

SUBMISSION: REDUCING WASTE – A MORE EFFECTIVE LANDFILL LEVY

3RD FEBRUARY 2020

Business North Harbour Incorporated
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3rd February 2020

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Submission to Reducing Waste – A More Effective Landfill Levy

Introduction

Business North Harbour welcomes the opportunity to make this Submission to Reducing Waste – A more Effective Landfill Levy.

Business North Harbour (BNH) is a significant commercial and industrial Business Improvement District (BID), representing over 4,500 commercial property owners and businesses within the North Harbour area. Collectively they employ over 35,000 Auckland residents and ratepayers.

The organisation is located within the Upper Harbour Local Board area, which is expected to be the fastest growing area in the country over the next ten years, in both absolute and percentage population terms, which brings both challenges and opportunities to the North Harbour business district.

BNH represents and works with a wide range of businesses comprising of a mix of sole traders, Small Medium Enterprises (SME), through to multi-national organisations. Our businesses range across manufacturing, warehousing, logistics, services, retail and hospitality, all of whom will be affected in different ways and to varying degrees by these proposals. In addition, we have key educational institutions within or on our boundary, including Massey University Albany and AUT Millennium, along with a variety of primary and secondary schools including Rangitoto College, the largest secondary school in New Zealand. All are located within an industrial estate which is on average less than 20 years old.

Background

The Ministry for the Environment reports that New Zealanders are united in their concern about waste. A 2018 Ministry for the Environment survey showed we rank waste as one of the three most important challenges facing our country in the next 20 years. New Zealand has a waste problem. Other countries are leading the way on using new technologies and approaches to radically reduce waste and increase recovery and recycling of materials, while in New Zealand, waste sent to landfills has been steadily increasing. Only a small proportion of New Zealand's waste is currently reused or recycled. It has become much more difficult to send waste overseas for recycling due to recent import restrictions and dramatic global price falls for materials for recycling, but there is limited infrastructure in New Zealand for recycling and re-using materials. This doesn't match our values: surveys show that New Zealanders are increasingly concerned about waste and its effects on the environment.

This consultation document is seeking feedback on proposals to:

- increase the levy for municipal landfills (those that take household waste)
- apply the levy to all types of landfill except cleanfills (accepting only virgin excavated natural materials) and farm dumps
- apply the levy at different rates for different landfill types, to reflect different environmental and social costs of disposal, and different opportunities for recovery of different materials.

Additionally, Business North Harbour (formerly North Harbour Business Association) has taken a leadership role and has been actively involved in the minimisation of landfill across our 4,500 commercial property and business owner members since 2015. We have been successful with funding applications approved through the Waste Minimisation and Innovation Fund grant process, which has enabled us to facilitate an inorganic collection programme across our Business Improvement District, linking both commercial and community sectors to reduce the amount of predominately office and commercial hard goods from becoming landfill. Another successful initiative utilising grants from the same fund has been the introduction of food waste collection services for our members, again reducing landfill from our commercial premises.

In relation to this submission, our primary interests are those decisions within the proposals which:

- Impact on the cost of business – across a short to medium timeframe
- Impact on economic development and the ability to leverage value from location
- Support or restrict business growth opportunities
- Impact on R&D and investment – waste minimisation sector development and capability
- Provide the scope to protect and enhance Auckland's reputation as a clean, green city of choice.

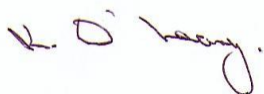
Business North Harbour Feedback

Is provided in the on-line form as per your preferred submission method.

Conclusions

Finally, Business North Harbour welcomes the opportunity to make this Submission to Reducing Waste – A more Effective Landfill Levy and should there be any questions or other matters arising from this Submission, we would be pleased to respond to those.

Yours sincerely,

A handwritten signature in purple ink, appearing to read "K. O'Leary".

Kevin O'Leary
General Manager

Your submission to Waste Disposal Levy Expansion

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Reference no: 232

Submitter Type: Business / Industry

Clause

Which region are you currently residing in within New Zealand?

Position

Auckland/Tāmaki-makau-rau

Notes

Clause

Question 1: Do you think the current situation of increasing waste to landfill and poor availability of waste data needs to change?

Position

Yes

Notes

BNH agrees that the increasing waste to landfill needs to change for the reasons specified in the consultation document on pages 16 and 22 . We also think that the poor availability of data must change to enable well informed decisions to be made in the future.

Clause

Question 2: Do you have any comments on the preliminary review of the effectiveness of the waste disposal levy outlined in appendix A? If so, please specify

Position

Yes

Notes

The review confirms that the current levy isn't effective in achieving the two main outcomes and also confirms the difficulties faced in ascertaining accurate results due to the lack of data, thus changes need to be made. The other factors are being consulted on now via the various sections of the consultation document and any relevant comments will be made in those sections.

Clause

Question 3: Do you think the landfill levy needs to be progressively increased to higher rates in the future (beyond 2023)?

Position

Unsure

Notes

BNH agrees in principle however until the impacts and effectiveness of any changes that are implemented as a result of this review are measured against the desired outcomes or targets in the next review we reserve final judgement.

Clause

Question 4: Do you support expanding the landfill levy to the following landfills?

Position 1

iii. contaminated soils and inert materials (class 3 and 4) (whether requiring restrictions on future use of site or not)

Position 2

ii. non-hazardous construction and demolition waste (e.g. rubble/concrete/plasterboard/timber) (class 2)

Position 3

i. waste disposed of at industrial monofills (class 1)

Notes

BNH supports expanding the levy to other types of landfill to support the costs of disposal and encourage reuse and recycling. However we would ask that the weight differences between various materials be considered when calculating the level of the levy eg) there is far greater m3 per tonne of bricks compared to aluminium, thus specific conversion factors should be used when calculating these levies.

Clause

Question 5: Do you think that some activities, sites, or types of waste should be excluded from the landfill levy?

Notes

BNH believes that all waste disposal activities utilising official dump sites that incur a cost that would otherwise have to be met by those not disposing of the waste should be supported with some form of levy.

Clause

Question 6: Do you have any views on how sites that are not intended to be subject to a levy should be defined (e.g. remediation sites, subdivision works)?

Position

Unsure

Notes

BNH would ask that any categories chosen also include a clear definition as to why they are not subject to a levy.

Clause

Question 7: Which of the following proposed rates for municipal (class 1) landfills do you prefer?

Position

i. \$50 per tonne

Notes

BNH would like to see the lower rate initially as, whilst the document states that the levy will have a low impact for most businesses we still need to consider the fact that it will have a high impact on some businesses with significant waste and despite these businesses being in the minority, we need to allow time for the adjustment to new costs and any necessary mitigations to be planned.

Clause

Question 8: Do you think that the levy rate should be the same for all waste types?:

Position

No

Notes

BNH agrees with the rationale on page 32 and would also advocate for different rates to allow for the varied costs of disposing of the different types of waste.

Clause

Question 8i: Should the levy be highest for municipal landfills (class 1)?

Position

Yes

Notes

BNH supports this as it is an opportunity to spread the load of the increases across business and domestic users.

Clause

Question 8ii: Should the levy be lower for industrial monofills (class 1) than municipal landfills (class 1)?

Notes

BNH supports this in principle and agrees with the rationale on page 33, however we also advocate that the review, with a view to increasing the levy over time as the efficacy of the initial levy is assessed, be undertaken expediently to enable a more informed decision to be taken at the relevant time.

Clause

Question 8iii: Should the levy be lower for construction and demolition sites (class 2) than municipal landfills (class 1)?

Position

Yes

Notes

BNH supports this in principle and agrees with the rationale on page 33, however we would also advocate for a review with a view to increasing the levy if the opportunity for recovery, reuse and recycling identified does not show a significant increase in these activities.

Clause

Question 8iv: Should the levy be lowest for contaminated soils and other inert materials (class 3 and 4)?

Position

Yes

Notes

BNH agrees with this proposal for the reasons stated on page 33 of the document.

Clause

Question 8v: Should a lower levy apply for specified by-products of recycling operations?

Position

Yes

Notes

BNH agrees in principle on the proviso that the data required to monitor and enforce the initiative is available and accurate.

Clause

Question 9: Do you support phasing in of changes to the levy?

Position

Yes

Notes

BNH feels that we need to allow time for the adjustment to new costs and any necessary plans to manage the financial impact for businesses to be identified, developed and implemented. The phasing in of the levy allows for this transition and as in most, if not all cases, costs will be passed on to customers it also allows time for them to prepare to meet the additional costs that they will incur. It also allows time for the necessary systems and processes to be planned, developed and implemented to optimise the increased revenue and waste disposal opportunities alluded to in the document as well as to develop and implement compliance and enforcement criteria and systems.

Clause

Question 9 (continued): if you support phasing in of changes to the levy, which option do you prefer?

Position

expand and increase (option B)

Notes

BNH believes that this option enables the Government to put their systems and capabilities in place whilst at the same time spreading the increased costs wider rather than just to those using municipal landfills which we believe is a fair and equitable approach.

Clause

Question 10: Do you think any changes are required to the existing ways of measuring waste quantities in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009? If so, please specify:

Position

Yes

Notes

BNH believes that specific conversion factors should be used wherever possible and practicable to ensure that, as far as possible, the levy is applied in a fair and equitable manner.

Clause

Question 11: Do you think any changes are required to the definitions in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009?

Position

Yes

Notes

BNH believes that changes should be made to the definitions to avoid any ambiguity as this would support the accurate reporting of data, thus helping to improve on the current situation, where as noted, accurate data is limited. Additionally, lack of ambiguity would also support the accurate implementation of any associated levies, compliance and enforcement.

Clause

Question 12: What do you think about the levy investment plan?

Notes

BNH agrees with the outlines of the plan. In relation to the specific issue regarding discreet funding on page 41, existing operators could be funded to upgrade / improve their existing operation to meet new needs / criteria in line with any new entrant operators hopefully mitigating any competitive risks. We also believe that the plan must support initiatives that will have the greatest impact on waste minimisation and disposal. It must also include education on the new levies, definitions of types of landfill and permitted waste and any associated compliance requirements. Additionally, education on reuse, recycling and recovery options for the population as a whole is a must, to start a mindset shift on how we think about waste minimisation and disposal, increased levies and compliance on their own will not achieve this. Raising awareness of the current situation and potential detrimental outcomes if we don't change our approach to waste minimisation and disposal must be part of any such education programme.

Clause

Question 13: If the Waste Minimisation Act 2008 were to be reviewed in the future, what are the changes you would like a review to consider?

Notes

BNH would like to see the following taken into consideration as part of a review: Review of the effectiveness of the plan against the desired outcomes of the New Zealand Waste Strategy. Review of the operational / enforcement aspects of the plan, including revenue generation, against planned outcomes. Review of any investment plans and initiatives against desired outcomes. Review the possible use of levy revenue as new ideas, initiatives and opportunities are identified moving forwards.

Clause

Question 14: Do you agree that waste data needs to be improved?

Position

Yes

Notes

BNH believes that this is critical if, moving forwards, we want to be able to make fully informed decisions, are able to monitor the effectiveness of specific initiatives and are able to monitor progress against wider, long-term outcomes, locally, regionally and nationally. Without sufficient and accurate data decisions risk being flawed and could prove to be both costly and ineffective.

Clause

Question 15: If the waste data proposals outlined are likely to apply to you or your organisation, can you estimate any costs you would expect to incur to collect, store and report such information? What challenges might you face in complying with the proposed reporting requirements for waste data?

Notes

N/A

Clause

Question 16: What are the main costs and benefits for you if the proposals to increase the levy rate for municipal landfills, expand the levy to additional sites and improve waste data?

Notes

BNH represents and works with around 4,500 different businesses comprising of a mix of sole traders, Small Medium Enterprises (SME), through to multi-national organisations. Our businesses range across manufacturing, warehousing, logistics, services, retail and hospitality, all of whom will be affected in different ways and to varying degrees by these proposals. Unfortunately this makes it impossible to be specific regarding costs and benefits.

Clause

If applicable, please describe parts of your submission that you do not want to be published on the Ministry for the Environment website

Notes

N/A

Supporting documents from your Submission

BNH_Submission_Landfill_Levy_2020.pdf

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