

Impact Summary: Proposals for additional waste data

Section 1: General information

Purpose

The Ministry for the Environment (the Ministry) is solely responsible for the analysis and advice set out in this summary Regulatory Impact Analysis (RIA), except as otherwise explicitly indicated.

In June 2020 Cabinet agreed to proceed with the development of regulations under the Waste Minimisation Act 2008 (the Act) to improve the effectiveness of the existing waste disposal levy (waste levy) by applying it to more landfill sites and progressively increasing the rate.

Cabinet also invited the Associate Minister for the Environment to report to the Environment, Energy, and Climate Committee (ENV) with final policy advice on additional proposals to improve the availability of waste data.

This RIA addresses the below proposals in relation to data from landfills and transfer stations, and territorial authority reporting on their spending of waste levy revenue and their performance in achieving waste minimisation in accordance with their Waste Management and Minimisation Plans (WMMPs).

The paper recommends that the Committee:

- **agree** that regulations be developed under the Act to:
 - require operators of landfill Class 1 municipal landfills and industrial monofills, Class 2 construction and demolition fills, Class 3 managed fills, Class 4 controlled fills, and Class 5 cleanfills to keep, and to provide to the Secretary for the Environment (the Secretary) information on the activity source of waste received at and diverted from the site
 - require operators of transfer stations to keep, and to provide to the Secretary, information on the activity source of waste received at and diverted from the site
 - require territorial authorities to keep, and provide to the Secretary, information on:
 - i. their spending of waste levy revenue
 - ii. their performance in achieving waste minimisation in accordance with their WMMP
 - iii. their performance against standards for implementation of their WMMPs.
- **delegate** authority to the Minister for the Environment (the Minister) to make final minor and technical policy decisions and drafting changes in respect of:
 - the frequency of activity source reporting by site operators to the Secretary
 - categories of activity source data for sites required to report data to the Secretary

- developing the type of information required to be reported by territorial authorities on their performance in achieving waste minimisation in accordance with their WMMPs.
- **agree** that the Minister may take further decisions on minor and technical matters in line with the policy decisions agreed by Cabinet
- **invite** the Minister to issue drafting instructions to the Parliamentary Counsel Office to draft regulations under section 86 of the Act
- **agree** that the Ministry will seek feedback from a defined group of stakeholders on an exposure draft of the proposed regulations, to obtain technical input.

Glossary of terms

Class 1 municipal landfill (definition to be confirmed by Cabinet¹): a facility that accepts waste that could discharge contaminants/emissions, from households as well as commercial, and/or industrial sources disposed of at facilities that accept household waste.

Class 1 industrial monofill (definition to be confirmed by Cabinet¹): a facility that accepts solid waste that could discharge contaminants/emissions, from industrial sources including steel- or aluminium-making and pulp- and paper-making.

Class 2 construction and demolition fill (definition to be confirmed by Cabinet¹): a facility that accepts solid wastes with lower potential for environmental harm, including rubble, plasterboard, treated timber and other construction and demolition materials.

Class 3 managed fill (definition to be confirmed by Cabinet¹): a facility that accepts contaminated but non-hazardous soils and other inert materials, such as rubble, that allow the landfill site to be used for a restricted purpose on closure. Future excavation of the landfilled materials will require management.

Class 4 controlled fill (definition to be confirmed by Cabinet¹): a facility that accepts soils and other inert materials, such as rubble, with low levels of contamination relative to the receiving environment, which allow the landfill site to be used for an unrestricted purpose on closure.

Class 5 cleanfill (definition to be confirmed by Cabinet¹): a facility that accepts virgin excavated natural materials such as clay, soil and rock.

Transfer station (definition to be confirmed by Cabinet¹): a waste management facility with a designated receiving area, where waste collection vehicles discharge their loads so that diversion of recoverable materials can occur and waste from multiple collection vehicles can be consolidated into larger, high-volume transfer vehicles. That waste is then transferred to a final disposal site for further processing, treatment or storage. In general, no long-term storage of waste occurs at transfer stations.

Activity source: refers to the type of activity that generates the waste or diverted material. The Ministry is reviewing the current activity source categories to ensure they are suitable for use by all sites proposed to report activity source data. The current

¹ Definition to be agreed by Cabinet as part of the proposal to Cabinet Legislation Committee in April 2021 regarding Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Amendment Regulations 2021 and Waste Minimisation (Information Requirements) Regulations 2021 [2020-C-07353].

activity source categories identified in the National Waste Data Framework² are domestic kerbside, residential, industrial/commercial/institutional, landscaping, construction and demolition, special, and virgin excavated natural material.

Key Limitations or Constraints on Analysis

What's in scope

This RIA examines proposals on the additional reporting requirements requested by Cabinet in June 2020.

The proposals recommend that regulations are developed under the Act to require that:

- all landfills (Classes 1-5) and transfer stations must report to the Secretary the types of activity generating the waste they receive (termed “activity source”), commencing s 9(2)(f)(iv) for Class 1 landfills, s 9(2)(f)(iv) for transfer stations, and s 9(2)(g)(i), s 9(2)(g)(ii), s 9(2)(f) for all other sites; and
- territorial authorities must provide information about their:
 - spending of waste levy money, commencing s 9(2)(f)(iv)
 - performance in achieving waste minimisation with the services, facilities, and activities provided or funded in accordance with their WMMP, commencing s 9(2)(f)(iv); and
 - performance as measured against any performance standards set by the Minister under section 49 of the Act, commencing s 9(2)(f)(iv).

The first proposal, to require operators of landfills and transfer stations to report the types of activity generating the waste being received, will align with and facilitate the following purposes of section 86 (1) (b):

- measure progress in waste management and minimisation
- assess Aotearoa New Zealand's performance in waste minimisation and decreasing waste disposal
- identify improvements needed in infrastructure for waste minimisation

Criteria

The criteria used for assessing options were:

- improve the availability and accessibility of waste data – make data available in order to monitor compliance with the Act, further develop the evidence base for decision-making, help the Ministry to identify gaps and opportunities in waste minimisation activities and emissions from waste, and help the Ministry measure the success of waste minimisation projects and strategies

² The National Waste Data Framework is the result of a project undertaken by WasteMINZ in 2014/15; it establishes definitions for waste data terms, protocols for managing data, and other information.

- effectiveness of the option towards objective - to improve the Ministry's understanding of waste disposed to landfill in Aotearoa New Zealand and how associated levy funding is being spent
- improve accountability of regulated parties – increase the effectiveness of the above criteria and provide an incentive for waste minimisation
- Ensure data is standardised, comparable and effective – to help improve the accuracy of data received, and enable the Ministry to compare across areas/sites.

Limitations

The impact analysis relies on limited data about the additional cost to stakeholders of implementing these proposals.

It is possible that not all stakeholders who will be impacted by the proposals were reached during the consultation phase. The impact analysis relies on submissions from stakeholders, especially those who are part of the waste sector who will be required to report as part of the proposals. Additionally, the consultation document outlined the proposals, but the relevant consultation questions may not have encouraged submitters to be specific in their answers.

Net benefit

The overall impact on the Ministry is positive. The requirement for mandatory reporting under the proposals will provide certainty about the quality and type of data collected. The benefit of being able to coordinate the data being reporting is greater than the cost to the Ministry in providing an online reporting mechanism. The improved data quality will improve statutory reporting, ability to monitor compliance, and assist the Ministry (and territorial authorities) to adjust their waste-related policies and interventions.

Depending on the size of the operation, the site operator may need to introduce new data collection systems for activity source reporting. The Ministry covers the cost of the online reporting tool (the Online Waste Levy System). It is not anticipated that reporting will produce many benefits for operators. Benefit to operators may arise when the Ministry is able to aggregate the reported data (to ensure commercial confidentiality) and publicise it for national waste management purposes; operators will be able to benchmark their operation against nationally available data.

The overall impact on territorial authorities of mandatory reporting on waste levy spending, on effectiveness in achieving their waste minimisation outcomes, and on any WMMP implementation performance standards, is positive. There may be an initial cost to change processes, but the information provided enables accountability, and over time will assist the territorial authorities (and the Ministry) to adjust their waste-related policies and interventions.

Out of scope for this RIA

The Ministry is procuring work to review the current activity source categories. These are set out in a proposed waste data framework that was developed by WasteMINZ (the sector stakeholder group) in 2014-15. This work proposed definitions for waste data terms, protocols for managing data, and other information, with a focus on Class 1 landfills.

WasteMINZ have advised that they can update the proposed framework with input from the Ministry, to align it with expanded reporting requirements. The Ministry proposes that the Minister is delegated authority to make technical decisions regarding how activity classes will be defined and reported on. These decisions can be communicated to WasteMINZ to facilitate alignment of the waste data framework. This RIA does not estimate the impacts of changes to that waste data framework but notes that changing categories after the new reporting requirements are implemented could raise further costs for operators.

The Ministry intends to undertake occasional surveys of waste composition at landfill sites and transfer stations as a complement to the proposed mandatory reporting. This RIA does not estimate the impact of this work on the Ministry or stakeholders.

Responsible Manager (signature and date):



Glenn Wigley

Director

Waste & Resource Efficiency Division

Ministry for the Environment

Quality Assurance Reviewing Agency:

The Ministry for the Environment's Regulatory Impact Analysis Panel has reviewed the Impact Summary.

Quality Assurance Assessment:

The Panel considers that the information and analysis summarised in the Impact Summary meets the criteria necessary for Ministers to make informed decisions on the proposals in this paper.

Reviewer Comments and Recommendations:

The Panel confirms that its feedback is reflected in the Impact Summary. It has undergone moderate changes as a result of the Panel process.

Section 2: Problem definition and objectives

2.1 What is the policy problem or opportunity?

Evidence of the problem

New Zealand faces substantial challenges in its waste management systems, and the ways in which we are producing, using, and disposing of materials. The challenges are exacerbated by a lack of data on activities that create waste. We need better data on which activities are generating waste in order to monitor compliance with the Act. This data will help the Ministry to identify gaps and opportunities in waste minimisation activities, and to measure the success of waste minimisation projects and strategies. Improved availability of waste data will help the Ministry to understand and reduce waste emissions.

Previous reviews³ under the Act of the effectiveness of the waste levy have been limited by a lack of waste data and have identified this as a priority area for improvement.

This RIA analyses two proposals: activity source reporting, and mandatory reporting by territorial authorities.

Why now

Waste sent to landfill continues to increase because the externalities of waste disposal are mostly not reflected in costs and it is often more convenient to send waste to landfill than to recycle it. Even when households and businesses are committed to producing less waste, they may be constrained about the best way to do this by a lack of information.

In June 2020 Cabinet agreed to proceed with the development of regulations under the Act to improve the effectiveness of the existing waste levy by applying it to more sites and progressively increasing the rate. The waste levy was introduced under the Act and is a fee that disposal facility operators must pay based on the weight of material disposed of at their facility. Additionally, Cabinet agreed that regulations be developed to require operators of landfills and transfer stations to keep and provide to the Secretary their contact details and (if applicable) landfill classification. This information is referred to in this paper as the national record of landfills and transfer stations.

At the same time, Cabinet also invited the (then) Associate Minister for the Environment to report to Cabinet's Environment Committee by the end of March 2021 with final policy advice on additional proposals to improve the availability of waste data.

Improving the availability of waste data will enable the Ministry to build a more complete picture of waste production and disposal in New Zealand, as well as report to relevant international bodies including the OECD. These data will enable central and local government, industry, and other stakeholders to effectively plan services, and prioritise and target waste management. Additionally, as waste levy revenue increases with the increase and expansion of the levy, and public interest in waste management and minimisation grows, there is an increasing need for greater level of

³ 2017 review available here: <https://www.mfe.govt.nz/sites/default/files/media/Waste/Review-of-the-effectiveness-of-the-waste-disposal-levy-2017.pdf> and 2020 review available here: <https://www.mfe.govt.nz/sites/default/files/media/Waste/reducing-waste-a-more-effective-landfill-levy-consultation-document.pdf> (see Appendix A, page 61)

accountability. Mandatory reporting will also provide an enforcement mechanism for recourse by the Ministry.

Supplementary analysis to improve data reporting

The proposals covered in this RIA will provide additional information on the types of activity that are generating waste for disposal (“activity source”), as well as information on territorial authorities’ waste minimisation activities. Some levied facilities already report additional detail to the Ministry about the types of waste disposed of. However, this reporting is voluntary and the quantity is inconsistent across sites.

The Ministry relies on voluntary reporting by territorial authorities on their waste levy spending. Reporting on the waste levy is key to identifying whether territorial authorities have met their obligations under the Act. Voluntary reporting has created several issues, including concerns around the often poor quality of reported data and whether the information provides sufficient basis for the Ministry to measure whether the purpose of the waste levy and the purpose of the Act is being achieved.

In addition to mandatory levy spend reporting, it is proposed that territorial authorities will also need to report on their performance in achieving waste minimisation with the services, facilities and activities provided or funded in accordance with their WMMP. This information is not currently being received by the Ministry and would:

- provide an understanding of performance in achieving waste minimisation
- allow territorial authorities to compare their waste minimisation performance with other territorial authorities
- provide territorial authorities with a measurement of progress towards any target identified in their WMMPs.

Public consultation did not include detail regarding how the data could be collected, and the associated costs. This RIA examines the direct costs and benefits of the following waste data proposals on:

1. landfills and transfer station operators
2. territorial authorities
3. the Ministry.

2.2 Who is affected and how?

This RIA covers two proposals, which have different stakeholders/affected communities. Therefore these proposals have been split to outline who is affected and how for each proposal.

Proposal 1: Mandatory reporting of activity source data

Many council-run levied facilities already capture activity source and composition information, which is fed into waste assessments that form the basis for WMMPs. Landfill operators and transfer station operators are not required to report activity source. There are likely to be additional resourcing implications for any landfills or transfer stations that do not already collect this data. This

is likely to include data gathering software in some instances, and/or staff to enable the collection of data.

Table 1 below outlines the current reporting requirements of stakeholders directly impacted by this proposal, their upcoming reporting requirements as the waste levy and associated reporting is expanded to additional sites, and the reporting requirements put forward by this proposal.

Table 1: Proposed reporting requirements for landfills and transfer stations

Site	Current reporting requirements (under the Act)	Waste expansion reporting requirements ⁴	Waste expansion reporting to start	Proposed additional reporting requirements	Proposed additional reporting to start
Municipal landfill (Class 1)	Tonnage of waste disposed of at and diverted from the site	No change	N/a (already in place)	Activity source ⁵	s 9(2)(f)(iv)
Industrial monofill (Class 1)	None	Weight of received & diverted material	1 January 2023		s 9(2)(f)(iv)
Construction and demolition fill (Class 2)	None	Weight of received & diverted material	1 January 2022		s 9(2)(f)(iv)
Managed fill (Class 3)	None	Weight of received & diverted material	1 January 2023		s 9(2)(f)(iv)
Controlled fill (Class 4)	None	Weight of received & diverted material	1 January 2023		s 9(2)(f)(iv)
Cleanfill (Class 5)	None	Weight of received & diverted material	1 January 2023		s 9(2)(f)(iv)
Transfer station	None	Weight of received & diverted material	1 January 2022		s 9(2)(f)(iv)

Proposal 2: Mandatory reporting by all territorial authorities

The majority of territorial authorities already capture information on how they spend their levy revenue. It is not yet clear how many territorial authorities collect information pertaining to their performance in achieving waste minimisation provided or funded in accordance with their WMMPs.

⁴ Cabinet minute where these decisions were made – CAB-20-MIN-0264.01

⁵ The activity source categories identified in the National Waste Data Framework are domestic kerbside; residential (all waste originating from residential premises not collected via domestic kerbside collections processes); industrial/ commercial/ institutional (ie waste from manufacturing, supermarkets, shops, education facilities, hospitals, offices); landscaping; construction & demolition; special (ie hazardous and medical wastes, e-wastes, or any substantial waste stream that significantly affects the overall composition of the waste, such as waste water treatment sludge).

There are likely to be additional resourcing implications for any territorial authorities that do not already collect this data. Some territorial authorities may wish to implement licencing of waste collectors and waste operators under waste management bylaws to facilitate compliance with this proposed reporting requirement. Implementation of waste collector and waste operator licencing is already underway in some territorial authorities.

Table 2 below outlines the current reporting requirements of the stakeholders directly impacted by this proposal, and the reporting requirements put forward by this proposal.

Table 2: Proposed reporting requirements for territorial authorities

Data provider	Current reporting requirements (under the Act)	Proposed additional reporting requirements	Proposed additional reporting to start
Territorial authorities	None	Spending of allocated waste levy money	§ 9(2)(f)(iv)
		Performance in achieving waste minimisation in accordance with their WMMP	§ 9(2)(f)(iv)
		Performance against standards for implementation of their WMMP	§ 9(2)(f)(iv)

2.3 What are the objectives sought in relation to the identified problem?

The objective of the proposals is to improve the Ministry's understanding of waste disposed of to landfill in Aotearoa New Zealand and how associated levy funding is being spent.

The key outcomes are to:

1. provide waste source data by landfill and transfer station on a regular basis in a standardised and consistent format
2. provide data on territorial authority waste levy spending data, performance in achieving waste minimisation, and against performance standards set under Section 49 of the Act in a standardised and consistent format (noting that no performance standards exist under this section, but are likely to be developed in the future)
3. improve the availability of data to enable more effective monitoring and allow for better targeted interventions to help Aotearoa New Zealand transition to a low waste, low carbon future
4. enable better compliance monitoring to ensure waste is disposed of at the correct classification of landfill.

The first proposal, to require operators of landfills and transfer stations to report the types of activity generating the waste being received, will align with and facilitate the following purposes of the relevant section (86 (1) (b)):

- measure progress in waste management and minimisation
- access Aotearoa New Zealand's performance in waste minimisation and decreasing waste disposal
- identify improvements needed in infrastructure for waste minimisation.

Section 3: Options identification

3.1 What options have been considered?

This RIA analysis two proposals: activity source reporting, and mandatory reporting by territorial authorities. For each proposal, three options have been identified: status quo, voluntary approach, and require by regulation.

Proposal 1: Activity source reporting

Context

There is no single point at which data is collected on what activities are generating waste, ie residential, industrial/commercial/institutional, construction and demolition activities (termed activity source data). This information can best be collected at the point of the waste arriving at a landfill site or transfer station.

A lot of waste is first sorted and aggregated at transfer stations before being diverted to processes for recovery, treated to make safe, or going directly to landfill. Transfer stations are included in the reporting proposal to help prevent the loss of activity source information of waste and diverted materials that move through those sites to recovery or landfill.

Including all Classes 1-5 landfill sites and transfer stations in the reporting requirements means that the information collected will be standardised and comparable at the national and regional level, and between sites. Double counting will be avoided as 'transfer station' will likely be included as an activity source category. This means that the transfer station will report the activity source of that waste. Any landfills receiving waste from a transfer station will not report on that activity source.

Option 1: status quo/no action

Some Class 1 municipal landfills, which are already levied sites, undertake voluntary reporting of activity source. No other sites undertake voluntary reporting of activity source to the Ministry. This option would result in no activity source data being received from sites other than those Class 1 landfills which already report this information to the Ministry.

An alternative that was considered was periodic Solid Waste Analysis Protocol (SWAP) surveying conducted by the Ministry. However, this type of surveying would not have the site coverage that mandatory reporting will provide and would only supply snap-shots-in-time of composition data at surveyed sites. It is likely that the Ministry will conduct periodic surveys to collected landfill-specific composition data from landfills and transfer stations via periodic surveys in addition to the requirement of sites to report activity source. 'Composition' refers to the type of material(s) included in the waste (eg wood, paper, green waste). This gives the Ministry the ability to modify data collection protocols to collect additional information on wastes of interest as they emerge.

No benefits have been identified for this option; this option does not achieve the policy objective or key outcomes.

Option 2: voluntary approach

The Ministry invests in better reporting systems and provides clarification regarding relevant definitions, to facilitate voluntary reporting of activity source data.

As voluntary reporting of activity source by Class 1 municipal landfills has not been particularly successful, it is considered unlikely that voluntary reporting by operators of transfer stations and other classes of landfill will be more effective, particularly where there is a cost to obtain the data.

The benefits of this option include the ability of site operators to decide the level and detail of reporting, reducing the burden on them while also enabling them to take part in an expanded reporting process. This could help develop relationships between the Ministry and the site operators, however that is outweighed by the likely level of success of a voluntary reporting process.

Option 3: require by regulation

As per the proposal. The benefits of this option include:

- a compliance lever should site operators not provide the required information
- prescription of the frequency of reporting, giving the Ministry access to the data when necessary
- improved statutory reporting
- improved ability to monitor compliance
- ability to assist the Ministry to adjust their waste-related policies and interventions
- the avoidance of waste “leakage” (materials being diverted from one landfill class to another)
- facilitating territorial authority ability to apply resource to the collation and reporting of such data.

The consultation document proposed that the new mandatory reporting requirements would take effect from 1 July 2021. However, on further consideration it was identified that landfill and transfer station operators and territorial authorities would likely need more time to prepare and to comply with the proposals.

The proposed timeframe in table 1 above will ensure sufficient time for operators to prepare and for the Ministry to develop the systems and processes to support the operators.

The disadvantages of this option include increased compliance costs on site operators.

The Ministry will ensure reporting definitions and other terms and classifications are fit for purpose and in line with previous work to improve waste data within the sector.

Table 3 below outlines how the identified options compare with taking no action under each of the criteria set out in section 1.

Table 3: How does each of the identified options above compare with taking no action under each of the criteria set out above?

Proposal 1: activity source reporting	Option 1: status quo/no action	Option 2: voluntary approach	Option 3: require by regulation
Criterion 1: improve the availability and	This option does not support	Poor	Excellent

accessibility of waste data	improved availability and accessibility of waste data	It is unlikely that site operators will voluntarily provide data, preventing the improvement of availability of and accessibility to data relating to those sites	This option will make compliance monitoring and enforcement available as a lever to achieve this criterion from all site operators
Criterion 2: effectiveness of the option towards objective	This option does not achieve the objective	Poor The unlikely success of voluntary reporting by site operators will prevent the objective from being achieved	Good The objective is likely to be partly achieved by requiring operators to report activity source data
Criterion 3: improve accountability of regulated parties	This option does not improve the accountability of regulated parties	Poor Reporting, as a means of site operator accountability, will not be required under this option	Good Reporting, as a means of site operator accountability, will be enforceable under this option
Criterion 4: ensure that data is standardised, comparable and effective	This option does not provide a means to ensure data is standardised, comparable and effective	Good Any voluntary reporting that does occur is likely to be through a Ministry managed reporting platform, which can specify data fields to ensure comparability and standardisation. Effectiveness of data not ensured due to voluntary nature of reporting as not all sites operators will report	Excellent Reporting will be through a Ministry managed reporting platform, which can specify data fields to ensure comparability. Option ensures effectiveness of data through requirement of all sites to report, rather than just those who wish to report.

Proposal 2: Mandatory reporting by territorial authorities

Context

Most territorial authorities already undertake waste levy spend reporting voluntarily. Through that reporting, some territorial authorities provide some information on their performance in achieving

waste minimisation. Reporting against performance standards is not required by regulation yet. No performance standards have been set⁶.

Option 1: status quo

The Ministry relies on voluntary non-standardised annual waste levy reporting and the results of auditing to inform the Minister whether territorial authorities have met their obligations under the Act. Voluntary reporting does not include consistent and standardised information on territorial authority performance in achieving waste minimisation in accordance with their WMMP.

This option has several issues, including:

- the quantity, quality, and consistency of data provided to the Ministry varies, which makes it difficult to: assess the outcomes achieved by waste levy spending, analyse trends in spending, identify potential misuse of the waste levy money, monitor policy implementation, and measure performance against targets
- a lack of clear and common understanding of the terms used to report and how certain activities should be classified and reported
- the Ministry is impeded in its ability to conduct statutory reviews, and accurately measure the effectiveness of spending of the council portion of the waste levy. This has been an ongoing challenge identified in historical reviews of the effectiveness of the waste levy
- the Ministry does not have a clear and thorough understanding of the waste landscape in Aotearoa New Zealand.

No benefits have been identified for this option. This option does not achieve the policy objective or key outcomes.

Option 2: voluntary approach

The Ministry invests in better reporting systems and provides clarification regarding relevant definitions, to facilitate voluntary reporting by territorial authorities.

The disadvantages of this option as are bulleted in Option 1: status quo above.

The benefits of this option include a smaller compliance burden on territorial authorities and a reduced compliance monitoring burden on the Ministry compared to option 3 below.

Option 3: require by regulation

The benefits of this proposal include:

- a compliance lever should territorial authorities not provide the required information
- improved statutory reporting
- improved ability to monitor compliance
- ability to assist the Ministry (and territorial authorities) to adjust their waste-related policies and interventions
- helping territorial authorities plan for and report on the performance of waste minimisation activities at the relevant regional level

⁶ Section 49 of the Act allows for the Minister to make a notice in the Gazette to set performance standards for the implementation of WMMPs, and can apply to one or more territorial authorities.

- a better understanding of the nature and scale of the waste problem to enable informed decisions to be made on areas to target for effective waste minimisation
- appropriate levels of accountability by territorial authorities, aligned with the increased waste levy funding.

s 9(2)(f)(iv)

The recommended implementation timeframe should ensure sufficient time for territorial authorities to prepare and for the Ministry to develop the systems and processes to support the councils.

It is proposed that the current annual reporting frequency is maintained (and made mandatory). The benefits of this include ongoing alignment of reporting with the compliance-auditing programme and maintaining Ministry oversight.

The disadvantages of this option include increased compliance costs on territorial authorities. The main compliance costs to the territorial authorities are staff time to collate and report the data.

Table 4 below outlines how the identified options compare with taking no action under each of the criteria set out in section 1.

Table 4: How does each of the identified options above for this proposal compare with taking no action under each of the criteria set out above?

Proposal 2: mandatory reporting by territorial authorities	Option 1: status quo/no action	Option 2: voluntary approach	Option 3: require by regulation
Criterion 1: improve the availability and accessibility of waste data	This option does not support improved availability and accessibility of waste data	Good Territorial authorities that already collect the data are likely to make it available to the Ministry. Those territorial authorities which do not already collect the data are unlikely to report voluntarily	Excellent This option will make available compliance monitoring and enforcement available as a lever to achieve this criterion from all territorial authorities
Criterion 2: effectiveness of the option towards objective	This option does not achieve the objective	Good The objective will be achieved in part, as the majority of	Good The objective is likely to be achieved in part by requiring territorial authorities to report

		territorial authorities already report on levy spend. However there is likely to be ongoing lack of comparability of data across territorial authorities	levy spend and waste minimisation performance data
Criterion 3: improve accountability of regulated parties	This option does not improve the accountability of regulated parties	Poor Reporting, as a means of territorial authority accountability, will not be required under this option	Good Reporting, as a means of territorial authority accountability, will be required under this option
Criterion 4: ensure that data is standardised, comparable and effective	This option does not provide a means to ensure data is standardised, comparable and effective	Average Any voluntary reporting that does occur is likely to be through a Ministry managed reporting platform, which can specify data fields to ensure comparability and standardisation. Effectiveness of data not ensured due to voluntary nature of reporting and so not all territorial authorities will report	Good Reporting will be through a Ministry managed reporting platform, which can specify data fields to ensure comparability. Option ensures effectiveness of data through requirement of all territorial authorities to report, rather than just those who wish to report

3.2 Which of these options is the proposed approach?

Option 3 (require by regulation), outlined in the section above, is the preferred option for both proposal 1 (activity source reporting) and proposal 2 (mandatory reporting by territorial authorities) for the reasons given in the option 3 outline for each proposal, and for the disadvantages outlined in options 1 and 2 of that section for each proposal.

It was considered that a regulatory approach would be more effective in addressing the poor availability of waste data in Aotearoa New Zealand by ensuring that the data is reported to the Ministry by landfill and transfer station operators, and by territorial authorities at a set frequency. At a high level, the proposed approach will likely lead to environmental, economic, and social benefits. The main benefits identified by stakeholders during the consultation included:

- the avoidance of waste being diverted from one landfill class to another
- helping territorial authorities plan for and report on the performance of waste minimisation activities at the relevant regional level
- a better understanding of the nature and scale of the waste problem to enable informed decisions to be made on areas to target for effective waste minimisation.

Proactively released

Section 4: Impact Analysis (Proposed approach)

4.1 Summary table of costs and benefits

Affected parties (identify)	Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts</i>
Additional costs of proposed approach, compared to taking no action		
Regulated parties: Landfill site operators Municipal landfill class 1	These operators are already required to report each month on tonnage of waste disposed of at and directed from the site and already have the OWLS tool in place. New costs are related to the collection of the data (compliance costs). It should be low impact to collect because it relies on existing information recorded by landfill operators for their own purpose (product code, customer name, and vehicle registration) with the addition of a new field (truck type). Class 1 landfills could readily change their practices to collect activity source data with small changes to their weighbridge operating systems. Some sites are already collecting this data. Compliance costs can be minimised through use of OWLS (this will provide a comprehensive means of reporting, streamline the reporting process, and reduce the time required by operators to evidence compliance to the regulator); clear guidance from the Ministry to the regulated community about how to track and report data; the provision and assistance to site operators on the reporting processes on an as-needed basis; the provision of funding by the Ministry to offset the cost of infrastructure at sites subject to data proposals (the Ministry has received funding via the COVID-19 Response Recovery Fund (CRRF) for this purpose, namely in relation to weighbridge infrastructure).	Low
Regulated parties: All other classes of landfill site operators, and transfer stations	Costs depend on whether sites required to report already have a weighbridge in place. If a site does have a weighbridge, the additional costs are anticipated to be low. If a site does not have a weighbridge, they have the opportunity to install one to meet the other obligations Cabinet have placed on them – funding from the Ministry through the CRRF may be available to some sites. If a site does not have a weighbridge, and does not intend to install one, then there will be costs for the manual collection of the data proposed to be reported, such as stationing a person at unmanned sites, or through surveying. The proposal does not include prescribing a method by which operators meet their obligations, and so they will have the ability to choose the most cost-effective option for	Medium

	themselves. Some operators may need to install new processes and reporting collection software.	
Regulated parties: Territorial authorities	All territorial authorities will have to submit consistent information annually, using a centralised reporting platform provided by the Ministry, on spending of allocated waste levy money, performance in achieving waste minimisation outcomes in accordance with their WMMP, and performance against standards for implementation of their WMMP. The costs of reporting against performance standards will depend on what standards are set under section 49. No estimation of cost is available as none have yet been established. However, it is anticipated that the main cost in relation to performance standards would be in the complying with the standard, rather than reporting against the standard.	Low
Regulators: Ministry for the Environment	Additional costs would include further FTE to: - review new material in more detail from an increase in site operator reporting requirements - review mandatory reporting from TAs and undertake comms and analysis. Levels of observed compliance and prospect of follow up in the Act/regulations will be determinative of the extent of the compliance burden. Additional 1.5 FTE at a minimum subject to the response of the regulated community.	Medium
Wider government	N/A	N/A
Other parties	Costs of data collection from landfill and transfer stations are likely to be passed onto the customer. The impact on the customer could vary from site to site depending on existing infrastructure and capability.	Low
Non-monetised costs		<i>Low-medium</i>

Expected benefits of proposed approach, compared to taking no action

Regulated parties: Landfill site and transfer station operators, and territorial authorities	- Availability of data to enable benchmarking, both domestically and internationally. - Contributing to improved waste data leading to improved waste management. - Captured activity source information, which can be fed into waste assessments that help develop WMMPs. - Benchmarked expenditure and performance against other Territorial Authorities to understand their relative performance and to identify other TAs to learn from or work with on aligned initiatives. - Understanding what activities Territorial Authorities are spending waste levy money on and evaluating the effectiveness of their waste minimisation activities.	Low-medium
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	The data are also required to enable visibility of data regarding performance in achieving waste minimisation in accordance with WMMPs to other Territorial Authorities	
Regulators: Ministry for the Environment	- Enables the Ministry to build a much more comprehensive picture of waste and diverted materials in Aotearoa New Zealand. - Benefit to the Ministry of covering the cost of putting data reporting infrastructure in place means that it controls what it needs. The assumption is that this will lead to greater compliance. - Enables improvements to reporting of greenhouse gas emissions from waste and a reduction in uncertainties. - Identifying where to focus efforts to reduce waste and related disposal emissions from particular activity sources. - Identifying activities producing waste to landfill, allowing alternative management and minimisation options (eg resource recovery) to be considered. - Assisting compliance team in identifying whether waste is being disposed of at the correct landfill. - Informing where increased waste levy revenue could be invested. - Providing information about specific wastes of interest (eg plastic, construction and demolition waste) - Ability to develop specific interventions by landfill type and activity source. - Improved statutory reporting. - Improved compliance monitoring. - Territorial authorities can be held accountable.	High
Wider government	- Territorial authorities can use their activity source information in waste assessments that help develop WMMPs. - Stats NZ identified that increased availability of waste data will help to inform Ngā Tūtohu Aotearoa/Indicators Aotearoa New Zealand, specifically the 'Material intensity (including recycling, land-fill inflows, second-hand economy)' indicator under the waste topic. - Contribute data to MfE/Stats NZ for reporting under the Environmental Reporting Act. - Contributing data to Treasury for reporting under the Living Standards Framework.	Low-medium
Other parties	N/A	N/A
Non-monetised benefits		<i>Medium</i>

4.2 What other impacts is this approach likely to have?

The cost of additional data reporting is expected to be transferred to waste generators and recouped through charges.

The Ministry will incur costs for development and operation of appropriate web-based reporting infrastructure, and associated compliance monitoring and enforcement costs.

It is proposed that the Minister will be given the delegated authority to make final policy decisions and drafting changes in respect of:

- a. the frequency of activity source reporting from site operators
- b. technical amendments to Schedule 1 of the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009, to ensure the methods by which landfill sites and transfer stations can measure and report their quantities of waste are fit for purpose
- c. categories of activity source data for sites required to report activity source data to the Secretary.

Section 5: Stakeholder views

5.1 What do stakeholders think about the problem and the proposed solution?

Who has been consulted?

The Ministry conducted a public consultation in 2019/2020, providing opportunity for stakeholders to submit information on improvements to the collection of waste data. Submitters were broadly in support of improving the availability of waste data, pointing out that there needs to be more and higher quality data so that the Government is better able to make informed decisions about waste and the issues surrounding it. Concerns were raised regarding how the data would be collected and the associated costs, as well as the confidentiality of commercially sensitive information.

Public consultation occurred from 27 November 2019 to 3 February 2020. 479 submissions were received, including from:

- iwi (2)
- local government (41, including some joint submissions)
- environmental NGOs (24, including some joint submissions)
- other NGOs (11)
- businesses (96)
- individuals (264)
- 41 other or unspecified submissions.

Iwi partners were informed about the consultation through the Ministry's Te Kōmiromiro newsletter and the Ministry also worked with Para Kore, an organisation that works with marae on waste minimisation to reach out to iwi and other interested parties.

The consultation document is available here:

<https://www.mfe.govt.nz/sites/default/files/media/Waste/reducing-waste-a-more-effective-landfill-levy-consultation-document.pdf>.

Ninety-six per cent of submitters agreed in general that waste data needs to be improved.

There was general agreement that improved waste and diversion data would help the Ministry to:

- identify gaps and opportunities in waste minimisation activities
- measure progress
- conduct monitoring and compliance
- more accurately estimate and target interventions to reduce greenhouse gas emissions produced by the waste sector

Although submitters were broadly in support of improving the availability of waste data, concerns were raised regarding how the data would be collected and the associated costs, the confidentiality of commercially sensitive information, as well as the timeframes for implementation. The proposals have been amended and/or clarified in the following ways to help alleviate these concerns:

- the Ministry will provide guidance on how reporting requirements can be achieved, particularly in relation to activity source
- the provision of funding by the Ministry to offset the cost of infrastructure at sites subject to data proposals. The Ministry has received funding via the COVID Response Recovery Fund (CRRF) for this purpose, namely in relation to weighbridge infrastructure
- Landfill and transfer station operators will report directly to the Ministry, rather than via their territorial authority, to ensure the data maintains commercial confidentiality
- the Ministry will create an online platform to streamline territorial authority reporting
- the proposed timeframe for implementation has been extended, to provide landfill and transfer station operators and territorial authorities with sufficient time to comply with the proposed regulations.

The Ministry has also liaised with representatives from the Territorial Authority Officers' Forum and some industry operators since the consultation ended. Feedback from territorial authorities has been in support of the proposals, particularly in relation to the proposed reporting requirements relevant to them. They have identified that making territorial authority reporting mandatory will facilitate their ability to resource the data collection, collation and reporting processes.

Section 6: Implementation and operation

6.1 How will the new arrangements be given effect?

Taking effect

The proposals will be given effect through the development of regulations under section 86 of the Waste Minimisation Act 2008. Regulations would be gazetted at the end of 2021. The proposed timeframes for reporting to commence are outlined in Table 5 (for activity source reporting) and Table 6 (for territorial authority reporting) below.

Table 5: proposed timeframe for activity source reporting

Data provider	Proposed reporting requirements	Proposed reporting start date
Municipal landfill (Class 1)	Activity source	s 9(2)(f)(iv)
Industrial monofill (Class 1)		s 9(2)(f)(iv)
Construction and demolition fill (Class 2)		s 9(2)(f)(iv)
Managed fill (Class 3)		s 9(2)(f)(iv)
Controlled fill (Class 4)		s 9(2)(f)(iv)
Cleanfill (Class 5)		s 9(2)(f)(iv)
Transfer station		s 9(2)(f)(iv)

Table 6: proposed timeframe for territorial authority reporting

Data provider	Proposed reporting requirements	Proposed reporting start date
Territorial authorities	Spending of allocated waste levy money	s 9(2)(f)(iv)
	Performance in achieving waste minimisation in accordance with their WMMP	s 9(2)(f)(iv)
	Performance against standards for implementation of their WMMP	s 9(2)(f)(iv)

The lead-in time is intended to clearly signal intentions in advance, to provide landfill and transfer station site operators and territorial authorities time to align their practices. This also gives the Ministry time to identify and inform impacted parties of upcoming obligations.

The consultation proposed that the new mandatory reporting requirements would take effect from 1 July 2021. However, on further consideration it was identified that landfill and transfer station

operators and territorial authorities would likely need more time to prepare and to comply with the proposals.

The Ministry also recommends that the Minister is delegated the authority to make final decisions on:

- a. the frequency of activity source reporting from site operators – the reporting frequency will need to balance timeliness of data reporting, operational practicality, and compliance monitoring needs. Work is underway to identify a reporting frequency that is achievable based on the method of data collection
- b. categories of activity source data for sites required to report activity source data to the Secretary – the Ministry is reviewing current activity source categories to ensure they are suitable for use by all sites proposed to report this data
- c. developing the type of information required to be reported by territorial authorities on their performance in achieving waste minimisation in accordance with their WMMPs.

The recommendation to delegate authority to the Minister on the above points is relevant to the implementation of the policy in that the details relating to these points will be required for the drafting of the regulations.

Next steps

The Ministry has developed an implementation programme for the waste levy expansion that focuses on working with all regulated parties to make sure they understand their obligations. If these proposals are agreed by Cabinet, the Ministry will engage with stakeholders through this implementation programme, and through other targeted engagement. This will help the Ministry in developing the technical detail of the proposals and enable stakeholders to understand and comment on proposed changes.

The Ministry will also work with stakeholders to develop technical guidance, to assist the industry in preparing for the activity source reporting requirement.

The Ministry will cover the costs of developing and maintaining an online platform for territorial authority reporting. The Ministry will work with territorial authorities to develop the type of information that would be required to be reported via that platform.

There will be costs incurred by the Ministry in implementing changes required to the territorial authority audit programme to incorporate compliance of the new requirements, including changes to the internal and external procedures, the guidance provided to the regulated community and an expansion of compliance resource to monitor incoming reporting.

An exposure draft of the new regulations will be provided to impacted communities (landfill and transfer station operators, and territorial authorities) for their input.

Communication of new requirements

If these proposals are agreed by Cabinet, the new requirements will be communicated to stakeholders via this programme, as well as through additional, proposal specific engagement.

Once the new requirements have been published in the New Zealand Gazette, they will be communicated via email to stakeholders, via newsletter to councils, as well as being publicised on

the Ministry's website. There may be a press release to provide information more widely and to direct the public to our website.

Stakeholders will have access to updated and newly developed guidance and information relating to the new requirements via the Ministry's website, which will be publicised in advance of the regulations coming into effect.

Once implemented:

1. All landfill site operators and transfer station operators will report activity source data via the existing platform Online Waste Levy System (OWLS). This system is also used to report on tonnages of waste received to and diverted from the site.
2. All territorial authorities will use an online reporting system developed by the Ministry. Reporting will be required annually.

Managing risks to implementation

All landfill site and transfer station operators will have access to OWLS. The use of OWLS will provide operators with a fit-for-purpose mechanism to report activity source data. This should ensure consistent data input.

The capacity and uptake of sites to implement the new requirements is likely to differ, particularly among sites that are not captured in the national record of landfills and transfer stations and where compliance monitoring will be more challenging. The Ministry is investigating methods of identifying sites where operators are not forthcoming about their location and status, such as remote sensing.

Further engagement may be needed

The Ministry will engage territorial authorities to understand and develop the type of information required to be reported by them on their performance in achieving waste minimisation in accordance with their WMMPs.

An exposure draft process on the proposed regulations will be an important step in enabling the capture of important technical level input to ensure the requirements are practical and achievable.

Section 7: Monitoring, evaluation and review

7.1 How will the impact of the new arrangements be monitored?

Operators of landfills and transfer stations will be required to report on activity source of waste being received at, and diverted from, the site. This will be recorded in the Ministry's Online Waste Levy System (OWLS).

Cabinet previously agreed to the establishment of a national record of landfills and transfer stations; this will enable the Ministry to monitor reporting of activity source against each site in the national record.

Territorial authorities will be required to report on waste levy spending, performance in achieving waste minimisation, and on any WMMP implementation performance standards prescribed under Section 49 of the Act. This will be recorded via an online reporting system, to be developed by the Ministry.

Compliance

The Ministry is responsible for the compliance assurance programme that monitors disposal facilities, transfer stations and territorial authorities to ensure they are fulfilling their obligations under the Act and associated regulations. The Ministry will need to increase its capacity for compliance assurance, primarily funded through the increased revenue resulting from the expansion of the waste levy to additional sites, with a focus on:

- communication with and education of landfill operators
- site visits by compliance staff to landfill operators and territorial authorities
- ongoing use of external auditors when required.

7.2 When and how will the new arrangements be reviewed?

Routine compliance, monitoring, and enforcement auditing will provide information that will assist in the identification of any preliminary issues with implementation and the initial impact of the proposals. The regulated community have the means to raise concerns via the Ministry's Compliance Monitoring and Enforcement Team following implementation of the proposals.

Additionally, stakeholders will have the opportunity to raise concerns during subsequent engagement efforts.

The Ministry could include consideration of the effectiveness of the new arrangements, as well as identifying any operational issues, as part of the statutory waste levy review, as a non-statutory addition.

We do not anticipate any other review of the proposed changes unless there was feedback from the regulated community about issues relating to the implementation or the impact of the changes.