



**SUPPLEMENTARY ORDER PAPER TO WASTE  
MINIMISATION (SOLIDS) BILL**

**ORAL SUBMISSION TO LOCAL GOVERNMENT &  
ENVIRONMENT SELECT COMMITTEE**

The Packaging Council commends the Government for drafting a sophisticated piece of legislation, which we appreciate could not have been an easy task.

We are concerned however that the SOP has the potential to discourage voluntary product stewardship schemes by not offering enough incentives to industry to develop these schemes.

Our recommendation is to publish a list of recognised voluntary product stewardship schemes and grant those schemes amnesty from the priority product list **and** regulation (as laid out in clause 19 of the SOP) for the duration of those schemes. This would provide a very strong incentive to industry to get on board.

At the previous hearing I made the comment that whatever the question, the answer seemed to be a waste levy and in our submission we reiterated our concerns about the introduction of a waste disposal levy, which is essentially a landfill tax, and the impact it may have on recycling.

We requested that waste generated from recycling, for example the residual contaminated clay from paper pulping, be exempt from any waste disposal levy, to overcome the perverse outcome that the levy would otherwise increase the cost of recycling and could make some recycling operations unviable.

We maintained that raising revenue for waste minimisation activities solely by means of a waste levy is an inefficient way of providing funds for these activities. This has been well researched and documented by the Australian Productivity Commission and NZIER in their 'Waste or Rationality' report.

For that reason we recommended that the Waste Advisory Board undertakes a national strategic and economic assessment of waste management to specifically identify where additional funding is required and at what level that funding needs to be to achieve the desired outcome.

These areas should then be 'ranked' based on strategic importance to New Zealand and consideration given to the best economic model to fund these projects, be that out of established tax regimes, a new waste levy or other appropriate economic instruments.

One such instrument should be to require local authorities who own or operate a landfill to demonstrate that their gate fees include all externalities associated with their landfill. We know from the Parliamentary Commissioner for the Environment's report that local authorities tend to charge solely on the basis of daily operating costs, which underestimates the real costs of disposal. Increasing the gate fees to include the full and real cost of disposal, including the long term management of the site, could in itself meet any funding shortfall.

We are very concerned that the local authority bylaw provisions would create a hybrid situation where some matters of waste minimisation would be decided at local level and some at national level. There is no clear indication which is to prevail. In our view that is unsatisfactory, particularly for national businesses operating across the country. We have therefore recommended that territorial authorities must take into account any existing regulations or product stewardship schemes when making a new bylaw or amending an existing bylaw.

We believe our suggested amendments would tighten up the legislation, provide greater incentives to industry to invest in voluntary product stewardship schemes and direct funding to initiatives of national strategic importance; thereby consolidating waste streams, building capacity and volumes and developing new markets.

8<sup>th</sup> November 2007

However, we sincerely hope that this process will be about more than just making better legislation. For no matter how clearly worded the text and legally robust the clauses, if legislation of this scope is applied without a clear national vision and a well understood set of national priorities, we fear it will be implemented from the bottom up and not the top down.

Without strong leadership, there is the real potential for well intentioned local initiatives and unfounded public fears to undermine national priorities.

In essence, what we are asking for is not a benign Waste Advisory Board, but a Waste Resource Efficiency Leadership Board.

I would be happy to take any questions.