planning and infrastructure.

Create greater certainty for the private sector to facilitate investment in key infrastructure and services.

How should it work?

A revised waste strategy should have the following features to give clear direction:

A clear set of goals and objectives.

Measurable and time-bound targets.

Identify the specific policies and actions that will deliver the targets, goals and objectives.

Identify the roles and responsibilities for key parties (TAs, regional authorities, industry, community sector, product stewardship and industry organisations etc.), including any regulatory provision necessary for full participation.

Identify and establish funding mechanisms (including waste levy funding) that will enable delivery of the targets, goals, and objectives by the key parties.

Establish mechanisms for monitoring and reporting on outcomes.

Key actions for Central Government

The content and direction of the strategy is the prerogative of the Government to determine in partnership with the sector. However, from a council perspective, the TA Forum considers that the following elements are logical parts of any strategy moving forward:

Priority 1: Changes to the Waste Disposal Levy

Priority 2: Better Waste Data

Priority 3: Container Deposit Scheme

Priority 4: Mandatory product stewardship for key products

Each of these is expanded on in the following sections.

Changes to the Waste Disposal Levy

What is it?

New Zealand has a levy on every tonne of waste that is disposed of at Class 1 landfills. The levy has been applied at a rate of \$10 a tonne since it was first introduced in 2009.

Despite having a levy in place, the amount of waste sent to landfill in New Zealand has grown by 35% since 2009¹. It is clear that, in its current form, the waste levy has not been effective in promoting the reduction of waste to landfill and in achieving the aim of the Waste Minimisation Act, which is to "...encourage waste minimisation and a decrease in waste to disposal..."².

The main reason the levy has not been effective is that the rate is very low – one of the lowest of any country with a landfill levy. Another challenge is that the levy is currently only charged on the waste going to Class 1 landfills – which is only about 30% of the waste that is disposed to land. The other 70% goes to Class 2-4 landfills (which are supposed to accept less harmful waste, and which have lower environmental standards), or is disposed of on farms.

International evidence is clear that extending the levy to cover all types of disposal, and raising the rate of the levy (particularly on the type of waste that should go to Class 1 landfills), can generate substantial reduction in waste to landfill. The levy is the single most powerful tool available to Government to reduce waste and improve resource efficiency and recovery.

What would it achieve?

Recent work commissioned by a consortium of councils and, waste and recycling companies showed that there would likely be substantial benefits to New Zealand from a well-designed levy regime.³ The study suggests extending the levy to all classes of fill and raising the rate for 'active waste' to \$140 a tonne would, by 2025:

Reduce total waste to landfill by 3.5 million tonnes with over half of this reduction coming from Class 1 landfills.

Raise an additional \$170 million per annum in revenue that could be applied to waste minimisation projects and strategic regional infrastructure.

Create up to 9,000 additional jobs.

Result in net benefit to the New Zealand economy of up to \$500 million per annum.

The study results are consistent with experience from the UK, Europe and Australia where similar levy structures and rates have been put in place.

There is widespread agreement in the sector on the need to broaden the levy to encompass different types of landfill, and while there is general agreement that the levy should go up, there is less consensus on what the rate should be, and how quickly it should go up, as well as concern in some regions on the potential impacts locally.

¹ Based on data from Ministry for the Environment (2017) *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

² Waste Minimisation Act Section 3

³ Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy, Potential Impacts of Adjustments to the Current Levy Rate and Structure*

How should it work?

There will need to be further work to determine the precise structure that will deliver the best outcomes for New Zealand, including mitigating any potential negative outcomes. As articulated by the study mentioned on the previous page, there will need to be a package of elements that together provide a sound basis for action. These elements include:

Extending the levy to all fill types, so waste can't 'escape' the levy and to improve data.

Differential rates for key waste types (such as 'active' and 'inert' waste), to enable appropriate management of waste types.

A substantial increase in the 'active' rate, to drive waste from disposal to recovery.

Escalating to the target rates over time, to give industry time to respond and invest.

Comprehensive monitoring and enforcement, to avoid illegal disposal.

Targeted spending of levy income, to provide diversion opportunities through locally appropriate infrastructure and support the intent of the Act.

Key actions for Central Government

There are adequate provisions in the WMA 2008 to make all the necessary changes to the levy that would deliver the benefits noted previously. Regulation under the Act will, however, be required to bring some of the actions into force.

To put in place an optimal structure for the Waste Disposal Levy the following key steps will likely be required:

- 1 Undertake further work to understand the potential costs and benefits in more detail. In particular, where these costs and benefits will fall. This includes the costs and benefits from levy charges as well as allocation of funds. Key areas to understand further include:
 - a Impacts on industry sectors
 - b Impacts on local government
 - c Impacts in different parts of the country
 - d Climate change and other environmental impacts.
- 2 Develop draft proposals for a revised levy regime taking account of the cost-benefit profile.
- 3 Undertake consultation on draft proposals.
- 4 Finalise levy design and implement new regime.

Better Waste Data

What is it?

New Zealand lacks comprehensive, reliable waste data⁴. We have good data on the quantity of material that goes to Class 1 (levied) disposal sites, and most councils hold reasonable data on the waste that they manage through their services and facilities. But there is very poor data on the total amount of waste generated, the amount of material that goes to Class 2-4 disposal sites and farm dumps (together about 70% of all material disposed to land), material that is collected or managed by private operators, and material that is recycled and recovered. This means that our overall understanding of waste flows is severely limited.

New Zealand already has a National Waste Data Framework (WDF)⁵, which provides a series of protocols for gathering consistent data. This is beginning to be implemented by a range of councils around the country. However, participation is voluntary, the WDF currently only covers waste going to levied disposal sites, and there is no mechanism to compile data on a regional or national basis.

What would it achieve?

Better waste data will have a significant positive effect across all aspects of the sector. It will allow councils, the private and community sectors, and Government to benchmark their performance, identify areas where performance could be improved, plan with greater confidence, and to monitor and measure the effectiveness of actions.

How should it work?

A national system for gathering and sharing waste data should be established. The system should have the following features:

Utilise the existing Waste Data Framework developed by WasteMINZ to provide the foundation for gathering data and expand it (as planned, when it was initially developed) to cover non-levied sites and recovered materials.

Local authorities continue to have primary responsibility for gathering waste data in their district.

Regional bodies are established to administer waste operator licensing schemes, gather data from these schemes and compile data on a regional level.

Central government should compile regional data to develop a national picture and make data available for benchmarking and policy purposes.

Key actions for Central Government

To establish a national waste data system the Government should:

- 1 Require (under section 37 of the WMA) the Waste Data Framework to be used by TAs for compiling and reporting data.
- 2 Develop and implement regulations under Section 86 of the WMA to provide a mechanism for requiring reporting of recovered material data.
- 3 Establish a platform for key parties to enter data into, compile data, and make aggregated data available.
- 4 Work with councils, industry, and regional government/agencies to facilitate the development of a national waste data system that will meet the needs of the sector at large.

⁴ Ministry for the Environment (2017) *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

⁵ The WDF was developed with support from the Waste Minimisation Fund and TAs, and led by WasteMINZ

Container Deposit Scheme

What is it?

A container deposit scheme (CDS)⁶ is where consumers pay a deposit when they purchase a drink from a store and then receive it back when they return the container to an official collection point.

The amount of the deposit is usually quite small (10 cents for example), but it is enough to provide an incentive for people to return the containers. If a consumer chooses not to return the empty container, they lose the deposit.

The concept is similar to the old bottle deposit schemes that used to operate in New Zealand except that it would apply to a range of containers, not just glass bottles.

What would it achieve?

Places with container deposit schemes achieve very high recycling rates, in the order of 80–90 per cent of all drink containers. The schemes also help to reduce the impact of litter on the environment, particularly the marine environment.

A recent independent cost-benefit analysis commissioned by Auckland Council found the following benefits from introducing a CDS in New Zealand:⁷

Overall benefits would be three to six times greater than costs.

Recycling rates would be improved from 45–58% to between 79% and 82%.

Councils could expect to save in the order of \$12.5 million–\$20.9 million per annum in kerbside collection costs.

Councils could avoid further costs in the order \$4.2 million–\$8.1 million per annum, through reduced landfill disposal and litter cleanup costs.

Other potential benefits would accrue to the environment, job creation, and increased public engagement.

How should it work?

The precise structure for the CDS will need to be determined through consultation. However, the fundamental features of the scheme should include:

Coverage of a wide range of drink containers from small cans through to tetra-paks and large 3-litre containers.

Producers add a refundable charge (for example 10 cents) to each container which is passed on to retailers.

Consumers pay the charge when they purchase the product.

Consumers take back the empty container to a drop off point and receive back the full amount of the deposit.

An example of how a scheme could work is shown in the diagram on page 10.

For more detail on how a CDS scheme could work, refer to the reports by Envision⁸ and/or Auckland Council⁹.

⁶ CDS is often referred to by other names such as Deposit Refund Systems (DRS) or Container Deposit Legislation (CDL)

⁷ Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017

⁸ Envision (2015) *The InCENTive to Recycle: The case for a container deposit system in New Zealand*

⁹ Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017



Indicative Container Deposit System Model

Key actions for Central Government

The legislative basis for introducing a CDS is provided in the product stewardship provisions of the Waste Minimisation Act 2008 (WMA). Key actions would include:

- 1 Undertake appropriate consultation.
- 2 Declare beverage containers a priority product.
- 3 Decide the key features of the scheme such as the level of the deposit, the containers it is applied to, and the responsibilities of key parties.
- 4 Enact required regulation to ensure participation and lawful compliance of participants.
- 5 Set up the necessary administrative structures and infrastructure.

Mandatory Product Stewardship

What is it?

Product Stewardship schemes are well established around the world and are particularly effective tools for managing problematic waste streams. They place responsibility on the producers and sellers for managing products at the end of their life.

There are two types of schemes: mandatory product stewardship, and voluntary (industry or company led) schemes. New Zealand has provision for both types of product stewardship schemes in the WMA, but to date, the Government has only accredited voluntary schemes. While voluntary schemes are appropriate for some products, other products may require mandatory schemes to be effective.

Mandatory schemes are necessary where either the industry does not want to act, or where only certain companies within the industry are willing to act, and other companies can get the benefits of a scheme without having to pay the costs (referred to as 'free riders').

What would it achieve?

It is proposed that mandatory schemes be set up for the following key waste streams:

Tyres

E-waste¹⁰

Agricultural chemicals and plastics

Each of these waste streams is extremely problematic in New Zealand. They have been identified by stakeholders as priorities¹¹, and significant research has been undertaken into

these issues and on the viability of mandatory schemes. In addition, the tyre industry has been supportive of mandatory product stewardship and have actively sought its introduction.

Introducing mandatory product stewardship schemes for these products would dramatically improve the management of these waste streams, avoid negative environmental impacts associated with their improper disposal, and shift costs to the producers and consumers, thus reducing costs to councils and communities.

How should it work?

Each of the schemes would need to be established independently. Key features are noted below:

Tyres. The scheme should broadly follow the Tyrewise model which has been developed and consulted on by industry.¹² The preferred scheme should apply to all pneumatic and solid fill tyres, including off the road (OTR) and aircraft tyres; and a fee placed on all tyres at the point of import covering collection, tracking and processing of end-of-life tyres.

E-Waste. The scheme should draw on the work done to date by the MfE and stakeholders. Key features of a scheme should include: advance recycling fee applied to each electrical or electronic item at point of purchase, industry management responsible for establishing collection networks (which could include retail outlets), consumers drop off end-of-life electronics at no charge, the fee covers collection, responsible recovery or disposal, and administration.

¹⁰ The definition of e-waste will be important. For the purposes of this document e-waste is assumed to refer to any item with a battery or an electrical plug.

¹¹ Ministry for the Environment (2015) *Priority waste streams for product stewardship intervention: Summary of submissions*.

¹² Tyrewise Working Group (2014) *Tyrewise Scoping Report 4: What might a future programme look like?* Report for Ministry for the Environment

Agricultural chemicals and plastics. The scheme should draw on the work done by Environment Canterbury ¹³ (and supported by the Waste Minimisation Fund). While this work did not identify a mandatory product stewardship scheme (as this was not within its scope), it did examine the feasibility of various approaches. Key features should include comprehensive coverage, a single point of contact and cost-effective operation.

Key actions for Central Government

The legislative basis for introducing schemes for these waste streams is provided in the product stewardship provisions of the Waste Minimisation Act 2008 (WMA). Prior to this, key actions would include:

- 1 Review the work already undertaken for each product type, take account of new information and address any information gaps.
- 2 Undertake appropriate consultation as required.
- 3 Declare each of the above items as priority products under section 9 of the WMA.
- 4 Develop schemes for each of the priority products.
- 5 Accredited the schemes under section 15 of the WMA.

¹³ Environment Canterbury (2017) *New Zealand Rural Waste Minimisation Project Milestone 5 Phase iii: Implementation of preferred options & communications strategy*. Prepared by True North Consulting / Cherry Red Consulting, 12 May 2017

Key Reference Documents

Container Deposits

Envision (2015) *The InCENTive to Recycle: The case for a container deposit system in New Zealand*

Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017

Waste Disposal Levy

Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy, Potential Impacts of Adjustments to the Current Levy Rate and Structure*

Waste Data

Waste Management Institute New Zealand (2015) *New Zealand Waste Data Framework Volume One: Definitions and Protocols for Waste to Disposal Facilities Volume Two: Definitions and Protocols for Information about Waste Services and Facilities*. Prepared by Eunomia Research & Consulting Ltd and Waste Not Consulting Ltd, August 2015.

Waste Planning

Ministry for the Environment (2010) *The New Zealand Waste Strategy*

Product Stewardship

SLR, *E-waste Product Stewardship Framework for New Zealand*, June 2015

e-Day Trust (2017) *eWaste Manifesto*

Environment Canterbury (2017) *New Zealand Rural Waste Minimisation Project Milestone 5 Phase iii: Implementation of preferred options & communications strategy*. Prepared by True North Consulting / Cherry Red Consulting, 12 May 2017

KPMG (2015) *Waste Tyres Economic Research Report 3: Intervention options to promote investment in onshore waste tyre recycling*. Report for Ministry for the Environment

Ministry for the Environment (2015) *Priority waste streams for product stewardship intervention: Summary of submissions*