

# **SUBMISSION**

by



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

to the

**Ministry for the Environment**

on

Waste Minimisation in New Zealand

The Packaging Council is the only trade association representing the whole packaging supply chain, including raw material suppliers, packaging manufacturers, brand owners, retailers and recycling operators.

The Packaging Council has approximately 145 members, representing more than 80% of the packaging industry by turnover. The New Zealand packaging industry is valued at NZ\$2 billion. 75% of New Zealand's top 100 food and grocery brands are manufactured by Packaging Council members, contributing NZ\$17 billion to the New Zealand economy.

The Packaging Council has been intimately involved in the development of waste policy since at least 1996 when it signed the 1996 Packaging Accord. The organisation was involved in developing the 2002 Waste Strategy, provided data for the 2006 review of targets and the Environment New Zealand 2007 report, assisted with the research behind the Parliamentary Commissioner for the Environment's 2006 report 'Changing behaviour: Economic instruments in the management of waste' and submitted twice on the Waste Minimisation Bill.

The Packaging Council provided a positive contribution the development of the Waste Minimisation Act with its independent cost-benefit analysis of regulated product stewardship instruments such as deposit refund scheme. This report is attached for reference.

The Packaging Council is passionate about voluntary product stewardship and is proud of its achievements under the 2004 Packaging Accord. **New Zealand has one of the highest packaging recycling rates in the world at 60%**, which is higher than both Australia (56%) and the European Union aggregated packaging recycling rate (57%).

The Packaging Council is in the process of developing a packaging product stewardship scheme to replace the 2004 Packaging Accord when it finishes in October 2009.



# WASTE MINIMISATION IN NEW ZEALAND

## SUBMISSION FORM

Please use the following questions to guide your feedback. You do not have to answer every question.

### Your details

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### Questions for Part 1: Revising the targets for the New Zealand Waste Strategy

Use the following questions to guide your feedback. You do not have to answer each question.

**Target 1: By 2015, reduce the quantity of waste (tonnes) disposed to landfill per person per year by 20 per cent relative to an established 2010 baseline.**

**What is your view on target 1?**

**Is the timeframe for achieving target 1 realistic?**

We question the rationale for this target as there appears to be no basis (scientific, economic, social or otherwise) to support it. When the Packaging Council presented it's submission on the Waste Minimisation Bill to the Select Committee, we made the following statement:

*'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.'*

Without a clear rationale for the 20% target, a clear national vision and a well understood set of national priorities to get us there, it's hard to see how the target is realistic in the stated timeframe.

Assuming that the current level of diversion is about 30% (Environment New Zealand 2007 report) for both residential and commercial streams, this target would require diversion to be lifted to about 50% within 5 years. The state of Victoria increased diversion from 25% in 1990 to 60% in 2005, being an annual increase of 5% per annum. Given Victoria has a similar regime to that proposed in New Zealand, this suggests an achievable target of 50% would take 10 years not 5.

Energy from waste plants in Denmark provide all electricity and heat for 430,000 households, about 16% of the Danish population (British Plastics Federation). Energy from waste should be seriously considered as an integrated part of both New Zealand's waste and energy strategies.

**Target 2: By 2010, have a system in place for the ongoing monitoring of the composition of waste to landfill.**

**What is your view on target 2?**

**Is the timeframe for achieving target 2 realistic?**

We fully support the goal of better data capture for waste to landfill, but would question how this will be achieved in a practical sense. All landfills in New Zealand are not equal in terms of age, size and resourcing levels so the cost of implementing systems to capture this data could range quite significantly, and in many cases be well beyond an economically prudent level of investment expenditure.

We strongly suggest that we already know enough about the composition of waste disposed of to landfills in New Zealand to put in place a clear national vision, a well

understood set of national priorities and a work programme to deliver on them. Page 128 of the Environment New Zealand 2007 report states that nearly one quarter of the waste received at municipal landfills consists of organic matter (23%). Paper comprises 15%, timber 14% and rubble and concrete 12%. How much more do we need to know?

In a country of 4 million people, where it has already been established in many Ministry for the Environment publications over recent years that we dispose of approximately 3.2 million tonnes of waste to landfills per annum, we question the wisdom of gathering data for data's sake, potentially using funds which could better be deployed investing in infrastructure to divert this waste from landfill.

**Target 3: By 2012, have a system in place for the ongoing monitoring of the composition of organic waste, the amount disposed of at landfills and diverted from the waste stream.**

**What is your view on target 3?**

**Is the timeframe for achieving target 3 realistic?**

Our view on this target is broadly in line with our comments on target 2. Again we would question if it is necessary to understand the particular composition of a specific waste stream since the effect of organic waste in landfill is the same overall result, i.e. methane and leachate production, regardless of specific make up. This may be a 'nice to know' but if it comes at a significant price premium then we would find the additional cost unjustifiable since those funds could be better invested in other potential projects such as developing infrastructure to deal with all organic waste rather than simply understanding the make up of it.

**Target 4: By 2012, have a system in place for the ongoing monitoring of the generation and composition of construction and demolition waste, the amount diverted from the waste stream and the amount disposed of.**

**What is your view on target 4?**

**Is the timeframe for achieving target 4 realistic?**

See comments on targets 2 and 3 above.

Page 128 of the Environment New Zealand 2007 report states that it can be estimated that between 2.7 to 3.7 million tonnes of waste is disposed of to cleanfills each year. Most of this waste is inert construction and demolition waste. How much more does the Ministry need to know in order to make policy decisions?

**Target 5: By 2012, the Ministry for the Environment will have established a national tracking system for all hazardous waste.**

**What is your view on target 5?**

**Is the timeframe for achieving target 5 realistic?**

At the recent public meeting in Manukau on this discussion document, the Ministry official leading the discussion said that there is no definition for hazardous waste in New Zealand. Without a definition it would seem impossible to comment on this target.

**Target 6: By 2011, the Ministry for the Environment will have investigated the need for, and propose if warranted, regulatory standards for storage, transport, recycling, recovery, treatment and disposal of hazardous wastes.**

**What is your view on target 6?**

**Is the timeframe for achieving target 6 realistic?**

It is our understanding that hazardous substances are already subject to regulatory control under legislation such as the HSNO Act and the Resource Management Act. If the Ministry believes that adequate control of this waste stream is not being achieved under these specific pieces of legislation then we would recommend that these regulations are re-visited rather than introducing new regulations.

**Target 7: By 2012, specific industries will develop at least three accredited product stewardship schemes that increase the recovery or recycling of the hazardous components of waste.**

**What is your view on target 7?**

**Is the timeframe for achieving target 7 realistic?**

Without a definition for hazardous waste, it would seem impossible to comment on this target.

**Target 8: By 2014, specific industries will develop at least two other accredited product stewardship schemes that result in a reduction in hazardous substance production at source.**

**What is your view on target 8?**

**Is the timeframe for achieving target 8 realistic?**

See comments on target 6. We are concerned though that the focus of the target is on the production of hazardous substances at source and not on the quantity of residual waste created, which surely is the focus of the Waste Minimisation Act.

**Target 9: By 2015, regional councils will have established satisfactory systems to record information on contaminated sites and will have assessed which sites pose a high environmental risk.**

**What is your view on target 9?**

**Is the timeframe for achieving target 9 realistic?**

No comment.

**Target 10: By 2020, regional councils will have investigated all contaminated sites identified by 2015 as high risk, and will be implementing an action plan for their management and/or remediation.**

**What is your view on target 10?**

**Is the timeframe for achieving target 10 realistic?**

No comment.

**Target 11: By 2015, all waste disposal facilities (including wastewater treatment plants, landfills, cleanfills and onsite wastewater systems) will be meeting existing regulatory standards and will be consented if this is a requirement.**

**What is your view on target 11?**

**Is the timeframe for achieving target 11 realistic?**

We would refer to our submission on the Waste Minimisation Bill SOP where we advocated for “consistency between all local authority owned landfills and commercially owned landfills”. We would extend this to include all waste disposal facilities.

The target is in line with the Packaging Council’s position that the failings of any current legislation should be identified and fixed before implementing additional legislation.

**Target 12: By 2010, the Ministry for the Environment will assess the need for a national environmental standard addressing environmental management of solid waste disposal facilities.**

**What is your view on target 12?**

**Is the timeframe for achieving target 12 realistic?**

We are strongly supportive of national environmental standards since their aim is to provide for national consistency which we have advocated for throughout the passage of the Waste Minimisation Bill.



**Target 13: By 2012, the Ministry for the Environment will have implemented a waste monitoring and reporting programme to generate consistent data on national waste streams including waste to cleanfills and other disposal sites (eg, industrial landfills).**

**What is your view on target 13?**

**Is the timeframe for achieving target 13 realistic?**

We would essentially reiterate our comments on targets 1 to 4 since this falls into the same areas of issues and concerns.

**Target 14: By 2012, the Ministry for the Environment will work with local authorities to develop a national reporting template that councils will use to report to the Ministry on progress against their waste management and minimisation plans and other waste-related activities.**

**What is your view on target 14?**

**Is the timeframe for achieving target 14 realistic?**

To make comment on the final target in this Part is an opportunity to sum up the Packaging Council's prevailing position on these targets. Whilst we generally support increased information on waste, we express concerns that the level of detail proposed in these targets is unjustified. Several recent reports, such as the Environment New Zealand 2007 report have established the approximate volume and make up of waste in New Zealand. It is our understanding that these approximations have not been challenged, which leads us to believe that we already have enough information on which to base decisions and show leadership.

It is the Packaging Council's position that the need for further, detailed information be balanced by an approach which invests in infrastructure to deal with the issues we currently know about, whilst building in capability to improve data collection for the future. We do not endorse the position of information for information's sake and the inherent risk that this data gathering comes at the expense of actually doing anything.

**In addition:**

**Are there any additional high-level targets you would like to propose? If so, what is the waste issue you think the proposed target should address, what information is available to monitor progress towards the target, and what timeframe do you think should apply?**

See above comment.

## Questions for Part 2: Identifying products that are priorities for product stewardship

Use the following questions to guide your feedback on identifying products that are priorities for product stewardship. You do not have to answer every question. Please list your feedback on each product separately. **You may identify up to five products.**

Which products do you think should be the highest priority for a mandatory product stewardship scheme? These may already be one of the products we have identified, or they may be other products you think we should consider.

This is a subjective question open to wide interpretation and personal opinion. However, section 9(2) of the Waste Minimisation Act, which sets out the criteria for a product to be declared a priority product, is not subjective:

- (i) The product will or may cause significant environmental harm when it becomes waste; or*
- (ii) There are significant benefits from reduction, reuse, recycling, recovery, or treatment of the product; and*

*the product can be effectively managed under a product stewardship scheme*

In order to answer the question of which products should be declared priority products, it is necessary to have clear definitions for the terms 'significant

*environmental harm* and *'significant benefits from reduction, reuse, recycling, recovery, or treatment of the product'*.

Presumably the Ministry used some internal working definitions of these terms in order to select agricultural chemicals, used oil and refrigerant gases as potential priority products and we want those working definitions to be made publically available for consultation in order to remove any doubt.

Without clear definitions, we are concerned that 'public concern' could end up being the driving force behind policy decisions on priority products. We support the Ministry for the Environment's decision to remove 'public concern' as a single criterion for declaring a product to be a priority product, for the reasons laid out in our second submission on the Waste Minimisation Bill. We now want to see clear definitions established for the terms *'significant environmental harm'* and *'significant benefits...'*.

The Packaging Council re-affirms its strong commitment to voluntary product stewardship. We fully support the Ministry's decision not to select packaging as a priority product and we appreciate the recognition that we are working on a further voluntary product stewardship scheme to replace the Packaging Accord when it finishes in October 2009.

## Questions for Part 3: Identifying funding criteria for the Waste Minimisation Fund

Use the following questions to guide your feedback on criteria for the Waste Minimisation Fund. You do not have to answer every question.

### **1. Are the criteria identified by the Ministry for the Environment appropriate for determining projects that may be funded by the Waste Minimisation Fund?**

Firstly, we would like to reiterate the statement we made to the Select Committee when presenting our second submission on the Waste Minimisation Bill:

*'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.'*

Below we details specific concerns with reference to each of your proposed criteria:

- Point 1 proposes that funding is for 'waste minimisation projects' but does not suggest any weighting to the goals of waste reduction, re-use, recycling and recovery of waste and diverted materials. We suggest that with limited funds, a clear signal be given to the weighting in terms of outcomes which in turn will provide focus for applicants in submitting projects for assessment.
- Point 2 specifically notes that funding is not for running costs of organisation, individuals, councils or firms. We question the appropriateness of this criteria given that the guidelines councils have for their half share of levied funds allows for funding of ongoing waste minimisation activities as long they are identified in the waste management and waste minimisation plan activities.

- Points 2 & 4 appear to be contradictory, i.e. point 2 says that the funding is for projects not the ongoing financial support of existing activities, and point 4 says that projects must [implement new] or expand on existing activities.
- Points 5 & 6 state that there must be 'a degree of confidence ...' but lacks any reference as to who would be qualified to make those calls. If for example a project is of a highly technical nature then specialist help would be required to make those assessments – there is no indication of how this process would be managed and importantly who would bear the cost.
- Point 7 states that funding could be for 'operational or capital aspect of a project'. This also raises very important issues as to the robustness of the project assessment process and the capability of the persons making the assessments. If funding is granted to a private company for the capital aspect of a project then this will create an asset – tangible or intangible. To counter claims from public or not-for-profit organisations that government funding has been provided to enrich the value of a private company, the assessment process would need to evaluate that the 'public good' aspect of the project outweighs the 'private gain' (after all a private company is there to make a profit, which is as it should be). If the assessment process cannot clearly articulate the trade-off between public good outweighing private gain, then it is possible that the assessment process will simply avoid projects requiring capital expenditure into private companies and thus avoid the risk of populist backlash. The result effectively being disqualification of private industry to deliver projects at best outcome and best cost. This would also reiterate the unfair competition concerns industry has consistently aired that levy funded organisations could undermine private enterprise.
- Point 8 proposes that projects 'will be assessed for their strategic value' – this would imply that a strategic plan informally exists. If this is the case then arguably all criteria is redundant since a strategic plan would surely provide the best long term direction for New Zealand's waste minimisation policy.
- Point 9 states that preference will be given to 'projects which give the largest sustained net benefit in environmental quality from the funding available covering cost effectiveness and the extent to which they address the volume and harm

associated with waste products'. Given there is no definition of volume or harm it is difficult to imagine how this criteria could be fulfilled.

**2. If you do not agree with the criteria, what changes would you suggest?**

We would contend that no projects are considered without first establishing what the issues are which New Zealand is seeking to address within the context of a national strategic plan.

**3. Do you think additional items should be included in the criteria? These could include:**

- a. Scale
- b. Innovation
- c. Research and development
- d. Legacy waste
- e. Targeting to particular wastes or wastes streams
- f. Repayment conditions.

In our opinion, these points have more merit than the points 1-9 above since they are more tangible and measurable and therefore should provide a solid basis to qualitatively and quantitatively establish exactly what the issues are and how best these issues can be addressed and funded within the context of a national strategic plan.

**4. Do you have any other comments to make on the operation of the Waste Minimisation Fund?**

We would reiterate our concerns, which we articulated throughout the progress of the Waste Minimisation Bill, which is that we have no more idea now than we did then as to the scale of the problem – or if indeed a problem exists at all.

Without establishing firstly what the problem is and secondly what we need to do to remedy the problem, there is no understanding of how much funding will be required. The work which is being suggested in this discussion document reinforces our concerns that funds will be fragmented and will actually have little to no effect in making any significant changes to how waste minimisation is handled in New Zealand today.

We would refer you to the points we made in our submission to the Waste Minimisation Bill SOP:

2.1 *The Packaging Council reiterates its concern to the introduction of a waste disposal levy (tax). A levy is one form of economic instrument that may be used and we consider that there should be further investigation into the use of other economic instruments to ensure that the most appropriate and effective mechanism is selected.*

### **Recommendation**

2.2 *Any local authority which owns or operates a landfill must demonstrate that its gate fee takes account of all externalities associated with their landfill, including the long term management of the site. This would bring all landfills up to commercial standard where full consideration under the provisions of the Resource Management Act are realised. This would also ensure consistency between all local authority owned landfills and commercially owned landfills.*

2.3 *This recommendation is based on the findings of the recent report by the Parliamentary Commissioner for the Environment<sup>1</sup>, which found that ‘many councils charged solely on the basis of landfill operating costs, which underestimated the real costs of landfill disposal, including the long-term management of the site’.*

2.4 *Charging the full and real cost of disposal could meet any current shortfall in local funding without any further economic intervention being necessary.*

2.5 *On the assumption that in some areas this will not be sufficient, a national strategic and economic assessment should then be conducted 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 instrument.*

2.6 *A prime example of this in practice would be areas like the West Coast of the South Island where a small population base limits development, yet the area would*

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<sup>1</sup> Changing behaviour: Economic Instruments in the management of waste, Parliamentary Commissioner for the Environment, 2006

*rank as one of the most strategically important in New Zealand from national perspective.*

*2.7 We believe that this would be a much more reasonable approach which we could support as it would clearly identify a national strategic vision to waste minimisation and resource recovery.*

*2.8 The Packaging Council does not support local authorities receiving levied funds as a matter of right. Whilst our preference is for the approach we have suggested above, at the very least we contend that any funding raised for the purposes of waste minimisation and resource recovery must be fully contestable and in keeping with a national strategic vision towards waste minimisation and resource recovery.*

*2.9 This is not unreasonable given that any project applying for funds needs to fulfil certain criteria and in the interests of New Zealand as a whole these criteria should be met whomever is applying for funding, and there is nothing to suppose that territorial authorities are going to be able to spend this funding any better than anyone else. This also serves to ensure that there is full transparency across projects, it reduces the risk of funding simply displacing other funding in local authorities and it ensures that the funding available is maximised to full effect. This point is particularly noteworthy since it has never been clearly identified what the scale of the problem is and what funding is actually required to achieve the desired outcome. Simply put, the proposal to raise \$30 million in the first year could be way too little or way too much to achieve the desired outcome. Only a fully contestable fund would address this issue.*

## **Questions for Part 4: Monitoring waste in New Zealand**

Use the following questions to guide your feedback on our proposals for monitoring the composition of waste disposed of to landfills in New Zealand. You do not have to answer every question.



**1. Do you consider that waste facility operators should be required to supply data on the composition of waste disposed of at landfills?**

No. Landfill operators should record where the waste is coming from, i.e. household, commercial, industry type etc. and the volume only. To require landfill operators to supply information on the make up of given loads is both impractical and arguably pedantic in terms of data gathering. As we have previously stated, there is enough information already available on the composition and volumes of New Zealand's waste streams to make accurate estimates on which to base policy. We would also contend that an increase in product stewardship will drive more accurate waste stream information over time which will be a far more cost effective and practical way of establishing waste to landfill than the costly and impractical practice of landfill operators detailing composition of loads.

## **Questions for Part 5: Improving the operation of the waste levy**

Use the following questions to guide your feedback on improving the operation of the waste levy. You do not have to answer every question.

**1. What is the maximum amount of cover material required for effective environmental management purposes (up to 10 per cent of the weight of waste deposited in the landfill)?**

The amount of cover material is a technical call which landfill operators must use to meet the legal requirements of operating a landfill. It should not be a point which is up for debate by the public who are likely to have little or no technical knowledge about the operation of landfills and the legal implications for public health, etc.

**2. Should material used for environmental management purposes be exempt from the waste levy? If not, why not?**

No. There is either a reason for implementing a levy or there isn't. If a levy has to be imposed then it should be without exceptions since exceptions can be manipulated which will undermine the intent of a levy in the first place. If materials for 'environmental purposes be exempt', then we would argue that unavoidable waste

materials from recycling/reusing purposes also be exempt since arguably that too would be for 'environmental management purpose'.

Please post, deliver or email your completed form to:

Waste Discussion Document Submissions

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**Submissions close at 5.00 pm on Friday 15 May 2009.**