

Changes to the national waste disposal levy

Background

The Waste Minimisation Act 2008 was introduced to encourage waste minimisation in New Zealand. To help achieve this, from July 2009, a disposal levy was imposed on waste sent to landfill.

What is changing?

To further encourage waste minimisation, the Government started increasing and expanding the disposal levy from July 2021. This means it is becoming more expensive to dispose of waste at landfill.

What is the new waste disposal levy?

The Government is expanding the levy to cover all landfill types, including construction and demolition fills.

The levy is being increased progressively over four years. By 2026 there will be a levy of \$70 per tonne for all waste disposed at a municipal landfill. Please see chart on the next page.

Why is the Government increasing the waste disposal levy?

Along with other proposed changes, such as the product stewardship schemes, the aim is to further encourage New Zealanders to start taking responsibility for the waste they produce and to find more effective and efficient ways to reduce, reuse, recycle or reprocess waste.

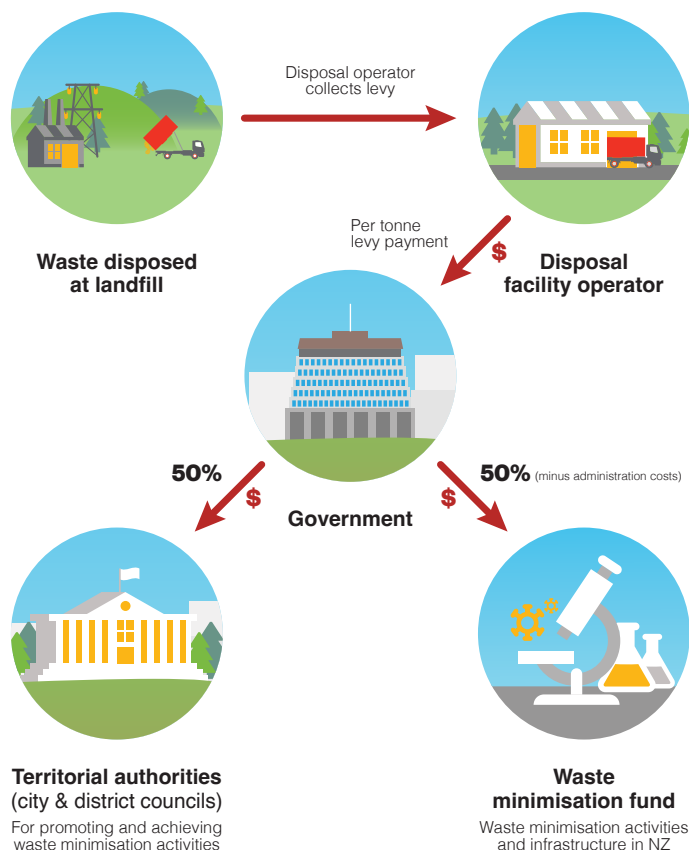
The revenue from the increased and expanded waste disposal levy will be invested in initiatives that support waste reduction.

What are the levy funds used for?

Half of the levy money goes to city and district councils to spend on promoting or achieving the waste minimisation activities set out in their waste management and minimisation plans (WMMPs).

The remaining levy money (minus administration costs) is put into the waste minimisation fund. The fund is for waste minimisation activities in New Zealand, such as building New Zealand-based recycling infrastructure.

How the waste disposal levy works



Waste disposal levy increase and expansion timeline

Landfill Class	Waste Types	1 July 2021	1 July 2022	1 July 2023	1 July 2024	1 July 2025	1 July 2026
(Class 1) Municipal landfill	Mixed municipal waste from residential, commercial and industrial sources	\$20	\$30	\$50	\$60	\$65	\$70
(Class 2) Construction and demolition fill	Range of waste from construction and demolition activities, including rubble, plasterboard, timber, and other materials	-	\$20	\$20	\$30	\$35	\$40
(Class 3) Managed fill	Contaminated but non-hazardous soils and other inert materials (e.g. rubble)	-	-	\$10	\$10	\$15	\$15
(Class 4) Controlled fill	Soils and other inert materials (e.g. rubble)	-	-	\$10	\$10	\$15	\$15

Disposal facility operators must pay the levy based on the weight of material disposed of at their facility. However they may pass this cost on to the waste producer such as households and businesses.

Source: MFE Website April 2021. All amounts above expressed as dollars per tonne.

What does it mean for WM New Zealand customers?

Incremental increases in the prices paid to dispose of your waste at landfills.

These price increases will be clearly communicated in advance of the Government's levy increases.

We're here to help minimise the impact of the levy increase on your business

We can review your services and provide advice to make sure they're still right for your business. Some options include:

- Get the most out of your existing services – share our recycling videos with your team to reduce contamination.
- Make it easy for your staff to recycle – set up sorting stations in your office using Method recycling bins.
- Procure reusable or recyclable alternatives – stop purchasing products that will end up in your general waste.
- Focus on waste minimisation – are there items you can eliminate all together?

Contact your account manager to learn more.



WM New Zealand has invested in New Zealand's first large plastic grinder, which chips thousands of tonnes of large plastic items, including damaged bins, for recycling.

Landfills and the Emissions Trading Scheme

What is the Emissions Trading Scheme (ETS)?

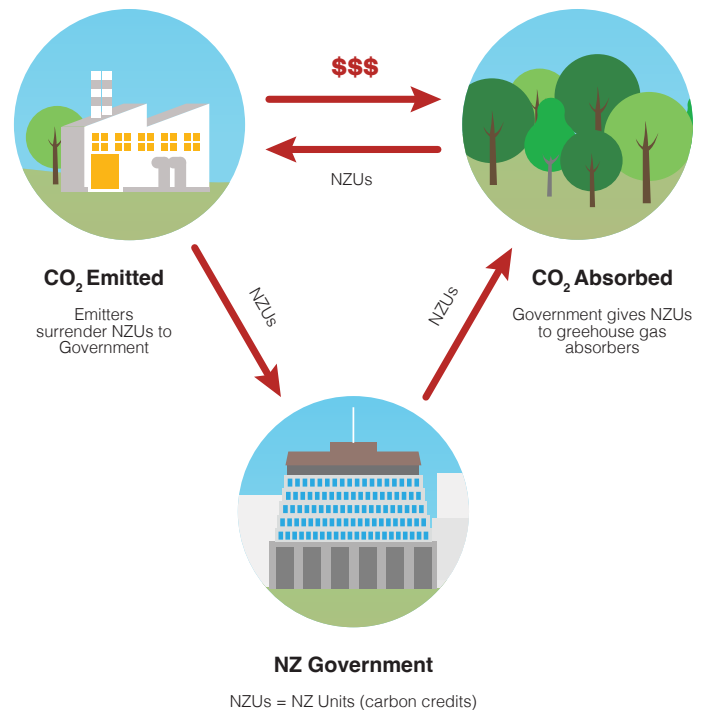
The ETS, was introduced in 2008 to address climate change. It helps New Zealand meet the international targets we have committed to as a country by putting a price on greenhouse gas emissions.

Through the Scheme, organisations can earn credits (called NZ units) for activities that absorb carbon dioxide, the main type of greenhouse gas. To make up for greenhouse emissions they generate, organisations also pay for credits through the Scheme or they can invest in activities to reduce their greenhouse gas emissions.

Each year, units tend to increase in value as the amount of units available is restricted by the government. This in turn encourages businesses to lower their emissions through innovation and development of low emission technology.

The Scheme means New Zealanders may pay a higher price for some goods and services because the cost is passed onto their consumers.

Emissions Trading Scheme



Source: MFE 2018. Improvements to the NZ Emissions Trading Scheme: Consultation document.



Landfills and the ETS

In 2013, organisations that own landfills, including WM New Zealand, were included in the Scheme.

This is because when the organic waste in a landfill, collected from businesses and the community, breaks down it naturally produces landfill gas – which is made up of a number of gases including methane, a greenhouse gas.

To significantly reduce greenhouse gas emissions from our landfills, WM New Zealand invests heavily in technology and infrastructure, which enables us to capture over 90% of the landfill gas. This is then either converted into electricity to supply homes and businesses across New Zealand or destroyed to stop it entering the atmosphere.

We also purchase credits through the Scheme for any landfill gas that is not captured from our landfills.

What does this mean for you?

The costs associated with the Emissions Trading Scheme, including the purchase of emissions credits and the capture and destruction of greenhouse gases from your waste, are factored into WM New Zealand's operational costs and reflected in our pricing.

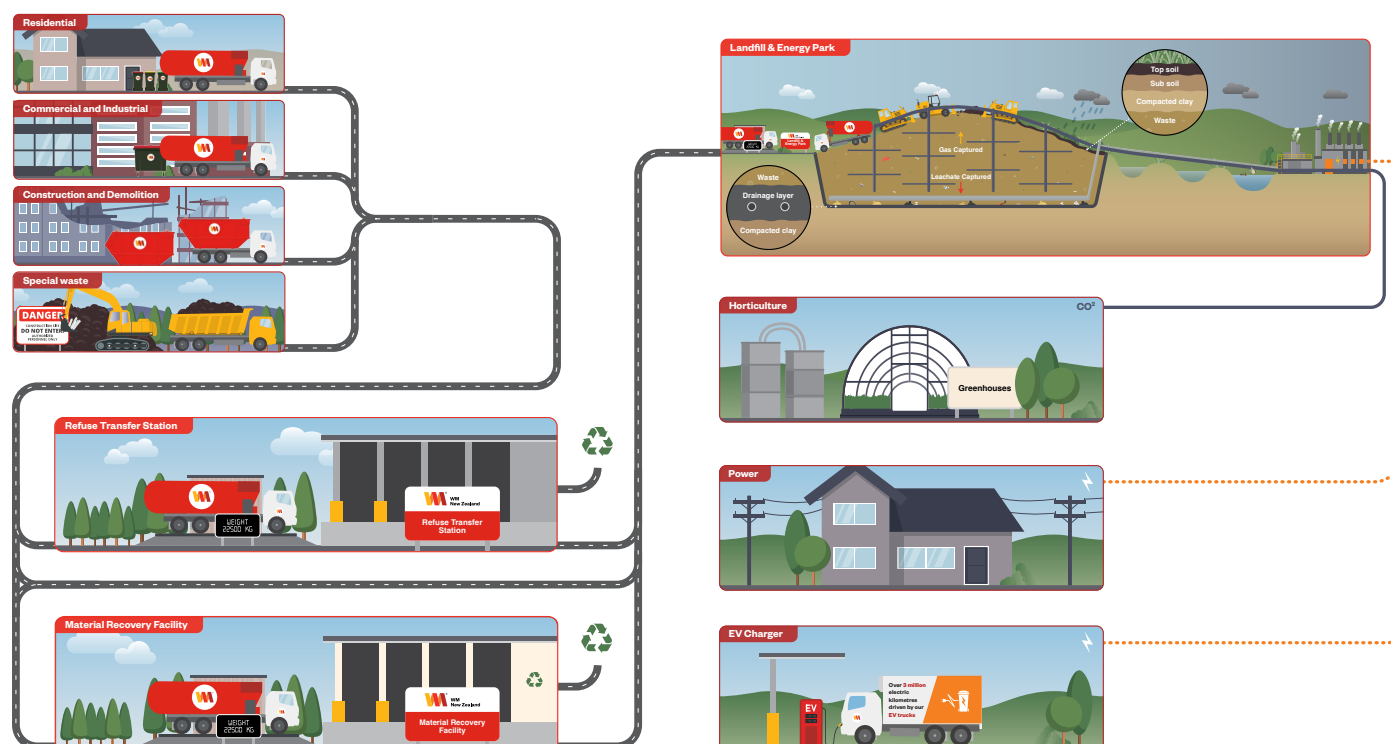
By capturing over 90% of the landfill gas, the number of credits we have to purchase through the Scheme is reduced. So instead of purchasing a larger number of credits, we use our funds to invest in the construction, maintenance and technology needed for our landfills to prevent most greenhouse gas entering the atmosphere in the first place.

At landfills not owned and operated by WM New Zealand, the landfill operator will purchase the required credits through the Scheme and pass this on to WM New Zealand, which will be included in your disposal charges.

What does this mean for the planet?

Our landfill and energy parks continue to be world leaders in protecting the environment from climate change by capturing most of the greenhouse gas that is created from your waste.

How a typical landfill and energy park works



A well-constructed and managed landfill and energy park can provide a safe environment for your waste and can minimise greenhouse gas emissions.