

SUBMISSION

by the



PACKAGING COUNCIL
OF NEW ZEALAND (INC)
(PAC.NZ)

to the

Auckland Council

on the

**AUCKLAND COUNCIL DRAFT WASTE MANAGEMENT AND
MINIMISATION PLAN**

31st January 2012

1.0 Introduction

This submission is from:

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- 1.1 The Packaging Council of New Zealand's role is to assist its members minimise the environmental impact of packaging by championing cost effective, sustainable solutions and product stewardship.
- 1.2 The Packaging Council represents the whole packaging supply chain, including raw material suppliers, packaging manufacturers, brand owners, retailers and recycling operators.
- 1.3 We represent more than 80% of the packaging manufacturing industry and 75% of New Zealand's top 100 food and grocery brands. Packaging Council members contribute approximately NZ\$20 billion to the New Zealand economy.
- 1.4 The Packaging Council has been intimately involved in the development of environmental policy affecting packaging since at least 1996 when it signed the first New Zealand Packaging Accord. The organisation was involved in developing the 2002 New Zealand Waste Strategy, provided data for the 2006 review of targets and assisted with the research behind the Parliamentary Commissioner for the Environment's 2006 report '*Changing behaviour: Economic instruments in the*

management of waste'. The Packaging Council was a principle signatory to the second New Zealand Packaging Accord (2004 – 2009).

1.5 The Packaging Council launched its Packaging Product Stewardship Scheme in 2010, with a goal to have the scheme accredited by the Minister for the Environment under the Waste Minimisation Act 2008. The Packaging Council has also developed a *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.

1.6 The Packaging Council would welcome the opportunity to make an oral submission.

2.0 Summary

2.1 This submission is limited to three key areas of concern to the Packaging Council:

- 'Auckland will aim for the long term aspirational goal of zero waste...'¹;
- 'advocacy for the introduction of mandatory product stewardship schemes for packaging such as beverage containers...'²; and
- 'enactment of a waste bylaw by 31 Oct 2012 to support the intent of the plan and actions detailed within it...'³

2.2 The Packaging Council does not support the long term aspirational goal of zero waste as we concur with the 2007 Auditor General's report that '*...a target should express what a council expects to achieve*'. The Packaging Council recommends all reference to zero waste is removed from the Waste Management and Minimisation Plan (WMMP) and, in line with the 2007 Auditor General's report, be replaced with '*achievable intermediary targets which will help the council assess its progress in diverting waste over the short or medium term*'.

¹ A vision: To become the most liveable eco city in the world, Auckland will aim for the long term, aspirational goal of Zero Waste by 2040, turning its waste into resources (source: draft WMMP Page 7)

² Advocacy for the introduction of mandatory product stewardship schemes for packaging such as beverage containers, and development of schemes for products such as electronic waste, tyres and batteries (source: draft WMMP Page 9)

³ Enactment of a waste bylaw by 31 Oct 2012 to support the intent of the plan and actions detailed within it, including a cleanfill regulation. (source: draft WMMP Page 9)

- 2.3 Mandatory product stewardship for beverage containers in the form of container deposit legislation is an out-dated, costly and inefficient means of dealing with a small part of the waste stream. The Packaging Council does not support container deposit legislation on the basis of the economic evidence that the costs far outweigh the environmental benefits. The Packaging Council would much rather work in a collaborative environment with the Auckland Council whereby the council supports the Packaging Council's Packaging Product Stewardship Scheme and works with industry to develop new policies which support the goals of waste management and minimisation in the context of existing infrastructure and cost-effective new infrastructure.
- 2.4 Development of a bylaw to support the policies of the WMMP should be delayed until such time that there is clarity on the purpose, nature, targets, methods and costs to enable proper consultation.
- 2.5 Whilst the Packaging Council broadly supports the Auckland Council's vision for an eco-city, in the absence of a full cost-benefit analysis we do not believe that the draft WMMP in its present form provides clarity as to how this will be achieved, how much it would cost and where those costs would fall.
- 2.6 The Packaging Council also supports the submission lodged by the Waste & Recycling Council and would record particular support for their position on zero waste, mandatory product stewardship and the waste bylaw.

3.0 Aspirational Goal of Zero Waste by 2040

- 3.1 Auckland's waste to landfill stream has been declining steeply as the access to residential recycling services improve through investment in infrastructure such as the automated Materials Recovery Facility, and through the large, diverse, and vibrantly growing culture of businesses competing vigorously to find new ways to make better use of waste and offer a greater range of recycling services to commercial customers. New Zealand's national recycling rate for packaging is on a par with Australia and the European Union average⁴.
- 3.2 The Packaging Council supports the purpose of the Waste Minimisation Act 2008 ('the Act'), which is to '*encourage waste minimisation and a decrease in waste disposal*'. The Packaging Council also supports the 2010 National Waste Strategy, which sets out to enable '*a more flexible approach to waste management and minimisation through two high level goals: reducing harm and improving efficiency*.' However, neither the Act, nor the 2010 Waste Strategy aim for zero waste, presumably on the basis that the costs would outweigh the benefits.
- 3.3 The Packaging Council does not support the long term aspirational goal of zero waste in the draft WMMP as we concur with the 2007 Auditor General's report⁵ that '*...a target should express what a council expects to achieve*'. The Minister for the Environment also dropped the 'zero waste' vision from the 2010 National Waste Strategy on the basis that many of the targets in the 2002 National Waste Strategy were unable to be measured or achieved. The Packaging Council recommends all reference to 'zero waste' is removed from the WMMP and, in line with the 2007 Auditor General's report, be replaced with '*achievable intermediary targets which will help the council assess its progress in diverting waste over the short or medium term*'. (This recommendation was made by the Auditor General to Ashburton District Council in regard to their target of 'zero waste').
- 3.4 This is particularly relevant to the packaging industry, where there is a known 'lag' between development of new packaging materials and sufficient consumption volumes to justify investment in recycling opportunities.

⁴ http://www.packaging.org.nz/packaging_info/packaging_consum.php

⁵ Office of the Auditor-General report 'Waste management planning by territorial authorities' April 2007

- 3.5 Given that it is safe to assume that for the most part any recycling currently taking place in Auckland is economic, since it is carried out by private enterprise⁶, a policy of 'zero waste' is likely to come at a significant additional cost, which Auckland businesses and citizens would have to bear, potentially to the detriment of investment in the district and provision of other core council services.
- 3.6 The Packaging Council would want to see a full cost-benefit analysis before it would support a 'zero waste' vision for the city. The Packaging Council would contend that waste is an inevitable result of economic growth and we ask the council to clarify whether its pursuit of a 'zero waste' policy could result in less economic development and regional growth through prohibitive costs to business.
- 3.7 The Packaging Council is also concerned that the adoption of an aspirational goal of 'zero waste' could be mis-used to try to block more evidence based policies for solid waste disposal. 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. Auckland is the main commercial centre in New Zealand, so therefore has substantial industrial waste attributable to products consumed elsewhere, including overseas where products are exported. To put Auckland's per capita amount of waste into context we recommend that it is broken down into commercial and residential components and not be based on 'every person'.
- 3.8 We believe providing more transparent detail on the composition of the current waste stream would put packaging waste into perspective and enable policy decisions to be made around packaging waste which are relative to the scale of the issue. The Packaging Council's own data suggests that packaging makes up less than 10% of New Zealand's municipal waste stream.
- 3.9 Further the Packaging Council would support the Productivity Commission conducting an inquiry into waste management and resource efficiency across all of New Zealand,

⁶ Source: Draft WMMP Executive Summary Page 16 states "Auckland Council now only influences approximately 17% of the waste stream, with the remainder controlled by private waste operators."

hitch-hiking on a 2006 Australian Productivity Commission report⁷. Part of this project could include developing a tool that local authorities could use to calculate the cost-benefit of waste disposal and recycling. For example a proper cost-benefit analysis on the recycling of materials where there are no current technological means of recycling the material, yet are stable and inert. Such an inquiry we believe would be the basis for robust policy making.

4.0 Advocacy for the introduction of mandatory product stewardship schemes for packaging such as beverage containers

- 4.1 The draft WMMP states that the '*Council proposes to advocate for the introduction of mandatory Product Stewardship schemes for packaging such as beverage containers (Container Deposit Legislation) as well as encouraging the development of schemes to deal with other products such as electronic waste, tyres and batteries*'⁸. The Packaging Council questions why beverage containers should be singled out for advocating for specific legislation to deal with their disposal, when they are collected as part of the kerbside recycling collection, and yet council only intends to '*encourage development of schemes*' to deal with other products such as E-waste, tyres and batteries; items which arguably pose a far greater environmental threat than beverage containers.
- 4.2 The Packaging Council's position on Container Deposit Legislation (CDL) is well publicised. In 2008, the Packaging Council commissioned Covec⁹ to investigate the costs and benefits of container deposit legislation in the New Zealand context. This report (attached) concluded that although a deposit refund scheme would increase recycling by approximately 45,000 tonnes, the net impact on New Zealand would be an additional cost of up to \$90 million per annum.
- 4.3 The research also found that current kerbside collections address 60% of drinks containers which are consumed at home. A further 30% of containers are consumed at restaurants and other entertainment venues and collected by recycling operators which leaves 10% of drinks containers consumed whilst people are in public places.

⁷ <http://www.pc.gov.au/projects/inquiry/waste/docs/finalreport>

⁸ Page 59 of the draft WMMP

⁹ Covec report 'Potential Impacts of the Waste Minimisation (Solids) Bill: Update Report' May 2008

- 4.4 The Packaging Council would strongly suggest that it would be far better to find a solution to help people do the right thing with their beverage containers whilst they are in public places around the city, than spend ratepayers money campaigning for a national scheme whose costs far outweigh the environmental benefits.
- 4.5 The Packaging Council is aware that South Australia does have CDL in place, and that this is often held up as a good example of successful product stewardship. However it is important to realise that CDL in South Australia was introduced as an anti-litter tool in the 1970s, not a product stewardship tool, and before their kerbside recycling system was introduced.
- 4.6 In May 2009 the Australian Environment Protection Heritage Council (EPHC) agreed to conduct an assessment of potential options for national measures, including container deposit legislation, to address resource efficiency, environmental impacts, and the reduction of litter from packaging wastes such as beverage containers. The assessment is aimed at assisting EPHC to determine:
- the nature and extent of problems that might presently exist with the management of beverage containers
 - the effectiveness of existing legislation as it relates to the problem
 - the rationale, if any, for further government action at the national level
 - options at the national level to potentially improve the management of beverage containers.

Main Findings on the Container Deposit Scheme¹⁰:

The Container Deposit Scheme (CDS) is relatively expensive at an economic cost of \$680 million per year. Unlike the other options which focus new investment only on the additional packaging and containers to be recovered, a national CDS would require significant changes to collection and handling systems for all beverage containers, including those already being more cost-effectively recovered through municipal kerbside systems. With an estimated additional annual recovery of around 333,000 tonnes of packaging materials (beverage containers) the cost-effectiveness of CDS is around \$2040 per additional tonne recycled. CDS could result in a 6.0% reduction in litter count or 19% by volume.

¹⁰ http://www.ephc.gov.au/sites/default/files/BevCon_Rpt_BCI_Revised_report_Apr_2010_2010_06_28.pdf

These findings largely support Covec's 2008 report for the Packaging Council.

- 4.7 The Packaging Council also questions the logic behind advocating for CDL when this would effectively set up a parallel, less efficient, recycling stream to that currently offered by the council through kerbside.
- 4.8 The 2008 Covec report recommends that the most cost effective model for CDL in New Zealand would be for the containers to be returned to the supermarkets. This would significantly increase the number of journeys the collectors would have to make and would decrease the value of the packaging collected from kerbside.
- 4.9 Arguably, this could also result in less influence over the waste stream by the council, at a time when the council is citing lack of substantial control over the waste stream as a barrier to improvements¹¹.
- 4.10 The Packaging Council also asks whether the council would redeem the deposits from containers placed in the kerbside recycling bins. If so, the council would be effectively using a tax on beverage containers to subsidise the whole kerbside collection system.
- 4.11 Advocating for CDL would also seem to be at odds with central government who have chosen not to impose priority product status on any products at this stage, much less a sub-set of product class, i.e. singling out beverage containers from packaging as a product. The government's approach is to encourage responsibility from within industry itself. This challenge is currently being met by the Packaging Council with the introduction in 2010 of its Packaging Product Stewardship Scheme¹².
- 4.12 The Packaging Council is not complacent regarding the successes achieved to date for waste diversion¹³ and recognises that the packaging industry needs to continually strive for environmental improvement. However this should not be at the expense of economic factors and it is difficult to understand the council's position on advocating

¹¹ Source: Draft WMMP Executive Summary Page 16 states "In recent years, as the focus broadened to include sustainability and waste minimisation, this lack of involvement constrained Auckland's former councils in meeting their waste minimisation obligations. Auckland Council now only influences approximately 17% of the waste stream, with the remainder controlled by private waste operators. This will remain a barrier to significant waste reduction unless the waste industry and business, in collaboration with Council, is able to voluntarily increase diversion from landfill.

¹² http://www.packaging.org.nz/packaging_stewardship/packaging_stewardship.php

¹³ http://www.packaging.org.nz/packaging_stewardship/stewardship_accord.php

for a piece of national legislation which has been demonstrated through economic analysis to be the least cost effective mechanism for increasing recycling rates.

- 4.13 The Packaging Council recommends that the action to advocate for the introduction of CDL be removed from the WMMP and be replaced by an action for the council to engage with the packaging industry to develop a detailed and balanced assessment and understanding of packaging recovery and recycling in the Auckland context. This could then provide the platform to support opportunities for waste management and minimisation of packaging waste through education on the product stewardship values of shared responsibility.
- 4.14 The Packaging Council would much rather work in a collaborative environment with the Auckland Council whereby the council supports the Packaging Council's Packaging Product Stewardship Scheme and works with industry to develop new policies which support the goals of waste management and minimisation in the context of existing infrastructure and cost-effective new infrastructure.

5.0 Enactment of a waste bylaw by 31 Oct 2012 to support the intent of the plan and actions detailed within it

- 5.1 The enactment of waste bylaw to support the intent of the plan and the action detailed within it is of particular concern to the Packaging Council since there are no details on what the bylaw might look like, what obligations it will impose and on whom. We recommend that this is delayed until such time that there is clarity on the purposes, nature, targets, methods and costs to enable proper consultation.