



## **NOTICE OF MEETING**

**Notice is hereby given of the Waste Advisory Group  
to be held in the Council Chambers  
Invercargill City Council  
101 Esk Street, Invercargill  
On Monday 27 January 2020 at 2.00 pm**

Cr N Davis  
Cr C Bolger

Cr W Clark  
Cr A Crackett

Mayor G Tong  
Cr E Kremer

CLARE HADLEY  
CHIEF EXECUTIVE



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Moved, seconded and RESOLVED that the public be excluded from the following parts of the proceedings of this meeting; namely

*(a) Minutes of meeting held on 18 December 2019*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Minutes of meeting held on 18 December 2019	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	<b>7(2)(h)</b>



**MINUTES OF THE WASTE ADVISORY GROUP COMMITTEE  
HELD IN THE COUNCIL CHAMBERS, INVERCARGILL CITY COUNCIL  
101 ESK STREET, INVERCARGILL ON WEDNESDAY 18 DECEMBER 2019 AT 2.00 PM**

**PRESENT:** Cr A Crackett (Chair)  
Mayor G Tong  
Cr E Kremer  
Cr N Davis  
Cr C Bolger  
Cr W Clark

**IN ATTENDANCE:** Mrs C Hadley  
Mr C McIntosh  
Ms D Peterson  
Mr R Sharma  
Mr I Evans  
Mr M Russell  
Mrs J Affleck (Committee Secretary)

1. **WELCOME**

In the absence of a Chairperson, Mrs Hadley introduced herself, opened the meeting and called for nominations for the Chair of the Waste Advisory Group.

2. **APOLOGIES**

N/A

3. **APPOINTMENT OF CHAIRPERSON**

Moved Cr Mayor Tong, seconded Cr Davis and **RESOLVED** that Cr Crackett is elected as Chairperson.

4. **APPOINTMENT OF DEPUTY CHAIRPERSON**

Moved Cr Crackett, seconded Cr Bolger and **RESOLVED** that Mayor Tong is elected as Deputy Chairperson.

5. **TABLED LATE ITEM**

Moved Cr Crackett, seconded Mayor Tong and **RESOLVED** that Gore District Council's (GDC) letter to Invercargill City Council (ICC) dated 17 December 2019, which pertains to the RFP for Contract 850 Recyclables Acceptance Services Update, be accepted as a late item.

6. **CONTRACT 850 RECYCLABLES ACCEPTANCE SERVICES – RFP MEDIATION UPDATE**  
A2866540

Mr McIntosh took the meeting through the report, being an update on where the mediation process had got to.

Cr Bolger said he was disappointed that we could not all agree, believing ICC did not give it the weight and gravity it deserved.

Moved Cr Davis, seconded Mayor Tong and **RESOLVED** that the report “Contract 850 Recycling Acceptance Services RFP - Mediation Update” be received; and

1. The Waste Advisory Group note that mediation took place on 22 August 2019; and
2. That Invercargill City Council held the workshop agreed to at mediation on 10 September 2019; and
3. That WasteNet note mediation remains adjourned.

7. **RFP FOR CONTRACT 850 RECYCLABLES ACCEPTANCE SERVICES UPDATE**  
A2866606

Time was given for the tabled letter from GDC to be read.

Mayor Tong said that following a Southland District Council (SDC) meeting this morning, they too will be sending a letter to the Chief Executive of ICC along the same lines as GDC’s letter tabled today. Their recommendation was made to WasteNet, and what has resulted has been disappointing.

Cr Clark also stated his disappointment that the RFP had to be cancelled.

Cr Crackett said she too is personally disappointed with the RFP process but this group can only now decide what they are going to do moving forward, and noted that the other two councils will seek to recover costs from ICC. To which Mayor Tong clarified that costs referred to both current and future costs incurred.

Moved Cr Bolger, seconded Mayor Tong and **RESOLVED** that the report “RFP for Contract 850 Recyclables Acceptance Services Update” be received; and

1. The Waste Advisory Group note that in accordance with clause 7.16.1 of the Request for Proposal documentation Contract 850 RFP will be concluded without an award of contract.

8. **UPDATE ON OTHER ISSUES**  
A2867277

Mr McIntosh took the meeting through the report. WasteNet is more than just Contract 650, as it administers other contracts and liaises with central government and other bodies. A lot of that work was put on hold and other work has come in during the procurement of 850, and these matters will be brought back to this group at subsequent meetings.

The Ministry for the Environment is currently consulting on a significant increase in landfill levies which will have a bearing on the cost of these activities in the future.

Provincial Growth Fund has set aside some money to stimulate innovation in waste minimisation, which Southland could benefit from.

The review of the Waste Management and Minimisation Plan (which is a statutory requirement) was put on hold while the procurement process was underway. It was sensible to delay this at the time, as there was relative stability in the waste streams from Southland and the market situation, but this is not the case now and has become a priority. The issue here is managing the desire to minimise waste with the difficulty of finding diversions for waste streams at a time when markets are closing. This sizable work has to be done now, requires consultation and will need to be contracted out as WasteNet resources are limited.

Moved Mayor Tong, seconded Cr Bolger and **RESOLVED** that WasteNet receive the oral update and provide appropriate guidance to officers.

## 9. PUBLIC EXCLUDED SESSION

Moved Cr Bolger, seconded Mayor Tong and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

### (a) *Emission Trading Scheme Landfill Price*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1)(d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) <i>Emission Trading Scheme Landfill Price</i>	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	7(2)(h)

Meeting was moved into public excluded at 2.23 pm

Meeting was moved back into public at 2.33 pm

## 10. GENERAL

To Cr Clark's question as to what WasteNet's liabilities are in relation to Smart Environmental's letter, Mayor Tong clarified that there was no liability to WasteNet, only ICC.

To Cr Clark's statement that there was little or no chance to recover the cost of the tender, Mayor Tong said that this is only one solicitor's opinion, and many solicitors will be involved before this matter is resolved.

Cr Crackett said that as this is an ongoing issue, there will be further discussions, as we all want to find a way forward in the best interest of all parties, but today is not that day.

Mayor Tong reiterated his support as Deputy Chair, to which Cr Crackett thanked him.

There being no further business the meeting closed at 2.35 pm

Next meeting: Monday 27 January 2020, 2.00-4.00pm at Invercargill City Council, Council Chambers

**TO: WASTE ADVISORY GROUP**

**FROM: CAMERON MCINTOSH, WASTENET SOUTHLAND REPRESENTATIVE**

**MEETING DATE: MONDAY 27 JANUARY 2020**

<b>BUDGET 2019-2020</b>
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**SUMMARY**

The purpose of this report is to present the 2019-2020 budget for WasteNet Southland.
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**RECOMMENDATIONS**

**That the report “Budget 2019-2020” be received**

**AND THAT**

**The Waste Advisory Group approves the 2019-2020 budget**

**AND THAT**

**Invercargill City Council continues to be contracted to provide the deliverables for WasteNet Southland.**

**BACKGROUND**

WasteNet Southland (WasteNet) is a shared service between the Gore District Council, Invercargill City Council and Southland District Council. WasteNet co-ordinates waste management and minimisation for the region including one waste plan, one landfill contract and one regional solid waste service contract.

Each year a budget is prepared and presented to this Committee for approval. Due to the procurement of recyclable acceptance services taking precedent, this is the first opportunity to present this budget.

**BUDGET**

The Waste Management Group have prepared a budget to allow “business-as-usual” activities to continue while strategic work takes place, e.g. community and education programmes, contract management and administrative tasks.

The Waste Management Group proposes that the Invercargill City Council retain the contract to continue the daily operations and provide the deliverables for the shared service.

The Waste Management Group are proposing the below budget for the 2019-2020 financial year.

<b>Department</b>	<b>2017/2018 Actual (000)</b>	<b>2018/2019 Actual (000)</b>	<b>2019/2020 Budget (000)</b>
<b>INCOME</b>			
Contracts <sup>i</sup>	13,040	13,393	13,365
Income Total	13,040	13,393	13,365
<b>EXPENDITURE</b>			
Contracts	12,533	12,826	12,789
Business Plan	449	569	440
Expenditure Total	12,982	13,395	13,229
<b>SURPLUS / (DEFICIT)</b>	<b>58</b>	<b>(2)</b>	<b>136</b>

## **The Business Plan**

The core activities and projects taking place include:

- **Contract Management**
  - Contract 5/279 Southland Regional Landfill
  - Contract 550 Collection and Transfer Station Services
  - Contract 650 Recyclables Acceptance Services
  
- **Education and Communication Programme**
  - Websites and social media
  - Advertising – operational and service changes
  - Promotion of waste minimisation activities, e.g. Plastic Free July, Love Food Hate Waste
  - Regional Clean-Up Fund
  - Public enquiries
  
- **Regulatory**
  - Waste Management and Minimisation Plan
  - Solid Waste Bylaw
  - Reporting (WasteNet Councils, Ministry for the Environment)
  - Consultation – Priority Product Stewardship, Landfill Levy
  - Waste Advisory Group
  - Local Government Official Information Act (LGOIMA) requests

## **CONCLUSION**

WasteNet Southland is a shared service between the WasteNet Councils (being Invercargill City Council, Gore District Council and Southland District Council). This report presents the budget for the 2019-2020 financial year.

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<sup>i</sup> Contracts is defined as: Contract 5/279 Southland Regional Landfill; Contract 550 Collection and Transfer Station; and Contract 650 Recyclables Acceptance Services.

**TO: WASTE ADVISORY GROUP**

**FROM: CAMERON MCINTOSH, WASTENET SOUTHLAND REPRESENTATIVE**

**MEETING DATE: MONDAY 27 JANUARY 2020**

**PROCURING SERVICES FOR WASTE MANAGEMENT AND MINIMISATION PLAN REVIEW**

**SUMMARY**

The purpose of this report is to present a procurement strategy for reviewing the Southland Waste Management and Minimisation Plan.

**RECOMMENDATIONS**

**That the report “Procuring Services for Waste Management and Minimisation Plan Review” be received**

**AND THAT**

**The Waste Advisory Group recommends that the WasteNet Councils agree to review and/or amend the joint Waste Management and Minimisation Plan as permitted by section 45 of the Waste Minimisation Act 2008, and that WasteNet Southland carries out the review on behalf of the WasteNet Councils**

**AND THAT**

**The Waste Advisory Group delegates authority and budget of \$100,000 (excluding GST) to the Waste Management Group to procure the necessary services to review and/or amend the joint Southland Waste Management and Minimisation Plan.**

**BACKGROUND**

WasteNet Southland (WasteNet) is a shared service between the Gore District Council, Invercargill City Council and Southland District Council. WasteNet co-ordinates waste management and minimisation for the region including one waste plan, one landfill contract and one regional solid waste service contract.

Territorial Authorities (TAs) are required to have a Waste Management and Minimisation Plan as per the Waste Minimisation Act 2008. The WasteNet Councils jointly prepared and adopted the Southland Waste Management and Minimisation Plan (the Waste Plan) in 2012.

The Waste Minimisation Act requires TAs to review their plans every 6-years. In 2018 WasteNet started reviewing the Waste Plan. In 2019 the review was placed on hold during the procurement for Recyclables Acceptance Services.

The Waste Plan is 19-months outside of the legislative review period. The Waste Management Group are recommending that (a) the review of the Waste Plan is resumed and (b) external support is procured to assist with the timely completion of the review.

## LEGISLATIVE CONTEXT

The purpose of the Waste Minimisation Act 2008 (the Act) is to “encourage waste minimisation and decrease in waste disposal to protect the environment from harm and provide environmental, social, economic and cultural benefits.”

Section 43 of the Act requires TAs to have Waste Management and Minimisation Plans, and details what must be provided for including:

- objectives and policies
- methods (e.g. collection, recovery, recycling, treatment, disposal, facilities, education and public awareness)
- how implementing the plan is funded
- if TAs wish to make grants or advance monies as per section 47

Section 44 of the Act details the requirements when preparing, amending or revoking plans, which must include:

- consideration of the waste hierarchy
- that collection, transport and disposal of waste does not cause a nuisance
- regard to the New Zealand Waste Strategy or any government waste policy
- regard to recent waste assessment (as per section 51 of the Act)
- the special consultative procedure as per section 83 of the Local Government Act 2002

Section 51 of the Act details the requirements of the waste assessment which must include:

- description of the current waste services provided in the district
- forecast of future demands
- statement of options to meet forecast of future demands
- statement of TAs intended role in meeting forecast of future demands
- statement on the extent that proposal will ensure public health is protected, and promote efficient and effective waste management and minimisation
- a regard to:
  - significance of information
  - cost of obtaining information
  - extent of TAs resources
  - Health Act 1956
- a full and balance assessment
- consultation with a Medical Officer of Health

### Joint Plan

Section 45 of the Act permits two or more TAs to jointly prepare and adopt Waste Plans for whole or parts of their districts.

Part 2 of the WasteNet Joint Waste Management Agreement 2011 (the Agreement) acknowledges WasteNet Councils collaboration to promote and/or achieve outcomes for efficient use of resources under section 14 of the Local Government Act 2002 and Part 4 of the Waste Minimisation Act 2008.

As per the Agreement, the Waste Advisory Group are responsible for the development of policies to ensure the smooth operation of the WasteNet Activities (clause 4.12.4), identification of opportunities for joint waste management and minimisation initiatives (clause

4.12.5 (c) and to formulate recommendations in relation to waste disposal and minimisation strategies.

## **WORK PROGRAMME**

The Act is prescriptive on how to undertake a review and/or amend the Waste Plan. The work programme can be separated into three stages:

1. Waste assessment
2. Plan amendments (if required)
3. Special consultative procedure

Work commenced on Stage 1 Waste Assessment in 2018 with the commissioning of the “Composition of Solid Waste in Southland Region – 2018” report by WasteNot Consulting.

The next phase of the project was to survey the community’s awareness of waste and identify their priority waste issues. In December 2018 the Waste Management Group sought funding from the Waste Advisory Group for this survey, but the report was not considered at that meeting and has not been dealt with subsequently.

In 2019 the Waste Plan review was then placed on hold during the procurement for Recyclables Acceptance Services.

## **Sea-Change for Waste Management and Minimisation**

The New Zealand waste management and minimisation sector is currently in a state of uncertainty. China’s withdrawal from the global commodity market is making New Zealand investigate their resilience to export markets and the harm of single-use plastic products, and understand the variety of collection methodologies and range of recyclables products accepted for recycling throughout New Zealand, e.g. glass-in commingled, glass-out commingled, organics (garden waste only or food and garden) collections.

The Ministry for the Environment has an extensive strategic work programme for the next 12-18 months that will impact on Councils strategic and operational plans, e.g. model contracts for the collection and reprocessing of recyclables, national education campaign “recycle right”, and feasibility studies on how to increase New Zealand onshore fibre and plastic reprocessing capabilities.

## **Procurement**

It is estimated that there is a minimum of 5-months full time work involved in completing the Waste Plan review. Taking into consideration the projects work load, current staff resourcing and that the project is behind schedule, the Waste Management Group are recommending that an external consultant is brought in to assist in the timely completion of this project.

A budget of \$100,000 is proposed with a breakdown as follows:

- 55% - consultant fees
- 30% - community research
- 10% - special consultative procedure
- 5% - other

The below table identifies estimated time frames to complete this project:

<b>Task</b>	<b>Timeframe</b>
Project Scope	February 2020
Directly invite (a minimum of three) consultants to provide quotes	February 2020
Waste Management Group evaluate the quotes, identifying preferred consultant	February 2020
Preferred consultant is engaged by the Waste Management Group	February 2020
Consultant starts	March 2020
Draft Waste Assessment presented to Waste Advisory Group	April 2020
Draft Waste Plan presented to Waste Advisory Group	May 2020
Special Consultative Procedure	June-July 2020
Waste Plan adopted by WasteNet Councils	July-August 2020

## **CONCLUSION**

Territorial Authorities are required to have a Waste Management and Minimisation Plan as per the Waste Minimisation Act 2008. The WasteNet Councils jointly prepared and adopted the Southland Waste Management and Minimisation Plan (the Waste Plan) in 2012.

The Waste Minimisation Act requires TAs to review their plans every 6-years. In 2018 WasteNet started reviewing the Waste Plan. In 2019 the review was placed on hold during the procurement for Recyclables Acceptance Services.

The Waste Plan is 19-months outside of the legislative review period. The Waste Management Group are recommending that (a) the review of the Waste Plan is resumed and (b) external support is procured to assist with the timely completion of the review.

**TO: WASTE ADVISORY GROUP**

**FROM: CAMERON MCINTOSH, WASTENET SOUTHLAND REPRESENTATIVE**

**MEETING DATE: MONDAY 27 JANUARY 2020**

<b>DRAFT LANDFILL LEVY SUBMISSION</b>
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### **SUMMARY**

<p>The Ministry for the Environment (MfE) is seeking feedback on its proposal to amend the national landfill levy in both cost and range, which will encourage further recycling and reuse practices to divert waste from landfill. The purpose of this report is to present the draft WasteNet Southland Landfill Levy submission.</p>
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### **RECOMMENDATIONS**

**That the report “Draft Landfill Levy Submission” be received**

#### **AND THAT**

**The Waste Advisory Group receive the draft Landfill Levy submission (A2884771)**

#### **AND THAT**

**The Waste Advisory Group approves the WasteNet Landfill levy submission.**

### **BACKGROUND**

The Waste Minimisation Act 2008 introduced a national landfill levy for the purpose of (a) raising revenue for promoting and achieving waste minimisation and (b) increasing the cost of waste disposal to recognise that disposal imposes costs on the environment, society and the economy.

The Landfill Levy is payable on the amount of waste disposed of at a municipal (class 1) landfill at the rate of \$10 per tonne (excluding GST).

The levy money is given to territorial authorities (approximately 50%), national Waste Minimisation Fund (approximately 45%) and MfE administration costs (approximately 5%).

On 27 November 2019 the Associate Minister for the Environment announced the government’s proposal to tackle New Zealand’s waste issues by increasing the country’s national landfill levy in both cost and range, to encourage further recycling and reuse practices to divert waste from landfill. The summary consultation document is attached (refer to **Appendix 1**).

### **CONSULTATION PROCESS**

Submissions opened on 27 November 2019 and will close at 5.00 pm on Monday 3 February 2020. The MfE will review the submissions and prepare a report (March 2020) for the

Associate Minister for the Environment. If Ministerial and Cabinet approval is given, the proposed changes will be made mid-2020 and progressively implemented from 1 July 2020 to 1 July 2023 (depending on final policy decisions).

The 9-week consultation period is hindered by the holiday period shut-down, resulting in this draft submission only being able to be reviewed by the Waste Advisory Group (and not its member Councils) prior to the closing of submissions on 3 February 2020.

## **SUBMISSION PREPARATION**

The government's proposed landfill levy changes will have an impact on the activities of the WasteNet Council. The proposal is to expand and increase the national Landfill Levy rate. This has the potential to increase households waste disposal costs by \$4 to \$30 per annum by 2023. A benefit of the landfill levy changes is the increased levy funding allocation to TAs to support waste minimisation activities.

WasteNet participated on the National Landfill Levy Submission working group for the Territorial Authority Officers Forum (WasteMINZ). This working group included representatives from Auckland Council, Wellington City Council, Timaru District Council, New Plymouth District Council, Tasman District Council and Waikato Regional Council.

The WasteNet Southland submission has been prepared, taking into consideration the:

- WasteMINZ Territorial Authority Officers Forum draft Landfill Levy submission
- Results of the TA Landfill levy survey
- Draft Auckland Council Landfill Levy submission
- Draft Wellington City Council Landfill Levy submission
- Discussion with Waste Management Group

The draft WasteNet Southland submission is attached (refer to **Appendix 2**).

## **CONCLUSION**

The MfE is seeking feedback on the government proposal to reduce waste disposed to land, through increasing the landfill levy, applying the levy to more waste disposal classes, and improving data collection.

The government's proposed landfill levy changes will have an impact on the activities of the WasteNet Council. The proposal is to expand and increase the national Landfill Levy rate. This has the potential to increase households waste disposal costs by \$4 to \$30 per annum by 2023. A benefit of the landfill levy changes is the increased levy funding allocation to TAs to support waste minimisation activities.

WasteNet Southland has prepared a submission on behalf of the WasteNet Councils.



# Reducing waste: a more effective landfill levy

Summary document



Ministry for the  
**Environment**  
Manatū Mō Te Taiao

[New Zealand Government](#)

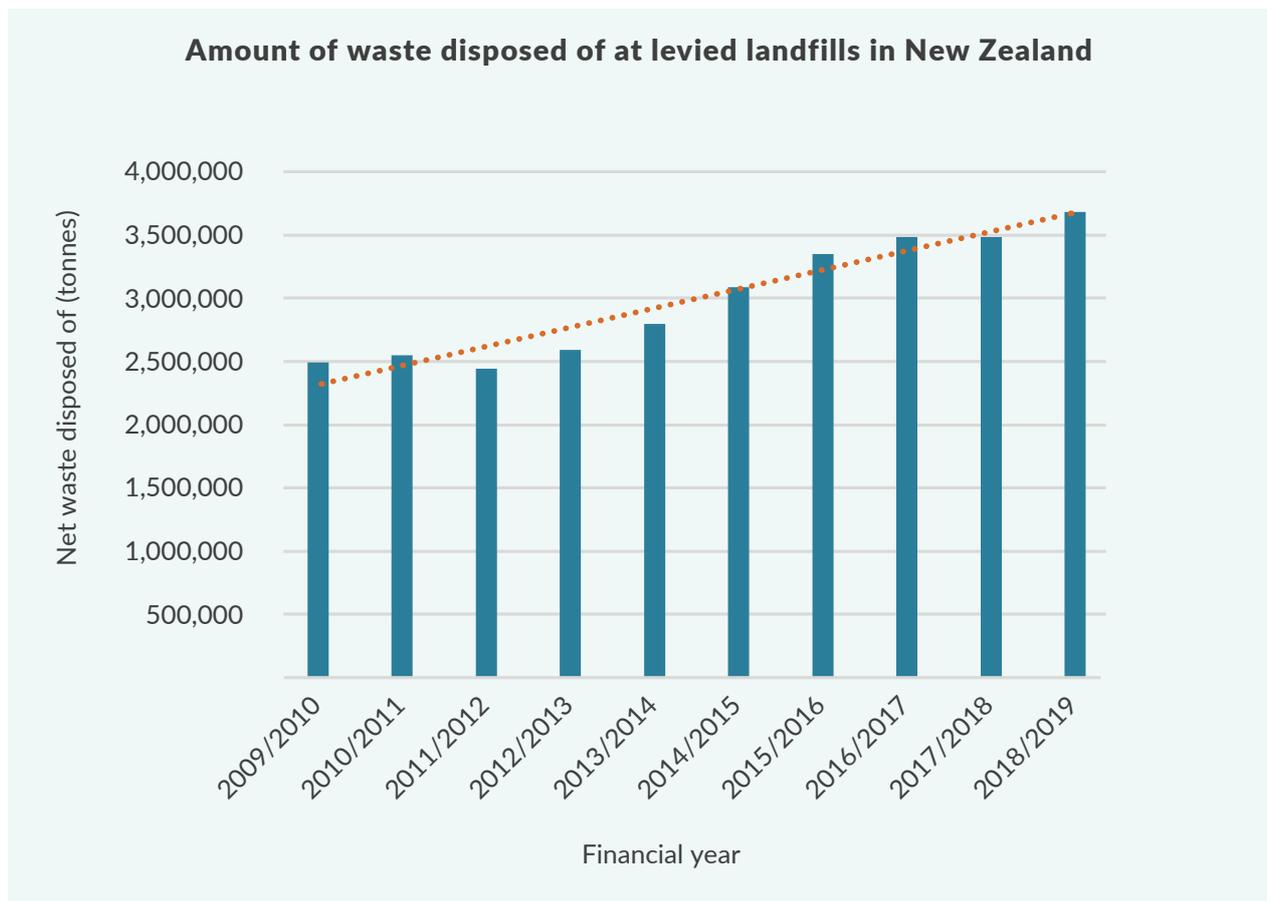
## New Zealand's waste problem

New Zealand has a waste problem. We lag behind other countries in our reuse and recycling rates, and are disposing of more and more waste into landfill. We have one of the highest rates of per capita waste production in the developed world.

We have limited infrastructure (such as recycling facilities) for processing waste materials within New Zealand. We used to send products like plastics and paper overseas for recycling but other countries are increasingly placing restrictions on the waste they will accept.

We have limited data on waste and recycling. This makes it difficult to identify opportunities to reduce waste and measure how well we are doing at reducing waste.

New Zealanders have recognised our waste problem and its effects on the environment, and want to see improvements. Local government has called for change. A 2018 Ministry for the Environment survey showed we rank waste as one of the three most important challenges facing our country in the next 20 years.



Note: This graph shows waste disposed of at landfills subject to the levy (currently class 1 landfills that receive household waste and other waste types). Not all landfills in New Zealand are subject to the levy, with the country's total waste tonnage likely to be more than double than what is shown in the graph.

## The landfill levy

Much more could be done to reduce waste and reverse recent trends. We need to provide the right infrastructure, services and incentives so sending waste to landfill is no longer the cheapest and easiest option.

We have the opportunity to change how we do things and the Waste Disposal Levy ('landfill levy') is an important tool to help us:

- ▶ create an economic disincentive to producing and disposing of waste
- ▶ raise revenue to invest in waste minimisation, including local infrastructure for materials reprocessing
- ▶ make alternatives like reuse and recycling more competitive (as landfilling becomes more expensive).

We already have a landfill levy but it's too low and applies to too few landfills to be working well.

## What is being proposed?

The Government is proposing to increase the landfill levy and apply it to more types of waste.

The levy is currently \$10 per tonne of waste which is low by international standards. The levy is only charged at landfills that take household waste, accounting for around only 40% of total waste sent to landfill.

Strong calls to increase the levy and expand its coverage have come from local government. The Tax Working Group, the Organisation for Economic Co-operation and Development (OECD), and the New Zealand Productivity Commission have also made similar calls.

Increasing the levy will better reflect the full environmental, social and economic costs of waste disposal and encourage materials to be reused and recycled rather than sent to landfill. This will help make our economy more efficient and help create jobs.

The Government is also proposing to collect better data about waste.

Proposed changes to levy rate and coverage	Proposals for improved waste data
<p><b>Increase the levy for landfills that take household waste</b></p> <ul style="list-style-type: none"><li>▶ We propose increasing the levy rate in stages from the existing \$10 per tonne to \$50 or \$60 per tonne by 2023.</li></ul> <p><b>Apply the levy to more landfills</b></p> <ul style="list-style-type: none"><li>▶ We propose applying the levy to all landfills, except cleanfills or farm dumps.</li><li>▶ This includes landfills taking construction and demolition waste, industrial waste, and those that take largely inert materials like rubble and soils. For these landfill types, the levy would be either \$10 or \$20 per tonne of waste disposed.</li></ul> <p>The proposed changes would be phased in so businesses, councils and the Government have time to get ready for them. The table opposite shows four options for levy rates and phasing.</p>	<p>Proposals to improve the data collected and provided to government include:</p> <ul style="list-style-type: none"><li>▶ establishing a central record of landfills, cleanfills and transfer stations</li><li>▶ collecting data on materials disposed of at landfills, cleanfills and transfer stations; including overall waste quantities, the amount of material diverted away from landfill, and the source of materials landfilled and diverted</li><li>▶ requiring councils to report how they spend levy revenue they receive, and their performance in achieving waste minimisation.</li></ul>

Proposed options: levy rate and coverage				
Landfill types	A (Increase then expand)	B (Expand and increase)	C (Expand then increase)	D (Expand then higher increase)
Municipal landfills (class 1)	\$20 1 July 2020	\$20 1 July 2021	\$30 1 July 2022	\$30 1 July 2022
	\$30 1 July 2021	\$30 1 July 2022	\$50 1 July 2023	\$60 1 July 2023
	\$50 1 July 2022	\$50 1 July 2023		
Industrial monofills (class 1) and Construction and demolition fills (class 2)	\$20 1 July 2021	\$20 1 July 2021	\$10 1 July 2021 \$20 1 July 2023	\$10 1 July 2021 \$20 1 July 2022
Contaminated soils and inert materials (managed and controlled fill sites; class 3 and 4)	\$10 1 July 2023	\$10 1 July 2023	\$10 1 July 2023	\$10 1 July 2023

All figures are GST exclusive

## The levy will be invested in achieving a low-waste future for New Zealand

A low-waste future for New Zealand is one where less waste is produced and where significantly more materials are reused and recycled rather than going to landfill. It requires targeted investment, including to develop large-scale resource recovery infrastructure. New Zealand needs to deal with its own waste rather than relying on sending it overseas.

Investment is needed at every stage of a product's lifecycle, from more thoughtful product design that considers how products will be disposed of at the end of their lives, to comprehensive and accessible recycling services for a wide range of waste. Investment might include:

- ▶ increased on-shore processing and manufacturing capacity for plastics, paper and glass
- ▶ investment in improving the quality of our recycling commodities (such as better systems for collecting and sorting materials)
- ▶ investment in new services such as kerbside collection of organic materials like food and green waste.

There is already a broad waste reduction programme underway. This includes the design of a modern Container Return Scheme, the recent ban on single-use plastic shopping bags and developing regulated product stewardship schemes. Work is also in progress to improve New Zealand's resource recovery and recycling sector in response to international restrictions on exporting waste.

Improving the effectiveness of the landfill levy is a major part of this wider work programme.

The Government's proposals to increase the levy and expand its coverage would significantly grow levy revenue from approximately \$30 million currently to around \$220–\$250 million per annum by 2023. We intend to develop an investment plan to ensure this levy revenue is spent where it can be most effective.

## What will this mean for me or my business?

The direct costs of an expanded and increased levy will be borne by landfill operators, who are likely to pass these costs on to customers. Landfill operators are likely to adjust their pricing and practices in different ways.

In general, the impact on individual households or businesses is likely to be at the low end of the scale, while larger producers of waste may be more exposed to any cost increases.

Below are two **examples** of how costs may change under a new levy regime.

1.

### Domestic rubbish bag



**NOW**

at \$10/tonne levy  
1 bag = 6.5 cent levy



**PROPOSED**

at \$60/tonne levy  
1 bag = 39 cent levy

Councils may pass on cost increases by raising the cost of a domestic rubbish bag.

Using the above example, a rubbish bag that currently retails for \$2.50 (GST included) could retail for \$2.83 under the maximum proposed rate of a \$60/tonne levy regime.

This example assumes that the council passes the higher levy cost directly to the purchaser; that the levy rate reaches \$60 per tonne, which is the maximum rate proposed; and that an average-sized rubbish bag weighs 6.5kg.

2.

### Waste from a house build and demolition



The landfill levy could increase the levy-related costs of disposing waste from the average **house build** from less than \$10 at present to between \$70 and \$75.

Currently, the levy-related cost of disposing waste from a **house demolition** is estimated to be around \$25. This could rise to between \$280 and \$300 under the proposed levy rates (with opportunities to minimise or avoid these costs if more construction materials are recovered).

Assumptions behind these construction and demolition examples are described in the 'Impacts of proposals' section of the consultation document (accessible at [www.mfe.govt.nz/consultations/landfill-levy](http://www.mfe.govt.nz/consultations/landfill-levy)).



## Having your say

The Government is interested in your views about the proposals summarised in this document.

To read about the proposals in more detail, download the consultation document from our website at: [www.mfe.govt.nz/consultations/landfill-levy](http://www.mfe.govt.nz/consultations/landfill-levy).

Submissions close at **5pm on Monday 3 February 2020.**

You can make a submission in two ways:

1. Use our online submission tool, available at: [www.mfe.govt.nz/consultations/landfill-levy](http://www.mfe.govt.nz/consultations/landfill-levy). This is our preferred way to receive submissions.
2. Write your own submission by answering the questions in the consultation document.

Post your submission to:  
Landfill Levy Consultation  
Ministry for the Environment  
PO Box 10362  
Wellington 6143.

Email your submission (as a PDF or Word document) to:  
[LandfillLevyConsultation@mfe.govt.nz](mailto:LandfillLevyConsultation@mfe.govt.nz)

Direct any queries to:  
[LandfillLevyConsultation@mfe.govt.nz](mailto:LandfillLevyConsultation@mfe.govt.nz)

## Timeline





Waste disposal levy expansion consultation  
 Ministry for the Environment  
 PO Box 10362  
 WELLINGTON 6143

[submitted via email to:LandfillLevyConsultation@mfe.govt.nz]

## **WASTENET SOUTHLAND SUBMISSION ON REDUCING WASTE: A MORE EFFECTIVE LANDFILL LEVY**

### **About WasteNet Southland**

WasteNet Southland is a joint venture for the Invercargill City Council (ICC), Southland District Council (SDC) and Gore District Council (GDC). Formed in early-2000's as a working group to procure a regional landfill, it has evolved into a successful shared service for solid waste services.

WasteNet Southland's mission is to provide the shared service for the coordinated delivery of waste management and minimisation for the Southland Territorial Authorities, through regional solid waste services contract management and implementation of the regional Waste Management and Minimisation Plan.

### **Introduction**

WasteNet Southland (WasteNet) supports the expansion and increase of the Landfill Levy (the Levy) and has a range of comments which are listed below. Please note that due to the short time frame available, this submission was approved by the WasteNet governance group, however it was not able to go through all the individual WasteNet Councils for endorsement.

WasteNet Southland do wish to speak to this submission.

The WasteNet contacts are:

- Cameron McIntosh, Group Manager – Works and Services, Invercargill City Council, (03 211 1777) or [cameron.mcintosh@icc.govt.nz](mailto:cameron.mcintosh@icc.govt.nz)
- Ian Evans, Strategic Manager Water and Waste, Southland District Council (0800 732 732) or [ian.evans@southlanddc.govt.nz](mailto:ian.evans@southlanddc.govt.nz)
- Ramesh Sharma, General Manager – Infrastructure, Gore District Council (03 209 0347) or [rsharma@goredc.govt.nz](mailto:rsharma@goredc.govt.nz)

WasteNet note that the Waste Management Institute of New Zealand, Territorial Authority Officers Forum, is also submitting on this proposal. WasteNet Southland broadly supports this submission.

### **Background**

"The effective and efficient stewardship of waste as a resource with a residual value to protect our health and environment: is the vision for our region. This is underpinned by three goals:

- Work together to improve the efficient use of resources;
- Use the waste hierarchy to guide decision making; and
- Reduce the harmful effect of waste on our health and environment.

The goals are supported by the guiding principles of the Southland Waste Management and Minimisation Plan (the Waste Plan), being:

- Global citizenship – our responsibility to protect the environment extends beyond Southland and New Zealand borders;
- Kaitiakitanga – all Southlanders are responsible for looking after the environment, and for the impact of products and wastes they make, use and discard;
- Extended Producer Responsibility – producers have a degree of responsibility for their products lifecycle, from production through to final disposal;
- Full-cost pricing – the environmental effects of production, distribution, consumption and disposal of goods and services should be consistently costed and charged as closely as possible to the point they occur;
- Lifecycle principle – products and substances should be designed, produced and managed so all environmental effects are accounted for and minimised during generation, use, recovery and disposal.

### **General comments on the consultation document**

The WasteNet Councils thank the Ministry for the Environment for the opportunity to provide feedback on the proposed “reducing waste: a more effective landfill levy”. The WasteNet Councils believe that waste management and minimisation continues to be an issue of concern in Southland and New Zealand, which needs to be addressed at all levels of society (i.e. individual, consumer, local, industry, regional and national levels).

The WasteNet Councils support the measure to reduce the quantity of waste that is disposed to landfill in New Zealand. This includes waste disposed to levied and currently non-levied facilities (such as industrial monofills, managed fills and cleanfills).

Product stewardship, onshore reprocessing and initiatives that drive behaviour change are all essential enablers of our transition to a circular economy. In recent years, the Territorial Authorities and Local Government New Zealand, has advocated for the introduction of regulation to support the establishment of such measures. It is encouraging that the Ministry is now taking the lead in the development of targeted national approaches to reduce waste and its associated environmental impacts. The WasteNet Councils support this critical change.

The WasteNet Councils support the point raised by the WasteMINZ TAO submission – that the proposed changes to the landfill levy will impact on, and be impacted by, existing legislation so it is essential there is alignment to avoid unintended consequences or perverse outcomes. In particular the Litter Act, New Zealand Emission Trading Scheme, Carbon Zero Act, Local Government Act and Resource Management Act may all be affected by and affect changes to the Landfill Levy.

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

Yes, the WasteNet Councils agree that New Zealand has a waste problem, and that we lag behind other countries in our reuse and recycling rates.

New Zealand’s waste management and minimisation sector is currently in a state of uncertainty. China’s withdrawal from the global commodity markets is making New Zealand investigate their resilience to export markets and the harm of single-use plastic products, and

understand the variety of collection methodologies and range of recyclables products accepted for recycling throughout the country.

Southland is heavily dependent on the exporting of fibre, plastics and metals to offshore markets. We are further challenged by our modest recyclables volume (5,800 tonne per annum), contractual obligations for a commingled glass-in collection service and modest population size. We are facing the question of not if but when will we be landfilling our recyclables.

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

In Southland, waste to our Municipal Class 1 Landfill is relatively steady, ranging from 460kg to 543kg per capita over the last 10-years, with 491kg per capita for 2018/2019. The significant peaks in waste per capita generally align with periods of disaster management e.g. Bonamia ostreae outbreak at Stewart Island Oyster Farms and Mycoplasma bovis cattle disease Southland outbreak.

However, we do not have a clear regional understanding of quantities or composition on the total amount of waste generated, the amount of material that goes to Landfill Classes 2-5 and farm dumps, or the amount of materials that are recycled and/or recovered by private operators.

Our 5-year average recycling rate is a modest 58 kg per capita, with the majority of Southland's recyclables collected by the WasteNet Councils being exported to offshore markets, which are becoming more and more challenging to access. We are facing the question of not if but when will we be landfilling our recyclables.

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

The Landfill Levy was introduced to (a) raise revenue for promoting and achieving waste minimisation and (b) increase the cost of waste disposal to recognise that disposal imposes costs on the environment, society and the economy.

The Levy rate has remained set at \$10 (excluding GST) per tonne since its introduction in 2009 and has only been applied to Municipal (class 1) Landfills.

The Levy rate has been relatively successful in raising revenue, however less populous territorial authorities that receive smaller funding allocations (e.g. Gore District Council and Southland District Council) can underspend their funding as they need to accumulate it to engage larger projects, or spend more of their funding allocation on auditing / reporting than they spend on minimisation initiatives.

National waste data shows the Landfill Levy has not been successful in creating an economic disincentive to producing and disposing of waste largely because of the relatively low current rate of \$10 per tonne when compared to similar levy applied overseas. However in Southland, the waste to landfill per capita rate is relatively steady, from 514 kg per capita in 2009/10 to 491 kg per capita in 2018/19.

The WasteNet Councils support the principal of progressively increasing the Landfill Levy to higher rates beyond 2023 in a manner that has a minimal impact on Council ratepayers, with the aim of creating a pricing differential between landfill and waste diversion practices (e.g.

reuse, recycling, recovery), and that funding gathered is used for waste diversion practices (e.g. implementing priority product stewardship schemes, building national onshore recycling reprocessing capacity, and creating national education and communication programmes).

The WasteNet Councils recommend that staged Levy increases are aligned with the scheduled Levy review periods (at intervals of not more than 3-years, as per section 39 of the Waste Minimisation Act 2008), and that the assessment also includes a review of the proposed Levy Investment Plan to ensure that the purpose of the Landfill Levy (section 25, Waste Minimisation Act 2008) is being met.

**Question 4. Do you support expanding the landfill levy to more landfills, including:**

- I. **waste disposed of at industrial monofills (class 1)**
- II. **non-hazardous construction, demolition waste (e.g. rubble, concrete, plasterboard, timber)(class 2)**
- III. **contaminated soils and inert materials (class 3 and 4) (whether requiring restrictions on future use of site or not)?**

Yes, the WasteNet Councils support expanding the Landfill Levy to more landfills including Classes 1, 2, 3 and 4. The Landfill Levy is currently only applied to Municipal (Class 1) Landfills, which means that landfill operators can easily avoid the levy by not accepting municipal waste.

Applying the Levy to Landfill classes 1 to 4 creates a level playing field for all landfill operators and is in alignment with the levy's purpose which is to be an economic tool to disincentives production and disposal of waste.

WasteNet Councils recommend that the *Technical Guidelines for Disposal to Landfill* (of this which these landfill classifications are based) be formally adopted by the Ministry for the Environment prior to the expansion of the Landfill Levy. This will permit a consistent approach across the country, which will also be beneficial for data collection and analysis.

Thought will need to be given on how regulation, consenting and compliance can be formulated in such a way that the levy can be applied to these facilities. This is particularly important with regard to the obligation for sites subject to the Landfill Levy to report waste quantities to the Ministry for the Environment.

**Question 5. Do you think that some activities, sites or types of waste should be excluded from being classified as disposal facilities subject to the landfill levy, including:**

- I. **cleanfills (class 5)**
- II. **farm dumps**
- III. **any others (e.g. any exceptional circumstances). If so, please specify.**

Yes, the WasteNet Councils agree that Cleanfills (class 5) and Farm Dumps should be excluded from Landfill Levy at this point in time. There is limited data available on the number and location of cleanfills and farm dumps so applying the levy at this time would prove largely ineffective, therefore for this reason alone they would be excluded from the Landfill Levy.

### **Cleanfills**

It is uncertain whether it is appropriate for cleanfill sites to be subject to the Landfill Levy when the environmental impacts of cleanfills (as defined at virgin excavated natural materials such as clay, soil and rock) from a waste perspective are minimal. However, if they are excluded

from the Levy, there is concern that this may encourage poor behaviour from some cleanfill operators who may start accepting managed/controlled fill (class 3-4) type materials in order to avoid Levy charges.

The WasteNet Councils recommend that the Ministry establish and implement a work programme to identify and register cleanfills and investigate how they can be monitored to prevent "levy avoidance".

### **Farm Dumps/Offal Pits**

The issue of Farm Dumps is of concern for the WasteNet Councils due to the ongoing harm that they pose to our environment, water quality and risk of abuse. These sites are generally unconsented and their location mostly unknown, application of the Landfill Levy to these sites would be unsuccessful and the compliance issues surrounding these sites are more relevant to the Resource Management Act.

These sites can be rurally remote, and there is a risk that they become an unlicensed rural community landfill, without an appropriate and robust monitoring programme.

The WasteNet Councils recommend that the Ministry establish and implement a work programme to identify and register farm dumps and investigate how they can be monitored to prevent "levy avoidance".

The WasteNet Councils acknowledge that there is a need to improve waste services to the rural sector, and increasing landfill levy funding will go some way to assist with this.

### **Exemptions**

Under the Waste Minimisation Act 2008 waste generated due to a natural disaster (e.g. earthquake) can qualify for an exemption.

In 2017, Southland was affected by two biosecurity events - *Bonamia ostreae* outbreak at Stewart Island Oyster Farms and the *Mycoplasma bovis* cattle disease Southland outbreak. The bulk of the waste generated from these events was disposed into the Southland Regional Landfill, and the Landfill Levy was applied. There was no opportunity to minimise or reduce that waste.

There will be historic landfills in the Southland region that may be exposed due to rising sea levels, flood waters (such as Ocean Beach industrial Landfill exposing asbestos to the foreshore) or needs to be relocated as a preventative measure. This will come at a significant cost to existing ratepayers, especially in the smaller rating districts. In addition, consideration needs to be given if the Landfill Levy was already applied to these historic sites.

The WasteNet Councils recommend that waste generated from significant biosecurity events and relocation/clean-up of historic landfills affected by sea level rise/flood waters are exempt for the Landfill Levy, due to there being no opportunity to minimise the waste, the high burden on existing ratepayers (particularly in small Council districts), and the levy many have already been applied.

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

Adoption of the Technical Guidelines for Disposal to Land (including the definitions for cleanfill and farm dumps) and the alignment of these definitions with associated legislation (e.g.

Resource Management Act, Waste Minimisation Act 2008, and Climate Change Response Act 2002) should reduce the risk of unintended sites being subject to the Landfill Levy.

WasteNet Councils support the Technical Guidelines for Disposal to Land becoming a regulatory document for district planning purposes as having a consistent approach to definitions of fill sites will mitigate the potential for inconsistency across the country.

**Question 7. Do you prefer the proposed rate for municipal (class 1) landfills of:**

- I. \$50 per tonne**
- II. \$60 per tonne**
- III. Other (please specify e.g. should the rate be higher or lower)?**

The WasteNet Councils do not have a preference for a proposed Levy rate. The difference between a \$50 or \$60 levy rate for Southland households is estimated to be less than \$5 per year. Any increase in the Landfill Levy, alongside expansion across landfill classifications will better support the purpose of the Levy under the Act, raising much needed revenue for infrastructure and waste minimisation activities.

The WasteNet Councils agree that the Landfill Levy rate needs to be higher than \$50 - \$60 per tonne if we are to see longer term waste diversion and minimisation outcomes maximised. However WasteNet is uncertain of what the levy rate needs to ultimately be, to be able to achieve this outcome.

The Levy rate is not the only economic disincentive driver applied to landfill charges. The New Zealand Emission Trading Scheme (ETS) also impacts Landfill charges. The WasteNet Councils are concerned with the cumulative effect of these two drivers. For example, the Southland Regional Landfill pricing includes a \$35 per tonne ETS component and the \$10 Landfill levy rate, which effectively means that there is a \$45 per tonne rate discouraging waste disposal to landfill.

The WasteNet Councils recommend that any increase to the Landfill Levy rate is synchronised or at minimum, takes into account the NZ ETS pricing. It is important that the levy is equitable for residents, businesses and industry who may be impacted by the increased financial cost associated with waste disposal.

**Question 8. Do you think that the levy rate should be the same for all waste types? If not:**

- I. Should the levy be highest for municipal landfills (class 1)?**
- II. Should the levy be lower for industrial monofills (class 1) than municipal landfills (class 1)?**
- III. Should the levy be lower for construction and demolition sites (class 2) than municipal landfills (class 1)?**
- IV. Should the levy be lowest for contaminated soils and other inert materials (class 3 and 4)?**
- V. Should a lower levy apply for specified by-products of recycling operations?**

The WasteNet Councils agree with the principal of differential landfill pricing. With the highest rate being applied to class 1 (municipal and industrial monofills) and the lowest rate being applied to classes 3 & 4 (contaminated soils and inert materials). There are less minimisation opportunities for class 3 & 4 facilities and this should be taken into account.

The WasteNet Councils are concerned with the potential for levy avoidance behaviour, in particular inappropriate disposal of waste at landfill facilities with cheaper disposal fees. We

are aware of incidents already taking place in Southland. For example, it is not uncommon for customers to enquire of the landfill price to dispose of a special waste (i.e. fire damage house, asbestos, contaminated soil) and they are not heard from again, and the special waste does not come into the facility (and it's the only consent facility to take that product in the region).

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

The WasteNet Councils do not support Option A (increase then expand). Firstly, we would require a minimum of 3-months notification to apply a price increase, and a minimum of 6-18 months notification to apply the waste quantity and composition data required (depending on what changes are required). Secondly, we do not agree with increasing the levy before expanding the levy to all landfill classifications. The risk of levy avoidance increases if landfill sites have cheaper rates.

The WasteNet Councils do not have a preferred Option between B, C and D. We are concerned with the timing of any changes. Changes that we would need to make include:

- Changing or amending software used at weighbridges and non-weighbridge transfer stations/landfill to comply with data reporting requirements
- Creating monthly reporting process for Transfer Stations
- Possible installation of further weighbridges at rural Southland transfer stations (if it is an outcome of this consultation process)
- Review the regional Waste Management and Minimisation Plan to consider the increased levy funding allocation and impact on work programmes (i.e. bring forward)

We agree that the levy should be first expanded to cover all Landfill classifications 1, 2, 3, and 4 prior to incrementally increasing the levy on Class 1 (Municipal) sites. To reduce perverse outcomes the levy should be applied to the facilities in the same year. WasteNet acknowledges that Ministry needs to create a register of class 3 & 4 facilities before the levy can be applied, which will take them until 2023.

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

The WasteNet Councils support the WasteMINZ TAO Forum recommendation to consider specific conversion factors are developed, as the application of the levy across class 1-4 will require more specific identification and quantification of different waste streams.

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

The WasteNet Councils recommend that the Technical Guidelines for Disposal to Land are adopted and that these definitions are aligned definitions within the Waste Minimisation Regulations 2009.

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

The WasteNet Councils agree with the principal of the Levy Investment Plan, and recommend that the plan is developed in collaboration with Local Government, Regional and Territorial Authorities. Councils are uniquely placed to reach and understand the needs of local communities and work alongside industry where possible.

The WasteNet Councils are interested to understand the involvement (and or influence) of the private sector investment when it comes to onshore material reprocessing capability building.

The WasteNet Councils support the six priority areas for investment listed in the consultation document, however we note that:

- Monitoring and enforcements of the levy, including measures to combat inappropriate forms of disposal (littering, fly tipping, illegal dumping)
- Data on waste quantities and composition, behaviour or economic incentives
- Legacy and ongoing cases of non-compliant waste disposal methods that are not aligned with the objectives of the Waste Minimisation Act

These may not strictly meet the criteria under the existing wording of the Waste Minimisation Act which states that levy expenditure must be spent on matters that promote or achieve waste minimisation.

The WasteNet Council also supports the addition of three further priorities as proposed by the WasteMINZ TAO forum:

- Initiatives that have the potential to prevent waste being created in the first instance (i.e. designing out waste), e.g. the redesign of products and packaging and education and behaviour change initiatives. For example, the funding of programmes such as Envioschools, Love Food Hate Waste New Zealand, and Para Kore Marae Incorporated. Public understanding and support of waste minimisation and the circular economy is crucial to the success of other waste minimisation initiatives.
- Need for a national waste programme agency. A number of other countries have national waste program agencies that fund ongoing national campaigns and research, e.g. WRAP in the UK ongoing work on recycling, food waste and clothing, and New South Wales Environmental Protection Agency (EPA) ongoing work on behavioural research, anti-littering and illegal dumping.

The WasteNet Councils support the continuation of 50% of total waste levy revenue to be returned to territorial authorities to continue to fund waste minimisation activities. This will be even more important if the Ministry creates model kerbside recycling collection and reprocessing contracts, the levy funding allocation will be invaluable as we transition to the model contracts and collection regimes.

The WasteNet Councils support the WasteMINZ TAO Forum recommendation to review how the 50% TA funding is shared and suggests that a more equitable approach would be to allocate a minimum level of funding per council, with the rest allocated on a per head of population basis, thus enabling small councils to implement effective programmes to promote and achieve waste minimisation.

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

The WasteNet Councils support the points raised by the WasteMINZ TAO Forum:

- Amended to allow for an exemption from the Landfill Levy if waste from a closed landfill is uncovered due to sea level rise and/or flooding event, and if the landfill needs to be relocated due to sea level raise.
- The wording of the Action may need to be amended to allow monitoring and enforcement of the levy, data on waste quantities and composition, ongoing behaviour change and education, and economic incentives eligibility to be funded by the levy.
- The waste definition in the Act is amended to include waste diverted materials for the purposes of data collection. It's not possible currently to license operators that deal with diverted material (e.g. organics, recyclables, repair and reuse), so no data can be collected through licensing.

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

The WasteNet Councils agree that waste data needs to be improved. Southland is fortunate that an estimated 80% of the waste to the Southland Regional Landfill is sourced from the WasteNet Councils Transfer Stations. In addition, WasteNet partnership with the Southland Regional Landfill permits the sharing of monthly data sourced from the Southland region.

However, we do not have a clear understanding of quantities or composition:

- Of total amount of waste generated
- The amount of materials that goes to industrial monofills, landfill classes 2-5 and farm dumps (as appears to be the case at a national level)
- The amount of materials that are recovered, recycled, reused by private operators

The WasteNet Councils recommend that a national waste database be established which would accept data from operators (industry and Councils) but also share data with Councils, industry and public. From the Council perspective this data could be used to inform the Waste Assessment required under the Waste Minimisation Act.

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

The main challenges and concerns that the WasteNet Councils have are:

- Implementing changes in short time frames
- Complying with reporting requirements without funding or resource support
- Some councils have no or only a part time FTE to complete this work
- A lack of necessary infrastructure such as software or weighbridges
- Levy spend reporting is challenging to use

The WasteNet Councils would require 12-18 months lead time to set up reporting requirements at landfills and transfer stations once the exact details are known. A National Data Framework would need to be agreed upon before we can provide an assessment on costs that we are likely to incur. In addition, clarification is also requested on whether the Ministry would require smaller (often rural) transfer station facilities to install weighbridges for the purposes of reporting tonnages. The following table shows 5-yearly average tonnages of waste received at Southland transfer stations. Currently only two (Invercargill and Gore) have weighbridges. It is noted that installation of weighbridges at smaller facilities would incur significant cost with limited (if any) benefit.

Table: Transfer Stations in Southland Region

Transfer Station	Council	Weighbridge	Tonnes per annum 5 year average	Data Source
Gore	GDC	Yes	6,617	Southland Regional Landfill
Invercargill	ICC	Yes	20,628	Southland Regional Landfill
Bluff	ICC	No	199	Invercargill Transfer Station
Wyndale	SDC	No	323	Southland Regional Landfill
Winton	SDC	No	485	Southland Regional Landfill
Riverton	SDC	No	378	Southland Regional Landfill
Te Anau	SDC	No	2,285	Southland Regional Landfill
Lumsden	SDC	No	107	Southland Regional Landfill
Otautau	SDC	No	133	Southland Regional Landfill
Stewart Island	SDC	No	200	Invercargill Transfer Station

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

The WasteNet Councils believe that the significant benefits of the proposed levy expansion and increase are:

- The increased revenue potential to allow an additional waste minimisation project to proceed that aren't currently funded
- Funding for onshore building capacity for recycling reprocessing facilities
- The National Levy Investment Plan providing clear direction and area of focus
- Improved data collection and therefore improving decision making

The WasteNet Councils believe that costs of the proposed levy changes increase:

- Cost to residents, businesses and industry for landfill waste disposal
- Risk of levy avoidance in remote, rural areas (increased illegal dumping)
- Administrative costs due to added reporting requirements
- Monitoring and enforcement costs (fly tipping, illegal dumping)
- Costs of installation of weighbridges for reporting purposes

**TO: WASTE ADVISORY GROUP**

**FROM: CAMERON MCINTOSH, WASTENET SOUTHLAND REPRESENTATIVE**

**MEETING DATE: MONDAY 27 JANUARY 2020**

<b>RECYCLING ACCEPTANCE SERVICES</b>
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**SUMMARY**

<p>The WasteNet Councils (Invercargill City Council, Southland District Council and Gore District Council) provide recycling and rubbish collection services to its communities. The collected recycling is processed under Contract 650 Recyclables Acceptance Service. This Contract expires on 30 June 2020. The purpose of this report is to request guidance from the Committee and member Councils on the principles which will determine future service provision.</p>
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**RECOMMENDATIONS**

**That the report “Recycling Acceptance Services” be received**

**AND THAT**

**The Waste Advisory Group confirm its position on the preferred principles guiding the future provision of recycling services with regard to:**

- **A regional approach to service provision**
- **Consistent with National initiatives**
- **Moving towards aligning contract renewal dates**
- **Consistent Levels of Service for all regional users**
- **Recognition that there is no economic value in the collection and processing of recyclables which are subsequently landfilled**

**AND THAT**

**The Waste Advisory Group seek guidance from Invercargill City Council, Southland District Council and Gore District Council on the preferred principles and options for the future procurement and service delivery for recycling processing.**

**BACKGROUND**

Under the Waste Minimisation Act 2008, territorial authorities are responsible for promoting effective and efficient waste management and minimisation practices. The three territorial authorities in the Southland region (being Invercargill City Council, Southland District Council and Gore District Council) operating under the joint venture – WasteNet Southland – are collaboratively working together to achieve this outcome. There are a number of activities undertaken by WasteNet that contribute to the promotion of effective and efficient waste management and minimisation, including the provision of recycling services to the community.

## **Contract 550 Collection and Transfer Station Services**

In 2010, the WasteNet Councils awarded Contract 550 Collection and Transfer Station Services to Bond Contracts Limited. The Contract commenced services on 1 May 2011 for Southland District Council, 1 July 2011 for Invercargill City Council and 1 July 2012 for Gore District Council.

The Contract term was 8-years and included a right of extension for a further 8-year term (or a maximum 16-year contract term). In 2018 WasteNet undertook negotiations with Bond Contracts Limited to extend the Contract under the renewal provision. The negotiations were successful and the right of renewal was granted. This Contract ends on 30 June 2027.

This contract includes the delivery, maintenance and emptying of the kerbside recycling mobile bins, and emptying of the WasteNet Councils recycling drop-off centres. The contents of the recycling bins are delivered to the nominated recycling process facility being Southland disAbility Enterprises Limited for processing under Contract 650.

## **Contract 650 Recyclables Acceptance Services**

In September 2010 the WasteNet Councils awarded Contract 650 Recyclables Acceptance Services to Southland disAbility Enterprises (SDE). The Contract commenced services on 1 May 2011 for Southland District Council, 1 July 2011 for Invercargill City Council and 1 July 2012 for Gore District Council.

The Contract term of 8-years included a right of extension for a further 8-year term (or a maximum 16-year contract term). In 2018 WasteNet undertook negotiations with SDE to extend the Contract under the renewal provision, however these negotiations were unsuccessful. The Contract was to conclude on 30 June 2019, however by the mutual agreement of all parties, the contract was extended for a further 12-month period. The Contract now ends on 30 June 2020.

## **Request for Proposals Contract 850 Recyclables Acceptance Services**

The Waste Advisory Group resolved at its 15 November 2018 Committee Meeting that WasteNet would commence a procurement process for recyclable acceptance services, following the unsuccessful contract extension negotiations with the incumbent service provider.

From November 2018 to December 2019, WasteNet and its partnering Councils undertook a request for proposals procurement process for recycling processing services. The procurement process ultimately concluded with no contract being awarded.

## **Recycling Commodity Market Situation**

In September / October 2018, the Ministry for the Environment engaged consultants to provide reports on (a) Situational analysis of the New Zealand recycling market and (b) short and medium term response to China's national sword. This section of the report provides a briefing from those reports and the Ministry's waste work programme.

China had been the world's largest importer of recyclable products, especially fibre (cardboard and paper) and plastics. In July 2017 China announced its intention to progressively withdraw trading in the global recyclable fibre and plastic markets in favour of their domestic sources. The result of China's new policy has significantly decreased demand for recyclable commodities and lowered prices.

The International response has been to transfer trading to new markets; increase domestic capacity; and improve quality to meet China's high quality standards. Finding new markets has been challenging, as the significant tonnage increase to non-China countries has not only created backlogs at seaports, in many cases the country's reprocessing capacity did not match new demand. This has resulted in a number of countries following China's lead and placing their own import restrictions on recyclables.

In New Zealand approximately half of all reclaimed fibre is sold offshore, as well as the majority of plastics and all metals. The New Zealand Government's response is to:

- Identify the gaps in materials recovery and waste infrastructure where investment is needed.
- Review kerbside collection and processing systems to identify how to increase the quality of recyclables and to ensure more materials can be recovered and recycled instead of going to landfill.
- Undertake feasibility studies around how to increase New Zealand's fibre (paper and cardboard) processing and plastic reprocessing capacity.
- Examine how product stewardship for packaging can be used to ensure manufacturers consider what happens to packaging once a product is used by a consumer.
- Assess the options for shifting away from low value and difficult to recycle plastics, such as single-use plastic bags and other low volume and/or mixed materials. This could include regulations around ensuring plastic packaging is able to be recycled and/or require a portion of recycled content in packaging.
- Run an education campaign to help New Zealanders 'recycle right', and reduce the amount of recyclable materials going to landfill because of contamination.
- Develop model contracts for the sector to reduce contamination, increase transparency and to better accommodate fluctuations in market prices for recyclable materials.
- Develop a sustainable procurement plan and guidelines to encourage purchase of products made of recovered and recycled materials.

A number of New Zealand councils have amended their long-term recycling collection and processing contract to exclude plastics grades 3,4,6 and 7 as they are challenging to recycle anywhere in the world and often end up as waste.

## **OPTIONS**

The current recycling processing services are being operated by way of contract extension which ends on 30 June 2020, after which no service arrangements exist for the WasteNet Councils. The recycling collection service delivery arrangements for the WasteNet Councils do not expire until 30 June 2027.

There is no clear direction on how WasteNet is to proceed with investigating the short-term and long-term options available to recycling processing service delivery for the WasteNet Councils.

WasteNet Southland's founding document - Joint Waste Disposal Agreement - does not reference recycling processing service delivery outside of Contract 650.

WasteNet requires clarity from the WasteNet Councils on whether they want to continue working together on recycling processing service delivery.

The following identifies potential principles for consideration:

## **Regional Solid Waste Services**

In principle, the WasteNet Councils agree that together they are able to provide cost effective and high quality waste management and minimisation services to the Southland region. Individually the WasteNet Councils are challenged by economies of scale, distance from markets and attracting high quality tenderers. Collectively they are able to overcome these challenges for the betterment of their communities.

Example: Section 17A 2016.

In principle, the WasteNet Councils agree that together they are well-resourced to jointly procure services to achieve waste management and minimisation objectives.

Example: Southland Regional Landfill; Contract 550 Collection and Transfer Station Services; Contract 650 Recyclables Acceptance Services.

In principle, the WasteNet Councils agree to work towards alignment of solid waste contracts by 2027, to permit a regional procurement process for a combined package of solid waste services. It will provide high quality, cost effective and consistent approach to solid waste levels of service in the region.

Example: Queenstown Lakes District Council has one contractor provide their solid waste services which includes – kerbside landfill-rubbish collection and disposal; separate commingled and glass recycling collections and processing; public place waste management; facility upgrades; management and operations; data management; remote collections and waste education.

## **National Initiatives**

In principle, the WasteNet Councils support national initiatives that are mutually beneficial for all parties.

Example: The Ministry for the Environment is developing model contracts for the sector to reduce contamination, increase transparency and to better accommodate fluctuations in market prices for recyclable materials.

## **Level of Service**

In principle, the WasteNet Councils agree there is value in providing the same solid waste levels of service to the community. Short term options which divert some recyclables directly to landfill should be “easy to understand”, consistent and reversible.

In principle, the WasteNet Councils agree there is no economic value in the collection and sorting of recyclables which are subsequently landfilled.

Example: In 2018/2019 contamination in the kerbside recycling mobile bin service weighed 1,150 tonnes and cost the WasteNet Councils collectively \$276,000. The direct cost to landfill for this weight is \$120,750.

## **CONCLUSION**

The WasteNet Councils (Invercargill City Council, Southland District Council and Gore District Council) provide recycling and rubbish collection services to its communities. The collected recycling is processed under Contract 650 Recyclables Acceptance Service. This Contract expires on 30 June 2020.

There are no recycling processing service delivery arrangements for the WasteNet Councils after 30 June 2020. However the recycling collection service delivery arrangements for the WasteNet Councils do not expire until 30 June 2027.

WasteNet Southland's founding document - Joint Waste Disposal Agreement - does not reference recycling processing service delivery outside of Contract 650.

WasteNet requires clarity from the WasteNet Councils on whether they want to continue working together on recycling processing service delivery.