



Summary of submissions

# **Ngā waeture tiaki rawa kua takoto i konei: Ngā taea me ngā pūhiko kaitā**

## Proposed product stewardship regulations: Tyres and large batteries



Ministry for the  
**Environment**  
*Manatū Mō Te Taiao*



**Te Kāwanatanga o Aotearoa**  
New Zealand Government

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# Executive summary

From 4 November to 16 December 2021, the Ministry for the Environment (the Ministry) consulted on proposed regulations for priority product stewardship schemes for tyres and large batteries.

The Government proposed regulations to:

- require the sale of these products to be in accordance with accredited product stewardship schemes
- set product stewardship fees, targets and quality standards under the Waste Minimisation Act 2008 (WMA).

We received 85 submissions, mainly from business/industry, local authorities and individuals. This report summarises the views expressed in submissions, and outlines the main findings, themes and support for each proposal.

The report does not make recommendations on the basis of the submissions. Any recommendations will be made through policy advice to the Minister for the Environment, Hon David Parker.

## Accredited product stewardship schemes

This consultation addressed the Government's proposal for regulated product stewardship schemes for tyres and large batteries.

Product stewardship involves people involved in the life cycle of a product, such as producers, brand owners, importers, retailers or consumers, taking responsibility for reducing a product's impact on the environment. This approach helps us move from a linear to a circular economy.

Taking responsibility can include:

- responsible disposal or recycling of a product
- designing a product which can be broken down into recyclable or reusable components
- organising a sector-wide scheme for managing products to minimise waste.

Under New Zealand's Waste Minimisation Act 2008 (WMA), product stewardship schemes can be accredited by the Minister for the Environment. These schemes can be voluntary or regulated.

Many New Zealand organisations and individuals have participated in one or more voluntary accredited product stewardship schemes since 2009.

More information: [About product stewardship in New Zealand and Regulated product stewardship](#) | Ministry for the Environment

## Key findings

Overall there was majority support from submitters for the proposed regulatory framework for tyre and large battery product stewardship. Suggestions for improvement were also provided.

### Tyres

A clear majority of submitters were in support of the proposals for tyre stewardship regulation (table 1).

**Table 1: Summary of submissions on tyre proposals – per cent support**

| Proposal   | Agreement by those answering the question (per cent) | Agreement by total submitters (per cent) |
|--|--|--|
| <b>Regulatory framework for tyres</b> – agree in principle   | 97   | 89                                       |
| <b>Obligation to take part</b> – sale of tyres only in accordance with an accredited scheme  | 99   | 87                                       |
| <b>Stewardship fee</b> – to cover end-of-life tyre management  | 97   | 87                                       |
| <b>Fee collection entity</b>   |  |  |
| • Loose tyres (at import) – by New Zealand Customs Service   | 88   | 71                                       |
| • Tyres attached to imported on-road vehicle (at import or first point of registration) – by Waka Kotahi NZ Transport Agency or product stewardship organisation (PSO) | 84   | 62                                       |
| • Tyres attached to imported off-road vehicles (at import) – by New Zealand Customs Service or PSO   | 86   | 66                                       |
| • Tyres made in New Zealand – by PSO   | 85   | 62                                       |
| <b>Take-back and targets</b> – set minimum expectations for PSO to provide service including recovery, reuse and recycling targets, and reporting                      | 96   | 79                                       |
| <b>Quality standards</b> – for eligibility for tyre-stewardship incentive payments   | 93   | 78                                       |

### Impacts on business

A number of business/industry and local-government submitters gave feedback on the likely impact of the proposed tyre regulations on their business operations.

Tyre wholesalers and retailers, and their industry associations, noted likely net benefits. Tyre collectors expressed some concern and sought more information about the amount of incentive payment they would receive. Tyre Stewardship Australia expressed concerns about the impact that the Tyrewise incentive payments could have on other markets for tyre-derived products

Local authorities noted likely benefits for tyre management, and possible cost increases for council vehicle and bus fleets.

## Large batteries

A majority of submitters were in support of the proposals for large battery stewardship regulation (table 2).

**Table 2: Summary of submissions on large battery proposals – per cent support**

| Proposal  | Agreement by those answering the question (per cent) | Agreement by total submitters (per cent) |
|---|--|--|
| <b>Regulatory framework for large batteries</b> – agree in principle  | 86   | 82                                       |
| <b>Obligation to take part</b> – sale of large batteries only in accordance with an accredited scheme   | 85   | 78                                       |
| <b>Stewardship fee</b> – to cover end-of-life large battery management  | 84   | 72                                       |
| <b>Fee collection entity</b>  |  |  |
| • Loose large batteries (at import) – by product stewardship organisation (PSO)   | 68   | 58                                       |
| • Large batteries attached to imported on-road vehicle (at import or first point of registration) – by Waka Kotahi NZ Transport Agency or PSO     | 64   | 53                                       |
| • Large batteries attached to imported off-road vehicles (at import) – by PSO   | 58   |  |
| • Large batteries made in New Zealand – by PSO  | 68   | 58                                       |
| <b>Take-back and targets</b> – set minimum expectations for PSO to provide service including recovery, reuse and recycling targets, and reporting | 81   | 65                                       |
| <b>Quality standards</b> – for transporting, storing and processing large batteries   | 88   | 74                                       |

## Impacts on business

Some business/industry and local government submitters gave feedback on the likely impact of the proposed large battery regulations on their business operations.

Vehicle sellers and electric fleet managers saw net benefit and manageable costs. The co-design group saw benefit in limiting battery collection and processing to those meeting good health, safety and environmental standards. Metal recyclers warned of collection and recycling infrastructure costs, and insurance issues, and a solar-power installation company was concerned about increased costs and unintended consequences.

Local authorities saw the need for provision of appropriate handling charges and timely collections to cover their involvement in battery recovery. Alternatively, one proposed limiting collection to sites where the batteries are installed or removed from vehicles. One council with an electric vehicle fleet noted benefit from pre-paid end-of-life battery management and another was concerned that the stewardship fee on bus batteries may discourage transition to electric bus fleets.

## **Recovery of scheme monitoring costs**

The Government proposed that the Ministry recover the costs of monitoring the performance of the accredited scheme from the scheme manager.

This question had a low response rate (45 per cent of total submitters) and did not receive majority support from all submitters. Among those that answered the question, a clear majority was in support:

- 87 per cent of those who answered the question
- 39 per cent of total submitters.

## **Other key issues**

A range of related matters were raised by submitters. These included doing more to prevent waste rather than just managing end-of-life products, ideas for better scheme implementation, and the need to improve onshore infrastructure and consistency with the Treaty of Waitangi.



# About the consultation

This document reports on the findings of public consultation by the Ministry in late 2021. The consultation sought feedback from New Zealanders on **proposed regulations to support effective outcomes from accredited product stewardship schemes for tyres and large batteries**.

[View the 2021 consultation document](#)

## Proposals

The following regulations were proposed for tyres and large batteries.

- **Participation obligation (WMA 22 (1)(a))**  
Prohibit the sale of tyres or large batteries except in accordance with an accredited product stewardship scheme.
- **Product stewardship fee (WMA 23(1)(d))**  
Set fees to cover the end-of-life management of the priority product (see [Priority products](#), below). Specify: classes of persons who must pay the fee; to which collection entities; and at what point in the product life cycle.
- **Quality standards (WMA 23(1)(g) and (h))**  
Set quality standards to ensure that best practice is followed for managing priority products to prevent harm. For tyres, this applies to certain applications of crumb rubber from tyres. For large batteries, it applies to all stages of transport, storage and processing.
- **Take-back service (WMA 23(1)(c) and 23(1)(i))**  
Require the accredited scheme to provide a free and convenient product collection service, and information provision requirements related to this.
- **Targets (WMA 23(1)(c) and 23(1)(i))**  
Set collection and recycling targets for accredited schemes, and information provision requirements related to this.
- **Scheme monitoring cost recovery (WMA 22(1)(e))**  
Empower the Ministry to recover monitoring costs from the accredited scheme manager.

## Background

### Priority products

This consultation followed the declaration of ‘priority products’ under the WMA in July 2020. The products are:

- tyres
- electrical and electronic products (including large batteries)
- agrichemicals and their containers
- refrigerants and other synthetic greenhouse gases
- farm plastics
- plastic packaging.

This was the first consultation on such regulations – for tyres and large batteries (electric vehicle and stationary storage batteries). Consultation on proposed regulations for the other priority products will follow, subject to scheme co-design being able to inform accreditation and regulatory proposals.

## Stewardship schemes required for priority products<sup>1</sup>

Once a product is declared a priority under the WMA, a stewardship scheme must be developed and accredited for that product. Regulations can be made to require the sale of that product to be in accordance with the scheme, and to help the scheme run effectively.

## Accreditation of schemes

Proposed schemes for accreditation are not subject to public consultation under the WMA. To date, schemes for the priority products have been co-designed by stakeholders, supported by the Waste Minimisation Fund. The Minister for the Environment decides on accreditation, subject to criteria in the WMA.

## Consultation process

### How we consulted

From 4 November to 16 December 2021 the Ministry consulted on proposals to regulate tyre and large battery stewardship schemes.<sup>2</sup>

[View the 2021 consultation document](#)

### Consultation tools

Submitters gave feedback through three channels:

- Online submissions, which asked various questions, including some specific to business and industry.
- Via email to the Ministry.
- Via post to the Ministry.

### Who responded

Although the response was relatively small (85 submissions), there was a good cross-section of potentially affected businesses, environmental and community groups, and local government agencies (table 3).

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<sup>1</sup> For more information on regulated product stewardship schemes, see: [Regulated product stewardship | Ministry for the Environment](#).

<sup>2</sup> Ministry for the Environment. 2021. *Ngā waeture tiaki rawa kua takoto i konei: Ngā taea me ngā pūhiko kaitā – Proposed product stewardship regulations: Tyres and large batteries*. Wellington: Ministry for the Environment. Retrieved from <https://environment.govt.nz/publications/rps-tyres-batteries-consultation-document> (March 2022).

**Table 3: Type and number of submissions**

| Submitter type    | Number |
|-------------------|--------|
| Individual        | 33     |
| Business/Industry | 27     |
| Local government  | 17     |
| Unspecified/Other | 6      |
| Iwi/Māori         | 2      |
| Total             | 85     |

## Submitter comments

Comments from submitters are included throughout this summary. Footnotes state the business or organisation of those who provided their name and consented for it to be published.

Some comments are not footnoted – for brevity, because they are paraphrased or because the organisation/individual chose to remain anonymous.

## Next steps and policy decisions

### Publishing submissions

Alongside the release and publication of this document, we will also publish and release submissions from those who agreed to publication. These will be available on the Ministry's website.

### Policy decisions

The Ministry is advising Ministers and Cabinet on next steps for regulated product stewardship. The advice is informed by this consultation and other Ministry work, including engaging with stakeholders, consulting across government agencies, researching best-practice methods from overseas and other work programmes.

The timing for consultation on regulations for the other declared priority products, after tyres and large batteries, is subject to decisions by Ministers and Cabinet.

### Stay up to date

Policy decisions are expected by late-2022. To stay up to date on any decisions and announcements, visit: [The Ministry for the Environment's waste page](#), or [Facebook](#) and [Instagram](#).

# What we heard: Tyre regulations

## Regulatory framework

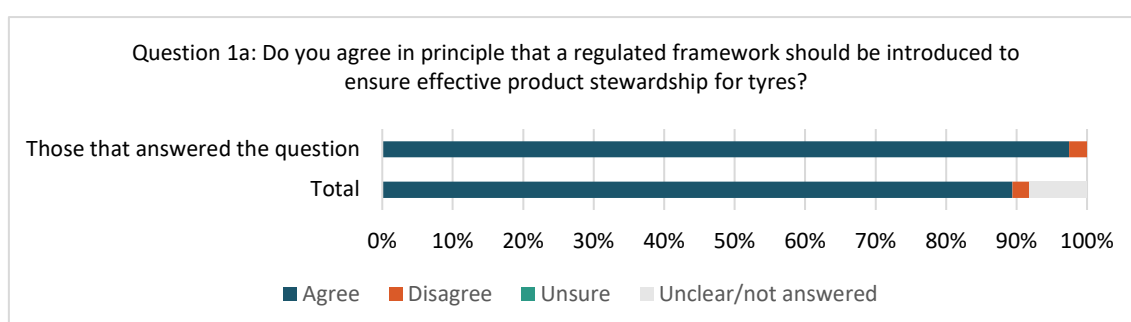
Declaring tyres a priority product requires formation and accreditation of a product stewardship scheme and opens the option to restrict sale of tyres to those who do so in accordance with the scheme. Other product regulations under the WMA are available for both priority and non-priority products. Submitters were asked whether they supported in principle such a regulated framework for tyres.

### There was strong support in principle for a regulatory framework for tyres:

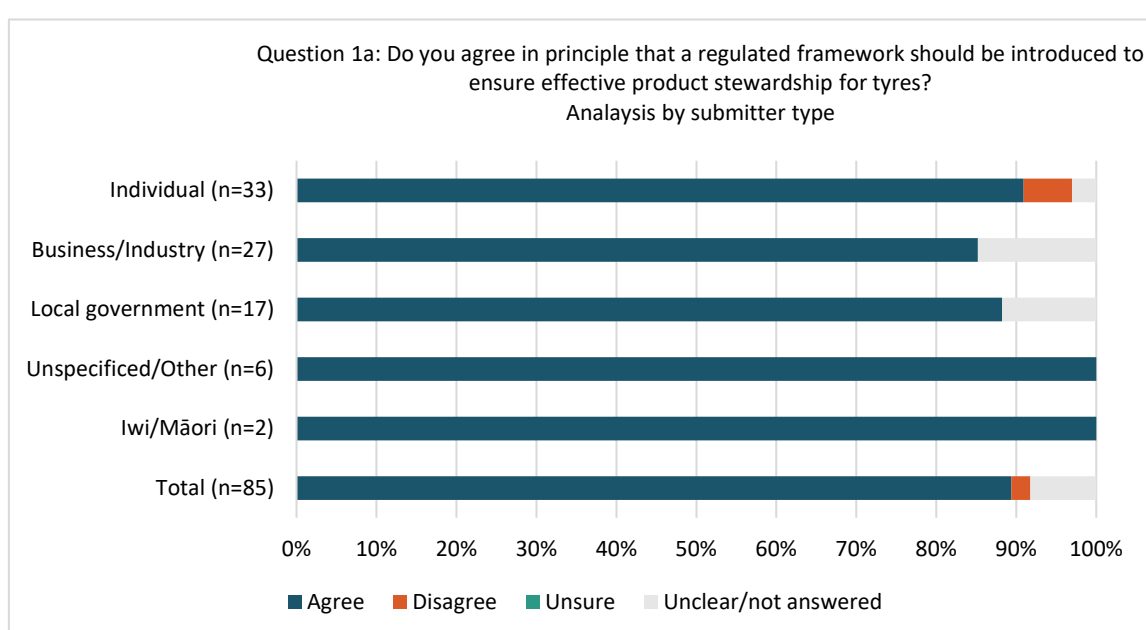
- 97 per cent of those who answered the question
- 89 per cent of total submitters (figure 1).

A minority did not answer the question (8 per cent) or did not agree with the proposal (2 per cent). Support was strongest among iwi/Māori, 'other' and business/industry (figure 2).

**Figure 1: Tyres: Support in principle for a regulatory framework**



**Figure 2: Tyres: Support in principle for a regulatory framework, by submitter type**



## Comments and suggestions

Reasons given by supporters for their support mostly echoed the consultation document.

### Support the circular economy

Twelve submitters, including four local governments, noted that regulated product stewardship can help support a circular economy, by reducing waste generation and material consumption. One said that the framework would provide:

... [an] emerging set of tools to manage and fund movement of products and materials through supply, use and recovery chains. This brings circular economy to life by sharing responsibility for products over the whole life cycle.<sup>3</sup>

Creating new economic opportunities from recovered resources was a part of this theme, including new income streams and domestic industries.<sup>4</sup>

### Producers and retailers take responsibility

Nine submitters, including three local governments, noted that producers and retailers do not currently have to take responsibility for the environmental impact of their product, whereas a regulated scheme would help ensure they do. One noted that:

... being able to accord responsibility for reducing harm during the product design and use phase is important for achieving the circular economy principles of designing out pollution (as well as waste).<sup>5</sup>

Reducing these impacts would improve end-of-life tyre management:

The current situation is leading to a poor end-of-life outcome for tyres. The proposed product stewardship scheme would improve this.<sup>6</sup>

### Address the full life cycle

In keeping with the transition to a circular economy, a number of submitters who supported regulations also want to see schemes and regulations that focus on the full life cycle rather than on managing the product at end of life. This was a common theme in several questions – see [Key issues](#).

### Reasons for opposing the proposal

The two submitters who did not support the proposal did not provide reasons.

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<sup>3</sup> Zero Waste Network.

<sup>4</sup> Environment Canterbury.

<sup>5</sup> Zero Waste Network.

<sup>6</sup> Horowhenua District Council.

## Obligation to take part

Once a priority product has been declared, it is possible to prohibit sale of that product except in accordance with an accredited scheme.

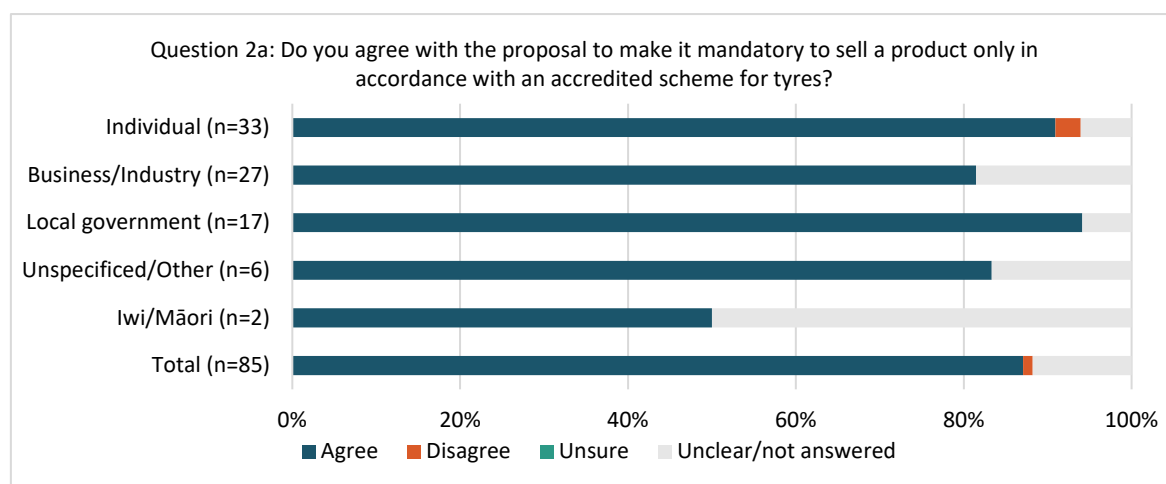
**There was strong support for requiring the sale of tyres to be in accordance with an accredited scheme:**

- 99 per cent of those who answered the question
- 87 per cent of total submitters.

Support was strongest among local government, individuals and business/industry (figure 3).

A minority did not answer the question (12 per cent) or did not agree with the proposal (1 per cent).

**Figure 3: Tyres: Support for sale in accordance with an accredited scheme**



## Comments and suggestions

The reasons for support largely echoed the consultation document. Key themes included:

- Mandatory participation would ensure that all producers take responsibility for the end-of-life disposal of their product.
- This would distribute responsibility across the chain of custody for the product life cycle and avoid free riders.
- Consumers would be able to access a proper disposal pathway, without a cost barrier.
- It would be helpful to clarify the meaning of 'sale in accordance with an accredited scheme' for the public and local government, ideally before a scheme is accredited.
- Licencing operators responsible for collecting tyres under the proposed scheme will provide customers with the confidence that only appropriate disposal methods are being used by certified collectors.<sup>7</sup> An anonymous local authority noted:

Without involvement from all those who have a part to play in creating a scheme or a stake in the outcome, there is the risk that schemes have adverse impacts on vulnerable populations, are not appropriately priced, or are only designed to succeed (or maximise benefits) according to specific industry's interests.

<sup>7</sup> Hurunui District Council.



## Reasons for opposing the proposal

One individual believed it would raise the purchase price of new tyres.

## Tyrewise: Impact on business

Submitters were asked how having to take part in the proposed Tyrewise scheme<sup>8</sup> would affect their business. We received comments from business/industry and local authorities.

### Business/industry

Tyre wholesalers largely supported the scheme and considered it of net benefit.

Goodyear Dunlop Tyres NZ (GDTNZ) as an importer and distributor of tyres will be impacted based on the fees applied to imported tyres ... Depending on how the scheme is administered there could be additional administration and system costs associated with administering the scheme.

To drive full transparency and promote the benefits of the scheme GDTNZ proposes that this also applies for all tyre wholesalers/distributors where they pass on the fee to their retail or end user customers. This should be done by using a separate line item on invoices that states the tyre stewardship fee levied by the Tyrewise scheme to the tyre retailers creating full transparency. This will ensure all stakeholders understand that this fee is part of the Tyrewise stewardship scheme, addressing end-of-life tyre issues.<sup>9</sup>

One tyre importer noted that the levied amount would be passed on to resellers at first transaction.<sup>10</sup> A related company noted:

Additional systems and software changes will be needed at Tyremax which will come at a financial cost but it is too early to assess the likely cost at this point. [We are] a wholesale distributor of tyres and do not fit tyres for the public, so we anticipate minimal direct impact on the day-to-day operation of the business. We do see considerable benefit for our customers (the tyre retailers) through having effective, efficient tyre disposal.<sup>11</sup>

One tyre retailer and an industry association cited benefits:

As a generator of end-of-life tyres this supports an ethical solution for ourselves and our consumers. We can be sure that the tyres are ending up at the processing destination rather than being disposed of on the side of the road or similar due to the transporter already having collected income. This will hopefully incentivise more regular pick ups; currently we are finding that we are left with unnecessary stockpiles. It is a simpler and more pleasant process at the customer facing side when the fee is set at import as we would no longer need to justify this to consumers but can explain the process if required. This provides a sense of responsibility without burden of additional cost.<sup>12</sup>[Our members include] around 2,500 vehicle repair workshop members who would be classed as 'tyre generators'... a previous survey of members found that they paid an average of \$4 per

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<sup>8</sup> Tyrewise is a regulated product stewardship programme which has been accredited by the Government. When regulations are in place (anticipated mid-2023) it will be implemented to create an effective solution for New Zealand's end-of-life tyres.

<sup>9</sup> Goodyear Dunlop Tyres NZ.

<sup>10</sup> Tyremax New Zealand.

<sup>11</sup> Tyremax LP.

<sup>12</sup> VC Tyres.

tyre to dispose of tyres but some customers queried these costs. Removing the costs associated with tyre collection and disposal will be well received by our members ... In some areas of the country, there are no effective tyre collection services and as such, members have problems disposing of tyres correctly. Encouraging the establishment of an effective nationwide network of accredited tyre collection services through the Tyrewise product stewardship scheme will go a long way to solving these issues.<sup>13</sup>

Tyre collectors expressed concern about collection payment rates and potential delays in receiving incentive payments for processing tyres.

Details around remuneration are required before we can accurately assess the impact on our business. We will need to assess the actual cost and revenue allocation for collection and processing. ADF [advance disposal fee] rates will need to be reviewed annually to ensure that the costs around collection and processing tyres, which are primarily labour, fuel, electricity and machinery maintenance and repair, are able to be adequately covered.<sup>14</sup>

There would be a large loss in OTR [off-road vehicle], tractor revenue etc. Prices allocated are in some places 50% drop in revenue. There is a lot of work and cost in processing these larger tyres. It would not be viable.<sup>15</sup>

[We] are not clear what the breakdown is ... ie transport, storage, processing, and recycling or export, the prices we [would] get paid ... The other question is, we know we don't get paid till proof of recycling or export documents supplied. There is a huge shortage of containers at the moment and has been for a while now ... so will there be something in place to free up cash so we can continue to run, I definitely need to have a meeting with someone to explain or breakdown what is going to happen so I understand it in English and not trying to decipher the document.<sup>16</sup>

A national waste company anticipated being part of the scheme, but the national network of community recyclers did not.

[We operate] a range of refuse and resource recovery transfer stations throughout the country. These sites already receive end-of-life tyres from the waste generator who pays a disposal fee per tyre [and] would seek to obtain registration of its collection sites under the Tyrewise scheme ... The Company already collects and transports end-of-life tyres from a range of customer sites [and] would likely seek to become a Registered Transporter under the Tyrewise scheme.<sup>17</sup>

We do not think that the [Tyrewise incentive payments] are realistic or a fair reflection of the real cost of providing a tyre collection service. ... We think this would partially cover the labour cost of receiving and handling a tyre. It would not cover: the lease cost of the m<sup>2</sup> area needed to receive and store the tyres, Capex related to any equipment or storage, overhead costs associated with reporting, training, H&S etc. The opportunity cost of using scarce space on sites for tyre collection makes it unlikely that many of our members would be able to afford to take part in the scheme as they can earn a much higher return by using the space for other recovery activities. It feels to us as though the tyre scheme is looking to piggyback on existing operations at transfer stations and other sites.<sup>18</sup>

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<sup>13</sup> Motor Trade Association.

<sup>14</sup> Waste Management NZ Ltd.

<sup>15</sup> Tyre Collection Services Ltd.

<sup>16</sup> Scrap Tyre Movements Ltd.

<sup>17</sup> EnviroNZ.

<sup>18</sup> Zero Waste Network.

An anonymous supplier of tyre processing equipment was generally supportive:

We are acting as an agent for processing equipment in tyres and therefore we would not be directly affected by any scheme. However, we would support the involvement of any incentive, scheme, or other to the level of establishment of repurposing, recycling, and any other work NZ can create away from landfill options within its shores.

Tyre Stewardship Australia expressed concerns about the impact that the Tyrewise incentive payments could have on Australian and Pacific markets for tyre-derived products.<sup>19</sup>

## Local authorities

Local authorities may be involved in terms of their waste management role and in connection with their vehicle fleet tyres. Some local authority submitters were positive about net benefits and cautious about unpredictable costs.

### *Waste collection services*

The scheme will provide a valuable option at our Refuse Transfer Station to encourage correct diversion and circular economy processes ... The scheme should impact positively on the costs to us as a Council for collecting tyres and getting them to a recovery option rather than landfill costs. It should also reduce the impacts of and costs associated with illegal dumping of tyres.<sup>20</sup>

[Our]Resource Recovery Centre charges fees for accepting five types of tyre, ranging ... in size from passenger car tyres through to tractor tyres. The removal of this fee would encourage the community to use this service ... As long as the rate paid for operating a collection point was sufficient to cover the existing and (if applicable) new costs around this service, Manawatū District Council anticipates there would be no adverse impact upon Council or the community. The associated benefits to Council would include the reduction or elimination of fly tipping of tyres, reducing the amount of monitoring and enforcement work required and the cost that falls to Council for disposing of dumped tyres.<sup>21</sup>

[We are] committed to providing options to our community to divert as much as possible from landfill. We feel that including these in our offerings would fit well, therefore we would consider being involved in both schemes as a collector ... Operational costs are unclear at this stage because we do not currently provide this service. We would require capital investment to set up collection sites, of which there is no provision for in our current LTP [long-term plan].<sup>22</sup>

Where TAs [territorial authorities] own transfer stations or resource recovery centres, they want to facilitate the easy drop off of batteries and tyres. Therefore, it is important that there be appropriate handling charges built into the scheme and timely collections at no further costs to those locations.<sup>23</sup>

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<sup>19</sup> Tyre Stewardship Australia.

<sup>20</sup> Hastings District Council.

<sup>21</sup> Manawatū District Council.

<sup>22</sup> Palmerston North City Council.

<sup>23</sup> Hamilton City Council.

For the council to take part in the proposed scheme for tyres it could potentially mean a significant increase in the volumes received, creating additional extra handling and storage costs.<sup>24</sup>

If we had to be part of the scheme, storage space could be an issue.<sup>25</sup>

Additional information is required to understand how the scheme will deal with orphaned and legacy tyres.<sup>26</sup>

### *Rural councils and large tyre costs*

It is important that there be appropriate handling charges built into the scheme and timely collections at no further costs to those locations ... rural local authorities, for example, such as Waitomo District Council, receive a disproportionately high number of large tyres for disposal at landfill. These are from farm, forestry, and logging vehicles. These are much more difficult to handle and more costly for cartage to a recycling facility. The ... added cost burden ... for smaller rural TAs ... has forced consideration of not accepting those types of tyres, which means the burden to process or dispose is pushed onto someone else. This raises an illegal stockpiling or dumping concern.<sup>27</sup>

The proposal is not clear regarding whether collections from farms or businesses would be possible. Hurunui District covers a wide geographical area and Council would support the scheme undertaking collections from large operations or generators of tyres in the district.<sup>28</sup>

### *Council service and public transport fleets*

Local authorities noted that councils are also users of tyres or contractors for services that use tyres. Impacts would include:

- tyre stewardship fees on bus tyres, which may be passed on to the bus operators and possibly higher costs for public transport
- tyre stewardship fees for a council's own vehicle fleet. These may be offset in due course by lower costs to manage tyres collected at transfer stations and to clean up illegally dumped tyres
- potential inability for additional costs to public transport to be absorbed by existing contracts and budgets. Due to COVID-19 impacts on public transport revenue, there is a reduced ability to absorb additional costs.

An anonymous local government submitter recommended phasing in tyre scheme fees for public transport fleets. This would reduce the impact and allow costs to be built into budgets and contracts that may be negotiated infrequently.

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<sup>24</sup> Hurunui District Council.

<sup>25</sup> Individual (council staff).

<sup>26</sup> Two anonymous local government submitters.

<sup>27</sup> Waikato Regional Council.

<sup>28</sup> Hurunui District Council.

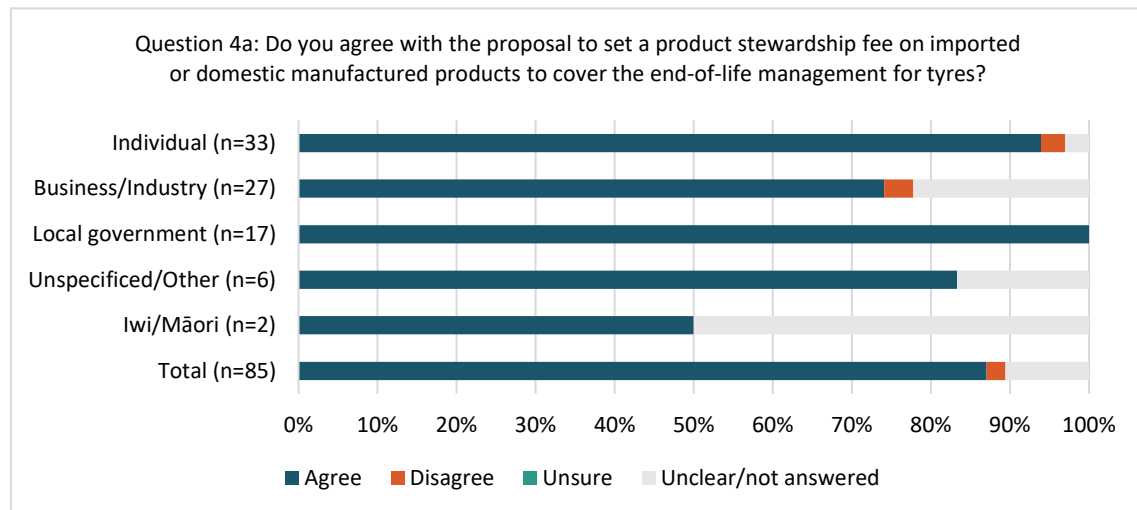
# Tyre stewardship fee

There was strong support for a stewardship fee:

- 97 per cent of those who answered the question
- 87 per cent of total submitters.

Support was highest among local government and individuals (figure 4).

**Figure 4: Tyres: Support for a stewardship fee**



## Reasons for opposing the proposal

Of the two submitters who opposed, one gave their reason – that consumers were already paying too much for tyres.<sup>29</sup>

## Comments and suggestions

### A fair approach

- A standardised fee structure is fairer than the current situation, and places responsibility with the producers rather than taxpayers.<sup>30</sup>
- The proposed payment and sharing of the fee is appropriate:

[It] encourages those responsible for generating products to consider recyclability and life cycle impacts. It is also a mechanism through which organisations involved in recycling, reuse or disposal can be supported, and the costs of compliance and enforcement met. Though the increased costs will likely be passed onto users through increases to purchase price, removing the fee at the point of disposal decreases the perceived burden on consumers when choosing to dispose of their waste correctly.<sup>31</sup>

<sup>29</sup> DME Ltd.

<sup>30</sup> Hastings District Council, Hurunui District Council, Waikato District Council and two anonymous submitters (one iwi and one individual).

<sup>31</sup> Manawatū District Council.

## Costs

- The tyre stewardship fee should be high enough to cover the full cost of the scheme.<sup>32</sup>
- Ensure that the fee reflects the current cost of collecting tyres, and recognise that these costs vary by geographical region and the type of tyre.<sup>33</sup>

## Orphan and legacy tyres<sup>34</sup>

- Ensure there is additional funding to handle existing orphan and legacy tyres.<sup>35</sup>
- Further thought should be given to orphan and legacy tyres to avoid a risk that ratepayers will have to cover the shortfall.<sup>36</sup>

## Extend to whole of life

A common theme from submissions across several areas was that the fee proposal focuses on the costs of the end-of-life management of tyres and needs to address the whole life cycle. For a summary, see [Key issues](#).

## Other

- The fee should be reviewed regularly.<sup>37</sup>
- Base the fee structure on the actual weight of tyres provided by the tyre manufacturer or, alternatively, on the Road User Charges classes that reflect vehicle weight bands and axle numbers.<sup>38</sup>

# Fee collection entities

The proposed entities are: New Zealand Customs Service (Customs), Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and/or the accredited product stewardship organisation (PSO).

**The majority of submitters supported the proposal for a mix of entities to collect the tyre stewardship fee** (depending on the feasibility of capturing market entry with tariff codes or vehicle registration):

- 84 to 88 per cent of those who answered the question
- 62 to 71 per cent of total submissions (table 4).

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<sup>32</sup> Palmerston North City Council, Waste Management NZ Limited, two anonymous business submitters, one anonymous local authority submitter and two individual submitters.

<sup>33</sup> Anonymous business/industry supporter.

<sup>34</sup> An orphan tyre is one that has been abandoned and is deemed to no longer have an owner. Legacy tyres are stockpiled tyres that still have an owner/person responsible.

<sup>35</sup> Anonymous business/industry submitter.

<sup>36</sup> Palmerston North City Council and anonymous local government submitter.

<sup>37</sup> Auto Stewardship New Zealand, Waste Management NZ Limited and an anonymous local government submitter.

<sup>38</sup> FUSO New Zealand Ltd.



**Table 4: Tyres: Support for stewardship fee collection entities**

| Type of tyre  | Proposed fee collection entity | Agreement by those answering the question (per cent) | Agreement by total submitters (per cent) |
|---|--------------------------------|--|--|
| Loose tyres – at import   | Customs                        | 88   | 71                                       |
| Tyres attached to imported on-road vehicle – at import or first point of registration | Waka Kotahi or PSO             | 84   | 62                                       |
| Tyres attached to imported off-road vehicles – at import                              | Customs or PSO                 | 86   | 66                                       |
| Tyres made in New Zealand   | PSO                            | 85   | 62                                       |

## Comments and suggestions

### Coordination

- One agency will need to take the lead to ensure that costs and recovery are centralised, and easily monitored and reported.<sup>39</sup>
- Ensure transparency and data sharing between different fee collection entities at different points of entry to the market. Governance, transparency and independence is key.<sup>40</sup>
- Avoid duplication of services for tyres and large batteries.<sup>41</sup>

### Other comments

- The structures need to be reviewed regularly.<sup>42</sup>
- Collection can be done through existing government agencies – do not have the PSO collect.<sup>43</sup>

## Reasons for opposing the proposal

- The fee needs to help the tyre recycling industry, not Waka Kotahi or Customs.
- The fee should be paid by tyre companies removing tyres from vehicles for other uses or scrap.

## Take-back and targets

The Government proposed minimum expectations over seven years, for the performance of tyre collection services, which are termed ‘take-back services’ under the WMA. For details, see [table 6 in the consultation document](#).

<sup>39</sup> Napier City Council.

<sup>40</sup> Napier City Council and Hastings District Council.

<sup>41</sup> Hurunui District Council.

<sup>42</sup> Anonymous business/industry submitter

<sup>43</sup> EnviroNZ.

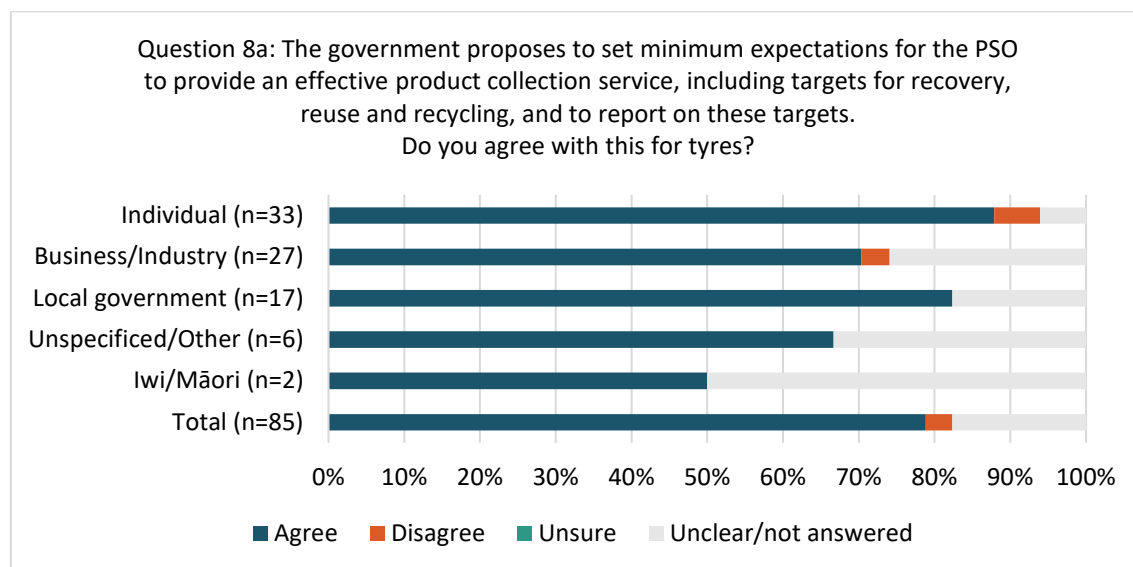
### The majority of submitters supported take-back and targets:

- 96 per cent of those who answered the question
- 79 per cent of total submitters.

Support was strongest among individuals, local government and business/industry (figure 5).

A minority did not answer the question (18 per cent) or did not agree (4 per cent).

**Figure 5: Tyres: Support for take-back and targets**



## Comments and suggestions

Reasons for support largely agreed with the rationale in the consultation document. Some also suggested ways to improve effectiveness.

### Support the circular economy

Ten submitters, mainly local authorities, wanted to see targets for reuse, repair and recycling, in addition to those proposed for the Tyrewise take-back and incentive payment system.<sup>44</sup>

One anonymous individual suggested targets to discourage harmful end-of-life tyre uses:

Not all uses of tyres are created equal. Some reuse applications can have a detrimental impact on the environment, for example small fragments of rubber and nylon can enter and contaminate the environment from people running around on artificial turfs. Would be worthwhile for specific targets to be designed to incentivise the most beneficial uses of diverted tyres.

<sup>44</sup> Hamilton City Council, Hastings District Council, Napier City Council, Tasman District Council, Waikato Regional Council, anonymous local government submitter, the Territorial Authority Waste Liaison Group, Motor Trade Association, Zero Waste Network and three individual submitters.

## Collection convenience

Suggestions for improving the collection requirements included:

- define 'convenient collection service'<sup>45</sup>
- consider geography and population, such as ensuring geographical coverage per head of population<sup>46</sup>
- provide for smaller provinces, for instance with adequate transport links to facilities in larger centres.<sup>47</sup>

## Reasons for opposing the proposal

Of the two businesses and five individuals that did not agree, one stated that their staff would not have time to collate the required data on tyre collection.<sup>48</sup>

## Quality standards for tyres

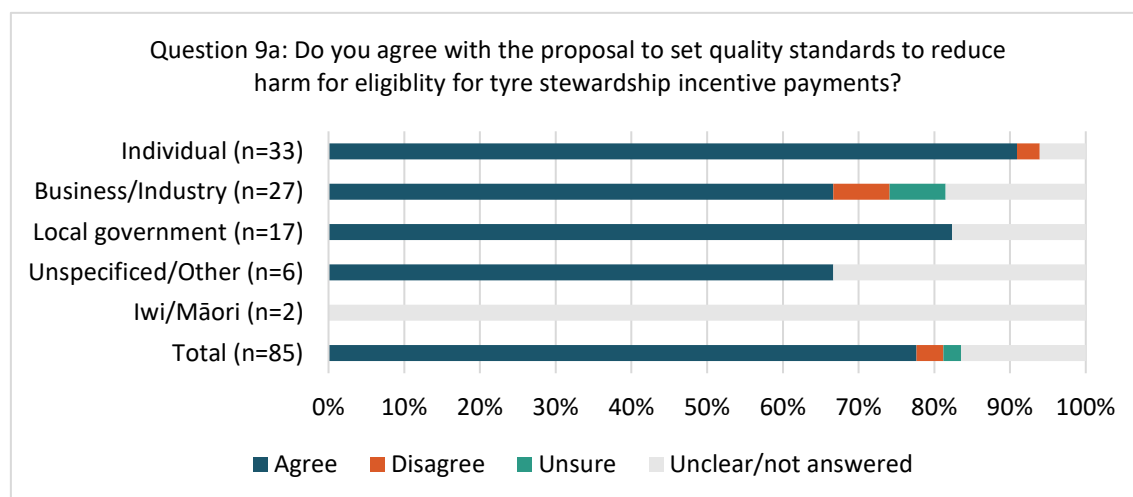
Some tyre-derived products require adherence to best practice to minimise risk of harm when they are used. It was proposed to set quality standards for eligibility for tyre stewardship incentive payments from the Tyrewise scheme.

**The majority of submitters supported quality standards for tyres:**

- 96 per cent of those who answered the question
- 79 per cent of total submitters.

Support was highest among individuals and local government (figure 6).

**Figure 6. Tyres: Support for quality standards**



<sup>45</sup> Motor Trade Association and Environment Canterbury.

<sup>46</sup> Motor Trade Association.

<sup>47</sup> Nelson Marlborough Health.

<sup>48</sup> DME Ltd.

## Comments and suggestions

### Support the circular economy

- Extend quality standards to more aspects to keep materials at their highest value.<sup>49</sup>
- Quality standards are the critical driver for circularity. How products and materials are handled determines whether or not they can be incorporated into reuse, refurbishment and repair processes as well as whether they meet the specifications for raw materials which can become incorporated as recycled content in new products.<sup>50</sup>
- Set quality standards throughout the chain of custody.<sup>51</sup>
- Ensure that quality standards apply to anyone handling the regulated product, and to storing and processing end-of-life tyres.<sup>52</sup>
- Quality standards need to be flexible enough to adapt to changing technology and design innovations.<sup>53</sup>

### Health risks

A regional health board noted potential risks of airborne particles:

During tyre recycling processes, the textile component of tyres can create a build-up of dust and fibre in machinery and the atmosphere which can have subsequent health issues for operators. This will need to be managed accordingly as part of tyre recycling.<sup>54</sup>

### Reasons for opposing the proposal

The three submitters who did not support the proposal had concerns about:

- the difficulty of ensuring the standards were met
- tyres that didn't meet quality standards not being accepted for disposal.

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<sup>49</sup> Zero Waste Network, Palmerston North City Council and others.

<sup>50</sup> Zero Waste Network.

<sup>51</sup> Palmerston North City Council, Waste Management NZ Ltd, Zero Waste Network and an individual submitter.

<sup>52</sup> Waste Management NZ Ltd.

<sup>53</sup> Anonymous local authority submitter.

<sup>54</sup> Nelson Marlborough Health.

# What we heard: Large battery regulations

## Regulatory framework

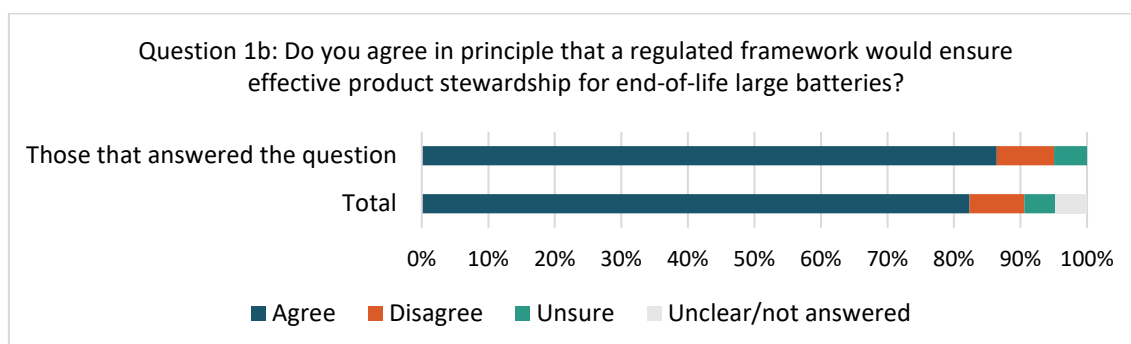
Declaring large batteries as a priority product<sup>55</sup> requires formation and accreditation of a product stewardship scheme and opens the option to restrict sale of large batteries to those who do so in accordance with the scheme. Other product regulations are available for both priority and non-priority products under the WMA. Submitters were asked whether they supported in principle such a regulated framework for large batteries.

**There was strong support in principle for a regulatory framework for large batteries:**

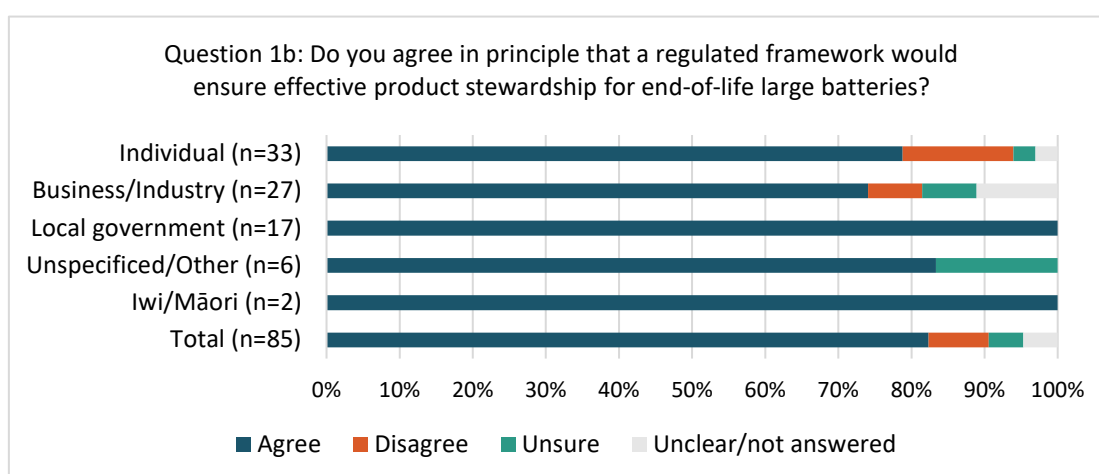
- 86 per cent of those who answered the question
- 82 per cent of total submitters (figure 7).

A minority did not agree with the proposal (8 per cent), were unsure of their response (5 per cent) or did not answer the question (5 per cent). Support was strongest among iwi/Māori, local government and 'other' submitters (figure 8).

**Figure 7: Large batteries: Support in principle for a regulatory framework**



**Figure 8: Large batteries: Support in principle for a regulatory framework, by submitter type**



<sup>55</sup> Large batteries are part of a wider priority product declaration for a wide range of electrical and electronic products, see: <https://gazette.govt.nz/notice/id/2020-go4533>.

# Comments and suggestions

## Support the circular economy

Six submitters noted that regulatory product stewardship will support the circular economy.

Government needs to implement a strong legislative and strategic framework where laws, regulation, policy and economic instruments drive change in favour of circularity and disincentivise extractive, linear approaches. This needs to be carried through into international trade agreements. The regulations proposed are a step in the right direction.<sup>56</sup>

Others found the approach equitable and timely.

A regulated scheme will ensure all responsible parties need to be party to it, which is equitable, and this will have a better impact on the environmental outcomes than a voluntary scheme. Need to act now with urgency and set up a scheme so this doesn't become an issue for future generations.<sup>57</sup>

## Benefits

- The scheme should extend the useful life of a proportion of large batteries and improve capture of recyclable materials at end of life.<sup>58</sup>
- There are more economic opportunities from recovering resources than there are from sending waste to landfill.<sup>59</sup>
- Product stewardship interventions designed to reduce material and energy consumption will trigger significant shifts in business and economic practices. Reducing waste generation and material consumption will help to mitigate climate change and resource depletion.<sup>60</sup>

Related to this theme was a call from seven submitters to amend proposals to cover the whole product life cycle, particularly to encourage improvements at the design stage. See [Key issues](#).

## Producers and retailers share responsibility

Five submitters noted that producers and retailers should share responsibility for the environmental impacts of their products.

- Currently, producers can opt out, leaving environmental costs of products to councils and the community. A regulated scheme will establish and regulate all parties' responsibilities and achieve better environmental outcomes than a voluntary scheme.<sup>61</sup>
- The proposal is a fair way of allocating responsibility to the industries and companies that are producing the goods and materials, and will have greater environmental outcomes than a voluntary approach.<sup>62</sup>

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<sup>56</sup> Zero Waste Network.

<sup>57</sup> Napier City Council.

<sup>58</sup> Transpower New Zealand Ltd.

<sup>59</sup> Environment Canterbury.

<sup>60</sup> Zero Waste Network.

<sup>61</sup> Kapiti Coast District Council.

<sup>62</sup> Zero Waste Network and an anonymous local government submitter.



## Reasons for opposing regulation

Seven submitters (8 per cent of total) did not support the proposal. Key points included:

- Do not put unnecessary impediments (eg, cost) in the way of deploying lithium batteries.
- Used electric vehicle batteries are highly sought after and will be valuable for a long time.
- A stewardship scheme may not be able to continue over the long lifespan of the batteries, and people would have to pay up front for a service that they may not use for many years.
- Fossil fuels are a higher priority and should be addressed before recycling batteries.
- Landfill disposal of lithium-ion batteries is appropriate, as they are of low toxicity.
- Provide other types of support, such as funding for start-ups and training instead. One business argued for promoting vehicle battery repair:

We need to grow the idea that the battery is an ongoing asset capable of powering their home and being upgraded with new cells so the vehicle is capable of 1 million plus km of driving. I know from my own experience in this industry to date that the statement that the batteries will 'end up on a scrap heap' and be 'expensive to replace' are people committed to selling petrol and diesel cars and those listening to fake news. The Government seems to be reacting by creating an expensive tracking scheme that will prove unworkable in the longer term. It is far better to focus on finding and encouraging the importation of a standard range of cells to replace cells in battery packs that can no longer operate a vehicle ... Importers and OEMs [original equipment manufacturers] are only focused on importing complete vehicles and if these need replacing simply because the battery no longer meets the client's requirement or they can import a whole new battery pack as this is configured for their vehicle (at great cost) then that is what they would prefer as this would be more profitable for them (but another negative and expensive for the public).<sup>63</sup>

Five submitters did not state a clear position. Two who gave reasons had similar concerns.

- The issues for electric vehicle batteries at end of life may resolve themselves globally.
- Battery value and recyclability mean that commercial demand will do the job.

## Obligation to take part

Once a priority product has been declared, it is possible to prohibit sale of that product except in accordance with an accredited scheme.

**The majority of submitters agreed that the sale of large batteries should be in accordance with an accredited scheme:**

- 85 per cent of those who answered the question
- 78 per cent of total submitters.

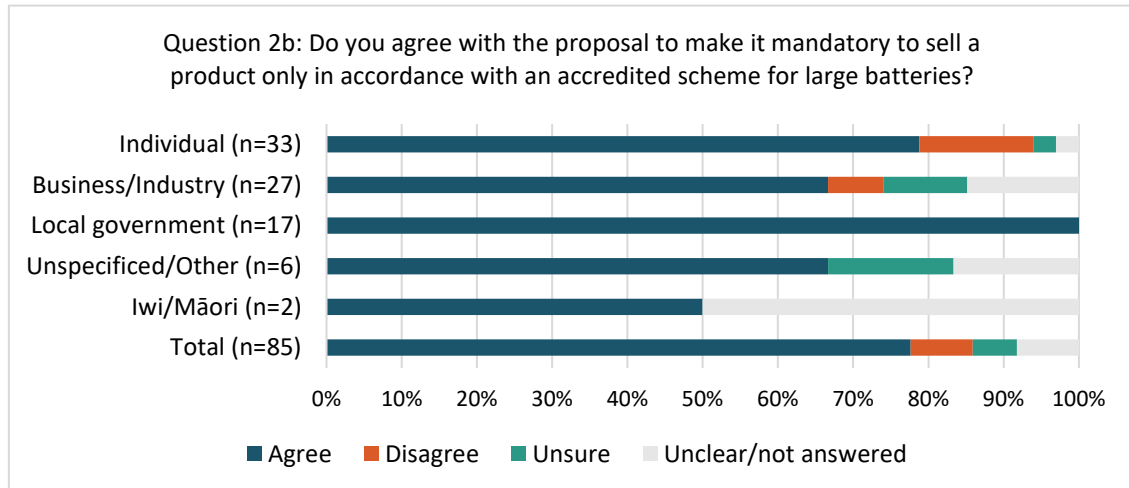
Support was strongest among local government, individuals and business/industry (figure 9).

A minority of submitters disagreed (8 per cent), did not answer (8 per cent) or were unsure of their position (6 per cent).

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<sup>63</sup> The Electric Motor Vehicle Company Ltd.

**Figure 9. Large batteries: Support for sale in accordance with an accredited scheme**



## Comments and suggestions

### Benefits

The advantages cited for this proposal included:

- ensures all producers take responsibility for the end-of-life disposal of their product
- spreads responsibility across the chain of custody of the product life cycle, and avoids free rider issues
- internalises the cost of end-of-life management
- all consumers would be able to access proper disposal pathway without cost being a barrier
- establishing the end-of-life process in advance reduces the risk of environmental harm from improper waste management
- supports the transition to a circular economy
- creates new business opportunities
- brings greater transparency.

### Define the terms

A few supporters also wanted to see clear definitions.

- Explain what ‘sale in accordance with an accredited scheme’ means for members of the public and local governments before a scheme is accredited.<sup>64</sup>
- Clearly define large batteries<sup>65</sup> and whether selling a refurbished battery is part of the act of selling.<sup>66</sup>

<sup>64</sup> Environment Canterbury.

<sup>65</sup> NZ Association of Metal Recyclers.

<sup>66</sup> Zero Waste Network.

## Reasons for opposing the proposal

A minority did not agree with the proposal (7 per cent of business/industry and 15 per cent of individuals who answered the question). Reasons included:

- End-of-life large batteries will have a high enough value to drive recycling, reuse and repurposing once the country begins its transition to electric vehicles.
- It would raise the cost of new large batteries.

## Impact on business

Submitters were asked how having to take part in the proposed large battery scheme would affect their business. We received comments from business/industry and local authorities.

### Business/industry

The predicted impacts ranged from negligible to potentially significant.

A regulated product stewardship scheme will help create stability and certainty for suppliers and provide a level playing field by limiting the participation of the informal sector which do not have to operate to the same health, safety, and environmental standards.<sup>67</sup>

The product stewardship fee will be an increased cost to our business that we will inevitably have to pass on to our customers ... The Company operates a number of electric trucks currently and is continuing to expand its electric fleet. The Company is likely to be an importer of large batteries or of complete battery electric vehicles.<sup>68</sup>

If there is a tracking system set up for batteries we would obviously have to comply as there would most likely be fines and penalties for not doing so.<sup>69</sup>

Possibly additional admin upon sale of the vehicle. Scheme costs appear negligible, but transparency should be required if the costs are being passed on from the retailer (similar to how electricity retailers split charges out on their bills).<sup>70</sup>

There are some major barriers to entry for participation in the large battery scheme ... Collection and storage sites will potentially need upgrades of their fire detection and fire-fighting systems. Transport will also be a factor as New Zealand is a combination of challenging terrain with low density population in many areas, thus impacting on the ability to move material economically.<sup>71</sup>

It is very likely that [our] members with an interest in e-waste reuse would be interested in getting involved in the refurbishment for reuse market ... As the flows of repurposable batteries increase over time they could be used to power up a wide range of community, SME and local scale activities... If large batteries were being collected through a nationwide resource recovery network in the future our members would be able to take part where they have suitable lifting equipment and storage facilities.<sup>72</sup>

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<sup>67</sup> Battery Industry Group.

<sup>68</sup> EnviroNZ.

<sup>69</sup> The Electric Motor Vehicle Company Ltd.

<sup>70</sup> Power Trip Ltd.

<sup>71</sup> NZ Association of Metal Recyclers.

<sup>72</sup> Zero Waste Network.

### *Insurance cost implications for collectors and processors*

Metal recyclers had advice about a key barrier to their involvement in large battery recycling.

The Insurance Council of New Zealand (ICNZ) has notified us that metal recycling has had issues with General (Public & Products) Liability and Statutory Liability for many years – common claims come from the leaking of batteries (including while in transit/shipping). ICNZ have said that it is common to apply a full pollution exclusion to metal recycling exposures, and cover for pollution is instead available under specialist Environmental Impairment Liability policies but few insurers offer this cover in New Zealand. This means that there is low capacity and high premiums, and insurers are being choosier about who and what they are insuring [we are] aware of members which have only managed to renew their coverage by proving that they DO NOT handle lithium-ion and other high risk rechargeable battery types. We therefore have significant concerns about the ability for sites which are handling these battery types to secure the necessary insurance moving forward and if they do, at what cost.<sup>73</sup>

### *Solar energy installers*

The value of large batteries for solar energy installations also needs to be catered for.

We are very concerned that the scheme introduces burdensome bureaucracy and increases our costs. There is the obvious cost of the proposed scheme on a per battery basis ... there is also the cost of compliance and the issue of unintended consequences.<sup>74</sup>

The battery market is going to change the landscape of power supply and transport in New Zealand. The cost of using solar for storage and car use relies on the low cost of batteries which is very high in New Zealand due to the small population and lack of scale to spread costs ... The adoption of batteries is very slow here due to cost and we don't need any more expense, this has caused the slow uptake of solar which is very connected to land based storage<sup>75</sup>

### *Equipment suppliers*

One business saw support for new uses of large batteries.

We are acting as an agent for engagement of EV [electric vehicles] to home/building electrical storage options. Although we may look at retail, we are intending to supply a unit that turns the EV into a power source that can be charged by solar options, but can feed homes/building at night. We would therefore support the involvement of any incentive, scheme, or other to the level of establishment of repurposing, recycling, and any other work NZ can create away from landfill options within its shores.<sup>76</sup>

### *Customers*

One business noted the implications for their consumers.

The people buying EVs (especially the general public) would end up paying for the compliance as this will be added to the vehicle cost. This is another negative factor they need to consider (added to a long list including range anxiety, charging time etc).<sup>77</sup>

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<sup>73</sup> NZ Association of Metal Recyclers.

<sup>74</sup> solarZero Ltd.

<sup>75</sup> Southern Plumbing & Gasfitting Ltd.

<sup>76</sup> Anonymous business/industry submitter.

<sup>77</sup> The Electric Motor Vehicle Company Ltd.

## Local authorities

### *Council collection sites*

One anonymous local government submitter noted:

Given the range of health and safety issues associated with the collection, transportation and storage of large batteries [we are] aware that investment in the necessary infrastructure, resources and training will be required to meet a range of health and safety standards. Should local authorities have a role to play in this part of the value chain (via collection and drop-off services that council own and operate), sufficient time and funding will be required to plan and provide for these functions.

Other comments:

Where territorial authorities own transfer stations or resource recovery centres they want to facilitate the easy drop off of batteries and tyres. Therefore, it is important that there be appropriate handling charges built into the scheme and timely collections at no further costs to those locations.<sup>78</sup>

For Council to participate, administration costs would increase due to recording information when receiving large batteries and submitting claims. Consideration would also need to be given to storage and safety. The proposal does not indicate what will be classified as an approved site, so the Council recommends those undertaking work installing or removing such batteries be deemed approved sites.<sup>79</sup>

A health and safety assessment will be required to ensure safe handling and storage of large batteries.<sup>80</sup>

Council anticipate that any Product Stewardship scheme will provide end-market certainty and a transfer of responsibility (physical, financial and informational) away from the public sector and individuals and back to the supply chain including consumers.<sup>81</sup>

### *Batteries in council electric vehicles*

Two anonymous local authority submitters commented on impacts for councils that had electric vehicles in their fleet.

Councils with electrical vehicle fleets will benefit by access to end-of-life management of batteries free of recycling fees.

The residual capacity and predicted falling prices for new batteries will make used bus batteries attractive for other users or applications (repurposing), potentially generating revenue ... E-bus batteries are assumed to reach their end of life after seven years and to have 80% capacity left ... There is potential for high renewal cost of batteries, as longevity in service remains uncertain. Battery disposal fees at point-of-purchase may act as a disincentive to transitioning bus fleet to battery electric and may add to bus operators' lack of confidence in new low-emission bus technologies, being uncertain of their performance and associated costs.

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<sup>78</sup> Territorial Authority Waste Liaison Group.

<sup>79</sup> Hurunui District Council.

<sup>80</sup> Palmerston North City Council.

<sup>81</sup> Marlborough District Council.

# Large battery stewardship fee

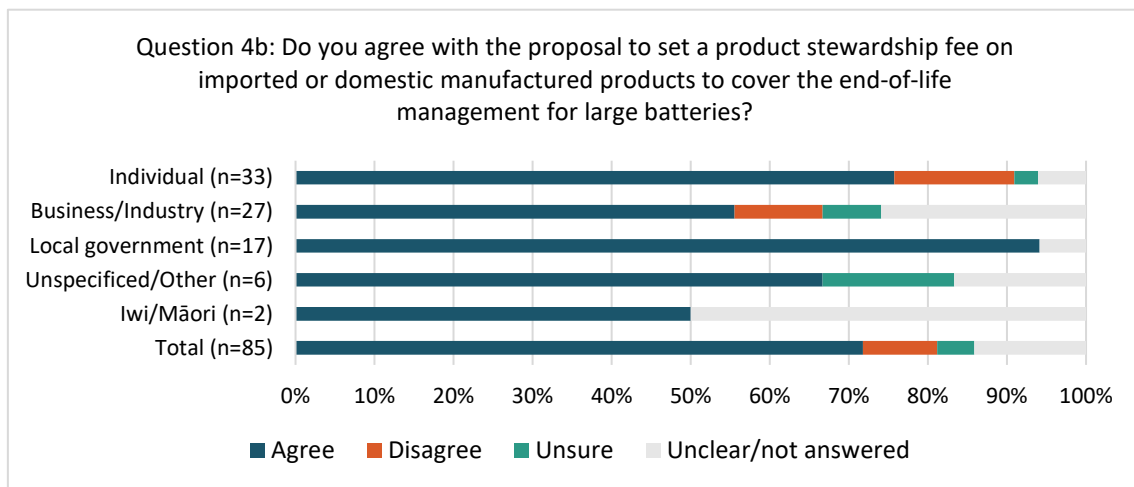
The majority of submitters supported a stewardship fee to cover the end-of-life management of large batteries:

- 84 per cent of those who responded to the question
- 72 per cent of total submitters.

Support was highest among local government and individuals (figure 10).

A minority disagreed with the proposal (11 per cent of those who answered the question and 9 per cent in total). Disagreement was from individuals and business/industry (figure 10).

**Figure 10: Large batteries: Support for a stewardship fee**



## Comments and suggestions

### A fair approach

There was support for extending responsibility to producers and consumers.

- It will prevent the cost of running the stewardship scheme placing an excessive burden on the taxpayer.<sup>82</sup>

A local authority noted:

This encourages those responsible for generating products to consider recyclability and life cycle impacts. It is also a mechanism through which organisations involved in recycling, reuse or disposal can be supported, and the costs of compliance and enforcement met. Though the increased costs will likely be passed onto users through increases to purchase price, removing the fee at the point of disposal decreases the perceived burden on consumers when choosing to dispose of their waste correctly.<sup>83</sup>

<sup>82</sup> Anonymous iwi/Māori submitter

<sup>83</sup> Manawatū District Council.



## Fee suggestions

A number of submitters supported the battery stewardship fee, but wanted to ensure it would be effective.

- The fee mechanism may not be flexible enough to respond to the actual scheme operating costs, considering the long lifespan of large batteries and likely future technological advancements.<sup>84</sup>
- The fee should cover all the costs involved in managing the system such as insurance, transport and obtaining export permits.<sup>85</sup>
- The fee rate should be conservative for the first three years, to ensure the scheme is fully funded before its first review period, when more data and actual scheme costs are available.<sup>86</sup>
- The fee should cover the costs of running initiatives to support the gathering of sufficient data to allow the longevity and ease of reuse/repair to be quantified to inform measures to ensure high quality batteries are imported that are reusable, repairable and easy to dismantle.<sup>87</sup>
- Cooperate with existing industry databases to simplify fee charging.

The weight of the cells or modules is available from the vehicle manufacturers. This information could be recorded in the MIAMI database (Motor Industry Association Model Information) by adding a new field. MIAMI records data for individual new car models, and is exported to the Motor Vehicle Register and used for other databases like Rightcar and the EECA Vehicle Fuel Economy Labels. This data can also be interrogated to identify battery weights for used-import cars, although there may be variations in battery size.<sup>88</sup>

- There should be a cap on scheme operating costs as a way to respond to market fluctuations.<sup>89</sup>
- The scheme must provide a cost-effective service as well as transparency on fee collection for liable parties.<sup>90</sup>
- The definition of battery weight should align with international schemes to support original equipment manufacturers (OEMs).<sup>91</sup>
- Avoid loopholes, such as where large batteries could be attached to electrified farm machinery or earthmoving equipment, or used for energy storage, and not be able to be put into the stewardship scheme at point of first registration (as an electric vehicle could be).<sup>92</sup>

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<sup>84</sup> WasteMINZ Product Stewardship Sector Group and an anonymous local government submitter.

<sup>85</sup> NZ Association of Metal Recyclers.

<sup>86</sup> WasteMINZ Territorial Authorities' Officers Forum; Carterton, Masterton and South Wairarapa District Councils.

<sup>87</sup> Zero Waste Network.

<sup>88</sup> Motor Industry Association.

<sup>89</sup> Transpower New Zealand Ltd.

<sup>90</sup> Environment Canterbury and an anonymous local government submitter.

<sup>91</sup> FUSO New Zealand Ltd.

<sup>92</sup> Anonymous iwi submitter.

## Balance with fossil fuel emissions fee

Some submitters supported a fee to run the battery scheme, but balanced clearly in favour of renewable energy.

To reduce the impact that this could have on the uptake of renewables, this fee should at the very least be implemented alongside an emissions fee on fossil fuels, or increase in the carbon price. At best, it would initially funded by a levy on fossil fuels, as it is a necessary part of the transition away from fossil fuels and towards EVs [electric vehicles] ... Fossil fuel prices do not currently (nor have they ever) reflect the damage caused by their use. Requiring EV batteries to do so creates an uneven playing field at a time when we need to tilt the scales the other way.<sup>93</sup>

## Impact on electric vehicle uptake

A few overall supporters did not want the fee level to discourage the uptake of electric vehicles.

Currently, the estimated increase in large battery costs for consumers associated with the product stewardships scheme is relatively minor (0.5% for a \$60K vehicle) and unlikely to affect consumer choice between EVs and internal combustion engine vehicles. It is important that this cost difference does not increase and create barriers for the switching to EVs.<sup>94</sup>

Conversely, for a few submitters this was a reason to oppose the fee proposal.

## Product design

Several submitters want to see a fee mechanism that focuses on the whole product life cycle rather than just end of life, and encourages the redesign of products for reuse and repair. See [Key issues](#).

## Reasons for opposing the proposal

Reasons given by the five individuals and three businesses against the fee, in addition to those they gave for the other questions, were:

- Calculating it accurately was not possible due to the batteries' long lifespan and likely technological advances.<sup>95</sup>
- Efforts should be made instead to ensure that batteries were better designed, such as by replacing lithium.<sup>96</sup>

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<sup>93</sup> Power Trip Ltd.

<sup>94</sup> Transpower New Zealand Ltd.

<sup>95</sup> solarZero Ltd.

<sup>96</sup> DME Ltd.

## Fee collection entities

The proposed entities are: Waka Kotahi New Zealand Transport Agency (Waka Kotahi) and/or the accredited product stewardship organisation (PSO).

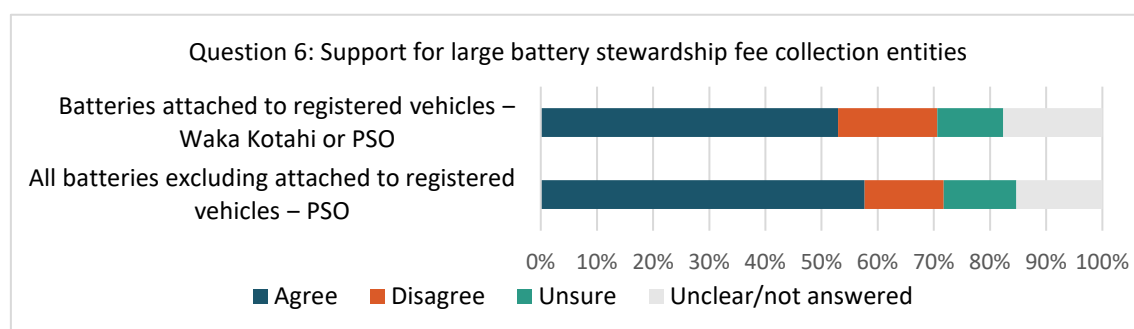
**A slim majority of submitters supported the proposal for a mix of entities to collect the large battery stewardship fee** (depending on feasibility of capturing market entry with tariff codes or vehicle registration):

- 64 to 68 per cent for those who answered the question
- 53 to 58 per cent of total submissions (figure 11, table 5).

Support was highest among individuals and local government. A small majority of business/industry were in support (46 to 56 per cent of those who answered).

The balance of submitters disagreed (14 to 18 per cent), were unsure (12 to 13 per cent) or did not answer (15 to 18 per cent).

**Figure 11: Large batteries: Support for fee collection entities, by market entry point**



**Table 5: Large batteries: Support for stewardship fee collection entities**

| Point of battery entry into market   | Proposed fee collection entity | Agreement by those answering the question (per cent) | Agreement by total submitters (per cent) |
|--|--------------------------------|--|--|
| Loose large batteries – at import  | PSO                            | 68   | 58                                       |
| Large batteries attached to imported on-road vehicles – at import or first point of registration | Waka Kotahi or PSO             | 64   | 53                                       |
| Large batteries attached to imported off-road vehicles – at import                               | PSO                            | 68   | 58                                       |
| Large batteries made in New Zealand  | PSO                            | 68   | 58                                       |

## Comments and suggestions

### Waka Kotahi

Five submitters agreed with the proposal but wanted the PSO, not Waka Kotahi, to collect the fee on large batteries attached to on-road vehicles at point of registration. Reasons included that this would follow the Battery Industry Group (B.I.G.) scheme design recommendation and avoid setting up multiple systems.<sup>97</sup>

The co-design group itself was concerned that involving Waka Kotahi would mean the consumer bore the cost.

Applying the fee in this manner removes any obligation from importers to take an active involvement in the recovery process, taking product back, or favouring design or importation of product that attracts lower product stewardship fee (through eco-modulation). This would be an extremely disappointing outcome if it were to be implemented.<sup>98</sup>

A sector group was concerned that this would not adequately anticipate blockchain functionality.

[T]he intent (at this stage) is to utilise a blockchain based system that can provide end-to-end visibility and management of batteries through their life cycle. If this is to be undertaken then all of the batteries imported in vehicles will need to be entered into this system anyway, and the use of the Waka Kotahi system is effectively redundant.<sup>99</sup>

Several supporters wanted greater clarity or assurance. This included better information on the amount required for an information system upgrade for Waka Kotahi<sup>100</sup> and good information sharing between government fee-collecting agencies and the PSO.<sup>101</sup>

### Customs as the collection entity

Three submitters wanted the New Zealand Customs Service (Customs) to be the collection entity. They believed Customs would be able to capture batteries at first point of import, and for electric vehicle importers, payment would be a one-stop shop for batteries and tyres.<sup>102</sup> Another saw a more effective opportunity to capture fees:

Data should be via NZ Customs declaration as that presents the least risk of free riders (those importers who won't declare import of large batteries but will take advantage of the end-of-life management). However, acknowledge that the large battery scheme as proposed uses an eco-modulated fee model which doesn't fit with the fee collection opportunity with NZ Customs hence there needs to be a match between import data (actual names) and the ability to invoice for the fee.<sup>103</sup>

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<sup>97</sup> Napier City Council.

<sup>98</sup> Battery Industry Group.

<sup>99</sup> WasteMINZ Product Stewardship Sector Group.

<sup>100</sup> Motor Trade Association.

<sup>101</sup> Ia Ara Aotearoa Transporting New Zealand.

<sup>102</sup> Hurunui District Council.

<sup>103</sup> Auto Stewardship New Zealand.

## Reasons for opposing or unsure about the proposal

One submitter did not support the PSO collecting the fee as it was an unnecessary complication when government agencies could capture the fee.<sup>104</sup>

Four submitters disagreed with both proposals. The main reasons were:

- They did not support the idea of battery stewardship fee.<sup>105</sup>
- It would add more costs on to a fledgling industry.<sup>106</sup>
- They disputed the need for a battery stewardship scheme.

A significant group (28 to 30 per cent) of submitters either did not answer these two questions or were unsure of their view. Of those that gave reasons, the themes were:

- Do not have enough in-depth knowledge of the large battery situation to comment.
- Supportive of the fee but unsure which collection agency would be best.

## Take-back and targets

The Government proposed minimum expectations over seven years, for the performance of tyre collection services, which are termed 'take-back services' under the WMA. For details, see [table 6 in the consultation document](#).

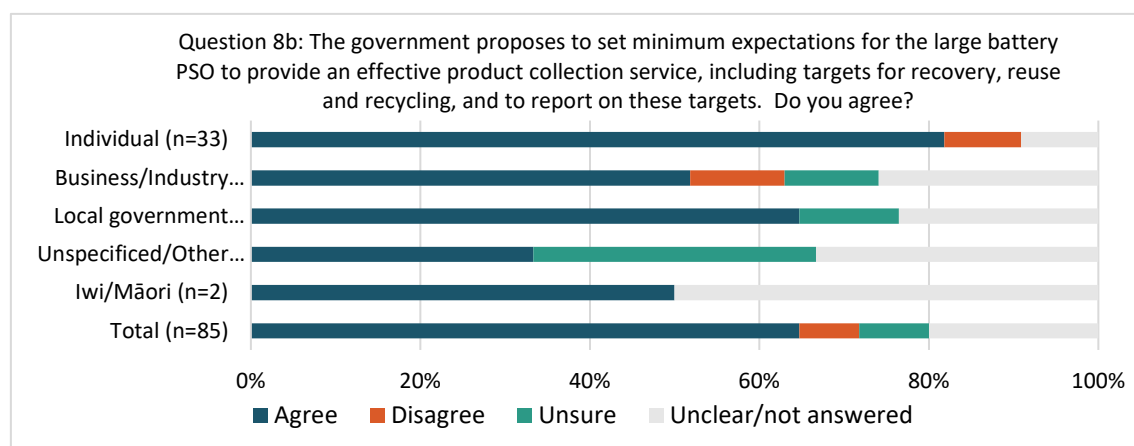
**The majority of submitters supported take-back and targets for large batteries:**

- 80 per cent of those who answered the question
- 65 per cent of total submitters.

Support was highest among individuals and local government (figure 12).

Two businesses and five individuals did not support the proposal.

**Figure 12: Large batteries: Support for take-back and targets**



<sup>104</sup> EnviroNZ.

<sup>105</sup> solarZero Ltd.

<sup>106</sup> The Electric Motor Vehicle Company Ltd.

## Comments and suggestions

### Monitoring and accountability

Key reasons for support were that targets and take-back will:

- hold the PSO and scheme participants accountable for delivering results
- give the Ministry data to monitor the effectiveness of the scheme.

Other comments included:

Setting targets and monitoring achievement against them is important to gauge and communicate the success of the scheme, as well as helping identify areas for improvement.<sup>107</sup>

### Targets

Two submitters noted that the proposed targets were fair and achievable.<sup>108</sup> Another recommended postponing them until data was improved.

Targets should be set but only once we have better data on battery volumes and end-of-life management. Currently, possible to determine the number of scrapped Nissan Leafs, but this doesn't include the number of batteries that have been sold on the second-hand market or stockpiled for example. Very little is known about hybrid batteries or where they currently end up at the end of their useful life.<sup>109</sup>

### Data and compliance

Several supporters commented on data and compliance:

- Capture and analyse good-quality data to inform continual improvement.<sup>110</sup>
- Ensure collectors of large batteries are registered with the PSO, so that compliance with standards and data collection is enforceable, and to protect the environment and human health.<sup>111</sup>

### Reasons for opposing or unsure about the proposal

One business noted that their staff would not have time to collate the required scheme data.<sup>112</sup>

Of the seven submitters that were unclear about their position, comments included:

- The critical issue is ensuring end-of-life solutions for the batteries.<sup>113</sup>
- More information is needed, such as who manages them, how they will be measured, and are timeframes achievable.<sup>114</sup>

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<sup>107</sup> Manawatū District Council.

<sup>108</sup> Environment Canterbury; Tyremax LP.

<sup>109</sup> Hastings District Council, Napier City Council.

<sup>110</sup> The Territorial Authority Waste Liaison Group

<sup>111</sup> Zero Waste Network.

<sup>112</sup> DME Ltd.

<sup>113</sup> Palmerston North City Council.

<sup>114</sup> WasteMINZ Product Stewardship Sector Group.

# Quality standards for large batteries

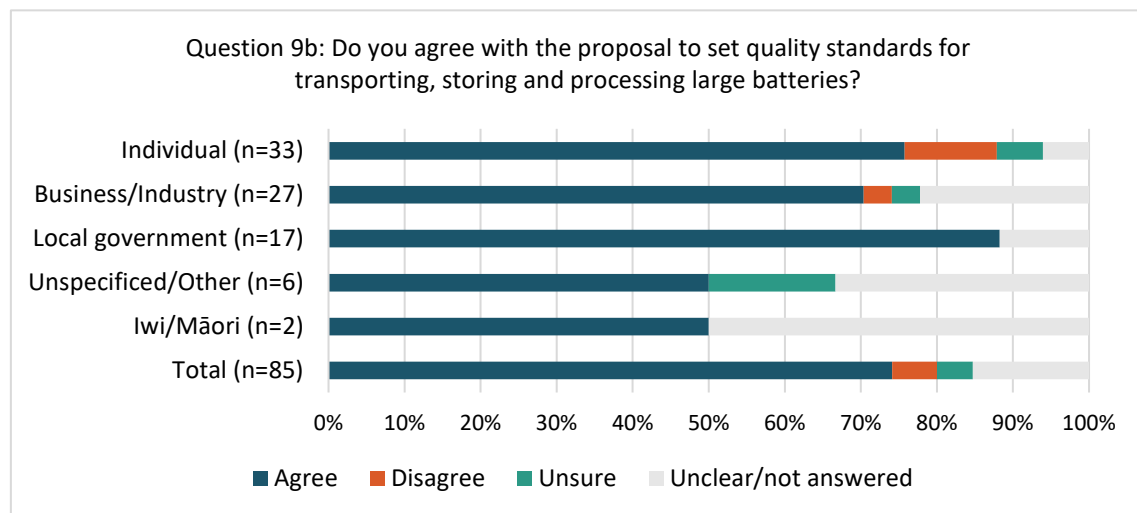
To ensure that best practice is followed to prevent harm, the Government proposes to set quality standards for transporting, storing and processing large batteries.

## The majority of submitters agreed with the proposal:

- 88 per cent of those who answered the question
- 74 per cent of total submitters.

Support was highest among local government and business/industry (figure 13).

**Figure 13: Large batteries: Support for quality standards**



## Comments and suggestions

Reasons for support mainly related to reducing risk of harm to the environment and human health when transporting, storing and processing large batteries.<sup>115</sup>

### Wide coverage

- Standards need to be applicable for all of these activities even if the operator is not registered with the PSO as an approved entity.<sup>116</sup>
- Registered electricians need to adhere to any standards (for stationary storage systems).<sup>117</sup>
- Extend the standards to offshore service providers (or third parties) to ensure the integrity of the scheme.
- Expand the quality standards to apply to the PSO, such as ISO-37000 International Standard for Governance of Organisations.<sup>118</sup>

<sup>115</sup> Hurunui District Council and 10 others.

<sup>116</sup> Zero Waste Network.

<sup>117</sup> Kāpiti Coast District Council and two others.

<sup>118</sup> Auto Stewardship New Zealand.

## Compliance

- The standards would need to be in place before an accredited recycler or other service provider received scheme payments.<sup>119</sup>
- There should be a register of companies approved to collect batteries – these will probably be the same businesses doing the recycling. Batteries can produce high currents and voltages, and must be handled by knowledgeable people.<sup>120</sup>
- The sector will need infrastructure investment to meet the quality standards, so sufficient time and funding will be required to meet the standards.

## Include design standards

- Design standards ensure large batteries can be cost effectively and conveniently repaired, reused or recovered.
- An anonymous iwi/Māori submitter noted the design implications for unsustainable materials and practices embodied in large batteries:

If we do not take comprehensive action to achieve true stewardship, we will continue to be culpable for the very negative environmental and social consequences of excessive and unsustainable extraction of cobalt and other minerals.

## Reasons for opposing the proposals

Five submitters did not support the proposal. Reasons given included the following:<sup>121</sup>

- The market will address the risk of harm and regulation is not necessary.
- There will be a market demand for second-life repurposing.
- The proposed standards do not address the offshore environmental risk.
- There is existing legislation in place.

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<sup>119</sup> Napier City Council and WasteMINZ Territorial Authorities' Officers Forum.

<sup>120</sup> The Electric Motor Vehicle Company Ltd.

<sup>121</sup> Southern Plumbing & Gasfitting Ltd and three individual submitters.



# What we heard: Monitoring and enforcement

A number of submitters commented on the importance of a framework to enable effective compliance and desired outcomes.

Compliance, monitoring and enforcement are important to ensure the rules are being followed. Setting limits, clearly defining concepts and standards and creating transparency will help drive innovation and enable more strategic procurement.<sup>122</sup>

The ideas behind how product stewardship schemes work can be complex, and for them to achieve their stated outcomes, it is vital that the public has confidence that they are being scrutinised and participants are doing what they should.

Enforcement of fee collection and compliance with quality standards was particularly mentioned. Submitters recommended focusing on, for example:

- ensuring that fee collection can be enforced<sup>123</sup>
- the need for expectations to be set as to how to manage risks, and providers needing to be monitored to ensure they are complying.<sup>124</sup>

## Recovery of monitoring costs

The Government proposed that the Ministry recover the costs of monitoring the performance of the accredited scheme from the scheme manager.

This question had a low response rate (45 per cent of total submitters).

This proposal did not receive majority support from all submitters. Among those that answered the question, however, a clear majority was in support:

- 87 per cent of those who answered the question
- 39 per cent of total submitters.

The highest support was from unspecified/other and business/industry (figure 14).

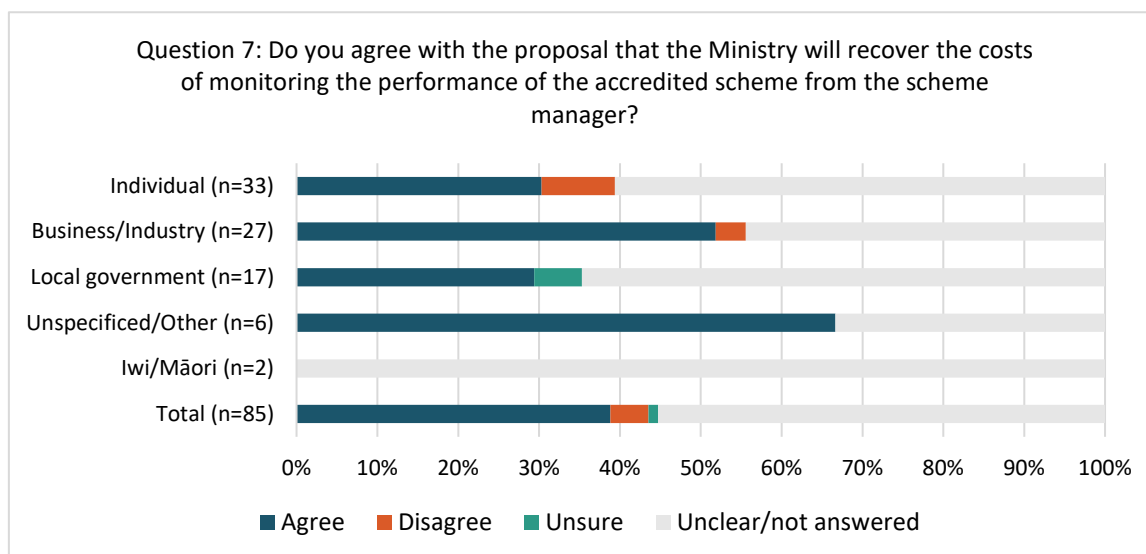
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<sup>122</sup> Transpower New Zealand Ltd.

<sup>123</sup> Tyremax LP.

<sup>124</sup> WasteMINZ Product Stewardship Sector Group.

**Figure 14: Support for Ministry to recover scheme monitoring costs**



## Comments and suggestions

### Scheme-funded monitoring

Submitters considered monitoring a key part of the scheme operation, therefore the costs should be fully funded from the scheme. Monitoring was also seen to be part of the end-of-life management of the products, which is more appropriate to be paid by the parties involved than the general taxpayer. One business/industry submitter noted:

The cost is directly connected with the operation of the scheme, and this seems a fair outcome where the cost is linked directly to the benefit derived from the scheme.<sup>125</sup>

### Government oversight

Submitters considered government oversight crucial to the scheme achieving its objectives. To enable this, the scheme should cover the cost as part of scheme operation. A number of local government submitters noted:

There definitely needs to be government oversight of the schemes, and this should be paid for by the scheme as [it] should cover all of its costs.<sup>126</sup>

### Transparent costs

Business/industry, local government and members of the public shared similar concerns. These included whether the costings were appropriate, what actions the costs would cover on the ground, and whether the functions were part of the normal operating costs of the scheme. The scheme co-design coordinator noted:

We have concerns with the level of costs identified for compliance activity in relation to large batteries by the Ministry for the Environment [MfE]. The consultation document

<sup>125</sup> Tyremax LP.

<sup>126</sup> Carterton, Masterton, and Wairarapa District Councils joint submission, Hastings District Council, Napier City Council and Waste MINZ Territorial Authorities' Officers Forum.

does not make clear what enforcement actions will be undertaken as part of this fee. We note that the level of fee for MfE to monitor the scheme and the fee for NZTA [Waka Kotahi New Zealand Transport Agency] to simply collect the fee are both higher than the fee for the PSO to operate the entire scheme. These costs seem out of proportion and require greater transparency.<sup>127</sup>

## Other comments

- There are cash flow implications for the scheme operator, where monitoring costs could be fixed but the revenue could fluctuate due to various market conditions.<sup>128</sup>
- Only support this for the tyre scheme, and oppose a stewardship scheme for large batteries.<sup>129</sup>

## Reasons for opposing the proposal

Four respondents did not agree with the Ministry recovering the costs: three members of the public and one business/industry. The reasons were: there is no need to monitor the scheme, and the Ministry should bear the cost of independent monitoring as guardian of the system.

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<sup>127</sup> Battery Industry Group.

<sup>128</sup> Auto Stewardship New Zealand.

<sup>129</sup> Two individual supporters.

# What we heard: Key issues

This consultation was held in parallel with consultations on a new waste strategy and revision of the WMA. Below are the themes that connect to those wider issues and proposals, or relate to scheme design which goes beyond current WMA regulations.

## Honour Te Tiriti o Waitangi

Two submissions were from iwi/Māori entities. Both stressed the need for urgent action consistent with the Treaty partnership between the Crown and Māori.

We strongly agree with the statements made in the consultation document that Māori are guaranteed protection and management of taonga under Te Tiriti o Waitangi, and that poor management of waste presents a risk to these taonga. Additionally, we believe that poor management of waste does not just carry the risk of *future* damage to taonga but that poor management of waste has also *already* caused harm. This damage represents a breach of Te Tiriti o Waitangi. Therefore, the focus must be not just on reducing future harm but also on remedying past harm.<sup>130</sup>

[Our iwi authority] strongly supports the work the Government is doing to improve management of waste and eventually achieve a circular economy, including the establishment of a regulated framework and stewardship scheme for tyres and large batteries. The current situation with end-of-life tyres, has gone on for decades, with a similar issue coming with large batteries. It is not acceptable that 6.5 million tyres are imported into New Zealand, 70% of which are sent to landfill, illegally dumped, left in storage or stockpiled every year, or that an estimated 84,000 large batteries could reach end of use by 2030, with no plan as [to] how we will deal with them. A rigorous and reliable solution is now well overdue and needs to be finalised and implemented as soon as possible.<sup>131</sup>

The message was also clear that both the laws and the Treaty relationship need to be significantly improved to obtain desired outcomes.

...the current climate emergency poses enormous threat to communities, te taiao, and our survival as a species [and] radical change is now required to escape disastrous consequences ... proposals for the waste strategy and legislative reform were, as they are here: catastrophically inadequate. And we proposed a Crown-Māori partnership to lead a new Oranga Taiao national agency to operationalise waste and emissions reductions. We repeat [our previous] calls to action.<sup>132</sup>

...retaining a seat for 'iwi' at the 'co-design' working group table alongside industry, recyclers and local government does not uphold the Crown's constitutional Tiriti responsibilities. Māori are not a 'stakeholder' in a similar way a tyre retailer or battery recycling centre might be, and iwi cannot represent the views of all hapū. Further, we note

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<sup>130</sup> Para Kore Marae Incorporated.

<sup>131</sup> Anonymous iwi submitter.

<sup>132</sup> Para Kore Marae Incorporated. In December 2021, this group and 169 individuals and/or rūpū from across Aotearoa made a collective submission in response to the consultation on Ministry for the Environment. 2021. *Te kawe i te haepapa para | Taking responsibility for our waste: Proposals for a new waste strategy; Issues and options for new waste legislation*. Wellington: Ministry for the Environment. Retrieved from <https://environment.govt.nz/publications/taking-responsibility-for-our-waste-consultation-document> (May 2022).

the Crown cannot decide on behalf of Māori whether this is a 'general risk rather than one specific to individual iwi or rohe'. This is for Māori to consider, decide and articulate.

...the Ministry confirms that 'specialist iwi advisors have informed the product stewardship programme and scheme design' and we applaud the Crown's intention and commitment to including their Te Tiriti partners in the development of these proposals. However we find it of great concern that the 'specialist iwi advisors' referred to are not listed so we do not [know] who these people are, which iwi they affiliate to, what background they might have that allows them to be considered 'specialist' and what their full recommendations were to the government, and whether the government has taken on their recommendations in full, or not. It is important to note in relation to this point that hāpū and iwi are not always in agreement, and that an iwi representative does not always have authority to speak for, or over hāpū. Hāpū are distinct from iwi, able to speak and decide for themselves. Hāpū were guaranteed the right to tino rangatiratanga in Te Tiriti o Waitangi and as it is the requirement of the Crown to uphold this aspect of the partnership agreement by creating space for hāpū to contribute and be part of the decision-making process, as well as iwi.<sup>133</sup>

## Address the whole life cycle, not just end of life

This consultation focused on proposed regulations for two priority products under the WMA. A clear message from a number of submitters was that product stewardship regulations, and their legislative framework, should be much more ambitious.

Submitters were concerned that the stewardship schemes focused on managing end-of-life products rather than the full life cycle of the product.

This focus is out of step with global thinking and the universal policy goals framework. Future work on product stewardship needs to expand the thinking beyond 'end of life' product stewardship as it restricts thinking and action to a very small part of the supply use and recovery chain. This approach will not deliver the circular economy outcomes sought.<sup>134</sup>

An anonymous iwi/Māori submitter noted:

Despite our support we see it as odd to talk about circularity and stewardship, but only talk about end of life. Stewardship encompasses the social and environmental footprint of the things we produce and consume in their entirety, from the cradle to the grave. It can only be achieved if we integrate all parts of the life cycle of products in our response; from extraction of raw materials from the ground, to design to enable efficient recycling and reuse, and finally assurance and control at end of life. Without this, we will not achieve a successful outcome and undesired social and environmental consequences arising from how we exploit the world's resources remain unaddressed.

They also noted implications for solutions which integrate overseas supply chains, which:

...[should only be] provided for if we can ensure this is consistent with achieving a circular economy, our climate change response, and our duty to be socially and environmentally responsible at a global scale ... [we are] particularly concerned about the concept of shredding tyres for export as 'high energy tyre-derived fuel' for use in coal fired power plants overseas. This is not a true solution, and simply exports a problem to another community and environment. It does not support the achievement of a circular economy.

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<sup>133</sup> Para Kore Marae Incorporated.

<sup>134</sup> Zero Waste Network.

## Cover the whole life cycle

A key concern was that restricting stewardship to end of life would not achieve the desired outcomes. Comments included:

- Well-designed product stewardship needs to change the way a product is designed to avoid and/or reduce waste at the start, rather than focusing only on recycling and keeping materials in circulation.<sup>135</sup>
- Stewardship should cover the whole chain of custody and encourage the design of longer lasting batteries that are easier to dismantle, repair and reuse.<sup>136</sup>
- Prevention of waste should be an important part of any strategy to reduce waste. Government should regulate importation of batteries for maximum service life and ease of repair.<sup>137</sup>
- Future stewardship schemes should deal with the harm caused by products, not just end-of-life products.<sup>138</sup>

An anonymous iwi/Māori submitter noted:

Stewardship encompasses the social and environmental footprint of the things we produce and consume in their entirety from cradle to the grave. This can only be achieved if we integrate all parts of the life cycle of products in our response from extraction of raw materials from the ground, to design to enable efficient recycling and reuse, and finally assurance and quality controls at end of life.

## Require better design

A number of submitters wanted regulation to reduce impacts over the product life cycle, in particular to require better product design to prevent waste.

Several submitters referred to the waste hierarchy. This is a pyramid framework ranking the preferred order of resource management, with designing out waste at the top, and disposal as the least preferable at the bottom.

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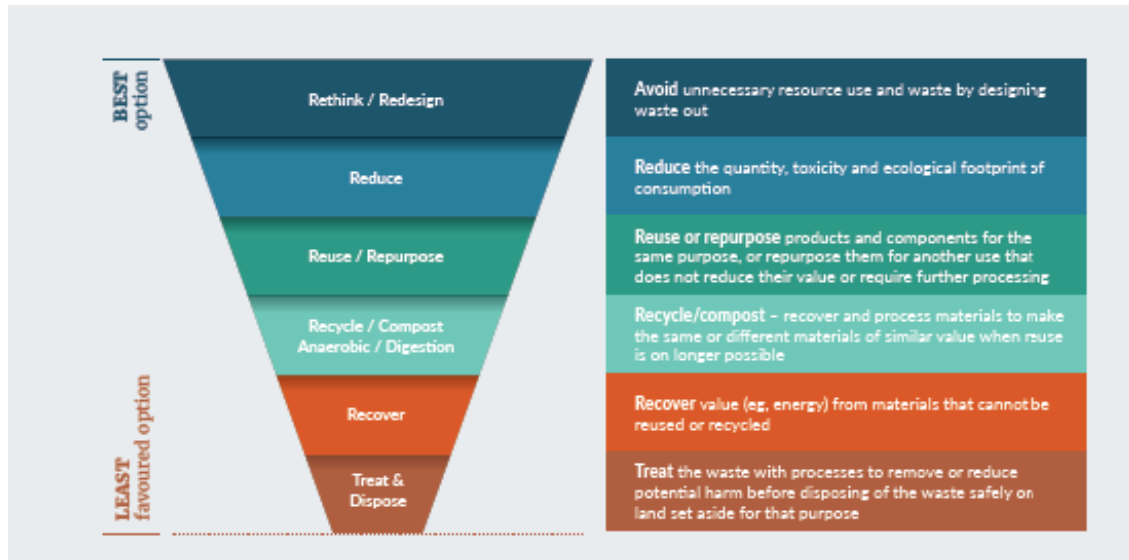
<sup>135</sup> Anonymous local authority submitter.

<sup>136</sup> Individual submitter.

<sup>137</sup> Environment Canterbury.

<sup>138</sup> WasteMINZ Product Stewardship Sector Group.

**Figure 15: The waste hierarchy**



Comments included:

- Products should be regulated for maximum service life and ease of repairs.<sup>139</sup>
- Product designers should be encouraged to design products that can be easier to dismantle, improve ease of repair/reuse, recyclability, durability and use of recycled content.<sup>140</sup>
- Targets should focus on the top of the waste hierarchy.<sup>141</sup>
- The Government should provide producer design guidelines to encourage product design for use and deconstruction.<sup>142</sup>
- Regulate so that the stewardship fee cannot fully be passed on to consumers. This will send a price signal to the producer, encouraging them to design out waste from their products.<sup>143</sup>

The stewardship should not be restricted to end-of-life tyres, it should cover the whole chain of custody and hence influence improvements in the handling of tyres targeted at the top of the waste hierarchy, influencing the design of longer lasting tyres and tyres that shed less toxic materials into our environment.<sup>144</sup>

The focus needs to be at the top of the waste hierarchy to make tyres more durable, to reduce the toxic elements used, to reduce the volume of microplastics that slough off tyres during the use phase.<sup>145</sup>

<sup>139</sup> Environment Canterbury.

<sup>140</sup> Individual submitter.

<sup>141</sup> Hamilton City Council, Waikato Regional Council, and Zero Waste Network.

<sup>142</sup> Hastings District Council.

<sup>143</sup> WasteMINZ Product Stewardship Sector Group.

<sup>144</sup> Individual submitter.

<sup>145</sup> Zero Waste Network.

[The proposal] does not address the issue of having too many tyres due to our high private vehicle ownership and lack of retreading or other repair options for private vehicle tyres.<sup>146</sup>

Several submitters made recommendations on how to encourage manufacturers to design for durable and repairable tyres, and safer and easier to recycle large batteries, including through wider use of the proposed stewardship fees.<sup>147</sup>

Suggestions included:

- Fee costs and allocations are too focused on the costs of the end-of-life management.<sup>148</sup>
- Funding must be invested in the top tiers of the waste hierarchy, rather than on solutions in the bottom third.<sup>149</sup>
- Introduce a fee structure that is eco-modulated.<sup>150</sup>
- Set the fees at a level that allows for the transportation of end-of-life tyres and batteries to be undertaken by zero-emission vehicles, so that the scheme can positively contribute to meeting climate change targets.<sup>151</sup>
- Targets should also incorporate emissions from vehicles used to transport large batteries.<sup>152</sup>
- The fee should also contribute to activities that encourage a shift to active transport or public transport and behaviour change around tyre maintenance.<sup>153</sup>
- Require product ecolabels to enable consumer identification of products that are fit for purpose and have fewer life cycle impacts, such as required in the European Union for tyres.<sup>154</sup>

## Waste prevention research

In support of reducing harm from the whole product life cycle, submitters called for further research, such as:

- second- and third-life applications for large batteries<sup>155</sup>
- how fee modulation could be used to influence product design and reduce mining of raw materials
- how tyres contribute to microplastics<sup>156</sup>

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<sup>146</sup> WasteMINZ Product Stewardship Sector Group.

<sup>147</sup> Hastings District Council, Kāpiti Coast District Council and others.

<sup>148</sup> WasteMINZ Territorial Authorities' Officers Forum.

<sup>149</sup> Hamilton City Council.

<sup>150</sup> WasteMINZ Territorial Authorities' Officers Forum.

<sup>151</sup> FUSO New Zealand Ltd.

<sup>152</sup> Ibid.

<sup>153</sup> Zero Waste Network.

<sup>154</sup> Napier City Council; Carterton, Masterton and South Wairarapa District Councils; Hastings District Council.

<sup>155</sup> Ia Ara Aotearoa Transporting New Zealand.

<sup>156</sup> WasteMINZ Product Stewardship Sector Group.



- data to assess which brands and models of tyres perform the best in terms of their impact on the environment.<sup>157</sup>

## Other legislation or regulation

[T]his consultation focuses on the scheme design rather than the wider waste strategy that underpins the scheme. Although the proposed product stewardship scheme for tyres and large batteries was developed based on the current waste strategy it will work more effectively with support from the proposed waste strategy with its proposed circular intent and strengthened legislation.<sup>158</sup>

Some submitters mentioned their submissions to the national waste strategy and legislation review,<sup>159</sup> proposing a range of new approaches.

- Enable flexible product stewardship fee structures such as eco-modulation.<sup>160</sup>
- Set up an independent central government entity to manage waste (including regulated product stewardship schemes).<sup>161</sup>
- Require consumers by duty of care regulations to dispose of products at an accredited collection point.<sup>162</sup>
- Strengthen local government enforcement powers for illegal dumping.<sup>163</sup>
- Introduce a polluter pays tax or levy.<sup>164</sup>

Other regulatory tools were recommended, some currently available under the WMA (landfill bans, product labelling) and some not (licensing operators and waste export bans to support efficient product stewardship schemes).

## Scheme design and implementation

Others suggested changes relating to scheme design and implementation, including some generic points and others specific to a scheme.

- The schemes should be independently reviewed.<sup>165</sup>
- Information technology systems need to consider data usage, storage and privacy issues.<sup>166</sup>

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<sup>157</sup> Zero Waste Network.

<sup>158</sup> NZ Association of Metal Recyclers.

<sup>159</sup> <https://environment.govt.nz/publications/taking-responsibility-for-our-waste-consultation-document/>

<sup>160</sup> Palmerston North City Council.

<sup>161</sup> WasteMINZ Territorial Authorities' Officers Forum and one other.

<sup>162</sup> Waikato Regional Council.

<sup>163</sup> Manawatū District Council.

<sup>164</sup> Anonymous local government submitter.

<sup>165</sup> Individual submitter.

<sup>166</sup> Environment Canterbury.

## Tyre scheme

- The tyre scheme should be established by March 2023 at the latest, rather than having that as an ‘earliest possible start date’, to reflect the urgency of the current situation.
- The focus of the scheme needs to be on market creation for uses higher up the waste hierarchy.

The concept that incineration is what is on offer from the market misses the essence of the whole-of-life systemic approach that underpins stewardship ... Tyres should be circulated back to primary production and not incineration.<sup>167</sup>

...[use] incentives to encourage solutions to be developed that focus higher up the waste hierarchy is supported, to encourage solutions that don’t use tyres as fuel.<sup>168</sup>

- The scheme incentive payments should also apply to tyre retreading.

Retreading truck tyres is a modern efficient process and has a place in the circular economy.<sup>169</sup>

- The people receiving the disposal money must be audited closely.<sup>170</sup>
- Audit and issue a certificate of compliance for tyre management.

Currently the final disposal of the tyres is not being monitored. Due to improper disposal by several collectors shipping lines are refusing to carry this cargo. However, this issue can be resolved if the whole process of disposal of end-of-life tyres is audited and a certificate issued ... Surety on disposal in an environmentally friendly manner, cargo movement monitored and audited hence no room to damage the environment.<sup>171</sup>

- Funding will be required for tyre storage depots.

Sites need to be funded, need to meet minimum standards such as concrete floors security fencing and an office [and] facilities to clean soiled tyres ... Storage sites need to be minimum 3,000 square metres, and maximum 10,000 square metres in area. Need minimum 40 sites around the country.<sup>172</sup>

- Collection facilities will need the capacity to manage large volumes of tyres that have been waiting to be processed. The scheme could be overrun on day one with legacy tyres.<sup>173</sup>
- The scheme is too complex, with product, data and payments in multiple directions, and poor incentives for retailers.

It needs to be simplified and the status quo ‘pay for service’ market dynamics maintained ... This will be administratively burdensome and expensive to manage. We believe the Scheme could be simplified with more limited involvement by the Scheme Manager.<sup>174</sup>

... tyre sellers/tyre fitters (Generators) are required to accept/collect the end-of-life tyres. They don’t get paid by any party. In addition, they don’t pay the Transporter to collect the stockpiled tyres and cart them away. The Transporter is paid by the Scheme. There needs

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<sup>167</sup> Marlborough District Council.

<sup>168</sup> Zero Waste Network.

<sup>169</sup> Power Retreads.

<sup>170</sup> BG Marketing.

<sup>171</sup> Individual submitter.

<sup>172</sup> Anonymous business/industry submitter.

<sup>173</sup> Goodyear Dunlop Tyres NZ and Happy Valley Ventures.

<sup>174</sup> EnviroNZ.

to be an incentive for the Generators to perform their collection function compliantly ... [to ensure] normal market driven master servant relationships apply that will enhance safety, quality, cost effectiveness and service performance.<sup>175</sup>

## Large battery scheme

- The large battery scheme should evolve to design out waste.
- The scheme should be independently reviewed.
- Large batteries should only be exported if they will be managed in line with circular economy principles.
- Tyre collection and storage sites could also be used for storing batteries.
- One anonymous local authority submitter asked for clarify on scheme payments with multiple opportunities for upcycling.

We request further clarification about whether multiple payments would be made to service providers for the same battery during the different phases of its multiple uses and end of life. We express our expectation that the scheme will not reduce the opportunity for income generation when selling a large battery for repurposing (i.e. bus operators will be able to sell reduced-charge batteries without additional charges or fees applied).

### *Cover both large and small batteries*

- Ensure out-of-scope large batteries are covered by the wider e-waste scheme.
- Manage both large and small batteries, as repairers and recyclers will likely be handling both sizes.
- Focus first on small batteries and expand to large batteries later.
- Include batteries from e-bikes, e-scooters, drones and lawnmowers in the scheme, as recyclers were already handling these.

## Onshore infrastructure

Submitters said New Zealand needed to build its own infrastructure for the schemes. This would reduce our reliance on offshore processing, and mitigate the challenges of international shipping and reduce risk of harm to other communities from the processing of our waste.

Another point was that managing and processing waste onshore would create jobs for New Zealanders, and maintain public confidence in our commitment to protecting the environment.

Identifying and filling infrastructure gaps would also need to be part of scheme design:

There needs to be a critical assessment done on what these markets are for tyre derived products, the economic stability of these markets and what is the infrastructure gap in the various regions of NZ. This should be a piece of research completed as part of a full life cycle assessment (LCA) prior to the introduction of the scheme.<sup>176</sup>

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<sup>175</sup> EnviroNZ.

<sup>176</sup> EnviroNZ.