

STRATEGY AND POLICY COMMITTEE 24 MARCH

REPORT 3 (1215/52/IM)

DRAFT REGIONAL WASTE MANAGEMENT AND MINIMISATION PLAN

1. Purpose of Report

This report presents the "Councils of the Wellington Region Draft Waste Management and Minimisation Plan 2011-2017" and seeks the Committee's agreement that this be released for public consultation.

2. Executive Summary

Under the Waste Minimisation Act 2008 (the Act) territorial authorities (TAs) are required to develop a Waste Management and Minimisation Plan (WMMP) for their district by July 2012. TAs are also required to undertake and publish a "Waste Assessment". Councils may choose to meet these obligations jointly.

Officers from councils across the Wellington region identified significant potential benefits in developing a regional response to waste issues. Consequently, officers have prepared a draft regional Waste Management and Minimisation Plan (WMMP, see **appendix one**) and regional Waste Assessment (see **appendix two**). Officers recommend that these documents be the basis of public consultation. The Act requires consultation to use the special consultative procedure under the Local Government Act 2002.

The draft regional WMMP is split into four parts:

- Part A: Strategy covering introduction, vision, objectives, policies, expected outcomes, and monitoring and reporting progress
- Part B: Regional Action Plan covering actions that will be undertaken collectively across the region
- Part C: Individual Council Action Plans covering actions that each council intends to implement
- Part D: Appendices which include: a glossary of terms; key legislation; and a summary of the means of implementation and funding.

The draft WMMP is to be considered by all TAs in the region by April 2011. Anything more than minor changes to the regional components of the document (Parts A, B and D) could delay the approval of the draft WMMP for consultation. The actions referring specifically to Wellington City in Part C of the draft WMMP are subject to the Council's own consideration and agreement.

It is proposed that a regional joint committee be formed to hear and consider submissions and make recommendations on possible changes to the regional WMMP.

The joint committee would comprise one councillor representative for each council. The joint committee would be supported by officers from across the region. Terms of reference for the joint committee are attached as **Appendix three**.

Depending on the level of interest, the joint committee will meet to hear oral submissions four times across the region in the Hutt Valley, Wairarapa, Kapiti and Tawa. When the joint committee meets in each location it is hoped that as many councillors of the hosting areas as possible will also be present to hear submissions from their community. Each council will receive copies of all submissions.

Following the consultation process the joint committee may recommend amendments to the final WMMP. A subsequent consultation summary and final WMMP report will then be considered by each Council. This is expected after July 2011.

The regional WMMP is not expected to raise any financial implications for Wellington City Council in the current financial year. Any participation in preliminary regional work will be met from within existing budgets.

In the longer term there may be financial implications arising from new, expanded or even reduced actions under the final WMMP. These would need to be considered as part of the 2012-2022 Long-term Plan (LTP) process.

3. Recommendations

Officers recommend that the Committee:

- 1. Receive the information.
- 2. Note that under the Waste Minimisation Act 2008 (the Act) the Council is required by 1 July 2012 to undertake and notify a Waste Assessment for its district and develop a Waste Management and Minimisation Plan to "encourage and promote effective and efficient waste management and minimisation within its district".
- 3. Note that under the Act consultation on the Waste Management and Minimisation Plan must use the special consultative procedure in section 83 of the Local Government Act 2002;

- 4. Note the documents the "Councils of the Wellington Region Draft Waste Management and Minimisation Plan 2011-2017" and the "Wellington Region Waste Assessment", attached to this report as appendices one and two respectively, which have been developed by a regional working group of senior officers;
- 5. Note that the documents contained in appendices one and two of this paper are to be considered by all territorial authorities in the region by the end of April 2011 and that as a result of this some minor changes may be sought by some councils;
- 6. Agree that Wellington City Council participates in a regional Waste Management and Minimisation Plan;
- 7. Agree to recommend to Council that it:
 - a. Agree to initiate the special consultative procedure in section 83 of the Local Government Act 2002 on the regional Waste Management and Minimisation Plan, as required under the Waste Minimisation Act 2008;
 - b. Adopt the regional Waste Management and Minimisation Plan (appendix one of this paper) as the statement of proposal in respect of sections 83 and 87 of the Local Government Act 2002;
 - c. Agree to notify the Wellington Region Waste Assessment (appendix two of this paper) as part of the special consultative procedure on the regional Waste Management and Minimisation Plan;
 - d. Delegate to the Chief Executive Officer and Three Waters and Waste portfolio leader the authority to make any necessary editorial changes and/or amendments to appendices one and two required as a result of decisions of the Council, prior to them being released for public consultation;
 - e. Delegate to the Chief Executive Officer and the Three Waters and Waste portfolio leader the authority to approve a summary of the information contained in the statement of proposal and any supporting consultation material;
 - f. Agree, in accordance with Schedule 7 clause 30(1)(b) of the Local Government Act 2002, to the establishment of a regional joint committee with the terms of reference provided in appendix three to this paper;
 - g. Agree that the Three Waters and Waste portfolio leader will be Wellington City Council's representative on the regional joint committee;
 - h. Note that following the consultation process the regional joint committee may recommend amendments to the final WMMP, and a

subsequent consultation summary and final WMMP report will then be considered by Council;

- 8. Note that any significant financial or service delivery implications arising from the regional Waste Management and Minimisation Plan will need to be included in the 2012-2022 Long Term Plan process.
- 9. Delegate to the Chief Executive Officer and Three Waters and Waste portfolio leader the authority to make any necessary editorial changes and/or amendments to appendices one and two required as a result of decisions of this Committee, prior to them being forwarded to Council for its consideration.

4. Background

The Waste Minimisation Act 2008 (the Act) came into force in September 2008. Under the Act territorial authorities are required to develop a Waste Management and Minimisation Plan (WMMP) to encourage and promote effective and efficient waste management and minimisation within its district by 1 July 2012.

The Act sets out specific requirements for councils as they develop a WMMP, including that they:

- undertake public consultation using the special consultative procedure in the Local Government Act 2002;
- undertake, notify and have regard to a "Waste Assessment" that meets the requirements specified in the Act;
- have regard to the New Zealand Waste Strategy (published in October 2010);
- consider (in descending order of importance) the following methods of waste management and minimisation: reduction, reuse, recycling, recovery, treatment, and disposal.

The Act also requires that any levy funds collected under the Act and allocated to a Council only be used on waste minimisation matters and in accordance with the council's waste management and minimisation plan.

Officers from councils across the Wellington region identified significant potential benefits in developing a regional response to waste issues. Consequently, officers have prepared a regional waste assessment and regional waste management and minimisation plan, and recommend that these be the basis of public consultation.

The purpose of regional collaboration on the WMMP is to:

- describe the councils' collective vision and how they will meet their longterm goals for waste management and minimisation;
- set strategies, objectives, policies and activities to achieve these goals and establish how to measure progress;

- establish a process for identifying possible economies of scale and efficiency gains in delivering waste-related services;
- agree to specific actions where a regional approach is expected to immediately provide benefits (for example a regional education strategy);
- improve the effectiveness and influence of the councils as they work with third parties, including industry and the Government;
- improve regulatory effectiveness and efficiency through working toward consistent regulatory approaches;
- provide general information on how the councils intend to fund the activities of this WMMP over the next six years to 2017;
- help to meet all legal requirements on Councils in respect of waste management; and
- demonstrate councils' commitment to work together collaboratively across the region on issues that have regional implications.

This report presents the Councils of the Wellington Region Draft Waste Management and Minimisation Plan 2011-2017 ("draft WMMP") for the Committee's consideration and agreement to commence consultation.

A copy of the draft WMMP is attached to this report as Appendix 1. Also provided is the Wellington Region Waste Assessment (Appendix 2).

Wellington City Council is the fifth of the eight councils to consider the draft WMMP. The timeline for other councils to consider and adopt the plan for consultation is:

• 22 February Hutt City Council

16 March Masterton District Council

23 March Upper Hutt City Council, Carterton District Council

• 24 March Porirua City Council, Wellington City Council

• 21 AprilKapiti District Council

5. Discussion

5.1 Waste Assessment

A Wellington Region Waste Assessment was undertaken during 2010. Table 1 summarises the key findings from the Waste Assessment.

Table 1: Summary of Wellington Region Waste Assessment Findings

Total waste to landfill 2009/10	302,500 tonnes		
Waste per capita	626 kg (2009/10) Five year trend shows a general decrease.		
Waste to landfill	Largest proportion waste to landfill: organics/putrescibles (28%) sewage sludge (16%) timber (13%) paper (11%) plastic ((10%) Wellington region's waste composition is broadly consistent with other regions.		
Diverted Materials	38,000 tonnes of waste are diverted from landfill (Wellington City 12,600 tonnes) and an estimated 70,000 tonnes diverted through non-Council initiatives in the region.		
Future Waste Projections	Waste production is primarily linked to economic growth and population. Without further waste minimisation efforts, the total waste to landfill is expected to increase as production and consumption increases with population growth. Rate of increase in waste is expected to be lower than the rate of population growth. Potential for increased demand for recycling services as behaviour changes and landfill costs rise.		
Waste Infrastructure	Predominantly owned by Council's in the region. More than adequate capacity in the region's landfills for the foreseeable future. Many landfill sites have active resource recovery facilities. Adequate processing facilities (privately owned) for processing recycling. Comprehensive waste and recycling services are provided by the private sector. Adequate facilities for the treatment and disposal of hazardous waste and a comprehensive network of 'drop-off' sites for residential users with hazardous waste.		

Table 2 summarises key issues and suggested ways these may be addressed from the Waste Assessment.

Table 2: Short summary of key issues and suggested ways to address these for the Regional Waste Assessment

Key issues and challenges facing the region	Suggested ways to address issues			
 Poor data on aspects of waste management 	 Improved data collection and reporting to inform future planning 			
 Potential illegal dumping as landfill prices rise 	 Investigate options to reduce illegal dumping should this become significant Investigate rationalisation of landfill policy Development of regionally consistent regulatory tools/bylaws 			
 Uncertainty over Government policy changes 				
 Regional waste management operations/policy differences 				
 Inconsistent service delivery and regulation High quantities of bio solids disposed of to landfill Large organic material volumes to landfill Significant variation in recycling rates 	 Investigating options for beneficial recovery/reuse of sewage sludge 			
	 Investigate business case of organic collection Project development from regional best practice and learning Investigate a consistent approach to kerbside recycling collection Development of a strategy for encouraging industry involvement in 			
				(kg per capita) and quantities of materials diverted across the region
 Potential for falling Council revenues as disposal to landfill decreases 				
 How to engage the private sector (which controls large amounts of the waste stream) on waste 				resource recoveryOn-going research into waste minimisation
management and minimisation opportunities	 Continuing and enhancing regional coordination and planning to optimise efficiency and effectiveness of waste services, infrastructure and education 			

5.2 Regional Waste Management and Minimisation Plan

5.2.1 Structure of Plan

The plan is split into four parts:

- Part A: Strategy covering introduction, vision, objectives, policies, expected outcomes, and monitoring and reporting progress;
- Part B: Regional Action Plan covering actions that will be undertaken collectively across the region;
- Part C: Individual Council Action Plans covering actions that each council intends to implement; and
- Part D: Appendices which include: a glossary of terms; key legislation; and a summary of the means of implementation and funding.

5.2.2 Part A: Strategy

Part A of the draft WMMP outlines the overall vision to provide residents and ratepayers with highly effective, efficient and safe waste management and minimisation services in order to protect the environment from harm, and provide environmental, social, economic, and cultural benefits.

To achieve this, the draft WMMP includes goals, objectives and expected outcomes. Part A also identifies the guiding principles and general policies councils will use.

It should be noted that the draft WMMP differs to earlier Waste Management Plans in that it does not set an overall or individual action targets for waste reduction. This approach is consistent with the recently updated NZ Waste Strategy. Targets may be developed, however, in respect of individual activity areas.

Part A identifies how Councils will monitor and report progress towards aims and objectives of the WMMP.

5.2.3 Part B: Regional Action Plan

Part B of the draft WMMP outlines the Regional Action Plan. It includes a number of proposed action involving investigation and or development of specific plans and strategies. Once agreed, any such plans or strategies may include targets, indicators or milestones as part of their implementation. They may also have further policy implications.

Implementation and Funding of Regional Initiatives

The tables in Part B identify, in general terms, how and when contributing councils intend to implement each action. Funding sources for each of the actions

has been identified and may be a combination of general council funding, rates and waste levy funding.

Because a majority of the actions are investigative in the short term it is anticipated that Wellington City's funding contribution in this period can be covered with existing resources.

Formal costing for regional projects or an agreed method to allocate cost to councils have not yet been developed.

Should any action develop into further projects it may be necessary either seek additional funding from Council or reduce local waste minimisation levels of service to fund any additional activity. It is intended that this will be put to Councils on a case-by-case basis.

Regional Steering Group

To oversee the implementation of the regional initiatives it is proposed that a regional steering group be established.

The group would initially comprise the senior council officer team that oversaw the development of the draft WMMP. In the longer term a more formal or stand alone vehicle may be adopted to implement region actions and governance, though there are no proposals for such a vehicle at this stage.

5.2.4 Part C: Individual Council Action Plans - Wellington City Council

Part C of the draft WMMP identifies the key actions of individual Councils. Wellington City's proposed actions are based on existing waste management and minimisation policy and practice as well as a number of new and expanded initiatives. The actions, combined with the regional action plan, provide a comprehensive waste management and minimisation response. They cover all aspects of waste management from waste reduction to final disposal. They also focus on those areas of waste that are most likely to cause environmental harm or risk public health, or where resources would be wasted by disposal to landfill.

Links to Regional Action Plan

Some of the activities are likely to be delivered via a regional project, such as enhanced education and information activities. However, even where this is likely the Wellington City plan includes a reference to such activities as these may be pursued with a wider scope or in a different timeframe than a regional project. Where there are clear links between regional activities and Wellington City activities these are noted in the plan.

New activities

The new activities being proposed for Wellington city are discussed briefly below.

Product stewardship - Advocate for product stewardship schemes to be developed at a national level in consultation with local government and identify any high priority products for schemes and advocate as appropriate. The national focus of this activity reflects the fact that a process of product stewardship needs to be undertaken at a national level to be effective.

Waste Minimisation Act waste levy - Advocate for an increase in the waste levy rate with additional revenue distributed to those communities paying the waste levy via territorial authorities. An increased waste levy under the Act would provide a disincentive for landfill disposal and an income stream to support waste diversion activities. Such an increase in levy is economically efficient provided the total cost of landfill fees is less than the operational and external costs of disposal. While assessing external costs is somewhat subjective, officers consider that at least some externalities (for example true greenhouse gas emissions costs) that are not totally factored into landfill fees at present. Internalising those externalities via a nationally set levy avoids the problems of 'waste flight' since all landfills in the region would need to move their fees by the same amount.

Improving the performance of clean-fill operators - Advocate for national strengthening of measures to ensure clean-fill operators do not dispose of non clean-fill material. At present there is very light national regulation of clean-fill operators, reflecting the assumed benign nature of their operations. However, tighter controls on clean-fill operations will become increasingly important as the full costs of waste disposal (such as greenhouse gas emissions and other externalities) are increasingly reflected in landfill fees.

Require clean-fills operating within the council boundaries to be licensed - This will become increasingly important as the full costs of waste disposal are reflected in landfill fees. Licensing will allow the council to gather better information from clean-fill operators and to reduce the risk of illegal dumping.

Enhanced kerbside collection for recycling – this service has already been agreed. It is noted again because it is an important new waste reduction initiative that is expected to have a significant effect on recycling volumes (in the order of a 40 percent increase).

Investigate collection of recycling from schools - Investigate costs and benefits of expanding recycling collection services to schools.

Investigate public glass recycling - Investigate costs and benefits of public glass recycling stations.

Polystyrene - Consider business case for a polystyrene drop-off service at Southern landfill. This would support the polystyrene recycling initiative at Spicer landfill.

E-waste - Work with providers to secure a permanent e-waste collection and processing point, and then promote this. The council would consider providing a drop-off facility at Southern Landfill site.

Food waste - Expanded Kai to Compost scheme and encourage home treatment and recovery of food waste. The Regional Action Plan also includes a project to explore organic waste collection.

Provision of Services

The plan proposes that the council continues to review how services are provided in order to ensure effectiveness, efficiency and value for money. This would include consideration of whether services should be provided by the council staff or contracted to private sector providers. The Plan notes that from time to time the council may decide, following appropriate processes as required under the Local Government Act 2002, to change how services are delivered.

5.3 Next steps

The Committee can choose to:

- recommend that Council adopt the draft WMMP and Waste Assessment for consultation as drafted;
- recommend that Council adopt the draft WMMP for consultation but with amendments agreed by the Committee; or
- not participate in a regional WMMP, in which case a new Waste Assessment and Waste Management Plan would need to be prepared by officers.

Should the Council participate in the regional WMMP, the Council is also invited to nominate a councillor representative to participate in a regional joint committee to review submissions and hear oral submissions on the draft WMMP. This process is outlined in the "Consultation" section below.

The Committee should note that the draft WMMP is to be considered by all councils in the region by April 2011. This means that anything more than minor changes to the regional components of the document (Parts A, B and D) will be difficult (but not impossible) and could delay the adoption for consultation of the draft WMMP.

The actions referring specifically to Wellington City in Part C of the document which deals with individual council plans are subject to the Committee's own consideration and agreement.

5.4 Consultation Process

A special consultative procedure as outlined in the Local Government Act 2002 is required to consult on the draft WMMP. The Waste Assessment must also be notified as part of this process.

The timing for consultation (expected to commence late May 2011) and eventual report back to the council means that it is not possible for any decisions arising from the WMMP to be reflected in the 2011 Annual Plan. Any decisions will be incorporated in the 2012-2022 LTP process.

Following all councils adoption of the draft WMMP, each individual council will provide a summary document to residents and provide publicly available copies of the draft WMMP and Waste Assessment.

It is proposed that a regional joint committee be formed to hear and consider submissions and make recommendations on possible changes to the regional WMMP. Terms of reference for the joint committee are attached as appendix three.

The joint committee would comprise one councillor representative for each council. The joint committee would be supported by officers from across the region.

Depending on the level of interest, the joint committee will meet to hear oral submissions four times across the region in the Hutt Valley, Wairarapa, Kapiti and Tawa. When the joint committee meets in each location it is hoped that as many councillors of the hosting areas as possible will also be present to hear submissions from their community. Each Council will also receive copies of all submissions. If there are fewer submissions than anticipated, officers will look to rationalise the number of hearings accordingly.

Following the consultation process the joint committee may recommend amendments to the final WMMP. A subsequent consultation summary and final WMMP report will then be considered by each Council. This is expected after July 2011.

5.5 Legal Considerations

The Waste Minimisation Act 2008 came into force in September 2008. Under the Act territorial authorities are required to make and assessment of the waste in their district and develop a Waste Management and Minimisation Plan by 1 July 2012. There are minimum statutory requirements for both these documents. Officers consider that the documents attached as appendix 1 and appendix 2 meet these statutory requirements.

Section 45 of the Act specifies that one or more territorial authorities may jointly prepare and adopt a waste management and minimisation plan for the whole or parts of their districts.

Councils also must review their waste-related bylaws by 1 July 2012, if as in Wellington City's case, these were in place immediately prior to the commencement of the Act.

5.6 Financial Considerations

The WMMP is not expected to raise any financial implications in the current financial year. Any participation in preliminary regional work will be met from within existing budgets. In the longer term there may be financial implications arising from new, expanded or even reduced actions under the final WMMP. These would need to be considered as part of the 2012-2022 LTP process.

It is clear that trends in waste disposal and demand for recycling services are putting pressure on waste management budgets. Over time, if waste to landfill decreases and recycling increases, the current funding model may become increasingly unsustainable. This is illustrated in the table below, which provides a summary of net proceeds available for waste management and minimisation activities.

Table 3: Summary of Estimated Income and Expenditure for Waste Management and Minimisation Activities – Wellington City Council

Income			
Activity	Description	2012FY	2013FY
2.5.2	User Charges	3,531,922	3,461,766
2.5.2	Sale of Goods	4,354,163	4,339,809
2.5.2	Recycling Levy	1,271,634	1,248,605
2.5.2	MfE WMA Levy Distribution	800,000	600,000
	Other Revenue	97,448	97,448
	Total Revenue	10,055,166	9,747,627
Expenses	S		
Activity	Description		
2.5.2	Kerbside Recycling	3,710,790	3,749,937
	Landfill Operations	2,605,906	2,919,746
	Kerbside Rubbish	2,563,949	2,562,493
	Litter Enforcement	119,466	120,516
	Waste Minimisation Projects	640,487	642,446
	Education Projects	429,526	430,832
	Total Expenditure	10,070,124	10,425,971
<u>Net</u>		- 14,958	- 678,343
Other:			
2.2.1	Litter Bin Servicing	1,099,272	1,099,272
2.4.3	Sludge Total Rates Funded	1,177,261	1,178,972
	Activities	2,276,534	2,278,244

<u>Use of levy funds collected under the Waste Minimisation Act 2008</u>

A key initiative to reduce waste to landfill is the new wheelie-bin based recycling system. This is expected to increase recycled volumes by up to 40 percent. The net cost of this enhanced service depends on the costs of collection less any remittance the council receives from the sale of recyclable material. The level of remittance has a major effect of the overall cost of the service and varies with international commodity prices.

The Plan proposes that the council manages this variability by retaining the waste levy to meet any unbudgeted costs arising from the enhanced recycling initiative.

If waste levy funds are not required to meet the costs of enhanced recycling (for example, in years when commodity markets are strong) the unused funds would be carried forward for use in subsequent years if needed. However, total waste levy funds retained to meet recycling costs will not exceed an agreed maximum limit. After this waste levy funds would be reallocated to other waste minimisation activities according to the priorities of the time and consistent with the WMMP.

These may include (but are not limited to):

- additional support for community or business development grants;
- additional education and information initiatives;
- acquisition of capital items that enhance reuse, recycling or recovery activities;
- support for research and development of waste minimising technologies;
 and
- support for any other initiative that is assessed as being effective and
 efficient, but where one-off funding is needed in order to establish an
 activity that is then self-sustaining.

6. Conclusion

Under the Waste Minimisation Act 2008 (the Act) territorial authorities (TAs) are required to develop a Waste Management and Minimisation Plan (WMMP) for their district. TAs are also required to undertake and publish a "Waste Assessment". Officers from across the region have prepared documents that provide for a regional response to meeting the requirements of the Act. It is recommended that the committee adopt these documents for consultation with the public using the special consultative procedure.

7. Appendices

Appendix 1: Councils of the Wellington Region Draft Waste Management and Minimisation Plan 2011-2017.

Appendix 2: Wellington Region Waste Assessment

Appendix 3: Terms of Reference for Joint Committee on Wellington Region Waste Management and Minimisation Plan

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Supporting Information

1) Strategic Fit / Strategic Outcome

The LTCCP contains an overarching theme of protecting and enhancing our natural environment. It also includes specific reference to waste noting that our long term approach will be managing waste in ways that protect the environment and encourage sustainability. The draft Waste Management and Minimisation Plan (WMMP) provides goals policies, and actions to help achieve this objective. The preparation of the WMMP is also a statutory requirement.

2) LTCCP/Annual Plan reference and long term financial impact LTCCP references are noted above. At this stage the draft WMMP is not expected to have major financial implications. However, should such implications arise these should be addressed as part of the 2012-2022 LTP process.

3) Treaty of Waitangi considerations

There are no specific Treaty of Waitangi issues arising from the paper.

4) Decision-Making

This paper does not propose significant decisions. The information contained in the paper, including the attached Waste Assessment, is appropriate for the nature of the decisions being made.

5) Consultation

a)General Consultation

It is proposed that the draft WMMP and the associated regional Waste Assessment be put for public consultation using the special consultative procedure (which is a statutory requirement). The Environment Reference Group and the Tawa Community Board have been briefed on the contents of the draft WMMP.

b) Consultation with Maori

No specific consultation with Maori is proposed. However, officers will ensure that appropriate Maori representatives are briefed on the contents of the WMMP and will be available to support Maori input into the WMMP should such support be requested.

6) Legal Implications

The preparation of a WMMP and an associated Waste Assessment are statutory requirements of the Waste Minimisation Act 2008. The documents have been prepared in accordance with the requirements of the legislation.

7) Consistency with existing policy

The draft WMMP, including an action plan specific to Wellington City Council, are broadly consistent with existing policy.