

IN DECEMBER 2019, THE NZ GOVERNMENT RELEASED A CONSULTATION DOCUMENT CALLED "REDUCING WASTE: A MORE EFFECTIVE LANDFILL LEVY", AS PART OF ITS EFFORTS TO CREATE A LOW-WASTE FUTURE FOR AOTEAROA NZ.



The consultation's proposals fall into THREE key categories:

- 1) Increase and expand the Waste Disposal Levy
- 2) Regulate to mandate data collection on waste
- 3) Develop a Levy Investment Plan for the increased funds that would result from a higher and broader waste disposal levy



Submissions are due by 3 February 2020, 5pm



The Rubbish Trip, New Zealand Product Stewardship Council, Para Kore, Zero Waste Network Aotearoa and Envision, with support from consultant Lisa Eve, have prepared this document to:

- explain why we support the Government's proposals
- bust some persistent myths about landfill levies
- highlight some areas where the proposals could be improved.



1) INCREASE AND EXPAND THE WASTE DISPOSAL LEVY

In the last decade,
NZ's waste to landfill
increased by 45%



45%

While in the last 3 years,
waste diverted from
landfill **decreased** by 28%



28%



We want to see a move towards a zero waste, circular economy in NZ, but in practice we're achieving the opposite.



One problem we face is that the LINEAR 'take-make-dispose' way of doing things remains cheap and easy in Aotearoa NZ, so there's little incentive to imagine or try alternatives.



A tool the Government has to change this is the power under NZ's Waste Minimisation Act to **increase** and **expand** our waste disposal levy

DID YOU KNOW?



Right now, NZ's landfill levy applies only to Class 1 municipal landfills that accept household waste - that's 11% of the (known) landfills in NZ, covering less than half of NZ's total waste disposed of. The remaining 89% of NZ landfills face no levy at all. This includes industrial, commercial, construction and demolition fills, among others.

The levy is \$10 a tonne, which is very low compared to other countries.

Most commentators agree that NZ's landfill levy is **TOO LOW** and **TOO NARROWLY APPLIED** to:

- incentivise waste reduction
- make alternatives such as resource recovery and recycling competitive
- capture the full social and environmental costs of landfilling waste
- generate sufficient revenue for investment in waste minimisation

The Government proposal is to increase the levy on municipal landfills to \$50 or \$60 a tonne by 2023, and expand the levy to apply to other landfills as well (at a lower rate).

We support this, and suggest that the levy continue increasing to the rate Eunomia recommended in 2017: \$140 per tonne, alongside an incineration levy of \$40 per tonne, as soon as possible.

FAQS/MYTH-BUSTS ABOUT INCREASING AND EXPANDING THE WASTE DISPOSAL LEVY

"The Government should focus on manufacturers and producers rather than making it more expensive for the average person to throw out rubbish."

Increasing and expanding the landfill levy is not the Government's only waste policy proposal. The Government has a Waste Work Programme with multiple proposed policy actions, including many that would place greater responsibility on manufacturers and producers, i.e. proposed regulated product stewardship schemes for a range of problematic products (including tyres, plastic packaging, beverage packaging, farm plastics, electronic waste), the design of a bottle deposit scheme for NZ, and phase-outs of more single-use plastics in 2020.

NZ's waste problems are complex and there's no ONE way to turn them around. We need a multi-layered solution that addresses both ends of the production-consumption pipe. Landfill levies are no silver bullet, but equally, we can't expect to achieve a circular economy while the linear economy remains cheap and convenient.

"Raising the landfill levy will cause illegal dumping to increase"

When people imagine illegal dumping, they're often thinking about fly tipping of household waste. The Government is proposing to increase the levy to 5 or 6 times its current level. However, this won't increase the price of disposal by 5 or 6 times because the landfill levy is only a fraction of the cost of disposal (the main cost is landfill gate fees). The landfill levy is about 2-3% of the cost of an average household rubbish bag (about 6.5 cents). The proposals would increase the cost of a rubbish bag by about 32-39 cents.

According to Eunomia, international evidence shows no firm relationship between increases in the levy and illegal dumping. Cost is not the only reason people illegally dump. Other factors include a lack of appropriate disposal options and weak monitoring and enforcement by authorities. We support a portion of the increased levy funds going towards addressing infrastructure gaps, improving monitoring of illegal dumping, and funding research into the main drivers of illegal dumping in NZ (including whether disposal costs are a significant factor).

"If the cost of rubbish bags goes up so little, how can the levy be effective?"

The focus of the levy increase isn't really about making household rubbish bags pricier. It's about hitting a tipping point with disposal costs that incentivises the public to use the services already available (such as recycling), and makes alternatives more economically attractive for councils and industry. For example, most NZers would like kerbside food waste collections, but right now the cost of separately collecting and processing food waste costs councils more than landfilling. Raising the levy enough to tip this balance could change that. Similarly, construction and demolition fills are entirely unlevied. So, while building projects could be doing much more to reduce waste, maintaining wasteful practices remains more economic.

2) REGULATE TO MANDATE DATA COLLECTION ON WASTE

NZ waste data is extremely poor. Currently, the only comprehensive data available is on the volume of waste disposed of at municipal landfills (i.e. levied landfills).

We don't know some really basic things, like how many operating landfills, cleanfills and transfer stations exist in NZ or what the total quantity of waste disposed of is. We don't have proper figures on what's in the waste we dispose of and who's disposing of it. We also don't keep detailed information on recycling, nor where that recycling goes.

...why is poor waste data a problem though?



Local Government NZ The OECD
NZ Product Stewardship Council
Parliamentary Commissioner for the Environment
WasteMINZ Greenpeace NZ
Prime Minister's Chief Science Advisor



So, the Government is proposing to use its regulatory powers under s 86 of the WMA, to:

- keep a nationally consistent record of all landfills, cleanfills and transfer stations in NZ
- require all these sites to report waste quantity data, including the amount diverted and disposed of, and the source (activity and geographic) of that material
- gather info from territorial authorities about their spending of levy money, and their performance in achieving waste minimisation outcomes.

**Because you can't
manage
what you don't
measure**



**Which is why all
these groups have
called on NZ to
improve its waste
data**



We support these proposals

to regulate to improve waste data. However, they are not ambitious enough: they will not require data to be kept on waste composition nor on recycling, even though the Prime Minister's Chief Science Advisor recently recommended that NZ keep data on plastic recycling. Furthermore, public access to the data gathered should be guaranteed.

3) DEVELOP A LEVY INVESTMENT PLAN FOR THE INCREASED FUNDS THAT WOULD RESULT FROM A HIGHER AND BROADER WASTE DISPOSAL LEVY

Currently the levy rate of \$10 per tonne on municipal landfills raises

**\$36 million
p/year**



HALF goes to territorial authorities to spend on waste minimisation activities specified in their waste management and minimisation plans.

HALF goes to the Waste Minimisation Fund (WMF), a contestable fund for individuals, the community and businesses to apply to for projects that promote or achieve waste minimisation.

The proposed increase and expansion of the waste disposal levy could see levy revenue increase to

**\$247 million
by 2023**



So, the Government is proposing a

Levy Investment Plan

Areas prioritised include:

- initiatives that address an area where there is demand for a particular service, coupled with insufficient local provision
- initiatives that have the potential to lead to new methods of waste minimisation and drive innovation in the sector
- creation of onshore waste/materials (re)processing capability to build resilience for external market changes and reduce reliance on overseas recyclers
- monitoring and enforcement of the levy, including measures to combat inappropriate forms of disposal (littering, fly tipping, illegal dumping) data on waste quantities and composition, behaviour or economic incentives.
- legacy and ongoing cases of non-compliant waste disposal methods that are not aligned with the objectives of the WMA.

To give greater strategy to the spending of this largely increased pool of \$\$.

We support these proposals, particularly greater strategy around use of levy revenue. This strategy should also include an express intention to prioritise allocating funds **according to the waste hierarchy** (i.e. favouring projects that advance waste prevention, reduction and reuse, over recycling and disposal). Levy funds should also be available for research projects. The current requirement that projects can only be part funded by levy money should be revisited.

OVERALL, WE SUPPORT THE PROPOSALS CONTAINED IN THE "REDUCING WASTE: A MORE EFFECTIVE LANDFILL LEVY" CONSULTATION DOCUMENT



However, we would like to see:

1) A levy rate higher than \$50 or \$60 p/tonne or a guarantee that the rate will continue to increase over time.

2) Regulations that require the collection of a more comprehensive range of data, including data on recycling.

3) A Levy Investment Plan that expressly prioritises allocating funding towards projects aiming for outcomes higher up the waste hierarchy, and that is open to funding research.



Please make sure you have YOUR say.

Make a submission at www.mfe.govt.nz/consultations/landfill-levy



Submissions are due by 5pm 3 February 2020