

DRAFT PROPOSAL FOR A WASTE LEVY IN NEW ZEALAND

The Horowhenua District council notes the draft proposal which was presented for consultation at the time of the year when all local authorities are considering hundreds of submissions on their Long Term Council Community Plans. Accordingly senior officers have prepared this submission on behalf of council against a background of more pressing and fundamental priorities.

We note that the proposal would result in central government levying a tax on Horowhenua District Council and any other organization that owns a landfill to provide funds from which it would first draw off \$2m in management fees, and then allocate the rest to worthy causes in the waste-minimization area. This proposal is for a new tax on this council so that central government has a new source of funds to promote activities that are not of themselves financially viable.

The Horowhenua District Council has a waste management plan that was adopted after public consultation and this sets out waste minimization activities suited to our district that are to be funded by our ratepayers. As owners of a landfill we respect our customers as responsible members of our community disposing of their waste in an environmentally sound manner and meeting the full costs (as calculated through the MfE model) through their gate fee. Some taxes such as the duties on liquor and tobacco, are structured with a view to discouraging certain activities by applying an economic disincentive. We do not see the behaviour of our landfill users as something to be discouraged.

Increasing the gate fee to cover the levy increases the benefit side of the risk scenario for those who consider alternative means of waste disposal. While it is acknowledged that this may result in less waste production it will also result in more fly tipping and other uncontrolled waste disposal practices.

The two purposes of the levy set out in section five are quite different. The first is similar to what this district proposes to undertake under the aegis of our Waste Management Plan. The second is of limited application in New Zealand and in particular in small town New Zealand. Waste arises in our community more through consumption than manufacturing. As a result the levy will come out of the pockets of ordinary citizens as they take their refuse to the landfill. It will not influence the decision-making of designers of products that are imported into New Zealand.

In section 6 there is a glib statement that in many circumstances payment of the levy could be avoided by ensuring cleaner production, or that waste is used beneficially such as by composting, mulching green waste or recovering recyclable plastic and metals. Other than cleaner production, these activities are already occurring in our district, so this is not a valid argument for us to use when we are faced with customers questioning the levy.

It is the view of this council that this tax has a poor accountability mechanism. The people who will pay the tax will have no ability to influence how it is spent.

We accept the view that a landfill levy will provide an economic incentive towards cleaner production. To do this it needs to be implemented. We accept the argument that it needs to be implemented across the country. We accept the view that it should not distort the waste market and that therefore the quantum should be equal on all landfills. We would accept that the desirable outcomes at the national level warrant a certain amount of inconvenience at the local level. We believe that an alternative approach is available.

We propose that

- the MfE sets the levy to be applied to all landfills, after consultation with stakeholders.
- Any local authority that owns a landfill imposes the prescribed levy and retains it for waste minimization activities in its district.
- Privately owned landfills provide the levy revenue direct to the local authority in which it is situated, for that authority to use in its waste minimization activities – or to allocate to other authorities where a demonstrable quantity of the waste arises outside of the host district.

In this proposal there is no new tax, no new bureaucracy and the payers have accountability mechanisms through established local government processes – primarily the waste management plan and the annual planning processes set out in the Local Government Act.

In this proposal there is no funding provided for waste minimization activities nation wide. Any organization who wishes to promote any such programme would need to source their funds from central government or form a consensus about the benefit of the programme such that local authorities will be persuaded to invest part of their levy income in it.

GS Boyle

CEO on behalf of senior officers of the Horowhenua District Council.