

18 May 2022

Ministry for the Environment
PO Box 10362
Wellington 6143



Attention Hon. David Parker, Minister for the Environment

Kia ora

Rangitikei District Council Submission - Te panoni I te hangarua Transforming Recycling

The Rangitikei District Council (Council) thanks the Ministry for the opportunity to submit on this consultation. As a local authority, Council currently has responsibilities around the management of solid waste and can provide insights around the impacts of proposals on our local community.

In the preparation of this submission, Council has focussed on the aspects of these proposals that are most likely to impact Council, individuals, and organisations within the Rangitikei District.

Overall Comments

Council acknowledges the issues faced by New Zealand regarding the collection and disposal of solid waste, including unnecessary disposal or contamination of usable resources. Concerted effort across our communities is necessary to achieve waste minimisation goals.

Council endorses the proposals raised by the Ministry in principle but notes several concerns and areas where more information is required. Council requests that further opportunities are given to Councils to inform the development of systems and regulations to support successful implementation and avoid unintended impacts on our community.

Assurance is needed that additional costs and regulatory responsibilities will not fall to Council without adequate support from Central Government. Council notes that these proposals are focused on providing consistent and convenient recycling services in urban areas. Council encourages the Ministry to investigate opportunities to support rural communities' waste minimisation efforts alongside the focus on urban recycling.

Council commends efforts to improve clarity and consistency in recycling across the country. As New Zealand's population will continue to grow, it is sensible to embed standardisation and consistency as early as possible. Council acknowledges that the proposed dates for implementation are staged to reflect the current variation in access to relevant services. Further staging could be considered to ensure systems are well-prepared before scaling up.

Council agrees with the need for improved education on recycling and stresses the opportunity for Central Government to undertake an education programme to support a clear and consistent message across New Zealand.

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Council wishes to note that recycling, while preferable to disposal to landfill, is lower on the waste hierarchy than options such as reducing or reusing packing. While some investment is necessary to improve the capture of usable resources, it is not desirable to develop this industry at a scale that it may slow or disrupt the transition away from single-use materials. Over-investment in recycling collection and processing may contribute to continued acceptability of single-use packaging.

This is especially important considering the limited onshore markets for recycling. It is indicated that some materials with potential reclaim value are shipped offshore where accepted, downcycled or possibly disposed to landfill. While these proposals are predicted to increase the value and recyclability of materials collected, it is not indicated that this will fully remediate the divide between the supply of recyclable materials and New Zealand's capacity to recycle. Council urges the government to continue efforts to reduce the volume of single use materials imported or sold.

Details on Council's response to each proposal are listed below, including potential impacts on the community, suggestions, and concerns.

Proposal One – Container Return Scheme

Council supports this scheme in principle and acknowledges that the consultation document explains that the scheme is expected to be funded via the scheme fee. Council requests that further analysis is undertaken and shared to allow better understanding of potential set-up and ongoing costs for return points.

Council notes that there are a range of ownership options for retailers who provide return points, with the retailer then receiving an equivalent share of the handling revenue. While Council supports the provision of support for investment, this should extend to all return points.

Council also notes that if the provider accepts support to establish their collection point, or undertakes "low" establishment costs, they forego the handling fee entirely. This is reasonable if the collection point is a reverse vending machine, with any maintenance work undertaken by an agency overseeing the scheme. However, this does not appear to take into consideration any staffing requirements. Council suggests that clarity is given on whether the "handling fee" is intended to cover the ongoing costs of the service, including staff time and maintenance, or only to service debts on the establishment of infrastructure. Council also requests assurance that the funding model for the scheme ensures that both the initial investment and long-term operation of collection points is viable for both retail collection points and depots, including staff time required.

Council notes that the description of the "depot" model for collection does not specify where these depots may be established. As local councils are already considered service providers for recycling, Council acknowledges that providing the return service at transfer stations is reasonable. The consultation document indicates that depot use is mainly to cater to higher volumes. As the community in the Rangitikei currently return all recyclables to transfer stations, the availability of a container return scheme on the same site as other recyclables is likely to be convenient for individuals as well as businesses. Council notes that multiple stakeholders are identified as potential managers of depots, and suggests support is given for partnerships between Councils and other stakeholders to establish CRS depots close to or within existing depots.

Council commends the suggestion of eco-modulation of scheme fees, allowing the scheme to reflect the cost of recycling lower quality containers, incentivising the transition to those with greater recyclability.

Council emphasises the need for the scheme to be designed to ensure containers are collected and sorted in a manner that reduces contamination and increases the quality of recyclables captured.

The need to remove labels from some containers should also be considered. As it is known that New Zealanders are not always certain of recycling requirements and capabilities, items that require a level of disassembly before recycling create barriers for participation or correct recycling. Council suggests that this issue could be addressed through other regulations on product packaging.

Proposal Two – Part One: Kerbside Recycling and Food Collection

Council is significantly affected by these proposals as three towns in the District will meet the threshold for mandatory kerbside recycling. Council does not currently run any kerbside collection services, but has previously considered their implementation. The issue was consulted on twice in recent years, including for the 2018-28 Long Term Plan, with mixed views in the community and no definitive mandate for the establishment of recycling services.

Council began further investigations, seeking expressions of interest from potential providers. Ultimately this process was put on hold due to uncertainty around the Government's direction on recycling, as well as international market instability. At this time, Council determined that these collections would cost \$125 to \$195 per rating unit. Council notes the estimate in the Regulatory Impact Statement of \$90.50 is from an earlier calculation found in a draft version of Council's Waste Management Minimisation Plan.

Council is concerned about the viability of collections in smaller settlements and suggests the proposed population size requiring a kerbside collection service is too low. Council requests that the Ministry considers raising the population which triggers mandatory kerbside collections to 5,000.

As some Councils and ultimately residents will be more impacted than others by the level of change necessary to meet new requirements, Council seeks assurance that funding will be available to support investment without undue impact to ratepayers.

Proposal Two – Part Two: Kerbside Collection of Food Scraps

Council believes that instating a mandatory scrap collection service for all rating units overlooks the efforts many residents are already making to limit household food waste. These efforts include composting or feeding scraps to animals, which may remain preferable to the resident regardless of the establishment of the food scrap collection.

Council also notes concerns over the possible consequences of scrap collection, including whether this may be more attractive to pests, and encourages the Ministry to lead investigations into appropriate systems and models to ensure there are no unintended consequences to safety or amenity. This would limit the additional costs of Councils undertaking investigations of appropriate disposal systems individually.

Council understands that providing rate-funded collections can encourage people to avoid disposal to landfill. However, there are limits to the effectiveness of such schemes. If waste charges are raised to encourage behaviour change, people may find it unaffordable to dispose of non-recyclable waste through legitimate means. This can lead to increased fly-tipping or illegitimate dumping on public or private property.

Proposal Two – Part Three: Performance Standards and Performance Reporting

Council acknowledges the reasoning behind setting performance standards and collecting information on waste collected. However, Council urges the Ministry to communicate thoroughly with local authorities before setting such requirements. Mandatory reporting on limits set without a Council perspective can require entirely new systems of measurement and reporting without generating useful information. For the Rangitikei District, the small rating base means every position at Council has an impact on the community. Establishing new positions simply to provide for growing reporting requirements is of limited value.

Council also notes that while the Container Return Scheme section indicates that should the performance targets not be met, the scheme would be reviewed. Alternatively, this section queries what would be an appropriate penalty for councils that do not reach the targets set. While there is a place for penalties in a performance framework, Council encourages the Ministry to allow councils a grace period and review any difficulties faced by councils in implementing these services. Support should also be offered to undertake the change before a “last resort” option of penalties. Especially where penalties limit the waste disposal levy funding Council can receive, applying such a penalty may be counterproductive.

Proposal Three – Diversion of Business Waste

Council suggests that further information is required to understand the resourcing implications and consequences of requiring separate disposal of business waste.

An area of concern to Council is that where collection and disposal services are not available, it is not reasonable to require businesses to find their own options to dispose of food waste. The options suggested for businesses outside of areas with service have some issues, especially for those businesses whose food waste includes meat. The Ministry for Primary Industries indicates that food scraps that may have been in contact with meat are not to be fed to pigs unless they have been heated to 100 degrees for one hour. Meat scraps can also attract pests and create hygiene and amenity implications if privately composted.

Additionally, Council queries the regulatory requirements that this proposal will raise. While the regulatory impact statement indicates that businesses would be “required” to separate food waste, Council wishes to understand how this requirement will be monitored and enforced. Council emphasises that this should be thoroughly considered and not passed to Council by default, as this work would require significant time and investigation.

Given the workload that monitoring businesses across New Zealand creates, Council suggests a separate agency could be formed to deliver this regulatory role, as well as supporting the establishment of the services and infrastructure that food scrap collections would require.

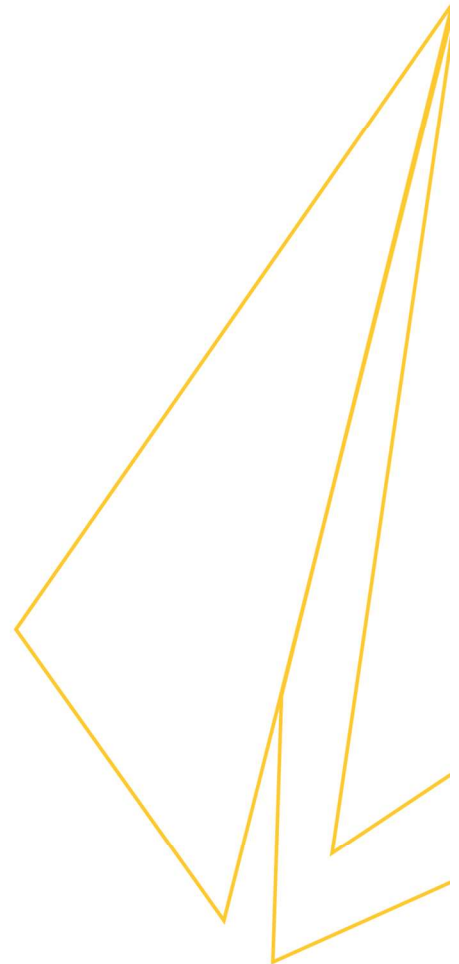
Council feels that there is a lack of clarity on who will be required to undertake separation of food waste. The indication is that this should not be limited to businesses with a focus on hospitality and food production, but any business. However, the food waste captured will be of a hugely different scale for a small office that may be required to separate scraps from staff lunches, compared to a food outlet that is required to dispose of unsold product every day. The wide range of businesses and therefore range of volumes captured further reinforces Council’s view that a separate agency is better placed to provide regulatory support for this requirement.

In conclusion, Council is largely in support of proposals that encourage New Zealanders to better understand the useful resources that are currently going to waste and act accordingly to reclaim and divert these materials more efficiently. However, Council has some concerns about the cost implications these proposals may have on our community and suggests further consultation with local government would support the development of fit-for-purpose implementation and regulation.

Yours sincerely



Andy Watson
Mayor of the Rangitikei



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