
REPORT 3
(1215/53/IM)

WASTE MINIMISATION ACT 2008

1. Purpose of Report

This report outlines the provisions of the Waste Minimisation Act 2008, identifies key implications for the Council, and seeks agreement to a proposed framework for the development and implementation of a Waste Management and Minimisation Plan to replace the existing Solid Waste Management Plan 2003 and Liquid Waste Management Plan 2005.

2. Executive Summary

The Waste Minimisation Act 2008 (Act) has significant implications for Wellington City Council. The Act:

- requires a change from the Council's current waste management emphasis on waste recycling to a focus on waste reduction
- requires reporting of waste stream data and payment of a levy to the Ministry for the Environment (MfE) of \$10 per tonne of waste disposed at the Southern Landfill from 1 July 2009
- provides the Council with an income from levy receipts to be spent on waste minimisation activities, including external grant schemes to promote waste minimisation
- facilitates potential collaboration with other councils and the private sector to develop infrastructure, new technology, services and processes, and provides contestable funds for this purpose
- requires a Waste Assessment to be undertaken, identifying current and forecast waste streams, current services provided, future options and the Council's role in these activities
- requires a review of the Council's existing liquid and solid waste management plans, and their replacement by 1 July 2012 with a Waste Management and Minimisation Plan (WMMP), covering both solid and liquid waste, and
- makes businesses responsible for managing products' lifecycles in ways which reduce waste generation. This has potential enforcement and service provision implications for the Council.

Waste collection and disposal activities cross local government boundaries. Regional cooperation and collaboration will be essential in reducing and minimising the region's waste streams. A regional group of the territorial authorities' (TAs) chief engineers is already meeting regularly to develop this co-operation.

In addition to regional co-operation, a number of other workstreams have been identified, including:

- WMMP development, including the Waste Assessment and organisational structure for ongoing administration. This workstream will determine the use of the Council's new waste levy income for waste minimisation purposes, including project and grant opportunities
- bylaw development to support local implementation of the Act
- implications for other Council operations.

The total cost of these workstreams in the 2009/2010 year is likely to be less than the income from the levy.

Officers will report progress of each workstream through the Quarterly Report.

3. Recommendations

It is recommended that the Committee:

1. *Receive the information.*
2. *Agree to a work programme to:*
 - (a) *Complete a Waste Assessment by July 2010*
 - (b) *Prepare a regional draft Waste Management and Minimisation Plan by November 2011 for consultation with the draft Long Term Council Community Plan 2012/22*
 - (c) *Provide for alignment of the Council's bylaws to ensure information gathering, enforcement and compliance obligations, and the Council's waste management and minimisation objectives, can be met.*
3. *Agree and support a regional approach to waste management and minimisation to achieve the objectives of the Waste Minimisation Act 2008.*
4. *Note that the Waste Management and Minimisation Plan will detail how the levy funds are to be allocated.*

4. Background

4.1 Introduction

This report considers:

- the main provisions of the Waste Minimisation Act (Act)
- the Council's responsibilities under the Act in regard to future waste management and minimisation planning
- a proposed work programme for achieving full Council compliance by 1 July 2012.

On 14 May 2009, SPC agreed a submission on the Ministry for the Environment's (MfE) "Waste Minimisation in New Zealand" discussion document. The submission made comment on a wide range of technical detail as well as seeking the acceleration of some implementation targets canvassed in the document. The submission expressed support for national leadership and guidance to facilitate efficient use of resources and consistency in data collection. *Regional collaboration* and *opportunity for co-benefits* were proposed as potential additional criteria for allocation of the nationally contestable levy funding.

4.2 Main Provisions of the Waste Minimisation Act

The Act has extended to territorial authorities (TAs) responsibility for the management and minimisation of waste in their districts, and introduced a number of new requirements:

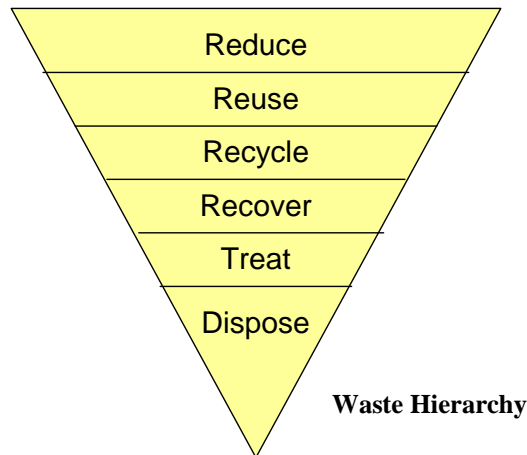
4.2.1 Waste Management and Minimisation Plan (WMMP)

The Council is required to adopt a WMMP by 1 July 2012.

The WMMP must set out the Council's objectives, policies, and methods for effective and efficient waste management and minimisation. This includes waste management and minimisation services, facilities and activities to be provided by the Council.

When preparing its WMMP, the Council is required to:

- consider, in descending order of importance, reduction, reuse, recycling, recovery, treatment, and disposal of waste. The Council's current Solid Waste Management Plan emphasises recycling



- ensure that waste management activities do not become a nuisance
- have regard to the New Zealand Waste Strategy and the Council's latest Waste Assessment
- use the special consultative procedure.

Territorial authorities may:

- prepare joint WMMPs
- charge as they see fit for waste management and minimisation services
- make grants for waste management and minimisation activities.

The Council's existing Solid Waste Management Plan (2003) is deemed to be a WMMP until a new plan is adopted. The WMMP must then be reviewed at least once every six years. The existing Liquid Waste Management Plan (2005) is not deemed to be a WMMP, but will be replaced by the WMMP when it is adopted.

4.2.2 Waste disposal levy

The Act establishes a waste levy of \$10 per tonne, to be paid to the MfE by the operators of disposal facilities, including landfills. It is to be used to raise revenue for waste minimisation, and can be used as a tax to discourage waste disposal by increasing its cost. The levy does not apply to material disposed of in a cleanfill.

The MfE will allocate the levy, with:

- 50% going to TAs, on a pro rata basis by district population, to be spent in accordance with each TA's WMMP. For Wellington City this is estimated to be around \$600,000 annually.
- 50% being made available through a contestable fund to any party (including TAs) for projects to promote or achieve waste minimisation. Nationally, the pool is estimated to total approximately \$15m annually.

4.2.3 Waste Assessment

Section 51 of the Act requires the Council to undertake a Waste Assessment that must:

- identify waste streams
- describe the collection, recycling, recovery, treatment and disposal services provided (whether by the Council or otherwise)
- forecast future demand for these services and identify options to meet that demand
- state the Council's intended role and proposals for meeting the demand, including new or replacement infrastructure
- state how these proposals will protect public health and promote waste management and minimisation.

4.2.4 Offences and enforcement

The Act provides for significant fines for non-compliance by either Councils or private parties. The Council can be held liable for any material omission with regards to its obligations to keep and provide information to the MfE.

The Council is empowered to make bylaws under the Act. These may set fines of not more than \$20,000 on summary conviction. The provision allows the Council to appoint enforcement officers to ensure compliance with any product stewardship regulations or Council waste management bylaws. Enforcement officers can further be empowered to inspect premises and require information.

4.2.5 Reporting and audits under the Act

The Act aims to ensure that reliable and detailed information from both the private and public sectors is available to the MfE and TAs to inform strategy implementation and financial decisions. Specifically a TA must provide annual information on its spending of levy money and performance in achieving waste minimisation.

The MfE is providing guidance for TAs on waste management and minimisation planning, including the reporting process and related resource implications. The Council could expect additional reporting functions as auditors appointed under the Act may audit the Council in all matters related to implementation of the Act.

5. Discussion

5.1 Regional approach

The draft 2009/19 LTCCP identifies a regional approach to waste management and minimisation. Such an approach is essential if the aims of the Act are to be fully achieved. A lack of regional co-operation, and consequent disparities in WMMPs, would impose unnecessary compliance costs if operators had to work under multiple sets of rules. For example, a waste collection service may be based in one TA, operate in that TA's district and a neighbouring district, and dispose of the waste collected in a third district. The operator may not only have

to comply with three different WMMPs, but also require a licence from each of the three TAs.

Existing co-operation between Wellington and Porirua City Councils could be expanded to include other councils in the region. Opportunities offering potential shared services cost savings exist for regional co-operation in:

- information collection and reporting
- co-ordination of collection for reuse/recycling/recovery
- bylaws and enforcement
- co-ordination of charging for disposal
- joint applications for funding from the contestable pool.

5.2 Waste Levy

The Council, as operator of the Southern Landfill, will be required to pay the \$10 per tonne levy to the MfE from 1 July 2009 whether or not it recovers this cost from users of the landfill.

The draft Long Term Council Community Plan (LTCCP) includes proposed increases to fees and charges for waste disposal of \$11.25 per tonne (including GST) and \$0.09 per Council yellow rubbish bag to recover the cost of the levy.

Wellington City's share of the levy is estimated at \$600,000 annually. These funds must be spent on waste minimisation (not management), as set out in the WMMP. Until 1 July 2012 when the WMMP must be in place, the Council may spend any levy money received on existing activities in the Council's current Solid Waste Management Plan, provided that the existing activities are matters to promote or achieve waste minimisation.

The Act allows TAs to use funds for grants to external parties to promote waste minimisation or for waste minimisation projects if these are considered an effective use of funds. The WMMP must provide a framework for making such decisions on grants.

The remainder of the levy income collected by the MfE is available as nationally contestable funding for projects to promote or achieve waste minimisation. It is expected that this funding pool will be around \$15 million annually. Proposed criteria include:

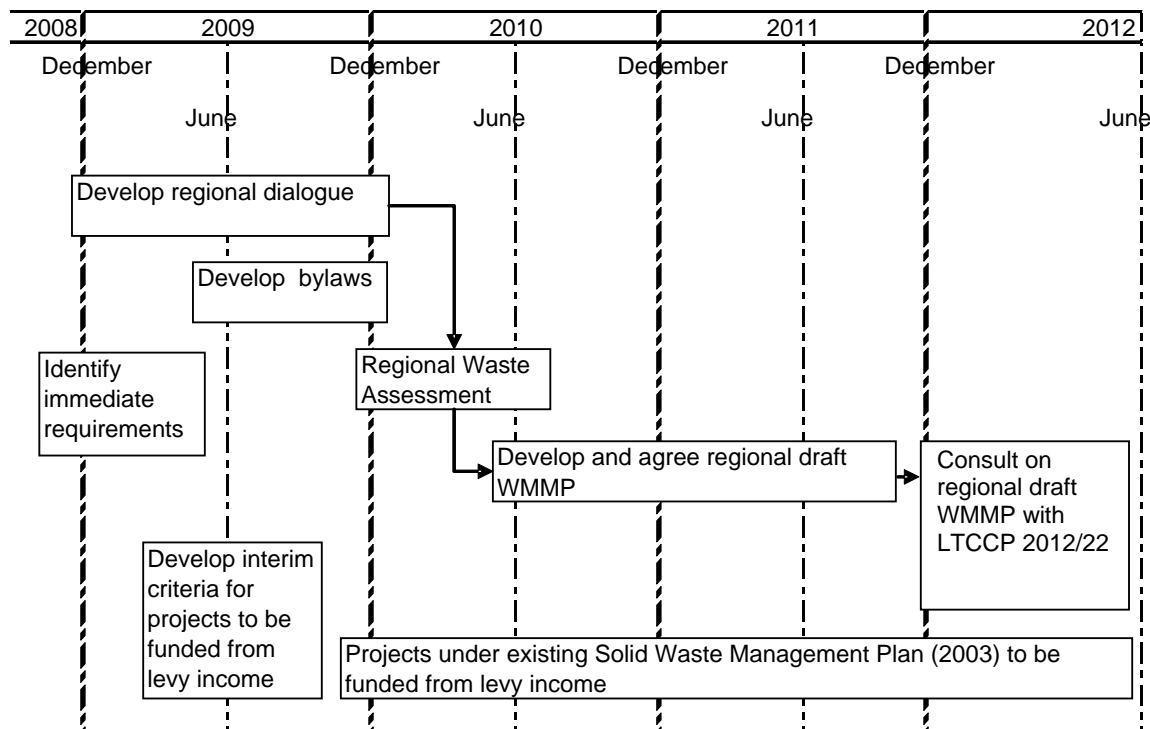
- A focus on waste minimisation projects, not existing activities.
- Availability of other funding streams. Funding can be for operational or capital aspects of a project.
- Scale, with projects of national and/or environmental significance prioritised.
- The fund may encourage innovative approaches and market development.
- Preference may be given to projects dealing with legacy waste with no identified owner.

Criteria for applications to the contestable fund will be finalised and applications invited at a date to be confirmed later in 2009. The first instalment

of per capita levy funding from the MfE will be paid to TAs in December 2009 with Wellington City's estimated share for the first quarter being \$150,000.

5.3 Workstreams

To achieve the development and implementation of the WMMP by 2012 a number of workstreams have been identified. The following timeline indicates when work is proposed to be undertaken.



5.3.1 Workstream 1: Immediate requirements for 1 July 2009

Some Act requirements, principally those relating to waste levy payment and data collection, take effect from 1 July 2009. Work has been carried out to ensure the Council is ready to meet these obligations, including preparation for collecting the levy and monitoring waste streams, and a review of rubbish bag pricing to reflect the new levy cost for disposal.

5.3.2 Workstream 2: Regional co-operation

Regional cooperation and collaboration will be essential in reducing and minimising the region's waste streams. A regional group of the TAs' chief engineers is already meeting regularly to progress co-operation on the development of a regional WMMP. A draft WMMP will need to be agreed regionally by late 2011 in order to allow public consultation with the 2012/22 LTCCP.

5.3.3 Workstream 3: Waste Assessment

A Waste Assessment is an essential precursor to a WMMP. Much of the information required for a Waste Assessment is already collected by the Council and a focus of this work will be co-ordinating a regional approach to ensure that information is collected and analysed on a consistent basis.

5.3.4 Workstream 4: WMMP development by 1 July 2012

The development of a new WMMP, particularly if undertaken in collaboration with other TAs in the region, provides the Council with an opportunity to reassess its role in waste management and minimisation, and the extent to which it wishes to remain a direct provider of services, as opposed to a more strategically focussed facilitation role.

Extensive regional co-operation and consultation with the other regional TAs will be required to achieve an agreed regional WMMP. The work will include consideration of the organisational structure most appropriate for the ongoing administration and monitoring of the WMMP.

5.3.5 Workstream 5: Bylaws

The Council's existing waste-related bylaws consist of the Wellington City Consolidated Bylaw 2008: Part 9 Waste Management (WMB), the Collection and Transportation of Waste Bylaw 1997, and the Trade Waste Bylaw 2004.

The Act provides bylaw making powers in addition to those under the Local Government Act 2002. This work will determine what new bylaws will be required to support the Council's waste management and minimisation activities, and any enforcement functions under product stewardship schemes.

Such bylaws are likely to include a requirement for collectors and transporters of waste to be licensed, and to report on the quantity, composition and destination of the waste collected and transported by the licensee. This is key information for the development of the WMMP.

5.3.6 Workstream 6: Projects and Grants

The Council will receive funding, estimated at \$600,000 annually, as its per capita share of the waste levy. This funding must be spent in accordance with the WMMP (or, in the interim, the Solid Waste Management Plan) and must be spent on waste minimisation promotions or projects. This work will seek to identify projects suitable for funding from the per capita levy funding or by application to the contestable national fund. Such projects might include:

- education resources and campaigns
- pilot projects on the conversion of waste plastic to diesel
- establishing a new recycling facility in the old compost plant at the Southern Landfill site
- expanding the food waste for composting collection service (Kai to Compost)

- encouraging home composting by, for example, providing a subsidy on compost bins
- monitoring and enforcement of waste minimisation related bylaws
- strategic policy development
- data collection and performance reporting.

Officers are currently revising Council's Climate Change Action Plan. More than 40% of the Council's corporate emissions come from landfill operations. Opportunities for projects that achieve co-benefits (i.e. projects that reduce waste to landfill and thus reduce landfill emissions) will be explored.

The Act also makes provision for making grants to third parties for waste minimisation promotion or projects, provided a framework for grants is set out in the WMMP. A proposed framework and criteria will be included in the draft WMMP. In the meantime officers will work to identify if opportunities exist within the current Solid Waste Management Plan 2003 to support the provision of grants to external parties from the levy funding.

5.3.7 Workstream 7: Implications for the Council's own operations

The Act will have a direct effect on the Council's costs for dealing with its own waste. For example, it will need to pay the \$10 per tonne levy on biosolids landfilled from the wastewater plant. There are also implications for street cleaning and drainage operations and for the funding of recycling operations.

5.4 Costs and funding

Whether or not the Council's overall financial position is improved under the Act will depend on its ability to recover the costs of its obligations under the Act within the limits of the new waste levy.

Under the Act, the Council is given much wider powers in terms of its funding. The previous strict cost recovery or user pays principles for any particular services or activities are not required under the Act. However, this provision is unlikely to enhance the Council's funding position in the short term as Council's current limited control of the waste stream precludes a widening of the funding base.

The Council's position has potentially been enhanced by the availability of levy funds; as a per-capita share and through bids to the national contestable fund managed by the MfE. However, the Act allows the levy to be spent only on matters to promote or achieve **waste minimisation** and only in accordance with the council's WMMP.

Until 1 July 2012 when the WMMP must be in place, the Council may spend any levy money received on existing activities in the Council's current Solid Waste Management Plan 2003 which promote or achieve waste minimisation.

6. Conclusion

The Waste Minimisation Act has significant implications for the Council. This report seeks agreement to a proposed framework for the development of a WMMP by 2012.

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Supporting Information

1) Strategic Fit / Strategic Outcome

The proposal is consistent with the Council's strategic outcomes 4.3, 4.5 and 4.6.

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

Most financial impacts of the Waste Minimisation Act 2008 have been incorporated into the draft LTCCP. New revenue of approximately \$600,000 annually from the waste levy per capita allocation is expected to be available from December 2009. Part of this new funding will be used for implementing the work programme proposed by this report.

3) Treaty of Waitangi considerations

No Treaty of Waitangi issues or opportunities have been identified in the drafting of this report.

4) Decision-Making

This is not a significant decision as defined under the Council's Significance Policy.

5) Consultation

a) General Consultation

Public consultation is not required for this proposal. The following Council business units have been consulted in preparation of this report: CitiOperations, Infrastructure Planning, City Health, Policy, Climate Change Office.

b) Consultation with Maori

No issues of concern specifically to Maori have been identified.

6) Legal Implications

Legal advice has not been received for this report.

7) Consistency with existing policy

This report recommends a work programme that will address inconsistencies with aspects of some current policies and the requirements of the Waste Minimisation Act 2008; in particular, shifting the current focus on recycling to one on waste reduction, and reviewing the Council's Liquid Waste Management Plan 2005 and Solid Waste Management Plan 2003.