



# PAC.NZ

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## DRAFT AUCKLAND WASTE MANAGEMENT & MINIMISATION PLAN 2018

Thank you for giving the Packaging Council the opportunity to comment on the above draft plan.

We would be happy to elaborate on any of the points raised here as part of the consultation process.

### INTRODUCTION

The Packaging Council of New Zealand's role is to represent the interests of industry in public policy and debate on packaging issues. Our members have a primary responsibility to manufacture 'fit for purpose' packaging which includes reducing the environmental impact of packaging through applicable and cost effective solutions and product stewardship.

The Packaging Council represents the whole packaging supply chain, including raw material suppliers, packaging manufacturers, brand owners, retailers and recycling operators.

The Packaging Council has approximately 70 members, representing more than 80% of the packaging industry by turnover. The New Zealand packaging industry contributes \$4,229m to NZ GDP supporting over 5900 businesses and employing over 50,000 people.

The Packaging Council has developed and promotes use of the *Code of Practice for Packaging Design, Education and Procurement*. The objective of the Code is to assist stakeholders in the design, manufacture and end-of-life management of packaging to minimise its environmental impacts, including enhanced recyclability and responsible behaviour by end consumers. As such, the Code contributes to the objectives and concerns Local Government may have with

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respect to packaging, waste and recycling. This Code has been amended to address the new Fair Trading Act prohibition against unsubstantiated representations in trade.

## 1.0 SUMMARY OF SUBMISSION

- 1.1 We remain committed to the intent of the WMMP to encourage waste minimisation and decrease waste disposal.
- 1.2 We are disappointed to see that the same linear thinking which drove the first WMMP prevails in this latest iteration of the WMMP.
- 1.3 In the intervening six years since the first WMMP, much work has been done globally to introduce and accelerate the circular economy concept, which advances the simplistic thinking of zero waste into a systemic approach to design waste out.
- 1.4 We believe that in this iteration of the WMMP Auckland Council has missed the opportunity to advance it's thinking towards circular economy concepts, which is given a passing mention only, and align initiatives accordingly. In this regard the plan is unambitious, and we would contend out of step with Ministry for the Environment's commitment to target waste minimisation projects in the context of the circular economy. It is also out of step with businesses in the Auckland Region who are framing their product stewardship activities in a circular model rather than simply an activity to avoid waste to landfill.
- 1.5 Similarly this draft plan does not make any reference to how the objectives align with the UN Sustainable Development Goals (SDGs). New Zealand has committed to achievement of these goals. Waste management and minimisation crosses several of the individual goals and Auckland, as New Zealand's largest city, can make a substantial contribution towards achieving targets. As with the circular economy concept, many businesses in the Auckland Region are using the SDGs to provide the framework for their own initiatives – this is another missed opportunity for Council to align with the commercial waste sector.
- 1.6 We also regard much of the actions in this draft plan a distraction to Council's core obligations under the Local Government Act 2002 and strongly question the value such actions will deliver for the rate payers of the Auckland Region.

## 2.0 SPECIFIC COMMENTS ON THE DRAFT PLAN

- 2.1 **Executive Summary.** We support Council to continue to lead on the *“20% of the waste the Council is directly responsible for”*. We do however, question the justification, as well as the practical ability to *“increase efforts with the 80% of waste that is commercially managed”* particularly given the notable absence in this draft plan of alignment with global movements such as the circular economy and SDGs which are



providing motivation, guidance and practical frameworks for initiatives, in the commercial sector.

- 2.2 We are disappointed that Council persists in quoting statistics such as those made in point **1.2 Where we are: a substantial challenge**. In our submission to the first WMMP in 2012 we made the point:

*2.2.1 Members of the Packaging Council often bear the brunt of public sentiment which perceives that packaging waste is in fact much bigger 'problem' than it actually is. In our opinion the draft plan exacerbates this perception with statistics such as on page 14 which say "AUCKLAND SENT 1.174 MILLION TONNES TO LANDFILL IN 2010 - THIS REPRESENTS APPROXIMATELY 0.8 TONNES OF WASTE FOR EVERY PERSON IN AUCKLAND". This may be statistically defensible, but we believe it is misleading in substance when 79% of this is commercial waste.*

- 2.3 We support the general aspiration of **Point 1.3 Where we want to be in 2040: Zero waste** (noting our comment above about the circular economy). However arguably Council has little to no influence in activities, such as design, manufacturing, retailing or consumer choice so we do not support this aspirational position being justification for Council intervention in commercial activities.

- 2.4 We are especially concerned with the apparent weight being given to the statement from the Eunomia Report, August 2017 that *"the amount of recyclable material sent to landfill from domestic and commercial sources in 2016 could instead have generated between \$15 million and \$73 million"*. This was a desktop study with several caveats as to how those figures were generated. We suggest that an evidential approach would have provided a different picture and are disappointed that Council is quoting figures from this report which could prove to be misleading in substance.

- 2.5 **1.4 How we're going to get there: a step at a time, together**. We question the ambition of "a step at a time" particularly in the context of the circular economy concept which is clearly focussed on transformational change not iterative change. Council may be limited in its influence across the whole waste sector in the Auckland Region but does have an opportunity with the 20% it does influence to utilise the significant amount of resources available in this area from organisations such as the Ellen McArthur Foundation. We would further suggest that if Council showed leadership over its areas of influence then it is likely to find areas of common interest with the 80% of the waste sector under commercial influence who are already motivated to explore circularity concepts.

- 2.6 We support the Council's position that new national policy is required. We agree that improvements to the waste levy need to be made and that mandatory product stewardship schemes should be considered. At the time submissions were being made on the Waste Minimisation Act we argued that the waste levy should be 100%



contestable to ensure that it was being spent on projects which had national impact, within a framework of a national strategic plan. We have also supported those industries who made strong submissions for mandatory product stewardship in their industry. We remain committed to these positions. Below are excerpts from those earlier submissions.

**2.6.1 Statement made in submission to the Local Government & Environment Select Committee on the Supplementary Order Paper to the Waste Minimisation (Solids) Bill (October 2007):** *Any levied funds should be made 100% contestable. Giving territorial authorities 50% of revenues raised as a right, will not, in our opinion, advance a national strategic plan aimed at waste minimisation or resource recovery or allow the level of funding required to be quantified.*

**2.6.2 Statement made in Local Government Funding Review Discussion Document (February 2015):** *The waste minimisation levy, half of which automatically is distributed to local authorities, could perversely encourage waste to landfill – since more waste at the landfill gate means more levy raised. The waste minimisation activities undertaken by local authorities are discretionary and not mandated in any sense other than “activities to reduce waste”. Given the size of the levy the Packaging Council would contend that this fragmented distribution of responsibility and waste levy funding is a wasted opportunity to pursue significant national projects which would advance waste minimisation nationally, and logically in a more efficient manner.*

**2.6.3 Statement made in Priority Waste Stream Consultation Document Ministry for the Environment (July 2014):** *The Packaging Council understands that each sector of business has its own challenges and is supportive of those businesses taking the lead where they consider additional controls would aid their sector.*

2.7 The three goals tabulated on page 13 of the draft plan reflect a continuation of the doctrine of the first WMMP, with no regard for the benefit to Auckland rate payers versus the cost of Council resources to pursue these objectives. For example:

- The three objectives to **minimise waste generation** depend on Government regulation and personal responsibility to be realised. How clearly are Council informing their rate payers that they are using their rates to lobby Government for regulatory measures which will see the cost of goods increased?
- The three objectives to **maximise opportunity for resource recovery** are arguably largely outside of Council’s influence, given the 80% of commercially managed waste. This draft plan acknowledges that the commercial sector is responding to market signals – this includes maximising opportunities for resource recovery. How clearly are Council informing their rate payers that intervention over and above that which the commercial sector already manages will likely see an increase in costs?



- Points made in **Reduce harm from residual waste** to *restrict organic and other harmful waste going to landfill* suggests a lack of understanding of the role of a landfill in the modern waste management suite of options. Modern landfills are engineered structures, designed to protect people and the environment from harmful substances which may be present in the solid waste stream. To the related point 9 we would argue that rather than *progressively reducing reliance on landfill* it should be accepted where this is the most effective and efficient management of reducing harm from residual waste. Activities which avoid waste to landfill based on doctrine, rather than the facts and evidence which support landfill as the most effective and efficient option, come at a cost to rate payers which should be measured against value and benefit for the rate payers of the Auckland Region.
- 2.8 We are extremely concerned that once *business as usual* is established the position of Council is to *“reprioritise our internal resources to focus on opportunities for waste minimisation within commercial waste streams”*. Where is the cost benefit analysis, and/or Council mandate to establish justification for reprioritising internal resources to focus on commercial waste streams versus reducing the cost burden on rate payers by scaling down waste minimisation resources commensurate with business as usual needs?
- 2.9 We support the development of a Resource Recovery Infrastructure Plan on the basis that we have made it clear that development of a national strategic plan should be a priority. As New Zealand’s largest city it is logical that Auckland can significantly contribute towards resource recovery infrastructure.
- 2.10 **Section 6.2. Waste to landfill.** The point is made that *“much of this waste could potentially be diverted for other uses. Rubble and concrete could be reused in infrastructure projects, more plastics could be recycled and organic waste could be turned into compost or energy”*. Once again this report is using information which might be materially defensible but misleading in substance given that clearly there is neither the technical ability, economic viability, logistical networks nor end-markets to achieve this diversion or commercially it would be happening given it is assumed this waste would fall under the 80% outside of Council control.
- 2.11 The point is also made in this section *“As our population grows, we expect rates of waste to landfill to continue increasing, unless we decouple waste generation from population and economic growth”* yet in **1.2 Where we are: a substantial challenge** household waste to landfill is acknowledged as having already dropped and therefore has already become decoupled from population growth.
- 2.12 **6.3 Kerbside recycling is effective.** Noting that Council is concerned with an increase in contamination rates from 5% in 2011 to 12% in 2016, it is disappointing that this elicits no more than a somewhat bland, noncommittal statement *“we believe we need to do better”*. Since the report notes that **[Greenhouse gas emissions could be reduced]**



*“emissions from waste in landfill are relatively easy for us to address through simple changes to our waste practices” we suggest the same “simple changes to our waste practices” could provide a solution to the increase in contamination rates.*

2.13 In fact we would make the point that the increase in contamination rates should have come as no surprise to Council as indeed it has come as no surprise to the Packaging Council. Back in 2007 there were already signs that a fully co-mingled collection system was devaluing the recyclates. The Packaging Council together with the Glass Packaging Forum and the Paperboard Forum sent a joint communication to over 35 councillors in the Auckland and Manukau regions highlighting the issue. Below is an excerpt from that communication:

2.13.1 *Commingled collections were introduced by North Shore and Waitakere in 2005 and, we understand, reduce the cost of collection at kerbside as well as improving health and safety standards. However the process of collection means that a conservative 25-30% of the glass collected (approximately 9000 tonnes to date) is rendered unsuitable for use by O-I NZ in glass making due to compaction in the collection truck. This directly contributed to a downturn in the national recycling rate for glass packaging from 50% in 2004 to 49% in 2005.*

*New Zealand has one of the best paperboard recycling rates in the world at 72% and we have a local paper mill and a glass making factory in Auckland. It makes sense for materials collected locally to be processed locally into high value products. A collection and sorting method which renders a large proportion of the glass as unsuitable for glass making and also contaminates the paperboard with glass fines resulting in rejection by the paper mills would not, in our opinion, be an optimal outcome.*

*Accordingly we have been proactive in discussing the potential ramifications of a move to commingled collection and processing with the Mayor, Councillor Abel and council officials. A positive outcome of these meetings is that O-I's glass specification and Fullcircle's paper specification have been included in the tender document materials. Unfortunately, O-I's recommendation on compaction rates was excluded.*

*We have also learnt that this is more than just a waste issue. The recycling of glass cullet at O-I in Penrose has had major environmental benefits. It has reduced energy consumption by 10%, CO<sub>2</sub> emissions by 15,000 tonnes p.a. and in 2006 diverted 83,000 tonnes of glass from landfill. The ramifications of collecting substandard glass through a commingled collection and processing system could impact the Auckland economy and environment considerably if we get it wrong.*

*We believe that diversion from landfill should not be the overall objective and that recovery must equate to recycling otherwise we will lose the hearts and minds of people doing the right thing at home by recycling. The decision which Auckland*



*City will make with respect to selection of its recycling management system is of huge importance. If a state of the art solution is not affordable or guaranteed to reduce material losses, we urge you to reconsider either using separate collection and sorting processes which keep glass and paper separate from other recyclables or collecting without compaction in the collection truck.*

2.14 **6.4 Cleanfill and managed fill.** We note that it is “one of our priorities to review licensing of these fill sites, and to work with industry to promote diversion and appropriate disposal” and again question where is the justification and benefit to rate payers to intervene in a sector which is already acknowledged to be working well and providing competitive services? The only outcome is likely to be an increase in costs. Is Council informing their rate payers that they are using rate payer funds to generate outcomes which will increase the cost of goods and services?

2.15 **6.5 Waste Services and Infrastructure in Auckland.** We are pleased to see recognition of the quality services Aucklanders have access to, and that there is acknowledgement that the commercial sector “is responding to market signals”. Given this confirmation it is hard to understand why there is such a determination to have influence over the 80% controlled by this sector. Further where is the detail of how Council could provide expertise to this specialised sector? It seems that this is ideological rhetoric rather than an attempt to add any value to either the commercial sector or the rate payers of the Auckland Region.

2.16 **7. Looking ahead. Lack of incentive for waste diversion.** We believe that in this draft plan Council has taken liberties with the interpretations of both the waste levy and product stewardship. We consider that this approach is unhelpful at best and deliberating misleading at worst.

2.17 The draft plan makes the point: “*The waste levy, introduced by the Waste Minimisation Act 2008, was intended to put the cost of waste disposal (including economic, environmental, social and cultural impacts of landfilling) onto the disposer. The goal was to create an economic incentive to divert and recycle, and establish a funding pool for waste minimisation projects*”. This interpretation is both at odds with the Act itself and the accompanying Regulatory Impact Statement:

**2.17.1 Waste Minimisation Act, Part 3 Waste Disposal Levy, Clause 25.**

Purpose of Part. The purpose of the Part is to enable a levy to be imposed on waste disposed of to –

- (a) Raise revenue for promoting and achieving waste minimisation; and
- (b) Increase the cost of waste disposal to recognise that disposal imposes costs on the environment, society, and the economy.



### 2.17.2 **Regulatory impact statement: Towards a Sustainable New Zealand – Measures to Minimise Solid Waste**

The primary purpose of the levy is to fund activities to minimise waste. At this time, the levy is not being used as an economic instrument – it is not designed or expected to act as a direct incentive for people to reduce waste generation.

2.18 The draft plan also makes the point: *“Product stewardship... It shifts the main responsibility for recovery, recycling and disposal from local government to private industry, incorporating costs into the product price”*. As with the point about the waste levy we believe that Council has taken liberties on the interpretation of the Waste Minimisation Act and the Cabinet Policy proposals setting out the purposes behind product stewardship.

#### 2.18.1 **Waste Minimisation Act, Part 2 Product stewardship, Clause 8.**

Purpose of Part. The purpose of this Part is to encourage (and in certain circumstances, require) the people and organisations involved in the life of a product to share responsibility for –

- (a) Ensuring there is effective reduction, reuse, recycling, or recovery of the product; and
- (b) Managing any environmental harm arising from the product when it becomes waste.

#### 2.18.2 **Towards a Sustainable New Zealand: Measures to minimise solid waste – Cabinet Policy Committee Date: May 2007, Reference number: POL (07) 132**

47. Product stewardship schemes require people and organisations involved in designing, producing, manufacturing, transporting, selling, using, collecting, recovering and disposing of a product to share responsibility for the environmental impacts of that product arising at the end of the product’s useful life. People or organisations that introduce a product to market will carry the key responsibility for ensuring that the objectives of specific product stewardship schemes are met – but others in the product chain will also be required to play their part.

2.19 **Limited ownership/ability to direct waste management decisions.** *“Our limited ownership of waste infrastructure constrains our ability to meet statutory waste minimisation obligations”*. It is not clear how Council is not meeting its *“statutory waste minimisation obligations”* which according to the Waste Minimisation Act is to *“promote effective and efficient waste management and minimisation within its district”* (Part 4 Section 42). Indeed this would appear in direct contradiction to section 1.2 of the draft plan which notes that household waste to landfill is dropping (thereby meeting the statutory requirement of waste minimisation) and section 6.5 of the draft plan which acknowledges that in general Aucklanders receive quality services from





waste service providers (thereby meeting the requirement of effective and efficient waste management). Activities over and above these requirements come at a cost to the rate payers which must be weighed against other activities of the Council.

2.20 Responding to illegal dumping. Noting the Council's own admission that "*illegal dumping is a complex problem with no simple solution*" and "*our enforcement tools are limited in their effectiveness*" we would draw on our comments made to the **Local Government Funding Review**:

2.20.1 *Litter is a social issue. The Packaging Council would contend that it is illogical but a politically attractive 'easy target' for local authorities to assume industry should contribute disproportionately to litter prevention and clean up. Councils have ample capacity to regulate litter by way of imposition and policing of bylaws. A claim that litter is a problem is a concession that local authorities are not the appropriate arm of government for its effective management and/or a concession that current expenditure, including rating and revenue streams, is being spent inefficiently or inappropriately in this area.*

2.21 Clearly Council sees the benefit of 'cherry picking' policies from other jurisdictions which meet desired outcomes for Auckland (cross reference Page 19 *zero waste widely adopted around the world*). We usefully suggest that Council takes this approach with litter policies. For example Singapore has strict policies around the tolerance for litter, perhaps Council could emulate lessons from that jurisdiction on how to increase the effectiveness of its own enforcement tools?

2.22 **8.8 Options for the future.** Option one suggests that unless the commercially managed waste is addressed "*we can't meet our legislated responsibility to minimise waste*". We would strongly contest that statement. **See our comment 2.19**

2.23 We contend that Council's preference for 'option 2' [*to address waste streams influenced by the private sector*] is based on ideology rather than any failings in the current system. We again reiterate that Council has confirmed this sector is working well and providing a good service - so what is the justification for directing rate payer resources into the private commercial sector? Further this option raises the 'priority waste stream of plastic waste'. We suggest that 'plastic waste' is such a general term as to be worthless in the context of this draft plan. The statistics laid out in section **9.3.3 Plastic Waste** reference seven publications only three of which are NZ in origin questioning the relevance for the NZ context. Council's plan to "*in partnership with industry, we need to do more research to understand what this waste stream consists of, and what can be done to reduce it*" seems somewhat vague given the ubiquitous nature of plastic and the inability of Council to influence 80% of Auckland's waste streams. Notwithstanding, we do accept that plastic pollution is an area where facts, evidence and efficacious solutions are urgently needed.



- 2.24 Option 3 raises points which are not addressed anywhere else in the document. Given that there is acknowledgement that these technologies would achieve *'best diversion performance'* it is disappointing that these are being dismissed on ideological grounds [*they don't support the zero waste vision*] rather than factual assessment as to the suitability for future waste management options in the Auckland Region. Auckland rate payers deserve to be presented with, and choose from, options which are suited to the changing mix of municipal waste, not simply have to accept Council's unambitious expanding of 2012 doctrine. Plastics waste being a particular case in point which would benefit from new waste treatment technologies.
- 2.25 **9.3.7** We applaud the Council for improvement in waste diversion from its own activities and we support extending these activities to all Council's operational activities to the extent that cost/benefit discipline is applied. Otherwise it is conceivable that activities 'at any cost' could be undertaken which would run contrary to the fiscal stewardship rate payers expect of Council.
- 2.26 **10 Action Plan Tables.** We suggest that it may have been more helpful to organise these 'action plans' on the basis of 'core' activities and 'discretionary' activities. Our rationale for this position is that it would allow reviewers of the draft plan to understand the scale of core activities relative to discretionary activities and allow for dialogue on how the discretionary activities should be weighted relative to both impact, cost and resourcing opportunities in other areas of Council activities and/or reducing the burden on rate payers.
- 2.27 **GLOSSARY.** We note under the definition for Product Stewardship in the parentheses "*Sometimes called extended producer responsibility*". We would like to point out that in fact these are different terms and should not be used interchangeably. In the New Zealand Waste Strategy issued by the Ministry for the Environment 2002 Glossary:
- Extended Producer Responsibility** puts the onus on business to look for, and capitalise on, opportunities for resource conservation and pollution prevention throughout a product's lifecycle, including disposal.
- Stewardship** puts a duty of care on everyone – government, business and the community – for waste prevention and resource recovery.
- 2.28 We suggest that not defining these terms is materially responsible for a great deal of confusion as to who is responsible for effective waste management practices. Of particular concern is the freedom using the term 'stewardship' interchangeably with 'extended producer responsibility' gives to Council and consumers to 'opt out' of their share of responsibility for waste prevention and management. We believe the Council could provide significant community leadership which encourages inclusive dialogue in this area by clearly reinforcing their commitment to "stewardship" being a shared responsibility.



### 3.0 IN CONCLUSION

- 3.1 The Packaging Council is not seeking to diminish the importance of good waste management and minimisation, or Council's aspirations to *do better*. That said, we are disappointed that linear thinking still prevails within the WMMP objectives.
- 3.2 This draft WMMP is focussed on continuing Council's 'crusade' to gain more influence over the commercial waste sector in the Auckland Region with little concern for how this could result in increased costs for Auckland rate payers and households in general.
- 3.3 By giving a passing mention only to the opportunities presented by the circular economy, and omitting any reference the Sustainable Development Goals, Council has neglected the opportunity to align its objectives with global movements which are looking at transformational change. Further, it has also missed a significant opportunity to engage with businesses in the Auckland Region who are pledging alignment of their own activities to initiatives which fit within the frameworks of these global movements. Given that Council is committed to pursuing influence over the 80% of commercially managed waste in the Region, this could be considered a major oversight in the objectives of the draft plan.
- 3.4 In these regards the draft plan is seriously flawed and Aucklanders could rightly expect better than what will be delivered should this draft WMMP go unchallenged.

A handwritten signature in black ink that reads "Sharon Humphreys".

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