
REPORT 2
(1215/52/IM)

SUBMISSION TO THE WASTE MINIMISATION (SOLIDS) BILL

1. PURPOSE OF REPORT

The report seeks the Committee's agreement to the submission to the Waste Minimisation (Solids) Bill attached as appendix 1.

2. RECOMMENDATIONS

It is recommended that the Committee:

- 1. Receive the information.*
- 2. Agree to the submission to the Waste Minimisation (Solids) Bill attached as appendix 1.*
- 3. Delegate to the Mayor, Environment Portfolio leader and the Chief Executive the authority to approve minor changes.*

3. BACKGROUND

The Waste Minimisation (Solids) Bill ('the Bill') is a Private Members Bill, which was developed and submitted by Nandor Tanczos MP, Green Party. It had its first reading in Parliament on 14 June and the Bill has been referred to the Local Government and Environment Select Committee which will report back to the House by 13 December 2006. The Local Government and Environment Select Committee is calling for submissions on the Bill with a closing date of 1 September.

4. DISCUSSION

4.1 Strategic Fit and Relevant Council Policy

The Council adopted the Solid Waste Management Plan in 2003 in accordance with Part XXXI of the Local Government Act 1974. The Plan recognises Council's obligations for efficiently managing waste using methods that minimise waste to landfill. The principles of the Solid Waste Management Plan include:

- working towards the long-term goal of zero residual solid waste disposal
- producer and user responsibility for solid waste
- promoting a waste reduction economy
- strengthening partnerships with the community to achieve reduction targets.

The Council's commitment to the Solid Waste Management Plan is evident through various services and initiatives such as:

- kerbside recycling
- composting of green-waste, bio solids and commercial kitchen waste
- waste separation
- domestic rubbish collection
- support and promotion of waste minimisation initiatives.

In the recently agreed Environmental Strategy, the Council has committed to reduce Wellington's environmental impact by making efficient use of energy, water, land and other resources and minimising waste.

4.2 Key Recommendations of the Waste Minimisation (Solids) Bill

The principles of the Solid Waste Management Plan mentioned above are consistent with the purpose of the Bill, which is:

“to protect the environment by minimising the amount of material resources used and the amount of solid waste disposed of in landfills, cleanfills, and incinerators, in line with targets and dates to be set, through instituting measures to give full effect to the principles of the New Zealand Waste Strategy.”

The Bill contains a number of measures with the objective of minimising waste disposal and improving the current waste monitoring systems in place, which include:

- establishing a centralised Waste Minimisation Authority
- specifying roles of territorial authorities for waste minimisation and management (as waste control authorities)
- enabling the prohibition of disposal of certain materials
- introducing a levy on residual waste to provide an incentive to minimise waste and a funding source for waste minimisation initiatives
- extended producer responsibility programmes for certain products including related targets for waste reduction
- requiring organisational waste minimisation and management plans to be implemented by all sectors, to be phased in over ten years
- requiring all public organisations to implement procurement policies that will positively contribute to waste reduction.

While the aim of the Bill is consistent with the Council's objectives, there is concern that the specific mechanisms, processes and requirements for local authorities outlined in the Bill will not lead to the most effective waste minimisation system for Wellington City or New Zealand. These concerns are outlined below.

4.3 Key Submission Points

Waste Minimisation Entities and Plans

The Bill provides for the establishment of entities and the development of plans that give rise to concerns about consequential compliance being onerous and costly. Officers believe the capacity to monitor the waste stream at a local and a national level would be beneficial but local levies should not be used to fund a national agency.

Economic Tools for Waste Minimisation

The Council currently applies a levy to waste going to the landfill, which is used to fund the domestic recycling service and other waste minimisation initiatives. Officers are supportive, in principle, of a national waste disposal levy to fund waste minimisation activities. Depending on the criteria for a national levy, it could replace the local levy (if administered effectively) and lead to more waste minimisation initiatives occurring on a city, regional and national level, or, if limited to national waste minimisation activities, it could assist with national schemes that cannot be sustained at a local or regional level.

However, as the Bill proposes that the Council would only receive 50% of the levy for waste disposed at the landfill with the remaining 50% to be placed in a contestable fund, there is concern that a levy charged to local waste would be subsidising areas in New Zealand whose waste management systems are not as developed as Wellington City's.

Producer Responsibility and Diversion of Waste

A substantial proportion of the Bill aims to require producers to take responsibility for their products through-out their lifecycle. This can be seen as shifting the emphasis for responsibility for waste management from Councils to producers and consumers. Council indicates support for producer responsibility initiatives as there are longer term benefits that can be expected to accrue from requiring producers (and consumers) to have regard for a product's lifecycle.

Conversely, as is stated in the submission, the fragile nature of markets for waste materials that have been diverted gives rise to the concern expressed in the submission about the reasonableness of prohibiting certain items from disposal. Local Government NZ has noted it is difficult to determine whether the power and responsibility to prevent disposal of prohibited materials would be onerous, however the penalties shown in this part of the Bill become quite severe as they escalate for each successive offence.

Procurement Policy

The officers regard the Bill's proposals for Procurement Policies for Public Organisations as being of concern as it would restrict Council in making decisions for procuring goods and services and it is likely such controls would lead to higher operating costs.

5. CONCLUSION

The Waste Minimisation (Solids) Bill was recently introduced in Parliament on 14 June and the Bill has been referred to the Local Government and Environment Select Committee which has asked for submissions.

The report seeks the Committee's agreement to the submission to the Waste Minimisation (Solids) Bill attached as appendix 1.

Contact Officer: *Wayne Murphy, Senior Policy Advisor*

Supporting Information

1) Strategic Fit / Strategic Outcome

The submission supports the following Council outcome:

Wellington will move toward a zero waste policy

2) LTCCP/Annual Plan reference and long term financial impact

Not applicable, as there is no funding requirement.

3) Treaty of Waitangi considerations

No significant Treaty implications.

4) Decision-Making

This is not a significant decision.

5) Consultation

Not required as Council is not making a decision or commencing an initiative that relates to Part 6 of the Local Government Act 2002.

6) Legal Implications

Not applicable.

7) Consistency with existing policy

This submission identifies inconsistencies between the proposals in the Bill and the Council's policies.

The Committee has delegated authority to approve submissions to proposed legislation

11 August 2006

Committee Secretariat
Local Government and Environment Committee
Bowen House
Parliament Buildings
WELLINGTON

Submission – Waste Minimisation (Solids) Bill

This submission is from the Wellington City Council. The Council's submission will also be forwarded to Local Government New Zealand for consideration with their submission. Council wishes to speak to its submission.

1. Background into Council Policy and Initiatives regarding Solid Waste

The Council has adopted a Solid Waste Management Plan in accordance with Part XXXI of the Local Government Act 1974. Council's Solid Waste Management Plan recognises and addresses Council's obligations for efficiently managing waste using methods that minimise waste to landfill. In this regard, Council is proud to record that while the city's population and economy have grown and are expected to continue to grow; volumes of waste to landfill are forecast to reduce over the next twenty years. Council's commitment to reuse and recycling is evident in:

- composting of green-waste
- kerbside recycling
- reuse of bio-solids and commercial kitchen wastes
- waste separation.

In general Council expects there will continue to be a need for waste disposal (landfill) facilities; however, as shown above, Council's policies and management practices show its disposal facilities will be managed as a part of a waste stream that diverts waste from landfill disposal. This approach is in contrast with private sector operators who operate in an environment that seeks to maximise revenue / return on investment by maximising waste disposal volumes in their facilities.

2. Comments on Waste Minimisation (Solids) Bill

In general, the Council is supportive of the purpose of the Bill "to protect the environment by minimising the amount of material resources used and the amount of solid waste disposed of in landfills". This is consistent with key principles of the Council's Solid Waste Management Plan. However, the Council has some concerns over some of the Bill's requirements, processes, mechanisms and penalties for achieving the purpose of the Bill. These concerns are articulated in more detail below.

APPENDIX 1

2.1 Waste Minimisation Entities and Plans (Parts 2, 3,7 and 9)

Council is generally concerned about the extent of the prescriptive provisions in the Bill. The Bill proposals include the establishment or introduction of:

- A Waste Minimisation Authority, and
- Waste Control Authorities, and
- Waste Minimisation units, and
- Organisational waste minimisation plans, and
- Substantial financial sanctions in the various clauses for offences and penalties.

These provisions, if enacted, would be expected to generate considerable associated compliance costs, which would require resources that may be better directed to waste minimisation activities and services for local or regional communities. The prescribed content for proposed Waste Minimisation and Management Plans appears to overlook the existing requirements in Part XXXI of the Local Government Act 1974, which already serves to require Councils to encourage efficient waste management by way of publicly consulted waste management plans. Council is concerned that in its current form the highly prescriptive nature of clauses concerning service delivery and funding could constrain councils from exercising all prudent choices and controls that would otherwise be available under the Local Government Act 1974 and the Local Government Act 2002.

Council questions the need for a new central agency and asks whether an existing agency can be tasked to undertake appropriate national waste minimisation activities. Council is opposed to the proposal to allocate a proportion of the proposed national waste levy to fund a national waste minimisation authority. Council submits that any central waste minimisation agency could support the New Zealand Waste Strategy and should be funded by the Government and revenue from a national waste levy should be dedicated to waste minimisation activities / services. Funding a national entity from a locally collected levy could undermine local / regional control and accountability for waste minimisation initiatives.

Although Council is generally concerned about the risks of undesirable compliance costs it supports provisions that provide Councils with the necessary tools to monitor the waste stream, irrespective of whether a disposal facility is publicly or privately operated. If a national monitoring and reporting regime is established, Councils are likely to need to be empowered to monitor the types and quantities of materials being reused, recovered, recycled, treated and disposed.

2.2 Economic Tools for Waste Minimisation (Part 5)

Wellington has found that its waste disposal levy has enabled it to fund waste minimisation activities in a manner that:

- takes into account how the actions of waste generators contribute to the need for waste minimisation (polluter pays)
- promotes environmental wellbeing
- is transparent.

APPENDIX 1

Council supports moves that will enable all councils to have suitable tools to require waste generators to fund waste minimisation activities. Council supports the principle of a national waste levy, however it has concerns about the specific provisions in the Bill for the management and allocation of funds collected from such a levy.

In principle, the Council is interested in investigating national and regional tools for effectively reducing waste going to landfills such as levies, charges, subsidies, deposit schemes or other incentives. The Council notes that a recent report produced by the Parliamentary Commission for the Environment states there is good evidence that economic instruments can be effective in reducing waste and that these instruments have not been used to their full potential in New Zealand. Council would be concerned if a new waste levy would, in effect, require local residents to fund localised waste minimisation activities / services in another region. A national levy would be better suited for supporting waste minimisation activities / services that provide a national benefit. Some consideration should also be given to identifying waste that should be exempt from the levy.

More specifically, Council is opposed to provisions in clause 44 of the Bill controlling the use of a Waste Disposal Levy. The proposal for part of the levy to fund activities being undertaken by other agencies (e.g. the Energy Efficiency and Conservation Authority and the Ministry for the Environment) that are not connected with waste minimisation appears inconsistent with the stated objects of the Bill.

2.3 Requirements to Divert Waste Streams (Parts 4 & 6)

Fostering and maintaining regional collaboration for waste management occurs in many parts of New Zealand and many districts share access to waste disposal facilities. The Council actively supports co-operation with the private sector and neighbouring authorities for waste management. It also maintains a dialogue with neighbouring authorities in the region on matters concerning waste management. At a local level most communities experience difficulty in finding markets for materials diverted from landfills. Often there is no local market, or markets for recycled materials are fragile or not sustainable or are operated in a manner that creates environmental harm for another community.

The challenging nature of finding sustainable markets for diverted waste is a driver for broader co-operation and collaboration and prompts Council to express concern about the reasonableness of introducing a regime for prohibiting materials that can be reused, recycled, or composted from being delivered to a disposal facility.

Council supports the principles of Part 6 of the Bill. Council regards these proposals as being useful in aiding consumers to have opportunities to return goods to a distributor at the end of a product's life, and extended product / component durability may be an outcome of producer responsibility programmes.

2.4 Public Procurements (Part 9)

Council is concerned by and opposed to the clauses that would deny public bodies (and their contracted service providers) freedom of choice for making prudent decisions in relation to obtaining goods and services. It is likely such requirements would lead to higher operating costs for public bodies.

Regards,

Kerry Prendergast
Mayor
Wellington City Council