



Landfill Levy Consultation
Ministry for the Environment
PO Box 10362
Wellington, 6143

Uploaded: via online submission tool

31 January 2020

Hurunui District Council submission on the Reducing Waste: A More Effective Landfill Levy consultation document.

Hurunui District Council (the Council) thanks the Ministry for the Environment (MFE) for the opportunity to comment on the Reducing Waste: A More Effective Landfill Levy consultation document.

Submission

- 1) The Council agrees that the increasing volumes of waste to landfill needs to change and cannot continue at current (increasing) rates and therefore supports this.

If the availability of national waste data existed, it would be possible to determine how the volumes of waste reused, recycled or recovered in New Zealand, since the last review has changed, but currently insufficient data exists to determine this. National waste data would ensure the efficient tracking of these waste streams to ensure accountability.

It should be noted there are at times, increases in volumes of waste for reasons, which cannot be managed e.g. in Hurunui, waste peaked in 2016/17 due to the Kaikōura / Waiau earthquakes; but volumes decreased from 3,556 tonnes to 3,323 tonnes in 2018/19.

- 2) The preliminary review highlights current data is based on assumptions. The proposal to increase the levy is too soon. Central Government needs to get empirical data to confirm what the levy value will be using the data collected.

With the disposal of waste to levied landfills increasing, sites that are not presently levied are less well understood and therefore only an assumption can be made on the amount to levy. This suggests this number could be considerably higher than indicated. There are no such sites in Hurunui.

It would be beneficial if Appendix A included an assessment of those schemes funded to date by the contestable fund and whether they have succeeded in providing long-term (on-going) benefits. When considering whether recycling, recovery and re-use has increased, the review is looking at the overall picture rather than just those schemes funded directly by the levy.

The Proposal and Classifications

- 3) Until the impact and success of the proposed increase is known, looking at extending the levy beyond 2023 is not a decision Council would agree with.

The Council recommends that the impact and effectiveness, this additional revenue has on developing local infrastructure for reprocessing and making recycling more competitive should be reviewed prior to committing to further long-term increases.

This would also provide an opportunity to assess and determine how to overcome any problems from the increase in levy and determine whether increasing the rate further will provide positive or negative outcomes.

- 4) The Council does not support expanding the landfill levy to other forms of landfills, but would support better data record keeping in the first instance, so we know whether this is feasible or not

It seems inconsistent to charge a higher levy rate for the same type of waste if disposed of in a municipal landfill rather than a construction and demolition fill. Under the terms of the consent for Hurunui's cleanfill site, plasterboard and timber are not permitted.

- 5) The Council considers cleanfills (class 5) should be excluded from the landfill levy. This form of waste is not deemed an environmental concern or risk. It is a form of waste, which can be re-purposed or re-used for a relatively low cost in New Zealand and is not reliant on the current unstable markets, as with other recyclables.

The Council considers farm dumps should be excluded from the landfill levy. For the farming community, product stewardship is a proven and successful method of gaining revenue for responsible waste management and recycling via funding at the point of purchase e.g. the Agrecovery Programme.

The Council has also raised through this consultation process whether waste from the immediate clean up from natural disasters e.g. the Canterbury / Christchurch or Waiiau earthquakes be subject to the proposed increased rate or would flexibility exist for exemptions to be made by the Government (exceptional circumstances) at the request of a council. This could potentially be of national concern.

There is an option for the landfill operator to apply for an exemption in the event of a national event. The Council feels it would be appropriate for councils to be permitted to apply for exemptions too.

- 6) The Council rejects the proposal to levy remediation sites or subdivisions. Good evidence is needed first before anything changes - again robust data records are required

The Council does not want a levy on anything that can be reused, before it is taken to and weighed at a waste landfill site

If it cannot be reused on site or another site (subdivision works soil) including farms, it would be levied. Cleanfill sites should not be levied, because this clean waste can be recycled in a good way.

Levy Rates:

- 7) The Council recommends the \$50 per tonne rate for municipal landfills. However, concern has been raised, as this will have a significant financial impact on Hurunui ratepayers, due to the district having a large geographical area, with a very low rating base.

The Council is concerned that setting the levy at the proposed \$50 rate will increase illegal dumping of waste, which councils will have to clean up and cost recovery is a difficult and long process, which often does not have a positive outcome.

The Council aims to manage waste in or as close to the district as possible, but being smaller in terms of volumes; it is highly likely that for economies of scale, material will need to be transported to Christchurch in the future or further, which could incur additional transportation costs.

- 8i) The Council responded to the question regarding whether the levy should be set at the same per tonne rate for all waste types under question seven.

The Council recommends the levy for municipal landfills be the highest as this is the part of the waste stream, which the highest number of people contribute to and where councils and individuals have the capacity to make a significant difference.

- 8ii) The Council believes that those forms of waste, which could discharge contaminants or emissions from industrial sources should be levied at the same rate to encourage investment and commitment to finding alternatives to landfill and ways to use by-products to benefit the community e.g. landfill gas recovery.

- 8iii) The Council concluded that the levy should be lower for construction and demolition sites to prevent an increase in house building cost, ensure house building numbers do not slow. This will also prevent an increase in rates

Being a heavier / denser material, to add \$50 per tonne would affect significantly the cost to manage this waste stream. It has been observed that many are opposed to paying the cost to dispose of cleanfill, even though this is lower per tonne cost than disposing of waste to landfill. To add \$50 per tonne to this waste stream would result in increased dumping, which councils would have to clean up with minimal or no opportunity to recover costs.

- 8iv) The Council recommends that there should be no levy on contaminated soils or other inert materials (class 3 and 4) to ensure such waste is disposed of correctly to prevent illegal dumping of such materials.

Inert materials that can help permit a site to be used for other purposes on closure, with little ongoing monitoring required and no environmental risk from contaminants or emissions should be charged at a lower rate as they offer a form of diversion from landfill and ultimate re-use.

- 8v) The Council does not agree that a lower levy should apply for specified by-products of recycling operations and feels such waste should bear the full cost to encourage and fund the research and development of alternative options to landfill disposal and ensure consistency.

Phasing in of Levy Charges:

- 9) The Council concluded that adopting a phased approach to bring in any agreed increase in waste levy would permit the Council and others to manage the effect of increased costs, prepare infrastructure and enable enhanced or additional education and awareness raising to be implemented, to offer options and alternatives to landfill on a local, regional or national level.

Early notification will be imperative to enable councils to factor these additional costs and responsibilities into their Long-Term Plans.

The Council considers it a more consistent approach to commence by expanding the levy to sites currently not paying or those that are exempt and use this to help local councils implement the resources needed in preparation.

If the approach is not phased, waste to landfill charges will increase by the determined rate or higher depending on the level of monitoring agreed on without councils having the opportunity to prepare, plus this would result in significant resistance from those using the collection and transfer station services.

The Council recommends expanding the levy and then increasing it, as this would permit preparation by gradually increasing the Waste Universal Annual Charge and transfer station gate fees to recoup the increased levy charges and prepare infrastructure and staffing for e.g. recording, monitoring and reporting.

The Council agrees to the levy increase, but not without a business plan. The Council would support it if there a Business Plan to understand the justification for these changes was available, but needs good data and to know what the Government will do with this increased income. The Council does not agree to increasing the levy, without knowing what it will be used for, as presently there is no vision or plan for consideration.

To increase the levy and then expand to all sites or to expand and increase together would require a sudden and significant increase in gate fees. This is likely to result in some looking for alternative ways to manage their waste including illegal dumping and use of council street litterbins and the Council is not in favour of this for the reasons stated.

This could also result in an immediate rise in the contamination of recycling via the bags and transfer stations as people look to dispose of their waste via cheaper methods. This could have a knock-on effect of the gate fee at the processors increasing to cover the sorting and disposal of additional contamination. For Hurunui, an authority with low levels in contamination (frequently under 1%), this is not considered a favourable option.

Adminstrating the Proposed Levy Increase:

- 10) Waste data is submitted by Transwaste who manage the Kate Valley Landfill and to date, this system has worked well with the Council knowing the tonnage (via the compliant weighbridge on site) delivered by its contractor and the origin by transfer station.

In the event of the levy applying to the Councils cleanfill site, all waste to this site would be weighed, as it is presently. This would be a fair and effective method, rather than using the proposed conversion rate

- 11) The purpose of this Act is to encourage waste minimisation and a decrease in waste disposal in order to:
 - (a) Protect the environment from harm; and

(b) Provide environmental, social, economic, and cultural benefits.

The Act needs to be followed – (Section 29 - Waiver of Levy) and so the Council does not consider any changes to the definitions in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009 are required.

Levy Investment Plan:

- 12) The Council considers the Levy Investment Plan to be very weak, lacking in detail, and a very vague concept plan, which is more ideology than a firm plan. More information should be gathered regarding actual volumes of material being taken to waste centres, so there is a detailed understanding of what costs are currently and what the costs could potentially be increased to.

The Council recommends that the Levy Investment Plan be in place prior to any levy increase to guide councils through the acceptable processes and reporting procedures to follow around spending their increased levy revenue, and council can then include increased costs into their Long-Term Plan (LTP).

It is timely to consider a review of the WMA to ascertain whether there are further opportunities for using levy income or whether councils will need to continue to spend on waste minimisation activities only.

- 13) The Council believe central and local government should work together to achieve the desired result to utilise the current Act to its full extent. The Council believes it is up to Ministry for the Environment to establish why they want to review the Act and then inform councils, so they can answer this question.

The Council does not believe the Act needs reviewing, but feels the government need to use their powers to implement the Act. The government has the tools (the Act) to recycle products e.g. tyres by referencing the clause on Territorial Authorities to review their enforcement options (Part 4 of the Waste Minimisation Act). The regulations should be changed rather than the Act.

- 14) To improve waste data, the Council recommends the Ministry for the Environment works with local councils of various sizes (who ultimately will be impacted upon the most to gather, accumulate and report on the suggested data) to ascertain procedures and agree a form of reporting, when deciding the data to be recorded. Hurunui would be willing to commit to work with the Ministry on this.

- 15) The waste data proposals outlined will impact on the Council in order to collect, store and report the information required. It is unachievable to estimate any costs, however the Council has made some comments below:

Dependant of level of detail, the Council would require the following.

- Additional staff at outlying transfer stations – particularly during holiday times.
- Additional staff member at main transfer stations (weighbridge).
- Administration support to enter the data received to complete the monthly and annual reporting processes.
- Amending or replacing software system at Amberley to record data required.

For the Council to record waste received, the activity source and geographical location where it was generated would mean questioning every customer, a time-consuming activity (as the reasoning will need explaining), which may not be well received, and the level of accuracy would not be guaranteed depending on the response provided.

The Council supports matching activity source data with waste composition data via MfE surveys. For smaller transfer stations, customer numbers and waste volumes are not consistent, so more than a single annual visit would be required.

At four of the Council's transfer stations, there is presently no ability to collect data electronically and to implement systems would come at a cost, which would have to be recovered through a further increase in gate fees. Activity and geographical source would need to be manually recorded and entered electronically at the offices; this will require administration support at a cost, would the levy return enough to cover this cost?

Outlying transfer stations are run by lone workers, so to obtain additional data may require a second worker, which Council would have to fund via increased gate fees or rates.

At the Council's main transfer station, there is a single weighbridge, which would need the system and software amending or replacing to record activity and geographical source. This will slow down service times and traffic movements, as every paying customer enters via this point and all customers (including those dropping off recycling) leave via the weighbridge.

Most of the waste received is a mixture of waste types, often coming from a combination of sources. Obtaining accurate information may be difficult and will be dependent upon customer co-operation. Council is concerned whether through these proposals waste brought in by council's contractor could have more than one activity source e.g. kerbside collections and street litterbins. If this was to be separated at the point of collection, it would be problematic and at a significant cost.

- 16) At local level, the Council has maximised the opportunities and benefits the current levy provides; if there was an increase in the levy, the Council would spend it in the region on improvements to our waste processes including education, communications and assets, whilst Central Government with their 50% of the levy, would look at further benefits of waste minimisation.

Costs to the Council:

- Risks of increased illegal dumping.
- Risk of increased contamination of recycling.
- Risk of increased household and commercial waste in street litterbins and township recycling bins.
- Cost of staff time and additional contract costs for monitoring, data entry and reporting.
- Risk of MfE via the levy funding a recycling scheme, which if it does not continue long-term e.g. soft plastic recycling, the council will ultimately deal with the fallout from it.

Benefits to the Council:

- Developing recycling options in New Zealand will provide opportunities for increased diversion of waste streams sent to landfill from the Hurunui district using the councils levy returns and if successful in applying, use income from the national contestable fund.

Thank you for the opportunity to provide this submission.

For clarification of any points or comments, please contact the following:

Anne Ussher (Amenities Manager) on Anne.Ussher@hurunui.govt.nz or

Sally Cracknell (Team Leader - Waste Minimisation) on Sally.Cracknell@hurunui.govt.nz

Yours faithfully

Marie Black

Hurunui Mayor.