

Submission

Reducing waste – A more effective landfill levy

Prepared By: Ashburton District Council
PO Box 94
Ashburton 7740

Richard Mabon; Senior Policy Advisor
Richard.Mabon@adc.govt.nz

Craig Goodwin, Waste Recovery Manager
Craig.Goodwin@adc.govt.nz

SUBMITTED TO:
Waste disposal levy expansion consultation,
Ministry for the Environment,
PO Box 10362,
Wellington 6143.

Introduction

1. Ashburton District Council ('Council') welcomes the opportunity to submit on the Ministry for Environment's consultation document *Reducing waste: a more effective landfill levy*
2. Located an hour's drive south of Christchurch, more than 33,400¹ residents live in the district, with the main town of Ashburton accounting for over 50% of residents. The rest of our residents live rurally or in smaller towns or villages.
3. Ashburton District has experienced moderate and sustained population increase since 1996, with growth of over 33%². The expansion of irrigation and agricultural diversification on the Canterbury Plains have been major factors in this growth.

Key Points

4. Council supports the general intention of this proposal which is to encourage greater diversion of waste from landfill and to fund investment in infrastructure and programmes to support recycling and reuse alternatives.

"Expand then increase"

5. Council supports an approach of "expand then increase". If Government introduces an increased levy before an expanded system of programmes and supporting infrastructure is put in place, there will be a lag period during which waste to landfill is likely to drop with an increase in fly tipping and on-farm disposal.
6. Council advocates for a delayed transition to the waste levy increase to enable communities to position the services and infrastructure to support the change. Council believes this could be funded by raising loans against future waste levies.
7. Council notes that Ashburton has a low ratio of waste per capita per annum of about 370kg. There is a large volume of waste generated by farming activity (some at considerable distance from our recycling hub at Ashburton) and a disposal charging regime based on \$240/tonne.
8. We have a small network of rural transfer stations dealing primarily with domestic recycling. Farm waste must be carted to Ashburton (which can be a notable cost in terms of fuel and time) before incurring a disposal charge at \$240/tonne. We expect that significant volumes of waste material generated from farming may be disposed of on-farm, either to farm pits or by burning.

¹ Source: Statistics New Zealand Census 2018

² Source: Statistics New Zealand Population Estimates 30 June 2018

Council would prefer to invest in solutions that enable more agricultural waste to be disposed to transfer stations closer to the farm to encourage more diversion from land fill and less material being buried or burned on farm.

9. Council operates a number of clean fill sites and is aware of as number of private sites. There will be a need for some sites to invest in weighbridges under some of the options presented, and this will also take time to put in place.

Levy criteria and transparency

10. Council also supports the broad criteria for investment and supports submissions from the WasteMinz Territorial Authority Officer Forum (“the TAO Forum} concerning two other criteria for investment. Council supports local authority transparency over how Council’s spend their 50% share and believe that Government must also be completely transparent about how their 50% is expended.

Submission questions

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

11. Ashburton District Council agrees that the 48% increase of waste to landfill over the last decade is a cause for concern and needs to change. Both local and central government recognise the need to move to a circular economy to ensure that resources are used and reused effectively as in the long term our current consumption patterns are unsustainable. Many councils have aspirational goals of working towards zero waste. The levy as an economic instrument provides funding for waste minimisation activities and infrastructure and if set at a higher rate can make recycling and reusing viable financial options to landfilling.

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

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

12. Ashburton District Council also agrees that the landfill levy should be progressively increased to a point where the price differential between landfilling and recycling or other methods of diversion is eliminated. A significant progressive increase to the levy rate, alongside the expansion across landfill classifications, will better support the purpose of the levy under the waste Minimisation Act, raising vital revenue for infrastructure and waste minimisation activities and signalling the true costs of disposal and product design choices to producers and manufacturers. In particular, construction and demolition waste and organics are significant contributors to landfill waste and alternative options and technologies such as composting, reuse and minimisation already exist, but need to be better incentivised.

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 (eg, 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)?**

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. clean fills (class 5)**
- ii. farm dumps**
- iii. any others (e.g., any exceptional circumstances)? If so, please specify.**

13. Council supports extending the landfill levy across all five classes of landfill. We see this as consistent with our preferred “expand then increase” approach and the most effective way to address levy avoidance through unlawful disposing of materials at clean fills or class 2 landfills at lower rates. The investment in new weighbridge facilities means this cannot happen overnight and thus is consistent with our favoured “expand then increase” approach.
14. We believe that close monitoring at landfills, coupled with a rebate system, will also discourage the dumping of inappropriate materials.
15. Council does not support treating farm pits as landfill sites.
16. Council notes suggestions of a programme of work to evaluate the pros and cons of identifying and registering farm pits and their compliance status.
17. Regional plans in Canterbury require most farmers to produce a farm environmental plan, which identifies environmental risks on-farm. Should an evaluation of farm pits proceed, Council would urge those responsible to consider the information already provided to regional councils through farm environment plans and to avoid, as far as practicable, requiring farmers to duplicate effort in supplying this information to Government.
18. Council also notes that smaller farms (less than 50 hectares) with less than half of the property used for intensive winter grazing are not required to prepare a farm environment plan.
19. Council is aware that landfills and farm pits (including closed landfills and pits) can be located next to vulnerable waterways and there are concerns that chemicals may be leaching into these waterways. There are also concerns that climate change and rising sea levels may also uncover and wash away land fills or pits. Government and local government are looking at the risks from territorial authority closed landfills. Some councils have reported farm pits comprising significant tonnages of waste, making a known risk of unknown scale.
20. Currently there are not many well supported solutions for dealing with rural waste. The Ashburton District Council is mindful of the need to increase and improve waste services to the rural sector in conjunction with any regulation or legislation that represents a change to current waste management practices. Establishing effective product stewardship schemes and increased waste levy funding to other classes of landfill could assist that.

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)?

21. The categories of landfill in the consultation document and that are proposed to be included or excluded from the levy are based on the descriptions in the Technical Guidelines for Disposal to Land. For the waste levy to be effectively extended it is recommended that these guidelines are formally adopted by the Ministry for the Environment prior to the expansion of coverage of the levy.

22. Ashburton District Council supports 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.
23. For some councils a resource consent is required for any clean fill operation that cannot meet the permitted activity threshold of 250m³ per year. Ashburton District Council recommends that any clean fill activity that requires a resource consent should be subject to the waste levy in order to ensure an even playing field and to avoid inadvertently encouraging poor disposal behaviour.
24. Ashburton District Council also calls for the definitions from the Technical Guidelines for Disposal to Land to be used in the Emission Trading Scheme (ETS) to ensure consistency across legislation.
25. As methane generated at landfills contributes to carbon emissions, there is the opportunity to enhance the effectiveness of the ETS in relation to landfills by using this measure in conjunction with the levy. Ashburton District Council recommends that any increases to the ETS are synchronised with the changes proposed to the landfill levy, to measurably reduce environmental impacts on both the emissions and disposal fronts.

Exemptions

26. Council notes that the Waste Minimisation Act 2008 allows waste arising from a natural disaster such as an earthquake to qualify for an exemption from the waste levy when it is disposed to landfill. However, if a coastal or riverside landfill is exposed due to rising sea levels or flood waters such as occurred with Fox River, or if a territorial authority recognises needs to relocate all or part of a closed landfill as a preventative measure this would not qualify for an exemption.
27. Council believes that the Waste Minimisation Act should be amended to allow for an exemption if waste from a closed landfill is uncovered due to sea level rise or flooding or if a landfill needs to be relocated for those reasons. Firstly, there is no opportunity to minimise or reduce that waste. Secondly, with changing population patterns and the drift from rural to urban living many rural councils will have a much smaller rate payer base now than they had in the past and it may place an overly high burden on existing ratepayers. Finally, in the future in some instances the waste may have already been subject to a levy.

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)?**
28. Council takes the view that the maximum rate for a class 1 landfill should reach \$50 a tonne from 1 July 2024. This lifts our local rate per tonne from \$240/tonne to \$290/tonne. Based on international experience the Council understands that the levy rate needs to be considerably higher than \$50 per tonne if we are to see waste diversion and minimisation outcomes maximised.
 29. Council supports a continued raising of the levy beyond \$50/tonne in gradual increments over a longer time period that is signalled well in advance. Whilst the levy is currently reviewed every 3 years Councils operate their long term plans on a 10-year timeframe so it would assist local government and business if the Ministry of the Environment also developed a longer term plan or

forecast for waste minimisation and levy increases. Aligning the timing of the waste levy review more closely with the long-term plan process would also assist as it currently falls in Year 2 of the long-term plan process.

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?**

30. Until the tonnage and types of waste handled by Classes 2-4 and industrial monofills are known in more detail, the diversion potential and opportunities understood, and compliance regimes implemented, it is impossible to determine to what extent a differentiated levy may help to reduce waste. Council does not favour a differentiated levy at the outset.

31. Council's preferred option would be a rebate system supported by monitoring and enforcement for non-compliance rather than a range of levy rates. This rewards the right people for doing the right thing. A key concern is the potential for perverse outcomes from levy avoidance behaviour. Council notes that a rebate system will involve more administrative cost, and is less efficient. The first priority must be a regime that is effective.

Question 9 - 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?

Timing

32. Council's preferred option is option C, expand then increase.

33. Changes that Council would need to make if the levy was expanded include:

- Installing weighbridges and reporting software at new sites.
- Creating reporting processes for reporting on data from new sites.
- Addressing requirements at unmanned transfer stations and clean fills.

34. Other landfill operators may also need to make those changes, as well as other changes including:

- Ensuring that existing landfills comply with the definitions in Technical Guidelines for Disposal to Land
- Changing or amending software used at weighbridges to comply with any data reporting requirements

35. A National Waste Data Framework would also need to be agreed upon to ensure that data was reported in a consistent manner.

36. Council is concerned that the Ministry will not provide sufficient lead-in time to enable a smooth transition. For options B, C, and D most councils would need a minimum of 12 months to implement any expansion once the Ministry had finalized the exact details i.e. reporting categories etc. and 18 months from the date of any initial announcement. If this is to be

introduced at a time that enables the changes to be built into long-term planning, we are looking at an introduction date of 1 July 2024.

37. A disjointed implementation will be less effective at changing consumer behaviour, and may encourage fly-tipping and levy avoidance.

Perverse outcomes

38. Council is strongly concerned at the potential for levy avoidance behaviour, in particular inappropriate disposal of waste at landfills with cheaper disposal fees. Even at a levy rate of \$10 per tonne this behaviour is already occurring.
39. At the same time, the Council recognises that the role of the levy is to minimise waste to landfill and that some types of waste that can only be disposed of appropriately at a class 1 landfill may have no minimisation potential.
40. Council has identified one potential perverse outcome, which relates to incineration technology such as curtain burners. A waste levy based on weight or volume discharged to landfill may encourage more burning of waste. Volumetric charging for this kind of waste disposal is inappropriate, and the discussion document disregards the incineration option on the grounds that New Zealand does not have the economy of scale for a large municipal burner. This may well be true, but smaller scale operations may discharge emissions or create other perverse outcomes unless covered by District Plans or National Environmental standards.

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?

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?

41. Council has not formed a view on these matters. We note that short timeframes for introducing new requirements will put some landfills in a position where they will need to continue volumetric charging until a weighbridge can be installed and made operational. Consensus in the industry is that weighbridges are the better option, but some interregnum for smaller operations using volumetric charging is foreseeable.

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

42. Ashburton District Council supports the development of a levy investment plan. Whilst it agrees with the six priorities listed in the consultation document, it notes that the following two items may not strictly meet the criteria in Section 32 1a of the Act which states that levy expenditure must be spent on matters to promote or achieve waste minimisation.
 - monitoring and enforcement 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 may not strictly meet the criteria under the existing wording of the Act as Section 32 1a states that levy expenditure must be spent on matters to promote or achieve waste minimisation.
43. Council also suggests two additional priorities:
 - 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

- education and behaviour change initiatives. For example, the funding of programs such as Para Kore Marae Incorporated and Enviroschools. Public understanding and support of waste minimisation and the circular economy is crucial to the success of other waste minimisation initiatives.
44. Council asks the Ministry for the Environment to place a climate lens over the levy investment plan, prioritising projects and initiatives that have a clear climate change mitigation or adaptation focus in line with the Zero Carbon Act, which allows decision-makers to make specific considerations to climate impacts. In particular, both construction and demolition waste and organic waste (food and biosolids) make a significant contribution to the total tonnage of waste to landfill and contribute significantly to methane emissions from landfill. These have huge diversion potential and a combination of increasing the levy while investing in projects which aim to sustainably manage these waste streams could have very positive outcomes for waste and emissions prevention.

Discrete v ongoing funding

45. Ashburton District Council notes that the consultation document suggests that levy funding should primarily be discrete rather than ongoing and that levy funding should be directed to initiatives that need capital at the start to cover setup costs that might otherwise be uneconomical, but over time can become self-sustaining. Council supports this approach.
46. Council also notes that this is not a requirement for Councils' expenditure of the local authority share of levy income as no mention of this is mentioned in the Waste Minimisation Act 2008 or the in the *Waste levy spending: Guidelines for territorial authorities 2013* . Council asks that this distinction continue.
47. A number of councils use waste minimisation funding to employ waste minimisation staff or to support educational programmes such as Enviroschools, Para Kore Marae Incorporated, and/or Waste Free Parenting workshops. Some programmes may never become self-sustaining until compulsory product stewardship schemes are implemented. Some councils also use waste levy funding for e-waste, hazardous chemical and farm chemical collections which are ongoing.

50% funding split

48. Council supports the continued hypothecation of 50% of total waste levy revenue to territorial authorities. Councils are uniquely placed to reach and understand the needs of local communities and influence behaviour, regularly consulting with and engaging ratepayers as well as working alongside industry where possible. A number of councils have set up their own waste minimisation funds allowing businesses and community groups, who may not have the resources to apply to the Government's Waste Minimisation Fund or the time to wait for approval, to apply for funding for smaller projects.
49. Council notes, however, that allocating the 50% split to councils on a per capita basis has left smaller councils at a disadvantage. Some smaller councils such as Mackenzie with 4,158 residents have very high overseas visitor numbers and these councils are struggling to provide the infrastructure required from their rates and waste levy funding. Council suggests that a more equitable approach would be to allocate a minimum level of levy funding per council with the rest allocated on a per capita basis, thus enabling smaller councils to implement effective programs to promote and achieve waste minimisation.

The need to fund national programmes and research

50. In New Zealand, the TAO Forum has funded a number of initiatives such as Love Food Hate Waste and Rethinking Rubbish and Recycling which ideally should be funded and administered by central government. The limitation of using the waste minimisation fund as a funding vehicle for these programs is the length of time for approval processes, the restriction to a 3 year time frame for funding, the requirement for significant amounts of match funding and the inability of all councils to contribute to the funding.
51. Council urges the Ministry to consider funding for research, particularly behavioural insights or detailed analysis of waste streams, and to fund national communication campaigns that would benefit all councils. Examples could include research and campaigns tackling fly tipping and illegal dumping, fabric and textiles; construction and demolition hazardous waste management and disposal etc.

Transparency of reporting

52. Council calls for transparency from the Ministry for the Environment on what the remaining 50% of waste levy funding is invested in. The consultation document proposes to continue mandatory reporting from local authorities to the Ministry on their share of levy expenditure but does not mention mandatory reporting back on Ministry expenditure. In particular, timely reporting on what projects have been funded and whether the project achieved its goals or not is suggested.

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?

53. Council's view is that the Waste Minimisation Act should be amended to allow for an exemption from the levy if waste from a closed landfill is uncovered due to sea level rise and /or flooding or if a landfill needs to be relocated due to sea level rise or flooding.
54. Secondly, the wording of the Act 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 eligible to be funded by the levy.
55. Finally, the waste definition in the Act needs to include diverted materials for the purposes of data collection. It's not possible currently to license collectors and operators that deal with diverted materials, so no data can be collected on recycling / reuse / recovery data through licensing.

Question 14 - Do you agree that waste data needs to be improved?

56. The TAO Forum called for better waste data in the Local Government Waste Manifesto and Council agrees that waste data needs to be improved and a national waste data framework implemented so that data currently collected can be accurately aggregated at a national level. Better waste data will have a significant positive effect across all aspects of the sector. It will allow councils, the private and community sectors, and government to benchmark their performance, identify areas where performance could be improved, plan with greater confidence, and to monitor and measure the effectiveness of actions.
57. New Zealand lacks comprehensive, reliable waste data. We have good data on the quantity of material that goes to Class 1 (levied) disposal sites, and most councils hold reasonable data on the waste that they manage through their services and facilities. But there is a lack of data on the total amount of waste generated, the amount of material that goes to Class 2-4 disposal sites

and farm pits (together about 70% of all material disposed to land), material that is collected or managed by private operators, and material that is recycled and recovered. This means that our overall understanding of waste flows is severely limited.

58. Three key actions are required to improve waste data

- Require (under section 37 of the WMA) the Waste Data Framework to be used by TAs for compiling and reporting data.
- Develop and implement regulations under Section 86 of the WMA to provide a mechanism for requiring reporting of recovered material data.
- Establish a platform for key parties to enter data into, compile data, and make aggregated data available. Such platforms are already used by some states in Australia.

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?

59. The main challenges and concerns that Council has are:

- Implementing changes in short time frames
- A lack of necessary infrastructure such as software or weighbridges at rural transfer station sites and clean fills
- Levy spend reporting is challenging to use
- The lag between when we would start an increased levy and when the community would benefit from increased investment to improve waste management.

Timeframes

60. As mentioned previously the main challenge relating to complying with the proposed reporting requirements is the implementation time period. Councils would require a minimum of 12 months to set up reporting requirements at landfills and transfer stations once the exact details are known. A National Waste Data Framework would need to be agreed on before the weighbridge software requirements could be aligned.

Reporting requirements

61. For councils operating shared services, implementing reporting requirements would also have specific challenges:

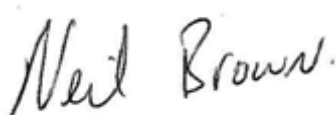
62. If the current National Waste Data Framework is adopted it will reduce the cost and implementation time as many councils have already begun to implement this framework. If an alternative framework is created, this will increase the implementation time required. Some councils may need additional funding in terms of staff resource or to purchase weighbridges or to upgrade existing reporting systems. At Ashburton, we do not anticipate requiring more staff but expect we would need to invest in mobile or fixed weighbridges to extend services closer to the farming community.

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?

63. Council believes that at the proposed rates of increasing the levy the main benefit would be the corresponding increased revenue which would allow the funding of additional waste minimisation projects, enable onshore processing of recyclables and fund improved capital infrastructure and services.
64. Improved data collection will also be a significant benefit as it will improve the accuracy of future waste assessment reporting and allow better investment decisions to be made. Although the cost of disposal will be higher for the community, councils are confident that this can be offset with improved diversion opportunities.

Question 17 – Additional comments

65. As previously noted, it is important that there is alignment across legislation. In particular, Council has concerns over the effectiveness of the Litter Act given that an increase in illegal dumping and fly tipping may occur. Many councils have found it very difficult to enforce the provisions of the Litter Act as it currently stands, as there is a high threshold for the evidence required to issue an infringement, and the cost of chasing fines often outweighs the fine itself. On this basis, it is necessary to review the Litter Act in line with the introduction of the expanded waste levy to enable more effective enforcement.
66. Councils will need to be well resourced to carry out the regular monitoring that will be necessary to minimise instances of illegal dumping. While the Ministry's proposals suggest that enforcement activities can be funded through the council allocation of the WMF, this type of enforcement would generally be carried out by councils under the Litter Act, not the Waste Management Act 2008 (WMA) to which the fund relates.
67. As mentioned earlier definitions for different types of disposal facilities from the Technical Guidelines for Disposal to Land should be adopted by the Emission Trading Scheme (ETS) to ensure consistency across legislation.



NEIL BROWN
Mayor